Record and Return to: Kelley D. Jones, P.A.
5800 N.W. 39th Ave., Ste 102
Gainesville, Florida 32606

Rec: 358.50
Doc:
Int:
Tot: 358.50

RECORDED IN OFFICIAL RECORDS
INSTRUMENT # 2131795 42 PGS
2005 MAY 06 10:29 AM BK 3119 PG 353
J. K. "BUDDY" IRBY
CLERK OF CIRCUIT COURT
ALACHUA COUNTY, FLORIDA
CLERK18 Receipt#234627

DECLARATION OF CONDOMINIUM

OF

KENSINGTON SOUTH CONDOMINIUM

APARTMENTS at KENSINGTON SOUTH, LLP, a Florida Limited Liability Partnership, being the owner of record of the fee simple title to the real property situate, lying and being in Alachua County, Florida, as more particularly described in Exhibit A, which is incorporated herein by reference, does hereby state and declare that the realty described on said Exhibit A, together with improvements thereon, is submitted to condominium ownership pursuant to the Condominium Act of the State of Florida (F.S. 718 et seq.) and does hereby file this Declaration of Condominium.

1. PURPOSE; NAME AND ADDRESS; LEGAL DESCRIPTION; EFFECT:

1.1 PURPOSE: The purpose of this Declaration is to submit the lands and improvements herein described to condominium ownership and use in the manner prescribed by the Laws of the State of Florida.

1.2 NAME AND ADDRESS: The name of this Condominium is as specified in the title of this document. The address shall be the name of the Condominium, together with 618 NW 60th Street, Suite A, Gainesville, Florida 32607.

1.3 THE LAND: The real property described on Exhibit A is the Condominium Property hereby submitted to condominium ownership. Such property is subject to such easements, restrictions, reservations and right of way of record, together with those contained or provided for in this instrument and the exhibits attached hereto.

1.4 THE EFFECT: All of the provisions of this Declaration of Condominium and all Exhibits attached hereto shall be binding upon all Unit Owners, and are enforceable equitable servitudes running with the Condominium Property and existing in perpetuity until this Declaration is revoked, and the Condominium is terminated as provided here. In consideration of receiving, and by acceptance of a grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through, or under such persons agree to be bound by the provisions hereof. Both the burdens imposed and the benefits granted by this instrument shall run with each Unit as herein defined.

2. SURVEY AND DESCRIPTION OF IMPROVEMENTS:

2.1 SURVEY: As described in Exhibit A is a survey of the land, graphic description, and plot plans of the improvements constituting the Condominium, identifying locations and Common Elements and Limited Common Elements, and their respective locations and approximate dimensions. Each Unit is identified on Exhibit A by a specific number. No Unit bears the same number as any other Unit. The parking and storage areas are delineated thereon. The fractional share of ownership of undivided interest in the Common Elements appurtenant to each Unit is designated on Exhibit B.

3. DEFINITION OF TERMS:

3.1 "Condominium" means that form of ownership of real property which is created pursuant to the provisions of F.S. 718, and which is comprised of units that may be owned by one or more persons, and there is, appurtenant to each Unit an undivided share in Common Elements. The term shall also mean the Condominium established by this Declaration.

3.2 "Declaration" or "Declaration of Condominium" means this instrument.

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3.3 "Unit" or "Condominium Unit" means a part of the Condominium Property, which is subject to private ownership as specified in this Declaration.

3.4 "Common Elements" means the portions of the Condominium Property not included in the Units.

3.5 "Limited Common Elements" means those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units as specified in this Declaration.

3.6 "Association" means the non-profit Florida corporation whose name and seal appears at the end of this Declaration which is the entity responsible for the operation of the Condominium.

3.7 "Board" or "Board of Administration" means the Board of Directors of the Association responsible for the administration of the Association.

3.8 "By-Laws" means the By-Laws of the aforedescribed Association (Exhibit D).

3.9 "Condominium Act" means the Condominium Act of the State of Florida (F.S. 718, et seq.) as it exists at the time of filing this Declaration.

3.10 "Common Expenses" means all expenses and assessments properly incurred by the Association for the Condominium as specified in F.S. 718.115, and all other expenses declared Common Expenses by provisions of this Declaration and its exhibits.

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

3.12 "Condominium Property" means and includes the lands hereby subjected to condominium ownership, whether or not contiguous, and all improvements thereon, and all easements and rights appurtenant thereto.

3.13 "Assessment" means a share of the funds required for the payment of Common Expenses which is assessed against the Unit Owners from time to time.

3.14 "Unit Owner" means record owner of legal title to condominium parcel.

3.15 "Institutional Mortgagee" means the State or Federal Bank, Savings and Loan Association, Insurance Company, Real Estate Investment Trust, Union Pension Fund, Mortgage banking firm or other lender authorized to make mortgage loans under Florida law, or an Agency of the United States Government, or like entity, being a mortgagee of a Unit, or the insurer or governmental guarantor of a mortgage loan made by such party.

3.16 "Occupant" means the person or persons other than the Unit Owner in actual possession of a Unit.

3.17 "Condominium Documents" means this Declaration, the Survey Exhibit, Articles of Incorporation of the Association, and By-Laws of the Association.

3.18 "Developer" means APARTMENTS at KENSINGTON SOUTH, LLP, a Florida Limited Liability Partnership, its successors and assigns which has created this Condominium in its capacity as developer.

3.19 "Eligible Mortgage Holder" means the holder of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with paragraph 24 hereof.

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3.20 "Articles of Incorporation" means the Articles of Incorporation of the Association (Exhibit C).

3.21 "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

The definitions herein contained shall prevail as the context requires whether or not the same are capitalized in their usage herein.

4. THE UNIT AND COMMON ELEMENTS:

4.1 INTEREST IN COMMON ELEMENTS: Each Unit Owner shall own, as an appurtenance to his Unit, a one-seventy-seventh (1/77) interest in the Common Elements as shown on Exhibit B. The undivided interest of each Unit shall not be changed without the unanimous consent of all owners of all of the Units. No owner of any Unit shall bring an action for partition or division of his undivided interest in the Common Elements.

4.2 BOUNDARIES: A unit consists of an individual unit lying within the following boundaries:

4.2.1 HORIZONTAL BOUNDARY:

UPPER AND LOWER BOUNDARIES: The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) **UPPER BOUNDARY** – The horizontal plane of the undecorated finished ceiling.

(2) **LOWER BOUNDARY** - The horizontal plane of the undecorated finished floor.

4.2.2 PERIMETRICAL BOUNDARIES:

The perimetrical boundaries of the Unit shall be the vertical planes of the undecorated finished interior walls extended to intersections with each other and with the Upper and Lower Boundaries.

(1) Where there is an aperture in any perimetrical boundary, including, but not limited to, windows and doors, the vertical boundary shall be extended at all such places, at right angles, to the dimension of such aperture, so that the perimetrical boundary at such places shall be coincident with the exterior unfinished surface of such aperture, including the framework thereto. Exterior walls made of glass or glass fired to metal framing, exterior windows and frames, exterior glass sliding doors, frames and casings shall be included within the Unit and shall not be deemed a Common Element.

(2) Where a balcony, loggia, terrace, porch, stairway, or other portion of the building or any fixture attached to the building serves only the Unit, the perimetrical boundary shall vary with exterior unfinished surface of any such structure extended in a vertical plane, where necessary to the horizontal boundary, making said portion part of the condominium unit.

(3) The interior partitions within a Unit are part of said Unit.

4.3 WEIGHT BEARING STRUCTURES: The area beneath the unfinished surface of any weight bearing structure which is otherwise within the horizontal and perimetrical boundaries of a Unit is a Common Element not a part of the Unit.

4.4 MAINTENANCE EASEMENT: There shall exist as a Common Element, an easement through each Unit for ducts, pipes, conduits, plumbing, wiring, or other facilities for the furnishing of utility services to Units and the Common Elements. Any pipes, ducts, wire, conduits, electrical panels, plumbing, drains, or any utility services serving only one Unit are part such Unit and are not Common Elements.

4.5 AIR CONDITIONING: Notwithstanding any of the provisions of this Paragraph 4 to the contrary, the air conditioning compressor serving a Unit and the refrigerant and electrical lines running from such compressors to, and air handler within, the individual Units are part of such Unit and are not Common Elements.

4.6 AUTOMOBILE PARKING AREAS: Use of the parking spaces shall be as provided in the By-Laws. Parking spaces shall be Common Elements.

5. <u>INCREASES AND DECREASES IN SIZE AND NUMBER OF UNITS</u>: Subject to the provision of this paragraph, any Unit Owner and Owners may divide or combine units owned by such Unit Owner or Owners as long as the common interest appurtenant to such units after the division or combination shall equal in total the common interest applicable to the unit or units divided or combined prior to the division or combination. Any such division or combination shall require the approval of not less than a majority of the total voting interest and shall be in compliance with all governmental laws, codes, ordinances and regulations. The cost of any division or combination shall be the responsibility of the Owner or Owners of the units being divided or combined. Any such division or combination shall become effective upon the recording in the Public Records of Alachua County, Florida, of an amendment to this Declaration executed by the unit owners and the record owners of liens on the unit or units so divided or combined, together with the filing of the floor plans of the unit or units as divided or combined.

6. <u>EASEMENTS</u>:

6.1 PERPETUAL NON-EXCLUSIVE EASEMENT: The Common Elements are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the Unit Owners in the Condominium for their use and the use of their immediate families, guests, and invitees, for all proper and normal purposes, including the providing of services for the benefit of all Units.

6.2 EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS: In the event that any Unit, Common Element or Limited Common Element shall encroach upon any other Unit, Common Element of Limited Common Element for any reason other than the purposeful or grossly negligent act of any person, than an easement appurtenant to such shall exist for so long as such encroachment shall naturally exist.

6.3 UTILITY EASEMENTS: Utility easements are reserved and/or may be granted, through the Condominium Property as may be required for utility service (including construction and maintenance) in order to adequately serve the Condominium.

6.4 INGRESS AND EGRESS: A non-exclusive easement for ingress and egress is hereby created for pedestrian traffic over, through and across sidewalks, paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as, from time to time, may be paved and intended for such purposes.

6.5 USE: The use of any easement by a Unit Owner shall be subject to the provisions of this Declaration and of the document creating the easement.

6.6 ACCESS: Developer covenants to provide, either by way of easements or publicly dedicated right of way, reasonable access for ingress and egress from this Condominium to the public way. All easements so provided, shall be for the benefit of all persons residing on the Condominium Property.

6.7 WATER, GARBAGE, AND SEWER SERVICE: In order to provide the Unit Owners with adequate water, sewage and garbage disposal service the Association or its agent may contract for these serves with the appropriate entities or they may be provided directly to each unit.

6.8 EASEMENT FOR ACCESS AND DRAINAGE: The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Unit or Common Elements which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the ST. JOHNS RIVER WATER MANAGEMENT DISTRICT permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of ST. JOHNS RIVER WATER MANAGEMENT DISTRICT.

6.9 FUTURE USAGE: Developer reserves the right to grant an easement to the owner of an adjacent parcel of land for ingress and egress over the common area or elements of the Condominium provided that such easement shall be for the benefit of no more than 60 residential units. Developer also reserves the right to enter into an agreement with the owner of an adjacent parcel of land to share the usage of the swimming pool, pool house, water retention areas, signage and utilities, provided that the new users pay their proportionate share of the maintenance costs of such items. The easement will terminate when the Developer no longer holds units for sale.

7. COMMON EXPENSE; COMMON SURPLUS:

7.1 LIABILITY AND METHOD OF SHARING: Each Unit shall share in the Common Surplus and be liable for the Common Expenses in the same percentage as the percentage representing the undivided interest of each unit in the common Elements as it may exist at any time. The right to share in the Common Surplus does not include the right to withdraw, or to require payment or distribution thereof, except upon termination and dissolution of the Condominium.

8. ADMINISTRATION OF THE CONDOMINIUM:

8.1 THE ASSOCIATION: The Association shall administer the operation and management of the Condominium Property and undertake and perform all acts and duties incident thereto in accordance with this Declaration, its exhibits and the Condominium Act. It is currently the intent of the Developer and Board to hire a real estate management company to perform these duties.

8.2 MEMBERSHIP: Each Unit Owner shall automatically become a member of the Association upon his acquisition of title to any Unit and said membership shall terminate automatically upon said Unit Owner being divested of title to such Unit, regardless of the means by which such ownership may be divested. No person holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue thereof, to membership in the Association or to any of the rights or privileges of such membership.

8.3 POWERS OF THE ASSOCIATION: In the administration of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of this Declaration, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such Rules and Regulations governing the use of the Units, Elements and Limited Common Elements, as the Board of

the Association may deem to be in the best interest of the Condominium. The Association shall have all of the powers and duties set forth in the Condominium Act, except where limited herein and where the exercise of such powers and duties will impair the rights of other parties.

8.4 REPORTS TO MEMBERS: The Association or its designees shall maintain such records as required by F.S. 718.111, and shall make them available for inspection during normal business hours by Unit Owners and lenders, and by holders, insurers or guarantors of any first mortgage.

8.5 REPORTS TO LENDERS: So long as an Institutional Mortgagee of any Unit is the owner or holder of a mortgage encumbering a Unit in the Condominium, the Association shall furnish said Institutional Mortgagee with (1) copy of the Annual Financial Statement and Report of the Association pertinent to the Unit upon which the mortgage is held, provided said Institutional Mortgagee requests same.

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

A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

8.7 VOTING: Each Unit, including Developer-owned Units, shall have one (1) vote. The vote for each Unit, including those owned by multiple owners or entities, shall be governed by the provisions of the By-Laws. If units are divided or combined pursuant to paragraph 5 above, the number of votes applicable to such unit or units after the division or combination shall equal in total the number of votes applicable to the units divided or combined prior to division or combination.

8.8 MANAGEMENT AGREEMENT: The Association may enter into an agreement with any person, firm or corporation for the administration, maintenance and repair of the Condominium Property, and may delegate to such contractor or manager such of the powers and duties of the Association as the Association and such person, firm, or corporation shall agree.

8.9 DEVELOPER CONTROL: The Developer shall relinquish all special rights, expressed or implied, through which the Developer may directly or indirectly control, direct, modify, or veto any action of the Owner's Association, its executive board, or a majority of unit owners, and control of the Owner's Association shall pass to the owners of units within the project, as provided in Florida Statutes.

8.10 DUTIES OF ASSOCIATION: The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management systems shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance of other surface water or stormwater management capabilities as permitted by St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the St. Johns River Water Management District. Assessments may be used for the maintenance and repair of the surface water or stormwater management systems, including but not limited to work within retention areas, drainage structures and drainage easements.

9. USE AND OCUPANCY:

9.1 USE: Each Unit shall be used for residential and related uses and purposes, and for any use authorized by the zoning rules and regulations of the applicable governmental authority.

9.2 GENERAL USE RESTRICTION: No person shall use the Condominium Property, or any parts thereof, in any manner contrary to the Condominium Documents or Condominium Act.

9.3 ALTERATIONS AND ADDITIONS: No unit Owner shall make or permit to be made any internal material alteration, additions, or modification to his Unit, without the prior written consent of the Association. No Unit Owner shall cause to be made any modification or installation of electrical wiring, television antenna systems or connections, whether inside or outside the Unit or in any manner change the appearance of any portion of the Condominium Property. No Unit Owner may cause any material puncture or break in the boundaries of his Unit.

9.4 LAWFUL USE: No immoral, improper, offensive or unlawful use shall be made of any or all the Condominium Property, and all laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium property shall be the same as the responsibility for maintenance and repair of the property concerned.

9.5 VENDING MACHINES: The Association shall have the exclusive and perpetual right to contract for the installation and operation of coin-operated vending machines.

9.6 NUISANCES: No nuisance or any use or practice that is the source of unreasonable annoyance to other Unit Owners or Occupant which interferes with the peaceful possession and proper use of the Condominium Property by the Unit Owners or Occupant is permitted. No Unit Owner or Occupant shall permit or suffer anything to be done or kept upon the Condominium Property or his Unit which will increase the rate of insurance on the Condominium.

9.7 APPLICABILITY TO DEVELOPER: No Unit Owner or the Association, or their use of the Condominium, shall interface with the Developer's completion and sale of Condominium Units. Anything contained herein to the contrary notwithstanding, the Developer may make such use of any unsold Unit and the Common Elements as may facilitate the sale of leasing of any Unit.

9.8 RULES AND REGULATIONS: All Unit Owners and other persons shall use the Condominium Property in accordance with the Rules and Regulations promulgated by the Association and the provisions of this Declaration and the By-Laws of the Association, as applicable.

10. MAINTENANCE, ALTERATION AND REPAIR OF THE CONDOMINIUM PROPERTY:

10.1 MAINTENANCE BY ASSOCIATION: The Association, at its expense, shall be responsible for and shall maintain, repair and replace all of the Common and Limited Common Elements, except as provided in Paragraph 4.4.

10.2 MAINTENANCE BY UNIT OWNER: The Unit Owner shall, subject to the other provisions of this Declaration, maintain, repair, and replace, at his expenses, all portions of his Unit including, but not limited to, all door, windows, glass, screens, electric panels, electric wiring, electric outlets and fixtures, heater, hot water heaters, refrigerators, dishwashers, and other appliances, drains, plumbing fixtures and connections, interior surfaces of all walls, floors and ceilings, and all other portions of his Unit. The Unit Owner shall maintain and repair the air conditioning compressor, refrigerant and electrical lines appurtenant to his Unit.

10.3 LIABILITY OF UNIT OWNER: Should a Unit Owner undertake unauthorized additions and modifications to his Unit, or refuse to make repairs as required, or should a Unit Owner cause any damage to the Common Elements, the Association may make such repairs or replacements and have the right to levy for the costs thereof against the said Unit Owner. In the event a Unit Owner threatens to or

violates the provisions hereof, the Association shall also have the right to proceed in court of equity for an injunction to seek compliance with the provisions hereto.

10.4 INSURANCE PROCEEDS: Whenever any maintenance, repair and replacement of any items for which the Unit Owner is responsible is made necessary by an loss covered by insurance maintained by the Association, the proceeds of the insurance received by the Association, or the Insurance Trustee, shall be used for the purpose of accomplishing such maintenance, repair or replacement. The Unit owner shall be required to pay all of the costs there that exceed the amount of the insurance proceeds.

10.5 RIGHT OF ENTRY BY ASSOCIATION: The Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration, or necessary to prevent damage to the Common Elements or to a Unit or Units.

11. TAX OR SPECIAL ASSESSMENT AGAINST THE CONDOMINIUM PROPERTY: If any taxing authority levies or assesses any Tax or Special Assessment against the Condominium Property as a whole, and not the individual Units, the same shall be paid as a Common Expense by the Association and assessed to the Unit Owner. In such event, the amount due shall constitute a lien prior to all mortgages and encumbrances upon any parcel to the same extent as though such Tax or Special Assessment had been separately levied by the taxing authority upon each Unit. All personal property taxes levied or assessed against personal property owned by the Association shall be paid by the Association and shall be a Common Expense.

12. LEASING: All leases or rental agreements for any unit shall be in writing and be subject the Declaration and By-Laws.

13. INSURANCE PROVISIONS: The insurance which shall be purchased and maintained for the benefit of the Condominium shall be governed by the following provisions:

13.1 PURCHASE OF INSURANCE: All insurance policies pursuant to this Paragraph 13 shall be purchased by the Association for the benefit of the Association, the Unit Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of institutional first mortgages. When appropriate and possible, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Unit Owners and the Association, their respective servants, agents and guests. Each Unit Owner and the Association hereby agree to waive any claim against each other and against other Unit Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid. Said policies and endorsements may be deposited with the Insurance Trustee (as hereinafter defined), who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms and conditions hereof.

13.2 COST AND PAYMENT OF PREMIUMS: The cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual Unit Owners, is declared to be a Common Expense, as are any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

13.3 UNIT OWNERS' RESPONSIBILITY: Each Unit owner may obtain insurance, at his own expense, affording coverage upon his own property and for his own liability and living expenses as he deems advisable. When appropriate and possible, all such insurance shall contain the same waiver of subrogation that is referred to herein and shall waive any right to contribution.

13.4 COVERAGE: The following coverage shall be obtained by the Association:

(a) The building(s) and all other insurable improvements upon the land, including all of the Units, Common Elements, Limited Common Elements, and all personal property owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavations and foundations) as determined annually by the Association in consultation with the insurance company providing the coverage. Said coverage shall afford protection against the loss or damage by fire and other hazards covered by the standard extended coverage endorsement and all other such risks as, from time to time, may be covered with respect to buildings similar in construction, location and use, including but not limited to, vandalism, malicious mischief, windstorm, war damage and war risk insurance, if applicable.

(b) Comprehensive general public liability and property damage insurance in such an amount in such form as shall be required by the Association in limits of not less that $100,000 for bodily injury or death to any person; not less than $300,000 for bodily injury or death resulting from any one accident or occurrence, and not less that $50,000 for property damage. Said coverage shall include, but not be limited to, water damage, legal liability, hired automobile, non-owned automobile, and off-premises employee coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to an individual Unit Owner and one Unit Owner to another.

(c) Adequate insurance of fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the President, Secretary, and Treasurer of the Association. The Association shall bear the cost of bonding.

(d) Workmen's compensation policies shall be obtained to meet the requirements of law.

(e) Such other insurance as the Board of the Association may determine to be necessary from time to time.

13.5 INSURANCE TRUSTEE: All insurance policies purchased in accordance with Paragraph 13.4(a) shall provide that all proceeds payable to the Association as a result of any insured loss, except those specifically herein excluded, shall be paid to the Association, or, if the Association so elects, to a financial institution doing business in Alachua County, and having trust powers. Such institution shall be designated as Trustee, from time to time, by the Association (said Trustee, acting as such, is herein referred to as "Insurance Trustee") and which appointment is subject only to the approval of the Institutional Mortgagee holding the greatest dollar amount of mortgages against Units in the Condominium. The Insurance Trustee shall not be liable for payment of premiums, the renewal of the polices, the sufficiency or content of the policies, or for failure to collect any insurance proceeds. It is the duly of the Association or the Insurance Trustee to receive the proceeds, as paid, and to hold the same in trust for the benefit of the Association, the Unit Owners and their respective mortgagees, as follows:

(a) Proceeds received on account of damage to Common Elements shall be held in the same proportion as the share in the Common Elements which is appurtenant to each of the Units.

(b) Proceeds on account of damage to the Units shall be held in the following manner in undivided shares:

(1) **PARTIAL DESTRUCTION WHEN THE BUILDING IS TO BE RESTORED:** For the benefit of the Unit Owners of the damaged Units, in proportion to the cost of restoring the same suffered by each damage Unit. Upon the request of the Insurance Trustee, the Association shall certify to the Insurance Trustee the appropriate proportion and each Unit Owner shall be bound thereby and the Insurance Trustee may rely upon said certification.

(2) **TOTAL DESTRUCTION WHEN THE BUILDING IS DESTROYED OR WHEN THE BUILDING IS NOT TO BE RESTORED:** For all Unit Owners of a destroyed building; the share of each being the same proportion as the Unit Owner's undivided share in the Common Elements which is appurtenant to his Unit. In the event a mortgagee endorsement has been issued hereunder, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interest may appear. In the event that there is more than one building in the Condominium then the proceeds shall be held for the benefit of the Unit Owners in the destroyed building as if it were the only building in the Condominium.

13.6 DISTRIBUTION OF PROCEEDS: Proceeds of insurance policies received by the Insurance Trustee or the Association shall be distributed to or for the benefit of the Unit Owners (after first paying or making provision for payment of the expenses, including a reasonable fee for services rendered, of the Insurance Trustee) in the following manner:

(a) If the damage for which the proceeds were paid is to be reconstructed, the proceeds shall be paid to defray the costs thereof.

(b) If it is to be determined that the damage for which the proceeds are paid shall not be reconstructed, the proceeds shall be distributed to the Unit Owners, and their mortgagees as their interest may appear.

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

13.7 ASSOCIATION AS AGENT: The Association is irrevocably appointed agent for each Unit Owner, for each owner of the a mortgage upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

13.8 DETERMINATION TO RECONSTRUCT: If any part of the Condominium Property shall be damaged by casualty, the determination as to whether or not it shall be reconstructed shall be made in the following manner:

(a) **COMMON ELEMENT:** If the damage is to only Common Elements the damaged property shall be reconstructed unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(b) **DAMAGE TO UNITS:** If the damage is to Units and if Units to which more 70% of the Common Elements are appurtenant are found by the Board of Directors to be untenantable, then the damaged property will not be reconstructed and the Condominium will be terminated without agreement as elsewhere provided, if, within sixty (60) days after the casualty, Unit Owners owing 75% or more of the Common Elements and eligible holders holding mortgages on Units which have at least 51 percent of the votes of Units subject to eligible holder mortgages agree in writing to such termination. Notwithstanding the foregoing, if the damages could be repaired for $200,000 or less, the property shall be reconstructed.

(c) **CERTIFICATE:** The Insurance Trustee may rely upon a certificate of the Association, executed by its President or Vice-President, and Secretary or Assistant Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

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

13.10 NATURE OF RECONSTRUCTION: Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications of the original building, or as the building was last constructed, subject to modification to conform with the then current governmental restrictions and codes, if necessary.

13.11 ESTIMATES: In all instances hereunder, immediately after a casualty causing damage to the property for which the Association has the responsibility of maintenance and repair, the Association shall obtain a reliable, detailed estimate of the cost to place the damaged property in a condition as good as that before the casualty. Such cost may include professional fees and premiums for such bonds as the Board may desire, or those required by any Institutional Mortgagee involved.

13.12 ASSESSMENTS: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction by the Association, or if, at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction of their respective Units. Such assessment on account of damage to Common Elements shall be in proportion to the Unit Owner's shares in the common Elements.

13.13 DISPOSITION OF PROCEEDS: The proceeds of insurance and any special assessments, if any, collected on account of a casualty and deposited with the Insurance Trustee or the Association shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction in the following manner:

(a) That portion of insurance proceeds representing damage for which the responsibility of reconstruction lies with the Unit Owner, will be disbursed to such contractors, suppliers, and personnel for work done, materials supplied or services rendered for such reconstruction. Payments shall be in such amounts and at such times as the Unit Owners may direct, or if there is a mortgagee endorsement, to such payee as the Unit Owner and the mortgagee direct. Nothing contained herein shall be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction.

(b) If the amount of the estimated cost of reconstruction is less than $25,000.00, and is the responsibility of the Association, the construction fund shall be disbursed directly to the Association in payment of such costs and upon the Association's order, provided, however, that upon the request of a mortgagee which is a beneficiary of the insurance policy, the construction fund shall be disbursed as the Association and such mortgagee may properly direct.

(c) The amount of the estimated cost of reconstruction is more than $25,000.00, and is the responsibility of the Association, then the reconstruction funds shall be paid from the account of the Association, from time to time, as the work progresses. If a Trustee has been appointed, said Trustee shall make payments upon the written request of the Association, accompanied by an appropriate certificate signed by both an officer of the Association and by the architect or engineer in charge of the work, setting forth:

(1) That the sum then requested either has been paid by the Association, or is justly due and certifying that the sum requested does not exceed the value of the services and material described in the certificate.

(2) That except for the amounts stated in said certificate to be due as aforesaid, there is no outstanding indebtedness known which may become the basis of vendor's mechanic's or materialman's liens.

(3) That the cost, as estimated, of work remaining to be done subsequent to the date of said certificate, does not exceed the amount of funds remaining in the hands of the Insurance Trustee after the payment of the sum so requested.

(d) It shall be presumed that the first monies disbursed in payment of such costs of reconstruction shall be from insurance proceeds and shall first be applied to reconstruction of the Common Elements and then to the Units. If there is a balance in a construction fund after the payment of all costs of reconstruction said balance shall be distributed to the Association.

(e) Payment for any reconstruction made under Subparagraphs (b) and (c) of this paragraph shall be made by the Insurance Trustee or the Association only upon presentation of proof of payment of bills for materials in place, labor, services and materials for work covered and included in such payments for which failure to pay might result in a lien on the Common Elements.

13.14 EFFECT OF MORTGAGEE ENDORSEMENTS CONCERNING INSURANCE PROCEEDS: In the event a mortgagee endorsement has been issued relative to any Unit, the share of the Unit Owner shall be held in trust for the mortgagee as heretofore provided. All mortgagees waive the rights to said proceeds if the same are used pursuant to the provisions of the Declaration to pay for the restoration of such damage. The provisions hereof shall not affect the rights of the mortgagee, if any, to require any surplus proceeds to be distributed to it, over and above the amounts actually used for such restoration. All covenants contained herein for the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the Unit Owner from his duty to reconstruct damage to his Unit as heretofore provided.

13.15 AUTHORITY OF ASSOCIATION: In all instances, herein, except when a vote of the membership of the Association, or of a particular building, is specifically required, all decisions, duties and obligations of the Association under this Paragraph 13 may be made by the Board. The Association and its members shall jointly and severally be bound thereby.

13.16 REPAIR OF LAND: In the event, pursuant to the provisions of Paragraph 13.8(b), the Condominium is not terminated, but a building is not to be restored, the remains of said building shall be razed and the land thereunder restored to a landscaped green area at the sole pro-rata expense of the Unit Owners who own Units in said building. The expense thereof may be deducted from any insurance proceeds payable on account of a casualty to said building.

13.17 CONVEYANCE TO ASSOCIATION: In the event, pursuant to the provisions of Paragraph 13.8(b) hereof, the Condominium is not terminated but a building is not be restored, the payment of any insurance funds to the Unit Owners and/or their mortgagees of said building on account of casualty to said building, shall be contingent upon said Unit Owner's conveying by Quit-Claim Deed, executed in recordable form , all Units in said building to the Association, and further contingent upon the mortgagees thereof executing Satisfactions of Mortgages, in recordable form for all mortgages encumbering Units in said building. The share of the Common Expenses of said Units conveyed to the Association shall be a Common Expense to be shared by the remaining Unit Owners of the Condominium. Since said remaining Unit Owners will not own 100% of the Common Elements due to the fact that the Association will own the Units of said building which were not restored, and in order to collect said Common Expenses attributable to the Units owned by the Association, there shall be added to the Budget an amount entitled "Common Expenses of Association's Units" which shall be mathematically determined to equal an amount such that when added to the actual expenses and assessments of the Association, the amount to be collected from the remaining Unit Owners according to their percentage of Common Expense equals expenses and assessments.

14. ASSESSMENTS:

14.1 GENERAL AUTHORITY: The Association, through its Board, shall have the power to make, levy and collect regular, special assessments, and a non-refundable $200 contribution to working capital due upon the sale by the Developer of any Unit, for Common Expenses and such other assessments as are provided for by the

Condominium Act and the provisions of this Declaration and all other expenses declared by the Directors of the Association to be Common Expenses from time to time.

14.2 UNIT OWNER'S GENERAL LIABILITY: All Common Expenses levied against Unit Owners and Units shall be on a uniform basis in the same proportion as the percentages of the undivided shares in the ownership of the Common Elements without increase or diminution for the existence, or lack of existence, of any exclusive right to us a part of the Limited Common Elements. Should the Association be the owner of any Unit(s), the assessment which would otherwise be due and payable to the Association or others by the owner of such Unit(s), shall be a Common Expense as the same relates to collection of such sums from the Unit Owners to pay the Association's obligations.

14.3 PAYMENT: The assessments of the Association levied against the Unit Owner and his Unit shall be payable in such installments, and at such times, as may be determined by the Board of Directors of the Association.

14.4 EMERGENCIES: If assessments levied are, or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments as is shall deem necessary. The Board of Directors of Association in assessing for Common Expenses shall include therein a sum to be collected and maintained as a reserve fund for capital expenditures and deferred maintenance as required by Florida Statute.

14.5 SEPARATE PROPERTY: All monies collected by the Association shall be maintained separately in the Association's name. Such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of the provisions of this Declaration. Reserve and operating funds of the Association shall not be commingled unless combined for investment purposes. All assessments received by the Association shall be held for the benefit of the Unit Owners. No Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to his Unit. Such funds shall not be subject to attachment or levy by a creditor or judgment creditor of a Unit Owner. When the owner of a Unit shall cease to be a member of the Association by the divestment of his ownership of such Unit the Association shall not be required to account to such owner for any share of the funds or assets of the Association.

14.6 DEFAULT: The payment of any assessment or installment thereof due to the Association shall be in default if such payment is not paid to the Association when due. If in default for in excess of ten (10) days, the delinquent assessment, or delinquent installments thereof and all advances permitted by Paragraph 14.8 hereof, shall bear interest at the rate equal to the maximum rate then allowed to be charged to individuals in the State of Florida. In addition, a late charge of the greater of $25.00 or 5 percent of each installment, which is acknowledged not to be a penalty, shall be then due and payable. In the event that any Unit Owner is in default in payment of any assessments or installments thereof owed to the Association, said Unit Owner shall be liable for all costs of collecting the same, including reasonable attorney's fees and court costs.

14.7 NO WAIVER: No Unit Owner may exempt himself from liability for any assessment levied by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit for which the assessments are made or in any other manner.

14.8 LIEN: The Association is hereby granted a lien upon each Condominium parcel, which lien shall secure the payment of all monies from each unit owner for which the Unit Owner is liable to the Association, including all assessments, interest and reasonable costs and attorney's fees incurred as an incident to the enforcement of said lien. The lien granted to Association may be foreclosed as provided in the Condominium Act (F.S. 718, et seq.). The lien granted to the Association shall further secure such advances for taxes and payments on account of Institutional Mortgages, liens or

encumbrances which may be advanced by the Association in order to preserve and protect its lien. The lien shall be effective, have priority, and be collected as provided by the Condominium Act, unless, by the provisions of this Declaration, such liens would have greater priority or dignity, in which event, the lien rights in favor of the Association having the highest priority and dignity shall be the lien of the Association.

14.9 PROVISO: A Unit Owner regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments which come due while he or she is the Unit Owner. Additionally, a Unit Owner is jointly and severally liable with previous owners for all unpaid assessments that came due up to the time of transfer of title. The liability of a first mortgage or its successors or assigns may be limited by Section 718.116 (1) F.S.

14.10 CERTIFICATE OF STATUS OF ASSESSMENTS: Any Unit Owner, mortgagee, or lienor may require the appropriate certificate as set forth in F.S. 718.116(8).

14.11 GRANTEE LIABILITY: In any voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments of any nature incurred prior to the time of such voluntary conveyance.

14.12 NO ELECTION OF REMEDIES: The institution of a suit at law for collection of any delinquent assessment may be maintained without waiving the lien securing the same. Proceeding by foreclosure to attempt to effect such collection shall not be deemed an election precluding the institution of suit at law for collection of the same. All Unit Owners do hereby waive pleading the theory of "elections of remedies" in any such proceedings.

14.13 MECHANICS LIENS: The creation and enforcement of mechanic's and other liens against the Units and Condominium Property, except those created by this Declaration, shall be governed by the provisions of the Condominium Act.

14.14 DEVELOPER EXEMPTION: The Developer shall be excused from the payment of the share of the common expenses and assessments related to those Units owned by the Developer for a period of time subsequent to the recording of the Declaration of Condominium, which period shall terminate on the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first Condominium Unit occurs. However, the Developer must pay the portion of common expenses incurred during that period which exceed the amount assessed against other Unit Owners.

15. <u>TERMINATION:</u> The Condominium may be terminated in the following manner:

15.1 DESTRUCTION: If it is determined in the manner provided in Paragraph 13 that the Condominium Property as a whole shall not be reconstructed, the Condominium will be terminated.

15.2 AGREEMENT: As provided in Section 718.117 of the Condominium Act, the Condominium may be terminated at any time by the approval in writing of all Unit Owners and all record owners of mortgages on Units.

If the proposed termination is submitted to a meeting of the Association, and if the approval of the Unit Owners owning not less than 75% of the Common Elements and their Institutional Mortgagees is obtained, in writing, not later than sixty (60) days from the date of such meeting, then the approving Unit Owners (through the Association), shall have an option to buy all of the Units of the disapproving Unit Owners for the period of one hundred twenty (120) days from the date of such meeting. The vote of those Unit Owners approving the termination shall be irrevocable until the expiration of the option. Any Unit Owner voting against termination, or not voting, may, within fifteen (15) days from the date the vote was taken, change or cast his vote in favor of termination by delivering written notification thereof to the Secretary of the Association. The option shall be upon the following terms:

(a) **EXERCISE OF OPTION:** The option shall be exercised by delivery, or the mailing by registered mail, of an agreement to purchase, signed by the Association, to each of the Owners of the Units voting against termination. The agreement shall be subject to the purchase of all units owned by Owners not approving the termination.

(b) **PRICE:** The sale price for each Unit shall be the fair market value as determined between the seller and the Association within thirty (30) days from the delivery of said agreement. In the absence of agreement on the price of any Unit, the price shall be determined by an appraiser appointed by the Chairman of the local Board of Realtors. A judgment of specific performance of the sale, at the price determined by the appraiser, may be entered in any court of competent jurisdiction.

(c) **PAYMENT:** The purchase price shall be paid in cash.

(d) **FORM:** The contract shall be in the form of the Standard Deposit Receipt and Contract for Sale and Purchase then in use in Alachua County, Florida.

(e) **CLOSING:** The sale of all Units shall be closed simultaneously and within thirty (30) days following the determination of the sale price of the last Unit to be purchased.

15.3 CERTIFICATE: The termination of the Condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying the fact of the termination, which shall become effective upon the certificate being recorded in the Public Records of Alachua County, Florida.

15.4 SHARES OF OWNERS AFTER TERMINATION: After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares that shall be equal to the sum of the undivided shares in the Common Elements appurtenant to the Units prior to termination so that the sum total of the ownership shall equal one hundred percent (100%).

15.5 OCCUPANCY RIGHTS AFTER TERMINATION: In the event of termination of the Condominium by agreement pursuant to Paragraph 15.2 hereof, each approving unit Owner shall have the perpetual exclusive right to occupy the air space which formerly constituted said Unit Owner's Condominium Unit prior to termination, unless otherwise agreed upon in writing evidenced by a Certificate executed by said Unit Owner and recorded in the Public Records of Alachua County, Florida.

15.6 EXCLUSIVE RIGHTS EXTINGUISHED BY TERMINATION: All exclusive rights of use of Common Elements shall be extinguished by virtue of the termination of the Condominium.

15.7 AMENDMENT: This Paragraph 15 concerning termination cannot be amended without approval of two-thirds (2/3) of the total voting interests.

15.8 EQUITABLE RIGHTS: Unit Owners shall have such rights as provided in F.S. 718.118.

16. <u>AMENDMENTS:</u> Except as herein or elsewhere provided, this Declaration may be amended in the following manner:

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

16.2 PROPOSAL OF AMENDMENT: An amendment may be proposed by either the sixty six percent (66%) vote of the Board of Directors of the Association, or by fifteen percent (15%) of the members of the Association. Except as elsewhere provided,

a proposed amendment must be approved by the owners of not less than two-thirds (2/3) of the Units.

16.3 AMENDMENT AS TO OMISSIONS OR ERRORS: If there is an omission or error in a Declaration of Condominium, or in other documents required by law to establish the Condominium, the Association may correct the error or omission by an amendment to the Declaration, or the other documents required to create a Condominium by vote of a majority of the voting interests. The amendment is effective when passed and approved and a certificate of the amendment is executed and recorded as provided in F.S. 718.110. This procedure for amendment cannot be used if such an amendment would materially or adversely affect property rights of Unit Owners, unless the affected Unit Owners consent in writing. This subsection does not restrict the powers of the Association to otherwise amend the Declaration, or other documentation.

(a) No amendment shall alter a Unit Owner's percentage in the Common Elements, alter his proportionate share in the Common Expense or Common Surplus, change a Unit Owner's voting rights, or alter the basis for apportionment of assessment which may be levied by the Association against a Unit Owner without the written consent of the Unit Owner.

(b) No amendment shall be passed which shall impair or prejudice the rights and priorities of any Institutional Mortgagee affected.

(c) Prior to the recordation in the Public Records of Alachua County, Florida, of a deed from the Developer, the Developer without the joinder of any other person, may amend any of the provisions of this Declaration of filing an amendment in the Public Records of Alachua County, Florida.

16.5 EXECUTION AND RECORDING: Except as otherwise provided in this Declaration, a copy of each amendment shall be attached to a certificate, executed by the officers of the Association, certifying that the amendment was duly adopted. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Alachua County, Florida. Any amendment to the Declaration which alter any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the St. Johns River Water Management District.

17. REMEDIES:

17.1 RELIEF: Each Unit Owner and the Association shall be governed by and shall comply with the provisions of this Declaration. A violation thereof shall entitle the appropriate party to the following relief: An action to recover sums due for damages, injunctive relief, foreclosure of any lien or any combination thereof, for any other action available pursuant to the Condominium Act or law. Suit may be sought by Association, Developer, or, if appropriate, by one of more Unit Owners and the prevailing party shall be entitled to recover reasonable attorneys' fees, including attorney's fees on appeal. Each Unit Owner acknowledges that the failure to comply with any of the provisions of this Declaration shall or may constitute an injury to the Association, Developer or other Unit Owners, and that such injury may be irreparable. Upon request, an Institutional Mortgagee is entitled to written notification from the Association of any default by its mortgagor of any obligation under this Declaration or the By-Laws. The appropriate water management district shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the surface water or stormwater management system.

17.2 COSTS AND ATTORNEYS' FEES: In any proceeding arising because of an alleged default, act, failure to act, or violation by the Unit Owner or Association, including the enforcement of any lien granted pursuant to this Declaration or its exhibits, the prevailing party shall be entitled to recover the costs of the proceeding, including reasonable attorneys' fees. Further, in the event proceedings are instituted by or against the Association for any reason whatsoever, including but not limited to (1) actions for

declaratory judgment, (2) any claim that any of the above have not complied with their obligations under the Offering Circular, this Declaration and its exhibits, or (3) that any provision of the same is unconsclonable, unfair (or the like) or violates any State of Federal law or regulation, and if the Association is the prevailing party then, and I that event, they shall be entitled to recover all costs of the proceedings. Said recoverable costs shall include, but are not limited to, reasonable attorneys' fees at all levels of the proceeding, including appeals, together with all costs, including those not normally allowable in actions at law such as, but not limited to, copies of depositions, whether or not used at trial; travel expenses for witnesses traveling from without Alachua County for the purpose of testifying at trial or deposition; expert witnesses; fees for testifying at trial or deposition, together with such additional fees as the expert witness may charge the said part in connection with his preparation for giving such testimony; witness subpoenas issued to insure the presence of witnesses at deposition or at trial whether or not the witness shall actually appear or be called upon to testify.

17.3 NO WAIVER: The failure of the Association to enforce any right, provision, covenant or condition created or granted by this Declaration shall not constitute a waiver of the right of said party to enforce such right, provision, covenant, or condition in the future.

17.4 RIGHT CUMULATIVE: All rights, remedies and privileges granted to Association, the Developer or Unit Owner pursuant to any of the provisions of this Declaration shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such part at law or in equity. Each Unit Owner agrees in any proceeding brought pursuant to the provisions hereof not to plead or defend the same on the theory of "election of remedies".

17.5 VENUE; WAIVER OF TRIAL BY JURY: Every Unit Owner or Occupant and all persons claiming any interest in a Unit agrees that in any suit or proceeding brought pursuant to the Declaration, such suit shall be brought in the Circuit Court of the 8th Judicial Circuit, in and for Alachua County, Florida, or the United States District Court, Northern District of Florida, as the same is now constituted or any court in the future that may be the successor to the courts contemplated herein. All such parties do further waive the right to trial by jury and consent to a trial by the court without a jury.

17.6 APPOINTMENT OF AGENT; PROVISO: Should suit be instituted, the Unit Owners or Occupants do hereby irrevocably appoint the Secretary of State of the Sate of Florida as their Agent for the acceptance of service of process should, at the time of such service of process, any such person not be residing in Alachua County, Florida.

18. MISCELLANEOUS RIGHTS OF DEVELOPER:

18.1 RIGHT TO USE FACILITIES: Notwithstanding any provisions of this Declaration to the contrary, the Developer shall have the right to use and occupy any unsold Unit, the common Elements and any of the Limited Common Elements, the exclusive use of which have not been assigned, for the purpose of a Sales Office or for any other purpose until the Developer no longer holds any units for sale in the ordinary course of business.

19. NOTICES: Whenever notices are required to be sent hereunder, the same may be delivered to Unit owners, either personally or by mail, at their place of residence in the Condominium. Notices to the Association shall be delivered or mailed to the Secretary of the Association in case of the Secretary's absence, then to the President of the Association.

Notices to the Developer shall be made to Developer at 618 NW 60th Street, Suite A, Gainesville, Florida 32607.

20. CONSTRUCTION: All of the provisions of this Declaration shall be construed in accordance with the Laws of the State of Florida. This construction shall govern in all matters, including matters of substantive and procedural law.

21. GENDER: Unless the contrary appears to have been intended, words in the plural number shall include the singular and words in the singular shall include the plural, and words of the male gender shall include the female ender and the neutral gender.

22. CAPTIONS: The captions to the paragraphs of this Declaration are intended for convenience only, and are not deemed to be all inclusive as to the matters contained in such paragraphs or considered in connection with the construction of any of the provisions of this Declaration.

23. SEVERABILITY: If any term or provision of this Declaration, or the application thereof to any person or circumstances, shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Declaration, or the application of such term or provision to persons or circumstances other than those to which such term may be held invalid or unenforceable, shall not be affected thereby and each term and provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

24. NOTICE OF ACTION: Upon written request to the Association, identifying their name and address, and the Unit number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any unit estate on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an owner of a Unit estate subject to a first mortgage held, insured, or guaranteed by such eligible holder or eligible insured or guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders;

(e) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of a Condominium project is fixed in advance by the constituent documents or by applicable law, no reallocation of interest in the Common Elements resulting from a partial condemnation or partial destruction of such a project may be effected without the prior approval of eligible holders holding mortgage on all remaining Units whether existing in whole or in part, and which have at least fifty-one percent (51%) of the votes of such remaining units subject to eligible holder mortgages;

(f) An eligible mortgage holder who receives a written request to approve additions or amendments to the Declaration, the By-Laws or the Articles of Incorporation, which may not be reasonably withheld, and who does not deliver or mail to the requesting party a negative response with thirty (30) days shall be deemed to have approved such request.

25. CONDEMNATION:

25.1 DEPOSIT OF AWARDS WITH ASSOCIATION OR INSURANCE TRUSTEE: The taking of Condominium Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Association or Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit

Owners shall deposit the awards with the Association or Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a special charge or fee shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that owner.

25.2 DETERMINATION WHETHER TO CONTINUE CONDOMINIUM: Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after a casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

25.3 DISBURSEMENT OF FUNDS: If the Condominium is terminated after condemnation, the proceeds of the awards and special assessments will be deemed to be the Condominium Property and shall be owned and distributed in the manner provided from insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the owners of the condemned Units will be made whole, and the property damage by the taking will be made useable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes, and shall be disbursed in a manner provided for disbursement of funds by the Association or Insurance Trustee after a casualty.

25.4 UNIT REDUCED BUT TENANTABLE: If the taking reduces the size of the Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following charges shall be effected in the Condominium:

(a) **RESTORATION OF UNIT:** The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the owner of the Unit.

(b) **DISTRIBUTION OF SURPLUS:** The balance of the award, if any, shall be distributed to the owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and mortgagees.

25.5 UNIT MADE UNTENANTABLE: If the taking is of the entire unit or so reduces the size of a unit that it cannot be made tenantable, the award for the taking of the unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(a) **PAYMENT OF AWARD:** The market value of the Unit immediately prior to the taking shall be paid to the owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and mortgagees.

(b) **ADDITION TO COMMON ELEMENTS:** The remaining portion of the Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work shall exceed the balance of the funds from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements.

(c) **ADJUSTMENT OF SHARES IN COMMON ELEMENTS:** The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Unit Owners. This shall be done by restating the shares of continuing Unit Owners in the Common Elements as percentages of the total of the numbers representing the shares of these owners as they exist prior to the adjustment.

(d) **ASSESSMENTS:** If the amount of the award for the taking is not sufficient to pay the market value of the condemned unit to the owner and to condition the remaining portion of the Unit for use as a part of the Common Elements, the additional

funds required for those purposes shall be raised by assessments against all of the Unit Owners who will continue as owners of Units after the changes in the Condominium effected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after changes effected by the taking.

(e) **ARBITRATION:** If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit , and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be one appraiser, each appointed by the Unit Owner, mortgagee of the Unit, and the Association, who shall base their determination upon an average of their appraisals of the Unit, and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the owners in the Common Elements as they exist prior to the changes effected by the taking.

25.6 TAKING OF COMMON ELEMENTS: Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements useable in the manner approved by the Board of Directors of the Association; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation. If there is a mortgage of a Unit, the distribution shall be paid jointly to the owners and mortgagees of the unit.

IN WITNESS WHEREOF, the Developer has executed this Declaration on this 2nd day of May, 2005.

Signed, Sealed and Delivered in the presence of:

APARTMENTS AT KENSINTON SOUTH, LLP

By: _____
MERRILL PUGH, MANAGING PARTNER

Printed Name: Donna M. Gilley

Printed Name: KELLEY D. JONES

STATE OF FLORIDA
COUNTY OF ALACHUA

BEFORE ME, the undersigned authority, personally appeared **MERRILL PUGH**, to me well known to be the person described in and who executed the foregoing instrument as MANAGING PARTNER of APARTMENTS AT KENSINGTON SOUTH, LLP, a Florida Limited Liability Partnership, and has severally acknowledged before me that he executed said instrument as such Managing Partner of said Florida Limited Liability Partnership. X Said person is personally known to me, or ____ Said person produced the following type of identification _____.

WITNESS my hand and seal, at the State and County aforesaid this 2nd day of May, 2005.

Donna M. Gilley
MY COMMISSION # DD229694 EXPIRES
July 7, 2007
BONDED THRU TROY FAIN INSURANCE, INC.

_____
Notary Public, State of Florida at Large
Printed Name: _____

INSTRUMENT # 2131795
42 PGS

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, KENSINGTON SOUTH CONDOMINIUM ASSOCIATION, INC. a Florida Corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration of Condominium and Exhibits attached hereto.

IN WITNESS WHEREOF, the above name Condominium Association, a Florida Corporation, has caused these presents to be signed in its name by its President, this 2nd day of July, 2005.

Signed, Sealed and Delivered
in the presence of:

KENSINGTON SOUTH
CONDOMINIUM ASSOCIATION,
INC.

Printed Name: Donna M. Gilley

By: _____
MERRILL PUGH, PRESIDENT

Printed Name: KELLEY D. JONES

STATE OF FLORIDA
COUNTY OF ALACHUA

BEFORE ME, the undersigned authority, personally appeared **MERRILL PUGH**, to me well known to be the person described in and who executed the foregoing instrument as PRESIDENT of KENSINGTON SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida Corporation, and has severally acknowledged before me that he executed said instrument as such President of said Florida Corporation. . X Said person is personally known to me, or _____ Said person produced the following type of identification _____.

WITNESS my hand and seal, at the State and County aforesaid this 2nd day of May, 2005.

_____
Notary Public, State of Florida at Large
Printed Name: _____

My Commission Expires:

Donna M. Gilley
MY COMMISSION # DD229394 EXPIRES
July 7, 2007
BONDED THRU TROY FAIN INSURANCE, INC

INSTRUMENT # 2131795
42 PGS

CONSENT OF MORTGAGEE

The undersigned COMPASS BANK, a corporation organized and existing under the laws of State of Alabama, hereby consents to the recording of the Declaration of Condominium of KENSINGTON SOUTH CONDOMINIUM, this 2nd day of May, 2005.

IN WITNESS WHEREOF, the said corporation has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officer hereunto duly authorized, this 1st day of May, 2005.

Signed, Sealed and Delivered
in the presence of:

COMPASS BANK

Printed Name: Leanne Brasington

By: _____
David Wilson, Vice President

Printed Name: Ann Duckworth

STATE OF FLORIDA
COUNTY OF ALACHUA

BEFORE ME, the undersigned authority, personally appeared DAVID WILSON, known to me to be the VICE PRESIDENT of COMPASS BANK, a corporation organized and existing under the laws of State of Alabama, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING Consent of Mortgagee, and HE acknowledged then and there before me that HE executed the same as such officer for the purposes therein expressed; and that HE affixed thereto the official seal of said corporation; and that the said agreement is the act and deed of said corporation. ~ Said person is personally known to me, or ____ Said person produced the following type of identification _____

WITNESS my hand and seal, at the State and County aforesaid this 2nd day of May, 2005.

ANN DUCKWORTH
MY COMMISSION # DD 164324
EXPIRES: February 15, 2007
Bonded Thru Notary Public Underwriters

Notary Public, State of Florida at Large
Printed Name: Ann Duckworth

My Commission Expires: 2-15-07

INSTRUMENT # 2131795
42 PGS

EXHIBIT "A"

KENSINGTON SOUTH CONDOMINIUM

Alachua County, Florida

THAT PART OF THE SOUTH ONE THIRD (1/3) OF GOVERNMENT LOT 5, LYING NORTH OF "LINCOLN SUBDIVISION" SECTION 11, TOWNSHIP 10 SOUTH, RANGE 19 EAST, ALACHUA COUNTY, FLORIDA, AS RECORDED IN OFFICIAL RECORDS BOOK 100, AT PAGE 81, OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA, LESS AND EXCEPT A 100 FOOT WIDE RIGHT-OF-WAY FOR COUNTY ROAD S.W. 30 (SOUTHWEST 20TH AVENUE) BEING MORE PARTICULARLY DESCRIBE AS FOLLOWS:

FOR A POINT OF REFERENCE, COMMENCE AT A FOUND DEPARTMENT OF TRANSPORTATION PLATE MARKING THE SOUTHEAST CORNER OF SAID SECTION 11; THENCE RUN SOUTH 89°21'00" WEST ALONG THE SOUTH LINE OF SAID SECTION 11, A DISTANCE OF 2647.84 FEET TO A FOUND CONCRETE MONUMENT (NO ID) AT THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 5; THENCE RUN NORTH 00°37'17" WEST ALONG THE EAST LINE OF SAID GOVERNMENT LOT 5, A DISTANCE OF 990.00 FEET TO A SET CONCRETE MONUMENT WITH A BRASS DISC STAMPED P.L.S.#2228, AT THE NORTHEAST CORNER OF "LINCOLN SUBDIVISION", AS PER PLAT THEREOF AS RECORDED IN PLAT BOOK "A", AT PAGE 154, OF THE PUBLIC RECORDS IN ALACHUA COUNTY, FLORIDA (SAID SUBDIVISION WAS NEVER DEVELOPED) AND THE POINT OF BEGINNING; THENCE RUN SOUTH 89°14'49" WEST ALONG THE NORTH BOUNDARY OF SAID SUBDIVISION, A DISTANCE OF 666.35 FEET TO A SET CONCRETE MONUMENT AT THE NORTHWEST CORNER OF SAID "LINCOLN SUBDIVISION" SAID MONUMENT BEING ON THE WEST LINE OF SAID GOVERNMENT LOT 5; THENCE RUN NORTH 00°56'21" WEST ALONG THE SAID WEST LINE OF GOVERNMENT LOT 5, A DISTANCE OF 300.77 FEET TO A FOUND CONCRETE MONUMENT WITH A METAL DISC STAMPED R.L.S.#2142, ON THE SOUTH RIGHT-OF-WAY LINE OF COUNTY ROAD S.W. 30 (SOUTHWEST 20TH AVENUE) SAID MONUMENT BEING ON A CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 3869.72 FEET; THENCE RUN SOUTHEASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE, WITH SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°01'53", AN ARC LENGTH OF 339.82 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 88°01'41" EAST, 339.71 FEET TO THE POINT OF TANGENCY; THENCE CONTINUE ALONG SAID SOUTH RIGHT-OF-WAY LINE NORTH 89°16'03" EAST, A DISTANCE OF 328.65 FEET TO A SET CONCRETE MONUMENT WITH A BRASS DISC STAMPED P.L.S. #2228, SAID MONUMENT BEING ON THE EAST LINE OF SAID GOVERNMENT LOT 5; THENCE RUN SOUTH 00°37'17" EAST ALONG SAID EAST LINE, A DISTANCE OF 284.50 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

THE EAST 50 FEET OF THE ABOVE DESCRIBED PARCEL OF LAND.

SUBJECT TO:

A PERPETUAL NON-EXCLUSIVE EASEMENT FOR SIDEWALK OVER THE WEST 10 FEET OF THE EAST 60 FEET OF THE ABOVE DESCRIBED PARCEL OF LAND.

INSTRUMENT # 2131795
42 PGS

SURVEYOR'S CERTIFICATE

RE: KENSINGTON SOUTH CONDOMINIUM

GAINESVILLE, FLORIDA

STATE OF FLORIDA

COUNTY OF ALACHUA

BEFORE ME, the undersigned authority duly authorized to administer oaths, and take acknowledgments, personally appeared JAMES E. BRINKMAN, of BRINKMAN SURVEYING & MAPPING, INC., who after first being duly cautioned and sworn, deposes and says as follows:

1. That he is a duly registered land surveyor under the laws of the State of Florida, being Surveyor No. 6894.

2. Affiant hereby certifies that the construction of the improvements described is substantially complete so that this Exhibit, together with the Declaration of Condominium of KENSINGTON SOUTH CONDOMINIUM and the Exhibits attached thereto, is an accurate representation of the location and dimensions of the improvements described and that the identification, location and dimensions of the common elements, and of each condominium unit therein can be determined from these materials.

FURTHER AFFIANT SAYETH NAUGHT.

JAMES E. BRINKMAN

SWORN TO AND SUBSCRIBED before me this 2nd day of May, 2005. _____ Said person is personally known to me, or _____ Said person produced the following type of identification _____.

Amber L Yingling
Notary Public, State of Florida at Large
Printed Name: Amber L. Yingling

My Commission Expires:

AMBER L. YINGLING
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # DD344715
EXPIRES 8/8/2008
BONDED THRU 1-888-NOTARY1

INSTRUMENT # 2131795
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EXHIBIT B

DECLARATION OF CONDOMINIUM

KENSINGTON SOUTH CONDOMINIUM

FRACTIONAL SHARE FOR EACH UNIT

The fractional share of ownership of the Common Elements and the share of Common Expenses for each Unit shall be SEVENTY-SEVENTH ($1/77^{TH}$).

The number of votes for each unit shall be as follows: ONE VOTE FOR EACH UNIT.

INSTRUMENT # 2131795
42 PGS

ARTICLES OF INCORPORATION

OF

KENSINGTON SOUTH CONDOMINIUM ASSOCIATION, INC.

(A CORPORATION NOT-FOR-PROFIT)

In order to form a corporation under and in accordance with the provisions of the Laws of the State of Florida for the formation of corporations not-for-profit, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned; and to that end, we do, by these Articles of Incorporation, set forth:

ARTICLE I.

The name of this corporation shall be as indicated in the title of this instrument. This corporation shall hereinafter be referred to as the "Association". The mailing address of the corporation shall be 618 NW 60th Street, Suite A, Gainesville, Florida 32607.

ARTICLE II.

The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, hereinafter referred to as the "Condominium Act", to operate KENSINGTON SOUTH CONDOMINIUM (hereinafter referred to as the "Condominium"), at Gainesville, Alachua County, Florida.

ARTICLE III.

The Association shall have the following powers:

1. The Association shall have the powers and privileges granted to corporations not-for-profit except where the same are in conflict with the Declaration of Condominium and Exhibits attached hereto.

2. The Association shall have all the powers reasonably necessary to implement and effectuate the purposes of the Association, except as limited herein, as specified in the Declaration of Condominium and F.S. 718.111 including, but not limited to:

(a) To make and establish Rules and Regulations governing the use of Condominium Property.

(b) To levy and collect assessments against members of the Association to defray the Expenses of the Condominium as provided for in the Declaration of Condominium and Exhibits attached thereto, and to use the proceeds of Assessments and charges in the exercise of its powers and duties.

(c) To maintain, improve, repair, reconstruct, replace, operate and manage the Condominium Property.

(d) To contract for the management of the Condominium and to delegate in such contract all or any part of the powers and duties of the Association.

(e) To enforce the provisions of said Declaration of Condominium, and Exhibits attached thereto and the Rules and Regulations governing the use of said Condominium.

(f) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to, or imposed upon the Association.

(g) As provided in the Declaration of Condominium, to acquire and enter into agreements hereby the Association acquires leaseholds, membership and other possessory or use interests in lands or facilities, whether or not contiguous to the lands of the Condominium intended to provide for the enjoyment, recreation or other use or benefit of the members.

(h) To purchase insurance upon the Condominium Property and insurance for the protection of the Association and its members as unit owners.

(i) To reconstruct and repair improvements after casualty and to construct additional improvements to the Condominium Property.

(j) To employ personnel to perform the services required for the proper operation of the Condominium.

(k) To operate, maintain and manage the surface water or stormwater management systems(s) in a manner consistent with the applicable St. Johns River Water Management District permit requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Condominium which relate to the surface water or stormwater management system.

(l) To levy and collect adequate assessments against members of the Association for the costs or maintenance and operation of the surface water or stormwater management system.

The provisions of the Declaration of Condominium and Exhibits attached thereto which provide for the conduct of the affairs of the Association and create, divide, limit and regulate the powers of the association, directors, and members shall be deemed provisions hereof.

ARTICLE IV.

The qualifications of members, the manner of their admission, termination of such membership, and voting of members shall be as follows:

1. The owners of all Units in the Condominium and the Subscribers to this Certificate of Incorporation shall be members of the Association. No other persons or entities shall be entitled to membership. Membership of the subscribers shall terminate upon the control of the Association being turned over to the members.

2. Subject to the provisions of the Declaration of Condominium and the By-Laws this Association, membership shall be established by the acquisition of fee title to a Unit in the Condominium. The membership of any party shall be automatically terminated upon being divested of title to all Units owned by such member of the Condominium.

3. On all matters on which the membership shall be entitled to vote, each member shall have one vote for each Unit in the Condominium owned by such member. Such vote may be exercised or cast by the owner or owners of each Unit in such manner as is provided for in the Declaration, or in the By-Laws adopted by the Association.

4. Until such time as the Condominium Property which this Association is intended to operate is submitted to Condominium ownership by the recordation of the Declaration of Condominium, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

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ARTICLE V.

The Association shall have perpetual existence and shall commence upon the filing of these Articles of Incorporation with the Florida Secretary of State. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VI.

The principal office of the Association shall be located on the Condominium Property, Gainesville, Florida. The registered office of the Association shall be locate 618 NW 60th Street, Suite A, Gainesville, Florida 32607, and the registered agent at such address shall be MERRILL PUGH.

ARTICLE VII.

The affairs of the Association will be managed by a Board of Directors initially consisting of three (3) directors who need not be members of the Association.

At such time as the members are entitled to elect all Directors as set fort in F.S. 718.301, and subject to the provisions of the By-Laws, the Board of Directors shall consist of three (3) members.

Directors of the Association shall be elected at the annual meeting in the manner provided in the By-Laws. Directors may be removed and vacancies on the board of Directors shall be filled in the manner provided in the By-Laws.

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, area as follows:

MERRILL PUGH	618 NW 60th Street, Suite A Gainesville, Florida 32607
KELLEY D. JONES	5800 NW 39th Avenue, Suite 102 Gainesville, Florida 32606
JOHN PLA	618 NW 60th Street, Suite A Gainesville, Florida 32607

ARTICLE VIII.

Subject to the provisions of the By-Laws, the officers of the Association shall be elected by the Board of Directors at their first meeting following the members annual meeting. Officers shall serve at the pleasure of the Board. The names of the officers who shall serve until their successors are elected are as follows:

President	MERRILL PUGH
Vice-President	MERRILL PUGH
Secretary & Treasurer	JOHN PLA

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ARTICLE IX.

The Subscribed to these Articles of Incorporation is MERRILL PUGH, 618 NW 60th Street, Suite A, Gainesville, Florida 32607.

ARTICLE X.

The original By-Laws of the Association shall be adopted by a majority vote of the Directors of the Association. The By-Laws may be altered or rescinded by the Board of Directors and the members of the Association subject to the provisions thereof.

ARTICLE XI.

These Articles of Incorporation may be amended in the following manner:

1. The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members, which may be either the annual or a special meeting.

2. Within the time and in the manner provided in the By-Laws for the giving of notice of meetings of members, written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member of record entitled to vote thereon. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

3. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of members entitled to vote thereon, and the approval of eligible holders holding mortgages on Units which have at least 51 percent of the votes of units subject to eligible holder mortgages. Such amendment shall be filed with ten (10) days from said approval with the Office of the Secretary of State of Florida.

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

5. Amendments may also be made as otherwise provided by Florida law.

NOTWITHSTANDING the foregoing provisions of this Article, no amendment to these Articles of Incorporation may be adopted or become effective which makes any changes in the qualifications for membership nor in the voting rights or property rights of members without approval in writing by all members and the joinder of all record owners of mortgage upon Units. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

ARTICLE XII.

The share of any member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to a Unit. The funds and assets of the Association shall belong solely to the Association and are subject to the limitation that the same be expended, held, or used for the benefit of the membership and for the purposes authorized in the Declaration of Condominium, and Exhibits attached hereto.

The Association does and shall indemnify its officers and directors as provided in the By-Laws.

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IN WITNESS WHEREOF, the subscribers have affixed their signatures this 2nd day of May, 2005.

(SEAL)

KENSINGTON SOUTH CONDOMINIUM ASSOCIATION, INC.

By: _____
MERRILL PUGH, PRESIDENT

I HEREBY ACCEPT the designation as Register Agent as set forth in these Articles of Incorporation.

_____
MERRILL PUGH

STATE OF FLORIDA
COUNTY OF ALACHUA

BEFORE ME, the undersigned authority, personally appeared **MERRILL PUGH**, who, after being duly sworn, acknowledged that he executed the foregoing Articles of Incorporation for the purposes expressed in such Articles, this 2nd day of May, 2005. X Said person is personally known to me, or _____ Said person produced the following type of identification _____

_____
Notary Public, State of Florida at Large
Printed Name: _____

My Commission Expires:

Donna M. Gilley
MY COMMISSION # DD229694 EXPIRES
July 7, 2007
BONDED THRU TROY FAIN INSURANCE, INC.

INSTRUMENT # 2131795
42 PGS

BY-LAWS

OF

KENSINGTON SOUTH CONDOMINIUM ASSOCIATION, INC.

A Corporation Not-for-Profit Under the Laws of the State of Florida

ARTICLE 1. GENERAL PROVISIONS

1.1 IDENTITY-PURPOSE: These are the By-Laws of that certain Condominium Association, a Florida corporation not-for-profit (Association), whose name appears in the title of this Document. This Association has been organized for the purpose of administering the affairs of the Condominium established pursuant to the Declaration thereof.

1.2 BY-LAWS SUBJECT TO OTHER DOCUMENTS: The provisions of these By-Laws are applicable to said Condominium and are expressly subject to the terms, provisions and conditions contained in the Articles of Incorporation of said Association and the Declaration of Condominium, which will be recorded in the Public Records of Alachua County, Florida, at the time said property is submitted to Condominium ownership.

1.3 APPLICABILITY: All Unit owners, tenants and occupants, their agents, servants, invitees, licensees and employees who use the Condominium Property, or any part thereof are subject to these By-Laws.

1.4 OFFICE: The office of the Association shall be at the Condominium Property or such other place designated by the Board of Directors of the Association.

1.5 SEAL: The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not-for-Profit", and the year of incorporation.

1.6 DEFINITIONS: All definitions set forth in the Declaration are hereby adopted by reference as though set forth herein verbatim.

ARTICLE 2. MEMBERSHIP, VOTING, QUORUM, PROXIES

2.1 QUALIFICATION OF MEMBERS, INC.: The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in the Declaration, Articles of Incorporation (Articles), and in these By-Laws.

2.2 QUORUM: Persons having one-half (1/2) of the total votes of the Association, as the same is constituted from time to time, shall constitute a quorum.

2.3 CORPORATE OR MULTIPLE OWNERSHIP OF A UNIT: The vote of the owners of a Unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate designating the "Voting Member". Such certificate will be signed by all of the owners of such Unit, or the proper corporate officer, filed with the Secretary of the Association, and shall be valid until revoked by subsequent certificate. If such certificate is not so filed the vote of such owners shall not be considered in determining a quorum or for any other purpose.

2.4 VOTING; PROXY: Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting. Where a Unit is owned by more than one person, or a corporation or other entity, the proxy must be signed by the "voting member".

2.5 VOTING: In any meeting, each Unit Owner, subject to the provisions of Paragraph 2.3 hereof, shall be entitled to cast one vote for each Unit owned.

2.6 MAJORITY: Except where otherwise required by the provisions of the Condominium Documents, or where the same may otherwise be required by law, the affirmative vote of the owners having a majority of the votes represented at any duly called meeting at which a quorum is present shall be binding upon the members. Where a greater percentage is required then that percentage shall be required to bind the members.

ARTICLE 3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP; PROVISO:

3.1 ANNUAL MEETING: The annual members' meeting shall be held at least once each calendar year at the office of the Association, Gainesville, Florida, at the time designated on the notice thereof, for the purpose of electing directors and officers and transacting any other business authorized to be transacted by members.

3.2 SPECIAL MEETING: Special meetings shall be held when called by the president or Vice-President or by a majority of the Board of Directors. Special meetings must be called by such officers upon receipt of a written request from members of the Association having a majority of the votes in the Association, special meetings concerning the recall of a member or members of the Board of Directors, or concerning an annual assessment which exceeds 115 percent of the assessments for the preceding year must be called by such officers upon written application of 10 percent of the Unit owners.

3.3 NOTICE OF MEETING; WAIVER: Notice of all members' meetings, regular or special, shall be given by the President, Vice-President, or Secretary of the Association, to each member, unless such notice is waived in writing. Such note shall be written and shall state the time, place and object for which the meeting is called. Such notice shall be given or mailed to each member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for such meeting. If hand delivered, receipt of such notice shall be signed by the member. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, fir class, postage prepaid, addressed to the member at his post office address as it appears on the records of the Association. Proof of such mailing shall be the Post Office certificate of mailing. Notice shall also be conspicuously posted on the Condominium Property.

3.4 NOTICE TO OTHERS: The Developer shall be entitled to notice of all Association meetings, entitled to attend the Association meetings, and they may designate such persons as they desire to attend such meetings on their behalf until the developer no longer holds any units for sale.

3.5 BUDGETARY MEETINGS: Notice of budgetary meetings shall be governed by provision of F.S. 718.112.

3.6 ADJOURNED MEETINGS: If any meeting cannot be convened because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, from title to time, to a time certain until a quorum is present.

3.7 CONSENT: Whenever the vote of members at a meeting is required or permitted by these By-Laws, such meeting and vote may be dispensed with if the holders of 50 percent of the votes which could have been cast if such meeting were held, shall consent in writing to such action being taken, unless such writing is prohibited and a meeting is required by section 718.112(2)d(4), FS.

3.8 CHAIRMAN: At meetings of membership, the President shall preside or in the absence of the President, the Board of Directors shall select a Chairman.

3.9 ORDER OF BUSINESS: The order of business at Annual Members' Meetings, and, as far as practical, at any other members' meeting, shall be:

a. Collection of election ballots;
b. Calling of the role and certifying of proxies;
c. Proof of notice of meeting or waiver of notice;
d. Reading of minutes;
e. Reports of Officers;
f. Reports of Committees;
g. Appointment by Chairman of Inspectors of Election;
h. Election of Directors; Subject, however, to all provisions of these By-Laws, the Articles of Incorporation and the Declaration;
i. Unfinished business;
j. New business;
k. Adjournment.

ARTICLE 4. BOARD OF DIRECTORS

4.1 MANAGEMENT OF ASSOCIATION: The affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as Board) consisting of initially three persons and thereafter governed by the provisions of Paragraph 4.3 hereof.

4.2 FIRST BOARD: The first Board shall consist of three persons, none of whom need be members of the Association. The first Board shall consist of persons designated by the Developer and they shall serve until successors are elected pursuant to F.S. 718.301, and the provisions of this instrument. Until such time as the members of the Association shall be entitled to elect all of the Directors, the Developer shall have the absolute right, at any time, in its sole discretion, to call a meeting to remove any Board Member and to replace said member with another person or other persons to serve on said Board. Notice of such action shall be given to the Association. The first Board of Directors of the Association shall consist of the following persons:

MERRILL PUGH, KELLEY D. JONES and JOHN PLA

When unit owners other than the Developer own 15 percent or more of the Units in the Condominium that will be operated ultimately by the Association, the Unit owners other than the Developer shall be entitled to elect no less than one-third of the members of the Board of Administration 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 Administration of the Association under the following circumstances, whichever occurs first:

(a) Three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(b) Three months after 90 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(c) When all the Units that will be operated ultimately by the Association 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;

(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; or

(e) Seven years after recordation of the Declaration of Condominium; or in the case of an Association which may ultimately operate more than one

Condominium, 7 years after recordation of the Declaration for the first Condominium it operates; or, in the case of an Association operating a phase Condominium created pursuant to F.S. 718.403, 7 years after recordation of the Declaration creating the initial phase.

The Developer is entitled to elect at least one member of the Board of Administration of the Association as long as the Developer holds for sale in the ordinary course of business, at least 5 percent, in Condominiums with fewer than 500 units, and 2 percent, in Condominiums with more than 500 units, or the units in a Condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other Unit owner, except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Administration.

4.3 ELECTION OF DIRECTORS: The election of Directors, other than the fir Board, after there are no long any Developer elected representatives on the Board, shall be conducted in accordance with Florida Statutes in the following manner:

a. The Board of Directors shall be composed of three (3) Directors;

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

4.4 ORGANIZATION MEETING: The organizational meeting of newly elected Board shall be held at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected and proper statutory notice of the organizational meeting shall be necessary.

4.5 REGULAR MEETINGS: Regular Meetings of the Board may be at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of the time and purpose of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived. Meetings shall be open to all Unit Owners. Meetings shall be held at location convenient to the Unit Owners.

4.6 SPECIAL MEETINGS: Special meetings of the Board may be call by the Chairman or President. Not less than three (3) days' notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

4.7 WAIVER: Any Director may waive notice of a meeting before or after a meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance shall be deemed a waiver.

4.8 NOTICE: Adequate notice of all meetings shall be posted conspicuously on the Condominium Property at least 48 hours in advance, except in emergency. Notice of any meeting in which amendments to the rules regarding unit use shall be posted conspicuously on the Condominium Property as well as either mailed or hand delivered to each unit owner not less that 14 days prior to the meeting. Notice of any meeting in which non-emergency special assessments against Unit Owners are to be considered for any reason shall specifically contain the Statement that assessments will be considered and the nature of any such assessments and shall be posted conspicuously on the Condominium Property as well as either mailed or hand delivered to each unit owner not less that 14 days prior to the meeting. The Developer shall be entitled to notice of all Board of Directors' meetings, shall be entitled to attend the Board meeting, and may designate such persons as it desires to attend such meetings on their behalf until the Developer no longer holds any unit for sale. Unit Owners must be given at least 14 days notice of all budget meetings and meetings at which non- emergency special assessments will be considered.

4.9 QUORUM: A quorum at the Director's meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the

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Board approval by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board except as specifically otherwise provided for the Articles, these By-Laws or the Declaration. If any Directors' meeting cannot be convened because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, (whenever the latter percentage of attendance may be required as set forth in the Articles, these By-Laws, or the Declaration) the Directors who are present may adjourn the meeting, from time to time, until a quorum or the required percentage of attendance if greater than quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted, but any rescheduled meeting shall be properly noticed.

4.10 PRESIDING OFFICER: The presiding officer at Directors' Meetings shall be the Chairman. In the absence of the presiding officer, the Directors present shall designate one of their number to preside. The Chairman of the Board shall be elected at the Board's organizational meeting and shall serve for one year.

4.11 RESIGNATION: A Director may resign by giving written notice thereof to the Chairman. A Director may be recalled and removed from office pursuant to Section 718.112 (2)(j) F.S.

4.12 POWERS AND DUTIES: All of the powers and duties of the Association may be exercised by the Board in the Board's sole discretion, provided, however, that in case of any action by the Board (after the First Board), which would have a substantial and material effect (for example, cancellation of Management Agreements, etc.) on the Unit Owners, the same shall require majority approval of the Unit Owners. Such powers shall include without limiting the generality of the foregoing, the following:

a. To make, levy and collect assessments against members and members' Units to defray the cost of the Condominium, and to use the proceeds of said assessments in the exercise of the powers and duties granted to the Association. To collect and make payments pursuant to agreements entered into by the Association.

b. To adopt the budget of the Association upon majority vote of the Directors, provided, however, that the adoption of the budget at a Special Meeting, called pursuant to such statute, by the Unit Owners, if required, shall only require a simple majority vote. It is understood, however, that the failure of the Board or Unit owners to adopt a budget shall not impair or affect the Unit Owners' obligations to pay their share of obligations of the Association or themselves.

c. The maintenance, repair, replacement, operation, improvements, and management of the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of it members.

d. The reconstruction of improvements after casualty and the further improvement of the property, real and personal.

e. To make and amend rules and regulations and By-Laws governing the use of the property, real and personal, in the Condominium, so long as such rules and regulations or amendments thereto do not conflict with the rights, privileges, restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration and Exhibits attached thereto.

f. To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Units in the Condominium, as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration.

g. To enter into and ratify a Lease Agreement to provide recreation areas and facilities for the use and enjoyment of some or all of the members of the Association who elect to be bound by the same.

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h. To contract for the management of the Condominium Property, said agreement not to exceed three years and to provide for termination by either party, without cause and without any fee, on thirty day notice or less and to delegate to such contractor such powers and duties of the Association as the Directors deem fit. To lease or concession such portions thereof and to ratify and confirm any existing leases of any part of the Condominium Property.

i. To enforce, by legal means, the provisions of the Declaration and any Exhibits attached thereto and the Rules and Regulations promulgated governing the use of the Condominium Property.

j. To pay all taxes and assessments of any type which are liens against any part of the Condominium Property, other than Units, and the appurtenances thereto and assess the same against the members and their respective Units.

k. To carry insurance for the protection of the members and the Association against casualty and liability as required by the Declaration.

l. To pay all costs of power, water, sewer and other utility services rendered to the Condominium which is not the specific responsibility of the Owners of the separate Units.

m. To employ personnel, for reasonable comparison, to perform the services required for proper administration of the purposes of the Association, including accountants, attorneys, contractors and other professionals.

n. To enter any Unit during reasonable hors as may be necessary in accordance with the provisions of F.S. 718.111(5).

4.13 MANAGEMENT AGREEMENT: The foregoing powers may, in addition to others, be delegated to a Management Firm, provided, however, that said delegation in no way relieves the Association's officers and Directors of the fiduciary obligations owed by them to Unit Owners under F.S. 718.111(1).

4.14 AUTHORITY OF FIRST BOARD: The undertakings and contract authorized by the First Board including the first budget shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by a Board duly elected by the membership.

4.15 REMOVAL OF DIRECTORS: Directors may be removed from office pursuant to the provisions of Section 718.112 F.S.

4.16 PROVISO: Notwithstanding anything herein contained to the contrary, the directors shall not have the right of authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Developer as set forth in the Declaration, the Articles, and these By-Laws, without the consent of those affected.

4.17 The Board is authorized to appoint an executive committee or other committees as authorized by Florida law to exercise the authority of the Board

4.18 Meetings of the board may be held by means of a conference telephone or similar communications equipment in which all persons participating at the meeting can hear each other t the same time.

4.19 The Board is authorized to publish and distribute a list of the names of all owners and tenants, or their addresses and telephone numbers, and their Unit number.

ARTICLE 5. OFFICERS

5.1 GENERALLY: The officers of the Association shall be a President, one or more Vice-Presidents, a Treasurer, a Secretary and, if desired, one or more Assistant Secretaries, all of whom shall be elected by the Board of Directors. They

may be removed by a majority vote of the Directors at any meeting. Any person may hold two or more offices, except that the president shall not also be the Secretary or an Assistant Secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

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

5.4 SECRETARY: The Secretary shall keep the minutes of all proceedings of the Directors and the members, attend to the giving and serving of all notices to the members and Directors, have custody of the seal of the Association, and affix the same to instruments requiring a seal when duly signed, keep the non-financial records of the Association, and shall perform all other duties incident to the office of the Secretary of an association, and as may be required by the Directors or president. The Assistant Secretary, if any, shall perform the duties of Secretary when the Secretary is absent.

5.5 TREASURER: The Treasurer shall have custody of all of the funds, securities and evidences of indebtedness of the Association. He shall keep the assessment rolls and accounts of the members and the books of the Association in accordance with good accounting practice and shall perform all other duties incident to the office of Treasurer.

5.6 FIRST OFFICERS: The first officers of the Association who shall serve until election of their successors, shall be shoe persons so name in the Articles.

ARTICLE 6. FISCAL MANAGEMENT; ASSESSMENTS; LIENS

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

6.1 MANNER AND NOTIFICATION: The Board of Directors shall, as required by F.S. 718, fix and determine the sums necessary to pay all the Common Expenses of the Condominium, including maintenance of proper reserves, pursuant to the provisions of the Declaration, Articles and these By-Laws. All payments required by the aforementioned instruments, except as specified to the contrary therein, are Common Expenses of this Condominium. The same shall be assessed against the Unit Owners as provided in the Declaration and all the Exhibits attached thereto. Assessments for the first year (or pro rata portion thereof) of the operation of the Condominium Property shall be as set forth in a projected budget established by the Developer. Subject, however, to the right to modify the same to adequately provide for the payment of such sums necessary to discharge the obligations of the Condominium.

6.2 PROPOSED BUDGET: A copy of the proposed annual budget shall be mailed to Unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of the meeting. The proposed budget of Common expenses shall, to the extent possible in a reasonable business context, be detailed and show the amount budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in F.S. 718.504(21).

6.3 DEPOSITORY; WITHDRAWALS: The depository of the Association shall be such bank or banks 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 signed by such persons as are authorized by the Directors. Should the Association employ a Management Firm or Managing Agent, and should in the course of such employment said Management Firm or managing Agent be charged with any responsibilities concerning control of any of the funds of the Association, then, and in such event, any Agreement with such Management Firm or Managing Agent pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the terms of any such agreement. The provisions of the proceeding sentence shall, where applicable, apply to the provisions of Paragraphs 6.2 and 6.4 hereof.

6.4 RECORDS: The Association shall maintain those records and make them available as required by F.S. 718.111(12). Subject, however, to the provisions of the Declaration.

6.5 FIDELITY BONDS: Adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, Secretary, and Treasured of the Association. The Association shall bear the cost of bonding.

6.6 FISCAL YEAR: The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board is expressly authorized to adopt a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board deems advisable.

6.7 PAYMENTS OF ASSESSMENTS: Funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions or percentage provided in the Declaration. Said assessments shall be payable monthly, in advance, without notice, and shall be due on the first day of each month. Special assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular assessments, except notice thereof shall be given, and shall be payable in the manner determined by the Board. Failure to pay an assessment within ten (10) days from the date due, shall entitle the Association to levy a late charge against the defaulting Unit Owner of the greater of $25.00 or 5% of each installment. Unit Owner agrees that such late charge is not in the nature of a penalty as damages on account of late payments are impossible to ascertain. Failure to pay any assessment with ten (10) days from the date due shall constitute a default. The first assessment shall be due on the first day of the first month following the conveyance of the first unit of this Condominium.

6.8 ACCELERATION OF PAYMENT OF INSTALLMENTS OF ASSESSMENT: If a Unit Owner shall default in the payment of any assessment and a claim of lien for assessments has been filed, the Board may accelerate the monthly assessments for, in its discretion, up to three (3) months. Upon notice thereof to the Unit Owner, the accelerated assessment shall immediately become due upon the date sated in the notice, which shall not be less than fifteen days after delivery of or the mailing of such notice to the Unit Owner.

6.9 ACQUISITION OF UNITS: At any foreclosure sale of a Unit the Board may acquire, in the name of the Association or its designee, the Unit being foreclosed. The term "foreclosure" as used in this Section, shall mean and include any foreclosure of any lien, including a lien for assessments. The power to acquire a Unit at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of the Association to do so, the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Board.

6.10 DEFAULT IN PAYMENT OF ANY ASSESSMENT; LIEN: In the event of a default by a Unit Owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including, but not limited to, those provided by the Condominium Act, and the liability of the Unit Owner shall

include liability for reasonable attorney's fees and for court costs incurred by the Association incident to the collection of such assessments or enforcement of its lien, including attorney's fees and court costs on any appeal. Noting herein contained shall bar a suit to recover a monthly judgment for unpaid assessments without waiving the lien securing the same.

ARTICLE 7. COMPLIANCE

7.1 VIOLATION BY MEMBER; REMEDIES: In the event of a violation (other than the non-payment of an assessment) by the Unit Owner of any of the provisions of the Condominium Documents or Rules and Regulations adopted pursuant to any of same, the Board shall notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from the date of notice, the Association shall have the right to treat such violation as an intentional, inexcusable and material breach thereof, and may then pursue any remedy available. However, prior to the institution of court litigation, the parties shall attend non-binding arbitration as required by and provided for in Section 718.1255(4) FS. No action taken shall be deemed an "election of remedies". Upon a finding by the Court that the violation complained of has occurred, the offending Unit Owner shall reimburse the Association for all costs and losses including reasonable attorney's fees and costs incurred in maintaining such action and any appeal therefrom. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from the date of a written request, signed by a Unit owner and sent to the Board, shall authorize any Unit Owner to bring an action in equity or suit at law on account of the violation, in the manner provided by the Condominium Act. Any violations which are deemed by the Board to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association and the costs thereof shall be charged to the Unit Owner.

7.2 LIABILITY OF UNIT OWNERS: Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by this act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees. The expense of any maintenance, repair or replacement required shall be charged to said Unit Owner.

7.3 GENERAL LIABILITY: Liability of Unit Owners shall be governed, in addition to the provisions hereof, by F.S. 718.119.

7.4 SURVIVING LIABILITY: Termination of membership in the Association shall not relieve any Unit Owner from any liability, financial or otherwise, incurred by said party while a member and shall in no way impair any rights that the Association has, or may have had, against the terminating member.

7.5 EXCESS LIABILITY: The Association shall give notice to the unit Owners of excess liability as provided in F.S. 718.119(3).

ARTICLE 8. LIMITATION OF LIABILITY Notwithstanding the duty of the Association to maintain the repair of the Condominium Property, it shall not be liable for injury or damage caused by a latent condition in the property or for injury or dame caused by the elements or by other persons.

ARTICLE 9. PARLIAMENTARY RULES Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Declaration, Articles, By-Laws or with the Statutes of the State of Florida.

ARTICLE 10. AMENDMENTS TO BY-LAWS Amendment to these By-Laws, as hereinafter defined and provided for, shall be adopted by an affirmative vote of two-third (2/3) of the entire membership of the Unit Owners. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President or Vice-President and Secretary or Assistant Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Alachua County, Florida, within ten (10) days from the date of which any amendment has been affirmatively approved by the Directors of the Association.

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ARTICLE 11. BY-LAWS PERTAINING TO USE AND DECORUM

11.1 DEFINITION: "use" and "Decorum" as used herein shall refer to matter pertaining to dress, decorum, noise, use of Units, use of Common Elements and Limited Common Elements as are set forth in Article 12 hereof.

11.2 SCOPE; REMEDY FOR VIOLATION: These By-Laws are reasonably calculated to promote the welfare of the Unit Owners. The violation of such By-Laws shall subject any person violating the same to any liability imposed by the Condominium Documents.

11.3 RULES AND REGULATIONS: The Association may from time to time promulgate additional Rules and Regulations concerning the use of the Condominium Property. Said Rules and Regulations shall have effect upon posting in a conspicuous place on the Condominium Property and shall have the dignity of By-Laws but, unless said rule conflicts with the provisions here, it shall not require an amendment to be effective.

ARTICLE 12. INITIAL RULES AND REGULATIONS

The By-Laws relating to use and decorum hereinafter enumerated shall be deemed in effect until amended and shall apply to, and be binding upon, all Unit Owners. The Unit Owners shall, at all times, obey the same and use their best efforts to see that the By-laws and Rules and Regulations are faithfully observed by their families, guests, invitees, servants, lessees, and persons over whom they exercise control and supervision. Said By-Laws are as follows:

12.13 Each Unit Owner shall keep his Unit in good state of preservation and cleanliness. He shall not sweep or throw from the premises any dirt or other substances into any of the corridors or halls or elsewhere in the building or upon the grounds. Refuse shall be placed in containers in such manner and at such times and places as the Association or its agent may direct.

12.14 The sidewalks, entrances, vestibules, corridors and halls must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from Units in the building.

12.15 Employees of the Unit Owners may not gather or lounge in the common areas of the buildings or grounds.

12.16 Supplies, goods and packages of every kind are to be delivered in such manner as the Association or its agent may prescribe, and the Association shall not be responsible for the loss or damage of any such property.

12.17 Unit Owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to emanate from their Units. Entrance doors shall be kept closed at all times except when in actual use for ingress and egress.

12.18 Unit Owners shall not permit or keep in their Unit any inflammable, combustible or explosive material, chemical or substance, except such products as are required in normal professional use.

12.19 Water closets and other water apparatus in the building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or other articles be thrown into same. Any damage resulting from misuse of any water closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

12.20 No sign, advertisement, notice or other lettering shall be exhibited, painted or affixed by any Unit Owner on any part of the outside of the demised premises

or building, hung from windows or placed on window sills, without the prior written consent of the Association, which shall establish rules governing the size, number and placement of signs for the Condominium. However, any Unit Owner may display one portable, removable United States flag in a respectable way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, a Unit Owner may also display in a respectful way, portable, removable official flags that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard.

12.21 No awnings, radio or television aerials or other projections shall be attached to the outside walls or roofs of the buildings, and no blinds, shades or screens shall b3e attached to, hung or used on the exterior of any window or door of the Unit or Condominium building, without the prior written consent of the Association Board. The Board shall adopt hurricane shutter specifications for each building in the Condominium, which specifications shall include color, style and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code and, if approval is required by the documents, the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board.

12.22 No animals shall be kept or harbored in the premises, except dogs and cats weighing 40 pounds or less.

12.23 The Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.

12.24 Complaints regarding the services of the building shall be made in writing to the Association or its agent.

ARTICLE 13. INDEMNIFICATION

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

ARTICLE 14. UNIT OWNERS' RESPONSIBILITY CONCERNING LIENS AND TAXES

14.1 LIENS AND TAXES All liens against a Condominium Unit, other than for permitted mortgages, taxes or special assessments shall be satisfied or otherwise removed within ten (10) days of the date that lien attaches. All taxes and special assessments upon a Condominium Unit shall be paid at least thirty (30) days before becoming delinquent or as provided in Condominium Documents, whichever is sooner.

14.2 NOTICE TO ASSOCIATION A Unit Owner shall give notice to the Association and Management Firm of every lien upon his Unit., other than for permitted mortgages, within five (5) days after the attaching of the lien.

ARTICLE 15. CONTRACTS OR LEASES

Prior to the passage of control of the Association from the Developer to the Unit Owners, the Association may not be bound, either directly or indirectly to any contract or lease, unless the Association may terminate such contract or lease, without cause and without penalty being imposed upon, not more than thirty (30) days notice to the other party thereto.

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ARTICLE 16. CONFLICT

In the event any conflict between the By-Laws contained herein, or from time to time amended or adopted, and the Declaration of Condominium, the Declaration shall prevail.

ARTICLE 17. CERTIFICATE OF COMPLIANCE

A Certificate of Compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Condominium Units to the applicable fire and life safety code.

The foregoing were adopted as the By-Laws of **KENSINGSON SOUTH CONDOMINIUM ASSOCIATION, INC.,** a corporation not-for-profit, established under the Laws of the State of Florida at the first meeting of the Board of Directors on the 2nd day of May, 2005.

KENSINGTON SOUTH CONDOMINIUM ASSOCIATION, INC.

By: _____(SEAL)
MERRILL PUGH, PRESIDENT

ATTEST _____(SEAL)

(Corporate Seal)