

DECLARATION OF CONDOMINIUM

OF

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM

WHEREAS, the undersigned, GEORGE A. POULOS, IKE GANEY, and WILLIAM T. MOORE, JR., hereinafter referred to as "Developer", own certain real property in Alachua County, Florida, and

WHEREAS, Developer desires to submit said real property to the provisions of the Florida Condominium Act.

NOW, THEREFORE, THIS DECLARATION is made this 15th day of August, 1983, by the Developer, for themselves, their successors, grantees, and assigns.

ARTICLE I

SUBMISSION OF PROPERTY

1.1 Statement of Intent and Purpose: The purpose of this Declaration is to submit the property hereinafter described and the improvements thereon to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes, commonly known as the Florida Condominium Act, and hereinafter referred to as the "Act".

The property owned by the Developer which is the subject to this Declaration is certain real property located in Alachua County, Florida, described as:

Lots 14, 15 and 16, SOUTHWOOD APARTMENTS PHASE 2, a Subdivision as per plat thereof recorded in Plat Book "K", page 65 of the Public Records of Alachua County, Florida,

and hereinafter referred to as the "Property".

The Developer has commenced construction of twelve (12) residential units and related facilities upon the Property as set forth in the survey, plot plan and graphic description of the improvements attached as Exhibits A and B.

1.2 Name: The name by which this condominium shall be identified is SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM, hereinafter referred to as the "Condominium".

1.3 Submission of Property: The Developer does hereby submit the Property and the improvements constructed thereon to the Condominium form of ownership pursuant to the provisions of the Act and hereby publishes a plan for the individual ownership of the several separate units (as defined in the Act) together with the undivided interest of such individual and separate owner or owners in all of the remaining real property hereinafter defined as "common elements", to be effective upon the recording hereof in the public records of Alachua County, Florida.

1.4 Covenants and Restrictions: The Developer, as owner of said Property further makes the following declarations as to division covenants, restrictions, limitations, conditions and uses to which said real property and the improvements thereof, may be put, specifying that this Declaration shall constitute covenants, to run with the land, binding on the undersigned, his successors and assigns, and all subsequent owners of any part of said property and the improvements thereon, together with their grantees, successors, heirs, executors, administrators, devisees or assigns, all as provided by the Act.

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11th CIRCUIT COURT
ALACHUA COUNTY, FL.

ARTICLE II

DEFINITIONS

2.1 Statutory Definitions: The definitions and meanings of the terms set forth in Section 718.103 of the Act are hereby incorporated by reference in this Declaration, and there are no "time share" estates.

2.2 Other Definitions: For the purposes of this Declaration all terms used herein and not specifically defined elsewhere shall have the following meanings:

(a) "Association shall mean SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., the non-profit corporation to be formed for the purpose of administering the affairs of the condominium. A copy of the Articles and By-Laws of the Association is attached as Schedules C and D respectively.

(b) "Common Elements" shall be all the parts of condominium property not included within the unit boundaries as described in Schedules "A" and "B".

(c) "Limited common Elements" shall include those certain portions of the common elements limited to the exclusive use and enjoyment of a unit owner as described in Schedule B.

(d) "Common Expenses" include (1) expenses of administration; expenses of maintenance, operation, repair, or replacement of the common elements, and of the portions of units to be maintained by the Association; (2) expenses declared common expenses by provisions of this Declaration or by the By-Laws; and (3) any valid charges against the condominium as a whole, such as ad valorem taxes for the year in which this Declaration is recorded.

(e) "Condominium Documents" shall mean the documents by which the Condominium will be established, including this Declaration, the By-Laws of the Association, deeds by which Developer will convey units to purchasers thereof, and all plats and plans required to be recorded pursuant to the Florida Condominium Act, all of which documents are or will be attached to this Declaration and made a part hereof.

(f) "Owner" shall mean a unit owner as defined in the Act and shall include the record owner, whether one or more persons, of fee simple title to any unit and the portion of the common elements attributable to such unit ownership, excluding those persons having such interest merely as a security for the performance of an obligation or debt and excluding Developer.

(g) "Utility Services" as used in the Act and construed with reference to the condominium, and as used in this Declaration and the By-Laws, shall include but not be limited to electric power, gas, hot and cold water, heating, refrigeration, air conditioning, and garbage and sewage disposal.

ARTICLE III

PLAN OF DEVELOPMENT

3.1 General: The Developer has commenced construction upon and improvement of the Property in accordance with certain architectural and land use plans more particularly described in Schedules "A" and "B" of this Declaration. The Property shall be divided into twelve (12) separate condominium parcels each subject to

the provisions of this Declaration. Each condominium parcel shall consist of a unit, its appurtenant percentage of undivided interest in the common elements and voting rights assigned to the unit.

3.2 Description of Units: The units shall consist of residential apartment units, the number and location of which are shown on Exhibits "A" and "B".

3.3 Covenant of Completion: The Developer hereby covenants and agrees to faithfully complete all such units not later than 2 years from the date this Declaration is filed for record. Upon completion of each building, the Developer shall file an amendment to this Declaration showing the exact location of such building and the type and address of each unit within the building. In the event the Developer fails to complete any building, the Developer shall purchase and the owner shall sell any unit in the incompleting building for a price equivalent to that paid by the Owner. In the event of such purchase or purchases, the Developer shall thereafter and forever be absolved and relieved of any and all liability or responsibility relating to or derived from such incompleting building.

3.4 Right of Alteration: The Developer reserves the right to change the interior design and arrangement of all units, to alter the boundaries between the units, and to otherwise revise, modify or change (in whole or in part) any of such units during the course of construction, provided (a) the Developer owns the units so altered, (b) such units are not under a valid contract of sale, and (c) the Developer adheres to the general scheme of development as depicted in Schedules "A" and "B" of the Declaration. Any such alteration permitted by the terms of this paragraph shall be reflected by an amendment to this Declaration which may be adopted as provided in Article 8, of the By-Laws attached hereto as Schedule "D". However, no such change shall increase the number of units nor alter the boundaries of the common elements without amendment to this Declaration in the manner as provided in the aforesaid Article and Section of the By-Laws.

ARTICLE IV

OPERATION AND MANAGEMENT

4.1 SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM: The operation and management of the condominium shall be by a non-profit corporation known as SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., (the Association) pursuant to the provisions, terms and conditions of Articles and By-Laws of the Association set forth in Schedules "C" and "D" of this Declaration. The owner of each unit shall automatically, upon becoming the owner of such unit, be a member of the Association and shall remain a member of said Association until such time as his ownership ceases for any reason. Membership in the Association shall thus be an appurtenance to each unit and shall pass with the conveyance of the unit to each successive owner. Each owner, by the acceptance of a deed or other instrument evidencing his ownership interest, shall accept membership in the Association and shall be subject to the power and authority of the Association. No owner, whether one or more persons, shall have more than one membership per unit.

4.2 Effective Date: The Association shall come into being on the date that the first unit of the condominium is conveyed by the Developer to a purchaser. Commencing on that date, each purchaser or owner of a unit shall be subject to all of the terms and conditions of this Declaration, the power and authority of the Association and all assessments and charges levied by the Association pursuant to the provisions of the Declaration.

4.3 Management Pending Completion and Sale: During construction and until the events occur as set forth in paragraph 4.4, the Developer shall have the right to exercise all voting rights of the owners of any units, to perform the functions of the Association and to manage the Condominium and its common elements and facilities, to act as and exercise the powers of the Board of Directors, to select a managing agent, to set annual assessments, to determine repairs and reconstruction of any unit, and to adopt the rules and regulations governing the use of the condominium.

4.4 Transfer of Association Control: When unit owners other than the Developer own 15 percent or more of the units in the condominium, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of the association:

(a) Three years after 50 percent of the units have been conveyed to purchasers; or

(b) Three months after 90 percent of the units have been conveyed to purchasers; or

(c) When all the units have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business, or

(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business, whichever occurs first. The Developer is entitled to elect at least one member of the Board as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the units of the condominium.

Within 60 days after the units owners other than the Developer are entitled to elect a member or members of the board, the association shall call, and give not less than 30 days' or more than 40 days' notice of, a meeting of the unit owners to elect the members of the board. The meeting may be called and the notice given by any unit owner if the association fails to do so.

If the Developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

(a) Assessment of the Developer as a unit owner for capital improvements;

(b) Any action by the association that would be detrimental to the sales of units by the Developer. However, an increase in assessments for common expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of units.

Prior to, or not more than 60 days after, the time that unit owners other than the Developer elect a majority of the members of the board, the Developer shall relinquish control of the association, and the unit owners shall accept control. Simultaneously, the Developer shall deliver to the association all property of the unit owners and of the association held or controlled by the Developer.

4.5 Limitation upon Liability of Association: Notwithstanding duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be liable to Condominium unit owners 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.

4.6 Restraint upon Assignment of Shares and Assets: A share of a member in the funds and assets of the Association cannot and shall not be assigned, hypothecated, or transferred in any manner except as an appurtenance to his Condominium unit.

4.7 Voting Rights: The rights of the unit owners to vote shall be as provided in the By-Laws.

ARTICLE V

USE RESTRICTIONS

5.1 Use Restrictions: In addition to the other covenants and conditions contained in this Declaration, the following specific use restrictions shall apply to the Condominium:

(a) All units of the Condominium shall be occupied and used by the respective owners as residences by the owner, his family, his social guests, and his tenants.

(b) In order to preserve the architectural appearance of the Condominium as the same was originally designed and constructed, no owner shall change, modify or alter in any way or manner whatsoever, the design and appearance of any of the exterior surfaces, facades and elevations from that of its original construction, nor shall any owner paint or decorate the surface of any exterior structure or member; nor change the color of any exterior surface or exterior door, gate or fence, nor change the color of the exterior lights; nor install, erect, or attach to any part of the exterior of his unit any sign of any kind whatsoever; nor install, erect or attach to any part of the exterior or roof of the unit any sort of radio or television aerial; nor shall any owner erect or construct any fence or exterior wall other than those constructed in the original construction, unless such owner shall first have obtained the consent in writing of at least fifty-one (51%) per cent of all of the other owners and such lenders as may have title or interest in any unit of the Condominium, and the Board of the Association.

(c) All owners of units of the Condominium covenant and agree, by acceptance of their deeds of conveyance, that the administration of the Condominium shall in all respects be in accordance with the provisions of the Act pursuant to which this Declaration is made; this Declaration and its Schedules, and the By-Laws of the Association. The Declaration and By-Laws shall at all times be deemed to conform to the Act and any amendments thereto, but otherwise, the Declaration and By-Laws shall be amended only by the appropriate action of the Association as authorized by the By-Laws of such Association.

5.2 Confirmation of Use Restrictions: So long as Florida law limits the period during which covenants restricting lands to certain uses may run, it shall be the duty of the Board of Directors to cause this Declaration to be amended of record when necessary by filing a document bearing the signature of owners having a majority of voting interest of the Condominium reaffirming and newly adopting the Declaration and covenants then existing in order that the same may continue to be covenants running with the land. Such adoption by a majority shall be binding on all.

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5.3 Regulations: Reasonable regulations concerning the use of the units, appurtenances thereto, and common elements and facilities may be made and amended from time to time by the Board of the Association; provided that copies of such regulations and amendments thereto shall be furnished by the Association to all unit owners. Such regulations shall be binding upon the owners, their families, visitors, guests, servants and agents until and unless such regulations, rule or requirement be specifically overruled and cancelled in a regular or special meeting by the vote of owners holding a majority of the total votes.

5.4 Binding Effect: All agreements and determinations lawfully made by the Association in accordance with the voting percentages set forth by the By-Laws hereto attached shall be deemed to be binding on all owners of units, their successors, assigns or others having an interest in the property or the privilege of possession and enjoyment of any part of the Property.

5.5 Enforcement: Each owner, tenant or occupant of a unit of the Condominium shall be bound to comply with the statutory or recorded provisions and the decision or resolutions of the Association as the same may appear from time to time, and failure to do so, shall be grounds for an action to recover damages or obtain injunctive and equitable relief.

5.6 Failure of Enforcement: The failure of the Association or any unit owner to enforce any covenant or provision of the Act, Declaration, By-Laws, or regulations affecting the Condominium shall not constitute a waiver of the right to do so thereafter.

ARTICLE VI

ASSESSMENTS, INSURANCE AND LIENS

6.1 Common Expense Fund: As provided by the By-Laws, the Board of the Association shall estimate the net charges to be paid during the fiscal year and the cash requirements to be assessed to the owners of the units in accordance with the respective percentage attributable to each unit. If the estimated sum proves inadequate for any reason, including non-payment of any owner's assessment, the Board may, at any time, levy a further assessment which shall be assessed to the owners in like proportions. Each owner shall be obligated to pay assessments made pursuant to the provisions of this paragraph to the Treasurer of the Association in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board may designate. The common expense fund shall be assessed to cover the following:

(a) Management fees and expenses of administration.

(b) Cost of insurance purchased for the benefit of all the owners and the Association as required by this Declaration including, but not limited to, fire and other hazard coverage; public liability coverage; and such other hazard coverage as the Board determines to be in the interest of the Association and the owners.

(c) The expense of maintenance, operation, repair or replacement of the common elements including, but not limited to, preservation of landscaping, employment of personnel needed, preservation or repair of walls, drives, streets and building exteriors as the board may, from time to time deem appropriate.

(d) The expense of utility services serving the Condominium.

(e) The expense of providing for protection and safety of persons and property.

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(f) Establishment and maintenance of a reasonable operating reserve fund to cover unforeseen contingencies or deficiencies arising from unpaid assessments or liens as well as emergency expenditures authorized by the Board.

6.2 Supplemental Common Expense Fund: The Board for the benefit of the Association and the owners, shall be authorized to assess and provide a supplemental common expense fund for the redecorating, painting, maintenance and repair of all unit exteriors, and common elements, except, however, that the Board shall not have the authority to pay for out of the supplemental common expense funds any sums for capital additional improvements or additions costing more than \$5,000.00 without the prior approval of owners holding a majority of the total votes.

6.3 No Exemptions: No owner of a unit may exempt himself from liability for his contributions to the common expense fund or the supplement common expense fund by waiver of his right to use and enjoy any of the common elements or by the abandonment of his unit for which the assessments are made.

6.4 Lien for Assessments: The Association shall have a lien against each Condominium unit for any unpaid assessments against the owner thereof, and for interest accruing thereon, which lien shall also secure reasonable attorneys fees incurred by the Association incident to the collection of such assessment or enforcement of such lien, including any appeal thereof, and whether or not legal proceedings are initiated. All such liens shall be subordinate to the lien of the mortgages or other liens recorded prior to the date of recording the claim of lien, and all such liens may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property.

6.5 Liability of Grantee: A unit owner, regardless of how title is acquired, including without limitation a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the owner of a unit. In a voluntary conveyance of a unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance whether or not a claim of lien had theretofore been filed as provided by law. However, any such grantee shall be entitled to a statement from the manager of Board of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association, if he shall so request, and once having been furnished with such a statement, such person shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth, plus costs of collection of such sums, if applicable.

6.6 Insurance: The insurance other than title insurance that shall be carried upon the Condominium property and the property of the condominium unit owners shall be governed by the following paragraphs number 6.7 through 6.12.

6.7 Authority to Purchase; named insured: All insurance policies upon the Condominium property shall be purchased by the Association. The named insured shall be the Association individually and as agent for the condominium unit owners, without naming the, and as agent for their mortgagees. Provisions shall be made for the issuance of mortgagee endorsements and certificates of insurance to the mortgagees of condominium unit

owners. Such policies shall provide that payments by the insurer for losses shall be made to the Board of the Association, and all policies and their endorsements shall be deposited with the Board. Unit owners may obtain coverage at their own expense upon their personal property and for their personal liability.

6.8 Coverage:

(a) Casualty: All buildings and improvements upon the Condominium property shall be insured in an amount equal to the full replacement cost, excluding foundation and excavation costs, and all personal property included in the common elements shall be insured for its value, all as shall be determined annually by the Board of the Association. Coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, 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 condominium property including but not limited to vandalism and malicious mischief, windstorm and water damage.

(b) Public liability in such amounts and with such coverage as shall be required by the Board of the Association, including but not limited to hire automobile and non-owned automobile coverage, and with cross liability endorsements to cover liabilities of the condominium unit owners as a group to a condominium owner.

(c) Worker's Compensation insurance to meet the requirements of the law.

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

6.9 Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

6.10 Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the condominium unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Board of the Association. The duty of the Board shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes elsewhere stated in this instrument and for the benefit of the condominium unit owners and their mortgagees in the following shares:

(a) Proceeds on account of damage to common elements: An undivided share for each condominium unit owner, such share being the same as the undivided share in the common elements and limited common elements appurtenant to his condominium unit.

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

(1) When an individual building is to be restored; for the owners of the damaged condominium units in proportion to the cost of repairing the damage suffered by each condominium unit owner, said cost to be determined by the Association.

(2) When an individual building is not to be restored; an equal share for each condominium unit owner in said building.

(c) Mortgages. In the event a mortgagee endorsement has been issued as to a condominium unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their respective interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the condominium unit owner and mortgagee pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the mortgagee shall have the right to apply or have applied to the reduction of its mortgage debt any or all sums of insurance proceeds applicable to its mortgaged unit in the event that insurance proceeds are insufficient to restore or repair the building to the condition existing prior to the loss and additional monies are not available for such purpose.

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

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

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

6.12 Association as Agent. The Association is hereby irrevocably appointed Agent for each condominium unit owner and for each owner of any other interest in the Condominium property to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of a claim.

ARTICLE VII

REPAIRS AND RESTORATION

7.1 Intent: Repair, reconstruction and rebuilding of the units and/or common elements as used in this Declaration means restoring the units to substantially the same condition in which they existed prior to the fire, casualty or other disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before.

7.2 Common Elements: The maintenance and operation of the common elements shall be the responsibility and the expense of the Association.

After the completion of the improvements included in the common elements which are contemplated by this Declaration, there shall be no alteration or further improvements of the real property constituting the common elements without the prior approval in writing by the owner of not less than 75% of the common elements except as provided by the By-Laws, but any such alteration or improvements shall not interfere with the rights of any unit owner. However, the cost of such alteration or improvements shall not be assessed against a mortgagee which acquires title as the result of holding a mortgage upon a unit, unless such mortgagee has given prior written approval to the alteration or improvement. There shall be no change in the shares and rights of a unit owner in the common elements which are altered or further improved, whether or not the unit owner contributes to the cost thereof.

7.3 Units; Association Responsibility: The Association shall maintain, repair and replace

(1) All portions of a unit, except interior surfaces, contributing to the support of the building, which portions shall include but not be limited to the outside walls of the buildings and all fixtures on the exterior thereof; boundary walls of units; floor and ceiling slabs; and loadbearing columns and load bearing walls; and

(2) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which are contained in the portions of a unit maintained by the Association; and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.

All incidental damages caused to a unit by such work shall be promptly repaired at the expense of the Association.

7.4 Units; Owner Responsibility: The responsibility of the unit owner shall be

(1) To maintain, repair and replace at his expense all portions of his unit except the portions to be maintained, repaired and replaced by the Association.

(2) To keep his unit in a clean and sanitary condition and do all the redecorating and painting which may at any time be necessary to maintain the good condition of his unit.

(3) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building; and

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

7.5 Determination to Reconstruct or Repair After Casualty: If any portion 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 Element. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided, that the condominium shall be terminated.

(b) (1) Lesser Damage. If the damaged improvement is a condominium unit building, and if units to which fifty percent (50%) or more of the common elements are appurtenant are found by the Board of the Association to be tenantable, the damaged property shall be reconstructed or repaired, unless within sixty (60) days after the casualty, it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated.

(2) Major Damage. If the damaged improvement is a condominium building, and if the units to which more than fifty percent (50%) of the common elements are appurtenant are found by the Board to be not tenantable, then the damaged property will not be reconstructed or repaired, and the condominium will be terminated without agreement as elsewhere provided unless within 60 days after the casualty, the owners of eighty percent (80%) of the common elements and 80% of the mortgagees of record agree in writing to such reconstruction or repair.

7.6 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, or, in lieu thereof, according to the plans and specifications approved by the Board of the Association, and if the damaged property is in a condominium building, by the owners of not less than 80% percent of the common elements, including the owners of all damaged units together with the approval of the institutional mortgagees holding first mortgages upon all damaged units, which approval shall not be unreasonably withheld.

7.7 Responsibility. If the damage is only to those parts of one condominium unit for which the responsibility of maintenance and repair is that of the condominium unit owner, then the said owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

7.8 Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction or repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

7.9 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during construction and repair, or upon completion or reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the condominium unit owners who own the damaged condominium units, and against all condominium unit owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against condominium unit owners for damage to condominium units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage in common elements shall be in proportion to the owners obligation for common expense.

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

(a) Association. If the property to be reconstructed and repaired is property for which the responsibility for repair and maintenance is that of the Association, construction funds shall be disbursed in a manner decided by the Board.

(b) Condominium Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a condominium unit owner shall be paid to the said owner, or if there is a mortgagee endorsement as to the condominium unit, then to the owner thereof and the mortgagee jointly, who may use such proceeds as they may be advised.

(c) 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 reconstruction and repair for which the fund is established, such balance shall be disbursed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to be beneficial owner that is not in excess of assessments paid by such owner to the construction fund shall not be made payable to any mortgagee.

ARTICLE VIII

RIGHTS OF DEVELOPER

8.1 Construction and Sale Period. Notwithstanding any provisions contained herein to the contrary, it shall be expressly permissible for the developer or the builder of the units and structures to maintain, during the period of construction and sale of the units, upon such portion of the property as the Developer may deem necessary, such facilities as in the sole opinion of the Developer may be reasonably required, or be convenient or incidental to the construction and sale of the units, including, but not limited to, storage areas, construction yards, signs, models, construction offices, sales offices and business offices.

8.2 Use of Property. Developer reserves the right to grant easements for utilities and other reasonable purposes across common elements, to use any of the units as models and to sell, assign or conduct other business in connection with the construction and development of the project from any of such units prior to their being sold. This reservation of right or privilege in the Developer includes, but is not limited to, the right to maintain a model, erect signs, maintain an office, staff the office with employees, and to use any and all of the common elements and to show the units then unsold. Any improvements placed on the property for the purpose of such sales, such as signs, sales and other signs, telephones, and other promotional items shall not be considered common elements nor attachments to the property, but shall remain the property of the Developer and may be removed at any time convenient to the Developer.

8.3 Amendments. The Declaration or By-Laws shall not be revoked or amended with respect to selection of a management agent, fixing of assessments, repairs or reconstruction of any unit, or adoption of rules concerning conduct and use of the common elements, without the written ratification or approval of the Developer so long as the Developer is performing the functions of the Association of the condominium as provided in Article IV.

ARTICLE IX

SALE, RENTAL, LEASE, OR MORTGAGE OF UNITS

9.1 Sales, Right of First Refusal. In order to assure a community of congenial owners and thus protect the value of the units, the sale of a unit by any owner other than the Developer shall be subject to the following provisions:

(a) Notice to Association. An owner intending to sell his unit shall give notice in writing to the Board of such intention, stating the name and address of the intended purchaser, the terms of the proposed transaction and such other information as the Board may reasonably require (Owner's Notice).

(b) Screening Fees. The Association shall require the deposit of a reasonable screening fee (not to exceed \$50.00) to be delivered to the Association simultaneously with the giving of notice of intention to sell for the purpose of defraying the Association's expenses and providing for the time involved in determining whether to approve or disapprove the transaction or continued ownership by a transferee.

(c) Alternative of Association. Within 30 days after receipt of owner's notice, the Board shall notify such owner in writing ("Board's notice") that (i) the transaction is approved; (ii) the Association will furnish a purchaser approved by the Board who will purchase the unit upon terms as favorable to the owner as the terms stated in the owner's notice, except that the Board's purchaser shall have 30 days subsequent to the date of the Board's notice in which to close the transaction; or (iii) the Association will purchase the unit upon the terms and conditions contained within the owner's notice, provided that the Association may obtain an appraisal from an MAI or ASA, or other independently designated appraiser, of the value of the unit for purchase, and if such appraised value is less than the amount at which the owner intends to sell, then the purchase price to the Association shall be the appraised value, or the owner may, at owner's option, withdraw his offer to sell. Should the Board fail to respond to owner's notice within 30 days, the transaction shall be deemed approved.

(d) No Waiver. Approval by the Board of any sale shall not constitute a waiver of the right of approval of any other conveyance. The approval of the Board shall be in recordable form and shall be delivered to the purchase who shall record the same.

(e) Sale by Mortgagee. Should the holder of a first mortgage on any unit become the fee simple owner of such unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage or desire to sell under the power of sale contained in its mortgage, the sale of such fee simple interest or any lease or disposition of any interest in the unit by such mortgagee pursuant to the satisfaction of the indebtedness secured thereby may be accomplished without regard to the restrictions contained in this section provided, however, that the purchaser of such unit from such mortgagee shall take subject to this Declaration and the Act.

9.2 Rental or Leasing. In order to maintain the high quality of the Condominium, to enhance the good will of the tenants, and prospective tenants, and to maintain a uniform quality of the units, the respective unit owners will be encouraged to rent their units through the Association, or with such management entity with which the Association may from time to time conduct.

9.3 Mortgaging. No owner may mortgage his unit or any interest therein without the approval of the Association's Board except to the person from whom such unit was purchased or to a bank, insurance company, a federal savings and loan association, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or a corporation or partnership acting as a mortgage broker whose primary interest in making any such mortgage is the placement and servicing of same with and on behalf of one of such other lending institutions described above. The existence of a "permanent commitment" from any such lending institution to purchase any such mortgage from such mortgage broker shall be conclusive evidence of such mortgage broker's intent to place any such mortgage with one of such other lending institutions whether or not such commitment is ultimately fulfilled. The approval of any mortgagee as provided for above may be upon conditions determined by the Board or may be arbitrarily withheld.

9.4 Rights of Mortgagees: Associations Affairs. So long as any mortgagee shall hold a valid mortgage covering any unit of the condominium, such mortgagee shall have the following rights:

(a) To attend and observe, without voice or vote, all meetings of owners, but not the meeting of the board.

(b) To receive copies of the annual financial reports furnished to owners.

(c) To inspect the books and records of the Association as required to be available to owners.

(d) To exercise the voting right of the owner of any unit covered by the mortgage or mortgages held by the mortgagee with respect to any question or revoking or amending in any particular the Declaration or the By-Laws of the Association. For this purpose, a mortgagee (or its successors or assigns) shall be given no less than ten (10) days notice of any meeting at which any such issue shall be raised. Upon the failure of said mortgagee (or its successors or assigns) to participate in the vote of any such issue, the owner of the unit or units subject to the mortgage of a mortgagee (or its successors or assigns) shall be vested with full voting rights as to such issue.

In order to insure its rights under this paragraph, the mortgagee shall have first filed a written request with the Board that notice of meetings and copies of reports be sent to a named agent or representative of the mortgagee at the address stated in the request.

9.5 Additional Rights of Mortgagees. In addition to the other rights of mortgagees as provided herein, each mortgagee shall have the following rights:

(a) The holder of any mortgage on any unit is entitled to written notification from the Association of owners of the condominium of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within 30 days.

(b) Any holder of any mortgage which comes into possession of a unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed, in lieu of foreclosure, shall be exempt from any right of first refusal or other restrictions on the sale of the mortgaged unit.

(c) Any holder of any mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed, in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all units including the mortgaged unit.)

(d) Unless all holders of first mortgage liens on individual units have given their prior written approval, the Association of owners of the condominium shall not be entitled to:

(1) change the pro-rata interest or obligations of any unit for purposes of levying assessments and charges and determining shares of the common elements and proceeds of the project;

(2) partition or subdivide any unit or the common elements of the project; nor

(3) by act or omission seek to abandon the condominium status of the project except as provided by statute in case of substantial loss to the units and common elements of the condominium project.

It shall be duty of the Association to secure the prior approval of mortgagees for any of the preceding acts.

9.6 Void Transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be voidable at the option of any owner or the Board until such time as same shall be approved by the Board.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Conveyances. All conveyances of title in the consummation of the sale of any units shall be by general warranty deed, which shall include the following particulars:

(a) Description: A description of the property conveyed in the following form:

A condominium unit, being Unit No. _____ of SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM, hereinafter referred to as the "Condominium", according to a Condominium Declaration dated _____ 19____, filed for record _____ 19____, and recorded in Official Records Book _____ page _____ of the Public Records of Alachua County, Florida, together with the undivided interest in the common elements designated in the Condominium Declaration to be appurtenant to such unit."

(b) Use: A statement of the use for which the unit is intended and restrictions on its use.

(c) Other Matters. Any other and further matters which the grantor and grantee may deem desirable to set forth consistent with the Declaration, By-Laws, and the Act.

10.2 Notices; Agent for Service. All notices, stipulations, writing or process to be served upon the Association, or upon the Board shall be delivered to the authorized Agent of the Association and of the Board. Said Agent shall be the then incumbent President of the Association whose name and address as appears in the Minutes of the Association shall by this reference be a matter of record as part of this paragraph and Declaration. From time to time as new persons serve in the Office of President, the Secretary shall certify and record an amendment to this paragraph. Amending and recording for the purpose of this paragraph shall not require formal Association action, it being intended to meet at all time the statutory requirement to disclose the name and address of a person to receive service of process.

Until the election of the first President, GEORGE A. POULOS, whose address is 7225 N. W. 131st Street, Gainesville, Florida, 32601 shall be considered the authorized agent.

10.3 Easement and Licenses.

(a) Encroachments: Each unit and the common elements shall be subject to an easement for encroachments created by construction, settling and overhangs designed or constructed by Developer. A valid easement for said encroachments and for the maintenance of same, so long as they shall stand, shall and does exist. In the event that any building is partially or totally destroyed and then rebuilt, the owners of the units so affected agree that minor encroachments of part of the adjacent unit or common elements due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

(b) Utilities and Public Service Facilities: There is hereby granted a general easement upon, across, over and under all of the property for ingress, egress, installation, replacing, repairing and maintaining all utilities including, but not limited to, water, sewers, telephones, gas, and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary poles and other equipment on the property and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the units. After the period of development, however, no sewers, gas lines, electrical lines, water lines, or other utilities may be added to or relocated on the property except as approved by the Board. Should any utility furnishing a service by the general easement herein provided request a specific easement by separate recordable document, Developer shall have the right to grant such easement on the property, prior to its withdrawal, without conflicting with the terms hereof; thereafter, such easement shall be granted by the President of the Association upon property action of the Board. The easements provided for in this Article shall in no way affect any recorded easement on the Property.

10.4 Captions. The captions of the various Articles and paragraphs of this Declaration shall not be deemed a part of this Declaration and shall not be construed in any way to limit the content of such Articles and paragraphs, but are inserted herein only for reference and convenience.

10.5 Gender. The use of the masculine gender in this Declaration shall be deemed to include the feminine and neuter gender and the use of the singular shall include the plural, and vice versa, whenever the context so requires.

10.6 Severability. If any provisions of this Declaration, By-Laws, or other schedules attached hereto, or any paragraph, sentence, clause, phrase, or word appearing therein, or herein be judicially held invalid, or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify, or impair in any manner whatsoever any other term, provisions, paragraph, sentence, clause, phrase or word appearing in said documents.

ARTICLE XI

AMENDMENT

11.1 By Developer. Amendments to this Declaration for the purpose of further identifying and locating the units contemplated in the development shall be made as and when the construction of each of the buildings is completed. Each such amendment shall be approved by the Developer and filed for record in the public records of Alachua County, Florida, at which time the same shall become effective. Other amendments which are authorized by this Declaration and the Act and made prior to the date on which the Developer delivers management of the Development to the Association shall become effective when approved and recorded in the manner hereinabove provided; however, such amendments shall not affect materially any rights of any then existing mortgage holders or owners, the amendment shall be valid only upon the written consent thereto of all the then existing mortgage holders and thereafter three fourths (3/4) of the then existing owners. Such amendments shall be certified by the Developer as having been duly approved and shall be effective when recorded in the public records of Alachua County, Florida.

11.2 By Association. Amendments to this Declaration other than those provided for in the preceding paragraph which are authorized by this Declaration and the Act, shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment shall be considered.

(b) Resolution. A resolution for the adoption of a proposed amendment to the Declaration of Condominium may be proposed by the Board or by the members of the Association. Members may propose such amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty five percent (25%) of the membership. Amendments may be proposed by the Board by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President, or in the event of his refusal or failure to act, the Board, shall call a meeting

the membership to be held within sixty (60) days for the purpose of considering the amendment. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(1) Not less than three fourths (3/4) of the votes of the entire membership of the Association; or

(2) In the alternative, an amendment may be made by an agreement signed and acknowledged by all Condominium unit owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the public records of Alachua County, Florida.

(c) Recording. A copy of each amendment provided for in this Article XI shall be certified by the Board of the Association as having been duly adopted and shall be effective when filed for record in the public records of Alachua County, Florida.

(d) Proviso. Provided, however, that no amendment shall be effective which violates the provisions of Section 718.110 of the Florida Statutes.

IN WITNESS WHEREOF, this Condominium Declaration has been signed, and sealed by the undersigned as of the day and year first above written.

Signed, sealed and delivered in the presence of:

George A. Poulos (SEAL)
GEORGE A. POULOS

Walter J. Watkins

Irene Ganey (SEAL)
IRENE GANEY

Walter J. Watkins

William T. Moore, Jr. (SEAL)
WILLIAM T. MOORE, JR. by George A. Poulos, his Attorney in Fact

Walter J. Watkins

STATE OF FLORIDA

COUNTY OF ALACHUA

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared GEORGE A. POULOS, IKE GANEY and WILLIAM T. MOORE, JR., by George A. Poulos, his Attorney in Fact, to me well known to be the persons described in and who executed the foregoing Declaration of Condominium, and acknowledged before me that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State last aforesaid this 15th day of August, A.D., 1983.

Waletta A. Watkins

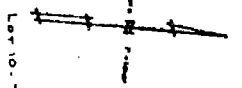
Notary Public

My Commission expires:

Notary Public, State of Florida
My Commission Expires March 16, 1988
BONDING THROUGH THE FLORIDA INSURANCE CO.

SOUTHWOOD APARTMENTS PHASE 2

BEING A PORTION OF LOT 10 OF THE THOMAS NAPIER GRANT, TOWNSHIP 10 SOUTH, RANGE 19 AND 20 EAST, ALACHUA COUNTY, FLORIDA



PLAN OF BUILDINGS

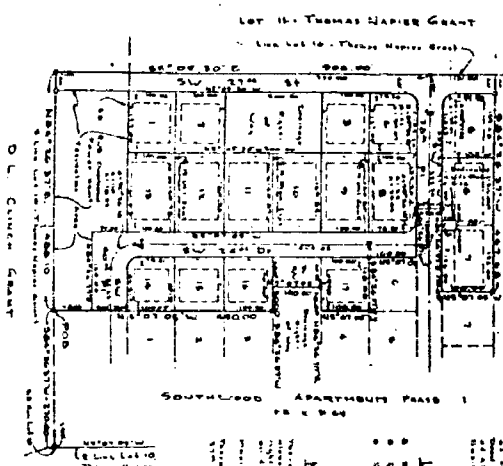
The plan of buildings shown on this map is the result of a survey made by the undersigned on or about the 15th day of August, 1924, and is subject to the approval of the Board of Health of the City of Gainesville, Florida, and the Board of Health of the County of Alachua, Florida.

LEGEND

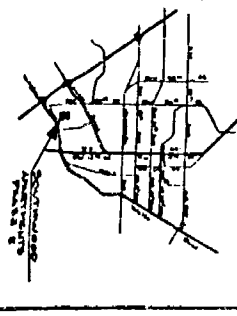
- 1. General Plan of Buildings
- 2. General Plan of Streets
- 3. General Plan of Lots

NOTES

This is a preliminary plan of buildings and streets and is subject to the approval of the Board of Health of the City of Gainesville, Florida, and the Board of Health of the County of Alachua, Florida.



LOCATION MAP



SUBVENER'S CERTIFICATE

I, the undersigned, do hereby certify that the above described portion of the land is being subdivided in accordance with the provisions of the laws of the State of Florida, and that the same is being subdivided in accordance with the provisions of the laws of the State of Florida, and that the same is being subdivided in accordance with the provisions of the laws of the State of Florida.

DATE: August 15, 1924

SUBVENER: [Signature]

BUILDING STRIKES

None



LEGAL DESCRIPTION

That certain portion of Lot 10 of the Thomas Napier Grant, Township 10 South, Range 19 and 20 East, Alachua County, Florida, containing approximately 1.5 acres, more or less, as shown on the attached plan, and being more particularly described as follows: ...

MORTGAGE

Know all men by these presents, that the undersigned, the undersigned, do hereby certify that the above described portion of the land is being subdivided in accordance with the provisions of the laws of the State of Florida, and that the same is being subdivided in accordance with the provisions of the laws of the State of Florida.

MORTGAGE

Know all men by these presents, that the undersigned, the undersigned, do hereby certify that the above described portion of the land is being subdivided in accordance with the provisions of the laws of the State of Florida, and that the same is being subdivided in accordance with the provisions of the laws of the State of Florida.

OWNER'S CERTIFICATE

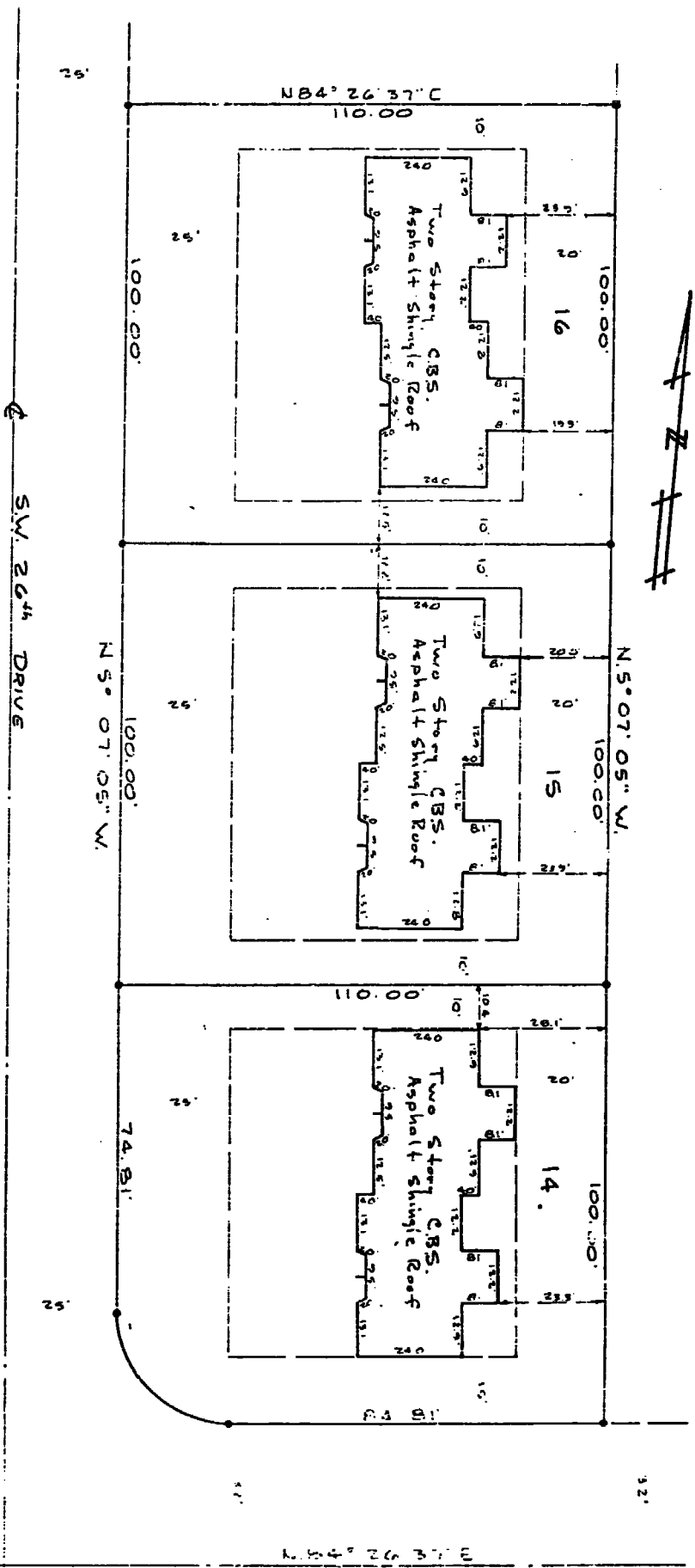
I, the undersigned, do hereby certify that the above described portion of the land is being subdivided in accordance with the provisions of the laws of the State of Florida, and that the same is being subdivided in accordance with the provisions of the laws of the State of Florida.

APPROVAL

APPROVED BY ALACHUA COUNTY, FLORIDA: [Signature]

APPROVED BY ALACHUA COUNTY, FLORIDA: [Signature]

SOUTHWOOD 2. TOWNHOUSE CONDOMINIUM



CONDO. BOOK _____
PAGE _____

PL: 1544 PAGE 831

SCHEDULE "A - 1"
-21-

DESCRIPTION

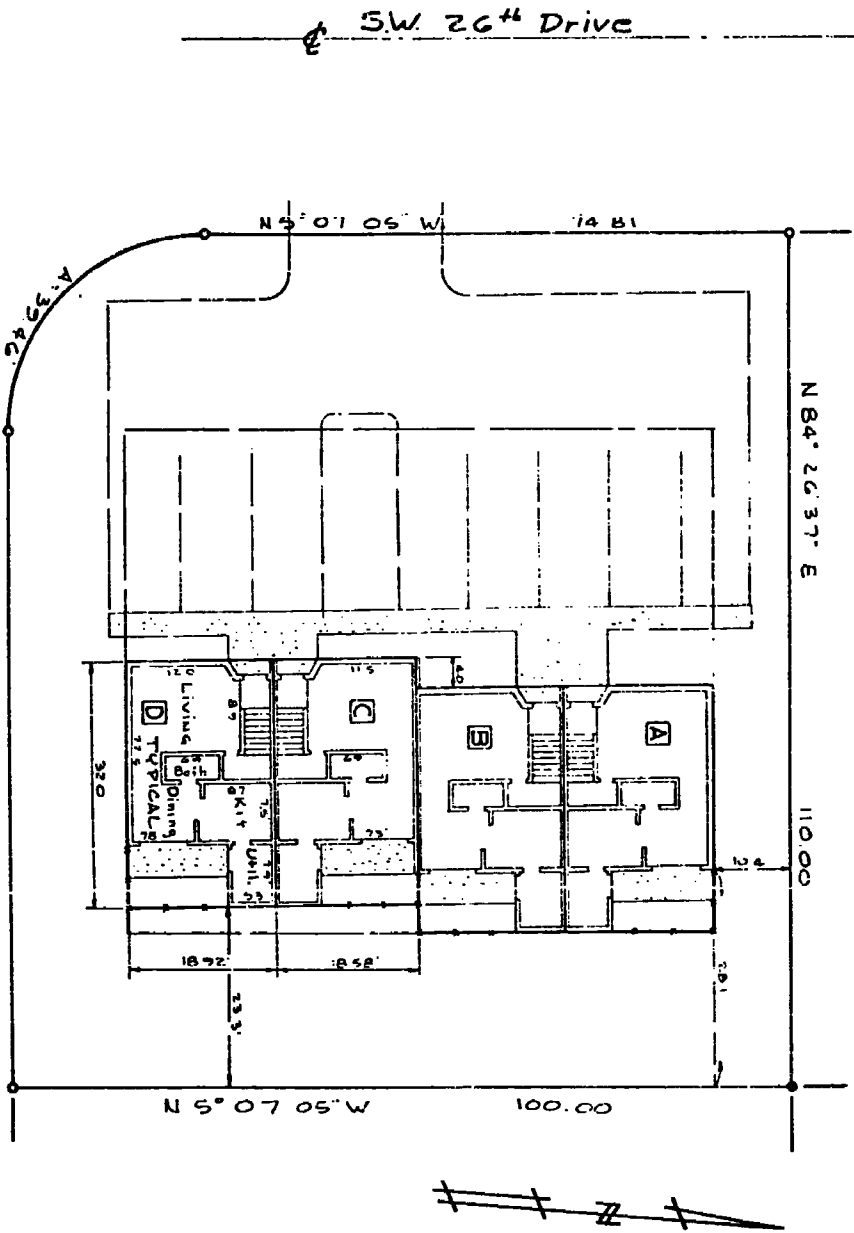
LOTS 14, 15 AND 16, SOUTHWOOD APARTMENTS PHASE 2, AS SHOWN ON PLAT BOOK 11-26-81 AT PAGE 63 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA.

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE IN ACCORDANCE WITH THE PROVISIONS OF THE FLORIDA STATUTES AND THE RULES OF THE BOARD OF SURVEYORS AND MAPPERS OF THE STATE OF FLORIDA.

James J. [Signature]
PLM, INC.

P.L. & ASSOCIATES	
OF GAINESVILLE, FLA.	
DATE: 11-26-81	DRAWN BY: T.F.J.
SCALE: AS SHOWN	

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM



SW 40th Place

FIRST FLOOR

CONDO BOOK _____
PAGE _____

REMARKS
SEE PLANS FOR DIMENSIONS AND NOTES. THIS UNIT IS TO BE CONSTRUCTED IN ACCORDANCE WITH THE CONDOMINIUM ACT, CHAPTER 718, F.S., AND THE CONDOMINIUM REGULATIONS, CHAPTER 718.01, F.S.

DESCRIPTION

THE UNIT IS TO BE CONSTRUCTED IN ACCORDANCE WITH THE CONDOMINIUM ACT, CHAPTER 718, F.S., AND THE CONDOMINIUM REGULATIONS, CHAPTER 718.01, F.S. THE UNIT IS TO BE CONSTRUCTED IN ACCORDANCE WITH THE CONDOMINIUM ACT, CHAPTER 718, F.S., AND THE CONDOMINIUM REGULATIONS, CHAPTER 718.01, F.S. THE UNIT IS TO BE CONSTRUCTED IN ACCORDANCE WITH THE CONDOMINIUM ACT, CHAPTER 718, F.S., AND THE CONDOMINIUM REGULATIONS, CHAPTER 718.01, F.S.

BASED THIS 24th DAY OF August, 1985,

Thomas F. Jackson
Thomas F. Jackson, P.L.S. 8742, State of Florida

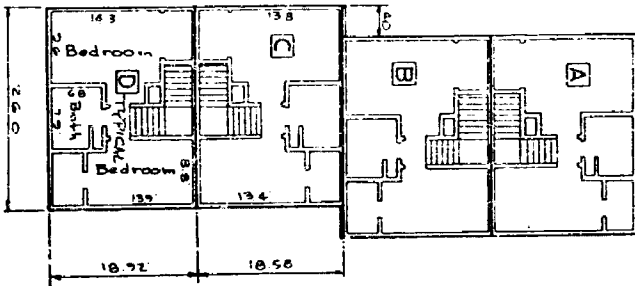
- 98.56 FINISHED FLOOR ELEVATION
- 96.58 FINISHED CEILING ELEVATION
- UNIT NO. []

SCHEDULE "B" PART ONE PAGE ONE

1544 PAGE 832

P.L.S. ASSOCIATES	
OF TAMPA, FLORIDA	
DATE: 8-2-85	PROJECT NO. 711
SCALE: AS SHOWN	DESIGNED BY: T.F.J.

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM



SECOND FLOOR

CONDO BOOK _____
PAGE _____

#1544mc 833

SCHEDULE "B" PART ONE PAGE TWO

-23-

97-71 REVISIONS TO A FLOOR PLAN
105-71 REVISIONS TO SECOND FLOOR PLAN
D UNIT NO.

T.L.N. ASSOCIATES, INC.		111 GARDENVILLE ROAD	
DATE: 8-20-83	DESIGNED BY:	PROJECT NO.:	SCALE:
DRAWN BY: T.M.J.		REVISIONS:	
CHECKED BY:		DATE:	
APPROVED BY:		DATE:	
PROJECT NO.:		SHEET NO.:	
2 of 2			

SCHEDULE B

PART ONE

PAGE THREE

Construction of the building and units on Lot 14 is substantially complete.

Upon completion of the buildings on Lots 15 and 16, the developer will amend the Declaration to include the survey and graphic description as provided in Section 718.104(4)(e), Florida Statutes.

The units in the buildings on Lots 15 and 16 will be identical to those in the building on Lot 14, except that they will be identified by the letters "E" through "H" on Lot 15, and "I" through "L" on Lot 16.

Completed units within the building on Lot 14 may be conveyed, notwithstanding that the buildings on Lots 15 and 16 are not substantially completed. All planned improvements as to each building, whether on Lot 14, 15 or 16, including landscaping, utility services, and access to the unit and common facilities serving such building shall be completed before units are conveyed.

SCHEDULE "B"

PART TWO

PAGE ONE

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM

ATTACHED TO AND MADE A PART OF
CONDOMINIUM DECLARATION FOR
SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM

DESCRIPTION OF BUILDINGS AND UNITS

I. There are three buildings to be located on the property constructed principally of concrete block for the entire first floor and masonite siding for the second floor. The buildings are generally described as follows:

The Buildings:

Two stories in a rectangular shape as shown on the survey of Schedule "B". The buildings will contain four townhouse units each.

Residential Units:

The units will consist of two bedrooms, one and one-half baths, utility room, kitchen, dining and living room combination, and related storage facilities.

II. Fractional Interest:

The following table shows the undivided fractional interest of each unit in the common elements, the share of the common surplus, the share of liability of common expenses, and the voting weight of each of the units:

Total Residential Units:

Fractional Interest
for each unit:

12

One-twelfth (1/12)

SCHEDULE "B"

PART TWO

PAGE TWO

III. Vertical Boundaries of Units:

The vertical boundaries of each unit shall be the exterior of the outside walls of the units as the same may exist upon completion of construction, having the dimensions and locations shown on the survey, foundation plans, and elevation drawings identified in Schedule "B", Part One. Where there may be attached to such outside wall a balcony, loggia, terrace, patio, a stairway, a stoop, landing steps, projecting cornices and copings, or other portion of the building, serving only the unit being bounded, such boundary shall be deemed to include all of such structures and fixtures thereon. However, as respects an interior wall, or walls between units, the vertical boundary of each unit shall be fixed at the center line of such walls between units, provided that such walls are not to be deemed party walls, but instead are part of the limited common elements as defined elsewhere in this Declaration, serving only the units affected. The vertical boundaries of each unit shall also embrace any garden courtyard or terrace appurtenant to the unit as bounded by exterior privacy or garden walls as shown on the architectural exhibits in this Schedule. In these instances, the vertical boundary shall go to the center of such walls as may divide the courtyard of one unit from the courtyard of another unit. Every portion of a dwelling contributing to the support of an abutting unit shall be burdened with an easement of support for the benefit of such abutting unit.

IV. Horizontal Boundaries of Units:

The horizontal boundaries of each unit shall be the following boundaries as extended to an intersection with the vertical boundaries:

(a) The upper boundary of each unit shall be a horizontal plane the elevation of which coincides with the elevation of the exterior surface of the top story ceiling.

(b) The lower boundary of each unit shall be a horizontal plane the elevation of which coincides with the upper surface of the floor slab, if there be a floor slab.

V. Encroachments and Variances:

In the event any horizontal or vertical boundary line as shown on the architectural exhibits enumerated in this Schedule does not coincide with the actual location of the respective wall, floor or ceiling surface of the unit because of construction, or for any other reasons, the boundary line of each unit shall be deemed to be and shall be treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment as in accordance with the actual existing construction and/or condition. In such case easements for his exclusive use shall exist in favor of the owner of each unit in and to such space lying outside of the actual boundary line of the unit but within the appropriate wall, floor or ceiling surfaces of the unit. Any apparatus, ducts, conduits, lines, mains, wires, or other items which extend beyond the boundaries of a unit but which serve solely that unit shall be deemed a part of the unit and appurtenant thereto, and title thereto and the responsibility for maintenance thereof shall pass with the unit.

FILED

1030 OCT 24 AM 11:57

CLERK CIRCUIT COUNTY COURT
ALACHUA COUNTY, FL.

Instrument Prepared By:
Charles M. Gadd, Jr.
Post Office Box 1090
Gainesville, Florida 32602
904 376 4694

PROTECTIVE COVENANTS, CONDITIONS AND
RESTRICTIONS OF SOUTHWOOD APARTMENTS, PHASE 2

WHEREAS, GEORGE A. POULOS and IKE GANEY, are the owners in fee simple of the lands described as follows:

All of the lots, drainage right-of-ways and recreation areas included in that certain subdivision known as SOUTHWOOD APARTMENTS, PHASE 2 as is recorded in Plat Book "K", page 65 of the Public Records of Alachua County, Florida.

WHEREAS, it is the desire of said owners to impose certain protective covenants, conditions and restrictions on said lands in order to protect the parties who may hereafter acquire an interest therein and to insure a more stable multi-family residential neighborhood; and

WHEREAS, certain lands of Southwood Apartments, Phase 2, will be set aside for recreational purposes and GEORGE A. POULOS and IKE GANEY wish to provide for the care and maintenance and control of said lands.

NOW THEREFORE, GEORGE A. POULOS and IKE GANEY hereby declare and impose upon the lands hereinafter described the covenants, conditions and restrictions hereinafter set forth and declare that all of the properties described hereinafter shall be held, sold and conveyed subject only to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties, or any part thereof, and their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1. "Association" shall mean and refer to the Southwood Apartments, Phase 2, Owner's Association, Inc., a Florida non-profit corporation, to be organized, and its successors and assigns.
2. "Recreation Area" shall mean and refer to all real property, and all improvements thereto, which is hereinafter specifically described. The recreation area will be conveyed to the Association as is hereinafter set out.
3. "Lot" shall mean and refer to each lot in Southwood Apartments, Phase 2, subdivision and not to the recreation area.
4. "Owner" shall mean and refer to the record owner or owners of the fee simple legal title to any lot.
5. "Appraised Value of Lot" shall mean and refer to the total appraised value of all real property contained within a lot, specifically including all dwellings and other buildings. Appraised value shall be the appraised value of each lot for ad valorem tax purposes as determined and amended from time to time by the Alachua County Property Appraiser, without regard to exemptions.

1544 PAGE 837

- 1 -

529300

-27-

1309 PAGE 115

ARTICLE II

IMPROVEMENT OF LOTS, ARCHITECTURAL
CONTROL AND RESTRICTIONS ON CONSTRUCTION

1. All lots in Southwood Apartments, Phase 2, shall be known and used as multi-family residential lots only. No structures shall be erected, altered, placed or permitted to remain on any lot other than a quadraplex apartment building, a sixplex apartment building or an eightplex apartment building, as is designated and limited on the plat of Southwood Apartments, Phase 2.

2. Any construction commenced upon said property shall be completed within six (6) months from the date of the first delivery of any materials to the site of said construction.

3. No building shall be constructed which will exceed a maximum building height of 45 feet measured from the lot surface to the peak of the roof.

4. No building shall be constructed which shall contain any single-family units less than 900 square feet of floor area, excluding unenclosed porches, garages and carports per unit. This means that if a quadraplex is the type of construction that each unit in the quadraplex is to be a minimum of 900 square feet and the building is to be a total of 3600 square feet.

5. No building shall be constructed on a lot unless there is additionally provided on said lot two (2) paved parking spaces per single family unit, said parking spaces to be paved with asphalt and said parking areas shall be located on the lot pursuant to the drawing marked Exhibit "A", attached hereto and made a part hereof by reference.

6. No construction shall be completed upon any lot until a minimum of 10% of the lot's area has been landscaped.

7. Any building constructed on any lot shall, as a minimum, be constructed 25 feet from the front lot line and 20 feet from the rear lot line, and 10 feet from the side lot lines. If a lot is a corner lot fronting on two streets, then the building shall not be constructed any closer than 15 feet to the street side lot line which is designated as a side lot line.

8. No building shall be constructed on any lot having less than 30% of its exterior wall area constructed from Ocala concrete block, natural stone or brick. No stucco or other masonry-type covering can be used as a substitution for this requirement unless it is applied over concrete block, natural stone or brick. Also, only aluminum material shall be used for soffit and fascia board for the construction of any building.

9. Each building constructed on any lot must be a two-story building. Outside stairwells may be utilized in the construction.

10. No fences whatsoever, either decorative or otherwise, may be constructed on any lot, except partitions not exceeding ten feet in length between patios. No partitions between front entrances shall be constructed on the front of any building exceeding four feet in length.

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11. No mailboxes or mailbox stands or paper or newspaper receptacles shall be erected separately; all mailboxes shall be placed on common mailbox stands as provided.

12. No building shall be erected, placed or altered on any building lot in this subdivision until the building plans,

specifications, plat plans, landscaping plans, and exterior wall covering plans have been approved in writing as to conformity and harmony with these covenants by GEORGE A. POULOS or his designate. In the event that no action is taken on said plans within 30 days after submission, this requirement shall be deemed to have been complied with. It is understood that all buildings shall be in conformity to the plot plans accepted by the appropriate governmental authorities.

13. All buildings constructed shall have added thereto and constructed thereon a screen or partition which shall provide an area for the storage of garbage cans or other containers utilized to hold garbage or trash. This screen or partition shall be constructed either to the rear of a building or on the back one-half (1/2) of the side wall of the building and must be constructed in such a way that the garbage cans or other facilities used to store trash or garbage between pick-up times are hidden from view of the streets in this subdivision.

ARTICLE III

UTILITY EASEMENTS

There is hereby reserved a five foot deep utility easement for the purpose of electric, gas, sewer, water or drainage running along the street side of all lots.

ARTICLE IV

PARKING OF VEHICLES

No aircraft, trailer, utility trailer, camper, house-trailer, boat, bus or truck, over one-half ton capacity shall be parked or maintained on any lot or any portion thereof. No vehicle shall be parked on any lot except within the designated paved parking areas or on the street fronting a lot. There shall be no parking whatsoever on any unpaved area of a lot. No semi-trailer truck or trailer shall be parked upon the street fronting any lot or upon any lot except during the construction of a building on said lot or because of delivery to a certain lot. No vehicles, except in time of emergency or during construction work requiring it, may be driven across any areas of the lot except those areas which are paved.

ARTICLE V

GENERAL PROVISIONS

1. No trade, business, service, professional care, instruction or manufacture of any kind or nature, whatsoever, shall at any time be conducted on any of the land in the subdivision, nor shall any building erected thereon be used for any such purpose.
2. No land in this subdivision, or any building erected thereon, shall be used or occupied injuriously to affect the use, occupation or value of the adjacent premises for residential purposes and the neighborhood wherein said premises are situated.
3. All lots, tracts or parcels of land in this subdivision shall be kept in a good state of repair, appearance and the property is to be kept in a manner corresponding with the better surrounding properties, and no waste or damage to the premises shall go unrepaired. This shall apply both to the premises and improvements thereon.
4. No horse, cow, hog, goat or similar animal shall be kept or maintained on said property or any portion thereof nor shall any chicken yards be maintained thereon. No household pet, such as a dog or cat, shall be allowed to run at large

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upon any lot and shall always be under the direct control of the owner thereof when allowed outside any building constructed on any lot. No snake or other wild animal or dangerous animal shall be kept on any of the lots or within any buildings thereon.

5. No outside television antennas or radio antennas shall be placed or maintained on any of the properties in this subdivision. Care should be taken that nothing shall be placed in this subdivision that will distract from the properties and/or their environs.

6. No repair work on automobiles or mechanical vehicles, or any other like work, shall be performed on said property or any portion thereof, nor shall any non-operating automobile or vehicle be parked on said property or on the street fronting any of the properties herein for a period longer than ten (10) days.

7. No outbuilding, shed, tent or other structure shall be erected on any lot except the main apartment building.

ARTICLE VI

RECREATION AREA

1. GEORGE A. POULOS and IKE GANEY, as the sole owners hereof, will within a period of one year from the date hereof or at such earlier time as they decide, deed and convey the recreation area, more specifically described in attached Exhibit "B", and the drainage right-of-way areas more particularly described in attached Exhibit "C", subject to all easements and street rights-of-way areas as shown on the plat of Southwood Apartments, Phase 2, to the Southwood Apartments, Phase 2, Owner's Association, Inc., a Florida non-profit corporation, to be organized.

2. GEORGE A. POULOS and IKE GANEY shall organize within a year from the date hereof Southwood Apartments, Phase 2, Owner's Association, Inc., a Florida non-profit corporation, which shall hold title to the recreation area and drainage right-of-way areas as herein described.

3. Each owner or owners of a lot shall be a member of the Association membership and this shall be appurtenant to and may not be separated from the ownership of a lot. The owner or owners of each lot will be given one vote for each lot owned. Voting rights shall inure to the members of the Association as set forth in the By-laws of the Association.

4. Every owner shall have a right and easement of enjoyment in and to the recreation and drainage right-of-way areas and facilities which shall be appurtenant to and shall pass with the title to every lot including a perpetual, non-exclusive easement for the benefit of each owner and lawful occupants of the owner's lot and their guests, invitees. Each owner's right and easement of enjoyment in and to the recreation and drainage right-of-way areas, shall however be governed by the rules, regulations and restrictions to be established by the Association for the utilization and care of the recreation and drainage right-of-way areas. The Association upon its formation and the conveyance to it of the recreation or drainage right-of-way areas as described above, has the right to dedicate or transfer all or any part of the recreation and drainage right-of-way areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association, provided, however, that no such action shall be taken by the Association without the approval of the members of the Association holding at

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least two-thirds of the voting rights in the Association. The Association shall have the right to take such steps as are reasonably necessary to protect and conserve the recreation and drainage right-of-way areas; to adopt and enforce rules and regulations regarding the use of the recreation and drainage right-of-way areas and facilities and reasonable fees for use of the recreation and drainage right-of-way areas where appropriate; and the right to suspend the enjoyment rights of any member during the period of said member's delinquency in payment of assessments pursuant to these covenants.

5. The Association shall have the right to set assessments against each lot based upon the appraised value of each lot for the raising of funds to be expended for the reasonable protection, conservation, maintenance and repair of the recreation and drainage right-of-way areas and facilities thereon. This assessment shall not be levied unless and except two-thirds of the members holding voting rights in the Association approve.

6. All funds generated by any assessment shall be used exclusively for the maintenance, upkeep, insurance, taxes and operating expenses of the recreation and drainage right-of-way areas including ordinary and reasonable administration expenses and fees incident thereto, and also for the cost of any construction, reconstruction, repair or replacement of improvements upon the recreation or drainage right-of-way areas including fixtures and personal property related thereto. Any surplus of funds shall be held by the Association as a reserve against depreciation of improvements in the recreation and drainage right-of-way areas.

7. Annual assessments shall be based upon the appraised value of each lot for the previous year and shall be payable in one instalment no later than January 15 of the current year. The payment due no later than January 15 constitutes payments made in advance for the current assessment year.

8. In addition to the annual assessment, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any emergency construction, reconstruction, repair or replacement of improvements upon the recreation and drainage right-of-way areas or to acquire extra funds to pay for insurance or taxes, provided that any such special assessment must be approved by members of the Association holding at least two-thirds of the voting rights in the Association. The time for the payment of any special assessment shall be set by the Association at the time the assessment is made.

9. Both annual and special assessments must be fixed at a uniform rate for all lots based upon the assessed value for tax purposes without regard to exemptions.

10. The annual assessment and any special assessment shall constitute a lien on each lot as of the date the assessment is payable until said assessment is paid in full. In the event any assessment is not paid on the due date, it shall become delinquent and shall bear interest after 30 days from the date at the maximum allowable rate of interest under the laws of the State of Florida not to exceed 18% per annum for the full period of delinquency. In the event any delinquent assessment is placed in the hands of an attorney for collection, all reasonable costs incurred in the collection including a reasonable attorney's fee, shall be added to the assessment. The Association may bring an action to foreclose the lien in like manner as the foreclosure of a Mortgage on real property. The lien of all assessments shall be subordinate to the lien of any first mortgage and the transfer of title pursuant to a mortgage foreclosure shall extinguish the lien for any delinquent assessment.

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ARTICLE VII
SUBDIVISION OF LOT

No lot shall be subdivided or further divided in any way.

ARTICLE VIII
CONTROL BY OWNERS

Notwithstanding anything contained in the foregoing or following provisions of these covenants, conditions and restrictions, the owners, GEORGE A. POULOS and IKE GANEY, shall have the absolute and total right to make all decisions relating to the operation of the Association until such time as they have conveyed twelve (12) of the lots in the subdivision or on January 1, 1985, whichever shall occur first in point of time. The absolute and total right to make all decisions relating to the operation of the Association specifically includes but is not limited to the rights to set annual and special assessments and to determine the proper expenditures of the funds received from said assessments and to change or amend these covenants, conditions and restrictions in whole or in part, provided however, that their actions shall not be unreasonable.

ARTICLE IX

REAL PROPERTY TAXES ON RECREATION AREA
AND DRAINAGE RIGHT-OF-WAY AREAS

In the event the Association shall fail to pay taxes for assessments levied by a governmental authority on the recreation and drainage right-of-way areas or facilities before such taxes become delinquent, the governmental authority shall be entitled to a lien upon each lot on account thereof for the fractional share of said taxes or assessment due determined as follows: The numerator shall be the assessed value of the particular lot without regard to exemptions and the denominator shall be the gross assessed value of all lots within this subdivision not including the recreation and drainage right-of-way areas. This provision is for the benefit of the governmental authority levying such tax or assessment and shall in no way affect the responsibility of the Association or each owner to pay such taxes and assessments on the recreation area. Further, if for any reason it should become necessary that a public agency maintain such recreation area and drainage right-of-way area or otherwise expend public funds, such cost shall become assessments against the individual lots.

ARTICLE X

REAL PROPERTY COVERED BY THESE
COVENANTS, CONDITIONS AND RESTRICTIONS

The real property and improvements covered by these covenants, conditions and restrictions and upon which these covenants, conditions and restrictions are imposed is described as follows:

All of the lots, drainage right-of-ways and recreation areas included in that certain subdivision known as SOUTHWOOD APARTMENTS, PHASE 2 as is recorded in Plat Book "K", page 65 of the Public Records of Alachua County, Florida.

ARTICLE XI

ENFORCEMENT

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The owners, GEORGE A. POULOS and IKE GANEY; the Association; or any lot owner shall have the right to enforce, by an proceeding at law or in equity, all restrictions, conditions, covenants,

reservations, liens and charges now or hereafter imposed by the provisions of these covenants, conditions and restrictions, and to recover damages and or injunctive relief including costs of enforcement and a reasonable attorney's fee. Failure to enforce any condition, covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so hereafter.

ARTICLE XII

EMINENT DOMAIN

In the event of eminent domain proceedings whereby an award is made or negotiated concerning the recreation area or facilities, such award shall be payable to the Association, when formed, and used for the purposes of the Association. Any award for the taking of all or part of any of an individual lot shall belong to the owner of such lot, his heirs or assigns.

ARTICLE XIII

SEVERABILITY

Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

ARTICLE XIV

DURATION

All and each of the above covenants, conditions and restrictions shall continue in force from the date of this instrument until January 1, 2000. After this date, these covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners has been recorded, agreeing to change said covenants in whole or in part. Prior to January 1, 2000, these covenants, conditions and restrictions may be changed in whole or in part by an instrument signed by a two-thirds majority of the then owners or may be changed pursuant to the provisions of Article VIII above.

IN WITNESS WHEREOF, the undersigned, being the owners herein have hereunto set their hands and seals this 23rd day of October, 1980.

Witnesses:

Myself & Darling
Marla M. Darling
Myself & Darling
Marla M. Darling
George A. Poulos
GEORGE A. POULOS
Ike Ganey
IKE GANEY

STATE OF FLORIDA
COUNTY OF ALACHUA

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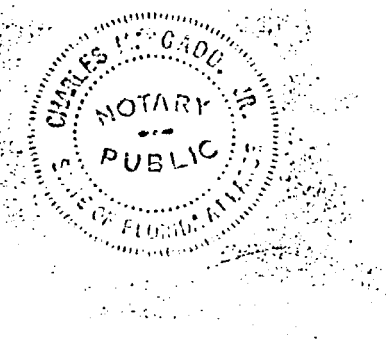
I hereby certify that on this day, before me, an officer duly authorized in the State and County aforesaid, to take acknowledgements, personally appeared GEORGE A. POULOS and IKE GANEY,

well known to me to be the persons who executed the foregoing Protective Covenants, Conditions and Restrictions of SOUTHWOOD APARTMENTS, PHASE 2, and that they acknowledged before me that they executed the same for the purposes therein stated.

WITNESS my hand and official seal this 23rd day of October, 1980.

Charles M. Gadd, Jr.
NOTARY PUBLIC in and for the
State and County aforesaid.

Notary Public, State of Florida at Large
My Commission Expires Aug. 16, 1983
Bonded by American Fire & Casualty Company

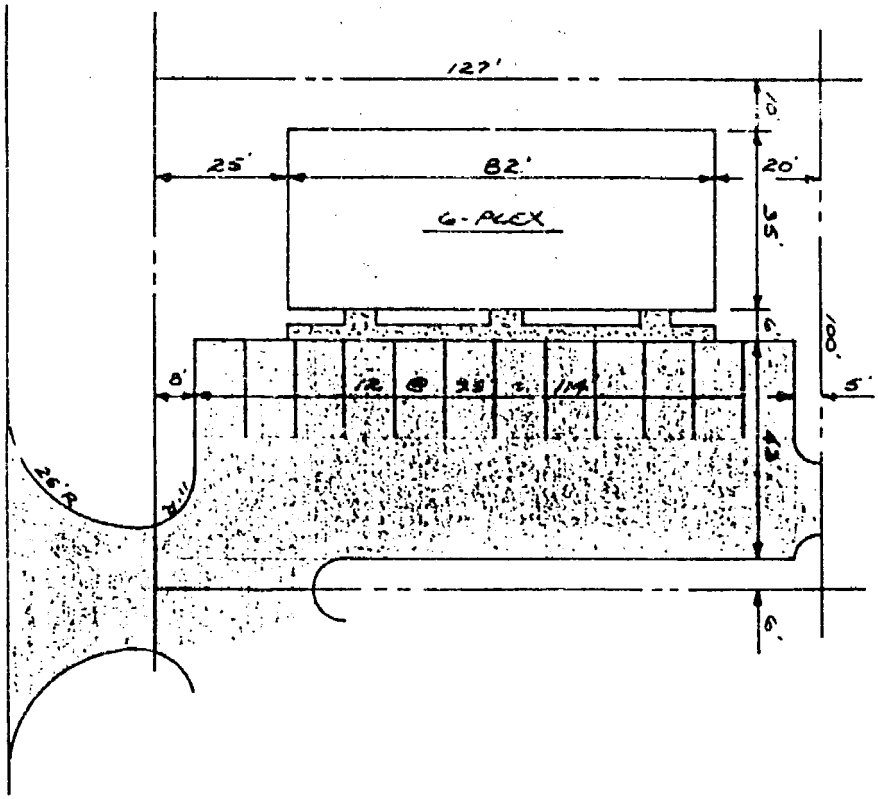


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S.W. 27TH STREET

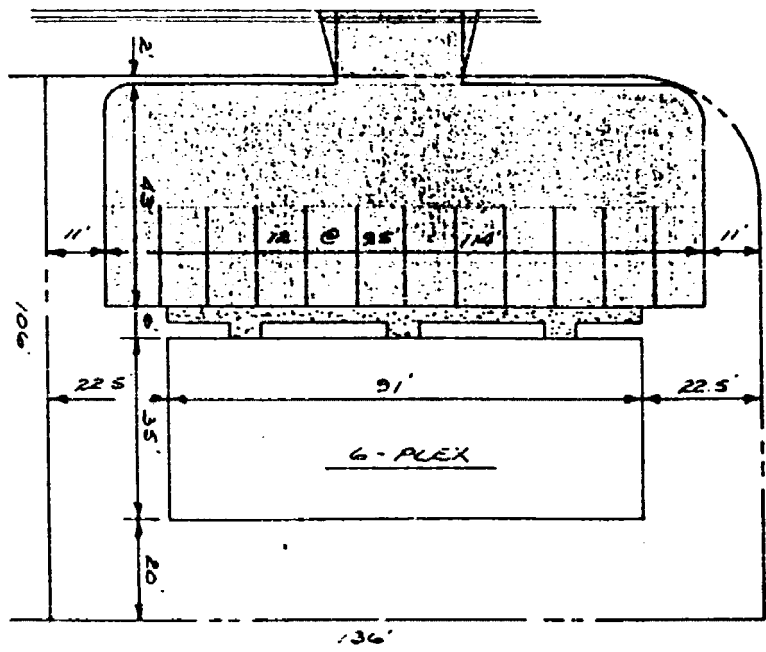
LOTS 1-4



TYPICAL LOT LAYOUT

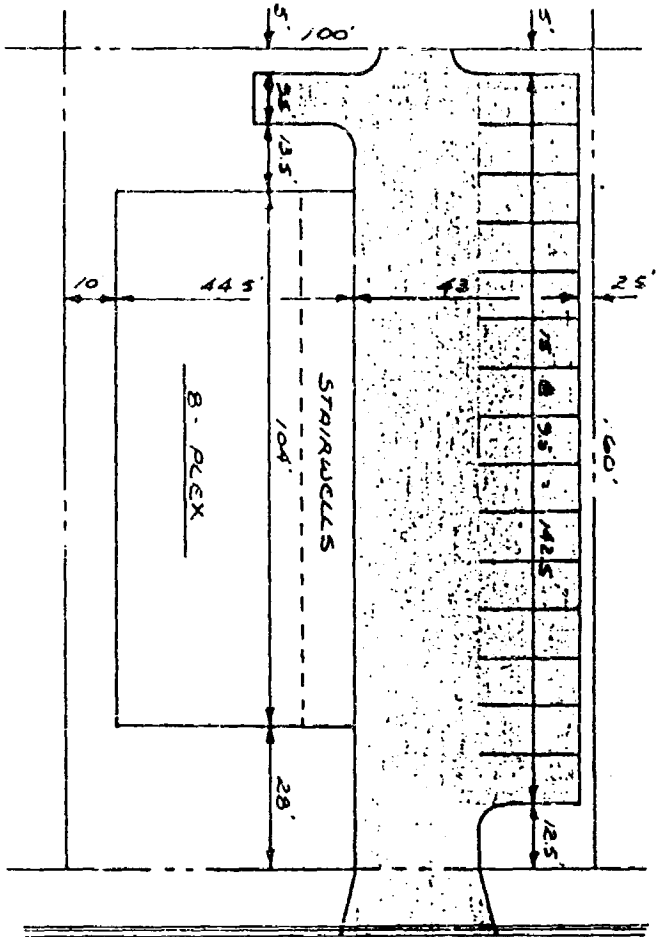
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LOTS 5-7



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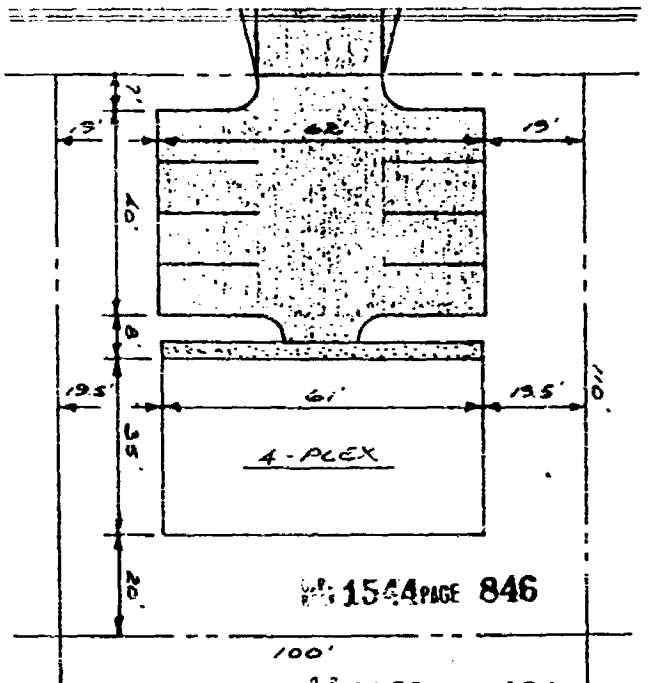
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LOTS 8-13

TYPICAL LOT LAYOUT

SW 26TH DRIVE



LOTS 14-17

PL 1544 PAGE 846

P. 1309 PAGE 124



Exhibit C

LEGAL DESCRIPTIONS

TRAFFIC LIGHT-OF-WAY

Being a portion of SOUTHWOOD APARTMENTS PHASE 1 as recorded in Plat Book 'K' at Page 45 and a portion of SOUTHWOOD APARTMENTS PHASE 2 as recorded in Plat Book 'E' at Page 65, both of the Public Records of Alachua County, Florida, more particularly described as follows:

Begin at the Northeast corner of Lot 3 of said SOUTHWOOD APARTMENTS PHASE 1; thence South $84^{\circ}26'37''$ West, along the North line of said Lot 3 and the North line of Lot 16 of said SOUTHWOOD APARTMENTS PHASE 2, for 220.00 feet; thence North $5^{\circ}07'05''$ West, along the East right-of-way line of S.W. 26th Drive, for 100.00 feet; thence North $84^{\circ}26'37''$ East, along the South line of Lot 17 of said SOUTHWOOD APARTMENTS PHASE 2 and the South line of Lot 4 of said SOUTHWOOD APARTMENTS PHASE 1, for 220.00 feet; thence South $5^{\circ}07'05''$ East, along the West right-of-way line of S.W. 26th Terrace, for 100.00 feet to the POINT OF BEGINNING, lying and being in Alachua County, Florida, and containing 0.51 acres, more or less.

DRAINAGE LIGHT-OF-WAY

Being a portion of SOUTHWOOD APARTMENTS PHASE 2 as recorded in Plat Book 'K' at Page 65 of the Public Records of Alachua County, Florida, more particularly described as follows:

Begin at the Northwest corner of Lot 2 of said SOUTHWOOD APARTMENTS PHASE 2; thence North $5^{\circ}05'30''$ West, along the East right-of-way line of S.W. 27th Street, for 200.00 feet; thence North $84^{\circ}26'37''$ East, along the South line of Lot 3 of said SOUTHWOOD APARTMENTS PHASE 2, for 127.00 feet, thence South $5^{\circ}05'30''$ East, along the West line of Lots 10 and 11 of said SOUTHWOOD APARTMENTS PHASE 2, for 200.00 feet; thence South $84^{\circ}26'37''$ West, along the North line of said Lot 2, for 127.00 feet to the POINT OF BEGINNING, lying and being in Alachua County, Florida, and containing 0.58 acres, more or less.

Prepared By:
Thomas F. Jackson
P.L.S. 2742

10/21/80

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Exhibit B

LEGAL DESCRIPTION

RECREATION AREA

Being a portion of SOUTHWOOD APARTMENTS PHASE 2 as recored in Plat Book 'K' at Page 65 of the Public Records of Alachua County, Florida, more particularly described as follows:

Begin at the Southwest corner of Lot 1 of said SOUTHWOOD APARTMENTS PHASE 2; thence South $5^{\circ}05'30''$ East, along the East right-of-way line of S.W. 27th Street, for 150.00 feet; thence North $84^{\circ}26'37''$ East, along the South boundary line of said SOUTHWOOD APARTMENTS PHASE 2, for 448.10 feet; thence North $5^{\circ}07'05''$ West, along the East boundary line of said SOUTHWOOD APARTMENTS PHASE 2, for 78.00 feet; thence South $84^{\circ}26'37''$ West, along the South right-of-way line of S.W. 40th Place, for 150.00 feet; thence North $5^{\circ}07'05''$ West, along the West right-of-way line of S.W. 26th Drive, for 72.00 feet; thence South $84^{\circ}26'37''$ West, along the South line of Lots 13 and 14 of said SOUTHWOOD APARTMENTS PHASE 2, for 268.03 feet to the POINT OF BEGINNING, lying and being in Alachua County, Florida, and containing 1.54 acres, more or less.

Prepared By:
Thomas F. Jackson
P.L.S. 2742

10/21/80



FLORIDA DEPARTMENT OF STATE
George Firestone
Secretary of State

D.W. McKinnon, Director
Division of Corporations
904/488-9636

Mrs. Nettie Sims, Chief
Bureau of Corporate Records
904/488-9383

December 30, 1983

James E. Clayton, Esq.
PO Box 1090
Gainesville, FL 32602

Dear Mr. Clayton:

The Articles of Incorporation for SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC. were filed on December 28, 1983, and assigned charter number N00616. Your check for \$38.00 covering the various fees has been received.

Enclosed is a certified copy of the articles.

Should you have any questions regarding this matter, please telephone (904) 488-9005, the Non-Profit Filing Section.

Sincerely,

D. W. McKinnon, Director
Division of Corporations

DWM:krg

CLAYTON, DUNCAN, JOHNSTON
CLAYTON & QUINCY
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Division of Corporations • P.O. Box 6327 • Tallahassee, Florida 32301

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State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on December 28, 1983, as shown by the records of this office.

The charter number of this corporation is N00616.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
30th day of December, 1983.



CER-101

George Firestone
Secretary of State

NO0616

ARTICLES OF INCORPORATION

OF

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC.

We, the undersigned associate ourselves for the purpose of forming a corporation, not for profit, under Chapter 617 of the Florida Statutes:

ARTICLE I

The name of the corporation shall be:

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC.

(hereinafter referred to as "Condominium").

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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ARTICLE II

The purpose of this corporation is the operation and management of a condominium known as SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM (hereinafter referred to as the "Condominium"), as the same may now or hereafter be constituted, and to undertake the performance of, and to carry out the acts and duties incident to the administration of the operation and authorizations contained herein and in the Declaration of Condominium of SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM which is recorded among the Public Records of Alachua County, Florida; and to own, operate, lease, sell, trade, and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said condominium.

ARTICLE III

The Association shall have the following powers:

1. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles, the said Declaration of Condominium, the By-Laws and the Florida Condominium Act.

2. The Association shall have all of the powers of a Condominium Association under and pursuant to Chapter 718,

Florida Statutes, the Condominium Act, and shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to the following:

a. To make, establish and enforce reasonable rules and regulations governing the use of condominium units, common elements, limited common elements and condominium property as said terms may be defined in the Declaration of Condominium.

b. To make and collect assessments against members as unit owners, to defray the costs, expenses and losses of the condominium, and to use and expand the proceeds of assessments in the exercise of the powers and duties of the Association.

c. To maintain, repair, replace and operate the condominium property; specifically including all portions of the condominium property to which the Association has the right and power to maintain, repair, replace and operate in accordance with the Declaration of Condominium, the By-Laws and Chapter 718 of the Florida Statutes, the Condominium Act.

d. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members, as unit owners, and disburse insurance proceeds pursuant to the provisions of the Declaration of Condominium and By-Laws.

e. To reconstruct improvements on the condominium property after casualty or other loss, and the further improvement of the property.

f. To enforce, by legal means, the provisions of the Declaration of Condominium, the By-Laws, the rules and regulations, and all documents referred to in the Declaration and these Articles of Incorporation.

g. To contract for the maintenance and management of the condominium property and to delegate to such contractors all powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors, or the members of the Association.

h. To enter into agreements, to acquire leaseholds, memberships or other possessory or use interests, in land or facilities, intended to provide for the enjoyment, recreation or other use or benefit of the members of the Association.

i. To acquire by purchase or otherwise, condominium parcels of the condominium, subject nevertheless to the provisions of the Declaration of Condominium and/or By-Laws relative thereto.

j. To approve or disapprove the transfer, mortgage and ownership of units as may be provided by the Declaration of Condominium and the By-Laws.

k. To employ personnel to perform the services required for proper operation of the condominium.

The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium and the By-Laws.

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ARTICLE IV

Membership in the Association shall be established by the acquisition of ownership of fee simple title in a unit in the condominium, whether by conveyance, devise, judicial decree, or otherwise, subject to the provisions of the Declaration of Condominium, and by the recordation among the Public Records of Alachua County, Florida, of the Deed or other instrument establishing such acquisition and designating the condominium unit affected thereby. The owner designated in such Deed or other instrument shall thereupon become a member of this Association, and the membership of the prior owner in this Association as to the parcel designated shall be terminated. If a unit is owned by one person, his right to vote on matters concerning the members of the Association shall be established by the record title to his unit. If a unit is owned by more than one person, the vote for the unit owned by them shall be as agreed unanimously by all such owners, except that all the owners of any such unit may designate one person to cast the vote for

the unit by a certificate signed by all the record owners of the unit and filed with the secretary of the Association, which certificate shall be valid until revoked by one or more of the owners, or superseded by a subsequent certificate signed by all of the record owners, or until a change in the ownership of the unit. If the unit is owned by a corporation, trust, real estate investment trust, or other entity, the natural person entitled to cast the vote for the unit shall be the person designated by a certificate of appointment signed by the president or a vice-president and attested by the secretary or assistance secretary of the corporation, trust, real estate investment trust, or other entity, and filed with the secretary of the Association, which certificate shall be valid until revoked or superseded by a subsequent certificate or until a change in the ownership of the unit. 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.

ARTICLE V

The Association shall have perpetual existence unless the Condominium is terminated pursuant to the provisions of its Declaration in which event the Association shall be dissolved in accordance with law.

ARTICLE VI

The principal office of the Association shall be located at: 7225 N. W. 131st Street, Gainesville, Florida, but the Association may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

ARTICLE VII

1. The affairs of this Association shall be managed by a Board consisting of the number of Directors determined by the By-Laws, but not less than three (3) directors, and in the

absence of such determination, shall consist of three (3) directors. The members of the first Board of Directors need not be members of the Association.

2. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. The directors named in these Articles shall serve until the first election of directors as provided in Section 718.301, Florida Statutes. Thereupon, election of directors of the Association by the members shall be as provided in Section 718.301, Florida Statutes.

3. 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:

<u>NAME</u>	<u>ADDRESS</u>
BARBARA D. POULOS	7225 N. W. 131st Street Gainesville, Florida 32601
JAMES E. CLAYTON	226 South Main Street Gainesville, Florida 32601
GEORGE A. POULOS	7225 N. W. 131st Street Gainesville, Florida 32601

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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ARTICLE VIII

1. The affairs of the Association shall be managed by the President of the Association, assisted by the Vice-President, Secretary and Treasurer, and if any, the Assistant Secretary and Assistant Treasurer, subject to the directions of the Board of Directors. The Board of Directors, or President, with the approval of the Board of Directors, may employ a managing agent and/or such other managerial and supervisory personnel to administer or assist in the administration of the operation or management of this condominium and the affairs of the Association, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Association or a director or officer of the Association, as the case may be.

2. The Board of Directors shall elect the President, Secretary and Treasurer and as many vice-presidents, assistant secretaries and assistant treasurers as the Board of Directors shall, from time to time, determine. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a director. A person may hold two offices, the duties of which are not incompatible; provided, however, the office of the President and Vice-President shall not be held by the same person, nor shall the office of the President and Secretary or Assistant Secretary be held by the same person.

ARTICLE IX

The names and addresses of the officers who are to serve until their successors are designed by the Board of Directors are as follows:

President:	Barbara D. Poulos 7225 N. W. 131st Street Gainesville, Florida 32601
Vice-President:	James E. Clayton 226 South Main Street Gainesville, Florida 32601
Secretary/Treasurer:	George A. Poulos 7225 N. W. 131st Street Gainesville, Florida 32601

ARTICLE X

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred 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, or any settlement thereof, whether or not he is a director or officer at the time such are incurred, except, in such cases wherein the director or officer is adjudged guilty of willful malfeasance or misfeasance 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 interest 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 XI

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

ARTICLE XII

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

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

2. Proposed Amendments shall first be presented to the Board of Directors, and shall have been approved in writing by a majority of such Board of Directors, who shall then certify such Amendment for vote of the members of this corporation.

3. Such Amendment must then be approved by the affirmative vote of sixty-six and two-thirds (66 2/3) percent of the members.

4. A certificate of amendment executed by the duly authorized officers of the corporation shall then be recorded among the Public Records of Alachua County, Florida.

5. No amendment may be made to the Articles of Incorporation which shall in any manner amend, effect, or modify the provisions and obligations set forth in the Declaration of Condominium.

ARTICLE XIII

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

FILED
1953 DEC 23 AM 11:17
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

NAME

ADDRESS

Barbara D. Poulos

7225 N. W. 131st Street
Gainesville, Florida 23601

James E. Clayton

226 South Main Street
Gainesville, Florida 32601

George A. Poulos

7225 N. W. 131st Street
Gainesville, Florida 32601

ARTICLE XIV

The Resident Agent for the service of process of this corporation shall be Barbara D. Poulos, 7225 N. W. 131st Street, Gainesville, Florida 32601.

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 15th day of August, 1983.

Barbara D. Poulos
BARBARA D. POULOS

James E. Clayton
JAMES E. CLAYTON

George A. Poulos
GEORGE A. POULOS

FILED
DEC 28 AM 11:17
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE OF FLORIDA
COUNTY OF ALACHUA

The foregoing Articles of Incorporation were acknowledged before me this 15th day of August, 1983, by Barbara D. Poulos, James E. Clayton, and George A. Poulos.

Walter A. Matthews
Notary Public

My commission expires:

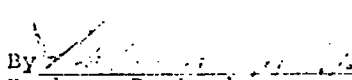
My Commission Expires: _____

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN FLORIDA, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED:

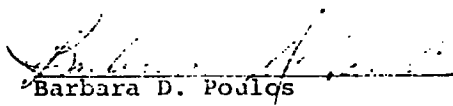
FIRST -- That SOUTHWOOD 2 TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., desiring to organize or qualify under the laws of the State of Florida, with its principal place of business at the City of Gainesville, State of Florida, has named BARBARA D. POULOS, located at 7225 N. W. 131st Street, Gainesville, Florida, 32601, City of Gainesville, State of Florida, as its Agent to accept service of process within Florida.

SOUTHWOOD 2 TOWNHOUSE CONDOMINIUM ASSOCIATION, INC.

By 
Barbara D. Poulos

Date August 15, 1983

Having been named to accept service of process for the above stated corporation, at the place designated in this certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.


Barbara D. Poulos

BY-LAWS

OF

SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC.

A Florida Non-Profit Corporation

A Membership Corporation

1. Identity. These are the By-Laws of SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., hereinafter called the "Association", a corporation not for profit under the laws of the State of Florida, organized pursuant to the provisions of Chapter 617 and 718, Florida Statutes, hereinafter referred to as the "Condominium Act", for the purpose of operating that certain property submitted to the condominium form of ownership known and identified by the name of SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Condominium".

1.1 The Office of the Association shall be at Southwood 2, Townhouse Condominium, Gainesville, Florida.

1.2 The fiscal year of the Association shall be from September 1, to August 30.

1.3 The seal of the Association shall bear the name of the corporation, the word "Florida ", and the words "corporation not for profit", and the year of incorporation.

2. Members' Meetings.

2.1 The annual members' meeting shall be held at the office of the Association during September of each year at a time designated by the Board, for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

2.2 Special Members' meetings shall be held whenever called by the President or Vice-President or by a majority of the Board, and must be called by such officers upon receipt of a written request from members entitled to cast two-thirds of the votes of the entire membership.

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2.3 Notice of all members' meetings stating the time and place and the object for which the meeting is called shall be given by the President or Vice-President or Secretary. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) nor more than forty-five (45) days prior to the date of the meeting. Additionally, a notice shall be posted on the condominium property in a conspicuous place at least fourteen (14) days in advance of the meeting date. Notice of meeting may be waived before, at, or after meetings.

2.4 A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes 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, the Articles of Incorporation or these By-Laws.

2.5 Voting.

(a) In any meeting of members, the owners of each unit shall be entitled to cast one vote. The total number of votes eligible to be cast in any meeting of members of the Association shall be four.

(b) If a unit is owned by one person, his right to vote shall be established by the record title to his unit. If any unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, trust, real estate investment trust, or other entity, the natural person entitled to cast the vote for the unit shall be designated by a certificate signed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the corporation, trust, real estate investment

trust or other entity, and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate signed by all of the record owners or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner of that unit. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

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

2.7 Adjourned meetings. If any meeting of the 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.

2.8 The order of business at annual members' meetings, and as far as practical at 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) Appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournments.

2.9 Minutes. Minutes of all Association meetings shall be kept in a book available for inspection by any unit owner, or an authorized representative of any unit owner, and any board member, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

2.10 Proviso. Provided, however, that until the Developer has closed the sales of all of the units, or until the Developer has transferred control of the Association, pursuant to Section 718.301, Fla. Stat., whichever shall first occur, the proceedings of all meetings of members of the Association shall have no effect unless approved in writing by the Developer if Developer is still holding units for sale in the ordinary course of business if the action taken at the meeting would assess the Developer as a unit owner for capital improvements or if the action by the Association would be detrimental to the sales of units by Developer.

3. Directors.

3.1 Membership. The affairs of the Association shall be managed by a Board of Directors who shall be members of the Association, excepting that the first Board of Directors shall consist of three (3) directors who need not be members of the Association, except as hereinafter provided in subparagraph 3.2(g). The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided, however, that the Board shall always consist of an odd number of members, and provided, further, that following the term of office of the first Board of Directors, the Board shall never consist of less than three (3) members. Any increase or decrease in the number of members on the Board shall be effective as of the date of the next regular election.

3.2 Election of Directors shall be conducted in the following manner:

(a) Election of Directors shall be held at the annual members' meeting.

(b) The Board of Directors, at its discretion, may designate a nominating committee of not less than three (3) nor more than five (5) members. In the event the Board shall elect to designate such a committee, the committee shall be designated not less than thirty (30) days prior to the annual election meeting, and shall be charged with the duty of nominating one person for each director to be elected, provided, however, additional nominations shall be received from the floor prior to elections at the annual election meeting..

(c) The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(d) Except as to vacancies created by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(e) Subject to the provision of Section 718.301, Florida Statutes, any director may be removed by concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose. A special meeting to recall a director may be called by ten percent (10%) of the membership by giving written notice of the meeting as required for a meeting called by the membership and the notice shall state the purpose of the special meeting. The vacancy in the Board of Directors so created shall be filled by a majority vote of the membership at the same meeting.

(f) Except as provided in subparagraph (g), until the Developer has closed the sales of all of the units, or until the Developer elects to terminate control of the

Association, whichever occurs first, the first directors of the Association shall serve, and in the event of vacancies, the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer.

(g) Notwithstanding any of the foregoing, the members of the Association shall be entitled to elect Directors as provided in Section 718.301, Florida Statutes.

3.3 The terms of each director's service, subject to the provisions of 3.2(f) above, shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4 The organization meeting of a newly elected Board 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.

3.5 Regular meetings of the Board 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 except in emergencies. Notice of all directors' meetings whether regular or special shall be conspicuously posted on the property at least forty-eight (48) hours in advance, except in case of emergencies. All Directors' meetings shall be open to members.

3.6 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 of the directors. Notice of the meeting shall be given as provided for regular meetings and shall state the purpose of the meeting.

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

3.8 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 acts of the Board, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation, or these By-Laws.

3.9 Adjourned meetings. If at any meeting of the Board 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.

3.10 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 of that meeting shall not constitute the presence of such director for the purpose of determining a quorum.

3.11 Minutes. Minutes of all Board meetings shall be kept in a book available for inspection by any unit owner, the authorized representative of any unit owner, and by any board member, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

3.12 The presiding officer of Directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

3.13 The order of business at Directors' meetings shall be:

- (a) Calling of roll.
- (b) Proof of due notice of meeting.

- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

3.14 Directors' fees, if any, shall be determined by members of the Association, and approval of such fees shall require the affirmative vote of not less than two-thirds of the entire membership of the Association, provided, directors designated by the Developer, and the first Board of Directors, shall not be entitled to any fees or compensation for their services as directors.

4. Powers and duties of the Board. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board, its agent, contractors or employees, subject only to approval by unit owners where such approval is specifically required. Without limiting the powers and duties of the Board, it shall have the following express powers, in addition to all others herein granted, and provided for by the Declaration of Condominium and the Condominium Act, to-wit:

- (a) To enter into management contracts providing for the management of the condominium property.
- (b) To promulgate and amend, as required, reasonable rules and regulations to insure the comfort, safety and enjoyment of all members of the Association.
- (c) To adopt annual budgets as provided in paragraph 6.3 hereof.

5. Officers.

5.1 The executive officers of the Association shall be a President, who shall be a Director, a Vice-President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors, and such Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time determine upon. Any officer may be removed preemptorily by a vote of two-thirds of the directors present at any duly constituted meeting.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties 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, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

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

5.4 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 notice to the members and directors and other notices required by law. He shall have the custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association duly signed. He shall keep the records of the Association except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the directors or the President, including the furnishing of certificates regarding any outstanding assessments pursuant to the Florida Condominium Act.

The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall otherwise assist the Secretary. The records shall be available at all reasonable times for examination by the members and directors.

5.5 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 he shall perform all other duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent, and shall otherwise assist the Treasurer.

5.6 No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is a designee of the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board from employing any director or officer as an employee of the Association for such compensation as the Board shall determine upon, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be a stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, director or corporation, or from contracting with a director, or officer of the Association or a corporation in which a director or officer of the corporation may be a stockholder, officer, director or employee for the purpose of making available to the owners of the condominium units such services as are contemplated by the provisions of Article 4(a) of these By-Laws. It is expressly contemplated that the first Board may enter into such

contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the first Board of the Association.

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

6.1 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with standard accounting procedures, and the Florida Condominium Act. Written summaries shall be supplied at least annually to members. Such records shall include, but not be limited to:

- (a) A record of all receipts and expenditures;
- (b) An account for each unit which shall designate the name and address of the Unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.
- (c) A register for the names of any mortgage holders or lien holders on Units who have requested in writing that they be registered and to whom the Association will give notice of default in case on nonpayment of assessments. No responsibility by the Association is assumed with respect to said register except that it will give notice of default to any institutional mortgagee or lienor therein, if so requested.

6.2 Inspection of Books. Financial reports and the membership records of the Association shall be available at the principal office of the Association for inspection at reasonable times by any member.

6.3 Budget. The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for reserves. A copy thereof together with a notice of meeting shall be sent to each member at least thirty (30) days prior to the board meeting at which the Budget will be considered. If an adopted budget requires assessments against the Unit owners in any fiscal year exceeding one hundred fifteen (115%) percent of the assessments for the preceding year, the Board, upon written application of ten (10%) percent of the Unit owners to the Board, shall call a special meeting of the Unit owners within thirty (30) days, upon not less than ten (10) days written notice to each Unit owner. At the special meeting, Unit owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority vote of all Unit owners. The Board may propose a budget to the Unit owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the Unit owners at the meeting or by a majority of all Unit owners in writing, the budget shall be adopted. In determining whether assessments exceed one hundred fifteen (115%) percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property shall be excluded from the computation. However, as long as the Owner-Developer is in control of the Board of Directors, the board shall not impose an assessment for any year greater than one hundred fifteen (115%)

percent of the prior fiscal year's assessment without approval of a majority of all Unit owners.

6.4 Assessments. Assessments against the Unit owners for their share of the items of the budget shall be made for the fiscal year annually in advance on or before thirty (30) days preceding the commencement of the fiscal year for which the assessments are made. Such assessments shall be due in twelve (12) equal installments, payable on the first day of each month. 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 installments on such assessment shall be due upon each installment payment date 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. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable as many equal installments as there are full months of the fiscal year left as of the date of such amended assessment, each such monthly installment to be paid on the first day of the month commencing the first day of the next ensuing month; provided, nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in case of any immediate need or emergency.

6.5 Special Assessments. Special assessments, if required, shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments can be of two kinds: (i) those chargeable to all members in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the common elements (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the members at a duly convened meeting; and (ii)

those assessed against one member alone to cover repairs or maintenance for which such member is responsible and which he has failed to make, which failure impairs the value of or endangers the common elements or the Condominium, or which are for expenses incident to the abatement of a nuisance within his unit.

6.6 Acceleration of assessment installments upon default. If a Unit owner shall be in default in the payment of an installment upon an assessment, the Board may accelerate the remaining installments of the assessment upon notice to the Unit owner, and the then unpaid balance of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail whichever shall first occur.

6.7 The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized by the directors, provided that a Management Agreement may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

6.8 Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board.

6.9 Fidelity bonds may be required from any persons handling or responsible for Association funds as the Board shall direct. The premiums of said bonds shall be common expenses and shall be paid by the Association.

6.10 Checks. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other persons as the Board may from time to time designate.

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

8. Amendments. A resolution for the adoption of a proposed amendment of these By-Laws may be proposed by either the Board of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty five (25%) percent of the membership. Amendments may be proposed by the Board by action of a majority of the Board at any regularly constituted meeting thereto. Upon an amendment being proposed as herein provided for, the President or, in the event of his refusal or failure to act, the Board shall call a meeting of the membership to be held within sixty (60) days for the purpose of considering said amendment. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(a) Not less than 75 % of the votes of the entire membership of the Association; or

(b) in the alternative, an amendment may be made by an agreement signed and acknowledged by all Unit owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Alachua County, Florida.

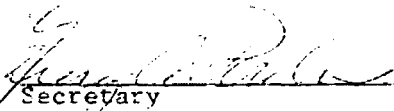
8.1 Proviso. Provided, however, that no amendment shall discriminate against any Unit owner nor against any unit or class or group of units unless the Unit owners so affected shall

consent. No amendment shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation. No amendment shall be adopted without the consent and approval of the Developer so long as he shall own two or more units in the Condominium, if the Developer is holding said units for sale in the ordinary course of business, and if the effect of the amendment would be to assess the Developer for capital improvements, or if the amendment would impair the ability of the Developer to sell said units.

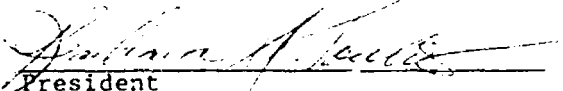
8.2 Execution and recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and By-Laws, which certificate shall be executed by the officer of the Association with the form required for the execution of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Alachua County, Florida.

8.3 Anything herein to the contrary notwithstanding, until the first regular election of Directors by the membership, and so long as the Declarant shall have the right to fill vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of Directors, and no meeting of the unit owners nor any approval thereof need be had.

The foregoing were adopted as the By-Laws of SOUTHWOOD 2, TOWNHOUSE CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at that special meeting of all association members called for the purpose of, among other things, adopting the foregoing on the 15th day of August, A.D. 1983.


Secretary

Approved:


President

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