

DECLARATION OF CONDOMINIUM

OF

AVILA SOUTH CONDOMINIUM

I.

SUBMISSION STATEMENT

KAPPA CORP., FONIK CORP. and LOSCH CORP., Florida corporations, (hereinafter called the "Developer") are the owners of the fee simple title to that certain tract of land situated in the County of Dade, State of Florida, described in Exhibit 1 attached hereto and incorporated herein, and on which tract there ~~is being~~ or has been constructed AVILA SOUTH CONDOMINIUM, consisting ~~of One Hundred Ninety-six (196) residential condominium units and Four (4) recreation condominium units.~~ Developer does hereby submit the tract described in Exhibit 1 and the building thereon and the appurtenances thereto to condominium ownership and hereby declares the same to be a Condominium to be known and identified as AVILA SOUTH CONDOMINIUM.

II.

DEFINITIONS

As used in this Declaration of Condominium and By-Laws and Exhibits attached hereto, and all Amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

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

B. Association means the Florida Non-Profit Corporation whose name appears at the end of this Declaration, said Association being the entity responsible for the operation of the Condominium.

C. By-Laws means the By-Laws of the Association specified above, as they exist from time to time.

D. Common Elements means the portions of the Condominium property not included in the Units, but the common elements shall include easements through units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility service to units and common elements, and easements of support in every portion of a unit which contributes to the support of the improvements.

E. Limited Common Elements means and includes those common elements which are reserved for the use of a certain unit or units to the exclusion of all other units.

F. Condominium means that form of ownership of Condominium property under which units of improvements are subject to ownership by one or more owners, and there is appurtenant to each unit, as a part thereof, an undivided share in the common elements.

G. Condominium Act means and refers to the Condominium Act of the State of Florida (F.S. 711 Et. Seq.), as the same may be amended from time to time.

H. Common Expenses means the expenses for which the unit owners are liable to the Association.

THIS INSTRUMENT PREPARED BY MARTIN B. SHAPIRO, ESQ.
OF THE LAW FIRM OF GREENBERG, TRAUIG, HOFFMAN, LIPOFF & QUENTEL, P.A.
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I. Common Surplus means the excess of all receipts of the Association from this Condominium including, but not limited to, assessments, rents, profits and revenues on account of the common elements, over and above the amount of common expenses of this Condominium.

J. Condominium property means and includes the land in this Condominium, whether or not contiguous, and all improvements thereof, and all easements and rights thereto, intended for use in connection with the Condominium.

K. Assessment means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner.

L. Condominium parcel, or parcel, means a unit, together with the undivided share in the common elements which is appurtenant to the unit.

M. Condominium Unit, or Unit, or Private Dwelling, is a Unit as defined in the Condominium Act, referring herein to each of the separate and identified units delineated in the Survey attached to the Declaration as Exhibit No. 3, and when the context permits, the Condominium Parcel includes such unit, including its share of the common elements appurtenant thereto.

N. Unit Owner, or Owner of a Unit, or Parcel Owner, or Private Dwelling Owner, means the owner of a Condominium Parcel.

O. Developer means the Florida Corporations whose names appear at the end of this Declaration, their successors and assigns.

P. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate investment trust, or a lender generally recognized in the community as an institutional type lender. The mortgage may be placed through a mortgage or title company. The Developer and Lessor of the recreational facilities shall determine, in their sole discretion in case of question, who is an institutional mortgagee by virtue of being generally recognized in the community as an institutional type lender.

Q. Occupant means the person or persons, other than the unit owner, in possession of a unit.

R. Condominium Documents means this Declaration, the By-Laws and all Exhibits annexed hereto, as the same may be amended from time to time.

S. Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said term by Section 3 of the Condominium Act.

T. Agreement for Recreational Facilities means and refers to the Agreement under which the Association, as Lessee, and the unit owners have the right to the use of the recreation condominium units which Agreement is attached to this Declaration and made a part hereof. Lessor means the Lessor under the aforesaid Agreement.

U. Management Agreement means and refers to that certain Agreement attached to this Declaration and made a part hereof which provides for the management of the Condominium property and the recreation area and facilities.

V. Management Firm means and refers to the Corporation identified as the Management Firm in the Management Agreement attached to this Declaration, its successors and assigns. The Management Firm shall be responsible for the management of the Condominium property and the recreation area and facilities, as provided in the Management Agreement attached to this Declaration and made a part hereof.

W. Declarant shall mean the Developer.

X. Residential condominium units shall mean collectively all of the condominium units in the condominium other than the recreation condominium units.

Y. Recreation condominium units shall mean collectively recreation condominium units A, B, C, and D, which are the units leased by the Lessor to the Association pursuant to the Agreement For Recreational Facilities.

III.

OWNERSHIP OF COMMON ELEMENTS

Each of the unit owners of the Condominium shall own an undivided interest in the common elements and limited common elements, and the undivided interest, stated as percentages of such ownership in the said common elements and limited common elements, is set forth on Exhibit 2 which is annexed to this Declaration and made a part hereof.

The fee title to each Condominium parcel shall include both the Condominium unit and the above respective undivided interest in the common elements, said undivided interest in the common elements to be deemed to be conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee title to a Condominium unit from the undivided interest in the common elements appurtenant to each unit shall be null and void. The term "common elements", when used throughout this Declaration, shall mean both common elements and limited common elements, unless the context otherwise specifically requires.

IV.

VOTING RIGHTS

There shall be one person with respect to each unit ownership who shall be entitled to vote at any meeting of the unit owners. Such person shall be known (and is hereinafter referred to) as a "Voting Member". If a unit is owned by more than one person, the owners of said unit shall designate one of them as the Voting Member, or in the case of a Corporate unit owner, an officer or employee thereof shall be the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Association.

Each Condominium Unit shall be entitled to one vote. The vote of a Condominium Unit is not divisible. The recreation condominium units shall have no voting or membership rights in the Condominium Association.

V.

COMMON EXPENSE AND COMMON SURPLUS

The common expenses of the Condominium, not including the obligation of each unit owner for rent under the Agreement for Recreational Facilities shall be shared by the unit owners as specified and set forth in Exhibit 2. The foregoing ratio of sharing common expenses and assessments shall remain, regardless of the purchase price of the Condominium Parcels, their locations, or the building square footage included in each Condominium unit. The obligation of each unit owner for rent under the Agreement for Recreational Facilities is as set forth in that Agreement attached hereto as Exhibit 6, and is collectible by the Association as common expenses. The recreation condominium units shall not be required to share in the payment of common expenses and assessments.

Any common surplus of the Association shall be owned by each of the unit owners in the same proportion as their percentage ownership interest in the common elements, any common surplus being the excess

of all receipts of the Association from this Condominium including, but not limited to, assessments, rents, profits and revenues on account of the common expenses of this Condominium. The recreation condominium units shall not share in the common surplus of the Association; however, the foregoing shall not be interpreted as amending the provisions of the Agreement For Recreational Facilities.

VI.

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the unit owners of this Condominium called or convened in accordance with the By-Laws, by the affirmative vote of voting members casting not less than three-fourths (3/4) of the total vote of the members of the Condominium.

Each Amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded. No Amendment shall change any Condominium Parcel nor a Condominium unit's proportionate share of the common expenses or common surplus, nor the voting rights appurtenant to any unit, unless the record owner(s) thereof, and all record owners of mortgages or other voluntarily placed liens thereon, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages, or change the provisions of this Declaration with respect to institutional mortgagees, without the written approval of all institutional mortgagees of record, nor shall the provisions of ARTICLE XI of this Declaration be changed without the written approval of all institutional mortgagees of record.

Notwithstanding the foregoing, this Declaration may not be amended without the written approval of the Lessor under the Agreement for Recreational Facilities and the Management Firm under the Management Agreement, as long as the said Management Agreement attached to this Declaration remains in effect, which said approvals shall not be unreasonably withheld. No Amendment shall change the rights and privileges of the Developer without the Developer's written approval.

Notwithstanding the foregoing paragraphs of this ARTICLE VI, the Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, as long as the Developer owns the units so altered; however, no such change shall increase the number of units nor alter the boundaries of the common elements, except the party wall between any Condominium units, without Amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in units, as provided in this paragraph, such changes shall be reflected by the Amendment of this Declaration with a survey attached, reflecting such authorized alteration of units, and said Amendment need only be executed and acknowledged by the Developer and any holders of institutional mortgages encumbering the said altered units. The survey shall be certified in the manner required by the Condominium Act. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements appurtenant to the units concerned, and the voting rights, together with apportioning the common expenses and common surplus of the units concerned, and such shares of common elements, common expenses and common surplus, and the voting rights of the units concerned shall be duly noted in the Amendment of the Declaration. The rent under the Agreement for Recreational Facilities shall be apportioned by the Developer, with the Lessor's written approval, and same shall be reflected in the Amendment to Declaration.

VII.

BY-LAWS

The operation of the Condominium property shall be governed by the By-Laws of the Association which are set forth in a document

which is annexed to this Declaration, marked Exhibit No. 4, and made a part hereof.

No modification of or Amendment to the By-Laws of said Association shall be valid unless set forth in or annexed to a duly recorded Amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no Amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel(s), or which would change the provisions of the By-Laws with respect to institutional mortgages, without the written approval of all institutional mortgagees of record. The By-Laws may not be amended without the written approval of the Lessor under the Agreement for Recreational Facilities and of the Management Firm, as required for amendments of this Declaration as provided in ARTICLE VI hereinabove. No amendment shall change the rights and privileges of the Developer without the Developer's written approval.

VIII.

THE OPERATING ENTITY

The operating entity of the Condominium shall be the Florida Non-Profit Corporation whose name appears at the end of this Declaration which is responsible for the operation of the Condominium, said Association being organized and existing pursuant to the Condominium Act. The said Association shall have all of the powers and duties set forth in the Condominium Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the By-Laws of the Association and its Articles of Incorporation, a copy of said Articles of Incorporation being annexed hereto, marked Exhibit No. 3 and made a part hereof, and all of the powers and duties necessary to operate the Condominium as set forth in this Declaration and the By-Laws and as they may be amended from time to time.

Every owner of a Condominium Parcel, whether he has acquired his ownership by purchase, by gift, conveyance or transfer by operation of law, or otherwise, shall be bound by the By-Laws and Articles of Incorporation of the said Association, the provisions of this Declaration, the Agreement for Recreational Facilities and the Management Agreement.

IX.

ASSESSMENTS

The Association, through its Board of Directors, has delegated to the Management Firm the power of the Association to fix and determine from time to time the sum or sums necessary and adequate to provide for the common expenses of the Condominium property, and such other sums as are specifically provided for in this Declaration and the By-Laws, and the Exhibits attached hereto, for such period of time as provided in the Management Agreement and, thereafter, the Association shall have such power. The Association, through its Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the common expenses of the Condominium property and such other assessments as are specifically provided for in this Declaration and Exhibits attached hereto where said power has not been or is no longer delegated to the Management Firm. The procedure for the determination of all such assessments shall be as set forth in the By-Laws of the Association and this Declaration, and the Exhibits attached hereto.

The common expenses shall be assessed against each Condominium Parcel Owner as provided for in ARTICLE V of this Declaration.

Assessments that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) per cent per annum from due date until paid and, at the sole discretion of the Management Firm and/or the Board of Directors, a late charge of Twenty-Five (\$25.00) Dollars shall be due and payable.

The Association and the Management Firm, as long as the Management Agreement remains in effect, shall have a lien on each Condominium Parcel for unpaid assessments, together with interest thereon, against the unit owner of such Condominium Parcel, together with a lien on all tangible personal property located within said unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorneys' fees incurred by the Association and Management Firm incident to the collection of such assessments or the enforcement of such lien, together with all sums advanced and paid by the Association or the Management Firm for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association or Management Firm in order to preserve and protect its lien, shall be payable by the unit owner and secured by such lien. The aforesaid lien shall also include those sums advanced on behalf of a unit owner in payment of his obligation under the Agreement for Recreational Facilities and Management Firm for as long as the Management Agreement remains in effect, and the Board of Directors may take such action as it deems necessary to collect assessments by personal action or by enforcing and foreclosing said lien, and may settle and compromise the same if deemed in its best interests. Said lien shall be effective as and in the manner provided for by the Condominium Act and shall have the priorities established by said Act. The Management Firm, as long as the Management Agreement remains in effect, and the Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the unit owner shall be required to pay a reasonable rental for the Condominium Parcel and Plaintiff, in such foreclosure, shall be entitled to the appointment of a Receiver to collect same from the unit owner and/or occupant.

Where the mortgagee of an institutional first mortgage of record, or other purchaser of a Condominium unit, obtains title to a Condominium Parcel as a result of foreclosure of the institutional first mortgage, or when an institutional first mortgagee of record accepts a Deed to said Condominium Parcel in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for the shares of common expenses or assessments by the Management Firm or the Association pertaining to such Condominium Parcel, or chargeable to the former unit owner of such parcel, which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such Deed in lieu of foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners, excluding such acquirer, its successors and assigns.

In addition to the foregoing provisions of the preceding paragraph where the institutional mortgagee whose first mortgage is placed upon a Condominium Parcel as and incident to and in connection with the original sale of the Condominium Parcel obtains title to a Condominium Parcel as a result of foreclosure of its mortgage or it accepts a Deed to said Condominium Parcel in lieu of foreclosure, said mortgagee shall not be liable for that portion of the common expenses or assessments made by the Association allocated for rent of the recreational facilities under the Agreement for Recreational Facilities for as long thereafter as said mortgagee shall continue to be the owner of said Condominium Parcel and said mortgagee, as owner of said Condominium Parcel, shall receive a complete and total abatement of common expenses or assessments by the Association allocated for rent of the recreational facilities under the Agreement for Recreational Facilities. Said mortgagee shall receive the full benefit of the foregoing, excepting such time when said mortgagee shall lease said Condominium Parcel and, notwithstanding the foregoing, said mortgagee and/or its Lessee shall be entitled to the use and enjoyment of the recreational facilities provided under the Agreement for Recreational Facilities. The aforesaid abatement shall in no way operate to extinguish or impair the liens for common expenses nor the Agreement For Recreational Facilities except as provided herein, and said abated common expenses shall never be chargeable to or collectible from said mortgagee, its grantee, successors or assigns. Upon the

said mortgagee's conveying its title to the Condominium Parcel so acquired by it (and the said conveyance shall be subject to this Declaration and Exhibits attached hereto, including the Agreement for Recreational Facilities), the foregoing abatement shall cease and the purchaser of said Condominium Parcel from said mortgagee shall be liable for such share of common expenses or assessments by the Association as to the Agreement for Recreational Facilities from and after the date of the acquisition of title.

Any person who acquires an interest in a unit, except through foreclosure of an institutional first mortgage of record, as specifically provided in the paragraph immediately preceding, including, without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the unit or enjoyment of the common elements until such time as all unpaid assessments due and owing by the former unit owners have been paid. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to the Developer, or to any unit owner or group of unit owners, or to any third party.

X.

PROVISIONS RELATING TO SALE OR RENTAL OR OTHER
ALIENATION OR MORTGAGING OF CONDOMINIUM UNITS

A. SALE OR RENTAL OF UNITS - Association and Management Firm
to Have Right of First Refusal.

1. In the event any unit owner wishes to sell, rent or lease his unit, the Association and Management Firm, as long as the Management Agreement remains in effect, shall have the option to purchase, rent or lease said unit, upon the same conditions as are offered by the unit owner to a third person. Any attempt to sell, rent or lease said unit without prior offer to the Association and Management Firm shall be deemed a breach of this Declaration and shall be wholly null and void, and shall confer no title or interest whatsoever upon the intended purchaser, tenant or lessee.

2. Should a unit owner wish to sell, lease or rent his Condominium Parcel, he shall, before accepting any offer to purchase, sell, lease or rent his Condominium Parcel, deliver to the Management Firm and Board of Directors of the Association a written notice containing the terms of the offer he has received or which he wishes to accept, the name and address of the person(s) to whom the proposed sale, lease or transfer is to be made, two bank references and three individual references (local, if possible) and such other information (to be requested within five (5) days from receipt of such notice) as may be required by the Board of Directors of the Association or the Management Firm. The Board of Directors of the Association, or the Management Firm, is authorized to waive any or all of the references aforementioned.

3. The Board of Directors of the Association and the Management Firm, within ten (10) days after receiving such notice and such supplemental information as is required by the Board of Directors or Management Firm, shall either consent to the transaction specified in said notice, or by written notice to be delivered to the unit owner's unit (or mailed to the place designated by the unit owner in his notice), designate the Association, or the Management Firm may designate itself, or the Association or the Management Firm may designate one or more persons then unit owners, or any other person(s) satisfactory to the Board of Directors of the Association and the Management Firm, who are willing to purchase, lease or rent upon the same terms as those specified in the unit owner's notice.

4. The stated designee of the Board of Directors or Management Firm shall have fourteen (14) days from the date of the notice sent by the Board of Directors or Management Firm within which to make a binding offer to buy, lease or rent upon the same terms and conditions specified in the unit owner's notice. Thereupon, the unit owner shall either accept such offer or withdraw and/or reject the offer specified in his notice to the Board of Directors and Management Firm. Failure of the Board of Directors and Management Firm to designate such person(s) or failure of such person(s) to make such offer within the said fourteen (14) day period shall be deemed consent by the Board of Directors and Management Firm to the transaction specified in the unit owner's notice, and the unit owner shall be free to make or accept the offer specified in his notice, and sell, lease or rent said interest pursuant thereto to the prospective purchaser or tenant named therein within ninety (90) days after his notice was given.

5. The consent of the Board of Directors of the Association and of the Management Firm shall be in recordable form, signed by two officers of the Association and an executive officer of the Management Firm, and shall be delivered to the purchaser or lessee. Should the Board of Directors and Management Firm fail to act, as herein set forth, and within the time provided herein, the Board of Directors of the Association and the Management Firm shall, nevertheless, thereafter prepare and deliver its written approval, in recordable form, as aforesaid, and no conveyance of title or interest whatsoever shall be deemed valid without the consent of the Board of Directors and the Management Firm, as herein set forth.

6. The sub-leasing or sub-renting of a unit owner's interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall have the right to require that a substantially uniform form of lease or sub-lease be used or, in the alternative, the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors' approval of the lease or sub-lease form to be used, shall be required. After approval, as herein set forth, entire units may be rented, provided the occupancy is only by the Lessee, his family and guests. No individual rooms may be rented and no transient tenants may be accommodated.

7. Where a corporate entity is the owner of a unit, it may designate the occupants of the units as it desires and for such period of time as it desires without compliance with the provisions of Section A of this ARTICLE X. The foregoing shall not be deemed an assignment or sub-leasing of a unit and shall be deemed to be in compliance with the provisions of the first paragraph of ARTICLE XII of this Declaration.

8. The Management Firm is not authorized to designate the Association as the purchaser or lessee of a unit, and the Association's right to designate itself as the purchaser or lessee of a unit, or designate a third person to purchase or lease a unit, shall be prior to the right of the Management Firm.

9. The Association or the Management Firm shall have the right to require that sales of Condominium Parcels be effected by a form of Warranty Deed to be supplied by the Association or the Management Firm.

B. MORTGAGE AND OTHER ALIENATION OF UNITS.

1. A unit owner may not mortgage his unit nor any interest therein without the approval of the Association and the Management Firm, as long as the Management Agreement remains in effect, except to an institutional mortgagee, as hereinbefore defined.

The approval of any other mortgagee may be upon conditions determined by the Board of Directors of the Association and the Management Firm, and said approval, if granted, shall be in recordable form, executed by two officers of the Association and an executive officer of the Management Firm.

2. No judicial sale of a unit nor any interest therein shall be valid unless:

(a) The sale is to a purchaser approved by the Association and the Management Firm, as long as the Management Agreement remains in effect, which approval shall be in recordable form, executed by two officers of the Association and an executive officer of the Management Firm, and delivered to the purchaser; or

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

3. Any sale, mortgage or lease which is not authorized pursuant to the terms of the Declaration shall be void, unless subsequently approved by the Board of Directors of the Association and the Management Firm, as long as the Management Agreement remains in effect, and said approval shall have the same effect as though it had been given and filed of record simultaneously with the instrument it approved.

4. The foregoing provisions of this ARTICLE X shall not apply to transfers by a unit owner to any member of his immediate family (viz., spouse, children or parents).

The phrase "sell, rent or lease", in addition to its general definition, shall be defined as including the transferring of a unit owner's interest by gift, devise or involuntary or judicial sale.

In the event a unit owner dies and his unit is conveyed or bequeathed to some person other than his spouse, children or parents, or if some other person is designated by the decedent's legal representative to receive the ownership of the Condominium unit, or if under the laws of descent and distribution of the State of Florida, the Condominium unit descends to some person or persons other than the decedent's spouse, children or parents, the Board of Directors of the Association or the Management Firm may, within thirty (30) days of proper evidence or rightful designation served upon the President or any other officer of the Association and the Management Firm, or within thirty (30) days from the date the Association and Management Firm is placed on actual notice of the said devisee or descendant, express its refusal or acceptance of the individual or individuals so designated as the owner of the Condominium Parcel.

If the Board of Directors of the Association and Management Firm shall consent, ownership of the Condominium Parcel may be transferred to the person or persons so designated, who shall thereupon become the owner(s) of the Condominium Parcel, subject to the provisions of the Enabling Declaration and the Exhibits attached thereto.

If, however, the Board of Directors of the Association or the Management Firm shall refuse to consent, then the members of the Association or the Management Firm shall be given an opportunity during thirty (30) days next after said last above mentioned thirty (30) days within which to purchase or to furnish a purchaser for cash the said Condominium Parcel, at the then fair market value thereof. Should the parties fail to agree on the value of such Condominium Parcel, the same shall be determined by an appraiser appointed by the Senior Judge of the Circuit Court in and for Dade County, Florida,

upon ten (10) days' notice, on the petition of any party in interest. The expense of appraisal shall be paid by the said designated person or persons, or the legal representative of the deceased owner, out of the amount realized from the sale of such Condominium Parcel. In the event the members of the Association or the Management Firm do not exercise the privilege of purchasing or furnishing a purchaser for said Condominium Parcel within such period and upon such terms, the person or persons so designated may then, and only in such event, take title to the Condominium Parcel; or such person or persons, or the legal representative of the deceased owner, may sell the said Condominium Parcel and such sale shall be subject in all other respects to the provisions of the Enabling Declaration and Exhibits attached hereto.

5. The liability of the unit owner under these covenants shall continue, notwithstanding the fact that he may have leased, rented or sub-let said interest, as provided herein. Every purchaser, tenant or lessee shall take subject to this Declaration and all Exhibits attached hereto, including the By-Laws and Articles of Incorporation of the Association, the Agreement for Recreational Facilities and the Management Agreement, as well as the provisions of the Condominium Act.

6. Special Provisions re Sale, Leasing, Mortgaging or Other Alienation by Certain Mortgagees and Developer and the Management Firm and Lessor under the Agreement for Recreational Facilities.

(a) An institutional first mortgagee holding a mortgage on a Condominium Parcel, or the Management Firm, or the Lessor under the Agreement for Recreational Facilities, upon becoming the owner of a Condominium Parcel through foreclosure, or by Deed in lieu of foreclosure, or whomsoever shall become the acquirer of title at the foreclosure sale of an institutional first mortgage or the lien for common expenses, or the lien under the Agreement for Recreational Facilities, shall have the unqualified right to sell, lease or otherwise transfer said unit, including the fee ownership thereof, and/or to mortgage said parcel without prior offer to the Board of Directors of the Association and the Management Firm and without the prior approval of the said Board of Directors and the Management Firm. The provisions of Sections A and B, paragraphs 1 through 5, of this ARTICLE X, shall be inapplicable to such institutional first mortgagee or the Management Firm or the Lessor under the Agreement for Recreational Facilities, or acquirer of title, as afore-described in this paragraph.

(b) The provisions of Sections A and B, paragraphs 1 through 5, of this ARTICLE X, shall be inapplicable to the Developer, Lessor under the Agreement for Recreational Facilities, Management Firm, and any other person who, together with Developer, owns a Condominium Parcel. The said Developer, Lessor and Management Firm are irrevocably empowered to sell, lease, rent and/or mortgage Condominium Parcels or units, and portions thereof, to any purchaser, lessee or mortgagee approved by them; however, as to said Lessor, the foregoing shall be subject to the provisions of the Agreement for Recreational Facilities. The Developer shall have the right to transact any business necessary to consummate sales or rentals of units, or portions thereof, including, but not limited to, the right to maintain models, have signs, use the common elements and to show units. The sales office(s), signs, and all items pertaining to sales shall not be considered common elements and shall remain the property of the Developer.

INSURANCE PROVISIONS

A. LIABILITY INSURANCE.

The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association shall obtain public liability and property damage insurance covering all of the common elements of the Condominium and insuring the Association, the unit owners and the Management Firm as long as the Management Agreement remains in effect, and the common owners, as its and their interests appear, in such amounts and providing such coverage as the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association may determine from time to time, provided that the minimum amount of coverage shall be \$100,000/\$300,000/\$10,000. Premiums for the payment of such insurance shall be paid by the Management Firm as long as the Management Agreement remains in effect and thereafter by the Board of Directors of the Association, and such premiums shall be charged as a common expense.

B. CASUALTY INSURANCE.

1. Purchase of Insurance. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interests of the Association, all unit owners and their mortgagees, as their interests may appear, in a company acceptable to the standards set by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association in an amount equal to the maximum insurable replacement value, as determined annually by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association. The premiums for such coverage and other expenses in connection with said

11

insurance shall be paid by the Management Firm as long as the Management Agreement remains in effect and thereafter by the Association, and shall be charged as a common expense. The company or companies with whom the Management Firm and thereafter the Association shall place its insurance coverage, as provided in this Declaration, must be good and responsible companies authorized to do business in the State of Florida.

The institutional first mortgagee owning and holding the first recorded mortgage encumbering a Condominium unit shall have the right, for so long as it owns and holds any mortgage encumbering a Condominium unit, to approve the policies and the company or companies who are the insurers under the insurance placed by the Management Firm and thereafter by the Association, as herein provided, and the amount thereof, and the further right to designate and appoint the Insurance Trustee. At such times as the aforesaid institutional first mortgagee is not the holder of a mortgage on a unit, then these rights of approval and designation shall pass to the institutional first mortgagee having the highest dollar indebtedness on units in the Condominium property and, in the absence of the action of said mortgagee, then the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association shall have said right, without qualification.

2. Loss Payable Provisions - Insurance Trustee. All policies purchased by the Management Firm and thereafter by the Association shall be for the benefit of the Association, and all unit owners and their mortgagees, as their interests may appear. However, the Insurance Trustee shall be the named insured and it shall not be necessary to name the Association or the unit owners; however, mortgagee endorsements shall be issued. Such policies shall 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. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, which may be any bank in Florida with trust powers as may be approved by the Management Firm as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association, which Trustee is herein referred to as the "Insurance Trustee", subject, however, to the paramount right of the institutional mortgagee specified in the preceding paragraph to designate and appoint the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds, nor for the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Association and the unit 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 - an undivided share for each unit owner, such share being the same as the undivided share in the common elements appurtenant to his unit.

(b) Condominium Units. Proceeds on account of Condominium units shall be in the following undivided shares:

(1) Partial Destruction. When units are to be repaired and restored, for the owners of the damaged units, in proportion to the cost of repairing the damage suffered by each unit.

(ii) Total Destruction of Condominium improvements, or where "very substantial" damage occurs and the Condominium improvements are not to be restored, as provided hereinafter in this ARTICLE, for the owners of all Condominium units, each owner's share being in proportion to his share in the common elements appurtenant to his Condominium unit.

(c) Mortgagees. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owners 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.

3. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners and expended or disbursed after first paying or making provision for the 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 and restored, the remaining proceeds shall be paid to defray the cost thereof, as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by said mortgagee. Said remittances shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of reduction of its mortgage debt.

(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 repaired or restored, the proceeds shall be disbursed to the beneficial owners; remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee to a unit and may be enforced by such mortgagee. Said remittances shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association and should the Board of Directors of the Association determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the beneficial owners as surplus in the manner elsewhere stated herein.

(c) Certificate. In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, as to the names of the unit owners and their respective shares of the distribution, approved in writing by an attorney authorized to practice law in the State of Florida, a title insurance company or abstract company authorized to do business in the State of Florida. Upon request of the Insurance Trustee, the Management Firm, and thereafter the Association, shall forthwith deliver such certificate.

4. Loss Within a Single Unit. If loss shall occur within a single unit or units without damage to the common elements and/or the party wall between units, the provisions of ARTICLE XI, Section B, Paragraph 5, below shall apply.

5. Loss Less Than "Very Substantial". Where a loss or damage occurs within a unit or units, or to the common elements, or to any unit or units and the common elements, but said loss is less than "very substantial" (as hereinafter defined), it shall be obligatory upon the Association and the unit owner(s) to repair, restore and rebuild the damage caused by said loss. Where such loss or damage is less than "very substantial":

(a) The Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Board of Directors of the Association, shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(b) If the damage or loss is limited to the common elements with no or minimum damage or loss to any individual units, and if such damage or loss to the common elements is less than \$3,000.00, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Management Firm, as long as the Management Agreement remains in effect, and thereafter to the Association, and the Management Firm and thereafter the Association shall promptly contract for the repair and restoration of the damage.

(c) If the damage or loss involves individual units encumbered by institutional first mortgages, as well as the common elements, or if the damage is limited to the common elements alone, but it is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Management Firm, as long as the Management Agreement remains in effect, and thereafter of the Association; provided, however, that upon the request of an institutional first mortgagee, the written approval shall also be required of the institutional first mortgagee owning and holding the first recorded mortgage encumbering a Condominium unit, so long as it owns and holds any mortgage encumbering a Condominium unit. At such time as the aforesaid institutional first mortgagee is not the holder of a mortgage on a unit, then this right of approval and designation shall pass to the institutional first mortgagee having the highest dollar indebtedness on units in the Condominium property. Should written approval be required, as aforesaid, it shall be said mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, and the aforesaid institutional first mortgagee's written approval. If said institutional first mortgagee's approval is required as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee and execute any affidavit required by law or by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Association, the aforesaid institutional first mortgagee and the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the institutional first mortgagee whose approval may be required, as aforesaid, shall have the right to require the Management Firm and thereafter the Association to obtain a Completion, Performance and Payment Bond in

such form and amount and with a bonding company authorized to do business in the State of Florida as is acceptable to the said mortgagee.

(d) Subject to the foregoing, the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(e) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof if the work has actually been done), the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners in proportion to the unit owner's share in the common elements for that portion of the deficiency as is attributable to the cost for restoration of the common elements, and against the individual owners for that portion of the deficiency as is attributable to his individual unit; provided, however, that if the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual damaged unit(s), then the Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Board of Directors, shall levy an assessment for the total deficiency against all of the unit owners in proportion to the unit owners' share in the common elements, just as though all of said damage had occurred in the common elements. The special assessment funds shall be delivered by the Management Firm, and thereafter by the Association, to the Insurance Trustee, and added by said Insurance Trustee to the proceeds available for the repair and restoration of the property.

(f) Notwithstanding anything contained in this Article to the contrary, an institutional first mortgagee shall always be entitled to receive, in reduction of its mortgage debt, that portion of insurance proceeds apportioned to its mortgaged unit in the same share as the share in the common elements appurtenant to such unit, in the event:

- (i) Its mortgage is not in good standing and is in default; or,
- (ii) The insurance proceeds are not sufficient to complete restoration, reconstruction or repair and the association has not made additional funds available for such purposes; or,
- (iii) It is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different from that existing prior to the casualty and such mortgagee has not consented in writing to such change or alteration.

(g) All disbursements for repair or restoration, whether made by the insurance trustee, the management firm, or the association, shall require the prior written approval of the institutional first mortgagee having the highest dollar indebtedness on units in the Condominium property.

6. "Very Substantial" Damage. As used in this Declaration, or any other context dealing with this Condominium, the term "very substantial" damage shall mean loss or damage whereby three-fourths (3/4ths) or more of the total unit space in the Condominium is rendered untenable, or loss or damage whereby seventy-five (75%) percent or more of the total amount of insurance coverage (placed as per ARTICLE XI, Section B, Paragraph 1) becomes payable. Should such "very substantial" damage occur, then:

(a) The Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Board of Directors of the Association, shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof.

(b) The provisions of ARTICLE XI, Section B, Paragraph 5(f), shall not be applicable to any institutional first mortgagee who shall have the right, if its mortgage so provides, to require application of the insurance proceeds to the payment or reduction of its mortgage debt. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, shall ascertain as promptly as possible the net amount of insurance proceeds available for restoration and repair.

(c) Thereupon, a membership meeting shall be called by the Management Firm or by the Board of Directors of the Association to be held not later than sixty (60) days after the casualty to determine the wishes of the membership with reference to the abandonment of the Condominium project, subject to the following:

(i) If the net insurance proceeds available for restoration and repair, together with the funds advanced by unit owners to replace insurance proceeds paid over to institutional first mortgagees, are sufficient to cover the cost thereof so that no special assessment is required, then the Condominium property shall be restored and repaired, unless two-thirds (2/3rds) of the unit owners of this Condominium shall vote to abandon the Condominium project, in which case the Condominium property shall be removed from the provisions of the law by the recording of an instrument terminating this Condominium in the Public Records of Dade County, Florida, which said instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its President and Secretary. The termination of the Condominium shall become effective upon the recording of said instrument and the unit owners shall thereupon become owners as tenants in common in the property; i.e., the real, personal, tangible, and intangible personal property, and the Association's interest in the Agreement for Recreational Facilities and any remaining structures of the Condominium and their undivided interests in the property shall be the same as their undivided interests in the common elements of this Condominium prior to its termination, and the mortgages and liens upon Condominium Parcels shall become mortgages and liens upon the undivided interests of such tenants in common, with the same priority as existed prior to the termination of the Condominium.

(ii) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over to institutional first mortgagees, are not sufficient to cover the costs thereof so that a special assessment will be required, and if a majority of the unit owners of this Condominium vote against such special assessment and to abandon the Condominium project, then it shall be so abandoned and the Condominium property removed from the provisions of the

law and the Condominium terminated, as set forth in Paragraph 6, sub-section (c)(i) above, and the unit owners shall be tenants in common in the property in such undivided interests, and all mortgages and liens upon the Condominium Parcels shall encumber the undivided interests of such tenants in common, as is provided in said Paragraph 6, sub-section (c)(i) above. In the event a majority of the unit owners of this Condominium vote in favor of special assessments, the Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Association, shall immediately levy such assessment and, thereupon, the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall proceed to negotiate and contract for such repairs and restoration subject to the provisions of Paragraph 5, sub-sections (c) and (d) above. The special assessment funds shall be delivered by the Management Firm, and thereafter by the Association, to the Insurance Trustee and added by said Trustee to the proceeds available for the restoration and repair of the property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property as provided in Paragraph 5, sub-section (c) above. To the extent that any insurance proceeds are paid over to such mortgagee and in the event it is determined not to abandon the Condominium project and to vote a special assessment, the unit owner shall be obliged to replenish the funds so paid over to his mortgagee, and said unit owner and his unit shall be subject to special assessment for such sum.

(d) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association, shall be binding upon all unit owners.

(e) *

7. Surplus. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds, and if there is a balance in the funds held by the Insurance Trustee after the payment of all cost of the repair and restoration, such balance shall be distributed to the beneficial owners of the fund, in the manner elsewhere provided herein.

8. Certificate. The Insurance Trustee may rely upon a Certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Management Firm, and thereafter the Association, shall forthwith deliver such Certificate.

9. Plans and Specifications. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Management Firm and the Board of Directors of the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all institutional first mortgagees shall also be required.

10. Association's Power to Compromise Claim. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, is hereby irrevocably appointed agent for each unit owner for the purpose of compromising and

* (e) All disbursements for repair or restoration, whether made by the insurance trustee, the management firm, or the association, shall require the prior written approval of the institutional

settling claims arising under insurance policies purchased by the Management Firm and thereafter by the Association, and to execute and deliver releases therefor upon the payment of claims.

11. Institutional Mortgagee's Right to Advance Premiums.
Should the Association fail to pay such premiums when due or should the Association fail to comply with other insurance requirements of the institutional mortgagee holding the greatest dollar volume of unit mortgages, said institutional mortgagee(s) shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance and, to the extent of the money so advanced, said mortgagee shall be subrogated to the assessment and lien rights of the Association as against the individual unit owners for the payment of such item of common expense.

C. WORKMEN'S COMPENSATION POLICY - to meet the requirements of law.

D. Such other insurance as the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, shall determine from time to time to be desirable.

E. Each individual unit owner shall be responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his own unit and for purchasing insurance upon his own personal property.

F. If available, and where applicable, the Management Firm, and thereafter the Association, shall endeavor to obtain policies which provide that the Insurer waives its right of subrogation as to any claims against unit owners, the Association, their respective servants, agents and guests, and the Management Firm.

XII.

USE AND OCCUPANCY

The owner of a unit shall occupy and use his apartment unit as a single family private dwelling for himself and the adult members of his family and his social guests, and for no other purpose. No children under Twelve (12) years of age shall be permitted to reside in any of the units or rooms thereof in this Condominium, except that children may be permitted to visit and temporarily reside for reasonable periods in any calendar year.

The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance in the Condominium property, or which will obstruct or interfere with the rights of other unit owners or annoy them by unreasonable noises, or otherwise, nor shall the unit owners commit or permit any nuisance, immoral or illegal acts in or about the Condominium property.

Pets are prohibited from the premises.

The unit owner shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of the building(s); nor shall the unit owner place any furniture or equipment outside his unit except with the prior written consent of the Management Firm, as long as the Management Agreement remains in effect, and thereafter of the Board of Directors, and further, when approved, subject to the Rules and Regulations adopted by the Management Firm or Board of Directors. No clothes line or similar device shall be allowed on any portion of the Condominium property, nor shall clothes be hung anywhere except where designated by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association.

No laundry facilities or equipment shall be permitted in any unit, or elsewhere, without the written consent of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, of the Board of Directors of the Association.

No person shall use the common elements, or any part thereof, or a Condominium unit, or the Condominium property, 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 promulgated by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Association.

XIII.

MAINTENANCE AND ALTERATIONS

A. The Board of Directors of the Association may enter into a contract with any firm, person or corporation, or may join with other Condominium Associations and entities in contracting for the maintenance and repair of the Condominium property or properties and other type properties, and may contract for or may join with other Condominium Associations in contracting for the management of the Condominium property or properties and other type properties, and may delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration, or by the By-Laws, to have the approval of the Board of Directors or the membership of the Association. The contractor or manager may be authorized to collect assessments as provided by this Declaration, By-Laws and Exhibits to the Declaration. The Association, through its Board of Directors, has entered into a Management Agreement, a copy of which is attached to this Declaration of Condominium, which encompasses the provisions of this paragraph.

B. There shall be no alterations or additions to the common elements or limited common elements of this Condominium where the cost thereof is in excess of ten (10%) per cent of the annual budget of the Condominium for common expenses, excluding rent as to the recreational facilities under the Agreement for Recreational Facilities hereinafter referred to, except as authorized by the Management Firm, as long as the Management Agreement remains in effect, and the Board of Directors, and approved by not less than seventy five (75%) per cent of the unit owners of this Condominium; provided the aforesaid alterations or additions do not prejudice the right of any unit owner, unless his consent has been obtained. The cost of the foregoing shall be assessed as common expenses. Where any alteration or additions, as aforescribed; i.e., as to the common elements or limited common elements of this Condominium, are exclusively or substantially exclusively for the benefit of the unit owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from the unit owner(s) exclusively or substantially exclusively benefiting, and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association. Where such alterations or additions exclusively or substantially exclusively benefit unit owners requesting same, said alterations or additions shall only be made when authorized by the Management Firm, as long as the Management Agreement remains in effect, and the Board of Directors, and approved by not less than seventy-five (75%) per cent of the unit owners exclusively and substantially exclusively benefiting therefrom and where said unit owners are ten (10) or less, the approval of all but one shall be required. The foregoing is subject to the written approval of the Management Firm.

1. There shall be no additions or alterations to the recreation facilities under the Agreement for Recreational Facilities attached to this Declaration of Condominium without the written consent of the Lessor, except as provided for in the By-Laws of the Association and the Agreement for Recreational Facilities and Management Agreement which are attached to this Declaration of Condominium.

2. Where the approval of unit owners for alterations to the common elements or limited common elements of this Condominium or the recreation facilities is required in this Declaration and Exhibits attached hereto, the approval of institutional first mortgagees whose mortgages encumber Condominium Parcels in this Condominium representing not less than seventy (70%) per cent of the total unpaid dollar indebtedness as to principal on said parcels at said time, shall also be required.

C. Each unit owner agrees as follows:

1. To maintain in good condition and repair his unit and all interior surfaces within his unit, and the entire interior of his unit and to maintain and repair the fixtures and equipment therein which includes, but is not limited to the following when applicable: air conditioning and heating units, including condensers and all appurtenances thereto wherever situated, and refrigerator, stove, fans, dishwasher, and all other appliances; drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the unit, electric panels, electric wiring and electric outlets and fixtures within the unit; interior doors, windows, screening and glass; all exterior doors, except the painting of the exterior of exterior doors shall be a common expense of the Condominium; and pay for all his utilities; i.e., electric, water, sewage and telephone. Where a unit is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the owner or said unit. Each unit owner shall maintain, care for and preserve portions of the limited common elements as provided in ARTICLE XIV of this Declaration.

2. Not to make or cause to be made any structural addition or alteration to his unit or to the limited common elements or common elements. Alterations within a unit may be made with the prior written consent of the Management Firm and the Association, and any first mortgagee holding a mortgage on his unit.

3. To make no alterations, decoration, repair, replacement or change of the common elements, limited common elements, or to any outside or exterior portion of the building, whether within a unit or part of the limited common elements or common elements without the prior written consent of the Management Firm, as long as the Management Agreement remains in effect, and thereafter of the Association. Unit owners may use such contractor or sub-contractor as approved by the Management Firm and said parties shall comply with all Rules and Regulations adopted by the Management Firm or Board of Directors. The unit owner shall be liable for all damages to another unit, the common elements or the Condominium property caused by the unit owner's contractor, subcontractor or employee, whether said damages are caused by negligence, accident or otherwise. The contractor and subcontractor aforementioned are to be union tradesmen where such services are unionized in the area of the Condominium.

4. To allow the Management Firm, the Board of Directors, or the agents or employees of the Management

Firm or the Association to enter into any unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the units, limited common elements or the common elements, or to determine in case of emergency, circumstances threatening units, limited common elements or the common elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.

5. To show no signs, advertisements or notices of any type on the common elements, limited common elements, or his unit, and to erect no exterior antenna or aerials, except as consented to by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Association.

D. In the event the owner of a unit fails to maintain the said unit and limited common elements, as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association, or the Management Firm on behalf of the Association, shall have the right to proceed in a Court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall have the right to levy an assessment against the owner of a unit, and the unit, for such necessary sums to remove any unauthorized addition or alteration, and to restore the property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall have the further right to have its employees or agents, or any subcontractors appointed by it, enter a unit at all reasonable times to do such work as is deemed necessary by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Association, to enforce compliance with the provisions hereof.

E. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall determine the exterior color scheme of the building, and all exteriors, and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Association.

F. The Association shall be responsible for the maintenance, repair and replacement of the common elements and all portions of the Condominium property not required to be maintained, repaired and/or replaced by the unit owner(s); however, said responsibility has been undertaken by the Management Firm, as long as the Management Agreement remains in effect, as provided in the Management Agreement attached hereto.

G. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall have the right to approve or disapprove the type and color or shades that may be placed within a condominium unit in order that the condominium buildings may retain a uniformity of exterior appearance and this right of the Management Firm and the Association shall be enforceable by the remedies accorded them in Paragraph D of this Article.

XIV.

LIMITED COMMON ELEMENTS

Those portions of the common elements reserved for the use of certain unit owners or a certain unit owner, to the exclusion of other unit owners, are deemed limited common elements. Any expense for the maintenance, repair or replacement relating to limited common elements shall be treated as and paid for as part of the common expenses of the Association, unless otherwise specifically provided in this Declaration and Exhibits attached hereto. Should said maintenance, repair or replacement be caused by the negligence or misuse by a unit owner, his family, guests, servants and invitees, he shall be responsible therefor, and the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall have the right to levy an assessment against the owner of said unit, which assessment shall have the same force and effect as all other special assessments.

Assigned parking spaces are deemed limited common elements and the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, shall assign specific parking spaces in the parking areas shown on Exhibit 3 attached hereto to the unit owners in this Condominium. Said assignments shall not be recorded in the Public Records of Dade County, Florida. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, shall have the right to change the assignment of unit owner's parking spaces from time to time, as it deems advisable in its sole discretion.

XV.

TERMINATION

This Condominium may be voluntarily terminated, in the manner provided for in Section 16 of the Condominium Act, at any time; however, the written consent of the Management Firm, as long as the Management Agreement remains in effect, and the Lessor under the Agreement for Recreational Facilities shall also be required. In addition thereto, when there has been "very substantial" damage, as defined in ARTICLE XI, Section 3, Paragraph 6, above, this Condominium shall be subject to termination, as provided in ARTICLE XI, Section 3, Paragraph 6, and in this event, the consent of the Management Firm and Lessor under the Agreement for Recreational Facilities shall not be required. In addition thereto, if the proposed voluntary termination is submitted to a meeting of the membership of the Association, pursuant to notice, and is approved in writing within sixty (60) days of said meeting by three fourths (3/4ths) of the total vote of the members of the Association, and by all institutional mortgagees and the Management Firm and the Lessor under the Agreement for Recreational Facilities, then the Association and the approving owners, if they desire, shall have an option to purchase all of the parcels of the other owners within a period expiring One Hundred Twenty (120) days from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option and if the option is exercised, the approvals shall be irrevocable. The option shall be exercised upon the following terms:

A. Exercise of Option. An Agreement to Purchase, executed by the Association and/or the record owners of the parcels who will participate in the purchase, shall be delivered by personal delivery or mailed by certified or registered mail, to each of the record owners of the parcels to be purchased, and such delivery shall be deemed the exercise of the option. The Agreement shall indicate which parcels will be purchased by each participating owner and/or the Association, and shall require the purchase of all parcels owned by owners not approving the termination, but the Agreement shall effect a separate contract between the seller and his purchaser.

B. Price. The sale price for each apartment shall be the fair market value determined by agreement between the seller and the purchaser within Thirty (30) days from the delivery or mailing of such Agreement and, in the absence of agreement as to price, it shall be determined by appraisers appointed by the Senior Judge of the Circuit Court in and for Dade County, Florida, on the petition of the seller. The expenses of appraisal shall be paid by the purchaser.

C. Payment. The purchase price shall be paid in cash.

D. Closing. The sale shall be closed within Thirty (30) days following the determination of the sale price.

XVI.

AGREEMENT FOR RECREATIONAL FACILITIES

The Association, as Lessee, has entered into an Agreement For Recreational Facilities wherein it has leased the premises therein demised, a copy of said Agreement being attached hereto and made a part hereof, just as though said Agreement were fully set forth herein. The Association has acquired the foregoing leasehold interest pursuant to Florida Statute 711.121; and pursuant to said Statute and said Agreement For Recreational Facilities, all moneys due and to become due under the provisions of said Agreement, including without limitation, expenses of rent, taxes, assessments, insurance premiums, and costs of maintenance and repair, including the operation of said leased premises and all replacements and undertakings, and such other items as are specified in said Agreement, are and shall continue to be for the full term of said Agreement, declared to be a common expense of this condominium.

Each unit owner, his heirs, successors and assigns, agrees to make payment to the Association of his share of the moneys due, pursuant to and in the amount or proportion or percentage amount, if so stated, as specified in said Agreement For Recreational Facilities and this Declaration of Condominium. It shall be mandatory for the unit owner to make said payments regardless of whether or not said unit owner uses the recreation facilities.

The Developer and the Association, by virtue of their execution of this Declaration of Condominium, and each unit owner, by virtue of his taking title to a Condominium Parcel, agree that, notwithstanding the fact that the Agreement For Recreational Facilities is attached to this Declaration of Condominium and may have been recorded in the Public Records subsequent to the recording of this Declaration of Condominium, said Agreement For Recreational Facilities shall be deemed to have been recorded in the Public Records prior to the recording of this Declaration of Condominium, and in order to secure the faithful performance of the Association's obligation to the Lessor under the Agreement For Recreational Facilities, and to secure the unit owner's obligation to pay his share of the common expenses, including rent, taxes, insurance and maintenance, as to the Agreement For Recreational Facilities, the Lessor under said Agreement shall have a lien on each Condominium Parcel and all tangible personal property located in each Condominium Unit in this Condominium to the extent and as provided in said Agreement For Recreational Facilities and Pledge Agreement, a copy of each being attached as Exhibits to this Declaration.

Each unit owner in this Condominium shall be entitled to the use and enjoyment of the facilities leased under said Agreement subject to the Rules and Regulations promulgated by the Management Firm, as long as the Management Agreement remains in effect, and thereafter

subject to the Rules and Regulations as promulgated by the Lessee of the demised premises. However, all such Rules and Regulations shall be subject to the Lessor's approval and the paramount right of Lessor to enact, adopt and amend the same.

Whenever any of the provisions of the Agreement For Recreational Facilities and/or this Declaration and other exhibits attached hereto shall be in conflict, the provisions of the Agreement For Recreational Facilities shall be controlling, and as between the Declaration of Condominium and other exhibits attached hereto, excluding the Agreement For Recreational Facilities, the provisions of the Declaration of Condominium, in case of conflict, shall be controlling.

Each unit owner, his heirs, successors and assigns, shall be bound by said Agreement for Recreational Facilities to the same extent and effect as if he had executed said Agreement for the purposes therein expressed, including, but not limited to:

A. Subjecting all of his right, title and interest in his Condominium Parcel and tangible personal property therein to the lien rights granted to the Lessor in said Agreement for Recreational Facilities and Pledge Agreement.

B. Adopting, ratifying, confirming and consenting to the execution of said Agreement for Recreational Facilities by the Association.

C. Convenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by unit owners in the cases provided therefor in said Agreement for Recreational Facilities.

D. Ratifying, confirming and approving each and every provision of said Agreement for Recreational Facilities, and acknowledging that all of the terms and provisions thereof are reasonable, including the rent thereunder.

E. Agreeing that the persons acting as Directors and Officers of the Association entering into such Agreement for Recreational Facilities have not breached any of their duties or obligations to the Association.

F. It is specifically recognized that some or all of the persons comprising the original Board of Directors of the Association are or may be Lessors under said Agreement for Recreational Facilities, or where the Lessor is a Corporation, are or may be stockholders, officers and directors of said Corporation; or beneficiaries of the Lessor entity; and that such circumstance shall not and cannot be construed or considered as a breach of their duties or obligations to the Association, nor as possible grounds to invalidate such Agreement for Recreational Facilities, in whole or in part.

G. The acts of the Board of Directors and officers of the Association in acquiring the leasehold interest under said Agreement for Recreational Facilities be and the same are hereby ratified, approved, confirmed and adopted.

XVII.

MANAGEMENT AGREEMENT

The Association has entered into a Management Agreement, a copy of which is annexed hereto as an Exhibit and made a part hereof.

The Association has delegated to the Management Firm the power of the Association, through its Board of Directors, to determine the budget, make assessments for common expenses and collect assessments. Each unit owner, his heirs, successors and assigns, shall be bound by said Management Agreement for the purposes therein expressed, including, but not limited to:

A. Adopting, ratifying, confirming and consenting to the execution of said Management Agreement by the Association.

B. Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by unit owners in the cases provided therefor in said Management Agreement.

C. Ratifying, confirming and approving each and every provision of said Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.

D. Agreeing that the persons acting as Directors and Officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

E. It is specifically recognized that some or all of the persons comprising the original Board of Directors of the Association are or may be stockholders, officers and directors of the Management Firm, and that such circumstance shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.

F. The acts of the Board of Directors and Officers of the Association in entering into the Management Agreement be and the same are hereby ratified, approved, confirmed and adopted.

The Association and unit owners further agree that the monthly assessments to be paid by unit owners for common expenses may include such special assessments incurred by a unit owner for charges for guests and invitees of said unit owner, or temporary residents in said unit, as to their use of the recreation facilities and for any special services and charges.

XVIII.

MISCELLANEOUS PROVISIONS

A. The owners of the respective Condominium units shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceiling surrounding their respective Condominium units, nor shall the unit owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Condominium units which are utilized for or serve more than one Condominium unit, which items are, by these presents, hereby made a part of the common elements. Said unit owner, however, shall be deemed to own the walls and partitions which are contained in said unit owner's Condominium unit, and shall also be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.

B. The owners of the respective Condominium units agree that if any portion of a Condominium unit or common element or limited common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event a Condominium building or buildings are partially or totally destroyed and

then rebuilt, the owners of the Condominium Parcels agree that encroachments on parts of the common elements or limited common elements or Condominium units, as aforescribed, due to construction, shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

C. No owner of a Condominium Parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements or the recreation facilities, or by the abandonment of his Condominium unit.

D. The owners of each and every Condominium Parcel shall return the same for the purpose of ad valorem taxes with the Tax Assessor of Dade County, Florida, or for such other future legally authorized governmental officer or authority having jurisdiction over same. Nothing herein shall be construed, however, as giving to any unit owner the right of contribution or any right of adjustment against any other unit owner on account of any deviation by the taxing authorities from the valuation herein prescribed; each unit owner to pay ad valorem taxes and special assessments as are separately assessed against his Condominium Parcel.

For the purpose of ad valorem taxation, the interest of the owner of a Condominium Parcel in his Condominium unit and in the common elements shall be considered a unit. The value of said unit shall be equal to the percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said unit and as set forth in this Declaration. The total of all of said percentages equals 100% of the value of all of the land and improvements thereon.

E. All provisions of this Declaration and Exhibits attached hereto, and Amendments thereof, shall be construed as covenants running with the land, and of every part thereof and therein, including, but not limited to, every unit and the appurtenances thereto, and every unit owner and claimant of the property, or any part thereof, or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of said Declaration and Exhibits annexed hereto and any Amendments thereof.

F. If any of the provisions of this Declaration, or of By-Laws, the Articles of Incorporation of the Association, the Agreement for Recreational Facilities, the Management Agreement, or of the Condominium Act, or any section, clause, phrase, word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Declaration, the By-Laws, Articles of Incorporation, Agreement for Recreational Facilities and Management Agreement, or the Condominium Act, and of the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, the same may be delivered to unit owners, either personally or by mail, addressed to such unit owners at their place of residence in the Condominium, unless the unit owner has, by written notice duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association or Management Firm shall be given by the affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association at the Secretary's residence in the Condominium or, in the case of the Secretary's absence, then the President of the Association at his residence in the Condominium and, in his absence, any member of the Board of Directors of the Association.

Notices to the Developer shall be delivered by mail at:

110 - 175th Terrace
Miami Beach, Florida 33160

Notices to the Management Firm shall be delivered by mail at:

110 - 175th Terrace
Miami Beach, Florida 33160

All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice, duly receipted for. Notices required to be given the personal representatives of a deceased owner or devisee, when there is no personal representative, may be delivered either personally or by mail, to such party at his or its address appearing in the records of the Court wherein the estate of such deceased owner is being administered.

H. Nothing hereinabove set forth in this Declaration shall be construed as prohibiting the Developer or the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, from authorizing the removal of or removing any party wall between any Condominium units in order that the said units might be used together as one integral unit. In each event, all assessments, voting rights and the share of the common elements shall be calculated as if such units were as originally designated on the Exhibits attached to this Declaration, notwithstanding the fact that several units are used as one, to the intent and purpose that the unit owner of such combined units shall be treated as the unit owner of as many units as have been so combined. The Developer shall have the right to use a portion of the common elements and the Condominium property for the purpose of aiding in the sale of Condominium units, including the right to use portions of the Condominium property for parking for prospective purchasers and such other parties as Developer determines. The foregoing right shall mean and include the right to display and erect signs, billboards and placards; and store, keep and exhibit same, and distribute audio and visual promotional materials upon the common element of the Condominium property.

I. The "Remedy for Violation" provided for by Section 23 of the Condominium Act shall be in full force and effect. In addition thereto, should the Association or the Management Firm, on behalf of the Association, or on its own behalf, find it necessary to bring a Court action to bring about compliance with the law, this Declaration and Exhibits attached to this Declaration, upon a finding by the Court that the violation complained of is willful and deliberate, the unit owner so violating shall reimburse the Management Firm and the Association for reasonable attorneys' fees incurred by it in bringing such action, as determined by the Court.

J. Subsequent to the filing of this Declaration of Condominium, the Condominium Association, when authorized by a vote of the majority of the total vote of the members of the Association, and approved by the owners and holders of institutional first mortgages encumbering Condominium Parcels who represent a majority of the dollar institutionally mortgaged indebtedness against this Condominium and the Management Firm, as long as the Management Agreement remains in effect, and the Lessor under the Agreement for Recreational Facilities may, together with other Condominium Associations, purchase

and/or acquire and enter into agreements, from time to time, whereby it acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, including, but not limited to, country clubs, golf courses, marinas, and other recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation and other use or benefit of the unit owners. The expense of ownership, rental membership fees, operations, replacements and other undertakings in connection therewith shall be common expenses, together with all other expenses and costs herein or by law defined as common expenses.

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

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

M. Where an institutional first mortgage, by some circumstance, fails to be a first mortgage but it is evident that it is intended to be a first mortgage, it shall nevertheless, for the purpose of this Declaration and Exhibits annexed hereto, be deemed to be an institutional first mortgage.

N. If any term, covenant, provision, phrase or other element of the Condominium documents is held 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, provision, covenant or element of the Condominium documents.

O. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the Condominium documents except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon except where same is specifically warranted or guaranteed. The Developer has constructed the building and improvements substantially in accordance with the plans and specifications on file in the Building and Zoning Department of the applicable governmental authority, and as same have been modified, and this is the full extent of the Developer's liability and responsibility. The foregoing, where applicable, shall apply to the Lessor.

The Developer and, where applicable, the Lessor shall not be responsible for conditions resulting from condensation on or expansion or contraction of materials, paint over walls, both interior and exterior, less or injury caused in any way by the elements; the water tightness of windows and doors, defects which are the result of characteristics common to the materials used, and damage due to ordinary wear and tear or abusive use, collection of water within the building or on any portion of the Condominium property and demised premises and improvements thereon nor anything of any type or nature except such items as are specifically delineated and agreed to in writing between the Developer and the individual unit owner and, where applicable, agreed to in writing between the Lessor and the Condominium Association, and it shall be understood

and agreed that the Developer and Lessor shall bear no responsibility in any way as to the matters provided in this paragraph to the Condominium Association. Guaranties have been obtained from all sub-contractors, such as the plumber, electrical air conditioning and roofer, and warranties have been obtained from the manufacturers of all appliances and equipment as specified by said manufacturers and sub-contractors, and it shall be the obligation of the Condominium Association and its members to enforce such guaranties.

Condominium Association, by its execution of this Declaration of Condominium, approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration of Condominium and Exhibits attached thereto. The Condominium unit owners, by virtue of their acceptance of the Deed of Conveyance as to their Condominium unit, and other parties, by virtue of their occupancy of units, hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration of Condominium and Exhibits attached thereto.

P. Escrow Account for Insurance and Certain Taxes. There shall be established and maintained in a local, national or state bank, or a Federal or state savings and loan association, two (2) interest bearing savings and deposit accounts in order to accumulate sufficient monies for the following purposes:

1. To pay all insurance premiums for the insurance on the Condominium property obtained and purchased by the Association pursuant to Article XI of this Declaration and all insurance premiums for the insurance on the recreational facilities; and

2. To pay all real and personal property taxes assessed by the taxing authorities aforescribed for property owned by the Condominium, or taxes which the Condominium is required to pay as part of its common expenses, which taxes are not included in the taxes assessed by the taxing authorities against the individual Condominium Parcels.

On or before the 30th day of each month, the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Association, shall cause two (2) checks to be issued and drawn on the Association's bank account, each check being equal respectively to one-twelfth (1/12th) of the estimated yearly amounts as to Items 1 and 2 above, and said checks shall be immediately deposited into the appropriate savings deposit account.

These accounts shall be maintained in the state or national bank or state or Federal savings and loan association owning and holding the first recorded mortgage encumbering a Condominium unit and, upon the aforesaid mortgagee's no longer owning and holding a mortgage on a unit, then these accounts shall be maintained in the bank or savings and loan association having the highest dollar amount of indebtedness of institutional first mortgages owing against the Condominium units. Where said institutional first mortgagee is not a state or national bank or state or Federal savings and loan association, said accounts shall be maintained in one of the foregoing as selected by said institutional first mortgagee. These accounts shall have the right of withdrawal restricted to a joint request by the Management Firm, as long as the Management Agreement remains in effect, and thereafter

the Board of Directors of the Association, and the institution holding the first recorded mortgage encumbering a unit, and thereafter the institution having the highest dollar amount of indebtedness on units.

If for any reason, the Association does not pay the real property taxes assessed as to Item 2 above, within sixty (60) days after these taxes are permitted by law to be paid, then the institution having the right of withdrawal, as aforescribed, shall have the undisputed right to withdraw, without the written consent of the Management Firm or Board of Directors of the Association, such sums of money as are necessary to pay Item 2. Similarly, in the event the annual premiums as to Item 1 above are not paid on or before its due date, said institution having the right of withdrawal, as aforescribed, shall have the right, without the necessity of securing the written consent of the Management Firm or Board of Directors of the Association, to withdraw such sums of money as are necessary to pay the then due premiums.

Should a Condominium unit owner fail to pay that portion of the monthly assessment relating to Items 1 and 2 above, within thirty (30) days from its due date, the Management Firm and the Association shall have the right, but they are not required, to advance the necessary funds so as to deposit the required monthly sum into the savings deposit accounts. The Management Firm and the Association shall have a lien for all sums so advanced, together with interest thereon. They shall also have the right to assign their lien to any unit owner or group of unit owners, or to any third party. In the event the Management Firm and Association do not advance funds, as aforesaid, the holder of an institutional first mortgage on the delinquent unit, or the institution having the right of withdrawal, as aforesaid, or the institution having the highest dollar indebtedness on Condominium units, may advance the necessary funds into the savings deposit accounts to make up the deficiency. Said institution shall have a lien for all sums so advanced and may bring suit to foreclose the interest of the delinquent Condominium unit owner in his Condominium unit. The Condominium unit owners herein consent to the establishment of such lien as a result of these advances in favor of the institution(s), or the Association and Management Firm, as aforescribed. However, no such foreclosure action may be brought by said institution or individual or group of individuals where the Management Firm and Association advance the necessary funds and assign their lien until the delinquent unit owner has received not less than ten (10) days' written notice in this regard.

Notwithstanding all of the foregoing, the establishment of the aforescribed escrow accounts for taxes and insurance shall not be mandatory until the expiration of the Management Agreement and, until said expiration, the Management Firm alone shall have the right to determine when and if escrow accounts should be established.

Q. No Condominium Parcel Owner shall bring, or have any right to bring, any action for partition or division of the Condominium property.

R. The term "recreation area and facilities", "recreation area" and "recreation facilities", where used throughout this Declaration of Condominium and Exhibits attached hereto, shall mean the demised premises under the Agreement for Recreational Facilities attached to this Declaration.

S. The real property submitted to Condominium ownership herewith is subject to conditions, limitations, restrictions, reservations of record, taxes, applicable zoning and subdivision ordinances now existing or which may hereafter exist, and any right of the United States of America, State of Florida, or any governmental agency as to any submerged lands and as to any lands lying below the natural, ordinary high water line of the surrounding bodies of water, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates, and the said Developer shall have the right to grant such easements and designate the beneficiaries thereof for such time as it determines in its sole discretion; and thereafter the Association shall be empowered to grant such easements on behalf of its members. During the period of time that the Developer has the right to grant the foregoing easements, the consent and approval of the Association and its members shall not be required. The right to grant the foregoing easements shall be subject to said easements not structurally weakening the building improvements upon the Condominium property nor unreasonably interfering with the enjoyment of the Condominium property by the Association's members. This Condominium is part and parcel of the Avila Project, a multi-phase Condominium project and, accordingly, easements and/or rights-of-way established by the Developer or the Association for pedestrian or vehicular traffic shall be not only for the use of unit owners in this Condominium but also for the use of unit owners in other Condominiums in the Avila Project, as well as the Developer, Management Firm and Lessor of the recreational facilities as are reasonably required for ingress to and egress from the remaining portions of the Avila Project.

T. This Condominium is hereby declared to be part and parcel of the Avila Project, a multi-phase Condominium project for the purposes of Section 711.13(4) of the Statutes of the State of Florida.

XVIV.

MAINTENANCE STANDARDS COMMITTEE

The Condominium created by this Declaration and the recreational facilities leased to the Condominium Association under the Agreement for Recreational Facilities attached to this Declaration as an exhibit are a part and parcel of the Avila Project, a multi-phase condominium project.

Each owner of a condominium unit in this Condominium, by virtue of his acceptance of a warranty deed, acknowledges the necessity of maintaining the physical appearance and image of the entire Avila Project as a quality residential community and additionally, that the success of the Developer in developing and selling the remaining portions of the project is closely related to the physical appearance and image of the completed portions of this project.

Accordingly, there is established a Board known as the "Maintenance Standards Committee" for a period terminating either on the first Thursday in April, 1977 or Thirty (30) days after the date that title to the last condominium unit in this condominium is conveyed to a purchaser, whichever shall first occur. The Committee shall be empowered to adopt and promulgate from time to time minimum standards for maintenance of the physical appearance of the common elements and recreational facilities of this Condominium. The standards established by the Committee shall relate particularly to exterior paint on apartment buildings and clubhouses, landscaping, paving, trash and litter removal, repair of exterior building surfaces and vending machine maintenance. The minimum standard shall be applicable to the common elements of the Condominium and recreational facilities and shall not be applicable to the interior of apartment units.

The Committee shall have the right to inspect from time to time the common elements of the Condominium and its recreational facilities in order to determine whether the maintenance of same meet the minimum standards.

The membership of the Maintenance Standards Committee shall be designated by the developer and may include building and landscape architects, contractors, subcontractors and other persons that developer may deem sufficiently qualified to render an opinion as to minimum standards of maintenance. The members of the Committee shall serve at no expense to unit owners or their Association.

If the Maintenance Standards Committee shall find that the common elements of the Condominium or the recreational facilities are not being maintained in accordance with the minimum standards, it shall issue a report to the Developer particularizing the deficiencies and the Developer shall thereafter submit the report to the Board of Directors of the Condominium Association. Within Thirty (30) days of receipt of the report, the Condominium Association shall commence the maintenance work specified in the report and diligently pursue completion of same in an expeditious manner. The cost of all work shall be the responsibility of the Condominium Association and shall be a common expense of the Condominium.

Each unit owner in the Condominium and the Condominium Association does hereby authorize and vest in the Developer the following power should the Condominium Association fail or refuse to commence and complete the maintenance work required by the report of the Maintenance Standards Committee:

1. The Developer may let out for bid the work required by the report of the Maintenance Standards Committee, negotiate and accept bids and authorize contractors or subcontractors to enter upon the common elements of the Condominium and the recreational facilities for the purpose of performing the specified work in which case the Developer shall be acting as the agent for the Condominium Association and the unit owners and the entrance upon the common elements and recreational facilities of those performing the work shall be a lawful entry and shall not be deemed a trespass. Developer shall have the right to pay the contractors or subcontractors performing the work and the Developer is authorized in its own name to record a lien against the Condominium among the public records of Dade County, Florida in the amount of the cost of said work that the Developer has expended which lien shall be deemed a lien against the common elements and condominium units of the Condominium for which the work was performed, which lien shall remain in effect until such time as it is satisfied of record by the payment to the Developer of the monies expended by it together with interest at the rate of Seven (7%) per cent per annum from the date of the expenditure. The recordation of the lien is hereby deemed to constitute constructive notice to third parties of the existence of the lien and all sales, mortgages or other transfers or conveyances subsequent to the recording date shall be subject to the lien rights of the Developer. Each unit owner and the Condominium Association give and grant unto the Developer the power to foreclose its lien in the event that it remains unpaid and agree that the procedures to be utilized in said foreclosure proceeding shall be those set forth in the Statutes of the State of Florida relating to the foreclosure of a mechanic's lien and any and all defenses or rights to contest are hereby waived.

2. Alternatively, upon receiving the bids of contractors and subcontractors for the maintenance work required to be done by the report of the Maintenance Standards Committee, Developer may elect not to cause said work to be done, and notwithstanding that, to record the lien prescribed above in the amount of the bids of contractors and subcontractors for the work set forth in

the Committee report. Upon payment of the lien to the Developer, the Developer shall then cause the work to be performed and to pay the contractors and subcontractors performing the work from the proceeds satisfying the lien. Upon payment of the contractors and subcontractors, Developer shall render to the Condominium Association a report setting forth to whom and what amounts the funds were disbursed. The lien herein prescribed shall have the same priority upon recordation and shall be foreclosable in the same manner as that set forth in paragraph 1 of this Article.

The report of the Maintenance Standards Committee shall be conclusive as to the nature of the work required to be done and the bids accepted by Developer shall be conclusive as to price.

In addition to the foregoing enumerated powers of the Maintenance Standards Committee as to minimum standards of maintenance, the Committee shall also have the right or prior approval of any repainting of common elements or recreational facilities as to quality of paint and color selection.

XX.

IDENTIFICATION OF UNITS

The Condominium Property consists ~~approximately~~ of Two Hundred (200) units in all, of which Four (4) are recreation condominium units and One Hundred Ninety-six (196) are residential condominium units to be used as single-family private dwellings. For the purpose of identification, all units in the condominium are given identifying numbers or designations and delineated on the survey exhibits collectively identified as Exhibit 3 attached hereto and made a part of this Declaration. No unit bears the same identifying number or designation as does any other unit. The aforesaid identifying number or designation as to the unit is also the identifying number or designation as to the parcel.

The recreation condominium units, which are identified in Article II of this Declaration and graphically described in Exhibit 3 to this Declaration are owned by the Lessor and comprise the demised property leased to the Condominium Association pursuant to the Agreement For Recreational Facilities. Each and every person or entity having an interest in the condominium shall be deemed to have recognized the fact that the recreation condominium units are valid, existing condominium units under Florida law and are not a part of the common elements of the condominium. In order to provide the Lessor of the recreational facilities leased to the Condominium Association under the Agreement For Recreational Facilities with means of traversing the condominium property so as to provide access to the dedicated road from the leased recreational facilities owned by the Lessor, there is hereby reserved in favor of the Lessor, its successors or assigns, and those persons who may be designated by the aforementioned, a Non-Exclusive Easement of ingress and egress over and across those portions of the common elements of the condominium property designated as pedestrian walkways, roadways and driveways, hallways and other common areas of the condominium building together with the right of non-exclusive use of those automobile parking spaces on the condominium property designated as guest parking.

IN WITNESS WHEREOF, the undersigns have caused these presents to be signed in their names by the proper officers and their corporate seals to be affixed this 10th day of December, 1973.

Signed, Sealed and Delivered in the presence of:

[Signature]
[Signature]
(As to Kappa)

KAPPA CORP. (SEAL)
By: [Signature] President
Attest: [Signature] Secretary

[Signature]
[Signature]
(As to Fonik)

FONIK CORP. (SEAL)
By: [Signature] President
Attest: [Signature] Secretary

[Signature]
[Signature]
(As to Losch)

LOSCH CORP. (SEAL)
By: [Signature] President
Attest: [Signature] Secretary

STATE OF FLORIDA)
COUNTY OF DADE) SS:

I HEREBY CERTIFY that on this day before me personally appeared Mel Schuster and Jacques Dorval President and Secretary, respectively, of KAPPA CORP., a Florida corporation, Sydney Wolofsky and Sabina Wolofsky President and Secretary, respectively, of FONIK CORP., a Florida corporation, and Louis Schreiber and Jack Axelrod President and Secretary, respectively, of LOSCH CORP., a Florida corporation, to be known to be the persons who signed the foregoing Declaration of Condominium as such officers of their respective corporations, and they severally acknowledged the execution thereof to be their free act and deed as such officers of their respective corporations for the uses and purposes therein mentioned, and that they affixed thereto the official seals of their respective corporations, and that the said instrument is the act and deed of each of their respective corporations.

Witness my hand and official seal at Miami, said County and State, this 10th day of December, 1973.

[Signature]
Notary Public
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC STATE OF FLA. at LARGE
MY COMMISSION EXP. DEC. 10, 1974.

For good and valuable consideration, receipt whereof is hereby acknowledged, AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration of Condominium and exhibits attached hereto.

In Witness Whereof, AVILA SOUTH CONDOMINIUM ASSOCIATION, INC. has caused these presents to be signed in its name by its proper officers and its corporate seal to be affixed this 10th day of December, 1973.

Signed, Sealed and Delivered
in the presents of:

[Signature]
[Signature]

AVILA SOUTH CONDOMINIUM
ASSOCIATION, INC.



By: [Signature]
President

Attest: [Signature]
Secretary

STATE OF FLORIDA)
COUNTY OF DADE) SS:

I HEREBY CERTIFY that on this day before me personally appeared
Sydney Wolofsky and Mel Schuster

President and Secretary, respectively, of AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, to me known to be the persons who signed the foregoing Declaration of Condominium as such officers, and they severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and that they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

Witness my hand and official seal at Miami, said County and State, this 10th day of December, 1973.

[Signature]
Notary Public
State of Florida at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLA. at LARGE
MY COMMISSION EXP. DEC. 10, 1974.

EXHIBIT 1

LEGAL DESCRIPTION OF
CONDOMINIUM PROPERTY FOR AVILA SOUTH CONDOMINIUM

Tract "A" of JUBILEE SUBDIVISION, according to the
Plat thereof, recorded in Plat Book 94 at Page 20
of the Public Records of Dade County, Florida.

EXHIBIT 2

The share, expressed as a percentage, of the common elements that is appurtenant to each of the Type "A" is 0.508150%. The share, expressed as a percentage, of the common expenses and common surplus that is appurtenant to each of the Type "A" Condominium Units is 0.528025%. The Condominium Units above described are the following:

137	129	127	125	123
237	229	227	225	223
337	329	327	325	323
437	429	427	425	423
537	529	527	525	523
117	115	111	109	101
217	215	211	209	201
317	315	311	309	301
417	415	411	409	401
517	515	511	509	501
132	130	128	126	120
232	230	228	226	220
332	330	328	326	320
432	430	428	426	420
532	530	528	526	520
118	116	114	224	222
218	216	214	324	322
318	316	314	424	422
418	416	414	524	522
518	516	514		

The share, expressed as a percentage, of the common elements that is appurtenant to each of the Type "B" Condominium Units is 0.591467%. The share, expressed as a percentage, of the common expenses and common surplus that is appurtenant to each of the Type "B" Condominium Units is 0.614590%. The Condominium Units above described are the following:

144	102	221	219
244	202	321	319
344	302	421	419
444	402	521	519
544	502		

The share, expressed as a percentage, of the common elements that is appurtenant to each of the Type "C" Condominium Units is 0.656297%. The share, expressed as a percentage, of the common expenses and common surplus that is appurtenant to each of the Type "C" Condominium Units is 0.681954%. The Condominium Units above described are the following:

131	107
231	207
331	307
431	407
531	507

The share, expressed as a percentage, of the common elements that is appurtenant to each of the Type "D" Condominium Units is 0.417547%. The share, expressed as a percentage, of the common expenses and common surplus that is appurtenant to each of the Type "D" Condominium Units is 0.433877%. The Condominium Units above described are the following:

135	133	105	103	142
235	233	205	203	242
335	333	305	303	342
435	433	405	403	442
535	533	505	503	542
140	138	136	134	112
240	238	236	234	212
340	338	336	334	312
440	438	436	434	412
540	538	536	534	512
110	108	106	104	
210	208	206	204	
310	308	306	304	
410	408	406	404	
510	508	506	504	

The share, expressed as a percentage, of the common elements that is appurtenant to each of the Condominium Units that is leased to the Condominium Association under the Agreement For Recreational Facilities is as follows:

Recreation Condominium Unit "A"	0.480163%
Recreation Condominium Unit "B"	0.480163%
Recreation Condominium Unit "C"	0.223461%
Recreation Condominium Unit "D"	2.579957%

EXHIBIT 4

BY-LAWS
of
A Non-Profit Florida Corporation

ARTICLE I

IDENTITY

The following By-Laws shall govern the operation of the Condominium created by the Declaration of Condominium to which these By-Laws are attached.

The Association whose name appears at the end of this instrument is a Florida corporation not for profit, organized and existing under the laws of the State of Florida for the purpose of administering (but not exclusively unless so provided in the Association's Articles of Incorporation) the Condominium created by the Declaration of Condominium to which these By-Laws are attached.

Section 1. The office of the Association shall be at the Condominium property, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. The Seal of the Corporation shall bear the name of the Corporation, the word "Florida", the words "Corporation not for Profit", and the year of incorporation.

Section 3. As used herein, the word "Corporation" shall be the equivalent of "Association" as defined in the Declaration of Condominium to which these By-Laws are attached. All other words, as used herein, shall have the same definitions as attributed to them in the Declaration of Condominiums to which these By-Laws are attached.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association shall be limited to owners of the Condominium units in Condominium(s) wherein this Corporation has been designated the Association to operate and administer said Condominium by virtue of the Declaration of Condominium of said Condominium. Transfer of unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If unit ownership is vested in more than one person, then all of the persons so owning said unit shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a unit shall be cast by the "voting member". If unit ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation as its "voting member".

Any application for the transfer of membership, or for a conveyance of interest in, or to encumber or lease a Condominium Parcel, where the approval of the Board of Directors of the Association and of the Management Firm, as long as the Management Agreement remains in effect, is required, as set forth in these By-Laws and the Declaration of Condominium to which they are attached, shall be accompanied by an application fee in an amount to be set by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association, to cover the cost of contacting the references given by the applicant and such other costs of investigation that may be incurred.

Section 2. Voting.

(a) The owner(s) of each residential Condominium unit shall be entitled to One (1) vote. If a Condominium unit owner owns more than One (1) unit, he shall be entitled to vote for each unit owned. The vote of a Condominium unit shall not be divisible. The owners of recreation Condominium units shall not be entitled to vote.

(b) A majority of the unit owners' total votes shall decide any question unless the Declaration of Condominium, By-Laws, Articles of Incorporation of the Association, Agreement for Recreational Facilities or Management Agreement provides otherwise.

Section 3. Quorum. Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the unit owners' total votes shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5), and shall be filed with the Secretary prior to the meeting in which they are to be used, and shall be valid only for the particular meeting designated therein. Where a unit is owned jointly by a husband and wife and, if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.

Section 5. Designation of Voting Member. If a Condominium unit is owned by one person, his right to vote shall be established by the recorded title to the unit. If a Condominium unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated in a certificate, signed by all of the recorded owners of the unit, and filed with the Secretary of the Association. If a Condominium unit is owned by a Corporation, the officer or employee thereof entitled to cast the vote of the unit for the Corporation shall be designated in a certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a unit shall be known as the "voting member". If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a Corporation, the vote of the unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit, except if said unit is owned by a husband and wife. Such certificates shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the unit concerned. If a Condominium unit is owned jointly by a husband and wife, the following three provisions are applicable thereto:

(a) They may, but they shall not be required to, designate a voting member.

(b) If they do not designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a unit is not divisible.)

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the unit vote just as though he or she owned the unit individually, and without establishing the concurrence of the absent person.

ARTICLE III

MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at the Condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of the meeting.

Section 2. Notices. It shall be the duty of the Secretary to mail or deliver a Notice of each annual or special meeting, stating the time and place thereof, to each unit owner of record at least five (5) days but not more than fifteen (15) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All Notices shall be mailed to or served at the address of the unit owner as it appears on the books of the Association.

Section 3. Annual Meeting. The annual meeting shall be held at 4:00 P.M., Eastern Standard Time, on the first Thursday in February of each year for the purpose of electing Directors and 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 secular day following. At the annual meeting, the members shall elect by plurality vote (cumulative voting prohibited) a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of voting members representing Twenty-five (25%) per cent of the unit owners' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the Notice thereof.

Section 5. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than three-fourths (3/4ths) of the members who would have been entitled to vote upon the action if such meeting were held shall consent, in writing, to such action being taken; however, Notice of such action shall be given to all members unless all members approve such action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Proviso. Provided, however, that until the Developer of the Avila South Condominium has closed the sales of One Hundred Eight-five (185) Condominium units in the Avila South Condominium or until Developer voluntarily elects to terminate its control of the Association, or until the first Thursday in February, 1976, whichever of such events shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors of the Association, and should a meeting be called, the proceedings shall have no effect unless approved by the Board of Directors of the Association.

Section 8. Approval or Disapproval. Approval or disapproval of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members; provided, however, that where a unit is owned jointly by a husband and wife and they have not designated one of them as a voting member, their joint approval or disapproval shall be required where they are both present, or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 9. The Management Firm. The Management Firm, as long as the Management Agreement remains in effect, shall be entitled to Notice of all Association meetings, shall be entitled to attend the Association's meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

ARTICLE IV

DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) nor more than seven (7) persons, as is determined from time to time by the members. All Directors shall be members of the Association; provided, however, that until one of the events in ARTICLE III, Section 7, of these By-Laws first occurs, all Directors shall be designated by the Developer and need not be members. All officers of a Corporate unit owner shall be deemed to be members of the Association so as to qualify as Directors herein. The term of each Director'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 provided in Section 3 below.

Section 2. First Board of Directors.

(a) The first Board of Directors of the Association who shall hold office and serve until their successors have been elected and qualified shall consist of the following:

SYDNEY WOLOFSKY
JACK AXELROD
MEL SCHUSTER

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

Section 3. Removal of Directors. At any time after the first annual meeting of the membership, at any duly convened regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of the voting members casting not less than two-thirds (2/3rds) of the total votes present at said meeting; and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4 below.

Section 4. Vacancies on Directorate. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a

majority of the remaining Directors, though less than a quorum, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 5. Disqualification and Resignation of Directors.

Any Director may resign at any time by sending a written notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the organizational meeting of a newly elected Board of Directors following the first annual meeting of the members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title of his unit by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall, nevertheless, be given to each Director personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President or, in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving five (5) days' notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors. If at any meetings of the Board of Directors there may be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring the Minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 10. Compensation. The Directors' fees, if any, shall be determined by the Voting Members.

Section 11. Developer's Selection of Directors. Provided, however, that until the Developer of the Avila Condominium has closed the sales of One Hundred and Eighty-five (185) Condominium units in the Avila Condominium, or until Developer voluntarily elects to terminate its control of the Association, or until the first Thursday in February, 1976, whichever of such events shall first occur, the developer shall have the right to designate all Directors who need not be owners of units in the Condominium, and may not be removed by members of the Association, as elsewhere provided herein; and where a vacancy occurs for any reason whatsoever, the vacancy shall be filled by the person designated by the developer.

Section 12. The Management Firm. The Management Firm, as long as the Management Agreement remains in effect, shall be entitled to notice of all Directors' meetings, and shall be entitled to attend the Directors' meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

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

(a) To exercise all powers specifically set forth in the Declaration(s) of Condominium, this Association's Articles of Incorporation, in these By-Laws, and in the Condominium Act, and all powers incidental thereto.

(b) To make assessments, collect said assessments, and to use and expand the assessments or capital of the Association to carry out the purposes and powers of the Association, including the purchase of furnishings, furniture and equipment for the recreational facilities leased to the Association under the Agreement For Recreational Facilities, a copy of which is attached to the Declaration to which these By-Laws are attached.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project, and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises, subject to the delegation of the foregoing powers to the Management Firm under the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(d) To make and amend regulations respecting the operation and use of the common elements and Condominium property and facilities, and the use and maintenance of the Condominium units therein, and the recreational area and facilities, subject to the provisions of the Agreement for Recreational Facilities attached to the Declaration of Condominium to which these By-Laws are attached. The foregoing is subject to the delegation of the said foregoing powers to the

Management Firm under the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(e) To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration(s) of Condominium to have approval of the Board of Directors or membership of the Association; to contract for the management or operation of portions of the common elements or facilities susceptible to the separate management or operation thereof; and to lease or concession such portions. The foregoing powers have been delegated to the Management Firm under the provisions of the applicable Management Agreement.

(f) The further improvement of the Condominium property and demised premises under the Agreement for Recreational Facilities which is attached to the Declaration of Condominium to which these By-Laws are attached, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the right to acquire and enter into agreements pursuant to F.S. 711.121 Et. Seq., and as amended, subject to the provisions of the applicable Declaration(s) of Condominium, this Association's Article of Incorporation and these By-Laws, and subject to the Agreement for Recreational Facilities attached to the Declaration of Condominium to which these By-Laws are attached and the provisions of the applicable Management Agreement.

(g) Designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the Association, one of whom shall be a Director. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by unit owners when such is specifically required.

ARTICLE V

OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one of the aforementioned offices, except one person may be both Secretary and Treasurer. The President and Vice President shall be members of the Board of Directors. Notwithstanding the foregoing, the restriction as to one person holding only one of the aforementioned offices or the President and Vice President being members of the Board of Directors shall not apply until the time provided in ARTICLE III, Section 7, as determined by the Developer.

Section 2. Election. The Officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointed Officers. The Board may appoint Assistant Secretaries and Assistant Treasurers, and such other officers as the Board of Directors deems necessary.

Section 4. Term. The Officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors; provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors (e.g., if the Board of Directors is composed of five members, then three of said Directors must vote for removal). If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the Chief Executive Officer of the Association; he shall preside at all meetings of the unit owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

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

Section 7. The Secretary. The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the unit owners; he shall attend and keep the Minutes of same; he shall have charge of all of the books of the Association as well as records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. The Treasurer.

(a) The Treasurer shall have custody of the Association's funds and securities, except the funds payable to the Management Firm as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, and he shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association. He shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each unit in the manner required by Section 11 (7) (B) of the Condominium Act.

(b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(c) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees on which reports the transferees may rely.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

(f) The duties of the Treasurer may be fulfilled by the Management Firm employed by the Association, and the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreements, shall fulfill the duties of the Treasurer as specified in said Management Agreement, and shall have custody of such books of the Association as it determines in its sole discretion, and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VI

FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association; provided, however, that the provisions of the Management Agreement between the Association and the Management Firm relative to the subject matter in this Section shall supersede the provisions hereof.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks and all officers and employees of the Association and any contractors handling or responsible for Association funds shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Management Firm, under the terms of the Management Agreement as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded among its employees, if any.

Section 3. Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable; and provided further that the Management Firm, as long as the Management Agreement remains in effect, shall be authorized to set the fiscal year as determined in its sole discretion.

Section 4. Determination of Assessments.

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or

sums necessary and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements and the limited common elements, costs of carrying out the powers and duties of the Association, all insurance premium and expenses relating thereto, including fire insurance and extended coverage, expenses under the Agreement for Recreational Facilities, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium to which these By-Laws are attached, and the Agreement for Recreational Facilities attached to said Declaration of Condominium. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to lease, maintain, repair and replace the common elements and limited common elements of the Condominium and recreation facilities, subject, however, to the provisions of the Agreement for Recreational Facilities. Funds for the payment of common expenses shall be assessed against the unit owners in the proportions and percentages of sharing common expenses as provided in the Declaration. Said assessments shall be payable monthly in advance and shall be due on the first day of each month in advance unless otherwise ordered by the Board of Directors. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. The foregoing powers and duties of the Association have been delegated to the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreements. All funds due under these By-Laws, the Agreement for Recreational Facilities and the Management Agreement, which are attached to the Declaration of Condominium to which these By-Laws are attached, or any other applicable Management Agreement and said Declaration of Condominium are common expenses of this Condominium.

(b) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each unit owner a statement of said unit owner's assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

(c) The provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement shall supersede the provisions relative thereto in this Section and as to all Sections in ARTICLE VI of these By-Laws. The Board of Directors has delegated the power and duty of making and collecting assessments to the Management Firm, as long as the Management Agreement remains in effect, and as provided in the Management Agreement, except the Board of Directors retains the authority to make assessments as to the following:

(1) Special assessments for additional recreation or social activities.

(2) Acquisition of units, as provided in ARTICLE IX of these By-Laws, and pursuant to ARTICLE XVIII (J) of the Declaration of Condominium to which these By-Laws are attached, subject to the written approval of such parties as are specified therein.

(d) The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors, shall adopt an operating budget for each fiscal year.

Section 5. Application of Payments and Commingling of Funds. All sums collected by the Association from assessments may be commingled in a single fund or divided into more than one fund, as determined by the Management Firm, as long as the Management Agreement remains in effect, and thereafter by the Board of Directors of the Association. All assessment payments by a unit owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances, and rent under the Agreement for Recreational Facilities as provided herein and in the Declaration of Condominium, and general or special assessments, in such manner and amounts as the Management Firm, as long as the Management Agreement remains in effect, determines in its sole discretion, and thereafter as the Board of Directors determines in its sole discretion.

Section 6. Acceleration of Assessment Installments Upon Default. If a unit owner shall be in default in the payment of an installment upon any assessment, the Management Firm or the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the unit owner and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the unit owner.

Section 7. Audits. During the term of the Management Agreement, the Management Firm shall render to the Association a statement for each calendar year no later than April 1st next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same but no independent or external audit shall be required of it. During the term of the Management Agreement, the Association may conduct an external audit by an independent auditor acceptable to the Management Firm at such reasonable time as the Management Firm shall agree to; provided, however, said request for inspection is not made more than once in any calendar year and provided that the cost and expense of same is borne by the Association. Upon the termination of the Management Agreement, an audit of the accounts of the Association shall be made annually, as provided for in ARTICLE III, Section 7, of these By-Laws. Said audit shall be prepared by such accountant as the Board of Directors determines and a copy of said report shall be available to the members of the Association in the office of said Association and with the Treasurer of the Association. Such report shall be available not later than three (3) months after the end of the year for which the report is made. The provisions of a Management Agreement applicable thereto shall supersede the foregoing.

ARTICLE VII

ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the common elements or limited common elements of the Condominium(s) which this

Association operates and maintains except as specifically provided for in said Condominium's Declaration of Condominium. There shall be no alterations or additions to the recreation facilities under the Agreement for Recreational Facilities attached to the Declaration of Condominium to which these By-Laws are attached where the cost thereof to said Condominium is in excess of twenty (20%) per cent of said Condominium's share of common expenses as to the recreation facilities under the Agreement for Recreational Facilities, excluding rent thereunder, unless the same is authorized by the Board of Directors of the Association and the same is approved by not less than sixty (60%) per cent of the total vote of the members of this Association; and provided further that said additions or alterations are approved by the Lessor of said demised recreation facilities. The Management Firm shall have the right to make assessments for additions or alterations to the common elements of said Condominium and to the recreation facilities under the Agreement for Recreational Facilities aforesaid without the approval of the Board of Directors of this Association and the members of this Association, provided said assessment therefor does not exceed the amount required herein and in the Declaration of Condominium to which these By-Laws are attached, and further provided that said assessment is in accordance with these By-Laws and said Declaration of Condominium and Agreement for Recreational Facilities attached thereto.

ARTICLE VIII

COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of an assessment) by the unit owner in any of the provisions of the Declaration of Condominium, of these By-Laws or of the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the unit owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the By-Laws, or of the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

- (a) An action at law to recover for its damage on behalf of the Association or on behalf of the other unit owners;
- (b) An action in equity to enforce performance on the part of the unit owner; or
- (c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Upon a finding by the Court that the violation complained of is willful and deliberate, the unit owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from the date of a written request, signed by a unit owner, sent to the Board of Directors, shall authorize any unit owner to bring an action in equity or suit at law on account of the violation in the manner provided for in the Condominium Act. Any violations which are deemed by the Board of Directors to be a hazard to the public health may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the unit owner as a specific item which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses.

Section 2. Negligence or Carelessness of Unit Owner, etc.

All unit owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his 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 liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance company or rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said unit owner as a specific item which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses.

Section 3. Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

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

Section 5. Election of Remedies. All rights, remedies and privileges granted to the Association or unit owner pursuant to any terms, provisions, covenants or conditions of the Condominium documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies or privileges as may be granted to such other party by Condominium documents, or at law or in equity.

Section 6. The Management Firm. As long as the Management Agreement remains in effect, the Management Firm shall act on behalf of the Board of Directors of the Association and on its own behalf with the same power and authority granted to the Board of Directors of the Association as to all matters provided under this ARTICLE VIII, Sections 1 through 5 inclusive, and said Sections 1 through 5 inclusive of this ARTICLE VIII shall be interpreted as including within the context of such Sections violations of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement. Section 2 above shall also be interpreted as meaning and including said Condominium's property and the recreation facilities under the Agreement for Recreational Facilities, both real and personal. The Management Firm may act upon its own determination or upon the determination and direction of the Board of Directors of the Association as to Section 1 hereinabove. Should the Management Firm fail to act, as directed by the Board of Directors as to Section 1 above, the Board of Directors may act on its own behalf; however, due to the diverse types of situations that may arise between unit owners stemming out of the alleged violations, the Management Firm shall not be liable or responsible to the Association, its Board of Directors or the unit owners for its failure to act as directed by the Board of Directors as to Section 1 hereinabove.

ARTICLE IX

ACQUISITION OF UNITS

Section 1. Voluntary Sale of Transfer. Upon receipt of a unit owner's written notice of intention to sell or lease, as described

in ARTICLE X of the Declaration of Condominium to which these By-Laws are attached, the Board of Directors shall have full power and authority to consent to the transaction as specified in said notice, or to designate a person other than the Association as designee pursuant to the provisions of said ARTICLE X without having to obtain the consent of the membership thereto. The Board of Directors shall have the further right to designate the Association as being "willing to purchase, lease or rent", upon the proposed terms, upon adoption of a resolution by the Board of Directors recommending such purchase or leasing to the membership; but notwithstanding the adoption of such resolution and such designation by the Board of Directors, the Association shall not be bound and shall not so purchase or lease, except upon the authorization and approval of the affirmative vote of voting members casting not less than sixty (60%) per cent of the total votes of the unit owners present at any regular or special meeting of the unit owners wherein said matter is voted upon. The provisions of ARTICLE X of the Declaration of Condominium to which these By-Laws are attached or ARTICLE X of any Declaration of Condominium to these By-Laws are attached, and the provisions of the Management Agreement attached to the aforesaid Declaration of Condominium or any other applicable Management Agreement, shall supersede the provisions herein relative thereto.

Section 2. Acquisition on Foreclosure. At any foreclosure sale of a unit, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than sixty (60%) per cent of the total votes of the unit owners present at any regular or special meeting of the unit owners wherein said matter is voted upon, acquire in the name of the Association or its designee a Condominium Parcel being foreclosed. The term "foreclosure", as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium Parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of unit owners at the foreclosure sale of a unit due to the foreclosure of the Association's lien for assessments under the provisions of ARTICLE IX of the Declaration of Condominium to which these By-Laws are attached or ARTICLE IX of any Declaration to which these By-Laws are attached, notwithstanding the sum of the Board of Directors determines to bid at such foreclosure sale.

ARTICLE X

AMENDMENTS TO THE BY-LAWS

The By-Laws may be altered, amended or added to at any duly called meeting of the unit owners provided that:

(a) Notice of the meeting shall contain a statement of the proposed Amendment:

(b) If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the unit owners.

(c) If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the

Amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4ths) of the total votes of the unit owners.

(d) Said Amendment shall be recorded and certified as required by the Condominium Act. Notwithstanding anything above to the contrary, until one of the events in ARTICLE III, Section 7, of these By-Laws occurs, these By-Laws may not be amended without a prior resolution requesting the said Amendment from the Board of Directors.

(e) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required by the parties specified in ARTICLE VII of the Declaration of Condominium to which these By-Laws are attached, or ARTICLE VII of any Declaration of Condominium to which these By-Laws are attached.

ARTICLE XI

NOTICES

Notices required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices as set forth in the Declaration(s) of Condominium to which these By-Laws are attached.

ARTICLE XII

INDEMNIFICATION

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

ARTICLE XIII

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of the Condominium shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE XIV

LIMITATION OF LIABILITY

Notwithstanding the duty of the Management Firm and the Association to maintain and repair parts of the Condominium property and, where applicable, the recreation facilities, the Management Firm

and Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XV

PARLIAMENTARY RULES

Roberts Rules of Orders (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Condominium Act, the Declaration of Condominium or these By-Laws.

ARTICLE XVI

LIENS

Section 1. Protection of Property. All liens against a Condominium unit, other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments upon a Condominium unit shall be paid before becoming delinquent as provided in these Condominium documents or by law, whichever is sooner.

Section 2. Notice of Lien. A unit owner shall give notice to the Management Firm, as long as the Management Agreement remains in effect, and to the Association of every lien upon his unit, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

Section 3. Notice of Suit. Unit owners shall give notice to the Management Firm and the Association of every suit or other proceeding which will or may affect title to his unit or any part of the property, such notice to be given within five (5) days after the unit owner receives notice thereof.

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

Section 5. Permitted Mortgage Register. The Association may maintain a register of all permitted mortgages, and at the request of a mortgagee, the Association shall forward copies of all notices for unpaid assessments or violations served upon a unit owner to said mortgagee. The Management Firm, as long as the Management Agreement remains in effect, shall not be required to maintain a register, as provided herein. If a register is maintained, the Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors of the Association, may make such charge as it deems appropriate against the applicable unit for supplying the information provided herein. Notwithstanding anything to the contrary *

ARTICLE XVII

RULES AND REGULATIONS

Section 1. The Management Firm. As long as the Management Agreement remains in effect, the Management Firm, and thereafter the Board of Directors, may from time to time adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the common elements of the Condominium(s), and any facilities or services made available to the unit owners. A copy of the Rules and Regulations adopted from time to time as herein provided shall, from time to time, be posted in a conspicuous place.

* herein contained, and provided an institutional lender holding a mortgage on a condominium parcel gives written notice to the Board of Directors of the Association of the existence of its mortgage, then the Board of Directors shall promptly notify said institutional lender of any default by the owner of the condominium parcel in the payment of assessments or any other default in the performance of his obligations under the Declaration of Condominium and Exhibits attached thereto, and in any event the Board of Directors of the Association shall promptly notify said institutional lender if the default has not been cured within 30 days of the giving of written notice of the default by the Board of Directors of the Association to the condominium parcel owner.

Section 2. As to Condominium Units. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Board of Directors, may from time to time adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Condominium unit(s); provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place on the Condominium's property, and/or copies of same shall be furnished to each unit owner.

Section 3. As to Recreation Area and Facilities. The use of the recreation area and facilities under the Agreement for Recreational Facilities shall at all times be subject to such Rules and Regulations as the Management Firm, as long as the Management Agreement remains in effect, may establish from time to time, in its sole discretion, and thereafter subject to the Rules and Regulations promulgated by the Lessees of said recreation area and facilities. Said recreation area and facilities shall only be used by the unit owners and those persons permitted by the Management Firm, and thereafter said Lessees, subject to the Rules and Regulations for said facilities. All children who are twelve (12) years of age or under must be accompanied by a responsible adult to the recreation area or facilities. Any damage to equipment or the premises caused by a unit owner, his family, servants, guests, etc. shall be paid for by the unit owner responsible therefor, and the cost thereof shall be a charge and lien upon the unit owner's parcel as a special assessment. The foregoing provisions are further subject to the approval of the Lessor, and said Lessor shall have the paramount right, should it desire, to establish Rules and Regulations for the use of the recreation area and facilities, and to determine who may use said facilities, and under what circumstances and conditions.

Section 4. Conflict. In the event of any conflict between the Rules and Regulations adopted or from time to time amended and the Condominium documents or the Condominium Act, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Management Agreement, the provisions of the Management Agreement shall prevail, and as between these By-Laws and the Declaration(s) of Condominium, the provisions of said Declaration shall prevail.

ARTICLE XVIII

MANAGEMENT AGREEMENT - F. S. 711.13(4)

Attached to the Declaration of Condominium to which these By-Laws are attached is the Management Agreement whereunder the Management Firm is delegated the responsibility of operating and managing the Condominium property and recreational facilities, said Condominium property and recreational facilities being a part of Avila, a multi-phase Condominium project. The right of the unit owners to cancel the provisions of the Management Agreement relating to the management of the Condominium property, pursuant to Section 711.13(4) of the Florida Statutes, is conditioned upon this Association first being under the control of its unit owners. This Association and its unit owners acknowledge and agree that this Association shall come under the control of its unit owners only on the date that the unit owners, rather than the Developer, elect the members of this Association's Board of Directors at a meeting of this Association's membership called for that purpose in accordance with the provisions of Section 7, ARTICLE III, and Section 11, ARTICLE IV, of these By-Laws.

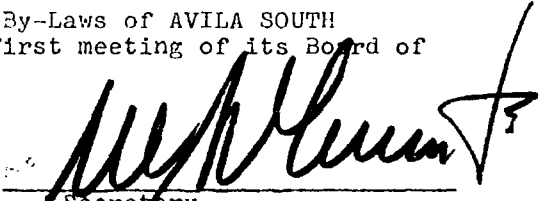
ARTICLE XIX

CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

The foregoing were adopted as the By-Laws of AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., at the first meeting of its Board of Directors.


Secretary

Approved:

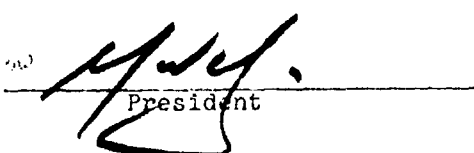

President

EXHIBIT 5
ARTICLES OF INCORPORATION
OF

AVILA SOUTH CONDOMINIUM ASSOCIATION, INC.

WE, the undersigned, hereby associate ourselves together for the purpose of forming a non-profit Corporation under the laws of the State of Florida, pursuant to Florida Statutes 617 Et Seq., and hereby certify as follows:

ARTICLE I

The name of this Corporation shall be: AVILA SOUTH CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

The general purpose of this non-profit Corporation shall be as follows:

To be the "Association" (as defined in the Condominium Act of the State of Florida, F. S. 711 Et Seq.), for the operation of AVILA SOUTH CONDOMINIUM, a Condominium to be created pursuant to the provisions of the Condominium Act; and as such Association, to operate and administer said Condominium and carry out the functions and duties of said Condominium as set forth in the Declaration of Condominium established for said Condominium.

ARTICLE III

All persons who are owners of condominium parcels within said Condominium shall automatically be members of this Corporation. Such membership shall automatically terminate when such person is no longer the owner of a condominium parcel. Membership in this Corporation shall be limited to such condominium parcel owners.

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

ARTICLE IV

This Corporation shall have perpetual existence.

ARTICLE V

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

SYDNEY WOLOFSKY	110 - 175th Terrace, Miami Beach, Fla.
JACK AXELROD	110 - 175th Terrace, Miami Beach, Fla.
MEL SCHUSTER	110 - 175th Terrace, Miami Beach, Fla.

ARTICLE VI

Section 1. The affairs of the Corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than the number specified by the By-Laws, and in the exact number of persons as specified in said By-Laws. The Directors, subsequent to the first Board of Directors, shall be elected at the annual meeting of the membership for a term of one (1) year, or until their successors shall be elected and shall qualify. Pro-

visions for such election, and provisions respecting the removal, disqualification and resignation of Directors, and for filling vacancies on the Directorate, shall be established by the By-Laws.

Section 2. The principal officers of the Corporation shall be:

President
Vice President
Secretary
Treasurer

(the last two officers may be combined), who shall be elected from time to time in the manner set forth in the By-Laws adopted by the Corporation.

ARTICLE VII

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

SYDNEY WOLOFSKY	President
JACK AXELROD	Vice President
MEL SCHUSTER	Secretary-Treasurer

ARTICLE VIII

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

SYDNEY WOLOFSKY
JACK AXELROD
MEL SCHUSTER

ARTICLE IX

The By-Laws of the Corporation shall initially be made and adopted by its first Board of Directors.

Prior to the time the property described in ARTICLE II hereinabove has been submitted to Condominium ownership by the filing of the Declaration of Condominium, said first Board of Directors shall have full power to amend, alter or rescind said By-Laws by a majority vote.

After the property described in ARTICLE II hereinabove has been submitted to Condominium ownership by the filing of the Declaration of Condominium, the By-Laws may be amended, altered, supplemented or modified by the membership at the Annual Meeting, or at a duly convened special meeting of the membership, attended by a majority of the membership, by vote, as follows:

- A. If the proposed change has been approved by the unanimous approval of the Board of Directors, then it shall require only a majority vote of the membership to be adopted.
- B. If the proposed change has not been approved by the unanimous vote of the Board of Directors, then the proposed change must be approved by three fourths (3/4ths) of the total vote of the membership;

provided, however, that (1) prior to the first Annual Meeting of the membership, the By-Laws may not be amended without a prior resolution requesting said Amendment by the Board of Directors of the Association; and (2) subsequent to the first Annual Meeting of the membership,

the By-Laws may not be amended without the approval of the Board of Directors of the Association unless the proposed Amendment shall be filed in writing with the Secretary or President not less than ten (10) days prior to the membership meeting at which such Amendment is to be voted upon. Provided further, that after the property described in ARTICLE II has been submitted to Condominium ownership, the By-Laws may only be amended with the written approval of the Management Firm referred to in the said Declaration of Condominium, as long as the Management Agreement remains in effect, and the written approval of the Lessor under the Agreement for Recreational Facilities referred to in said Declaration, and the written approval of the Developer referred to in said Declaration, where said Amendment changes the rights and privileges of the said Developer.

ARTICLE X

Amendments to these Articles of Incorporation may be proposed by any member or director and shall be adopted in the same manner as is provided for the amendment of the By-Laws as set forth in ARTICLE IX above. Said Amendment(s) shall be effective when a copy thereof, together with an attached certificate of its approval by the membership, sealed with the Corporate Seal, signed by the Secretary or an Assistant Secretary, and executed and acknowledged by the President or Vice President, has been filed with the Secretary of State, and all filing fees paid.

ARTICLE XI

This Corporation shall have all of the powers set forth in Florida Statute 617.021, all of the powers set forth in the Condominium Act of the State of Florida, and all powers granted to it by the Declaration of Condominium and Exhibits annexed thereto, including the power to contract for the management of the Condominium and any recreational facilities leased to the Association.

ARTICLE XII

There shall be no dividends paid to any of the members nor shall any part of the income of the corporation be distributed to the Board of Directors or officers. In the event there are any excess receipts over disbursements as a result of performing services, such excess shall be either refunded to the members of the Association, or retained by the Association to be applied against its expenses for the next ensuing fiscal year. The determination as to whether to refund such excess or to apply same to future expenses shall be by majority vote of the Board of Directors, provided, however, that from and after the first annual meeting of the membership of the Association, said determination shall be made by resolution of the Board of Directors with the consent and approval of a majority of the unit owners' total votes. The corporation may pay compensation in a reasonable amount to its members, directors and officers for services rendered, may confer benefits upon its members in conformity with its purposes, and upon dissolution or final liquidation, may make distribution to its members as is permitted by the Court having jurisdiction thereof, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income.

This corporation shall issue no shares of stock of any kind or nature whatsoever. Membership in the corporation and the transfer thereof, as well as the number of members, shall be upon such terms and conditions as provided for in the Declaration of Condominium and/or By-Laws.

ARTICLE XIII

The principal office of the Corporation shall be located at 110 - 175th Terrace, Miami Beach, Fla. 33163 but the Corporation may maintain offices and transact business in such other places within

or without the State of Florida as may from time to time be designated by the Board of Directors.

IN WITNESS WHEREOF, the Subscribers hereto have hereunto set their hands and seals this 25th day of October, 1972.

Signed, Sealed & Delivered in the presence of:

<u>/s/ Kenneth Wolofsky</u>	<u>/s/ Sydney Wolofsky</u> (SEAL)
	SYDNEY WOLOFSKY
<u>/s/ Martin Rabin</u>	<u>/s/ Jack Axelrod</u> (SEAL)
	JACK AXELROD
<u>/s/ Jacques Dorval</u>	<u>/s/ Mel Schuster</u> (SEAL)
	MEL SCHUSTER

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared SYDNEY WOLOFSKY, JACK AXELROD, and MEL SCHUSTER, who, after being by me first duly sworn, acknowledged that they executed the foregoing Articles of Incorporation of AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, for the purposes therein expressed.

WITNESS my hand and official seal at Miami, said County and State, this 25th day of October, 1972.

/s/ Birdie Berman
Notary Public
State of Florida at Large

My commission expires: August 20, 1974

AGREEMENT FOR RECREATIONAL FACILITIES

THIS AGREEMENT, made and entered into this 10th day of December, 1973, by and between KAPPA CORP., FOMIK CORP. and LOSCH CORP., all being Florida corporations (hereinafter collectively called "Lessor"), and AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., a non-profit Florida corporation (hereinafter called "Lessee");

WITNESSETH:

THAT in consideration of the covenants and agreements hereinafter mentioned to be performed by the Lessee, and the payment of the sums hereinafter designated due by the Lessee in accordance with the provisions of this lease, the Lessor has leased, rented, let and demised and by these presents does lease, rent, let and demise unto the said Lessee, its successors and assigns the following described property and improvements thereon lying, being and situated in the County of Dade, State of Florida; to wit:

Recreation Condominium Units A, B, C, and D of AVILA SOUTH CONDOMINIUM, as described in the Declaration of Condominium and Exhibit No. 3 to said Declaration to which this Agreement For Recreational Facilities is attached.

TERM OF LEASE: The term of this lease shall be for a period of ninety-nine (99) years commencing on the first day of January, 1974 and ending December 31, 2072, unless sooner terminated in accordance with the terms and conditions hereof.

ARTICLE 1

TITLE: Lessor covenants that it owns the above described property in fee simple. Lessee herein assumes and agrees to take title subject to specifically, but not limited to, the following:

- A. Conditions, restrictions, limitations and easements of record on the date of this Lease.
- B. All zoning and subdivision ordinances affecting said land, if any.
- C. Questions of locations, measurement and survey.
- D. Real estate taxes and county special tax district assessments for the year in which this Lease is executed and thereafter.

THIS INSTRUMENT PREPARED BY MARTIN B. SHAPIRO, ESQ. OF THE LAW FIRM OF GREENBERG, TRAURIG, HOFFMAN, LIPOFF & QUENTEL, P.A. 1405 NORTHEAST AIRLINES BUILDING, 150 S. E. 2nd AVE., MIAMI, FLORIDA

E. Terms and conditions of the Declaration of Condominium and Exhibits attached thereto, to which this Agreement is attached.

The demised premises are subject to such easements for public utilities as appear of public record as of the date hereof, and Lessor shall have, at all times, the exclusive right to create, over or under such of the demised premises, for any and all public utilities, easements from time to time as the Lessor, in its discretion, shall deem appropriate, free and clear of the provisions of this Lease, provided only that such future easements shall be for the purpose, in whole or in part, of supplying utilities to the demised premises and/or other properties located within the confines of the Avila Project.

ARTICLE 11

ASSOCIATION: The Lessee is an association formed to conduct and administer the affairs of the Condominium created by the Declaration of Condominium to which this Agreement is attached, consisting of One Hundred Ninety-six (196) residential condominium units and Four (4) recreation condominium units (the latter being the condominium units demised under this lease) and other appurtenant improvements to be erected on the property described in the said Declaration of Condominium.

ARTICLE 111

IMPROVEMENTS TO BE INCLUDED IN THE DEMISED PREMISES: The Lessor agrees that it will cause improvements for use as recreational facilities to be constructed upon the demised premises at its own cost and expense, which facilities will be deemed part and parcel of the demised premises, and will include swimming pool of approximately 20'x 40', pool deck, card room, billiard room, sauna baths and recreation room with kitchen facilities. Furnishings and equipment for the demised premises shall not be provided by the Lessor and the obligation to provide and pay for furnishings and equipment for the demised premises shall be that of the Lessee as well as the maintenance and replacement of all furnishings and equipment in the demised premises.

ARTICLE 1V

RENTAL: Upon the commencement of the term of this Lease as aforescribed, the Lessee covenants with the Lessor that it will pay to the Lessor, without demand, or to the designee of the Lessor, a sum of money per month payable in advance on the first day of the month this Lease commences and on the first day of each and every succeeding month thereafter during the term of this Lease, for the use of the demised premises. The monthly rental shall be collected from the residential condominium unit owners by the Lessee as a common expense and assessed against each residential condominium unit in accordance with the schedule set forth in Exhibit A attached hereto.

1. Rent shall be payable at such places as the Lessor may specify in writing from time to time, and a place once specified as the place for payment of rent shall be such until it shall have been changed by written notice unto the Lessee by the Lessor.

2. All rent shall be payable in current legal tender of the United States, as the same is constituted by law at the time said rent becomes due.

3. The Developer, as named in the Declaration of Condominium to which this agreement is attached, shall not be assessed by the Lessee or be required to pay to Lessee any monies allocated to rent of the recreational facilities for condominium units that are owned by Developer in finished buildings. Similarly, the Lessor agrees to accept a lesser amount of rental hereunder from the Lessee for the said period of time equal to the rental for the particular condominium units owned by Developer in finished buildings as provided for in this Article.

4. The Lessee covenants and agrees with the Lessor that no damage or destruction to any building or improvement by fire, windstorm, or other casualty shall be deemed to entitle the Lessee to surrender possession of the premises or to terminate this lease, or to violate any of its provisions, or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms hereof.

The percentage of ownership of the Lessors in and to the recreational condominium units devised herein and in and to the Lessor's interest in this lease are as follows: Fonik Corp. - 45%; Losch Corp. - 40%; Kappa Corp. - 15%. The monthly rental required to be paid by the Lessee under this lease shall be allocated by the Lessee in accordance with the respective percentage interest of each of the above named corporations and each corporation's share of the rent shall be paid directly to that corporation, or its assignee, by the Lessee.

ARTICLE V

ADJUSTMENT OF RENTAL TO COST OF LIVING: The rent required to be paid by the Lessee and the condominium unit owners established under Article IV of this Agreement, hereinafter referred to, for the purpose of this Article, as "Monthly Basic Rent Charge", shall be based upon the cost of living for the month of January, 1974, as reflected in the "Consumer Price Index, United States Average - All Items and Food", published in the Monthly Labor Review Bureau of Labor Statistics of the United States Department of Labor. Subject to the foregoing, the Monthly Basic Rent Charge shall be adjusted in the following manner to reflect increases in the cost of living as set forth in said index, or if there be no such index, then of the most recent comparable successor to the index, adjusted to the date of the last computation of the rent. The rent shall be due on February 1, 1979, and increases shall be due on the first day of February of each and every five (5) years thereafter, each of which dates is called a "Computation Date". Each increase shall be in effect commencing from the Computation Date until the end of the term, unless further increased at a subsequent Computation Date. The amount of the increased Monthly Basic Rent Charge shall be arrived at by multiplication of the Monthly Basic Rent Charge by a fraction of which the numerator shall be the Index number for the December preceding such Computation Date, and the denominator shall be the Index figure for January, 1974. Any increase in the Monthly Basic Rent Charge so obtained shall be payable, together with the Monthly Basic Rent Charge. If there be no Consumer Index or comparable successor thereto,

then increases contemplated therein shall be established by arbitration under the auspices of the American Arbitration Association. The "Monthly Basic Rent Charge", as set forth in Article IV hereof, shall be a minimum rent charge and no decrease in the applicable cost of living index shall ever serve to reduce the rent charge below the "Monthly Basic Rent Charge". Further, the rental required to be paid hereunder, whenever increased in accordance with this Article V, shall not be thereafter decreased notwithstanding any decrease from time to time in the applicable cost of living index.

ARTICLE VI

USE OF DEMISED PREMISES: It is understood and agreed between the parties hereto that the demised premises, during the continuance of this Lease, may be used and occupied only for recreational purposes and are for the joint and common use of all of the individual unit owners in the condominium.

The Lessee shall make deposits for and pay all bills and charges for utilities and services used in and about the demised premises, including water, sewage, gas, electricity and telephone.

The Lessor hereby grants to the management firm the right to grant concessions and licenses to persons upon such terms and conditions and for such purposes as the management firm determines, to provide facilities and services on the demised premises for the said Lessees of the demised premises. The Management firm shall also have the right to cause coin vending machines and coin operated equipment and pay telephones to be installed upon the demised premises in such locations as it determines in accordance with the provisions of the management agreement attached as an exhibit to the Declaration to which this agreement is attached.

The demised premises shall be used only for recreational and/or leisure time purposes and activities subject to the rules and regulations described and promulgated as set forth above. The Lessee and/or individual unit owners agree that the within premises and all building and improvements thereon, during the term of this agreement, shall be used only and exclusively for lawful purposes, and that they will not use or permit or suffer anyone to use said premises or improvements for any purpose in violation of the laws of the United States, the State of Florida, or the ordinances and regulations of the County of Dade, or the rules and regulations of the National Board of Fire Underwriters, or such other body exercising similar functions.

ARTICLE VII

LEASE SECURITY: The Lessee is an association formed to conduct and administer the affairs of this Condominium in accordance with the Condominium Law of the State of Florida. Pursuant to the general plan of condominium ownership, each individual unit owner, in addition to receiving title to his individual unit and to a percentage of the common elements appurtenant thereto, shall become a member of the Lessee Association, and each member shall have the right to use and enjoy the recreational facilities. Accordingly, for and in consideration of the Lessor's agreement to allow each member to use and enjoy the subject recreational facilities, the Lessee does hereby covenant and warrant unto the Lessor that prior to admitting any individual into the Association, it will gain from said individual and deliver to Lessor a Pledge of said individual's interest in his Condominium Parcel to secure the Lessee's obligations under this Agreement and the individual's obligation to pay his share of the common expenses of the Condominium of which the rent, taxes, insurance and maintenance for the recreational facilities under this Agreement is a part thereof. A copy of the aforescribed "Pledge Agreement" is attached as EXHIBIT 7 to the Declaration of Condominium to which this Agreement is attached, and the Lessee and each parcel owner in the Condominium agree to the terms conditions and form thereof. The failure of the Association to secure the aforescribed "Pledge Agreement" and deliver same to Lessor shall not be construed to mean that the title to the subject Condominium Parcel passes free and clear of the Pledge. In the event of such failure, the title to the individual's Condominium Parcel shall be automatically subject to the "Pledge Agreement" the same as if it had been executed and delivered to the Lessor in accordance with this ARTICLE.

In the event a unit owner fails to pay his aforescribed common expenses for any period of time, the Lessor, in consideration of the aforescribed unit owner's pledge, understands and agrees to accept a lesser amount of rental hereunder from the Lessee for the said period of time equal to the rental for that particular unit as described in ARTICLE IV hereinabove. Conversely, upon the delinquent unit owner's paying all of his unpaid common expenses or upon the delinquent unit owner's interest in the condominium being transferred or sold, whether as a result of the Lessor's foreclosing the subject pledge or otherwise, then and in such event, the rental shall be increased by an amount equal to the unit owner's pro rata share of the rental provided in ARTICLE IV hereinabove.

It is mutually recognized and agreed by and between the Lessor and Lessee herein that in the event any unit owner is delinquent as aforescribed, this shall not preclude the other unit owners of the condominium from the use of the facilities; provided, however, that it shall be the obligation of the Lessee to enforce the collection of the assessments pertaining to the recreational facilities which are a part of the common expenses of the condominium in accordance with the provisions contained in the Declaration of Condominium.

In order to provide to each unit owner a reasonable and convenient method to avoid the results he may suffer due to the default by the Lessee Association in the payment of its rental obligation hereunder, the Lessor and Lessee mutually agree that at the option of the Lessor, any member of the lessee association may pay their monthly rental (as calculated in ARTICLE IV above) directly to the Lessor each month, and such monthly payment will (1) insulate and preclude the member unit owner from any liability hereunder; (2) insulate and preclude the member from any liability under his individual Pledge Agreement; and (3) preclude the member from being deprived of the use of the recreational

facilities, provided, of course, that the member paying directly to the Lessor each month is (a) current at all times with regard to the payment of his pro rata share of all other lawful charges, taxes, assessments, levies, liabilities, and encumbrances of the Association; and (b) current at all times with regard to all other lawful charges, taxes, assessments, levies, liabilities and encumbrances levied or existing against his condominium parcel and (c) not in default in any of his obligations pursuant to the Declaration of Condominium and all Exhibits attached thereto.

Of course, it is mutually understood and agreed to by and between the Lessor and the Lessee that all monies paid directly to the Lessor by an individual unit owner, as aforescribed, shall serve to reduce the Lessee's monthly obligation for the payment of rental hereunder in an amount equal to the sum so directly paid to Lessor by the individual unit owner.

ARTICLE VIII

MAINTENANCE OF PREMISES: Lessee has the obligation to maintain the leased premises in good order, condition and repair. Lessor has no obligation whatsoever to maintain the leased premises or any of the improvements thereon. Lessee agrees to permit no waste, damage or injury to said premises. At the expiration of the Lease created hereunder, Lessee shall surrender the premises in good condition, reasonable wear and tear excepted. Lessor agrees that the building, the electrical system, water system, air conditioning system, fixtures, equipment and all items of personalty within and upon the leased premises shall be under the full control of the Lessee or its agents and that all operation, upkeep, repairs and replacement of such items shall be done by and at Lessee's expense. Lessee further agrees that it shall provide, at its expense any and all utility services required or necessary in the operation of the demised premises. The Lessee shall not change the design, color, materials or appearance of the improvements now or hereafter placed upon the demised premises, without the Lessor's prior written approval.

ARTICLE IX

DEVELOPER:

A. The Developer. The Developer is the promoter and developer of the Condominium named in the Declaration of Condominium to which this Agreement is attached.

B. Rights of Developer. Until the Developer shall have completed the development and sale of all Condominium units in the Condominium created by the Declaration of Condominium to which this Agreement is attached, Developer shall have the following rights, notwithstanding any other provisions of this Lease to the contrary:

1. Use of the Demised Premises. The right to use, occupy and demonstrate, on a non exclusive basis, all portions of the demised premises for the purpose of promoting and aiding in the sale or rental of living units on or to be constructed on lands constituting the Condominium. Such rights may not be exercised in an unreasonable manner inconsistent with the rights of the Lessee and its members to use, occupy and enjoy such portions of the demised premises. The exercise of such rights by the Developer shall not reduce, abate or suspend the Lessee's obligation to pay rent, to repair and maintain such portions of the demised premises, to pay taxes and insurance premiums thereon and utilities therefor, or to perform in full all of its covenants and promises herein made.

2. Promotion. Display and erect signs, billboards and placards and store, keep, exhibit and distribute printed, audio and visual promotional materials in and about the premises.

2. Rules and Regulations. Established and hereinafter established and regulations not inconsistent with any of the provisions of this Lease concerning the use of the demised premises.

C. Acts of Developer. Although the Lessor of the recreational facilities herein demised may be the same entity as the Developer of the condominium created by the Declaration of Condominium to which this Agreement is attached, the Lessee agrees that the Lessor and Developer shall never, for any purpose, be construed or considered as being one and the same. No act of commission or omission by the Developer shall ever be construed or considered as (i) a breach made by the Lessor of any of its promises and covenants in this Lease; (ii) an actual, implied or constructive failure by the Lessor to deliver possession of the demised premises to the Lessee; (iii) an actual, implied or constructive eviction of the Lessee from the demised premises by the Lessor or anyone acting by, through, under or for it; or (iv) an excuse, justification, waiver or indulgence by the Lessor to the Lessee with regard to the Lessee's prompt, full, complete and continuous performance of its covenants and promises herein.

ARTICLE X

COVENANT TO HOLD HARMLESS: Lessor shall be, and is hereby held harmless by Lessee from any liability for damages to any person or property in or upon said leased premises and the sidewalks adjoining same, including the person and property of Lessee, Lessee's agent, servants, employees and all persons upon the leased premises at Lessee's invitation. It is understood and agreed that all property kept, stored or maintained in or upon the leased premises shall be so kept, stored or maintained at the risk of Lessee only.

MECHANICS' LIENS: All persons 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 pay any mechanics' or materialmen's liens of any kind, and all persons dealing with the Lessee are hereby put upon notice that they must look solely to the interest of the Lessee in the demised premises and not to the Lessor for payment of any such claims. The Lessor shall not be bound by any such claim or lien unless the same shall have been filed in the Public Records of Dade County, State of Florida, or within thirty (30) days after the claim shall have been filed among the Public Records of Dade County, State of Florida, or within thirty (30) days after the Lessor shall have been given notice of such claim and shall have transmitted notice of the receipt of such unto the Lessee [whichever thirty (30) day period expires first], to cause the demised premises to be released from such claim either by payment or posting of bond or the payment into Court of the amount necessary to relieve and release the demised premises from such claim or in any other manner in which, as a matter of law, will result, within the said thirty (30) day period, in the release of the Lessor and its interest in the demised premises from such claim or lien; and the Lessee covenants and agrees, within said period of thirty (30) days, to so cause the premises and the Lessor's interest therein to be relieved from the legal effect of such claim or lien.

ARTICLE XI

INSURANCE: The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Lessee shall cause the demised premises to be covered by Fire and Extended Coverage Insurance, in such amounts in such form, and with such company(s) as the Lessor requires, and with a loss payable provision in favor of the Lessor -- said Policy(s)

to be for the interest of the Lessor and its mortgagees, as their interests may appear - and said Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessee of the demised premises shall obtain a Comprehensive Public Liability Policy insuring the Lessor and Management Firm and the Lessee for liability arising out of the use and operation of the demised premises, in such amounts, in such form and with such company(s) as the Lessor shall require. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Lessee shall also obtain Workmen's Compensation Insurance and such other insurance as deemed advisable and as may be required by the Lessor, and as the Management Firm as long as the Management Agreement remains in effect, and thereafter, the Lessee, determines to obtain in its sole discretion. The Management Firm as long as the Management Agreement remains in effect, and thereafter, the Lessee, shall also obtain rent insurance wherein the Lessor shall be the names insured to insure against loss of all or any part of the rental due under this agreement from Lessee to Lessor by virtue of rental hereunder being temporarily and/or permanently discontinued by fire, windstorm or other perils or hazards to the demised premises and/or any structures now or hereafter situated thereon.

Lessee covenants and agrees with the Lessor that the Lessee will pay the premiums for all insurance policies which it is required and obligated to carry under the terms of this lease, it will deliver the said policies and the evidence of payment to the Lessor within the time hereinafter limited. Nothing herein contained shall ever be construed as rendering the Lessor personally liable for the payment of any such insurance premiums but, if at any time during the continuance of this lease, the Lessee shall fail, refuse or neglect to procure any of the policies of insurance required in and by this instrument to be procured by the Lessee, or to give and maintain the same in full force and effect, or pay the premiums therefor promptly when due, the amount or amounts of money paid as the premium or premiums thereon, plus interest at the rate of Ten (10%) per cent per annum, shall be collectible as though it were rent then matured hereunder, and shall be due and payable forthwith, or in lieu thereof, and notwithstanding the procurement and renewal of policies by the Lessor, this lease and the term created hereby may, at the option of the Lessor, be terminated and declared at an end, and all of the right, estate and interest of the Lessee hereunder, in such event, shall be void and become null and void.

In the event proceeds of insurance shall be payable under a Policy or Policies for Fire and Extended Coverage Insurance as to the demised premises, and as often as such insurance proceeds shall be payable, the same shall be paid to the Lessor, and said sums so paid shall be deposited by the Lessor in an account in a Bank in the State of Florida, as the Lessor determines, and such sums shall be available to the Management Firm, as long as the Management Agreement remains in effect, on behalf of the Lessee of the demised premises, and thereafter, shall be available to the Lessee of the demised premises, for the purposes of reconstruction, repair and replacements. Such sums shall be made readily available by the Lessor for such reconstruction, repair and replacement, and shall be paid out of said account from time to time by the Lessor in such amounts as it determines in its sole discretion. The extent of the reconstruction, repair and replacement shall be subject to the Lessor's approval. Should the Lessor determine at any time that there are not sufficient funds on hand in said Bank Account to pay

for the reconstruction, repair and replacement in its entirety, the Lessee of the demised premises will immediately and forthwith deposit into said Bank Account such additional funds as may be reasonably required to pay for same, as determined by the Lessor. Upon completion of the reconstruction, repair and replacement, and the securing of such receipted bills and full and final waivers of lien, and such other documents as Lessor may require, if any, the remaining balance, if any, shall be retained by the Lessor as its property, unless the Lessee of the demised premises was required to deposit additional funds, as hereinbefore set forth, in which event the remaining funds shall be returned to the said Lessee.

Upon the occurrence of any damage to any portion of the demised premises and improvements thereon, and the furniture, furnishings, fixtures, appliances and equipment, and all personal property now or hereafter placed thereon, whether or not the casualty causing such damage is insured against, and whether or not, if insured, any proceeds are paid therefor, the foregoing provisions shall apply. The Management Firm, as long as the Management Agreement remains in effect, and thereafter the Lessee of the demised premises, at said Lessee's cost and expense, shall repair, reconstruct and replace any and all property and improvements thereon, both real and personal, so damaged, so as to restore the same in first class condition, as required by and approved by the Lessor. Such work shall commence no later than thirty (30) days after the occurrence of damage, and shall be completed no later than One Hundred Eighty (180) days after the date of commencement. The foregoing time limitations shall be extended due to any loss of time by reason of any act of nature, war, civil commotion and disorder, material shortages, strikes or other extenuating circumstances over which the Lessee has no control. Failure to comply with any of the provisions of this Article XI shall be deemed a material breach of this lease by the Lessee.

ARTICLE XII

ASSIGNMENT: Lessee may not assign or sublease its interest in this lease. In the event a unit owner in the Condominium sells his unit and said unit owner desires to relieve himself of all personal liability and obligations under this lease and under the terms of the Pledge Agreement attached to the Declaration of Condominium to which this Lease is attached and entered into by the unit owner in favor of Lessor, then said unit owner shall obtain a Pledge Agreement executed by his purchaser and deliver same to the Lessor. By the Purchaser's execution of said Pledge Agreement he shall be deemed to have assumed responsibility for the performance of his obligations under this Lease. Upon full compliance with the foregoing, the selling unit owner shall be released of personal liability under the within Lease and under his individual Pledge Agreement.

ARTICLE XIII

NON-PAYMENT OF RENT: If any rent payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same is due and payable, or if Lessee shall violate or default in any of the other covenants, agreements, stipulations or conditions herein, and such violation or default shall continue for a period of thirty (30) days after written notice of such violation or default, then it shall be optional for Lessor to declare this Lease forfeited and the said term ended and to re-enter the above described premises, with or without process of law, using such force as may be necessary to remove Lessee and its chattels therefrom, and Lessor shall not be liable for damages by reason of such re-entry or forfeiture; but notwithstanding such re-entry by Lessor, the liability of Lessee for the rent provided for herein shall not be relinquished or extinguished for the balance of the term of this Lease.

It is further understood that Lessee will pay, in addition to the fees and other sums agreed to be paid hereunder, such additional sums as the Court may adjudge reasonable as attorneys' fees in any suit or action instituted by Lessor to enforce the provisions of this Lease or the collection of the rent due Lessor hereunder.

ARTICLE XIV

CUMULATIVE REMEDIES: The various rights, remedies, powers, options, elections, preferences, pledges and liens of the Lessor set forth in this Lease shall be construed as cumulative and no one of them shall be construed as being exclusive of the other or exclusive of any rights or priorities allowed by law or by this Lease, and the exercise of one or more shall not be construed as a waiver of the others.

ARTICLE XV

EMINENT DOMAIN.

1. As to Demised Premises.

(a) Total Taking. If, during the term of this Lease, the entire demised premises shall be taken as a result of the exercise of the power of eminent domain (herein called "proceeding"), this Lease and all right, title and interest of the Lessee hereunder shall cease and come to an end on the date of the vesting of title pursuant to such proceeding and the Lessor shall be entitled to and shall receive the total award made in such proceeding, and the Lessee hereby absolutely assigns such award to the Lessor.

(b) Partial Taking. If, during the term of this Lease, less than the entire demised premises shall be taken in any such proceeding, this Lease shall terminate as to the part so taken and the Lessor shall be entitled to and shall receive the total award made in any such proceeding, and the Lessee hereby assigns such award to Lessor, but in such case, the Lessee covenants and agrees that at Lessee's sole cost and expense (subject to reimbursement hereinafter provided), it will promptly restore, repair and replace those portions of the buildings on the demised premises not so taken to complete architectural units and replace buildings totally taken for the use and occupancy of the Lessee as expressed in this Lease.

The Lessor agrees, in connection with such restoration, to apply or cause to be applied the net amount of any award or damage to the building or buildings on the demised premises that may be received by it in any such proceeding toward the cost of such restoration and replacement (but the amount so applied shall not, however, include the cost of any alteration, construction and/or change of improvement the Lessee may desire to make that is not necessary in order to restore that portion of the buildings not so taken to a complete architectural unit or replace buildings totally taken to substantially the same usefulness, design and construction as immediately before such taking, it being understood that no alteration or change in the basic configuration of the improvement shall be made without the approval of the Lessor). and the said net award shall be paid out from time to time to the Lessee as such restoration and replacement progresses upon the written request of the Lessee which shall be accompanied by the following:

- (1) A certificate of the architect or engineer in charge of the restoration dated not more than thirty (30) days prior to such request setting forth the following:

- (i) That the sum requested to be withdrawn either has been paid by Lessee and/or is justly due to contractors, sub-contractors, materialmen, engineers, architects or other persons (whose names and addresses shall be stated) who have completed restorations or replacements, and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid and/or due to each of said persons in respect thereof, and also stating that no part of such cost in any previous or then pending application has been or is being made the basis for the withdrawal of any proceeds of any such award; and

- (ii) That except for the amounts, if any, stated in said certificate pursuant to ARTICLE XV 1 (b) (1) (i) to be due for services or materials, there is no outstanding indebtedness known, after due inquiry, to said architect or engineer, for the purchase price or construction of such repairs, restorations or replacements, or for labor, wages, materials or supplies in connection with the making thereof which, if unpaid, might become the basis of a vendor's, mechanics' laborers', materialmen's, statutory, or other similar lien upon said repairs, restorations, replacements, the demised premises or any part thereof.

- (2) An Affidavit sworn to by Lessee stating that all materials and all property constituting the work described in the the aforesaid certificate of the architect or engineer, and every part thereof, are free and clear of all mortgages, liens, charges or encumbrances, except encumbrances, if any, securing indebtedness due to persons (whose names, addresses and the several amounts due them shall be stated) specified in said certificate pursuant to ARTICLE XV 1 (b) (1) (i) above, which encumbrances will be discharged upon payment of such indebtedness; and also stating that there is no default in the payment of the rent, any item of additional rent or other charge payable by Lessee hereunder.

(3) An official search or other evidence satisfactory to Lessor showing that there has not been filed, with respect to the demised premises, any mechanics' or other lien which has not been discharged of record except such as will be discharged upon payment of the amount then requested.

Upon compliance with the foregoing provisions, Lessor shall, out of the proceeds of such net award, on request of Lessee, pay or cause to be paid to the persons named in the certificate, pursuant to ARTICLE XV 1 (b) (1) (i) above, the respective amounts stated in said certificate to have been paid by Lessee; provided, however, that such payments shall not exceed in amount the fair value as stated in said certificate of the relevant work.

If payment of the net award as aforesaid shall not be received by Lessor in time to permit payment as the work of restoration and replacement progresses, the Lessee shall nevertheless perform and fully pay for such work without delay (except for unavoidable delays over which the Lessee has no control) and payment of the amount to which Lessee may be entitled shall thereafter be made by Lessor out of said net award as and when payment of such net award is received by Lessor. If the funds to be applied by Lessor shall be insufficient to pay the entire cost of such restoration, the Lessee agrees to pay any deficiency and to deposit the amount of such deficiency, as estimated by the architect or engineer who shall first make the certificate called for in ARTICLE VII (b) (1) above, with Lessor prior to any work being contracted for or performed.

From and after the date of vesting of title in such proceeding, a just proportion of the rent, according to the nature and extent of such taking, shall abate for the remainder of the term of this Lease.

If, after making the payments provided for in ARTICLE VI 1(b) (3), there remains any balance in Lessor's hands, it shall be retained by Lessor at its property.

(c) A Taking of Less Than Fee Simple Title. If all or any of the demised premises shall be taken by exercise of the right of eminent domain for governmental occupancy for a limited period, this Lease shall not terminate, and the Lessee shall continue to perform and observe all of its covenants as though such taking had not occurred, except only to the extent that it may be prevented from so doing by reason of such taking. In the event of such a taking, the Lessee shall be entitled to receive the entire amount of any award made for such taking (whether paid by way of damages, rent or otherwise), unless the period of governmental occupancy extends beyond the term of this Lease, in which case the award to the extent that it represents rent shall be apportioned between the Lessor and Lessee as of the date of the end of the term of this Lease. The Lessee covenants that at the termination of any such governmental occupancy, it will, at its cost and expense, restore the improvements on the demised premises in as good condition as when new, but the Lessee shall not be required to do such restoration work if, on or prior to the date of such termination of governmental occupancy, the term of this Lease shall have ended.

(d) Proration. In the event of the termination of this Lease in full or as to any portion of the demised premises as a result of a total or partial taking by proceeding, the Lessee shall pay to the Lessor all rent and all other charges payable by the Lessee with respect to the demised premises or part thereof so taken justly apportioned to the date of taking.

ARTICLE XVI

SOLVENCY OF LESSEE: If, during the term of this Lease, (a) the Lessee shall make an assignment for the benefit of creditors; or (b) a voluntary or involuntary petition be filed by or against the Lessee under any law having for its purpose the adjudication of the Lessee as a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement or satisfaction of the liabilities of the Lessee or the reorganization of the Lessee; or (c) a permanent receiver be appointed for the property of the Lessee, this Lease, at the option of the Lessor, shall be terminated and shall expire as fully and completely as if the day of happening of such contingency coincided with the date specifically fixed as the expiration of the term hereof, the provisions relative to notice and grace notwithstanding, and the Lessee shall then quit and surrender the demised premises to the Lessor, but the Lessee shall remain liable as hereinafter provided. If the Lessee shall contest any proceeding of an involuntary nature which would be grounds or cause for the termination under this section, by suitable process according to law and shall prosecute said defense with due diligence, provided all other covenants of the Lessee herein made are otherwise kept and performed, the right of termination by the Lessor under this Section shall be suspended until the ultimate determination of said matters by a Court of competent jurisdiction or until the Lessee shall abandon or fail to take suitable action to preserve its rights to contest the proceeding. The Lessee shall, every twenty (20) days, notify the Lessor of its continued intention to prosecute its defense and, further, advise the Lessor of the status of all litigation then pending; and the failure of the Lessee to do so shall be deemed a termination of the suspension of the Lessor's right to determine as above provided. If a defense shall be brought by the Lessee and timely prosecuted, and the Lessee shall comply with the above provision with regard to notice and information to the Lessor, then the right of the Lessor to terminate by reason of the provisions of this Section shall be controlled by the outcome of such litigation; that is:

(a) If such litigation be resolved in favor of the Lessee, the Lessor shall have no right to terminate by reason of the occurrence of the acts listed above.

(b) If such litigation be resolved against the Lessee, the Lessor shall have the right to terminate as above provided, but nothing herein shall be construed as relieving the Lessee of the performance of any of its covenants herein which became performable prior to the determination of the outcome of such litigation or the earlier abandonment of defense by the Lessee.

ARTICLE XVII

HOLDING OVER: In the event Lessee remains in possession of the leased premises after the expiration of this Lease without the execution of a new Lease, it shall be deemed to be occupying said premises as a Lessee from month to month, subject to all the conditions, provisions and obligations of this Lease.

ARTICLE XVIII

WAIVER: One or more waivers of any covenant or condition by the Lessor shall not be construed as a waiver of a subsequent approval by Lessor to, or of, any act of Lessee requiring Lessor's consent or approval and shall not be deemed to waive or render unnecessary Lessor's consent or approval to, or of, any subsequent act of Lessee.

ARTICLE XIX

SUBORDINATION: It is understood and agreed between the parties hereto that this instrument shall not be a lien against said demised premises in respect to any principal lease, mortgage or deed of trust that now exists against said demised premises or to any mortgage or deed of trust that hereafter may be placed against said premises, or extensions thereof, and that the recording of such principal lease, mortgage, mortgages or deed of trust shall have preference and precedence and be superior and prior in lien of this Lease, irrespective of the date of recording. The Lessee agrees to execute any such instrument without cost which may be deemed necessary or desirable to further effect the subordination of this Lease to any principal lease, mortgage or mortgages or deed of trust, and a refusal to execute such instrument shall entitle the Lessor, its assigns and legal representatives to the option of cancelling this Lease without incurring any expense or damage, and the terms hereby granted are expressly limited accordingly. The Lessee does hereby agree that the within paragraph shall, in fact, constitute and be the subordination as provided for herein. The Lessee further hereby constitutes and appoints the Lessor as his or its Attorney-in-fact for the purpose of executing any formal instrument of subordination, if same is required.

ARTICLE XX

NOTICES: Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if such notice to Lessee is in writing, addressed to Lessee at the address of the condominium building described in the Declaration of Condominium to which this Agreement is attached and sent by certified mail with postage prepaid, or by delivery thereof to any director or officer of the Lessee; and if such notice be to Lessor it shall be in writing addressed to Lessor at such address as the Lessor may from time to time designate, and sent by certified mail with postage prepaid.

ARTICLE XXI

CONSTRUCTION: Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent nor any other provisions contained herein nor any acts of the parties herein shall be deemed to create any relationship between the parties hereto other than the relationship of Lessor and Lessee. Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and the neuter genders, if such be appropriate.

ARTICLE XXII

NON-LIABILITY: Lessor shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises hereby leased.

ARTICLE XXIII

CONSENT NOT UNREASONABLY WITHHELD: Lessor agrees that whenever under this Lease provision is made for Lessee securing the written consent of Lessor, such written consent shall not be unreasonably withheld.

ARTICLE XXIV

TAXES: Lessee agrees that as part of the consideration of this Lease, it will pay any and all real estate taxes, personal property taxes, assessments and assessments of special tax districts levied upon the land and improvements of the above described premises during the term of this Lease and shall pay said taxes prior to the date on which they become delinquent.

ARTICLE XXV

FORECLOSURE OR PLEDGE AGREEMENT(S) NOT TERMINATION: The foreclosure of other actions to enforce the pledges obtained by and from the individual unit owners as provided for in ARTICLE VII hereof shall not be construed or considered as a termination or cancellation of this Lease or operate as an extinguishment of any other lien right created herein or provided for by law, except such pledges that have been foreclosed shall not stand as security for any amounts realized and actually collected by the Lessor in foreclosure or such other action.

It is further understood that the foreclosure by the Lessor or any other action by the Lessor to enforce the liens provided for by law shall not be considered or construed as a termination or cancellation of this Lease, or operate as an extinguishment of such liens, except such liens shall not stand as security for any amounts realized and actually collected by the Lessor in foreclosure or such other action.

ARTICLE XXVI

RIGHTS OF INSTITUTIONAL FIRST MORTGAGES: An institutional first mortgage referred to herein shall be a mortgage upon a single condominium parcel originally granted to and owned by a bank, savings and loan association, insurance company, or other generally recognized lending institution, or through their respective loan correspondents, intended to finance the initial purchase of a condominium parcel where the primary security for the same is the single condominium parcel involved.

(a) Subordination by Lessor. The Lessor and Lessee do hereby subordinate any liens they may acquire hereunder to the lien of any institutional first mortgage against a single

Condominium Parcel and will execute an instrument of subordination or join in the execution and delivery of a mortgage (provided they do not assume or become obligated to perform any of the covenants of the mortgagor therein) as the mortgagee may require.

(b) Foreclosure by Institutional First Mortgagee. If an institutional first mortgagee shall foreclose its mortgage against a condominium parcel and obtain title to the same by public sale held as a result of such foreclosure suit, or should such institutional first mortgagee acquire title by conveyance in lieu of foreclosure, then so long thereafter as such institutional mortgagee shall continue to hold the title to said condominium parcel, the rent provided for hereunder shall be reduced in accordance with the formula provided in ARTICLE VII to the extent as if such Condominium Parcel did not exist, provided said institutional first mortgagee shall receive the benefit of such reduction in rent by credit against its portion of the common expenses of the Condominium in which it has title to a Condominium Parcel. The same shall not reduce or abate any other of the promises and covenants of the Lessee herein. The foreclosure of an institutional first mortgagee's lien shall not operate as an extinguishment of this Lease, in whole or in part, or as a termination of the Lessor's or Lessee's lien, as aforesaid, as against the Condominium Parcel so foreclosed. Upon an institutional first mortgagee's conveying its title to the Condominium Parcel so acquired by it, the foregoing abatement of rent shall immediately cease and terminate. Notwithstanding the foregoing, the abatement of rent shall not apply for such periods as the mortgagee has leased the condominium parcel.

(c) Common Element. It is intended, as set forth herein, that the Lessee's interest under this Lease and in and to the demised premises be a common element of the Condominium named in the Declaration. Notwithstanding the foregoing, no mortgage lien or other encumbrance against a Condominium Parcel or the Condominium property shall be considered or construed as a mortgage, lien or other encumbrance against the fee simple title of the Lessor in and to the demised premises or the Lessee's interest under this Lease. To the extent that it shall be necessary to perform any of its rights, privileges and remedies, which provisions may not be revoked or amended without the consent of the Lessor, the Lessee shall, at all times, be the irrevocable agent in-fact for each Condominium Parcel and for each owner of a mortgage or other lien upon a Condominium Parcel and for each owner of any other interest in a Condominium Parcel or the Condominium property, except the Lessee shall not, at any time, be the agent-in-fact for the Lessor. With regard to the performance of such promises and covenants and the exercise of such rights, remedies and privileges, the Lessee shall be deemed to be acting for itself and as agent-in-fact for each and every of the above-described parties.

See *

If the intended construction of the Lessee's interest as a common element of the Condominiums, as aforesaid, be incorrect and the same in fact not be a common element of any Condominium Parcel within the Condominium, the same shall in no way affect the validity or existence of this Lease and the Lessee's covenants.

ARTICLE XXVII

AUTOMATIC CONSENT AND RATIFICATION OF THIS LEASE BY UNIT OWNERS AND OTHERS: Each and every person, whether real or corporate, who shall take any interest whatsoever in or to any condominium parcels in the Avila Project after the recording of this Lease, by acceptance, delivery or the recording of the deed, contract, grant, assignment or other instrument granting, conveying or providing for such interest, or by the mere first exercise of the rights or uses granted herein, shall be deemed to consent to and ratify, without

*(except where said owner is an Institutional Mortgagee)

further act being required, the provisions of this Lease to the same effect and extent as if such person or persons had executed this Lease with the formalities required in deeds for the purpose of subordinating and/or subjecting such person's or persons' interests, in full, to the terms of this Lease.

ARTICLE XXVIII

TERMINATION OF LESSEE ASSOCIATION: A voluntary or involuntary termination of the Lessee Association shall not terminate this Lease, but upon termination of the Association, all of the unit owners of the condominium, as unit owners or as tenants in common, or otherwise, shall automatically and by operation of this Lease, jointly and severally, collectively constitute the Lessee hereunder and shall jointly and severally be obligated to perform each and every of the Lessee's covenants, promises and undertakings. Upon a unit owner's acquiring an interest in the Lessee's rights under this Lease, his rights hereunder may thereafter be assigned only if there then be no default in any of the provisions of this Lease and only if such assignment be in connection with a sale, transfer or hypothecation of all of his rights in the property which was, prior to termination, condominium property; provided, however, that any first mortgagee's being a bank, insurance company or savings and loan association which has become or becomes a unit owner or tenant in common by foreclosure or deed in lieu of foreclosure shall not be made liable or obligated in any way by the provisions of this Section, but the grantee of such mortgagee shall be fully liable and obligated hereunder.

Notwithstanding anything to the contrary set forth hereinabove, the Lessor hereby agrees that in the event any Condominium operated by the Lessee Association is voluntarily terminated as a result of damage where three-fourths (3/4ths) or more of the total unit space in the Condominium is rendered untenable, then and in such event, the Lessor's lien upon said Condominium shall terminate and be discharged.

ARTICLE XXIX

DUTY OF LESSEE TO ASSESS AND PAY: It shall be the duty of the Lessee to assess its unit owners in accordance with the Florida Condominium Act, its declaration of Condominium and all rules and covenants thereto in such amounts as shall be necessary to pay its obligations, payable in money to the Lessor hereunder, and to otherwise perform its covenants and promises herein. This is a net lease.

ARTICLE XXX

DEMOLITION: The Lessee shall not demolish any of the buildings, structures or improvements now or hereafter placed upon the demised premises without the consent, in writing, of the Lessor, which the Lessor may withhold in its absolute discretion or grant upon such terms as it shall deem appropriate.

ARTICLE XXXI

LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS: If the Lessee shall fail to pay the costs of maintenance and repair, or if it shall fail to take out, maintain and deliver insurance policies, or if it shall fail to perform any other act on its part covenanted herein to be performed by it, then the Lessor may, but shall not be obligated to do so and without notice of demand upon the Lessee, perform the act so omitted or failed to be performed by the Lessee. If such performance by the Lessor shall constitute in whole, or in part, the payment of monies, such monies so paid by the Lessor, together with interest thereon at the rate of ten (10%) per cent per annum and reasonable attorneys' fees incurred by the Lessor in and about the collection of the same, shall be deemed additional rent hereunder and shall be payable to the Lessor on demand or, at the option of the Lessor, may be added to any rent then due or thereafter becoming

due under this Lease; and the Lessee covenants to pay any such sums with interest and reasonable attorneys' fees, as aforesaid, and the Lessor shall have, in addition to any and all other rights and remedies herein provided, the same rights and remedies in the event of non-payment as in the case of default by the Lessee in the payment of rent.

ARTICLE XXXII

QUIET ENJOYMENT: The Lessor covenants and agrees with Lessee that so long as Lessee keeps and performs all of its covenants herein made, the Lessee shall have quiet and undisturbed and continued possession of the premises, subject only to the rights of the Developer to use, occupy and enjoy the same.

ARTICLE XXXIII

LESSOR'S RIGHT OF ENTRY: The Lessor and its agents shall have the right of entry upon the demised premises at all reasonable times to examine the condition and use thereof, provided such right shall be exercised only in such manner as not to interfere with the Lessee in the conduct of Lessee's operation of said premises.

ARTICLE XXXIV

INDEMNIFICATION: The Lessee indemnifies and agrees to save harmless the Lessor from and against any and all claims, debts, demands or obligations which may be made against the Lessor or against the Lessor's title in the demised premises arising by reason of or in connection with the making of this Lease, and in and to the demised premises, and the Lessee's use, occupancy and possession of the demised premises; and if it becomes necessary for the Lessor to defend any actions seeking to impose any such liability, the Lessee will pay to the Lessor all costs and reasonable attorneys' fees incurred by the Lessor in effecting such defense in addition to any other sums which the Lessor may be called upon to pay by reason of the entry of a judgment against the Lessor in the litigation in which such sum is asserted.

ARTICLE XXXV

WASTE: The Lessee shall not do or suffer any waste or damage, disfigurement or injury to the demised premises, to any improvements, structures, buildings and personal property now or hereafter placed or brought thereon.

ARTICLE XXXVI

CAPTIONS AND TITLES: The captions and titles contained in this Lease are for convenience and reference only, and in no way define, limit or describe the scope or intent of this Lease or any part thereof, or in any way affect this Lease.

ARTICLE XXXVII

LESSOR'S COVENANTS: Lessor agrees that at all times during the term hereof, it will keep current any mortgages or encumbrances against the demised premises. In the event Lessor is in default of any of its obligations under this paragraph, Lessee may make payment for Lessor and deduct such payment from the next ensuing rental payment or payments, provided that prior to payments, Lessee gives ten (10) days' written notice to Lessor of its intention to make such payment.

ARTICLE XXXVIII

SEVERABILITY: The invalidity in whole or in part of any covenant, promise or undertaking of any section, sub-section, sentence, clause, phrase or word, or of any provision of this Lease or any Exhibits attached hereto, shall not affect the validity of the remaining portions hereof.

ARTICLE XXXIX

PROVISIONS RELATING TO MANAGEMENT AGREEMENT: The Lessee has entered into a Management Agreement which is attached to the Declaration of Condominium to which this Lease is attached. The Lessee has delegated to said Management Firm the authority to promulgate rules and regulations, and amend same, as to the use of the Recreational Facilities. The initial Rules and Regulations, and all amendments thereof and revisions thereof, shall be posted in a conspicuous place in the recreation area. The Rules and Regulations shall be deemed an integral part of the within Lease. The Lessee Association and its members specifically covenant and agree to be bound by all of such Rules and Regulations and said parties shall obey same and be responsible for their being obeyed by the said member's family, guests, invitees and servants.

Should a unit owner fail to pay an assessment for common expenses as required under the terms of the Declaration of Condominium to which this Lease is attached for the period of time specified therein whereby said assessment becomes delinquent, the Management Firm may deny the parcel owner and/or the authorized user of the recreational facilities the use and enjoyment of same until such time as all assessments are paid. The Management Firm shall further have the right, in its sole discretion, to suspend any parcel owner and/or authorized user of the recreational facilities from the use of same for a period not to exceed thirty (30) days for any infraction of the promulgated Rules and Regulations pertaining to said recreational facilities. Should the parcel owner or the authorized user of the recreational facilities rights to use same be suspended, there shall be no reduction in the assessments due and payable by said parcel owner or authorized user.

Any person who is the owner of a Condominium Parcel in the Condominium created by virtue of the Declaration of Condominium to which this Lease is attached, together with spouse and other members of said parcel owner's immediate family who are in residence in the Condominium Parcel, as provided in said Declaration of Condominium and who are at least such age as is specified in said Declaration of Condominium, may use the recreational facilities as provided herein. Where a corporation is a parcel owner, the use of the recreational facilities shall be limited at any one time to such officer, director or employee of said corporation who is in actual residence, and such individual shall be deemed to be the Condominium Parcel owner for the purposes of this paragraph. Guests and invitees of a parcel owner, including children under an age specified in the Declaration of Condominium to which this Lease is attached, whether in temporary residence in the Condominium or not, may only be permitted to use the recreational facilities, if at all, with the permission of the Management Firm, subject to the terms and conditions as the Management Firm may determine in its sole discretion, including the payment of additional compensation therefor, it being understood and agreed that said recreational facilities are primarily designed for the use and enjoyment of said parcel owners, and the use by others may be required to be limited or not permitted at all during certain times of a day, certain days, weeks, or months of the year; and the Management Firm shall determine the foregoing in its sole discretion, including the manner and method in which the facilities in the demised premises are to be used and under what circumstances. Notwithstanding the foregoing, where a child in residence in a Condominium Parcel is the son or daughter of the parcel owner, such parent shall not be required to pay additional compensation for use by said child of the recreational facilities. Where a parcel owner owns more than one parcel, the family in residence in each parcel shall be entitled to the use of the recreational facilities, whether said family in residence be a Lessee of said Condominium Parcel or otherwise. Where a party owns one Condominium Parcel and leases same, the Lessee shall be entitled to the use of the recreational facilities and said Lessee's rights thereto shall be the same as though said Lessee were the parcel owner; and during the term of said Lease, the parcel owner and his family shall not be entitled to the use of the recreational facilities.

The transfer of the fee title to each Condominium Parcel in the Condominium created by virtue of the Declaration of Condominium to which this Lease is attached, whether voluntary or by operation of law, terminating the Condominium Parcel owner's membership in the Lessee Association shall likewise terminate said Condominium Parcel owner's rights to the use and enjoyment of the demised premises, it being understood and agreed that the Condominium Parcel owner's rights and privileges under this Lease are not assignable. The owner of a Condominium Parcel, identified in this Lease as a member of the Lessee Association, is entitled to the rights and privileges and use of said recreational facilities, and shall be required to make all payments under the terms of this Lease. The foregoing authority in favor of the Management Firm shall continue as long as the Management Agreement remains in effect and thereafter such authority shall vest in the Lessee of the demised premises; subject, however, to Lessor's approval and Lessor's paramount right to determine same.

The rights, privileges, duties and obligations of the Management Firm, as provided under this Lease, shall continue as long as said Management Agreement remains in effect and, thereafter, shall inure to the Lessee of the demised premises.

ARTICLE XL

In the event the developer is the owner of a condominium parcel or parcels in the Avila South Project, then the obligation of the developer for its share of the common expenses, excluding rent, shall be limited for that period of time in accordance with the provisions of Article X B(6) of the Declaration to which this Lease is attached.

The terms and provisions as to the Lease, under Articles XVI and XVII of the Declaration of Condominium to which this Lease is attached, shall be deemed to have been repeated and re-alleged, just as though they were set forth in this Lease.

ARTICLE XLI

The Association has acquired this leasehold interest pursuant to Florida Statute 711.121; and pursuant to said statute and this lease all monies due and to become due under the provisions of this lease, including, without limitation, expenses of rent, taxes, assessments, insurance premiums, and costs of maintenance, repair and replacement, are and shall continue to be for the full term of this lease, declared to be common expenses of the Condominium. Although the rent and other obligations under this lease are common expenses, as aforesaid, with the same force and effect as common expenses for the costs of maintaining the Condominium itself--within the category of "common expenses", the priority shall be as follows:-- First Priority--rent due under this lease; Second Priority--all obligations under this lease other than rent; Third Priority--cost of maintaining the Condominium property itself, excluding the leasehold. Notwithstanding the right of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Lessee Condominium Association to apply payments by unit owners for common expenses in such manner as they determine in their sole discretion, as provided in the aforesaid Declaration of Condominium and the By-Laws of the Association attached thereto, the Lessor herein shall have the right, in its sole discretion, to require the Management Firm and thereafter, the Board of Directors of the Condominium Association to apply any and all payments by unit owners for common expenses in the manner and priority as set forth in this paragraph.

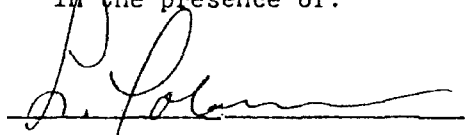
The common expenses of the Condominium, besides the rent due from the Lessee under this lease, include all obligations under this lease with respect to the recreation condominium units and the cost of maintaining the Condominium property other than the recreation condominium units. This being a net lease, the Lessor, as owner of the recreation condominium units, shall not be assessed for any of the common expenses of the Condominium and the exclusion of the recreation condominium units from such assessment is incorporated within Exhibit 2 to the Declaration of Condominium to which this lease is attached.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day, month and year first above written.

Signed, Sealed and Delivered
in the presence of:

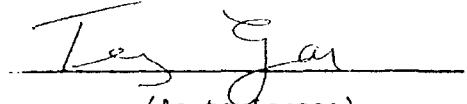
LESSEE:

AVILA SOUTH CONDOMINIUM ASSOCIATION, INC.



By:

President



(As to Lessee)

Attest:

Secretary



LESSOR:

KAPPA CORP.

(SEAL)

[Signature]
Tony Gu
 (As to Kappa)

By: [Signature]
 Attest: Jacques Norval
 Secretary

[Signature]
Tony Gu
 (As to Fonik)

FONIK CORP. (SEAL)
 By: [Signature]
 Attest: [Signature]
 Secretary

[Signature]
Tony Gu
 (As to Losch)

LOSCH CORP. (SEAL)
 By: [Signature]
 Attest: [Signature]
 Secretary

STATE OF FLORIDA)
) SS:
 COUNTY OF DADE)

I HEREBY CERTIFY that on this day before me personally appeared Sydney Wolofsky and Mel Schuster, President and Secretary, respectively, of AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, to me known to be the persons who signed the foregoing Agreement For Recreational Facilities as such officers, and they severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and that they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

Witness my hand and official seal at Miami, said County and State, this 10th day of December, 1973.

[Signature]
 Notary Public
 State of Florida at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLA. at LARGE
 MY COMMISSION EXP. DEC. 10, 1974.

STATE OF FLORIDA)
COUNTY OF DADE) SS:

I HEREBY CERTIFY that on this day before me personally appeared Mel Schuster and Jacques Dorval, President and Secretary, respectively, of KAPPA CORP., a Florida corporation, Sydney Wolofsky and Sabina Wolofsky, President and Secretary, respectively, of FONIK CORP., a Florida corporation, and Louis Schreiber and Jack Axelrod, President and Secretary, respectively, of LOSCH CORP., a Florida corporation, to me known to be the persons who signed the foregoing Agreement For Recreational Facilities as such officers of their respective corporations, and they severally acknowledged the execution thereof to be their free act and deed as such officers of their respective corporations for the uses and purposes therein mentioned, and that they affixed thereto the official seals of their respective corporations, and that the said instrument is the act and deed of each of their respective corporations.

Witness my hand and official seal at Miami, said County and State, this 10th day of December, 1973.

Sally Kates
Notary Public,
State of Florida at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLA. AT LARGE
MY COMMISSION EXP. DEC. 10, 1974.

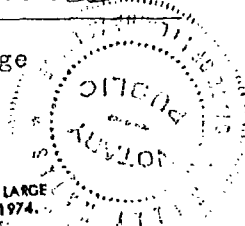


EXHIBIT ARENT SCHEDULE FOR RECREATIONAL FACILITY PROPERTY
LEASED TO AVILA SOUTH CONDOMINIUM ASSOCIATION, INC.

In accordance with ARTICLE IV of the Agreement for Recreational Facilities, to which this Exhibit is attached, the monthly rent required to be paid by the Lessee, AVILA SOUTH CONDOMINIUM ASSOCIATION, INC. for the use of the recreational facilities is Six Thousand, Two Hundred Sixty-four(\$6,264.00) Dollars. The monthly rental shall be collected from the condominium unit owners by the Lessee as a common expense and assessed against each condominium unit in accordance with the following schedule:

Each Type "A" Condominium Unit shall be assessed \$32.00 per month. The Type "A" Condominium Units are the following:

137	129	127	125	123
237	229	227	225	223
337	329	327	325	323
437	429	427	425	423
537	529	527	525	523
117	115	111	109	101
217	215	211	209	201
317	315	311	309	301
417	415	411	409	401
517	515	511	509	501
132	130	128	126	120
232	230	228	226	220
332	330	328	326	320
432	430	428	426	420
532	530	528	526	520
118	116	114	224	222
218	216	214	324	322
318	316	314	424	422
418	416	414	524	522
518	516	514		

Each Type "B" Condominium Unit shall be assessed \$36.00 per month. The Type "B" Condominium Units are the following:

144	102	221	219
244	202	321	319
344	302	421	419
444	402	521	519
544	502		

Each Type "C" Condominium Unit shall be assessed \$38.00 per month. The Type "C" Condominium Units are the following:

131	107
231	207
331	307
431	407
531	507

Each Type "D" Condominium Unit shall be assessed \$30.00 per month. The Type "D" Condominium Units are the following:

135	133	105	103	142
235	233	205	203	242
335	333	305	303	342
435	433	405	403	442
535	533	505	503	542
140	138	136	134	112
240	238	236	234	212
340	338	336	334	312
440	438	436	434	412
540	538	536	534	512
110	108	106	104	
210	208	206	204	
310	308	306	304	
410	408	406	404	
510	508	506	504	

Exhibit 7

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT executed the ____ day of _____, 197__, by _____, hereinafter referred to as "Parcel Owner"; to KAPPA CORP., a Florida Corporation, FONIK CORP., a Florida Corporation and LOSCH CORP., a Florida Corporation, hereinafter referred to as "Pledgee",

WITNESSETH:

WHEREAS, AVILA SOUTH CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as "Association" has been organized and formed for the purpose of administering and conducting the affairs of Avila South Condominium according to its Declaration of Condominium; and

WHEREAS, Parcel Owner will become a member of the Association upon the execution of this Pledge Agreement; and

WHEREAS, on the ____ day of _____, 197__, Pledgee, as Lessor, and Association as Lessee, entered into an Agreement for Recreational Facilities, hereinafter referred to as "Agreement", said Agreement being recorded on the ____ day of _____, 197__, under Clerk's File No. _____ of the Public Records of Dade County, Florida; and

WHEREAS, the premises demised under the aforescribed Agreement consists of real property and recreational facilities constructed or to be constructed thereon which are to be for the use and enjoyment of the Association and all its members; and

WHEREAS, the rent payable under the aforescribed Agreement, together with the taxes, insurance and maintenance of the demised premises are a common expense of the Condominium, a share of which the Parcel Owner is obligated to pay; and

WHEREAS, pursuant to the terms of the aforescribed Agreement and Declaration of Condominium, the Association has agreed with the Pledgee to obtain from the Parcel Owner a pledge of the Parcel Owner's interest in his Condominium Parcel in favor of the Pledgee in order to secure the Association's obligations under the said Agreement and to secure the Parcel Owner's obligation as a member of the Association to pay his share of the common expenses of which the rent, taxes, insurance and maintenance under the Agreement is a part thereof; and

WHEREAS, the Parcel Owner is desirous of becoming a member of the Association, and of using and enjoying the Recreational Facilities described above;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the benefits of the same accruing each to the other, and other good and valuable considerations, it is mutually agreed as follows:

1. That the foregoing recitals are true and correct.
2. In order to secure the faithful performance of the Association's obligations to the Pledgee herein under the Agreement aforescribed, and in order to secure the Parcel Owner's obligation to pay his common expenses of the Condominium, a part of which is his share of the rent, taxes, insurance and maintenance of the

Recreational Facilities under the Agreement, the Parcel Owner does hereby pledge, grant, sell, bargain, lien, remise, release, convey and confirm unto the Pledgee, the following described property, lying and being in Dade County, Florida, of which said Parcel Owner is now seized and possessed, to-wit:

Condominium Parcel No. _____ of AVILA SOUTH CONDOMINIUM according to the Declaration of Condominium, thereof, recorded under Clerk's File No. _____, of the Public Records of Dade County, Florida.

TO HAVE AND TO HOLD the same with the tenements, hereditaments and appurtenances, unto the said Pledgee.

The foregoing security is in addition to the obligation of the Parcel Owner to make payment of his common expenses as provided for under the Declaration of Condominium of the said Condominium and is deemed to be by way of additional security for the full and faithful performance by the Association of the Agreement aforescribed.

The Parcel Owner covenants with the Pledgee that the Parcel Owner is indefeasibly seized of the aforescribed Condominium Parcel in fee simple; that said Parcel Owner does hereby fully warrant the title to the said Condominium Parcel and will defend the same against the lawful claims of all persons whatsoever.

The Parcel Owner further covenants and agrees:

A. To pay all and singular the taxes, assessments, levies, liabilities, obligations and encumbrances of every nature, including assessment by the Association, its successors and assigns, on said Condominium Parcel aforescribed, and if the same be not promptly paid, the said Pledgee may, at any time, pay the same without waiving or affecting the option to foreclose, or any rights hereunder, and every payment so made shall bear interest from the date thereof at the rate of ten (10%) percent per annum; and specifically, to pay the principal and interest payments upon any other mortgages, to which the Pledgee may have subordinated its mortgage lien herein created.

B. To pay all and singular the costs, charges and expenses, including attorney's fees, reasonably incurred or paid at any time by the said Pledgee because of the failure on the part of the Parcel Owner and/or the Association to perform, comply with, and abide by each and every stipulation, agreement, condition and covenant of the Agreement aforescribed and every such payment shall bear interest from the date at the rate of ten (10%) percent per annum.

C. To permit, commit, or suffer no waste, impairment or deterioration of the said land, parcel and unit aforescribed or any part thereof, ordinary wear and tear excepted.

3. Notwithstanding anything to the contrary herein contained, so long as Parcel Owner pays his pro rata share of rent under the Agreement directly to Pledgee in accordance with Article VII of the Agreement, then and in such event Pledgee agrees that it will not enforce any of its rights which it may have against the Parcel Owner by virtue of this Pledge Agreement (including, but not by way of limitation, the right of foreclosure), notwithstanding the fact that Association is in default of said Agreement and/or any other Parcel Owner has failed to perform his obligations as a member of the Association to pay his pro rata share of the common expenses of which the monthly rental under the Agreement is a part thereof.

4. Pledgee agrees that this mortgage pledge herein created upon the parcel aforescribed is and shall be secondary, inferior and subordinate to any valid institutional first mortgage placed upon said parcel incident to and in connection with, the original sale of the parcel. Pledgee further agrees to execute and deliver to any lending agency granting such first mortgage loan a subordination agreement, which agreement shall have the effect of placing the mortgage created by this Agreement in a subordinate and secondary position to any and all rights, claims, title and/or liens acquired by such lending institution.

IN WITNESS WHEREOF, the said Parcel Owner has hereunto signed his name and affixed his seal the day and year above written.

Signed, Sealed & Delivered
in the presence of:

_____	_____ (SEAL) Parcel Owner
_____	_____ (SEAL) Parcel Owner

STATE OF FLORIDA)
COUNTY OF DADE) SS:

I, an officer duly authorized to take acknowledgments according to the laws of the State of Florida, duly acting and qualified, hereby certify that _____, to me personally known and known to me to be the person(s) described in said agreement, this day acknowledged before me that the foregoing Pledge Agreement; and I further certify that I know the said person(s) making said acknowledgment(s) to be the individual(s) described in and who executed the said Agreement.

IN WITNESS WHEREOF, I hereunto set my hand and official seal at _____ said County and State, this _____ day of _____, 197__.

My Commission Expires: _____

Notary Public
State of Florida at Large

EXHIBIT 8

MANAGEMENT AGREEMENT

THIS AGREEMENT, made the date last appearing in the body hereof, by and between AVILA SOUTH MANAGEMENT CORP., a Florida corporation, herein called "Manager" or "Management Firm", and a non-profit Florida corporation, which has executed this Agreement, herein called "Association", which said terms shall be deemed to include the legal representatives, successors and assigns of the said parties hereto;

WITNESSETH:

WHEREAS, Association has been formed to administer the operation and management of the condominium described in the Declaration of Condominium to which this Management Agreement is attached, said condominium being hereinafter referred to in this Agreement as the "condominium" or "condominium property"; and all references hereinafter contained to an "apartment" or "apartments" mean the Condominium Units and/or Parcels; and

WHEREAS, Association is Lessee under a certain "Agreement for Recreational Facilities", a copy of which is attached to the Declaration of Condominium to which this Management Agreement is attached, and as Lessee is charged with the duty of administering the operation and management of certain recreational facilities, therein described, for the use and benefit of its members; and

WHEREAS, the Developer, whose name appears at the end of this Agreement, hereinafter referred to as "Developer", is in the process of promoting and developing AVILA SOUTH, a multi-phase condominium community in Dade County, Florida, of which the condominium property and recreational facilities hereinabove referred to are a part; and

WHEREAS, orderly and uniform administration, appearance, upkeep and management of all of the condominiums and recreational facilities in AVILA, as a single entity, are so necessary and essential for the preservation and promotion of the communal nature of AVILA, the protection of economic values thereof, including the value of the property thereon, and the convenience and well-being of the residents of AVILA as to require the employment of a Manager. Accordingly, in the Declaration of Condominium and the Agreement for Recreational Facilities, to which this Management Agreement is attached, the Association has covenanted that the use by the Association and its members, as Lessee of the recreation facilities, shall be subject to the rules and regulations promulgated by the Management Firm during the term of the Management Agreement, and thereafter by the Lessee of said recreation facilities, subject to the approval of the Lessor, and said recreation facilities and the Condominium, the operation of which is the Association's responsibility, are to be at all times under the Management Firm's complete supervision, operation and control, and the Management Firm is to have the right to determine the budget, and fix and collect assessments required and necessary therefor, as to said Condominium and the recreation facilities, as provided in said Declaration of Condominium, the Agreement for Recreational Facilities and in this Agreement; and

WHEREAS, the Management Firm is desirous of furnishing such management services;

NOW, THEREFORE, in consideration of the foregoing premises, the promises and covenants herein made, and the sum of Ten (\$10.00) Dollars to each the other in hand paid, receipt of which is hereby acknowledged, it is agreed as follows:

PART A
MANAGEMENT

1. Employment. The Association does hereby employ the Manager as the exclusive Manager of the condominium property and its recreational facilities and the Manager does hereby accept such employment.

2. Term. The term of this Agreement shall commence as of the date hereof and shall terminate either on the first Thursday in February, 1976 or upon the developer of Avila South Condominium having closed on the sale of One Hundred Eighty-five (185) condominium units in the Avila South Condominium, whichever event shall first occur. This Agreement may be sooner terminated upon the approval of the Management Firm, the developer, the Lessor of the Recreational Facilities, and a majority of the voting members of the Association.

Termination of the Association, by dissolution or otherwise, shall not terminate this Agreement, but shall so operate as to make the owners of the apartments signatories to this Agreement.

3. Powers and Duties of Manager. The Manager, to the exclusion of all persons, including the Association and its members, shall have all the powers and duties of the Association as set forth in its Articles of Incorporation, By-Laws, Declaration of Condominium, and Agreement for Recreational Facilities, (except such thereof as are specifically required to be exercised by its directors or members). Amongst such powers and by way of illustration and not of limitation, the Manager shall:

A. Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Condominium and the recreation facilities, including a Manager, who, in each instance, shall be the employees of the Management Firm, as the Management Firm, in its absolute discretion, shall determine, and cause to be discharged all persons unnecessary or undesirable.

B. Collect all common expenses, charges and assessments and monies and debts of every nature and description which may become due the Association from its members. The Association hereby authorizes the Manager to request, demand, collect, receive and receipt for any and all such common expenses, charges, assessments and other monies which may be due the Association, and to take such action in the name of the Association exercising any of the Association's rights, privileges and options, including bringing of suit, as may be required or found desirable by the Manager for the collection of the same.

C. To maintain and repair the Condominium property and the common elements of said Condominium to the same extent that the Association is required to maintain and repair same, as provided in said Condominium's Declaration of Condominium and Exhibits attached thereto. For any one item of repair, replacement or refurbishing as to the Condominium, the expense incurred as to the Condominium as a whole shall not exceed the sum of Ten Thousand (\$10,000.00) Dollars, unless specifically authorized by the Board of Directors; except, however, in the case of an emergency, the Management Firm is authorized to expend any sum necessary to protect and preserve the property.

D. To maintain and repair the recreational facilities to the same extent that the Association is required to repair and maintain same as provided in the said Condominium's Declaration of Condominium and Exhibits attached thereto, including the Agreement for Recreational Facilities. For any one item of repair, replacement and refurbishing, the total expenses incurred for same shall not exceed the sum of Ten Thousand (\$10,000.00) Dollars as to this Condominium's share of such expenses unless the same is specifically authorized by the Board of Directors of this Association; except, however, in the case of an emergency, the Management Firm is authorized to spend any sum necessary to protect and preserve the property.

E. Take such action as may be necessary to comply with all laws, statutes, ordinances, rules and of all appropriate governmental authority, and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

F. Purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary or desirable to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the Condominium property and recreational facilities, as aforesaid. Purchases shall be made in the name of the Manager, or in its discretion, in the name of the Association.

G. Cause to be placed or kept in force all insurance required or permitted in the By-Laws, the Declaration of Condominium and Agreement for Recreational Facilities, to act as agent for the Association, each unit owner, and for each owner of any other insured interest, to adjust all claims arising under insurance policies purchased by the Association; to bring suit thereon in the name of the Association and deliver releases upon payment of claims; to otherwise exercise all of the rights, powers and privileges of the Association; to receive in behalf of the Association all insurance proceeds and pay the same to the Insurance Trustee.

H. As to the Condominium property and recreational facilities, to enter into contracts for elevator maintenance, pool maintenance, garbage and trash removal, vermin extermination, and other services, and to make all such contracts and purchases in either the Association's or Manager's name, as the Manager shall elect.

I. Maintain the Association's financial record books, accounts and other records as provided by the Association's By-Laws and pursuant to the Condominium Act; issue Certificates of Account to members, their mortgagees and lienors without liability for errors unless as a result of gross negligence. Such records shall be kept at the office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm shall agree to; however, said request for inspection by the expert cannot be made more than once in any calendar year. Such expert may

also conduct an external audit, provided the cost for same is paid by the Association, and said independent auditor, in any instance, must be acceptable to the Management Firm, whose acceptance shall not be unreasonably withheld. As a standard procedure, the Management Firm shall render to the Association a statement for each calendar year no later than the April 1st next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same, but no independent or external audit shall be required of it.

J. Maintain records sufficient to describe its services hereunder and such financial books and records sufficient in accordance with prevailing accounting standards to identify the source of all funds collected by it in its capacity as Management Firm, and the disbursement thereof. Such records shall be kept at the office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm may agree to; however, said request for inspection cannot be made more than once in any calendar year. The Management Firm shall perform a continual internal audit of the Management Firm's financial records relative to its services as Manager for the purpose of verifying same, but no independent or external audit shall be required of it.

K. Establish reserves, both funded and unfunded, for the payment of any and all costs and expenses of the Association to be disbursed by the Manager hereunder. Should the Association itself decide to fund special reserve accounts, the Manager shall collect and account for such funds and disburse the same on the directions of the Association.

L. Deposit all funds collected of the Association or otherwise accruing to the Association in a special bank account or accounts of the Manager in banks and/or savings and loan associations in the State of Florida, with suitable designation indicating their source.

M. The Management Firm, in its sole discretion, shall determine the budget as to the Condominium and the recreational facilities, for the term of the Management Agreement; subject, however, to the specific limitations thereof where otherwise provided. Upon said budget's being determined annually, the Management Firm shall submit annually to the Association the operating budget for the ensuing year, setting forth the anticipated income and expenses of the Association for the year, justifying the estimates made in every important particular, and said Management Firm shall specify therein each unit owner's monthly share thereof. Should an increase in assessments be required or a special assessment be required during the year, the same shall be determined and made by the Management Firm and the Association shall be advised thereof and as to the share thereof payable by each of the Association's members, as the case may be. The Management Firm shall collect the assessments based upon the foregoing. The assessments as to each member of the Association shall be made payable to the Management Firm, or such other firm or entity as the Management Firm shall direct; and the Management Firm shall have the right to designate such member or members of the Association, or the Association itself, as it determines, to collect said assessments on behalf of the Management Firm and deliver same to it.

The Management Firm shall not be responsible for obtaining the best price available as to any service, material or purchase, but shall, with impunity, purchase or contract for same with such person or party as it deems advisable and in the best interests of the Association and the Management Firm, without the necessity of obtaining the best price.

N. Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder, and to employ same on such basis as it deems most beneficial.

O. Access at all times to all portions of the recreational facility and the Condominium property, including all apartments, as may be necessary for inspection thereof and to make and to perform any item of maintenance, repair or replacement.

P. May cause a representative of its organization to attend meetings of the unit owners and of the Board of Directors of the Association; however, it is understood and agreed that the Minutes of all the Association's meetings, whether of unit owners or of the Board of Directors, shall be taken by the Association's secretary, and possession of the Minute Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings to the required parties. The Management Firm shall have the right to determine the fiscal year and when it shall commence.

Q. Supervise, operate and control, manage and maintain at all times, the recreational facilities, and perform those powers delegated to Lessee by the Lessor under the Agreement for Recreational Facilities: promulgate, adopt and amend Rules and Regulations as it deems advisable in its sole discretion, for the use of said recreational facilities, and for the use and occupancy of the Condominium's common elements and units therein, and to enforce same. The Management Firm, in its sole discretion, shall determine all activities and programs to be carried on in the recreational facilities and shall employ the personnel required therefor as it determines in its sole discretion. The Management Firm shall determine whether or not and on what basis the services of a Social Director should be obtained and the cost and the expense thereof shall be deemed a part of the Operating Budget. The Management Firm shall determine, in its sole discretion, the number of the security personnel, if any, and the times when they shall be on duty, and the cost and expense of same shall be deemed a part of the Operating Budget. Where the Condominium contains a Manager's apartment, the Management Firm shall have the exclusive use of such apartment and shall be entitled to have same occupied by such management personnel as it determines in its sole discretion. If the Manager's apartment is rented, said rent shall be deemed a part of the Operating Budget.

R. The Management Firm shall cause such alterations and/or additions to the common elements or limited common elements of the Condominium property and the recreational facilities to be made as authorized by the Board of Directors of the Association and its members where required pursuant to and in accordance with said Condominium's Declaration of Condominium and Exhibits attached thereto, including the By-Laws and Agreement for Recreational Facilities.

As to the recreational facilities, the foregoing is subject to the Lessor's prior written approval. As to the foregoing; the Management Firm shall be paid for the cost of its personnel, overhead, materials and equipment in regard thereto, and any and all contractors, subcontractors or materialmen as are required therefor, plus a sum to be paid the Management Firm for its services in this regard, which sum is equal to twelve (12%) per cent of the total cost of such alteration or addition. The aforesaid sum payable to the Management Firm shall be due and payable to the Management Firm over and above the Management Firm's fee under this Management Agreement as hereinafter set forth.

S. Sublet or enter into Agreements for the use of such space and upon such terms and conditions and for such purpose as the Management Firm determines, in its sole discretion, within the recreational facilities, the common elements of the Condominium, and by agreement grant concessions and licenses to persons to provide facilities and services as to and within the recreational facilities and the Condominium. Management Firm shall have the right itself or give others the right to install coin vending machines and coin operated equipment within the said recreational facilities and the common areas of the Condominium and to divide the revenue between the Association and itself or others in a manner to be determined by the Management Firm. Revenue derived by the Management Firm from coin vending machines and coin operated equipment shall be in addition to the manager's compensation provided for in this Agreement. The Management Firm shall determine whether or not to enter into an agreement so as to provide a doorman, and attendant services thereto, for the benefit of the parties to this Agreement and their members, under such terms and conditions as it deems advisable in its sole discretion. The parties hereto recognize that space may be sublet, or agreements may be entered into to provide facilities and services as specified herein for very nominal or no compensation whatsoever. The Management Firm may enter into same in its sole discretion, and it shall use its best judgment; however, it shall not be responsible for same nor the fact that a greater sum might have been obtained or a shorter period contracted for. The Management Firm may use such portion of space in the Condominium and in the recreational facilities for a Manager's office as it determines, in its sole discretion, without compensation therefor.

T. Make and collect special assessments for such purposes and against such parties as the Management Firm determines, subject to the provisions of the Declaration of Condominium and all Exhibits to said Declaration of Condominium, including the Agreement for Recreational Facilities. To exercise such powers and rights delegated to it under the terms and provisions of the Declaration of Condominium and all Exhibits attached to said Declaration of Condominium.

U. If maintenance of the Condominium referred to in the Declaration of Condominium including any unit, units, and/or

the common elements, is required due to loss by Act of God or other cause which is other than normal wear and tear, and which loss is less than "very substantial", as defined in the Condominium's Declaration of Condominium, then in such event, the Management Firm shall undertake to repair and restore said loss. The Management Firm shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the unit owners in such proportions as it deems advisable, pursuant to ARTICLE XI, B.5 (e) of the Declaration of Condominium, notwithstanding the fact that said loss or damage was or was not covered by insurance, and said total assessment shall be equal to the cost of said repair, which shall include the costs of the Management Firm's personnel, and overhead, materials and equipment, and any and all other contractors, subcontractors or materialmen as are required, plus a sum to be paid the Management Firm for its services in this regard, which sum is equal to twelve (12%) per cent of the total cost of such repair. The aforesaid sum, payable to the Management Firm, shall be due and payable to the Management Firm over and above the Management Firm's fee under this Management Agreement, as hereinafter set forth. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration, in such proportions as hereinbefore set forth in this paragraph. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from insurance proceeds, where such are received, and then from assessments collected, and should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the unit owners, as provided in ARTICLE XI of the aforesaid Declaration of Condominium. All repairs and restoration of a unit, units and/or common elements of said Condominium by the Management Firm shall be made pursuant to the applicable provisions in ARTICLE XI of said Declaration of Condominium. Should said Condominium suffer loss or damage which is "very substantial", as defined in said Condominium's Declaration of Condominium, the decision to restore and repair, or abandon and terminate, the Condominium shall be made solely by the unit owners of said Condominium, pursuant to ARTICLE XI, C.6, of said Declaration of Condominium. Should the unit owners vote to abandon the Condominium, it shall be terminated as provided in said Declaration of Condominium. Should the unit owners vote to restore and repair the Condominium, the Management Firm shall cause said repairs and restoration to be made, and determine, assess, charge and levy the costs thereof, as previously provided in this paragraph and pursuant to ARTICLE XI of said Declaration of Condominium.

If restoration and repair of the recreational area and facilities are required due to loss by Act of God or other causes which are other than normal wear and tear, the Management Firm, as required under the Agreement for Recreational Facilities, shall undertake to repair and restore said loss. The Management Firm shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the Lessee of the recreational facilities and its members, in such proportions as it deems advisable, pursuant to the requirements for same as specified in the Declaration of Condominium and Agreement for Recreational Facilities, notwithstanding the fact that said loss or damage was or was not covered by insurance, and said total assessment

shall be equal to the cost of said repair, which shall include the cost of the Management Firm's personnel, overhead, materials and equipment, and any and all contractors, subcontractors or materialmen, as required, plus a sum to be paid the Management Firm for its services in this regard, which sum is equal to twelve (12%) per cent of the total costs of such repairs and restoration. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repairs and restoration, in such proportions as hereinbefore set forth in this paragraph. The first monies disbursed for same shall be from insurance proceeds, where such are received, and then from assessments collected. Should there be a surplus of insurance funds, it shall be disbursed to the Lessor, as provided under the Agreement for Recreational Facilities, and if there is a surplus of assessments, it shall be disbursed to and on behalf of the Lessee of the recreational facilities, and its members, in the same manner as said parties share the expenses, excluding rent as to the recreational facilities, as provided in the Declaration of Condominium. All repairs and restoration shall be made pursuant to the applicable provisions of the Agreement for Recreational Facilities. The aforesaid sum payable to the Management Firm shall be due and payable to the Management Firm over and above the Management Firm's fee under this Management Agreement as hereinafter set forth.

4. Application of Collections. Although Manager retains the right to use its own discretion in determining to what items in the budget shall be applied the charges, assessments and other revenue of the Association collected by the Manager, the Manager shall, as it is reasonably possible, apply such revenue as follows:

A. Insurance. First, to the payment of premiums on insurance policies carried by the Association and the Manager, including insurance covering the condominium property and recreational facilities.

B. Taxes. Next, to the payment of real estate and personal property taxes on the recreational facilities and personal property taxes, if any, assessed against personal property owned by the Association.

C. Rent. Next, to rent due the Lessor of the recreational facilities under the terms of the Agreement for Recreational Facilities.

D. Manager. Next, to the payment of the Manager of its fees as hereinafter set forth in Paragraph 5, PART A.

E. Utilities. Next, to the payment of utilities supplied to the recreational facilities and the common elements of the condominium property, but not the bills of individual apartments.

F. Balance. The balance shall be utilized, applied, disbursed and otherwise expended or reserved by the Manager to pay the costs and expenses of services rendered by the Manager under this Agreement. "Costs and expenses" of services, as used herein, is defined to include any and all cost and expense incurred by the Manager in the performance of any of its duties or the exercise of any of its powers. By way of illustration and not of limitation, said costs and expenses of services shall include:

(i) Recreational Facilities. The Association's share of the upkeep, maintenance, repair, refurbishing, reconstruction, administration, programs, personnel and operation of its recreational facilities.

(ii) Lands and Buildings. Cost attributable to the maintenance, repair and upkeep of the lands, apartment buildings, private roads, and appurtenances which, under the Declaration of Condominium and the Association's By-Laws, it is required to maintain and repair.

(iii) Materials and Supplies. All office machinery, motor vehicles, tools, equipment, goods, wares, materials and supplies of every nature and description required by the Manager in and about the performance of its services or necessary for the utilization and enjoyment of the condominium property and recreational facilities.

(iv) Manager's Overhead and Expense. All of the Manager's overhead expense, including, but not limited to, insurance, all personnel costs, transportation and fees of attorneys at law, certified public accountants and other professionals and experts employed by the Manager hereunder.

5. Manager's Compensation. It is specifically understood and agreed that the Manager shall perform all of the services required of it hereunder at no cost or expense whatever to itself, but solely at the cost and expense of the Association and/or others, as elsewhere herein provided. As compensation, fee or profit for its services hereunder, the Manager shall receive a fixed fee, free of all charges and expenses, in the amount of Six Hundred Eighty-six (\$686.00) Dollars per month, which sum shall be assessed by Association as a common expense of the Condominium created by the Declaration of Condominium to which this Agreement is attached. Association shall pay to the Manager its management fee monthly, in advance, on or before the tenth (10th) day of the month for the term of this Agreement.

The Manager's fee from the Association and its members shall be chargeable against apartments in a building for which a Certificate of Occupancy has been issued by the appropriate governmental body and shall commence on the first day of the month after the month in which said Certificate of Occupancy is issued. The foregoing shall also include special assessments. The Manager's fee required to be paid hereunder shall not be reduced, abated or affected as a result of the Manager receiving a fee from another condominium association which may have the right to lease and use the same recreational facilities as those leased to Association.

The parties agree that Developer shall not be assessed by the Association or be required to pay to Association any monies allocated to Manager's compensation for apartments whose titles are vested in Developer. Similarly, Manager agrees to accept a lesser amount of compensation hereunder from the Association equal to the Manager's compensation for the particular apartments owned by Developer.

6. Apartments. This Agreement does not contemplate nor is the Manager responsible for or required to perform the upkeep and repair of the apartments, the responsibility for which, under its By-Laws and the Declaration of Condominium, is that of the owner of an apartment. However, the Manager may, in its absolute discretion, perform

such maintenance and repair services of an apartment as are required by an owner thereof as an accommodation to the Association or to such owner and charge such owner, who shall have requested said service of the Manager, a reasonable charge therefor.

7. Interference. The Association shall not interfere nor permit, allow or cause any of its officers, directors or members to interfere with the Manager in the performance of its duties or the exercise of any of its powers hereunder.

8. Manager's Liability. The Management Firm shall not be liable to the Association and its members for any loss or damage not caused by the Management Firm's own gross negligence or willful misconduct, and said Association and its members will, and do hereby, indemnify and save harmless the Management Firm from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with the condominium property and the recreational facilities from any cause whatsoever unless such injury shall be caused by said Management Firm's own gross negligence or willful misconduct.

9. Assignment of Agreement. The Management Firm may assign this Agreement as long as the Assignee agrees, in writing, to assume and perform the terms and covenants of this Agreement; and upon such assumption, the Management Firm shall be released from any and all obligations hereunder. Said assignment shall be duly recorded in the Public Records of Dade County and notice of same, together with an executed duplicate of said Assignment, shall be delivered to the said Association by certified mail or its equivalent. The Management Firm may also subcontract all or portions of its duties and powers under this Agreement.

The Association, on behalf of its members, may assign its right, title and interest in and to this Agreement to another Condominium Association operating and existing under the laws of Florida; however, said Assignment shall not be valid unless and until the Assignee thereunder expressly assumes and agrees, in writing, to perform each and every covenant and term of this Agreement. The said Assignment shall be duly recorded in the Public Records of Dade County and an executed duplicate of said Assignment shall be delivered to the Management Firm and the Lessor under the Agreement for Recreational Facilities.

10. Special Assessments. The Management Firm shall be authorized to assess a Condominium Unit Owner for those items of special assessments as set forth in the Declaration of Condominium and the Exhibits attached to said Declaration and in this Agreement; i.e., maintenance, repairs or replacements caused by the negligence or misuse by a unit owner, his family, servants, guests or invitees, or lessees; or failure of a unit owner to maintain those portions of his Condominium Unit as he is required to repair and maintain; or violation of the provisions of the aforesaid Declaration of Condominium and Exhibits attached thereto which require the removal of same by the Management Firm, and/or which increase the costs or maintenance and/or repair upon the Management Firm, or increase insurance rates and premiums, etc. The Management Firm is further authorized to assess a Condominium Unit Owner for special assessments for guests or invitees of said unit owner, whether in residence in the Condominium or not, as to their use of the recreational facilities, or for services, purchases, rental of equipment or otherwise, in the recreational facilities or the Condominium, including doorman and allied services, and for any other special services or charges agreed upon between the unit owner and the Management Firm; i.e., providing special services on behalf of and at the request of the unit owner, such as putting up the unit owner's approved storm shutters or providing personal services within the unit owner's unit, or providing a service or reporting information on behalf of a unit owner as may be required by said unit owner's permitted mortgagee.

The Management Firm shall be under no duty or obligation to perform such personal services. Items of special assessments referred to herein shall be a lien upon the appropriate unit owner's unit with the same effect as though the said assessment were a common expense payable by said unit owner.

11. Assessments Shall be Common Expenses. All assessments made by the Management Firm under this Agreement shall be deemed common expenses of the Condominium specified in the Declaration of Condominium. The Association and its members further agree that during the term of this Agreement, the number of Condominium units specified in the Declaration of Condominium shall not be changed, and the monthly assessments for common expenses during the term of this Agreement shall be in such amount as is solely determined by the Management Firm, the Association whose name appears at the end of this instrument having delegated said power to the Management Firm.

12. Parking. The Association hereby delegates to the Management Firm the power to assign and change assignments of specific parking spaces to its members, and to otherwise regulate vehicular parking of all manner and type of vehicles, and storage of non-vehicular personalty within the recreational facilities area and within the property of the Condominium specified in the Declaration of Condominium, or not to permit such storage within the recreational facilities area and within the Condominium property, as the Management Firm deems advisable. The Management Firm shall also regulate and control the parking area on the recreational facilities, if such a parking area exists, in such manner as it determines.

13. Renewal. This Agreement may be renewed upon such terms and conditions as are mutually agreeable to the Association and the Management Firm. The Board of Directors of the Association shall be authorized to enter into such renewal Agreement with the Management Firm on behalf of its members upon the approval of a majority of said members at a meeting of the said Association at which a quorum is present, and which meeting is called in accordance with the said Association's By-Laws. The renewal Agreement shall be recorded in the Public Records of Duval County, Florida.

14. No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same covenant.

15. Time is of the essence in every particular, and especially where the obligation to pay money is involved.

16. No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value unless in writing, signed by the parties to this Agreement: i.e., the Management Firm and the Association whose name appears at the end of this Agreement, or their respective successors or assigns.

17. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the recreational facilities and with the Condominium property, and the same shall attach to and be binding upon the Management Firm, its successors and assigns, and the Association, its successors and assigns, and the present and future owners of the aforesaid Condominium, and their heirs, personal representatives, successors and assigns.

18. This instrument, together with the Declaration of Condominium and the Exhibits attached to said Declaration, including this Agreement, constitute the entire agreement between the parties hereto as of the date of execution hereof, and neither has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein, which are not expressly contained herein.

19. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provision of this Agreement or the Exhibits attached hereto, and the Declaration of Condominium and the Exhibits attached to said Declaration, shall not affect the validity of the remaining portions thereof.

20. If the Condominium whose responsibility it is the Association's to manage, shall be terminated as provided in its Declaration of Condominium, then each of the Condominium Unit Owners shall thereby become a tenant in common and shall, as to his separate interests, continue to be a party to this Agreement and bound by the provisions hereof, and the Management Firm shall manage such interest pursuant to the provisions of this Agreement as the nature of such interest and the context of this Agreement shall permit.

21. If the Association or its members shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the said Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm, fifteen (15) days after having given written notice to said Association of said default by delivering said notice to any officer of the Association, or in their absence, to any member of the said Association, may declare this Agreement in default unless such default be cured by the said Association within fifteen (15) days after such notice. Upon default, the Management Firm may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the said Association and its members for damages and/or specific performance and/or such other rights and remedies as it may have, and the said Association and its members shall be liable for the Management Firm's reasonable attorney's fees and the costs incurred thereby. All of such rights of the Management Firm upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

22. Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of forty-five (45) days after written notice of default from the Association whose name appears at the end of this Agreement, specifying the default complained of, shall be grounds for the said Association's cancellation of this Agreement.

23. The Management Firm, during the term of this Agreement, may file a lien against a unit owner's Condominium parcel should he fail to pay his assessments as required and provided in the Declaration of Condominium to which this Agreement is attached, and Exhibits attached to said Declaration, and take such other action as provided in said documents, either in its name or in the name of or as agent of the Association whose name appears at the end of this instrument. The Management Firm may compromise liens in such amounts as it deems advisable, in its sole discretion, and it may satisfy liens of record and render statements as to the current status of a unit owner's assessments.

24. The Association shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association shall further aid and assist the Management Firm in any reasonable manner required by the Management Firm so as to simplify the method of collecting the monthly assessments or special assessments due from unit owners.

25. The Management Firm shall have the right, in its sole discretion, to suspend any unit owner and/or authorized user of the recreation facilities from the use of such recreation facilities for any infraction of the promulgated Rules and Regulations pertaining to said recreation facilities, for a period not to exceed thirty (30) days, and during said period of suspension, there shall be no reduction in the assessments due and payable from said unit owner and/or authorized user.

26. Should a unit owner fail to pay an assessment within ten (10) days after its due date, the Management Firm may deny to the unit owner and/or the authorized user of the recreation facilities, the use and enjoyment of the said facilities until such time as all assessments are paid.

27. Use of the recreation facilities shall be limited to owners of Condominium parcels in the Condominium created by virtue of the Declaration of Condominium to which this Agreement is attached, and owners of condominium parcels in any other condominium whose association has leased or has the right to lease the recreational facilities together with spouse and other members of said parcel owner's immediate family who are in residence in the Condominium parcel and such other persons and under such terms and conditions as the Management Firm determines in its sole discretion, pursuant to the provisions of the Agreement for Recreational Facilities which is attached to the Declaration of Condominium and to which this Agreement is attached. The Lessee of the Condominium unit shall be entitled to the use of the recreation facilities in the place of the unit owner.

28. Notwithstanding the terms of this Agreement, the Management Firm shall have the right as it determines to retain all or such portion of the late charge and interest due on assessments, as provided in the Declaration of Condominium to which this Agreement is attached and all Exhibits attached to said Declaration of Condominium, and shall have the further right, as it determines, to charge and retain all or such portion of an application fee for approval in connection with transfers or leasing of Condominium units; however, although the Management Firm's approval to such transfer or lease is required, it shall not be obliged to the Association to investigate applications for such transfers or leases, and it shall be the duty and responsibility of the Association to undertake such independent investigation as it deems necessary to investigate and approve or disapprove of all applications for transfers or leases. The sums paid to the Management Firm under the provisions of this paragraph shall be over and above the Management Firm's fee under the Management Agreement as hereinafter set forth.

29. Notwithstanding the delegation by the Association to the Management Firm of its power to determine and collect assessments during the term of this Agreement, the Association retains the power to make those assessments as are specified in the Declaration of Condominium to which this Agreement is attached and the By-Laws which are attached thereto.

30. Should any dispute arise as to the rights of any of the parties under this Agreement, including the powers and duties of the parties and all of the terms and conditions of this Agreement, and said dispute cannot be amicably settled and resolved between the parties, then either party shall have the right to submit the matter in controversy for arbitration to the Senior Judge of the Circuit Court in and for Dade County, Florida, and the decision of said Judge shall be final. The Court shall have the right to assess costs and attorney's fees in such amount and against such party as it deems meet and proper under the circumstances.

PART B
DEVELOPER

1. Developer's Rights. The Developer, whose name appears at the end of this Agreement, is the Developer of AVILA SOUTH CONDOMINIUM. Notwithstanding anything contained in this Agreement to the contrary, the Developer and it alone shall be vested solely and exclusively with all of the following rights:

A. Sale of Condominium Units. All of the rights of the Developer, as set forth in the Developer's Declaration of Condominium including, but not limited to, the right of sale and lease without the approval and consent of the Association.

B. Retained Control. All of the rights of the Developer to designate directors, officers and otherwise retain control of the Association as the same may now or hereafter be set forth in its Articles of Incorporation and By-Laws.

C. Proviso. No act of commission or omission by the Developer, whether or not under the purported authority of rights vested in it, shall ever be construed or considered as (i) a breach by the Manager of any of its promises and covenants in this Agreement; or (ii) as an excuse, justification, waiver or indulgence by the Manager to the Association with regard to the Association's prompt, full, complete and continuous performance of its promises and covenants herein. Under no circumstances whatever is the Developer to be considered or construed as the agent for or the principal of the Manager.

PART C
MISCELLANEOUS

1. Entire Agreement. This instrument constitutes the entire Agreement between the parties as of the date of its execution and same has not been induced by the other by representations, promises

or understandings not expressed herein. There are no collateral agreements, stipulations, promises or understandings whatsoever in any way touching upon the subject matter of this instrument which are not expressly contained herein.

2. Construction. This instrument is to be construed in accordance with the laws of the State of Florida.

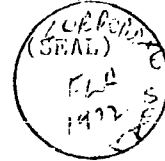
3. Parts, Captions and Titles. The parts, captions and titles contained in this Agreement are for convenience and reference only, and in no way define, limit or describe the scope or intent of this Agreement or any part thereof, nor in any way affect this Agreement.

4. Parties. This Agreement is binding upon the parties hereto and their successors and assigns.

5. Execution. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals affixed this 10th day of December, 1973.

Signed, Sealed and Delivered
In the presence of:

AVILA SOUTH CONDOMINIUM
ASSOCIATION, INC.



[Signature]

By: [Signature]
President

[Signature]

Attest: [Signature]
Secretary

[Signature]

AVILA SOUTH MANAGEMENT CORP.



[Signature]

By: [Signature]
President

Attest: [Signature]
Secretary

THE UNDERSIGNED, being; the Developers under the Declaration of Condominium, and the Lessor under the Agreement for Recreational Facilities, do hereby approve and consent to this Agreement.

KAPPA CORP.

By: [Signature]
President

PONIX CORP.

By: [Signature]
President

LOSCH CORP.

By: [Signature]
President

RECORDED IN OFFICIAL RECORDS BOOK
BY DATE COUNTY FLORIDA
MICROFILMED

RICHARD P. BRINKER,
CLERK CIRCUIT COURT

CLERK NOTE:

FOR CONDOMINIUM PLANS SEE OFFICIAL
RECORDS CONDOMINIUM PLAN BK. 83, PAGE 7

RICHARD P. BRINKER
CLERK CIRCUIT COURT
BY [Signature] D.C.