

EXHIBIT 1

TO

PROSPECTUS OF PARK LAKE ASSOCIATION NUMBER FOUR

DECLARATION OF CONDOMINIUM

PARK LAKE ASSOCIATION NUMBER FOUR, a condominium

Declaration made June 6, 1986, pursuant to Chapter 718 of the Florida Statutes, by CASSIDY & ASSOCIATES, INC., a Florida corporation, organized and existing under the laws of Florida, having its principal offices at 150 Cypress Gardens Boulevard, Winter Haven, Polk County, Florida, and hereinafter referred to a Developer.

1. Submission of property: Developer, who is owner in fee simple of the land described in Exhibit A, the improvements constructed or currently being constructed thereon, together with all easements, rights and appurtenances belonging thereto, and all other property, personal and mixed, intended for use in connection therewith, hereinafter collectively referred to as the property, hereby declares certain divisions of Chapter 718 of the Florida Statutes, hereinafter referred to as the Condominium Act, and further intending thereby to create covenants running with the land and binding developer and its successors and assigns forever.

2. Name of Condominium. The name by which the property shall hereafter be known is PARK LAKE ASSOCIATION NUMBER FOUR, a condominium.

3. Description of Land. The land on which the building and improvements constituting the property are located in Winter Haven, Polk County, Florida, is described on Exhibit A, attached hereto and made a part hereof.

4. Identification of Units. The Park Lake Association Number Four condominium consists of 60 residential condominiums. The units are numbered as follows:

WHITE SANDS BUILDING:

First Floor: 140, 141, 142, 143, 144, 145, 146, 147, 148, 149  
150, 151  
Second Floor: 240, 241, 242, 243, 244, 245, 246, 247

ZION BUILDING:

First Floor: 160, 161, 162, 163, 164, 165, 166, 167, 168, 169,  
170, 171  
Second Floor: 260, 261, 262, 263, 264, 265, 266, 267

TETONS BUILDING:

First Floor: 180, 181, 182, 183, 184, 185, 186, 187, 188, 189,  
190, 191  
Second Floor: 280, 281, 282, 283, 284, 285, 286, 287

Floyd & Sammons, Inc.  
Post Office Box 7566  
Winter Haven, FL 33880

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"Condominium Map Exhibits showing Park Lake Association Number 4 filed in Condominium Plat Book 8 Pages 49, 50, 51, 52, 53, this 13th day of June, 1986.

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All units are shown on the survey and plot plan, attached as Exhibit B, and identified on the Schedule of Ownership of Common Elements, attached as Exhibit D. The condominium units are located within three (3) buildings known as the White Sands Building, Zion Building, and Tetons Building.

5. Unit Plans. A sample floor plan for each type of unit, containing a graphic description of the improvements within each unit, the size and dimension of each unit is attached hereto as Exhibit C.

6.(a) Common Elements. The common elements are shown on the plot plan attached as Exhibit D and consist of the following:

(1) The parcel of land described above.

(2) Parking facilities.

(3) Walkways, sidewalks, and associated stairways to second floor units providing ingress and egress to all units.

(4) Landscaped and lawn areas surrounding the building and parking area.

(5) Central and appurtenant installations for services such as power, telephone, gas, water and other utilities, and sewer services (including all mains and laterals within the common lands); Developer has received a letter of intent from Centel to provide cable television as an option to all units within the condominium.

(6) All other parts of the property necessary or convenient to its existence, maintenance, and safety, or which are normally in common use.

(b) Limited Common Elements. The limited common elements consist of the air conditioning and heating equipment servicing the unit but located outside of that unit.

7. Ownership of Common Elements. Each owner of a unit shall own in fee simple absolute an undivided interest in the aforesaid common elements as set forth in Exhibit D, Schedule of Ownership Interest.

8. Proportionate representation: participation in common expenses. Each unit owner shall share in the common expenses, as hereinafter defined, and in the total voting power of the association of owners, in accordance with such unit owner's interest in the common elements.

9. Definition of Common Expenses. For purposes of this declaration, "common expenses" means expenses for which unit owners shall be proportionately liable, including (1) all expenses of administration, maintenance, repair or replacement of

the common elements, (2) expenses agreed upon as common expenses by all unit owners, (3) expenses for repair and maintenance of all utility installations located with the common elements, (4) a proportionate share of all expenses incurred by the Park Lake Master Association, a copy of the Articles of Incorporation, By-Laws and the Declaration of Covenants and Restrictions thereof are attached hereto as Exhibit G-1, G-2 and G-3, which shall be responsible for repair and maintenance of all common areas of said association, including interior roads, easements, water and sewer mains and laterals, medians, the lakefront access area, dock and gazebo (if existing), stormwater drains, pipes and associates, installations, signs, utility lines, street lights, irrigation pumps, line and equipment, insurance, walls and fences, utilities consumed in providing same and all additional common facilities dedicated by Developer to the Park Lake Master Association. The Park Lake Master Site Plan is attached as Exhibit H and (5) expenses declared common expenses by or pursuant to the provision of the Condominium Act, this declaration, or the by-laws.

10. Covenants and Agreements. Developer, its successors and assigns, by this Declaration, and all future owners of units, by acceptance of their respective unit deeds, hereby covenant and agree as follows:

(a) The common elements shall remain undivided, and no right shall exist to partition or divide any of them, except when withdrawal of the property from the Condominium Act is authorized by all unit owners and the holders of all mortgages or other liens affecting all units, or directed by a court of equity as provided by law. On such authorization, all unit owners, mortgagees, and lienors shall execute and file for record in the office where this Declaration is filed, an instrument of revocation, the owners shall become tenants in common of the property, and each shall own an undivided interest therein equal to the percentage of his undivided interest in the common elements before the filing of such instrument. On the filing of such instrument of revocation, each lien on an individual unit shall become a lien on the individual undivided interest of the owner of such unit as tenant in common of the entire property. Removal of the property from the Condominium Act shall not bar subsequent resubmission to the provisions of such Act in accordance with the terms hereof. Removal of the property from the Condominium Act shall not relieve the unit owners of their responsibility for contributions to the Park Lake Master Association.

(b) If any portion of the common elements encroaches on any unit, or if any unit encroaches on any other unit, or any portion of the common elements, as a result of the construction of the building; or if any such encroachment shall occur as a result of settling or shifting of the building, a valid easement for such encroachment and for the maintenance of the same so long as the building stands shall exist. If the building, or any

common element or any unit therein, is partially or totally destroyed as a result of a fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, the minor encroachments of parts of the common elements on any unit, or of any unit on any other unit or on any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof for so long as the building stands, shall exist.

(c) Each unit owner shall have an easement in common with the owners of all other units:

(1) To use all streets, walks, parking areas, and other rights of way serving the units of the condominium as part of the common elements and providing access to the streets and other public ways.

(2) To use all pipes, wires, ducts, cables, conduits, public utility lines, and other common elements located in any of the other units and serving his unit.

(3) To use all common areas throughout the PARK LAKE PROJECT as described in Exhibit H, except as modified or relocated by the Developer during the development of Park Lake.

Each unit shall also be subject to such easements in favor of the owners of all other units. The governing board, on behalf of all unit owners, shall have a reasonable right of access upon giving reasonable notice to the unit owner and during reasonable hours, to each unit to inspect the same, and to maintain, repair, or replace the common elements therein or appurtenant thereto.

(d) Each unit space shall be occupied and used by its respective owner only as private dwellings for the owner, his family, tenants, and social guests, and for no other purpose whatsoever. All residents must be not less than 13 years of age.

(e) Each owner of a unit or units, shall, automatically on becoming owner of such unit or units, become a member of PARK LAKE ASSOCIATION NUMBER FOUR, INC., hereinafter referred to as the association, and shall remain a member thereof until such time as his ownership shall be for any reason ceased, at which time his membership in the association shall likewise cease.

(f) In the event any unit becomes subject to foreclosure or judicial sale, each unit owner shall, immediately on becoming an owner thereof, grant to the governing board, on behalf of all unit owners, the right to acquire title to any unit sold at foreclosure or judicial sale.

(g) Any unit leased or acquired by the governing board in any manner whatsoever, shall be held by the board on behalf of

all unit owners, in proportion to the respective common interests of such owners as set forth above.

(h) Administration of the condominium shall be in accordance with the provisions of this declaration and the by-laws of the association.

(i) Each unit owner, and all occupants of the units shall comply with the provision of this declaration, their unit deed and the by-laws, rules, regulations, decisions, and resolutions of the association as lawfully amended from time to time. Failure to comply with such provisions, decision, or resolutions, shall be grounds for an action for damages, injunctive relief, or both, maintainable by the association or by any unit owner or by any person who holds a unit mortgage and is aggrieved by any such noncompliance.

(j) No owner of a unit may exempt himself from liability for proportionate share of the common expenses by waiver of the use of enjoyment of any of the common elements, or by abandonment of his unit. Provided, however, for the period of time ending on the first day of the fourth calendar month following the month in which the first closing on a unit occurs, the Developer, shall be excused from the payment of assessments for common expenses (association and maintenance fees) on condominiums owned by it and the Developer shall pay any amount of common expenses incurred during the period that is not produced by assessments receivable from other unit owners.

(k) Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by this Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the association to all unit owners and residents of the condominium upon request.

(l) Provided, however, that until Developer has closed the sales of all the units of the condominium, neither the unit owner nor the Association may make any use of the condominium property which shall interfere with the sale of the units. Developer may make such use of the unsold units, common elements and common areas as may facilitate such completion and sale, including but not limited to, maintenance of a sales office, the showing of the property and the display of signs. The sales office, the furniture and furnishings in all model units, signs and all items pertaining to sales shall not be common elements and shall remain the property of the Developer. The Developer shall have the absolute right to rent or lease unsold condominium units without regard to any restrictions of limitations relating to the duration of leased units.

11. Assessment Liens. The association shall have a lien on each condominium unit for any unpaid assessments, together with interest thereon and reasonable attorney's fees

paid or incurred by reason of the nonpayment thereof. Any such lien may be foreclosed by suit brought in the name of the association in the same manner as a suit to foreclose a mortgage on real property, and the association shall have the power to bid on the unit at any such foreclosure sale, and to acquire, hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments may also be maintained without foreclosing or waiving the lien securing the same.

12. Acquisition of unit at foreclosure sale; effect.

Where the mortgagee of a first mortgage of record, or other purchaser of a unit obtains title to such unit as result of the foreclosure of a mortgage, or pursuant to a deed in lieu of foreclosure, such purchaser, his heirs, successors and assignees, shall not be liable for the share of the common expenses or assessments by the association chargeable to such unit for any period prior to the acquisition of title to such unit by such purchaser. Any such unpaid share of common expenses or assessments shall be deemed common expenses collectible from all units, including the unit acquired by such purchaser, his heir, successors and assigns.

13. Rental of Units. Units shall not be rented for

transient or hotel purposes, which are defined as: (1) rental for any period less than 28 days; or (2) a rental for any period if the occupants of the unit are provided with customary hotel services, such as room service for food and beverages, maid service, laundry and linens, and bellboy services. With the exception of rentals for transient or hotel purposes, unit owners shall have the absolute right to lease their units, provided such leases are made subject to the covenants and restrictions contained in this declaration, and in the by-laws as they may from time to time be amended.

14. Destruction of or damage to property; effect. In

the event of any damage to or destruction of any improvements on the condominium property or any part thereof, required by this declaration, the by-laws, or by law to be insured by the association, such improvements or common elements shall be promptly repaired and restored by the association using the proceeds of such insurance. If such proceeds are inadequate to cover the cost of such repair or restoration, unit owners shall be assessed on an equitable basis according to the benefit derived by them for such repair or restoration. However, if (a) the proceeds of such insurance are inadequate by a substantial amount to cover estimated costs of repair and restoration of any essential improvement or common element, or (b) such damage constitutes substantially total destruction of the condominium property or of one or more buildings comprising the condominium property, or (c) those unit owners entitled to exercise seventy five percent (75%) or more of the total voting power held by those unit owners within the building directly affected by such damage or destruction, voting in accordance with the procedure established in the by-laws, shall determine not to repair or restore, the association shall proceed to realize the salvage

value of that portion of the condominium property so damaged or destroyed by sale or otherwise, and shall collect the proceeds of any insurance. Thereupon the net proceeds of such sale or other disposition of the land to level grade, if appropriate, shall be considered as one fund and shall be divided among unit owners directly affected by such damage or destruction in proportion to their respective undivided ownership of the common elements. Any liens or encumbrances on any affected unit shall be relegated to the interest of the owner thereof in the fund.

15. Eminent Domain. If all or any part of the common elements shall be taken, injured, or destroyed by eminent domain, each unit owner shall be entitled to notice of such taking and to participate through the association in all condemnation and other proceedings. Any damages shall be for the taking, injury, or destruction as a whole and shall be collected by the association and distributed by it among unit owners in proportion to their respective undivided interests in the common elements or limited common elements so taken, injured, or destroyed, except that such funds as are deemed by the association necessary or appropriate to the applied to the repair or restoration of property so injured or destroyed may be so applied.

16. Insurance. The insurance, other than title insurance, which shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

(a) Authority to Purchase. All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association and the unit owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates or mortgage endorsements to the mortgagees of unit owners. Such policies and endorsements to the mortgagees with the Board of Directors. Unit owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability and living expense. All policies purchased by the Association must be written by insurance companies authorized to do business in the State of Florida, with offices or agents in Florida, provided, however, all such insurance policies must be accepted and approved by the institutional mortgagee holding the largest aggregate dollar sum of mortgages encumbering condominium parcels in the condominium, said sum to be ascertained at the time of purchase or renewal of each policy.

(b) Coverage.  
Casualty. All buildings and improvements upon the land, including units and all personal property of the Association included in the condominium property, are to be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association, and all such insurance must be obtained, if possible, from the same

company. Such coverage shall provide protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and flood disaster insurance.

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

(3) Public Liability. In such amounts and with such coverage as shall be required by the Board of Directors of the Association with cross liability endorsements to cover liability of the unit owners as a group to a unit owner.

(4) Workmen's Compensation. As shall be required to meet the requirements of law.

(5) Association Insurance. Such other insurance as the Board of Directors of the Association, in its discretion, may determine from time to time to be in the best interest of the Association and the unit owners, including Director's Liability Insurance or other insurance that an institutional mortgagee may reasonably require, so long as it is the owner of a mortgage on any condominium parcel.

(c) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association.

(d) Assured. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners all proceeds covering casualty losses shall be paid to the Governing Board. All insurance policies shall require written notification to each institutional mortgagee not less than (10) days in advance of cancellation of any insurance policy insuring the condominium property.

The Board of Directors shall not be liable for payments of premiums, nor for the renewal or sufficiency of the policies, nor for the failure to collect any insurance proceeds. The duty of the Board of Directors shall be to receive such proceeds as are paid, and hold same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees in the following shares, but which shares need not be set forth in the records of the Board of Directors.

(e) Common Elements. Proceeds on account of common elements shall be held in as many undivided shares as there are units in each building, the shares of each unit owner being the same as his share in the common elements, as same are hereinabove stated.

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

1. Partial destruction. When the building is to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner.

2. Total destruction. When the building is to be restored, for the owners of all units in the building in proportion to their share to the common elements appurtenant to



their unit.

3. Mortgagee. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests appear. In no event shall any mortgagee have the right to demand the application of insurance proceeds to any mortgage or mortgagees which it may hold against units, except to such extent as said insurance proceeds may exceed the actual cost of repair or restoration of the damaged building or buildings, and no mortgagee shall have any right to participate in the determination as to whether or not improvements will be restored after casualty.

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

1. Expense of the trust. All expenses of the Governing Board shall be first paid or provision made therefor.

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

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

4. Certificate. In making distribution to unit owners and their mortgagees, the Governing Board may rely upon a certificate of the Association made by the President and Secretary as to the names of the unit owners and their respective shares of distribution.

(h) Association as Agent. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association.

17. Conveyance of Units; liability for assessments. Whenever a unit is voluntarily conveyed, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments for his share of common expenses upon to the time of conveyance, without prejudice to the grantee's right to recover from the grantor any amount paid by the grantee for such accrued assessments. Any grantee or mortgagee shall be entitled, within ten (10) days after request therefor, to a certificate for amounts owed, from the governing board of the association, by the grantor, and any person, other than the governing board who

relies on such certificate shall be entitled to rely thereon, and shall not be liable for any amount in excess of the amount set forth in such certificate.

18. Association. In order to provide for the proficient and effective administration of this condominium by the owners of units, a non-profit corporation known and described as PARK LAKE ASSOCIATION NUMBER FOUR, INC., has been organized under the laws of the State of Florida and said corporation shall administer the operation and management of this condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration of condominium, its By-laws and the Rules and Regulations promulgated by the Association from time to time.

Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached hereto as Exhibit E.

By-Laws. The By-Laws of the Association shall be the By-Laws of the condominium, a copy of which is attached hereto as Exhibit F.

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

Restraints upon Assignment of Shares in Assets. The shares of members in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as appurtenant to a unit.

Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed in accordance with the By-Laws of the Association.

Membership. The record owners of all units in the condominium shall be members of the Association, and no other persons or entities shall be entitled to membership except for subscribers to the Articles of Incorporation. Membership shall be established by acquisition of ownership of fee title to or fee interest in a condominium parcel in said condominium, whether by conveyance, devise, judicial decree or otherwise, subject to the provisions of this Declaration and by the recordation among the public records of Polk County, Florida, of the deed or other instrument establishing the acquisition and designating the parcel affected thereby and by the delivery to the association of a true copy of such recorded deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to the parcel designated shall be terminated.

Voting. On all matters as to which the membership shall be entitled to votes, each unit shall have the equivalent of one vote for each one-hundredth of a percent based on that unit's percentage share in the common elements.

19. Delegation of managerial and administrative duties. Any right, privilege, or duty pertaining to the operation of the condominium herein granted to or imposed on the association or the governing board thereof (other than the determination and levy of assessments for common expenses, the enforcement of liens for failure to pay the same the purchase of property and leases, granting easements and maintaining lawsuits, or other powers required to be exercised by the Association under section 718.111 of the Florida Statutes as in effect upon the recording of this declaration), may be delegated to professional corporate managing agent by mutually binding contract entered into between the president or authorized agent of the association and such managing agent.

20. Maintenance, Alterations and Improvements. Responsibility for the maintenance of the condominium property and restrictions upon its alterations and improvements shall be as follows:

A. Units.

1. By the Association. The Association shall maintain, repair and replace at the Association's expense:

a. All portions of a unit contributing to the support of the condominium building, which portions shall include, but not be limited to, outside walls of the apartment building and all fixtures on its exterior, those portions of boundary walls not a part of unit; floor and ceiling slabs; load-bearing columns and load-bearing walls.

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

c. All incidental damage caused to a unit by such work immediately above-described shall be repaired promptly at the expense of the Association.

2. By the Unit Owner: The responsibility of the unit owner shall be as follows:

a. To use his unit only as a residence. To keep and maintain his unit, its equipment and appurtenances in good order, condition and repair, and to perform promptly all maintenance and repair work within the unit which, if omitted, would affect the condominium in its entirety or in a part belonging to others; being expressly responsible for the damages and liability which his failure to do so may cause. Notwithstanding anything contained in this Declaration, the owner of each unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all windows and exterior doors, including sliding glass doors and all air conditioning and heating equipment, stoves, refrigerators, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures, and/or their connection required to provide water, light, power, air conditioning and heating, telephone,

sewage and sanitary service to his unit which may not or hereafter be situated in his unit or which may be limited common elements to his unit.

b. To maintain, repair, and replace any and all walls, ceilings and floor surfaces, painting, decorating, furnishings, and all other accessories which such owner may desire to place and maintain in his unit.

c. Where applicable, to maintain and keep in a neat and trim condition the floor, interior walls, screening and railings of patios, sundecks or balconies.

d. To promptly report to the Association any defect or need for repairs for which the Association is responsible.

e. Plumbing and electrical repairs to fixtures and equipment located within a unit and exclusively servicing a unit shall be paid for and be a financial obligation of the unit owner.

f. Any officer of the Association or any agent of the Board shall have the irrevocable right to have reasonable access to each unit from time to time during reasonable hours and on reasonable notice as may be necessary for inspection, maintenance, repair or replacement of any common element therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common elements or to another unit or units.

g. Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the condominium building and/or property.

3. Alteration and Improvement. Except as elsewhere reserved to the Developer, neither a unit owner nor the Association shall make any alteration in the portions of a unit that are to be maintained by the Association, remove any portion of a unit that are to be maintained by the Association, remove any portion of such, make any additions to same or, do anything that would jeopardize the safety or soundness of the building or impair any easement, without first obtaining approval of the Board of Directors of the Association. A copy of plans for all such work prepared by an architect licensed to practice in this state shall be filed with the Association prior to the start of the work.

#### B. Common Elements.

1. By the Association. The maintenance and operation of the common elements, including the repair, maintenance and replacement of landscaping and other improvements and facilities shall be the responsibility of the Association as a common expense.

2. Alteration and Improvement. After the completion of the improvements included in the common elements contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the common elements without prior approval in writing by not less than two-thirds (2/3) of the members of the Association, if the cost of same shall be a common expense which exceeds in cumulative expenditure for the calendar year, the sum of \$3,000. Any such

alteration or improvement shall not interfere with the rights of any unit owner without their consent.

3. Personal Property. Any personal property acquired by the Association may be sold or mortgaged or otherwise disposed of by the Association.

C. Enforcement of Maintenance. In the event the owner of a unit fails to maintain a unit as required above, the Association, Developer or any other unit owner shall have the right to proceed to any appropriate court to seek compliance with the foregoing provisions with the prevailing party receiving reimbursement for costs and attorney's fees.

Further, in the event a unit owner violates any of the provisions of this section, the Developer and/or the Association shall have the right to take any and all such steps as may be necessary to remedy such violation, including, but not limited to, entry of the subject unit with or without the consent of the unit owner, and the repair and maintenance of any item requiring same, all at the expense of the unit owner.

21. Covenants and Restrictions. The use of the property of the condominium shall be in accordance with the following provisions and Exhibit J.

A. Units. Each of the units shall be occupied only by an owner, members of his family, his servants, guests and tenants, as a residence and for no other purpose.

B. Except as reserved to the Developer, no unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred without first amending this Declaration to show the changes in the units to be affected thereby.

C. Nothing shall be hung, displayed or placed on the exterior walls, doors of windows of the unit or the apartment building without the prior written consent of the Board of Directors of the Association.

D. No clotheslines or similar devices shall be allowed on any patios, sun decks or balconies of the condominium units, or any other part of the condominium property, without the written consent of the Board of Directors of the Association.

E. No owner shall make, allow or cause to be made, any structural addition or alteration of his unit or the common elements without the prior written consent of the Association.

F. Common Elements and Limited Common Elements. The common elements and limited common elements shall be used only for the purpose for which they are intended.

G. Nuisances. No nuisances shall be allowed on the condominium property nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper residential use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition and no rubbish, refuse, or garbage shall be allowed to accumulate or any fire hazard allowed to exist. No unit owner shall permit any use of his unit or of the common elements which will increase the rate of insurance upon the condominium property.

H. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the condominium property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

I. Signs. No signs shall be displayed from a unit or on common elements except such signs as shall have advance written approval by the Association.

J. Rules and Regulations. Reasonable rules and regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium upon request. A copy of the initial Rules and Regulations is attached hereto as Exhibit I.

K. Proviso. Provided, however, that until the Developer has completed all of the contemplated improvements and closed the sales of all of the units of this condominium, neither the unit owners nor the Association shall make any use of the condominium property that shall interfere with the completion of all contemplated improvements and the sale of all units, and the Developer may make such use of the unsold units, common elements, and common areas of PARK LAKE MASTER ASSOCIATION as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the property and the display of signs.

22. Amendment of Declaration. Except as provided otherwise, this Declaration of Condominium may be amended in the following manner:

A. Notice. Notice of the subject matter of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(b.1) Not less than seventy five (75%) percent of the votes of the entire membership of the Board of Directors and by not less than seventy five (75%) percent of the votes of the entire membership of the Association; or

(b.2) Not less than eighty percent (80%) of the votes of the entire membership of the Association; or

C. Resolution of Adoption for Errors or Omissions Not Materially Adversely Affecting Property Rights of the Unit Owners. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by members of the Association whenever it appears that there is

an omission or error in this Declaration of Condominium, or any exhibit hereto, or amendment hereto, as follows:

(c.1) Not less than fifty (50%) percent of the votes of the entire membership of the Board of Directors and by not less than fifty (50%) percent of the votes of the entire membership of the Association.

(c.2) Any amendment adopted pursuant to the provision of paragraph 22.C. shall not materially adversely affect the property rights of unit owners.

(c.3) Until the Developer has sold and conveyed all of the units in the condominium, any amendment adopted pursuant to this paragraph 22.C must be approved and consented to by the Developer.

D. Proviso. No amendment shall discriminate against any unit owner or against any unit, or class or group of units, unless the unit owners so affected and their institutional mortgagees shall consent; and no amendment shall change any unit or the share in the common elements, and other of its appurtenances or increase the owner's share of the common elements, and other of its appurtenances or increase the owner's share of the common expenses, except as hereinabove provided, unless the owner of the unit concerned and all such mortgagees as first above recited, shall join in the execution of the amendment. Neither shall an amendment make any changes in the section entitled "Insurance" unless the record owner of all mortgages upon the condominium shall join in the execution of the amendment; nor shall any amendment of this Declaration make any change which would in any way affect any of the rights, privileges, powers and options of the Developer unless the Developer shall join in the execution of such amendment.

E. Execution and recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was fully adopted, which the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the public records of Polk County, Florida.

F. Amendments. The Section concerning termination cannot be amended without consent of all owners and all record owners of mortgages upon condominium parcels.

23. Surveyor's Certificate. The construction of all of the improvements described in this Declaration is not substantially complete as of the date of this Declaration of Condominium. Upon substantial completion of construction of the improvements the developer will file an amendment to this Declaration of Condominium to include the Surveyor's Certificate.

24. Transfer of Association Control. The Developer shall transfer control of PEEK LAKE ASSOCIATION NUMBER FOUR, INC. to the unit owners as set forth in Florida Statutes 718.301.

25. Amendment of Plans.

A. Alteration of Plans. Developer reserves the right to change the interior design and arrangement of all units, and

to alter the boundaries between the units, as long as Developer owns the units so altered. No such change shall increase the number of units or materially alter the boundaries of the common elements without amendment to this Declaration by approval of the Association, apartment owner and owners of mortgages in the manner elsewhere provided. If Developer shall make any changes in units so authorized, such changes shall be reflected by amendment of this Declaration. If more than one unit is concerned, the Developer shall apportion between the units, the shares and the common elements appurtenant to the units concerned.

**B. Amendment of Declaration.** An amendment of this Declaration reflecting such authorized alteration of unit plans by Developer needs to be signed and acknowledged only the Developer and not be approved by the Association, unit owners or lienors or mortgagors or units or of the condominium, whether or not elsewhere required for an amendment.

26. **Invalidity.** If any one or more provisions of this declaration are declared invalid, such invalidity shall in no way impair or affect the validity, enforceability, or affect of the remainder of this declaration.

27. **Easements/Utility Agreements.** The property described in Exhibit A is subject to easements for utilities, ingress and egress, and stormwater drainage as shown on the plot plan, Exhibit B. Water and wastewater are provided to each unit by the City of Winter Haven and each unit owner shall be billed separately on a monthly basis for the service. Centel cable television is available to each unit, and if a unit owner subscribes to that service they will be charged separately for the service.

28. **Agreement for Maintenance of Interior Roads.** The Association shall automatically become a member of the PARK LAKE MASTER ASSOCIATION. The PARK LAKE MASTER ASSOCIATION shall be responsible for, including, but not limited to, the maintenance of all interior roads and medians, water and sewer mains, and fire hydrants located within, (except as maintained by the City of Winter Haven), easements and the irrigation systems (outside the common elements of this condominium or other condominiums) to be constructed within the PARK LAKE PROJECT by developer as legally described on Exhibit H. The PARK LAKE ASSOCIATION NUMBER FOUR, INC. shall pay to the PARK LAKE MASTER ASSOCIATION its prorata share of these expenses as set forth in the Declaration of Covenants and Restrictions of Park Lake. The Developer agrees that the total number of units shall not exceed 450 units and may also include non-residential facilities, which shall pay a fee to the PARK LAKE MASTER ASSOCIATION based on the ratio of interior square footage of any non-residential structure to the total interior square footage within the PARK LAKE PROJECT. A copy of the PARK LAKE MASTER ASSOCIATION Articles of Incorporation and By-Laws are attached as Exhibits G-1 and G-2 respectively.

29. **Definition of Terms.** All terms shall be defined in



accordance with Florida Statutes 718.103.

30. Waiver. No provision contained in this declaration shall be deemed waived by reason of any failure to enforce the same, irrespective of the number of violations or the consistency of such failure of enforcement.

31. Captions. Captions are inserted in this declaration for convenience and reference only, and shall not be taken in any way to limit or describe the scope of this declaration or any provision hereof.

IN WITNESS WHEREOF, developer/owner has executed this declaration of condominium on the date first above written.

CASSIDY & ASSOCIATES, INC.

by: *Steven L. Cassidy*

ATTEST: *Carol C. Rhinehart*  
Secretary

*Janice L. Meyer*  
Witness

*Brenda M. Suits*  
Witness

STATE OF FLORIDA  
COUNTY OF POLK

Personally appeared before the undersigned authority, STEVEN L. CASSIDY and CAROL C. RHINEHART to me personally known, and they acknowledged to me that they did execute the above instrument on behalf of CASSIDY AND ASSOCIATES, INC., as its President and Secretary, for the purposes and uses therein stated.

WITNESS my hand and seal of office, this the 6th day of June, 1986.

*Brenda M. Suits*  
NOTARY PUBLIC

NOTARY PUBLIC, STATE OF  
FLORIDA, MI. 12000, NY  
COMMISSION EXP 02-03-87

My Commission Expires:

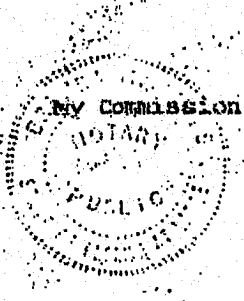


EXHIBIT "F"  
DECLARATION OF CONDOMINIUM  
PARK LAKE ASSOCIATION NUMBER FOUR

BYLAWS OF  
PARK LAKE ASSOCIATION NUMBER FOUR, INC.  
A CONDOMINIUM PURSUANT TO THE  
FLORIDA CONDOMINIUM ACT.

ARTICLE ONE. PLAN OF OWNERSHIP

SECTION ONE. UNIT OWNERSHIP. The condominium, located at Isle Royal, S.E., Winter Haven, Florida 33880, is submitted to the provisions of Chapter 718 of the Florida Statutes, known as the Condominium Act, by declaration recorded simultaneously herewith in the office of the county recording officer of Polk County, Florida.

SECTION TWO. APPLICABILITY TO PROPERTY. The provisions of these by-laws are applicable to the condominium, which term includes the land, the buildings, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property, personal and mixed, intended for use in connection therewith.

SECTION THREE. APPLICABILITY TO PERSONS. All present and future owners, lessees, and mortgagees, their employees, and any other person who may use the facilities of the condominium in any manner shall be subject to these by-laws, the declaration, relevant unit deeds, and rules and regulations pertaining to the use and operation of the condominium property.

Acquisition, rental, or occupancy of any unit in the condominium shall be sufficient to signify acceptance and ratification of the provisions of the aforementioned instruments, and an agreement to comply therewith.

ARTICLE TWO. FORM OF ADMINISTRATION.

SECTION ONE. THE ASSOCIATION AND GOVERNING BOARD. Members of the initial governing board shall be designated by the developer or elected by the unit owners as follows:

(a) Until fifteen per cent (15%) of the units that will eventually be operated by the association are owned by unit owners other than developer, and thereafter until successors shall have been elected by unit owners, the governing board shall consist of such of the officers and directors of developer as developer shall from time to time designate.

(b) When unit owners other than the developer own fifteen per cent (15%) or more of the units, then, in an election by unit owners as provided by law and in these by-laws, unit owners other than developer shall elect one member of the three member board, and one member previously designated by developer shall resign.

(c) The unit owners' representation on the board specified above shall continue until an election, as provided by law and in these by-laws, after the earliest of (1) the date three years after sales by developer of fifty percent of the units in the condominium have closed, or (2) the date three months after sales by developer of ninety percent of the units in the condominium have closed; or (3) units date when all the units have been completed, some of them have sold, and no unsold units are being offered for sale by developer in the ordinary course of business. At such election, and in all subsequent elections, until the developer no longer holds five (5%) of the units for sale, the unit owners other than developer shall elect a majority of the members of the board. Once transition of control takes place and developer no longer holds 5% of the units for sale, the unit owners shall be entitled to elect all directors.

(d) Persons elected to the governing board by unit owners other than developer shall be owners, co-owners, spouses of owners, or mortgagees of units, officers, directors, shareholders, or employees of such corporations.

**SECTION TWO. POWERS AND DUTIES.** The governing board shall have the powers and duties necessary for the administration of the affairs of the condominium, and may do all such acts and things as are permitted by laws, by the declaration, or by these by-laws directed to be exercised and done by the unit owners. The powers and duties to be exercised by the governing board shall include, but shall not be limited to, the following:

(a) Maintenance, repair, replacement, cleaning and sanitation of the common elements;

(b) Determination, assessment, and collection of funds for common expenses of the association and expenses of the Park Lake Master Association, and payment of such expenses;

(c) Adoption, distribution, amendment, and enforcement of rules governing the use and operation of the condominium and the use of the common elements, subject to the right of a majority of unit owners to change such rules;

(d) Procurement and maintenance of insurance as hereinafter provided.

(e) Maintenance of accounting records, in accordance with law and generally accepted accounting principles, which records shall be made available for inspection by unit owner and mortgagees at all reasonable times.

(f) Authorization and prosecution, in the name of the association, of any and all actions and proceedings deemed necessary or appropriate in furtherance of the interest of unit owners generally, including suits to foreclose liens for nonpayment of assessments or to recover money judgments for unpaid assessments;

(g) Entry into any and all contracts deemed necessary or appropriate in furtherance of the interest in unit owners generally;

(h) Establishment of bank accounts in the name of the condominium, and authorization of signatories therefor;

(i) Contracting for maintenance of and repairs of and additions and improvements to the property, and for repairs to and restoration of the property in accordance with the provision of these by-laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(j) Employment of managing agent and/or manager at such reasonable compensation and to perform such duties as the governing board may authorize; provided, however, that the governing board shall not delegate to any such managing agent or manager any of the powers set forth in the subsections (c), (f), (g), and (k) of this section, nor may it delegate the power to determine and assess common charges as provided in subsection (b) of this section.

(k) The governing board must authorize and instruct the president of the association how to vote the interest of the Association at any meeting of the board of directors of Park Lake Master Association except for votes continuing the prior methods of operation of that association. The board must approve, in advance any vote of the president for a change in major contractors performing services, or for any change in assessment of more than 30% in any one year (but not for smaller assessment increases).

(l) All powers specified in Florida Statutes 718.11 and 718.112.

**SECTION THREE. ELECTION AND TERMS OF OFFICE.** At the first meeting of unit owners after the date on which unit owners other than developer become entitled to elect at least a majority of the members of the governing board, the terms of office of board members shall be fixed as follows: the term of office of one member shall be set at three years; the term of office of one member shall be set at two years; and the term of office of one member shall be set at one year. At the expiration of the initial term of office of each board member, his successor shall be elected to serve for a term of three years. Board members shall hold office until their successors have been elected and hold their first meeting.

**SECTION FOUR. VACANCIES.** Vacancies in the governing board caused by any reason other than the removal of a member by vote of the unit owners shall be filled by a vote of the majority of the remaining board members, even though they may constitute less than a quorum, each person so elected shall hold office until a successor is elected at the next annual meeting of unit owners.

**SECTION FIVE. REMOVAL OF BOARD MEMBERS.** At any regular or special meeting duly called, any one or more members of the governing board may be removed with or without cause by a majority vote of unit owners, and a successor may then and there be elected to fill the vacancy so created. Any board member so elected shall serve for the unexpired term of his predecessor in

office. Any member whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting at which a vote is to be taken on the issue of removal.

**SECTION SIX. ORGANIZATIONAL MEETING.** The first meeting of each governing board, at least a majority of the member of which have been elected by unit owners other than developer, shall be held within 60 days after the election of such board, at such place as may be fixed by the board. No notice shall be necessary to the newly elected governing board to legally constitute such meeting, providing that a majority of the board shall be present.

**SECTION SEVEN. REGULAR MEETINGS.** Regular meetings of the governing board may be held at such times and places as shall from time to time be determined by the board, provided, however, that at least one such meeting shall be held during each calendar year. Notice of each regular meeting of the governing board shall be given to each board member personally, or by mail, telephone, or telegraph, at least ten days prior to the date set for such meeting.

**SECTION EIGHT. SPECIAL MEETINGS.** Special meetings of the governing board may be called by the president, and shall be called by the president or secretary on the written request of at least two board members, on three day's notice to each board member, given personally, or by mail, telephone or telegraph. The unit owners may call a special meeting as provided in Florida Statutes, Chapter 718. Any such notice shall state the time, place and purpose of the meeting.

**SECTION NINE. MEETINGS OPEN TO UNIT OWNERS.** At all meetings of the governing board shall be open to all unit owners. Notice of each meeting will be posted at least 48 hours before the meeting, except in the case of emergency meetings.

**SECTION TEN. WAIVER OF NOTICE.** Any board member may at any time waive notice of any meeting of the board in writing, and any such written waiver shall be deemed equivalent to the giving of the notice required herein. Attendance of any board meeting by a member shall constitute a waiver of him of notice of the time and place thereof. If all board members are present at any meeting of the board, no notice shall be required, and any business may be transacted at any such meeting.

**SECTION ELEVEN. QUORUM OF GOVERNING BOARD.** At all meetings of the governing board, a majority of the board shall constitute a quorum for the transaction of business, and the acts of a majority of members present at a meeting at which a quorum is present shall constitute the acts of the board. If at any meeting of the governing board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the

meeting as originally called may be transacted without further notice.

SECTION TWELVE. MINUTES. Minutes shall be taken at all meetings and be available for inspection at the President's or Secretary's unit by unit owners and board member at all reasonable times.

SECTION THIRTEEN. FIDELITY BONDS. The governing board shall require that all officers and employees of the condominium handling or responsible for condominium funds furnish adequate fidelity bonds as required by Florida Statutes, Chapter 178. The premium on such bonds shall constitute a common expense.

SECTION FOURTEEN. COMPENSATION. No member of the governing board shall receive compensation for or acting as such. Nothing herein contained shall be construed to preclude any board member from serving the condominium or the board member from serving the condominium or the Association in any other capacity and receiving compensation therefor.

SECTION FIFTEEN. LIABILITY OF GOVERNING BOARD. Members of the governing board shall not be liable to unit owners for mistakes in judgment, for negligence, or otherwise, except for their own willful misconduct or bad faith. Nor shall members of the board be personally liable with respect to any contract made by them on behalf of the association, and unit owners shall indemnify the board and each member thereof against all contractual liability to third parties arising out of contract made by the board on behalf of the association. However, such indemnification shall not extend to any contract made in bad faith or contrary to the provisions of the declaration or of these by-laws. The liability of each unit owner arising out of any contract made by the governing board or out of the aforesaid indemnification of the member so the board shall be the proportion of the total liability that such unit owner's interest in the common elements bears to the interests of all unit owners in the common elements. Every agreement made by the governing board or by any managing agent or manager employed by the board on behalf of the condominium shall provided that the members of the board, or the managing agent or manager, as the case may be, are acting only as agents for the unit owners, and shall further provide that each unit owner's liability hereunder is limited to the proportion of the total liability thereunder that his interest in the common elements bears to the interests of all unit owners in the common elements.

### ARTICLE THREE. OFFICERS

SECTION ONE. DESIGNATION. The principal officers of the association shall be a president, a secretary and a treasurer, all of whom shall be elected by and from the governing board. The governing board may also appoint one or more vice presidents, an assistant treasurer, an assistant secretary, and such other

officers as in its judgment may be necessary, none of which need be members of the board.

**SECTION TWO. ELECTION OF OFFICERS.** The officers of the association shall be elected annually by the governing board at its organizational meeting, and shall hold office at the pleasure of the board.

**SECTION THREE. REMOVAL OF OFFICERS.** On the affirmative vote of a majority of the members of the governing board, any officer may be removed, with or without cause, and his successor may be elected at any regular meeting of the board, or at any special meeting of the board called for that purpose.

**SECTION FOUR. PRESIDENT.** The president shall be the chief executive officer of the association. He shall preside at all meetings of the governing board and of unit owners. He shall have all general powers and duties that are inherent to the office of president of Park Lake Association Number Four, Inc., including, without limitation, the power to appoint committees from among the owners from time to time as he may deem appropriate to assist in the conduct of the affairs of the association.

**SECTION FIVE. SECRETARY.** The secretary shall keep the minutes of all meetings of the governing board and of unit owners; he shall have charge of such books and papers as the governing board may determine; and he shall, in general, perform all the duties incident to the office of secretary of a Florida corporation not for profit.

**SECTION SIX. TREASURER.** The treasurer shall have responsibility for the funds and securities of the association, for keeping full and accurate accounts showing all receipts and disbursements, and for the preparation of all necessary financial statements. He shall be responsible for the deposit of all necessary financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the governing board or managing agent, in such depositories as may from time to time be designated by the governing board, and shall, in general, perform all duties incident to the office of treasurer of a Florida corporation not for profit.

**SECTION SEVEN. COMPENSATION.** No officer shall receive any compensation from the association for acting as such; provided, however, that nothing contained herein shall be construed to preclude any officer from serving the association in any other capacity, and receiving compensation therefor.

#### ARTICLE FOUR. UNIT OWNERS

**SECTION ONE. ANNUAL MEETINGS.** Within one year after the date of this declaration of the condominium association the governing board shall call and give notice of the first annual

