

**CONDOMINIUM
GOVERNANCE FORM**

**DEPARTMENT OF
BUSINESS AND PROFESSIONAL REGULATION
Division of Florida Condominiums, Timeshares,
and Mobile Homes**

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This publication is intended as an informal educational overview of condominium governance. In the event of a conflict, the provisions of chapter 718, Florida Statutes, rules adopted by the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation, the provisions of the condominium documents, and reasonable rules adopted by the condominium association's board of administration prevail over the contents of this publication.

Role of the Board of Directors

General

1. The board of directors has a fiduciary duty to the unit owners and has the responsibility to act with the highest degree of good faith and to place the interests of the unit owners above the personal interests of the directors.
2. The board must abide by the condominium documents, the condominium laws and regulations and the rules of the association.
3. The board manages the day to day affairs of the association.
4. The board has the authority to levy assessments, and maintain, repair and replace the common elements or association property.
5. The board of directors may hire a property management firm subject to its own primary responsibility for such management.
6. Provide a substantive written response to an inquiry submitted to the board by certified mail. The response must be sent within 30 days, or within 60 days if the board requests a legal opinion, or within 10 days of receiving the division's advice, if the board requests advice from the division.
7. The association must make its records available for unit owner inspection within five working days after receiving a written request.

Meetings and Notices

1. Associations must provide at least 48 hours notice of board and committee meetings, posted conspicuously on the association property.
2. Notice of the annual meeting, the budget meeting, and any meetings at which the board will vote on a special assessment or changes to rules concerning unit use must be mailed or delivered to unit owners and posted on the condominium property at least 14 continuous days in advance of the meeting.
3. Written notification of any special assessment must state the specific purpose of the special assessment.
4. A copy of the proposed annual budget must be mailed or delivered to each unit owner.
5. The association must provide notice of any legal action by which the association may be exposed to liability in excess of insurance coverage so that unit owners may intervene and defend on their own behalf.
6. Board must allow unit owners or their designated representatives to speak at board and committee meetings subject to reasonable restrictions.
7. Associations must provide notification of a hearing before a committee of other unit owners before the board can levy a fine against a unit owner, if the documents provide that the association may impose a fine against a unit owner.

Elections

1. The association must provide by mail or personal delivery, a first notice of an election no less than 60 days prior to the election.
2. The association must provide a second notice of the election, along with a ballot, an inner envelope, an outer envelope, candidate certification form and copies of any timely submitted candidate information sheets, no less than 14 days prior to the election.

Association Finances

1. Unless the governing documents provide otherwise, the board of directors has the authority to levy assessments, including special assessments.

2. The board must prepare an annual budget of the revenues and expenses and send a copy to the unit owners at least 14 days prior to the budget meeting. The budget must include all estimated revenues and expenses and reserves for certain deferred maintenance and capital expenditures projects.
3. Within 90 days after the end of the fiscal year, or annually on a date provided in the bylaws, the association must prepare a financial report for the preceding fiscal year. No later than 120 days after the end of the fiscal year or other date as provided in the bylaws, the association must mail to each unit owner at the address last furnished to the association by the unit owner, or hand deliver to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon receipt of a written request from the unit owner. The report must be prepared as follows:
 - a. If the association consists of 50 units or fewer, or has revenues of less than \$100,000, it must prepare a financial report of actual receipts and expenditures.
 - b. If the association consists of more than 50 units and has revenues of at least \$100,000, it must prepare a compiled, reviewed or audited financial statements, prepared in accordance with generally accepted accounting principles.

Role of the Unit owners

General

1. Each unit owner who is offering the unit for sale must provide to each person who has entered into a contract for the purchase of the condominium unit a copy of this governance form, a current copy of the declaration of condominium, articles of incorporation, bylaws and rules of the association, a copy of the latest annual financial report, and the document entitled "Frequently Asked Questions and Answers" that may be obtained from the association.
2. Unit owners must abide by the condominium documents, the condominium laws and regulations and the rules of the association.
3. Unit owners must pay their share of the common expenses. Failure to do so may result in liens or possible foreclosure by the association.
4. Unit owners may use the common elements in a manner that will not hinder or infringe on the rights of the other unit owners.
5. Unit owners must provide proof of the hazard and liability policy for their unit upon request by the association. A unit owner's failure to provide proof of insurance may result in the association purchasing a policy, and the cost of the policy, or the cost of any reconstruction undertaken by the association in the absence of such a policy, may become a lien on the unit.
6. Unit owners must provide the association access to their units during reasonable hours for the following purposes:
 - a. To maintain, repair or replace any common elements;
 - b. To prevent damage to the common elements or other units;
 - c. To maintain the unit as required by the declaration of condominium; or
 - d. To prevent damage to the common elements or to a unit or units.
7. Unit owners may not make any alterations to their units that would adversely affect the safety or soundness of the common elements or any portion of the association or condominium property the association maintains.

Unit Owners Rights

1. Unit owners may attend and participate in board and committee meetings except for meetings between the board or a committee and the association's attorney with respect to proposed or

pending litigation when the meeting is held for the purpose of seeking or rendering legal advice.

2. Petition the association board to address an item of business at the next regular or special meeting of the board, if 20% of the voting interests petition the board.
3. Unit owners may record board, committee or unit owner meetings subject to reasonable restrictions.
4. Exclusive ownership and possession of their condominium unit.
5. Membership in the association and full voting rights as provided in the declaration of condominium.
6. Use the common elements and association property without paying a use fee unless provided for in the declaration of condominium, approved by a majority vote of the association, or unless the charges relate to expenses incurred by an owner having exclusive use of the common element or association property.
7. Use the condominium's common elements, common areas and recreation facilities together with their invited guests, in accordance with the condominium documents and properly adopted rules and regulations of the association.
8. Inspect the association's official records subject to the reasonable rules adopted by the association. Unit owners may make or obtain copies at the reasonable expense, if any, of the unit owner.
9. Attend and participate in unit owner meetings.
10. Vote on issues presented for a unit owner vote and elections.
11. Bring any concerns or problems to the board of directors' attention.
12. Apply to the circuit court of the county in which the condominium is located for a receiver if the association fails to fill vacancies on the board sufficient to constitute a quorum.
13. Participate in the voluntary mediation or mandatory, non-binding arbitration processes to resolve certain disputes.
14. Vote to cancel any grant or reservation made by a declaration, lease, or other document, and any contract made by an association prior to turnover of control to the unit owners other than the developer.
15. Bring action for damages or injunctive relief or both against the association, another unit owner, a tenant or invitee.

Elections, Voting

1. Unit owners may submit a notice of their intent to be a candidate for election to the board no less than 40 days prior to the election.
2. Submit candidate information sheet no less than 35 days prior to the election.
3. Vote for the board by written, secret ballot or voting machine if there are more candidates than vacancies. Associations with 10 or fewer units may opt out of the statutory election procedures and hold elections as provided in their bylaws.
4. Unit owners may vote in person or by limited proxy for all matters (other than election of directors) in which the law provides that a vote of the unit owners must be taken. Examples of these issues include, but are not limited to: amending the governing documents, waiving reserves and altering the common elements.
5. Unit owners may vote at a meeting or by written agreement with a majority of all unit owners to recall any board member.

Association Budget

1. Unit owners may vote for an alternate budget if the developer controls the board and the adopted budget provides for assessments in excess of 115 percent of assessments for the prior fiscal year.

2. Petition the board for a special meeting of the owners to consider an alternate budget if a unit owner controlled board adopts a budget providing for assessments in excess of 115 percent of the previous year's assessments. Upon written application by 10 percent of the voting interests received within 21 days following the adoption of the budget the board shall call the special meeting of the association.

You should refer to the specific statutory section or rule for each cited provision. You may visit www.MyFlorida.com/dbpr/ or contact the Division at the address on this brochure to obtain a copy of the statute or the administrative rules.

Revised 11/08

DECLARATION OF CONDOMINIUM

OF

VILLA RIVIERA CLUB, INC.

A CONDOMINIUM

Made this 29th day of August, 1974, by RAY H. LARLEE, individually and as Trustee, herein called "Developer", joined by REVA E. LARLEE, his wife.

WHEREIN, the Developer makes the following declarations:

1. Purpose. The purpose of this Declaration is to submit the lands and improvements described and to be constructed thereon to the condominium form of ownership and use in the manner provided in Chapter 711 of the Florida Statutes, herein called the "Condominium Act".

1.1 Name and Address. The name by which this condominium is to be identified is:

VILLA RIVIERA CLUB, INC.
A Condominium

and its address is:

2459 North A-1-A
Indialantic, Florida

1.2 The Land. The lands owned by Developer, which by this instrument are submitted to the condominium form of ownership, are the following described lands lying in Brevard County, Florida:

Lots 1, 2 and 3, FRANK J. KRAJIC SUBDIVISION,
as recorded in Plat Book 10, Page 17, Public
Records of Brevard County, Florida.

which lands are called "the land".

2. Definitions. The terms used in this Declaration and the Exhibits hereto shall have the meaning stated in the Condominium Act (Section 711.03, Florida Statutes) and as follows unless the context otherwise requires:

2.1 Apartment. Apartment means unit as defined by the Condominium Act.

2.2 Apartment Owner. Apartment owner means unit owner as defined by the Condominium Act.

2.3 The Association. The Association means VILLA RIVIERA CLUB, INC., a non-profit Florida corporation, and its successors.

2.4 Common Elements. Common elements shall include: (a) the condominium property not included in the apartments; (b) tangible personal property required for the maintenance and operation of the common elements even though owned by the Association.

2.5 Limited Common Elements. Limited common elements means those common elements which are reserved for the use of a certain unit or units to the exclusion of other units and any reference made to common elements in the following provisions of this Declaration or other condominium instruments is meant to also include limited common elements.

2.6 Common Expenses. Common expenses include: (a) expenses of administration and management of the condominium property; (b) expenses of maintenance, operation, repair or replacement of common elements, and of the portions of apartments to be maintained by the Association; (c) expenses declared common expenses by the provisions of this Declaration or the By-Laws; and (d) any valid charge against the condominium as a whole.

2.7 Condominium. Condominium means all of the condominium property as a whole where the context so permits, as well as the meaning stated in the Condominium Act.

2.8 Reasonable Attorney's Fees. Reasonable attorneys' fees means and includes reasonable fees for the services of attorneys at law whether or not judicial or administrative proceedings are involved, then of all review of the same by appeal or otherwise.

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

2.10 Utility Services. Utility services as used in the Condominium Act and construed with reference to this condominium and as used in the Declaration and By-Laws shall include but not be limited to electric power, water, gas, heating, air conditioning and garbage and sewage disposal.

3. Development Plan. The condominium is described and established as follows:

3.1 Plot Plans and Floor Plans. Attached hereto as Exhibit "A" is a certification by Craig J. Gehlert, A.I.A., Architect, that the description of improvements as shown in the "plot plans" recorded in Official Records Book 1473, Pages 84-87, Public Records of Brevard County, Florida, is a correct representation thereof.

3.2 Easements. Each of the following easements is reserved through the condominium property and is a covenant running with the land of the condominium and notwithstanding any of the other provisions of this Declaration, may not be amended or revoked and shall survive the termination of the condominium and the exclusion of any of the lands of the condominium from the condominium:

(a) Utilities. As may be required for utility services in order to adequately serve the condominium; provided, however, easements through an apartment shall only be according to the plans and specifications for the building containing the apartment or as the building is actually constructed, unless approved in writing by the apartment owner.

(b) Pedestrian and Vehicular Traffic. For pedestrian traffic over, through and across sidewalks, paths,

walks and lanes, as the same may from time to time exist upon the common elements; and for the vehicular traffic over, through and across such portions of the common elements as may be from time to time paved and intended for such purposes but the same shall not give or create in any person the right to park upon any portion of the condominium property not designated as a parking area.

3.3 Improvements-General Description.

(a) Apartment Buildings. The condominium shall consist of four (4) buildings connected by common walkways, and shall consist of a total of twenty-nine (29) apartments.

(b) Other Improvements. The condominium includes landscaping, automobile parking areas, swimming pools and other facilities which are part of the common elements and limited common elements shown on the plot plans referenced in the foregoing Section 3.1.

3.4 Apartment Boundaries. Each apartment, which term is used in this subsection concerning boundaries, shall include that part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

(a) Upper and Lower Boundaries. The upper and lower boundaries of the apartment shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper Boundary - The horizontal plane of the undecorated unfinished ceiling.

(2) Lower Boundary - The horizontal plane of the undecorated finished floor.

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

(c) Limited Common Elements. All balconies, terraces, canopies, Townhouse garages (all other assigned parking dealt with in 4.2(a)), and any such structure attached to the exterior main walls of the building that serve only the apartment adjacent to such structure shall be a limited common element for the benefit of that particular apartment only.

3.5 Common Elements. The common elements include the land and all of the parts of the condominium not within the apartments as defined in Section 3.4.

3.6 Amendment of Plans.

(a) Alteration of Apartment Plans. Developer reserves a right to change the interior design and arrangement of all units, and to alter the boundaries between units, as long as Developer owns the unit so altered. Developer further reserves the right to increase or decrease the number of apartments and to alter the boundaries of the common elements, so long as Developer owns the apartments abutting the common elements where the boundaries are being altered. This such alteration as set forth herein shall be made without amendment of this Declaration as provided in subparagraph (b) hereof.

(b) Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of apartment plans by Developer need be signed and acknowledged only by Developer and approved by the institutional mortgagee of apartments affected, where the said apartments are encumbered by individual mortgages, or where they are included in an overall construction mortgage on the condominium buildings, and such amendment shall not require the approval of the other apartment owners, apartment purchasers, or of the Association.

4. The Apartment Building.

4.1 Apartments. The apartments in the condominium buildings are identified and briefly described in the "plot plans" recorded in Official Records Book 1473, Pages 84-87, Public Records of Brevard County, Florida.

4.2 Appurtenances to Each Apartment. The owner of each apartment shall own a certain interest in the condominium property which is appurtenant to his apartment, including but not limited to, the following items:

(a) Automobile Parking Space. The right to use for automobile parking only the parking space which may from time to time be attributed by the Board of Directors of the Association to an apartment, which attribution shall not be recorded among the public records. The Board of Directors may from time to time, should they determine there be a need, change the parking space attributed to an apartment, provided that an apartment always has a parking space. This provision is made in contemplation of the fact that one or more apartment owners may develop a physical disability which would require the attribution of a parking space more convenient to their apartments and to give the Association the power and flexibility to deal with such situations. The Association shall also have the flexibility of not having assigned parking spaces.

(b) Common Elements. Each apartment owner shall have a one-twenty-ninth (1/29) or a 3.4483% undivided share in the land and other common elements appurtenant to his apartment.

(c) Association. The membership of each apartment owner in the Association and the interest of each apartment owner in the funds and assets held by the Association.

4.3 Liability for Common Expenses and Share of Common Surplus. Each apartment owner shall share the common expense and common surplus to the same extent as he shares in the common elements (Section 4.2(b)); however, this does not include the right to withdraw or require payment or distribution of the same.

5. Maintenance, Alteration and Improvement. Responsibility for the maintenance of the condominium property and restrictions upon the alteration and improvement thereof shall be as follows:

5.1 Common Elements.

(a) By the Association. The maintenance and operation of the common elements shall be the responsibility of the Association and the expense associated therewith shall be designated as a common expense.

(b) Alteration and Improvement. After the completion of the improvements including the common elements contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the common elements without prior approval in writing by the owners of not less than seventy-five (75%) per cent of the common elements, except as provided by the By-Laws. Any such alteration or improvement shall not interfere with the rights of any apartment owners without their consent. The cost of such work shall not be assessed against a bank, life insurance company or savings and loan association that acquires its title as a result of owning a mortgage upon the apartment owned, unless such owner shall approve the alteration or improvement, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any cost not so assessed shall be assessed to other apartment owners in the shares that their shares in the common elements bear to each other. There shall be no change in the shares and rights of apartment owners in the common elements altered or further improved, whether or not the apartment owner contributes to the cost of such alteration or improvements.

5.2 Apartments.

(a) By Association. The Association shall maintain, repair and replace as a common expense of the apartment building containing an apartment:

(1) All portions of an apartment, except interior surfaces, contributing to the support of the apartment building, which portions shall include but not be limited to load-bearing columns and load-bearing walls.

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of an apartment maintained by the Association; and all such facilities contained within an apartment that services part or parts of the Condominium other than the apartment within which contained.

(3) All incidental damage caused to an apartment by such work shall be promptly repaired by the Association.

(4) All common elements.

(b) By the Apartment Owner. The responsibility of the apartment owner shall include:

(1) To maintain, repair, and replace at his sole and personal expense, all doors, windows, glass, screens, electric panels, electric wiring, electric outlets and fixtures, air-conditioners, heaters, hot water heaters, refrigerators, dish-washers, other appliances, drains, plumbing fixtures and connections, interior surfaces of all walls, floors and ceilings, and all other portions of his apartment except the portions specifically to be maintained, repaired and replaced by the Association.

(2) Not to enclose, paint, or otherwise decorate or change the appearance of any portion of the exterior of the apartment building.

(3) To promptly report to the Association any defect or need for repairs, the responsibility for the remedying of which is that of the Association.

(c) Alteration and Improvement. Subject to the other provisions of 5.2, and which in all cases shall supersede and have the priority over the provisions of this section when in conflict therewith, an apartment owner may make such alteration or improvement to the apartment at his sole and personal cost as he may be advised, provided all work shall be done without disturbing the rights of other apartment owners and further provided that an apartment owner shall make no changes or alterations to any interior boundary wall, exterior wall, balcony or patio, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service, without first obtaining approval in writing of ~~owners of all other apartments in such apartment building and the approval of the Board of Directors of the Association.~~ All alterations and improvements must be in compliance with all existing building codes.

6. Assessments. The making and collection of assessments against apartment owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

6.1 Share of Common Expense. Each apartment owner shall be liable for a proportionate share of the common expenses and shall share in the common surplus, the same as set forth in Section 4.2(b) but the same shall not vest or create in any apartment owner the right to withdraw or receive distribution of his share of the common surplus.

6.2 Payments. Assessments and installments thereon paid on or before ten (10) days after the day when the same shall become due, shall not bear interest but all sums not so paid on or before ten (10) days after the same is due shall bear interest until paid at the rate of ten (10%) per cent. All payments on account shall be first applied to interest and then to the assessment payment first due. If any installment of an assessment remains unpaid thirty (30) days after the same shall become due, the Board of Directors may declare the entire assessment as to that delinquent owner due and payable in full as if the entire amount was originally assessed.

6.3 Lien for Assessments. The Association shall have a lien on each apartment for any unpaid assessments and for interest thereon against the owner thereof, which lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessment or enforcement of such lien. Said lien shall be effective from and after the time of recording in the Public Records of Brevard County, Florida, a claim of lien stating the description of the apartment, the name of the record owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association or by a managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for assessment may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure the owner of the apartment shall be required to pay a reasonable rental for the apartment and the Association shall be entitled as a matter of law, to the appointment of a receiver to collect the same. The Association may also sue to

recover a money judgment for unpaid assessments without waiving the lien securing the same. Where the mortgagee of a first mortgage of record or other purchaser of an apartment obtains title to the apartment as a result of the foreclosure of the first mortgage or where a mortgagee of a first mortgage of record obtains title to the apartment as a result of a conveyance in lieu of foreclosure of the first mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association pertaining to such apartment or chargeable to the former owner of such apartment which became due prior to acquisition of title in the manner above provided. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the apartment owners including such acquirer, its successors and assigns.

7. Association. The operation of the condominium shall be by VILLA RIVIERA CLUB, INC., a corporation not for profit under the laws of Florida, which shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit "B".

7.2 By-Laws. The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached as Exhibit "C".

7.3 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

8. Insurance. Insurance, other than title insurance, which shall be carried upon the condominium property and the property of the apartment owners, shall be covered by the following provisions:

8.1 Authority to Purchase. All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association, and in the case of insurance covering damage to the apartment building and its appurtenances, also for the benefit of apartment owners and their mortgagees as their interests may appear and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of apartment owners. Such policies and endorsements thereon shall be deposited with the Insurance Trustee. It shall not be the responsibility or duty of the Association to obtain insurance coverage upon the personal liability, personal property or living expenses of any apartment owner but the apartment owner may obtain such insurance at his own expense provided such insurance may not be of a nature to affect policies purchased by the Association. Apartment owners shall furnish the Association with copies of all insurance policies obtained by them.

8.2 Coverage.

(a) Casualty. All buildings and improvements upon the land and all personal property included in the common

elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors of the Association. Such coverage shall afford protection against:

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

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.

(b) Public Liability. In such amounts and such coverage as may be required by the Board of Directors of the Association and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner.

(c) Workmen's Compensation Policy. To meet the requirements of law.

(d) Other. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

8.3 Premiums. Premiums for insurance shall be a common expense. Premiums shall be paid by the Association.

8.4 Insurance Trustee Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the apartment owners and their mortgagees as their interests may appear and shall provide that all proceeds covering property losses shall be paid to an Insurance Trustee, being an institution having offices in Brevard County, Florida, and possessing trust powers as may from time to time be approved by the Board of Directors of the Association, which trustee is herein referred to as "Insurance Trustee". The 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 apartment owners and their mortgagees in the following shares but which shares need not be set forth on the records of the Insurance Trustee.

(a) Common Elements. Proceeds on account of damage to common elements - an undivided share for each apartment owner of the condominium, such share being the same as the undivided share in the common elements appurtenant to his apartment.

(b) Apartments. Proceeds on account of damage to apartments shall be held in the following undivided shares:

(1) When the apartment building is to be restored for the owners of damaged apartments in proportion to the cost of repairing the damage suffered by each apartment owner, which cost shall be determined by the Board of Directors of the Association.

(2) When the apartment building is not to be restored for the owners of apartments in such building,

in undivided shares being the same as their respective shares in the common elements.

(c) Mortgagees. In the event a mortgagee endorsement has been issued as to an apartment, the share of an apartment owner shall be held in trust for the mortgagee and the apartment owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired except as provided in 9.1 (b) (1) and (2).

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

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

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

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

(d) Certificate. In making distribution to apartment owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or by the Association's managing agent as to the names of apartment owners and their respective shares of the distribution.

9. Reconstruction or Repair After Casualty.

9.1 Determination to Reconstruct or Repair. If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Elements. If the damaged improvement is a common element, the same shall be reconstructed or repaired unless the damages to the apartment building containing such common element extend to apartments contained within such building, in which case the provisions relative to reconstruction and repair of the apartment building, as elsewhere herein provided, shall pertain.

(b) Apartment Building.

(1) Partial Destruction - If the damaged improvement is an apartment building and less than

ninety (90%) per cent of the amount of insurance applicable to such apartment building is forthcoming by reason of such casualty, then the apartment building shall be reconstructed and repaired unless seventy-five (75%) per cent of the owners of the apartments contained within such building and all mortgagees, being banks, savings and loan associations, and insurance companies, holding first mortgages upon apartments contained within such building shall within sixty (60) days after casualty agree, in writing, that the same shall not be reconstructed or repaired.

(2) Total Destruction - If the damaged improvement is an apartment building and ninety (90%) percent or more of the amount of casualty insurance applicable to such apartment building is forthcoming by reason of such casualty, the apartment building shall not be reconstructed or repaired unless seventy-five (75%) per cent of the owners of the apartments contained within such building and all mortgagees, being banks, savings and loan associations, and insurance companies, holding first mortgages, upon apartments contained within such building shall within sixty (60) days after casualty agree, in writing, that the same shall be reconstructed or repaired.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or managing agent to determine whether or not the apartment owners, where so provided, have made a decision whether or not to reconstruct or repair.

9.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications of the original building and improvements; or if not, then according to plans and specifications approved by the Board of Directors of the Association and if the damaged property is the apartment building, by the owners of all damaged apartments therein, which approvals shall not be unreasonably withheld.

9.3 Responsibility. If the damage is only to those parts of apartments for which the responsibility of maintenance and repair is that of apartment owners, then the apartment owners shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

9.4 Estimate of Costs. When the Association shall have the responsibility of reconstruction or repair, prior to the commencement of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to repair or rebuild.

9.5 Assessments for Reconstruction and Repair. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the cost of reconstruction and repair are insufficient, assessment shall be made against the apartment owners who own the damaged apartments, and against all apartment owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against apartment owners for damage to apartments shall be in proportion to the cost of reconstruction and repair of

their respective apartments. Such assessments on account of damage to common elements shall be in proportion to the owner's share in the common elements,

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

(a) Association. If the total of assessments made by the Association in order to provide funds for the payment of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and shall disburse the same in payment of the costs of reconstruction and repair.

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

(1) Apartment Owner - The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an apartment owner, shall be paid by the Insurance Trustee to the apartment owner or if there is a mortgage endorsement as to such apartment, then to the apartment owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(2) Association - Lessor Damage - If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$10,000, then the construction fund shall be disbursed in payment of such costs upon the order of the Association.

(3) Association - Major Damage - If the amount of the estimated costs of reconstruction and repair is the responsibility of the Association is more than \$10,000, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(4) Surplus - It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated, except, however, that the part of a distribution to a beneficial owner which is not in excess of assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

(5) Certificate - Notwithstanding the provisions herein, the Insurance Trustee shall not be required

The property to which this Amendment applies is described as Lots 1,2 and 3, Frank J. Krajic Subdivision, Brevard County Florida.

VILLA RIVIERA CLUB

AMENDMENT TO DECLARATION OF CONDOMINIUM

Upon the approval of owners of 21 units of Villa Riviera Club, thereby constituting 75% of unit owners, as prescribed in the Declaration of Condominium recorded in Brevard County, Florida Official Records Book 1473 at page 43 et seq, Section 10.1 of said Declaration is hereby amended to read as follows:

10.1 Apartments. Each of the apartments shall be occupied only by a family, its servants and guests, as a residence and for no other purpose. No pet shall be permitted in any apartment or anywhere on the condominium property.


In all other respects, said Declaration of Condominium shall remain unchanged.

James L. McInerney
James L. McInerney
Secretary--Treasurer
Robert F. Fitzgerald
Robert F. Fitzgerald
President

Dated: February 27, 1997

STATE OF FLORIDA)
) SS.
COUNTY OF BREVARD)

On this 27 of February, 1997, before me, a Notary Public in and for said County, personally appeared JAMES L. MC INERNEY and ROBERT F. FITZGERALD, to me known to be the persons described herein and who executed the foregoing instrument, and each acknowledged that he executed the same as his free act and deed.

 PAMELA A HANSEL
My Commission CC485893
Expires Aug. 03, 1999
Bonded by HAI
800-422-1856

Pamela A. Hansel
My Commission expires 8-3-99

This instrument drafted by:
James L. McInerney (21869)
200 Fairway Drive
Pinehurst, NC 28374
910-295-2374


CFN 97041038 03-11-97 08:30 am
OR Book/Page: 3652 / 3009

WHEN RECORDED PLEASE RETURN TO:
James L. McInerney
200 Fairway Drive
Pinehurst, NC 28374

Sandy Crawford
Clerk Of Courts, Brevard County

#Pgs: 1 #Names: 2
Trust: 1.00 Rec: 5.00 Serv 0.00
Deed: 0.00 Excise: 0.00
Mtg: 0.00 nt Tax: 0.00

to determine whether or not sums paid by apartment owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by owners, nor to determine any other fact or matter relating to its duties hereunder. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or the Association's managing agent as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee; and further provided that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association.

10. Use Restrictions. The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and the apartment buildings in useful condition exist upon the land.

10.1 Apartments. Each of the apartments shall be occupied only by a family, its servants and guests, as a residence and for no other purpose. *NO PETS ON PROPERTY OR APARTMENTS*

10.2 Common Elements. The common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the apartment.

10.3 Leasing. After approval by a majority of the members of the Association as provided in the By-Laws, entire apartments may be rented provided the occupancy is only by the lessee and his family, servants and guests.

10.4 Regulations. Reasonable Regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such Regulations and amendments thereto shall be furnished by the Association to all apartment owners and residents of the condominium.

11. Maintenance of Community Interests. In order to maintain a community of congenial residents and thus protect the value of the apartments and in order to assure the financial ability of each apartment owner to pay assessments made against him, the transfer of apartments by any owner other than the Developer shall be subject to the following provisions so long as the condominium exists, which provisions each owner covenants to observe.

11.1 Transfers Subject to Approval.

(a) Sale. No apartment owner may dispose of an apartment or any interest therein by sale without approval of the Association.

(b) Lease. No apartment owner may dispose of an apartment or any interest therein by lease without approval of the Association.

(c) Gift. If any apartment owner shall acquire his title by gift, the continuance of his ownership of this apartment shall be subject to the approval of the Association.

(d) Devise or Inheritance. If any apartment owner shall acquire his title by devise or inheritance, the continuance of his ownership of the apartment shall be subject to the approval of the Association.

11.2 Approval by Association. The approval of the Association which is required for the transfer of ownership of apartments shall be obtained in the following manner:

(a) Notice to Association.

(1) Sale - An apartment owner intending to make a bona fide sale of his apartment or any interest therein shall give to the Association notice, in writing, of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. Such notice at the apartment owner's option may include a demand by the apartment owner that the Association furnish a purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(2) Lease - An apartment owner intending to make a bona fide lease of his apartment or any interest therein shall give to the Association notice, in writing, of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease.

(3) Gift; Devise or Inheritance; Other Transfers - An apartment owner who has obtained his title by gift, devise or inheritance, or by any other manner not heretofore considered, shall give to the Association notice, in writing, of the acquiring of his title, together with such information concerning the apartment owner as the Association may reasonably require and a certified copy of the instrument evidencing the owner's title.

(4) Failure to Give Notice - If the Notice to the Association herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of an apartment, the Association at its election and without notice may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall proceed as if it has received the required notice on the date of such disapproval.

(b) Certificate of Approval.

(1) Sale - If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in recordable form, delivered to the apartment owner and shall be recorded in the Public Records of Brevard County, Florida.

(2) Lease - If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in non-recordable form and delivered to the apartment owner.

(3) Gift; Devise or Inheritance; Other Transfers - If the apartment owner giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within sixty (60) days after receipt of such notice and information the Association must either approve or disapprove the continuance of the apartment owner's ownership of his apartment. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in recordable form delivered to the apartment owner and shall be recorded in the Public Records of Brevard County, Florida.

(c) Approval of Corporate Owner or Purchaser. Inasmuch as the condominium may be used only for residential purposes and a corporation cannot occupy an apartment for such use, if the apartment owner or purchaser of an apartment is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the apartment be also approved by the Association.

11.3 Disapproval by Association. If the Association shall disapprove a transfer of ownership of an apartment, the matter shall be disposed in the following manner:

(a) Sale. If the proposed transaction is a sale and if the notice of sale given by the apartment owner shall so demand, then within sixty (60) days after receipt of such notice and information the Association shall deliver or mail by certified or registered mail to the apartment owner an agreement to purchase by a Purchaser, being either the Association or a person approved by the Association, who will purchase and to whom the apartment owner must sell the apartment upon the following terms:

(1) At the option of the Purchaser to be stated in the agreement, the price to be paid shall be that stated in the disapproved contract to sell or shall be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the Purchaser.

(2) If the Purchaser shall elect to purchase at the price stated in the agreement, the purchase price shall be paid in the manner and subject to the conditions of such agreement; if the Purchaser shall elect to purchase at the fair market value determined by arbitration, the purchase price shall be paid in cash.

(3) The sale shall be closed within thirty (30) days after the delivery or mailing of said agreement

to purchase, or within thirty (30) days after the determination of the sale price if such is by arbitration, whichever is later.

(4) If the Association shall fail to purchase or provide a Purchaser upon the demand of the apartment owner in the manner provided, or if a Purchaser furnished by the Association shall default in his agreement to purchase, the proposed transaction shall be deemed to have been approved and the Association shall furnish a certificate of approval as elsewhere provided.

(b) Lease. If the proposed transaction is a lease, the apartment owner shall be advised of the disapproval in writing, and the lease shall not be made.

(c) Gift, Devise or Inheritance; Other Transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within sixty (60) days after receipt from the apartment owner of the notice and information required to be furnished, the Association shall deliver or mail by certified or registered mail to the apartment owner an agreement to purchase by a Purchaser being either the Association or a person who will purchase and to whom the apartment owner must sell the apartment upon the following terms:

(1) The sale price shall be the fair market value determined by agreement between the apartment owner and Purchaser within sixty (60) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the Purchaser.

(2) The purchase price shall be paid in cash.

(3) The sale shall be closed within thirty (30) days following the determination of the sale price.

(4) If the Association shall fail to purchase or provide a Purchaser as herein required, or if a Purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval, such ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided.

11.4 Mortgage. No apartment owner may mortgage his apartment nor any interest therein without the approval of the Association except to a bank, life insurance company, savings and loan association, the Developer or the successors in title to the Developer. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

11.5 Exceptions. The foregoing provisions of Sections 10 (Use Restrictions) and 11 (Maintenance of Community Interests) shall not apply to a transfer to or purchase by a bank, life insurance company or savings and loan association which acquired its title as the result of owning a mortgage upon the apartment concerned, and this shall be so whether the title is acquired by deed from the mortgagor or his successor in title or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company, savings and loan association which so acquires its title; nor shall such provisions apply to a transfer to or a purchase by the Developer or a transfer, sale or lease by the Developer; nor shall such provisions require the approval of a Purchaser who acquires the title to an apartment at a duly advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

11.6 Separation of Interests. A sale of an apartment shall include all of its appurtenances and appurtenances may not be sold separate from an apartment. A lease of an apartment shall include the parking space appurtenant to it and no parking space may be leased separate from the apartment to which it is appurtenant.

11.7 Unauthorized Transactions. Any sale, mortgage, or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

11.8 Notice of Lien or Suit.

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

(b) Notice of Suit. An apartment owner shall give notice, in writing, to the Association of every suit or other proceeding which may affect the title to his apartment, such notice to be given within five (5) days after the apartment owner received knowledge thereof.

(c) Failure to Comply. Failure to comply with this sub-section concerning liens will not affect the validity of any judicial suit.

12. Purchase of Apartments by Association. The Association shall have the power to purchase apartments, subject to the following provisions:

12.1 Decision. The decision of the Association to purchase an apartment shall be made by its Directors, without approval of its membership except as elsewhere provided in this section.

12.2 Limitation. If at any one time the Association be the owner or agreed Purchaser of three (3) or more apartments, it may not purchase any additional apartments without the prior written approval of seventy-five (75%) per cent of members eligible to vote thereon. A member whose apartment is the subject matter of the proposed purchase shall be ineligible to vote thereon.

Provided, however, that the foregoing limitation shall not apply to apartments to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration therefor does not exceed the cancellation of such lien.

13. Compliance and Default. Each apartment owner shall be governed by and shall comply with the terms of this Declaration, the By-Laws and the Rules and Regulations adopted pursuant thereto, and Management Agreement, and said documents as they may be amended from time to time. Failure of the apartment owner to comply therewith shall entitle the Association or other apartment owners to the following relief in addition to other remedies provided in this Declaration and the Condominium Act:

13.1 Enforcement. The Association and Manager are hereby empowered to enforce this Declaration and the By-Laws and Rules and Regulations of the Association by entry into any apartment at any reasonable time to make inspection, correction or compliance.

13.2 Negligence. An apartment owner 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, his lessees, or his or their guests, invitees, employees, or agents, 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 fire insurance rates occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances, or of the common elements or of the limited common elements.

13.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of an apartment owner to comply with the terms of the Declaration, By-Laws, Management Agreement and Rules and Regulations adopted pursuant thereto, and said documents as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court, provided no attorneys' fees may be recovered against the Association in any such action.

13.4 No Waiver of Rights. The failure of the Developer, or the Association, or any apartment owner to enforce any covenant, restriction or other provisions of the Condominium Act, this Declaration, the By-Laws, or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

14. Amendments. Subject to the other provisions of the Declaration relative to amendment, this Declaration and the Articles of Incorporation and By-Laws of the Association may be amended in the following manner:

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

14.2 Resolution. An amendment may be proposed by either the Board of Directors or by seventy-five (75%) per cent of the members of the Association. A resolution adopting a proposed amendment must bear the approval of not less than

a majority of the Board of Directors and seventy-five (75%) per cent of the members of the Association. Directors and members not present at the meetings considering the amendment may express their approval, in writing, delivered to the Secretary before such meetings.

14.3 Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners of apartments in the condominium in the manner required for the execution of a deed, and such amendments shall be effective when recorded in the Public Records of Brevard County, Florida.

14.4 Proviso. Provided, however, that no amendment shall discriminate against any apartment owner nor against any apartment or class or group of apartment owners or apartments unless the apartment owners so affected and such of their first mortgagees which are banks, savings and loan associations, and insurance companies shall consent; and no amendment shall change any apartment nor the share in the common elements, and other of its appurtenances nor increase the owner's share of the common expenses unless the owner of the apartment concerned and all of such mortgagees as first above recited shall join in the execution of the amendment. Neither shall an amendment of this Declaration make any change in Sections 8 or 9 unless the record owners of all mortgages upon apartments in the condominium shall join in the execution of the amendment.

14.5 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Brevard County, Florida.

15. Termination. The condominium may be terminated in the following manner:

15.1 Agreement. The condominium may be terminated at any time by approval, in writing, of all of the owners of the condominium and by all record owners of mortgages upon apartments therein owned by a bank, life insurance company or savings and loan association.

15.2 Total Destruction of the Apartment Building. If all the apartment building as a result of common casualty, be damaged within the meaning of 9.1 (b) (2) and it not be decided as therein provided that such buildings shall be reconstructed or repaired, the condominium form of ownership will thereby terminate without agreement and the following shall be effective: The owners of the common elements shall thereupon be the owners, as tenants in common, of the condominium property and the assets of the Association. The shares of such tenants in common shall be the same as were their shares of the common elements.

15.3 General Provisions. Upon termination of the condominium, the mortgagee and lienor of an apartment owner who shall thereby become tenants in common, shall have a mortgage and lien solely and exclusively upon the undivided share of such tenancy in common in and to the lands and other properties and rights which he may receive by reason of such termination or exclusion. The termination of the condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts affecting the termination, which certificate shall become effective upon being recorded in the Public Records of Brevard County, Florida.

15.4. Amendment. This section concerning termination cannot be amended without consent of all apartment owners and of all record owners of mortgages upon the apartments.

16. Severability. The invalidity in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, the By-Laws, the Rules and Regulations of the Association, and any exhibits attached hereto, shall not affect the remaining portions thereof.

IN WITNESS WHEREOF, the Developer has executed this Declaration the day and year first above written.

Witnesses:

Barbara W. Stewart

Myrtle C. Betton

"DEVELOPER"

By: Ray H. Larlee
RAY H. LARLEE, individually,
and as Trustee

Reva E. Larlee
REVA E. LARLEE, his wife

STATE OF FLORIDA)
) SS:
COUNTY OF ORANGE)

I HEREBY CERTIFY that on this day, before me, the undersigned authority, personally appeared RAY H. LARLEE, individually and as Trustee, to me known to be the person described as "Developer" herein, joined by his wife, REVA E. LARLEE, and who executed the foregoing instrument and they acknowledged before me that they executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at said County and State this 28th day of August, 1974.

Barbara W. Stewart
NOTARY PUBLIC

My Commission Expires:

Notary Public State of Florida at Large
My commission expires Dec. 2, 1975.



CERTIFICATE OF ARCHITECT made this 16 day of JULY,
1974.

I, Craig J. Gehlert, of Daytona Beach, Florida, certify as follows:

1. I am an Architect authorized to practice in the State of Florida.
2. This Certificate is made as to VILLA RIVIERA CLUB, INC., a Condominium located at 2459 North A-1-A, Indialantic, Florida, and in compliance with Section 711.08, Florida Statutes.
3. The plot plans prepared by Jones, Wood & Gentry, Inc., dated June 29, 1974, and consisting of Sheets 1 through 4, together with the wording of the Declaration, constitute a correct representation of the improvements of the condominium as it now exists, and there can be determined from them the identification, location, dimensions and size of each unit, and the general location of the common elements.



CRAIG J. GEHLERT, ARCHITECT
Florida Registration No. 1849
State of Florida

ARTICLES OF INCORPORATION
OF
VILLA RIVIERA CLUB, INC.

The undersigned, by these Articles, associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes (1967), and certify as follows:

ARTICLE I

NAME

The name of the corporation shall be VILLA RIVIERA CLUB, INC. For convenience, the corporation shall be referred to in this instrument as the Association.

ARTICLE II

PURPOSE

2.1 The purpose for which the Association is organized is to provide an entity pursuant to Section 12 of the Condominium Act, Chapter 711, Florida Statutes (1967), for the operation of VILLA RIVIERA CLUB, INC., a condominium, to be located upon the following lands in Brevard County, Florida:

Lots 1, 2 and 3 FRANK J. KRAJIC SUBDIVISION,
as recorded in Plat Book 10, Page 17, Public
Records of Brevard County, Florida.

2.2 The Association shall make no distributions of income to its members, directors or officers.

ARTICLE III

POWERS

The powers of the Association shall include and be governed by the following provisions:

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

EXHIBIT B

3.2 The Association shall have all of the powers and duties set forth in the Condominium Act, except as limited by these Articles and the Declaration of Condominium, and all of the powers and duties reasonably necessary to operate the condominium pursuant to the Declaration as presently drafted and as it may be amended from time to time, including but not limited to the following:

- a. Assess. To make and collect assessments against members as unit owners to defray the costs, expenses and losses of the condominium.
- b. Disburse. To use the proceeds of assessments in the exercise of its powers and duties.
- c. Maintain. To maintain, repair, replace and operate the condominium property.
- d. Insure. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members as unit owners.
- e. Reconstruct. To reconstruct improvements after casualty and further improve the condominium property.
- f. Regulate. To make and amend reasonable regulations respecting the use of the property in the condominium.
- g. Approve. To approve or disapprove the leasing, transfer, mortgage and ownership of units as provided by the Declaration of Condominium.
- h. Enforce. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, these Articles, the By-Laws of the Association and the Regulations for the use of the property in the condominium.
- i. Management Contract. To contract for the maintenance, management or operation of the condominium property and to delegate to such manager all powers and duties of the Association, except such as are specifically required by the Declaration of Condominium or the By-Laws to have the approval of the Board of Directors or the membership of the Association.

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

k. Payment of Liens. To pay taxes and assessments which are liens against any part of the condominium other than individual apartment units and the appurtenances thereto, and to assess the same against the apartment units subject to such liens.

1. Utilities. To pay the cost of all power, water, sewer and other utility services rendered to the condominium and not billed to owners of individual apartment units.

3.3 The Association shall have the power to purchase a unit in the condominium and to hold, lease, mortgage and convey the same.

ARTICLE IV

MEMBERS

4.1 The members of the Association shall consist of all of the record owners of units in the condominium, and after termination of the condominium shall consist of those who are members at the time of such termination and their successors and assigns.

4.2 After receiving approval of the Association as required by the Declaration of Condominium, change of membership in the Association shall be established by recording in the Public Records of Brevard County, Florida, a deed or other instrument establishing a record title to a unit in the condominium and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

4.4 The owner of each unit shall be entitled to one (1) vote as a member of the Association. The manner of exercising voting rights shall be determined by the By-Laws of the Association.

ARTICLE V

DIRECTORS

5.1 The affairs of the Association shall be managed by a Board of Directors consisting of no less than three Directors, nor more than five Directors.

5.2 Members of the Board of Directors shall be elected at the annual meeting of the Association members in the manner specified in the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

5.3 The initial Board of Directors of VILLA RIVIERA CLUB, INC. shall be selected by the Developer. The Directors named in the Articles shall serve until the first election of Directors, and any vacancies in their number occurring prior to the first election shall be filled by the remaining Directors. The first election of Directors shall occur when unit owners other than the Developer own fifteen percent (15%) or more of the units that will be operated ultimately by the Association. At such first election, unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Subsequent elections shall be held in conformity with the requirements as set forth at Chapter 2-16.02 of the Official Compilation Rules and Regulations of the State of Florida, as promulgated by The Department of Legal Affairs, and as set forth in the entirety at Section 4.2(d) of the By-Laws of VILLA RIVIERA CLUB, INC., a Condominium Corporation.

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

RAY H. LARLEE
1344 West Colonial Drive
Orlando, Florida 32808

E. EVERETTE HUSKEY
1515 S. Orlando Avenue
Maitland, Florida 32751

GENE H. GOBOLD
135 Wall Street
Orlando, Florida 32802

ARTICLE VI

OFFICERS

The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:

Ray H. Larlee
1344 West Colonial Drive
Orlando, Florida 32808

Vice President and Assistant Secretary:

E. Everette Huskey
1515 S. Orlando Avenue
Maitland, Florida 32751

Secretary:

Gene H. Godbold
135 Wall Street
Orlando, Florida 32802

Treasurer:

Wally M. Sanderlin
1344 West Colonial Drive
Orlando, Florida 32808

ARTICLE VII

INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and lia-

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

ARTICLE VIII

BY-LAWS

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

ARTICLE IX

AMENDMENTS

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

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

9.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by seventy-five (75%) percent of the members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary prior to such meeting. A resolution adopting a proposed amendment must bear

the approval of not less than a majority of the Board of Directors and not less than seventy-five (75%) of the members of the Association.

9.3 In the alternative, an amendment may be made by an agreement signed and acknowledged by all the record owners of apartment units in the manner required for the execution of a deed.

9.4 No amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section 3.3 of Article III hereof, without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

9.5 A copy of each amendment shall be certified by the Secretary of State, State of Florida, and be recorded in the Public Records of Brevard County, Florida.

ARTICLE X

TERM

The term of the Association shall be perpetual.

ARTICLE XI

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are as follows:

RAY H. LARLEE
1344 West Colonial Drive
Orlando, Florida 32808

E. EVERETTE HUSKEY
1515 S. Orlando Avenue
Maitland, Florida 32751

GENE H. GOBOLD
135 Wall Street
Orlando, Florida 32802

IN WITNESS WHEREOF the subscribers have hereunto affixed

their signatures on the 28th day of August, 1974.

Ray H. Larlee
RAY H. LARLEE

E. Everette Huskey
E. EVERETTE HUSKEY

Gene H. Godbold
GENE H. GODBOLD

STATE OF FLORIDA)
) SS:
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority, on this day personally appeared RAY H. LARLEE, E. EVERETTE HUSKEY and GENE H. GODBOLD, who being duly sworn, severally acknowledged the execution of the foregoing Articles of Incorporation of VILLA RIVIERA CLUB, INC., for the purposes expressed in such Articles.

WITNESS my signature and official seal at Orlando in the State and County last aforesaid this 28th day of August, 1974.

Cathy M. Wainwright
NOTARY PUBLIC
formerly Cathy M. Wainwright
My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Mar. 12, 1976
Bonded By American Fco & Casualty Co.

BY-LAWS
OF
VILLA RIVIERA CLUB, INC.
A CONDOMINIUM CORPORATION

1. Identity. These are the By-Laws of VILLA RIVIERA CLUB, INC., herein called the "Association", a non-profit Florida corporation provided for in Chapter 711, Section 12, Florida Statutes, 1967, and organized pursuant to Chapter 617, Florida Statutes, 1967, for the purpose of administering VILLA RIVIERA CLUB, INC., a condominium of land and being situate in Brevard County, Florida, to-wit:

Lots 1, 2 and 3 FRANK J. KRAJIC SUBDIVISION,
as recorded in Plat Book 10, Page 17, Public
Records of Brevard County, Florida.

1.1 Office. The office of the Association shall be at 2459 North A-1-A, Indialantic, Florida.

1.2 Fiscal Year The fiscal year of the Association shall be the calendar year.

1.3 Seal. 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.

2. Members.

2.1 Qualification. The members of the Association shall consist of all of the record owners of apartments.

2.2 Change of Membership. After receiving the approval of the Association as required in the Declaration of Condominium, change of membership in the Association shall be established by recording in the Public Records of Brevard County, Florida, a deed or other instrument establishing a record title to an apartment in the condominium and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

2.3 Voting Rights. The owner of each unit shall be entitled to one (1) vote as a member of the Association, and the manner of exercising such voting rights shall be determined by these By-Laws. The term "majority" as used in these By-Laws and other condominium instruments in reference to voting by apartment owners, Association members, and Board of Directors means more than fifty percent (50%).

2.4 Designation of Voting Representative. If an apartment is owned by one person his right to vote shall be established by the record title to his apartment. If an apartment is owned by more than one person, the person entitled to

EXHIBIT C

cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the apartment concerned. A certificate designating the person entitled to cast the vote of an apartment may be revoked by any owner there.

2.5 Approval or Disapproval of Matters. Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record owners is specifically required by the Declaration or these By-Laws.

2.6 Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

3. Members' Meetings.

3.1 Annual Members' Meetings. The annual members' meeting shall be held at the office of the Association at 11:00 A.M. Eastern Standard Time, on the third Tuesday in January of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day. The annual meeting may be waived by a unanimous agreement of the members in writing.

3.2 Special Members' Meetings. Special members' meetings shall be held whenever called by a majority of the Board of Directors and must be called by such Directors upon receipt of a written request from members entitled to cast seventy-five (75%) per cent of the votes of the entire membership.

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

3.4 Quorum. A quorum at member's meetings shall consist of persons entitled to cast a majority of the votes of the Association. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium or these By-Laws. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall

constitute the presence of such member for the purpose of determining a quorum.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof.

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

3.7 Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

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

4. Board of Directors.

4.1 Membership. The affairs of the Association shall be managed by a Board of no less than three Directors or more than five Directors. Each Director shall be a person entitled to cast a vote in the Association, except as provided in Section 4.2(d) of these By-Laws.

4.2 Election of Directors.

(a) Members of the Board of Directors shall be elected by a majority of the owners present at the annual meeting of the members of the Association, and entitled to vote.

(b) Except as to vacancies provided by removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(d) The Developer shall be vested with the power to designate the initial Board of Directors. The members of the initial Board of Directors need not be owners of apartments in the condominium. Pursuant to the Rules of The Department of Legal Affairs for the State of Florida, set forth at Chapter 2-16.02 of the Official Compilation Rules and Regulations of the State of Florida, the Developer shall transfer control of the Association to the unit owners based on the following formula:

(1) When unit owners other than the Developer own fifteen percent (15%) or more of the units that will be operated ultimately by an association, the unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors of the Association. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors of an association three (3) years after sales by the Developer have been closed on seventy-five percent (75%) of the units that will be operated ultimately by the Association, or three (3) months after sales have been closed by the Developer or ninety percent (90%) of the units that will be operated ultimately by the Association, or when all of the units that will be operated ultimately by the Association have been completed and some of them offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall be entitled to elect not less than one (1) member of the Board of Directors of an Association as long as the Developer holds for sale in the ordinary course of business any units in a condominium operated by the Association.

(2) Prior to or within a reasonable time after unit owners other than the Developer elect a majority of the members of the Board of Directors of an Association, the Developer shall relinquish control of the Association and shall deliver to the Association all property of the unit owners and of the Association held by or controlled by the Developer, including but not limited to the following items, if applicable, as to each condominium operated by the association:

(a) original declaration, association articles of incorporation, bylaws, minute books and regulations;

(b) resignation of officers and members of Board of Directors;

(c) accountings for Association funds. The Developer shall be liable to the Association for all of these funds that are not properly expended. The Developer shall bear all expenses of the Association and of the operation of the condominium in excess of assessments or payments collected or due from unit owners by or to the Association or the Developer prior to the time the Developer relinquished control of the Association;

(d) Association funds;

(e) all tangible personal property that is represented by the Developer to be part of the common elements or that is ostensibly part of the common elements or that is property of the Association, and inventories of these properties;

(f) as-built plans and specification for construction or improvements and equipment, and for construction and installation of all mechanical components servicing the improvements and the site, certified by the developer or by an architect authorized to practice in this state that the plans represent the building and other improvements as constructed or remodeled.

- (g) insurance policies;
- (h) certificates of occupancy;
- (i) other permits issued by governmental bodies;
- (j) warranties of the contract, sub-contractors and suppliers;
- (k) roster of unit owners and their addresses and telephone numbers;
- (l) leases;
- (m) employment contracts;
- (n) service contracts;
- (o) other contracts.

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

4.4 Organization Meeting. The organization meeting of a newly elected Board of Directors 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 organization meeting shall be necessary.

4.5 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting.

4.6 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

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

4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or these By-Laws.

4.9 Adjourned Meetings. If at any meetings of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

4.11 Presiding Officer. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

4.12 Directors' Fees. Directors' fees, if any, shall be determined by the members of the Association; provided, Directors designated by the Developer shall never under any circumstances be entitled to Directors' fees.

5. Powers and Duties of Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically required. Such powers and duties of the Directors shall include but not be limited to the following, subject, however, to the provisions of the Declaration of Condominium and these By-Laws:

5.1 Assess. To make and collect assessments against members to defray the costs and expenses of the condominium.

5.2 Disburse. To use the proceeds from assessments in the exercise of its powers and duties.

5.3 Maintain. To maintain, repair, replace and operate the condominium property.

5.4 Insure. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members.

5.5 Reconstruct. To reconstruct improvements after casualty and further improve the condominium property.

5.6 Regulate. To make and amend reasonable rules and regulations respecting the use of the property in the condominium in the manner provided by the Declaration of Condominium.

5.7 Approve. To approve or disapprove of the transfer, mortgage and ownership of apartments in the manner provided by the Declaration of Condominium.

5.8 Management Contract. To contract for the maintenance, management or operation of condominium property and to delegate to the manager all powers and duties of the Association except such as are specifically required by the Declaration of Condominium or these By-Laws to have approval of the Board of Directors or the membership of the Association. No such management contracts shall be construed to be invalid by reason of the Association's delegation or assignment of its rights, duties, privileges or responsibilities as set forth in the Condominium Act or Declaration. Such contract for the maintenance, management, or operation of condominium property shall be subject to cancellation at any time subsequent to the time any individual apartment owners assume control of their association by a vote of no less than seventy-five (75%) per cent of said individual unit owners.

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

5.10 Enforce. To enforce by legal means provisions of the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, the By-Laws and the regulations for the use of the property in the condominium.

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

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

6. Officers.

6.1 Officers and Election. The executive officers of the Association shall be a President, who shall be a Director, a Vice-President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be pre-emptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary to properly manage the affairs of the Association.

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

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

6.4 Secretary and Assistant Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary shall perform duties of the Secretary when the Secretary is absent. The duties of the Secretary may be fulfilled by a manager employed by the Association.

6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and

provide for collection of assessments; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

6.6 Compensation. The compensation, if any, of all officers shall be fixed by the members at their annual meeting. No officer who is a designee of the Developer shall receive any compensation for his services as such.

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

7. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

7.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) Current Expense. Current expense shall include all receipts and expenditures to be made within the year for which the receipts are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves.

(b) Reserve for Deferred Maintenance. Reserve for deferred maintenance shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for Replacement. Reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(d) Betterments. Reserve to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

7.2 Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expenses and may provide funds for the foregoing reserves.

7.3 Assessments. Assessments against the apartment owners for their shares of the items of the budget shall be made in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due in

twelve (12) equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the Board of Directors. The first assessment shall be determined by the Board of Directors of the Association.

7.4 Acceleration of Assessment Installments Upon Default.

If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the apartment owner, and then the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the apartment owner, or if such notice be by registered or certified mail, not less than twenty (20) days after the mailing, whichever shall first occur.

7.5 Depository.

The depository of the Association will be such banks in Brevard County, Florida, as shall be designated from time to time by the Directors and in which the withdrawal monies from such accounts shall be only by checks signed by such persons as authorized by the Directors. Provided, however, that the provisions of a management agreement between the Association and a manager relative to the subject matter of this section shall supersede the provisions hereof.

7.6 Audit.

An audit of the accounts of the Association, if required by proper action of either a majority of the voting members, or of the Board of Directors, shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than April 1 of the year following the year for which the audit is made.

7.7 Fidelity Bonds.

Fidelity bonds may be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

8. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium or these By-Laws.

9. Amendment. The By-Laws may be amended in the manner set forth in the Declaration.

The foregoing were adopted as The By-Laws of VILLA RIVIERA CLUB, INC., a condominium corporation and a non-profit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on August 28, 1974.

APPROVED:


RAY H. LARLEE, President


GENE H. GORBOLD, Secretary