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DECLARATION OF CONDOMINIUM  
OF  
VILLAS OF SHERIDAN, A CONDOMINIUM

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OF

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DECLARATION OF CONDOMINIUM  
OF  
VILLAS OF SHERIDAN, A CONDOMINIUM

REPUBLIC MORTGAGE INVESTORS, a Massachusetts Business Trust, by and through BERNARD JACOBSON, as Nominee of the Trustees of REPUBLIC MORTGAGE INVESTORS, ("Developer") being the owner of the fee simple title to the property described in Exhibit 1 attached hereto, for itself, its successors, grantees and assigns, hereby submits said property, improvements thereon and appurtenances thereto to condominium ownership pursuant to Chapter 711 of the Florida Statutes ("Condominium Act").

All the restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, shall rule perpetually unless terminated as provided herein, and shall be binding upon all Unit Owners as herein-after defined. 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, the Articles of Incorporation and the By-Laws of the Association hereinafter defined. Both the burdens imposed and the benefits provided shall run with each Unit and the interests in Common Elements as defined herein.

I. DEFINITIONS.

As used in this Declaration, in the Articles of Incorporation and in the By-Laws attached hereto, and in all amendments thereto, unless the context requires otherwise:

A. "Assessment" means a share of the funds required for the payment of Common Expenses which from time to time are assessed against any Unit Owner.

B. "Association" or "Corporation" means VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC., the non-profit Florida corporation responsible for the operation of the Condominium.

C. "Board of Administration" means the board of directors or other representative body responsible for the administration of the Association.

D. "Articles" and "By-Laws" means the Articles of Incorporation and the By-Laws of the Association as they exist from time to time.

E. "Common Elements" means that portion of the Condominium Property not included in the Units. Common Elements shall include the tangible personal property required for the maintenance of the Common Elements and Limited Common Elements even though owned by the Association.

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F. "Common Expenses" means the expenses of administration, maintenance, operation, repair and replacement of the Condominium Property, other expenses declared to be Common Expenses herein or by the By-Laws and any other valid expenses against the Condominium as a whole for which the Unit Owners are liable to the Association.

G. "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 the Common Expenses.

H. "Condominium" is that form of ownership of Condominium Property under which Units in the Condominium Building are subject to ownership by one or more owners, and there is appurtenant to each Unit as part thereof an undivided share in the Common Elements.

I. "Condominium Building" means the structures which comprise that part of the Condominium Property within which the Units are located.

J. "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.

K. "Condominium Property" means and includes all lands that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

L. "Declaration" or "Declaration of Condominium" means this instrument as it may from time to time be amended.

M. "Limited Common Elements" means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units.

N. "Mortgagee" means a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, Massachusetts business trust, pension fund or any other generally recognized institutional type lender or its loan correspondent, or agency of the United States Government, which owns or holds a mortgage encumbering a Condominium Parcel.

O. "Operation" or "Operation of the Condominium" means and includes the administration and management of the Condominium Property.

P. "Unit" or "Apartment" means a part of the Condominium Property which is to be subject to private ownership, as designated in this Declaration, and shall consist of land and improvements thereon.

Q. "Unit Owner," "Apartment Owner," or "Owner of a Unit" means the owner of a Condominium Parcel.

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

2. CONDOMINIUM NAME, CONDOMINIUM PARCELS, APPURTENANCES, POSSESSION AND ENJOYMENT.

A. The name of this Condominium is VILLAS OF SHERIDAN, A CONDOMINIUM.

B. There shall pass with each Unit as appurtenances thereto:

1. An undivided share in the Common Elements.

2. An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

3. An undivided share in the Common Surplus.

4. Membership of the Unit Owner in the Association.

5. The use of such parking space or spaces as may be assigned for a Unit Owner's exclusive use.

C. Each Unit Owner is entitled to the exclusive possession of his Unit. He shall be entitled to the use of the Common Elements in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of other Unit Owners. There shall be a joint use of the Common Elements and a mutual easement for that purpose is hereby created.

D. Each Unit is legally identified by a specific designation as set forth in Exhibit 2, page 5 attached hereto. In horizontal dimension, each Unit consists of the area bounded by the unfinished interior perimeter walls of each Unit. In vertical dimension, each Unit consists of the space between the top of the unfinished concrete floor and the bottom of the unfinished ceiling. Each Unit Owner shall not own the undecorated or unfinished surfaces of the perimeter walls, floors, and ceilings surrounding his Unit, nor shall he own pipes, wires, conduits or other utility lines running through his Unit which are utilized for or serve more than one Unit which items are hereby made a part of the Common Elements. Said Owner, however, shall own the walls and partitions which are contained within his Unit and inner decorated or finished surfaces of the perimeter walls, floors and ceilings including plaster, paint and wallpaper. No floor within a Unit shall be covered with any hard surface material (such as ceramic tile, stone or terrazzo) except floors in the kitchen or bathrooms of each Unit.

E. Each Unit Owner shall own and be responsible for the maintenance, repair and replacement of the individual air conditioning unit which services his Unit.

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3. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS.

A. The undivided share in the Common Elements which is appurtenant to a Unit shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described.

B. A share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Unit.

C. The shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements shall lie.

4. COMMON ELEMENTS.

A. Common Elements include the following items:

1. The land on which the improvements are located and any other land included in the Condominium Property, whether or not contiguous.

2. All parts of the improvements which are not included within the Units.

3. Easements through Units for conduits, plumbing, wiring and other facilities for the furnishing of Utility Services to Units and the Common Elements.

4. An easement of support in every portion of a Unit which contributes to the support of a Condominium Building.

5. Installations for the furnishing of Utility Services to more than one Unit, the Common Elements or a Unit other than the Unit containing the installation.

6. The property and installation in connection therewith required for furnishing of services to more than one Unit or the Common Elements.

7. Parking spaces, the use of which shall be assigned to Unit Owners and which shall constitute a portion of the Limited Common Elements.

B. Included within the Common Elements described above is a recreation area ("Recreation Property") consisting of a swimming pool, recreation building and two (2) tennis courts, all of which are described in Exhibit 3 attached hereto.

1. The cost of operating, maintaining and repairing, the Recreation Property, together with expenses incurred in replacing portions thereof and adding property or facilities thereto which constitute a part of the Common Expenses payable by each Unit Owner.

2. Notwithstanding the fact that the Recreation Property constitutes a part of the Common Elements, the use and enjoyment thereof shall, at all times, be available to the owners and occupants of a condominium, and which may be constructed upon adjacent property ("Adjacent Property"), the legal description and location of which is set forth in Exhibit 7 attached hereto, provided that the owners of the units located upon the Adjacent Property pay to the Association an amount per unit which reflects the cost and expense of operating, maintaining, repairing and replacing the Recreation Property, and adding property and facilities thereto. The maximum number of Units to be constructed on the adjacent property which shall be entitled to the use of the Recreation Property is 90.

a. The amount per unit to be paid Unit Owners and the owners of units located upon the Adjacent Property shall be determined by computing the total costs and expenses described in this subparagraph B for each monthly period and dividing such amount by the total number of Units and units located upon the Adjacent Property.

b. The amount payable per unit located upon the Adjacent Property shall be paid as to each unit constructed thereon, shall be paid from and after the time that any such unit is initially occupied and thereafter, shall be payable as to such unit whether or not it is occupied.

c. No Unit Owner or occupant of a unit located upon the Adjacent Property shall be permitted to use the Recreation Property until all sums payable hereunder with respect to all such units have been paid.

d. Payments shall be made at the time and in the manner as Common Expenses are payable to the Association by Unit Owners.

3. Neither the Association nor any Unit Owners may impose conditions, restrictions or limitations upon the use and enjoyment of the Recreation Property by the occupants of units on said Adjacent Property which are not imposed upon Unit Owners, nor may the Association or Unit Owners in any manner discriminate against said occupants with respect to the use and enjoyment of the Recreation Property, it being the intention hereof that all users of the Recreation Property be entitled to the full and equal use and enjoyment thereof.

4. Notwithstanding any other provisions contained in the DECLARATION, the Recreational and Other Commonly Used Facilities shall be managed in accordance with the following:

a. Until such time as the sales of 27 Units have been closed, the Association shall have full management control over, and responsibility with respect to, the Recreational and Other Commonly Used Facilities.

b. After the sales of 27 Units have been closed, the management control of Recreation and Other Commonly Used Facilities shall be vested in a committee consisting of two representatives of the Association (selected by its Board of Administration) and two representatives of owners occupants of all units located on the Adjacent Property, and said owners and occupants shall not be entitled to more than two representatives regardless of the fact that the number of such units may exceed 36.

c. Decisions of the committee described herein shall be by majority vote provided that no meeting of the committee may take place unless all four members have been notified in writing of the date, time and place of such meeting at least three days prior thereto and at least three members of the committee are present at such meeting.

d. After the committee described herein commences its management of the Recreational and Other Commonly Used Facilities in the event that the committee is unable to reach a decision by majority vote as required herein, the matter in issue shall be submitted to arbitration in Broward County, Florida under the then prevailing rules of the American Arbitration Association. The costs of any such arbitration proceeding (including reasonable attorney fees for both parties to the proceeding) shall be borne by the Association or owners and occupants of the units located upon Adjacent Property against whom the arbitration decision is made, as the case may be.

C. Notwithstanding any other provisions contained in this DECLARATION or the exhibits hereto concerning amendments to the DECLARATION or said exhibits, the rights and obligations of Unit Owners and occupants of units located upon the Adjacent Property with respect to the use and enjoyment of the Recreation Property may not be altered, modified, amended or terminated except by an instrument in writing executed by all Unit Owners, the owners of all the Adjacent Property and the holders of mortgage liens encumbering the Units and units located upon the Adjacent Property and recorded among the Public Records of Broward County, Florida."

5. DESCRIPTION OF PROPERTY SUBMITTED TO CONDOMINIUM OWNERSHIP.

A. The legal description of the land hereby submitted to condominium ownership is set forth in Exhibit 1 attached hereto and made a part hereof.

B. Exhibit 2 attached hereto and made a part hereof is a survey of said land, a graphic description of the improvements in which Units are located, a plot plan thereof and the parking and recreation areas.

C. The identification, location and dimensions of each Unit and the Common Elements appear on Exhibit 2. Together with this Declaration, Exhibit 2 includes sufficient detail to identify the Common Elements and each Unit and provides accurate representations of their locations and dimensions.

6. AMENDMENT TO PLANS.

A. Developer reserves the right to change the interior design and arrangements of all Units and to alter the boundaries between the Units so long as Developer owns the Units so altered. No such change shall increase the number of Units nor alter the boundaries of the Common Elements without amendment of this Declaration. If more than one Unit is involved, the Developer shall apportion between the Units the shares of the Common Elements which are appurtenant to the Units concerned.

B. The Amendment of this Declaration reflecting such authorized alteration of plans by Developer need be signed and acknowledged only by the Developer, and need not be approved by the Association, Unit Owners, lienors or Mortgagees, whether or not their joinder is elsewhere required for other amendments.

7. PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS AND VOTING RIGHTS.

A. The Condominium Property is hereby declared to contain thirty-six (36) Units.

B. The undivided share in the Common Elements owned by each Unit Owner appurtenant to his Unit, the percentage of sharing Common Expenses and owning Common Surplus are set forth in Exhibit 4 attached hereto. The undivided interests as set forth in Exhibit 4 cannot be changed, altered or amended.

C. Each Unit is entitled to one vote with respect to matters requiring or permitting the vote of Unit Owners which vote shall be cast in accordance with the Articles and By-Laws.

8. AMENDMENT OF DECLARATION.

A. This Declaration may be amended at any regular or special meeting of Unit Owners called or

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convened in accordance with the By-Laws by the affirmative vote of seventy-five percent (75%) of the Units.

All amendments shall be evidenced by a certificate executed as required by the Condominium Act and recorded among the Public Records of Broward County, Florida provided, however, that except as otherwise provided in this Declaration:

1. No amendment shall change the configuration or the size of any Unit in any material fashion, materially alter or modify the appurtenances to such Unit, nor change the proportional percentage by which a Unit Owner shares the Common Expenses and owns the Common Surplus unless the record owner thereof and all record owners of liens thereon shall join in the execution of such amendment; and

2. No amendment shall be passed which shall impair or prejudice the rights and priorities of any Mortgagee.

B. Notwithstanding anything to the contrary herein, the Developer reserves the right to amend the Declaration and any Exhibits hereto so as to correct any errors or omissions not affecting the rights of Unit Owners, lienors or Mortgagees. Such amendment need be executed and acknowledged only by the Developer and need not be approved by the Association, Unit Owners lienors or Mortgagees whether or not elsewhere required for amendments.

C. Invalidation of any part of this Declaration, any provision contained in the plat of the Condominium Property or in a conveyance of a Unit in the Condominium by judgment, court order or law shall not affect any of the other provisions hereof which shall remain in full force and effect.

#### 9. BY-LAWS.

The administration of the Association and the operation of the Condominium Property shall be governed by the By-Laws of the Association, a copy of which is attached hereto and made a part hereof as Exhibit 6. No modification of or amendment to these By-Laws shall be deemed valid unless duly adopted as provided in the By-Laws and set forth in or annexed to a duly recorded amendment to this Declaration executed in accordance with the provisions of the Condominium Act. No amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel.

#### 10. THE ASSOCIATION, ITS POWERS AND RESPONSIBILITIES.

A. The operation of the Condominium shall be vested in the Association.

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B. No Unit Owner, except an officer of the Association, shall have any authority to act for the Association.

C. The powers and duties of the Association shall include those set forth in the Articles, the By-Laws, the Condominium Act, and this Declaration and shall include the following:

1. The irrevocable right of access to each Unit at reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom or another Unit or for making emergency repairs necessary to prevent damage to the Common Element or to another Unit.

2. The power to levy and collect Assessments and to lease, maintain, repair and replace the Common Elements.

3. The keeping of accounting records in accordance with good accounting practices and the Condominium Act which records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of which shall be supplied at least annually to Unit Owners or their authorized representatives.

4. The power to enter into contracts with others for the maintenance, management, operation, repair and servicing of the Condominium Property and in connection therewith, to delegate the powers and rights therein contained, including that of levying and collecting Assessments and perfecting and enforcing liens for non-payment. The service and maintenance contracts referred to herein may delegate the Association's duty to maintain and preserve the landscaping, gardening, painting, repairing and replacement of the Common Elements, but shall not relieve each Unit Owner from his personal responsibility to maintain and preserve the interior surfaces of his Unit and to paint, clean, decorate, maintain and repair said Unit. Each Unit Owner, his heirs, successors and assigns, shall be bound by any management contract, if any is executed, to the same extent and effect as if he had executed such contract for the purposes herein expressed including, but not limited to, adopting, ratifying, confirming and consenting to the execution of same by the Association, covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by Unit Owners as required under said contract, acknowledging that all of the terms and conditions thereof, including the manager's fee, are reasonable and agreeing that the persons acting as directors and officers of the Association entering into such a contract have not breached any of their duties or obligations to the Association by virtue of the execution of said contract. The management contract, if any, and the acts of the Board of Directors and Officers of the Association in entering into such agreement, are hereby ratified, confirmed, approved and adopted.

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5. The power to adopt reasonable rules and regulations for the maintenance and conservation of the Condominium Property, and for the health, comfort, safety and welfare of the Unit Owners, all of whom shall be subject to such rules and regulations.

6. The power to purchase Units in the Condominium and to acquire, hold, lease, mortgage and convey the same.

## II. MAINTENANCE: LIMITATION UPON IMPROVEMENT.

A. The maintenance of the Common Elements shall be the responsibility of the Association.

B. There shall be no material alteration of substantial addition to the Common Elements or Limited Common Elements except in the manner provided herein.

C. No Unit Owner shall make any alterations in the portions of the improvements of the Condominium which are to be maintained by the Association, remove any portion thereof, make any additions thereto, do any work which would jeopardize the safety or soundness of the building containing his Unit or impair any easement.

D. No fence, wall, gate or similar structure may be erected, installed or maintained on the Condominium Property except as expressly permitted by this Declaration.

## 12. COMMON EXPENSES AND COMMON SURPLUS.

A. Common Expenses, as defined in Section 1.F, of this Declaration, shall include the expenses of the operation, maintenance, repair or replacement of the Common Elements, costs of carrying out the powers and duties of the Association and any other expense designated as Common Expenses by the Condominium Act, this Declaration or the By-Laws.

B. Funds for payment of Common Expenses shall be assessed against Unit Owners in the proportions or percentages of ownership of the Common Elements provided in this Declaration.

C. The Common Surplus shall be owned by Unit Owners in the proportions or percentages of ownership of the Common Elements.

13. ASSESSMENTS: LIABILITY, LIENS, PRIORITY,  
INTEREST AND COLLECTIONS

A. The Association, through its Board of Administration shall have the power to determine and fix the sums necessary to provide for the Common Expenses. Unless specifically waived by the Association, the Assessments shall include monies required for the payment of hazard and liability insurance premiums. A Unit Owner, regardless of the manner in which he acquired title to his Unit, including, without limitation, a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the owner.

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of a Unit. In a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for his share of the Common Expenses up to the time of such voluntary conveyance.

B. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements, services or recreation facilities, or by abandonment of the Unit against which the Assessment was made.

C. Assessments and installments thereof not paid when due shall bear interest from the due date until paid at the rate of nine per cent (9%) per annum until paid.

D. The Association shall have a lien upon each Condominium Parcel to secure the personal obligation of each Unit Owner for any unpaid Assessment and interest thereon. Such lien shall also secure reasonable attorney's fee incurred by the Association incident to the collection of such Assessment or enforcement of such lien. The lien shall be evidenced by a claim recorded among the Public Records of Broward County, Florida, in the manner provided by the Condominium Act, and shall be effective from and as of the time of such recording, but such lien shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of the recording of the claim of lien by the Association. The Board of Administration may take such action as is deemed necessary to collect Assessments by either an *in personam* action or lien foreclosure, or both, and may settle and compromise the same if in the best interest of the Association. Said liens shall have the priorities established by the Act.

E. Liens for Assessments may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure, the court, in its discretion, may require the Unit Owner to pay a reasonable rental for the Condominium Parcel and the court may appoint a receiver to collect the Assessments which are the subject of said proceeding. The Association may bid in the Condominium Parcel at foreclosure sale and apply as a cash credit against its bid all sums due the Association secured by the lien being enforced, and the Association may acquire and hold, lease, mortgage and convey any Condominium Parcel so acquired.

F. If the holder of a mortgage of record or other purchaser of a Unit obtains title to the Condominium Parcel as a result of foreclosure of said first mortgage, or accepts a deed to said Condominium Parcel in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or Assessments by the Association pertaining to such Condominium Parcel or chargeable to the former Unit Owner which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure, unless such shares secured by a claim of lien for Assessments that was recorded prior to a recording of the foreclosed mortgage. Such unpaid share of Common Expenses or Assessments shall be deemed to be a Common Expense, collectible from all Unit Owners, including such acquirer, his successors and assigns. A mortgagee or other purchaser acquiring title to a Condominium Parcel as a result of foreclosure or a deed in lieu

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of foreclosure may not, during the period of its ownership of such Parcel, whether or not such Parcel is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership.

G. Any person who acquires an interest in a Unit except as specifically provided in the preceding subparagraph shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid Assessments due and owing from the former owner have been paid.

H. The Association, acting by and through its Board of Directors, shall have the right to assign its claim for any unpaid Assessments and the lien securing said claim to the Developer or to any Unit Owner, group of Unit Owners or any third party.

I. Nothing contained herein shall abridge or limit the rights or responsibilities of Mortgagees of Units as set forth in the Condominium Act.

J. Except as provided in subsection F. above and in this subsection, no Unit Owner may be excused for the payment of his proportionate share of Common Expenses unless all Unit Owners are likewise proportionately excused from such payment. In accordance with the provisions of Section 711.15(8)(b), Florida Statutes, for a period ending on December 31, 1977, following the recordation of this Declaration among the Public Records of Broward County, Florida, Developer shall be excused from the payment of Common Expenses attributed to Developer owned Units since, for that period, he shall guarantee in each agreement for the purchase of a Unit, that Assessments for Common Expenses shall not increase over a stated dollar amount.

#### 14. TERMINATION OF CONDOMINIUM.

A. If all Unit Owners and the holders of all liens and mortgages upon all of the Condominium Parcels execute and duly record an instrument terminating the Condominium Property, or if "major damage" occurs as defined in the insurance clauses hereunder, said Property shall be removed from the provisions of the Condominium Act and thereafter owned in common by the Unit Owners. The undivided interest in the Property owned in common by each Unit Owner shall then be the percentage of the undivided interest previously owned by such owner in the Common Elements, and liens which encumbered any Condominium Parcel shall be transferred to the undivided share of the Unit Owner prior to termination.

B. If the Owners of at least 75% of the Common Elements elect to terminate, they shall have the option to buy the Units of the other Unit Owners for a period of sixty (60) days from the date of the meeting wherein the action to terminate was resolved. The purchase price shall be the fair market value of the Units as determined by arbitration under the rules of the American Arbitration Association. The price shall be paid in cash within thirty (30) days of the determination of the same.

#### 15. EQUITABLE RELIEF.

In the event of "major damage" to or destruction of all or a substantial part of the Condominium Property and the Property is not repaired, reconstructed or rebuilt within

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a reasonable period of time, any Unit Owner shall have the right to petition a court of equity having jurisdiction in and for Broward County, Florida, for equitable relief which may, but need not, include a termination of the Condominium and a partition.

#### 16. LIMITATION OF LIABILITY.

A. The liability of each Unit Owner for Common Expenses shall be limited to the amounts assessed for Common Expenses in accordance with this Declaration, the Articles and the By-Laws.

B. A Unit Owner shall not be personally liable for any damages caused by the Association or in connection with the use of the Common Elements, but each Unit Owner shall be liable for injuries or damages resulting from an accident in his own Unit to the same extent and degree that the owner of a house would be liable for such an occurrence.

#### 17. LIENS.

A. With the exception of liens which may result from the initial construction of this Condominium, no liens of any nature shall thereafter arise or be created subsequent to the recording of this Declaration against the Condominium Property (as distinguished from individual Units) without the unanimous consent of the Unit Owners.

B. Unless a Unit Owner has expressly requested or consented to work being performed or materials being furnished to his Unit, such labor or materials may not be the basis for the filing of a lien against same. No labor performed or material furnished to the Common Elements shall be the basis for a lien thereon unless authorized by the Association, in which event, the same may be the basis for the filing of a lien against all Condominium Parcels in the proportions for which the Owners thereof are liable for Common Expenses.

C. In the event a lien against two or more Condominium Parcels becomes effective, each owner thereof may release his Condominium Parcel from the lien by paying the proportionate amount attributable to his Condominium Parcel. Upon such payment, it shall be the duty of the lienor to release the lien of record for such Condominium Parcel.

#### 18. REMEDIES FOR VIOLATION.

Each Unit Owner shall be governed by and conform to this Declaration, the Articles, and the By-Laws. Failure to do so shall entitle the Association or any other Unit Owner to recover damages or obtain injunctive relief or both, but such relief shall not be exclusive of other remedies provided by law.

#### 19. EASEMENTS.

A. Owners of Units shall have as an appurtenance to their Units a perpetual easement for ingress and egress to and from their Units over and upon stairs, terraces, balconies, walks and other Common Elements.

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B. All Condominium Property shall be subject to perpetual easements for encroachments presently existing or which may hereafter be caused by settlement or movement of the Condominium Building or minor inaccuracies in construction, which easements shall continue until such encroachments no longer exist. If the Condominium Property is destroyed and then rebuilt, encroachments due to construction shall be permitted and a valid easement for said encroachments shall exist. If any portion of the Common Elements encroaches upon any Unit, or any Unit encroaches upon the Common Elements, as a result of the construction, reconstruction repair, shifting, settlement or movement of any portion of the improvements upon the Condominium Property, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

C. Easements are reserved throughout the Condominium Property as may be required to provide Utility Services in order to adequately serve the Condominium, provided, however, that such easements through a Unit shall be in accordance with the plans and specifications for the Condominium Building, or as the Building is constructed, unless otherwise approved in writing by the Unit Owner.

D. An easement is created for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as the same may from time to time exist upon the Common Elements, and for the vehicular traffic over, through and across such portion of the Common Elements as may be from time to time paved and intended for such purposes, but the same shall not give or create in any person the right to park upon any portions of the Condominium Property except those areas specifically assigned for same. Other condominiums, co-operatives or apartment rental buildings may be constructed upon the Property described in Exhibit 7 attached hereto, and the owners and occupants thereof shall be entitled to use the Recreation Facility described in Exhibit 3 attached hereto. The parking areas, private roads and other areas reflected on the condominium survey will be used in common by Condominium Parcel owners in this Condominium and others who may, in the future, be the owners and occupants of units on property described in Exhibit 2 attached hereto.

It is the intention hereof to create perpetual easements in said areas to facilitate the flow of pedestrian and vehicular traffic on the subject property and on the contiguous properties.

Similarly, there may be other commonly used areas on said contiguous property which may be utilized in common by the Unit Owners. It is hereby specifically provided that there shall be no fences or arbitrary divisions or obstructions placed upon said property or on the contiguous property, it being the intention of the Developer that all of said properties be developed in a manner to create the maximum aesthetic effect and to provide as integrated a facility as possible, giving and granting to the respective properties, when developed, such easements as will insure and perpetuate the flow of traffic, both vehicular and pedestrian.

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20. MEMBERSHIP IN ASSOCIATION.

A. VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC., a non-profit Florida corporation, the Association, was incorporated to perform the acts and duties desirable in connection with the management of the Units and Common Elements and to levy and enforce the collection of Assessments necessary to perform said acts and duties.

B. All Unit Owners shall automatically be members of the Association, and said membership shall terminate when they no longer own Units.

C. Multiple owners of each Unit shall collectively be entitled to one (1) vote in accordance with voting privileges set forth in the By-Laws.

21. ASSESSMENTS.

A. The Board of Administration of the Association shall approve annual budgets in advance for each fiscal year, which budgets shall project anticipated income and estimated expenses in sufficient detail to show separate estimates for taxes, if any, insurance for the Common Element cost of a manager's apartment, if any, and other reasonable and necessary expenses.

B. The percentage of the annual Assessment chargeable for each fiscal year against each Unit is set forth in Exhibit 4. The annual Assessment shall initially be broken into four (4) equal parts, payable in advance, quarterly, on the first day of January, April July and October but the Board of Administration shall have the power to establish other collection procedures. In addition, the Association shall have the power to levy special assessments against each Unit in their respective percentages if a deficit should develop for the payment of Common Expenses.

C. Each annual Assessment may include sums to establish reasonable reserves against future contingencies.

22. SALE, RENTAL, LEASE OR TRANSFER.

A. The Association shall have the option to purchase or lease any Unit upon the same terms and conditions as are offered by the Unit Owner to any third person.

Prior to the sale, rental, lease or transfer of any Unit to any person other than the transferor's spouse or member of his immediate family, the Unit Owner shall notify the Board of Administration in writing of the name and address of the person to whom the proposed sale, rental, lease, or transfer is to be made, the terms and conditions thereof and such other information as may reasonably be required by the Board of Administration. Failure to do so shall be deemed a breach hereof, and any sale, rental, lease or transfer in contravention of this Article shall be null and void and confer no right, title or interest to the intended purchaser, lessee or transferee.

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Within ten (10) days after its receipt of said notice and such supplemental information as it may reasonably require, the Board of Administration shall either approve or disapprove the proposed sale or transfer, in writing, and shall promptly notify the Unit Owner of its decision. Failure of the Board to act within said ten (10) day period shall be the equivalent of its consent and may be established by means of an affidavit attached to the deed conveying the Unit being sold. Approval of the sale, rental, lease or transfer shall be stated in a certificate executed by the President or Vice President and Secretary or Assistant Secretary of the Association, which shall be recorded in the Public Records of Broward County, Florida, at the expense of the purchaser, transferee or lessee and if there be any other expenses reasonably incurred by the Association in connection with such transaction, said expense shall also be borne and paid to the Association by the purchaser, transferee or lessee.

B. If the proposed sale is bona fide but the Board of Administration disapproves the same, when the Board notifies the Unit Owner of its disapproval, it shall deliver to the Unit Owner the deposit required under the terms of the proposed sale and shall then be obligated to close the sale of the Unit in accordance with the terms and conditions of the proposed sale previously furnished to it. If the Board furnishes the Unit Owner with written notice of its disapproval but fails to deliver the required deposit, such action shall be the equivalent of its consent which may be established as provided in the preceding subparagraph A.

If the Board notifies the Unit Owner of its disapproval and accompanies its notice of disapproval with the required deposit, the Association's obligation to purchase the Unit as provided herein may be assigned to any member or members of the Association. The member or members to whom the Association's obligation to purchase may be assigned shall be determined solely by the Association.

Thereupon, the selling Unit Owner may either close the proposed sale of his Unit with the Association or a member or members to whom its obligation to purchase the Unit has been assigned or withdraw the offer specified in his notice to the Board. If neither the Association nor an assignee member or members close the proposed sale under the terms and conditions of said notice, the deposit previously delivered by the Association to the Unit Owner shall be forfeited by the Association and retained by the Unit Owner who may then consummate the transaction with the party who made the original bona fide offer. To perfect title in his transferee, an affidavit executed by the selling Unit Owner specifying the manner in which the terms hereof have been complied with shall be recorded with the deed conveying title to the Unit being sold.

C. In the event that a Unit Owner dies and his Unit is devised to some person other than his spouse, children or other member of his immediate family, or if some other person is designated by the decedent's legal representative to receive ownership of the Unit, or if under the laws of descent and distribution of the State of Florida, the Unit descends to some person or persons other than the decedent's spouse, children or other member of his immediate family, the Board of Administration may, within thirty (30) days of its receipt of proper evidence

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of rightful designations served upon the Secretary or Assistant Secretary of the Association, or within thirty (30) days from the date the Association has been placed on actual notice of the said devisee, descendant or designated person express its refusal or acceptance of said individual or individuals as the owner of the Unit.

If the Board of Administration shall consent to such individual or individuals being the owner of a Unit, ownership thereof may be transferred to such individual or individuals so designated who shall thereupon become the owner(s) of the Unit subject to the provisions of this Declaration.

If, however, the Board of Administration shall refuse to so consent, the Association shall have the right to purchase or obtain a purchaser for cash for said Unit at its then fair market value which right must be exercised by the delivery of written notice of the exercise of said right to said devisee, descendant or designated person within thirty (30) days after receipt of the evidence or designation referred to in this subparagraph C. Should the parties fail to agree on the fair market value of the Unit, then each party shall appoint a qualified real estate appraiser in Broward County, Florida and the joint determination of said appraisers as to the fair market value of the Unit shall be binding upon the parties. If those two appraisers disagree, they shall jointly appoint a third appraiser whose determination as to fair market value shall be binding on the parties. The cost of such appraisal or appraisals shall be shared equally by the parties. Upon the determination by said appraisers of the fair market value of the Unit, the sale of the same to the Association or other person designated by the Association shall be closed within thirty (30) days after the fair market value of the Unit is determined as provided herein.

In the event the Association does not exercise its right to purchase or obtain a purchaser for said Unit in the manner provided herein, the devisee, descendant or other person designated to become the owner(s) of the Unit shall take title thereto or such person or persons, or the legal representative of the deceased Unit Owner may sell said Unit in the manner provided by this Declaration.

D. Units shall not be leased without the prior written approval of the Board of Administration. The Board shall have the right to require that a substantially uniform form of lease be used. No lease shall be for a period of less than thirty (30) days, the proposed lessees shall consist of not more than two (2) persons per bedroom in the Unit to be leased and no pets shall be permitted in leased Units except in connection with leases for periods exceeding six (6) months. Notwithstanding the lease of his Unit, the liability of the Unit Owner under this Declaration shall continue.

The Board must either approve or disapprove a lease within (10) days after its receipt of a request for such approval, which request shall be accompanied by such information as the Board may reasonably require. If

approved, a recordable Certificate of Approval shall be executed by the Association at the expense of the lessee. If the Board fails to give the Unit Owner written notice of its approval of the proposed lease within the foregoing ten (10) day period, its failure to give such notice shall be the equivalent of its consent. If the proposed lease is disapproved by the Board, the Board shall, on the tenth day after its receipt of a request for approval of a lease, either enter into a lease on behalf of the Association on the same terms and conditions as the proposed lease or obtain a lessee (who need not be a member) acceptable to the Unit Owner who will lease his Unit upon the same terms and conditions as the proposed lease. If neither of the foregoing are accomplished by the Board, the Unit Owner shall be permitted to execute the proposed lease and recorded certificate of approval shall be executed by the Association at the expense of the lessee.

E. Should any Condominium Parcel at any time become subject to an institutional first mortgage, the holder thereof, upon becoming the owner of said Condominium Parcel through foreclosure, deed in lieu of foreclosure, or other means, shall have the unqualified right to own, to sell, lease or otherwise transfer said Unit, including the fee ownership thereof, without prior offer to or approval of the Board of Administration, the provisions of the foregoing subparagraphs being inapplicable thereto.

F. The provisions of this Article 22 shall not be applicable to the Developer who is hereby irrevocably empowered without any limitation at all times, whether for permanent or temporary occupancy, to sell, lease, rent or transfer Units for any period and under any terms to any lessees, purchasers or transferees without the consent of the Association. The Developer shall have the right to take any action necessary to consummate the sale, rental or transfer of said Units, including, but not limited to, the right to maintain model apartments within the Condominium Building and Recreational Facilities, post signs, have employees in the offices maintained in the Condominium Building, use the Common Elements and show Units to prospective purchasers. Sales office signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer.

### 23. OBLIGATIONS OF MEMBERS.

In addition to other obligations and duties set out in this Declaration, every Unit Owner shall:

A. Promptly pay all Assessments levied by the Association.

B. Maintain, repair and replace, at his own cost and expense, all portions of his Unit requiring maintenance, repair or replacement, including, but not limited to, air conditioning and heating equipment, hot water heaters, and all other appliances and equipment (including any facility and connections required to provide utility service to serve the Unit and no other), paint, decorate and finish interior surfaces of perimeter walls, interior walls, ceilings and floors of the Unit,

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the surface, concrete floors and interior surfaces of the exterior wall of the balcony and/or patio adjoining or a part of the Unit even though the same may constitute a Limited Common Element, and replace all screens, windows, and plate glass installations (including glass doors) forming a portion of the perimeter of the Unit and, pay for any utilities which are separately metered to his Unit; provided, however, that no Unit Owner shall make any alteration, decoration, repair, replacement, change or paint, nor place any screens, jalousies or other enclosures on balconies or patios or any other parts of the Unit, Common Elements, Limited Common Elements or Condominium Building without the prior written approval of the Board of Administration.

C. Not use or permit the use of his Unit for any purpose other than as a single family residence for himself, members of his family and social guests.

D. Keep only those pets, birds or other animals in his Unit which do not violate regulations established by the Association. Small pets and small birds shall be permitted but only in individual Units or when pets are leashed and they shall not be permitted in the area of recreation facilities. The Association shall have the power to change these regulations from time to time, but if pets have been permitted prior to the change in regulations, such change shall not affect the rights of Unit Owners to keep such previously permitted pets.

E. Not permit or suffer anything to be done or kept in his Unit which will increase the insurance rates on his Unit or Common Elements, or which will obstruct or interfere with the rights of other Unit Owners or disturb them by unreasonable noises or otherwise or permit any nuisance, immoral or illegal act in his Unit or upon the Common Elements.

F. Conform to and abide by the By-Laws and rules and regulations in regard to the use of his Unit and Common Elements which may be adopted in writing from time to time by the Board of Administration of the Association.

C. Allow the Board of Administration or the agents and employees of the Association or the management company, if any, to enter any Unit for the purpose of maintenance, inspection, repair, or replacement of the improvements within Units or the Common Elements, or to determine whether any violation of this Declaration is being committed.

H. Display no sign, advertisement or notice of any type upon the Common Elements or his Unit, and erect no exterior antennas or aerials except as provided in regulations promulgated by the Association.

I. Make or permit no repairs to any plumbing or electrical wiring within a Unit except by plumbers or electricians authorized to do such work by the management company, if any, or the Association. Plumbing and electrical repairs within a Unit shall be the obligations of, and shall be paid for by, each Unit Owner. The Association shall pay, and be responsible for plumbing and electrical repair within the Common Elements.

J. Return his Condominium Parcel for the purpose of ad valorem taxes to the respective taxing authorities having jurisdiction for separate assessment against his Condominium Parcel.

K. Use no parking space except as specifically assigned to him. The Developer has the right to make the initial assignment of parking spaces, but if it fails to exercise such right, the Association may do so. Once parkingspaces have been assigned, they may not be changed without written re-assignment by the Association.

#### 24. ENFORCEMENT OF MAINTENANCE.

In the event that a Unit Owner fails to maintain his Unit as required herein or otherwise violates the provisions hereof, the Association shall have the right to assess the Unit Owner and the Unit for the sums necessary to restore the Unit to good condition, to collect such Assessment and have a lien for same as is otherwise provided herein and such lien shall not be effective until recorded in the Public Records of Broward County. After such Assessment, the Association shall have the right to have its employees or agents enter the Unit and do the work necessary to enforce compliance with the above provisions.

#### 25. LIMITED COMMON ELEMENTS.

There may be Limited Common Elements appurtenant to Units in this condominium, as reflected by the condominium survey, which shall include, but not be limited to, patios, balconies, and parking spaces which will be specifically designated and delineated. These Limited Common Elements are reserved for the use of the Units to which they are appurtenant or assigned to the exclusion of other Units, and there shall pass with a Unit as appurtenant thereto the exclusive right to use the Limited Common Elements so appurtenant or assigned. Any expenses of maintenance, repair or replacement shall be treated and paid for as a part of the Common Expenses of the Association but shall be assessed against the individual Unit Owner and Unit to which such Limited Common Elements are appurtenant or assigned. Exterior surfaces of patios and balconies shall be treated as Common Elements.

#### 26. INSURANCE.

A. Purchase of Insurance: The Association shall obtain fire and extended coverage insurance, vandalism and malicious mischief insurance insuring all of the insurable improvements within the Condominium Property, together with such other insurance as the Association deems necessary in a company with an "A" rating or better, in an amount which shall be equal to the maximum insurable replacement value as determined annually subject to the approval of the institutional first mortgagee holding the greatest number of mortgages. The premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Unit Owners as part of the Common Expenses. The named insured shall be the Association, individually and as agent for the Unit Owners, without naming them, and as agent for their Mortgagees.

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Provision shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to Mortgagees. Such policies shall provide that payments for losses thereunder by the insurer shall be made to the Insurance Trustee hereinafter described, and all policies and endorsements thereon shall be deposited with the Insurance Trustee.

For purposes of this Article 26 and Article 27 below, all Buildings constituting the Condominium, as described in Exhibits 1 and 2 attached hereto, shall collectively be deemed one Building and shall include any additional Buildings as a part thereof which may hereafter become a part of this Condominium.

B. Coverage.

1. Casualty. All buildings and improvements upon the Property described in Exhibit 1 attached hereto shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property included in the Common Elements shall be insured for its maximum insurable replacement value, said value to be determined annually by the Board of Administration. Such coverage shall afford protection against:

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

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings described in this sub-paragraph B including, but not limited to, vandalism and malicious mischief.

2. Public liability in such amounts and with such coverage as shall be required by the Board of Administration, including, but not limited to, hired automobile and non-owned automobile coverages, including a cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

3. Workmen's compensation insurance meeting all the requirements of the laws of Florida.

4. Such other insurance as the Board of Administration shall determine from time to time to be desirable.

5. The coverage, agent and underwriting company shall be subject to the approval of the institutional first mortgagee holding the greatest number of mortgages.

C. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

D. Insurance Trustee; shares of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners and their Mortgagees, as their interests may appear, and shall

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provide that all proceeds covering property losses shall be paid to an Insurance Trustee which shall be designated by the Board of Administration and subject to the approval of the Institutional First Mortgagee holding the greatest number of mortgages and which shall be a bank or trust company in Dade or Broward County Florida with trust powers. The Insurance Trustee shall not be liable for payment of premiums, the renewal or the sufficiency of policies or the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their Mortgagees in the following shares, which shares need not be set forth on the records of the Insurance Trustee.

1. Common Elements. Proceeds on account of damage to Common Elements - an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

2. Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(a) When the Condominium 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, which cost shall be determined by the Association.

(b) When the Condominium Building is not to be restored, an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

3. Mortgages. In the event a Mortgagee endorsement has been issued as to a Unit, the share of that Unit Owner shall be held in trust for the Mortgagee and the Unit Owner, as their interests may appear; provided, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except those proceeds paid to the Unit Owner and Mortgagee pursuant to the provisions of this Declaration.

E. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed in the following manner:

1. Expense of the trust. All expenses of the Insurance Trustee 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 cost thereof as elsewhere provided. Any proceeds remaining

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after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of any 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 damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners thereof, remittances to Unit Owners and their Mortgagee being payable jointly to them. This is a covenant for the benefit of any Mortgagee of any Unit and may be enforced by such Mortgagee.

4. Certificate. In making distributions to Unit Owners and their Mortgagees, the Insurance Trustee may rely upon a certificate from a Broward County Title Company as to the names of the Unit Owners and their respective shares of the distribution.

F. Association as Agent. The Association is hereby irrevocably appointed agent for each Unit Owner, with power to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

G. Unit Owners' obligation. Each Unit Owner shall have the obligation to purchase public liability insurance to protect himself against claims due to accidents within his Unit, and casualty insurance on the contents within said Unit.

#### 27. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

A. Determination to reconstruct or repair. If any part of the Condominium Property is damaged by casualty, whether it shall be reconstructed or repaired shall be determined in the following manner.

1. Common Element. If the damaged improvement is a Common Element, the damaged property shall be reconstructed or repaired unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

##### 2. Condominium Building.

(a) Lesser damage. If the damaged improvement is the Condominium Building, and if Units to which 50% or more of the Common Elements are appurtenant are found by the Board of Administration to be tenantable, the damaged property shall be reconstructed or repaired unless within 60 days after the casualty, it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.

b. Major damage. If the damaged improvement is the Condominium Building, and if Units to which more than 50% of the Common Elements are appurtenant are found by Board of Administration to be untenable, the damaged property shall not be reconstructed or repaired and the Condominium shall be terminated without agreement as elsewhere provided unless, within 60 days after the casualty, the owners of 75% of the Common Elements agree in writing to such reconstruction or repair.

3. Certificate. The Insurance Trustee may rely upon a certificate of the Association executed by its President and Secretary in determining whether the damaged property is to be reconstructed or repaired.

B. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original Condominium Building; or, if not, then in accordance with plans and specifications approved by the Board of Administration and, if the damaged property is the Condominium Building, by the owners of not less than 75% of the Common Elements, including the owners of all damaged Units whose approval shall not be unreasonably withheld.

C. Responsibility. If the damage is only to those portions 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 and repair after casualty. In all other instances, the responsibility for reconstruction and repair after casualty shall be the Association's.

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

E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction or repair, the funds for the payment of the costs thereof are insufficient, Assessments shall be made against the Unit Owners who own the damaged Units and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such Assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their Units, and Assessments on account of damage to Common Elements shall be in proportion to the owner's share in the Common Elements.

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

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1. Association. If the total Assessments made by the Association in order to provide funds for the payment of costs of reconstruction and repair which is the responsibility of the Association exceed \$5,000.00, the sums paid upon such Assessments shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse the same in payment of the costs of reconstruction and repair.

2. Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the Association from collections of Assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order.

a. Association-Lesser damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

b. Association - Major damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Administration upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

c. Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner shall be paid by the Insurance Trustee to the Unit Owner and, if there is a Mortgagee endorsement as to such Unit, then to the Unit Owner and the Mortgagee jointly.

d. Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated;

except, however, that the part of a distribution to a beneficial owner which is not in excess of Assessments paid by such owner into the construction fund shall not be made payable to any Mortgagee.

e. Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, whether a disbursement is to be made from the construction fund, or whether surplus funds to be distributed are less than the assessments paid Owners. Instead, the Insurance Trustee may rely upon a certificate of the Association, executed by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable in the name of the designated payee and the amount to be paid; provided that when a Mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the Mortgagee as payee of any distribution of insurance proceeds to a Unit Owner; and, further provided that when the Association or a Mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

#### 28. UTILITY EASEMENT.

The Condominium Property shall be subject to such easements for utilities as may be required to properly and adequately serve this Condominium and any other improvements now or hereafter constructed on lands which are contiguous to the Condominium Property, whether or not such improvements hereafter become a portion of this Condominium. Each of said easements, whether heretofore or hereafter created, shall constitute covenants running with the land of the Condominium and, notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with its proper and intended use and purpose and shall survive the termination of the Condominium. To the extent that the creation of any such utility easements require the joinder of Unit Owners, the Developer by its duly authorized officers may, as the agent or the attorney in fact for the Unit Owners, execute, acknowledge and deliver such instruments and the Unit Owners hereby irrevocably nominate, constitute and appoint the Developer, through its duly authorized officers, as their proper and legal attorneys in fact for such purpose. Any such instrument executed pursuant to this Article shall recite that it is made pursuant to this Article. Any utility easement created pursuant to

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this Article and to which the Condominium Property is subject, but which utility easement is for the purpose of servicing adjoining lands, shall not unreasonably interfere with the use and enjoyment of the Condominium Property by Unit Owners.

29. PARKING.

A. Portions of the Common Elements contain the parking spaces for the use of Unit Owners, occupants of Units and their guests and invitees. All parking spaces have been given an identifying number and are delineated on Exhibit 2 attached hereto.

B. Each Unit Owner shall have the right of use of at least one parking space. The Developer shall have the right to assign the use of parking spaces to Unit Owners for their exclusive use. A Unit Owner who has been given such exclusive use may assign said right of use to the purchaser of his Unit or another Unit Owner in this Condominium. The Developer's designation of the use of a specific parking space to a Unit Owner shall grant only the exclusive use thereof and not title or any other interest therein. In the event parking spaces have not been specifically designated, the Developer and the Association (or the management company, if the Association has entered into a management agreement) may make the assignment of such unassigned parking spaces to other Unit Owners and may change the assignments of such parking spaces from time to time as to the Unit Owners in the Condominium if the Association (or management company) deems it advisable.

30. ARBITRATION OF DISPUTES.

The purpose of this Article is to establish a procedure whereby a Unit Owner or the Association can elect to have disputes resolved by binding arbitration to the end that matters involving alleged violations of this Declaration, the Articles or By-Laws, the Association's Rules and Regulations, or the Laws of Florida relating to condominiums may be resolved without the necessity of lengthy and costly judicial litigation.

Accordingly, there is hereby established a committee ("Arbitration Committee") comprised of three (3) members selected by the Board of Administration from among the Unit Owners, except that no person who is then a member of the Board of Administration, or the president, any vice president, secretary or treasurer of the Association may serve as a member of the Arbitration Committee. Each member of the Arbitration Committee shall serve for a term of one (1) year or until his successor is selected. Each Board of Administration shall select the members of the Arbitration Committee within ten (10) days after that Board's election. In the event of the death or resignation of a member of the Arbitration Committee, the vacancy shall be filled for the unexpired term by another Unit Owner selected by the Board of Administration. If a member of the Arbitration Committee is a party to, or a witness in, any proceeding pursuant to this paragraph, he shall be disqualified from serving on the Committee with respect to that proceeding, and the remaining members of the Committee shall select a third member to sit on the Committee as to that proceeding only.

Whenever the Board of Administration concludes that a Unit Owner is engaged in a violation of this Declaration, the Articles or ByLaws, the Association's Rules and Regulation or the laws of Florida relating to condominiums, or whenever a Unit Owner concludes that another Unit Owner or the Association is engaged in such a violation, then the Board of Administration or the Unit Owner who has concluded there is a violation ("Complainant") shall deliver written notice thereof ("Violation Notice") to the person or the Association engaged in the violation ("Alleged Violator") and the Arbitration Committee. The Violation Notice shall detail the specifics of the alleged violation, including the name of the Alleged Violator, the date or dates on which the alleged violation occurred, the nature of the violation, the names and addresses of all persons who the Complainant believes to have knowledge of facts surrounding the alleged violation, and the desired relief sought. The Complainant's delivery of the Violation Notice as provided herein shall constitute his election to be bound by the decision of the Arbitration Committee.

Within seven (7) days of delivery of the Violation Notice, the Alleged Violator may consent to have the dispute arbitrated by delivery of written notice of such election to Complainant, which written notice shall specify the defense of the Alleged Violator and shall include the names and addresses of all persons who the Alleged Violator believes have knowledge of the facts surrounding the Alleged Violation. A copy of said written notice shall be forthwith delivered to the Arbitration Committee. In the event that the Alleged Violator does not consent to have the dispute arbitrated, or fails to respond subsequent to delivery of the Violation Notice, the Arbitration Committee shall have no authority to proceed any further with respect to the Alleged Violation and the matter shall forthwith terminate without prejudice to the right of the Complainant to otherwise proceed in the manner provided by law.

Provided written notice as above set forth is received by the Arbitration Committee from the Complainant and the Alleged Violator evidencing their agreement to submit the dispute to arbitration, the Arbitration Committee shall, within five (5) days of having received the Alleged Violator's election to arbitrate, deliver written notice ("Notice of Hearing") to the Complainant, Alleged Violator, and any other persons named who may have knowledge of facts surrounding the dispute, which Notice of Hearing shall establish a date and time for an arbitration hearing. The arbitration hearing shall be held at the Condominium Property and shall take place no later than five (5) business days from delivery of the Notice of Hearing.

At the arbitration hearing, the Arbitration Committee shall receive and hear any and all testimony as to the Alleged Violation which the Complainant, the Alleged Violator, or any other interested person may wish to present. Within five (5) days from the conclusion of the arbitration hearing, the Arbitration Committee shall render a written opinion ("Arbitration Decision") and shall deliver a copy of same to the Complainant and the Alleged Violator, and shall post same in a conspicuous place at the Condominium Property. The Arbitration Decision shall set forth the Arbitration Committee's findings of facts and its conclusion as to whether the Alleged Violator is engaged or has engaged, in a violation of the Declaration, the Articles or By-Laws, the Association's Rules and Regulations or the laws of Florida relating to condominiums, and shall grant such relief as is necessary and equitable under the circumstances should any violation exist.

The Arbitration Decision shall be binding upon the parties to the dispute and shall be conclusive as to the issues involved in any court of law. Should it be necessary to institute a suit at law to enforce the Arbitration Decision, then the party refusing to recognize the Arbitration Decision shall be responsible for all court costs and reasonable attorney's fees.

In conducting the arbitration hearing, it shall be incumbent upon the Arbitration Committee to exercise due diligence to assure all parties to the dispute the essential elements of due process and the right to be heard.

Nothing herein contained shall be construed as limiting any of the remedies which the Association or a Unit Owner may have, either in law, or under the terms of this Declaration, or the Articles and By-Laws of the Association, in the event that an alleged violation is not submitted to binding arbitration in accordance with the provisions hereof. The procedures set forth hereinabove for arbitration may be modified in the manner required for amending this Declaration; provided, however, that no changes shall be permitted which shall deprive any person of the essential elements of notice, due process and the right to be heard.

Wherever in this Article provision is made for the delivery of written notice, said delivery shall be accomplished either by personal delivery or by certified mail with postage prepaid. Delivery to the Board of Administration may be accomplished by delivery to any member of the Board of Administration, and delivery to the Arbitration Committee may be accomplished by delivery to any member of the Arbitration Committee.

### 31. AMENDMENTS REQUIRED BY MORTGAGEES.

There shall automatically be incorporated as part of this Declaration and, where applicable, the By-Laws of the Association any and all provisions which now or hereafter may be required by any agency of the United States Government which holds a first mortgage encumbering a Unit or insures to the holder thereof the payment of the same, and the provisions required by any such governmental agency shall supersede any conflicting matters contained in this Declaration or the By-Laws. Should the governmental agency require an amendment to this Declaration or the By-Laws, then said amendment may be made and filed by the Developer or Association without regard to any other provisions herein contained regarding amendments, and without any requirement of securing the consent of any Unit Owner.

### 32. EMINENT DOMAIN OR CONDEMNATION PROCEEDINGS.

If eminent domain or condemnation proceedings are successfully litigated against all or any part of the Condominium Property, the entire eminent domain or condemnation award is to be secured to the Association in accordance with the ratio of ownership herein provided as it pertains to the Common Elements, and shall be disbursed to Unit

Owners and their Mortgagees as their interests appear of record. The Association shall give to each Mortgagee prompt written notice of any such eminent domain or condemnation proceedings.

33. GENERAL PROVISIONS.

A. If any provisions of this Declaration, the Articles, the By-Laws or the Condominium Act, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances is held invalid, the validity of the remainder of this Declaration, the Articles, the By-Laws, or the Condominium Act, and of the application of any such invalid provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

B. If the Developer holds Units for sale in the ordinary course of business, none of the following actions may be taken without the Developer's written approval:

1. Assessment of the Developer as a Unit Owner for capital improvements, and

2. Any action by the Association that would be detrimental to the Developer's sale of Units.

C. Whenever notices are required to be sent hereunder, the same shall be sent to the Unit Owners by certified mail at their place of residence in the Condominium Building, unless the Unit Owner has, by written notice to the Association, specified a different address. Notices to the Association shall be delivered by certified mail at 2900 North 39th Avenue, Hollywood, Florida 33021. All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice to the other party.

D. The remedy for violation provided by the Condominium Act shall be in full force and effect. In addition thereto, should the Association find it necessary to institute legal action to bring about compliance with the Condominium Act, this Declaration, the Articles or the By-Laws or the Association's Rules and Regulations, upon a finding by the court that the violation complained of was willful and deliberate, the defendant Unit Owner shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action.

E. Whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of the plural shall include the singular and the singular shall include the plural.

F. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Condominium.

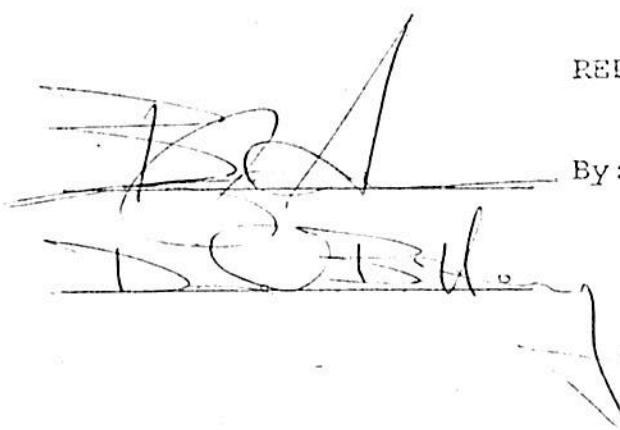
G. This Agreement and every undertaking made pursuant hereto is executed on behalf of REPUBLIC MORTGAGE INVESTORS by one or more trustees, officers or agents of the Trust in his or their capacity as such and not individually, under a Declaration of Trust dated October 3, 1968, as amended and the obligations hereof shall be

REC. 6702 PAGE 741

understood and are expressly stated not to be binding upon any of the trustees, shareholders, officers or agents of the trust, personally, but binding only upon the Trust Estate of REPUBLIC MORTGAGE INVESTORS.

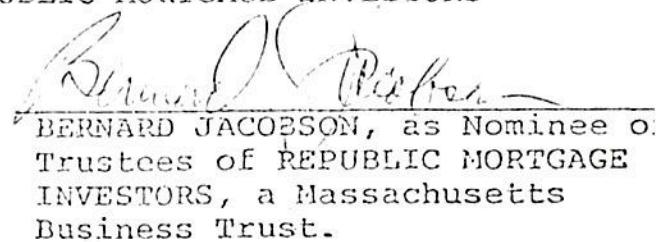
IN WITNESS WHEREOF, REPUBLIC MORTGAGE INVESTORS by and through BERNARD JACOBSON, as Nominee of the Trustees of REPUBLIC MORTGAGE INVESTORS, a Massachusetts Business Trust, has hereunto set its hand and seal this 24th day of October, 1976.

Signed, Sealed and  
Delivered in the  
Presence of:



REPUBLIC MORTGAGE INVESTORS

By:



BERNARD JACOBSON, as Nominee of  
Trustees of REPUBLIC MORTGAGE  
INVESTORS, a Massachusetts  
Business Trust.

STATE OF FLORIDA

COUNTY OF DADE

The foregoing instrument was acknowledged before me this 24th day of October, 1976 by BERNARD JACOBSON, as Nominee of the Trustees of REPUBLIC MORTGAGE INVESTORS, a Massachusetts Business Trust, on behalf of the Trust.



OFF REC. 6702 PAGE 742

CONSENT OF MORTGAGEE

CITY NATIONAL BANK OF MIAMI, a National Banking Association, as Trustee under Land Trust No. 5174-5, the owner and holder of a mortgage lien encumbering the lands described in the foregoing Declaration of Condominium, consents to and joins in the filing of said Declaration of Condominium of VILLAS OF SHERIDAN, a condominium.

Executed at Miami, Florida, this 24<sup>th</sup> day of August, 1976.

Witnesses:

Libbie Aeridge  
Elkennell

STATE OF FLORIDA )  
                       )  
COUNTY OF DADE     )

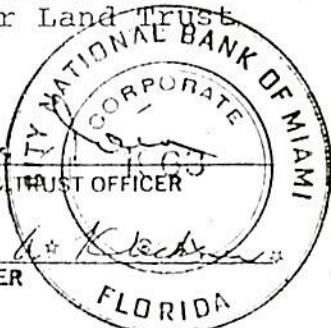
CITY NATIONAL BANK OF MIAMI,  
a National Banking Association,  
as Trustee under Land Trust  
No. 5174-5

By

Clifford L. Horn  
VICE PRESIDENT & TRUST OFFICER

Attest

Betty A. Kleckner  
TRUST OFFICER



Before me, the undersigned authority, personally appeared CLIFFORD L. HORN and BETTY A. KLECKNER, to me known to be the persons described as VICE PRESIDENT & TRUST OFFICER and TRUST OFFICER, respectively, of CITY NATIONAL BANK OF MIAMI, a National Banking Association, who executed this foregoing instrument, and who acknowledged before me that they executed the same in the name of and for said corporation and that they were authorized to do so.

WITNESS my hand and official seal in the County and State last aforesaid, this 24<sup>th</sup> day of August, 1976.

Elkennell  
Notary Public  
State of Florida

My commission expires:  
Notary Public, State of Florida  
My commission expires Feb. 17, 1979.



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VILLAS OF SHERIDAN

LEGAL DESCRIPTION

A portion of Blocks 24, 31 and 32 of HOLLYWOOD GARDENS, according to the plat thereof recorded in Plat Book 6 at Page 21 of the Public Records of Broward County, Florida; also a portion of New Bern Street, between said Blocks 24 and 31; also a portion of Florida Street, between said Blocks 31 and 32, all as shown on said plat of HOLLYWOOD GARDENS; all being more particularly described as follows:

Commence at the Southwest Corner of the SW-1/4 of Sec. 5 Twp. 51 So., Rge. 42 E., as shown on said plat of HOLLYWOOD GARDENS; thence run S89°40'29" E, along South line of said SW-1/4, for 404.59 feet; thence run N0°19'31"E for 28.96 feet to North-Right-of-Way line of Sheridan Street (S.R.No. 822) being the POINT OF BEGINNING of hereinafter described parcel of land:

From said POINT OF BEGINNING; thence run N89°31'37"W, along said North R/W line for 194.54 feet; thence run N0°18'32"E, along West line of Lot 28 of said Block 32 and its Northerly extension, for 222.16 feet; thence run S89°43'12"E for 54.59 feet; thence run N0°16'48"E for 141.46 feet; thence run N89°43'12"W for 239.55 feet to East Right-of-Way line of North 40th Avenue; thence run N0°18'12"E, along said R/W line for 113.67 feet; thence run S89°43'12"E for 239.50 feet; thence run N0°16'48"E for 18.77 feet; thence run S89°43'12"E for 140.05 feet; thence run S0°16'48"W for 111.50 feet; thence run S89°43'12"E for 242.00 feet to West Right-of-Way of North 38th Avenue; thence run S0°16'48"W, along said R/W line, for 245.34 feet; thence run N89°43'12"W for 242.00 feet; thence run S0°16'48"W for 139.76 feet to North R/W line of Sheridan Street; thence run S89°47'19"W, along said R/W line, for 0.14 feet to POINT OF BEGINNING. Containing 163,252 square feet or 3.863 Acres, more or less.

EXHIBIT 1

OFF REC. 6702 PAGE 744

# VILLAS OF SHERIDAN

A. R. TOUSSAINT & ASSOCIATES, INC.  
LAND SURVEYORS  
520 N.E. 125th ST. NORTH MIAMI, FLA.

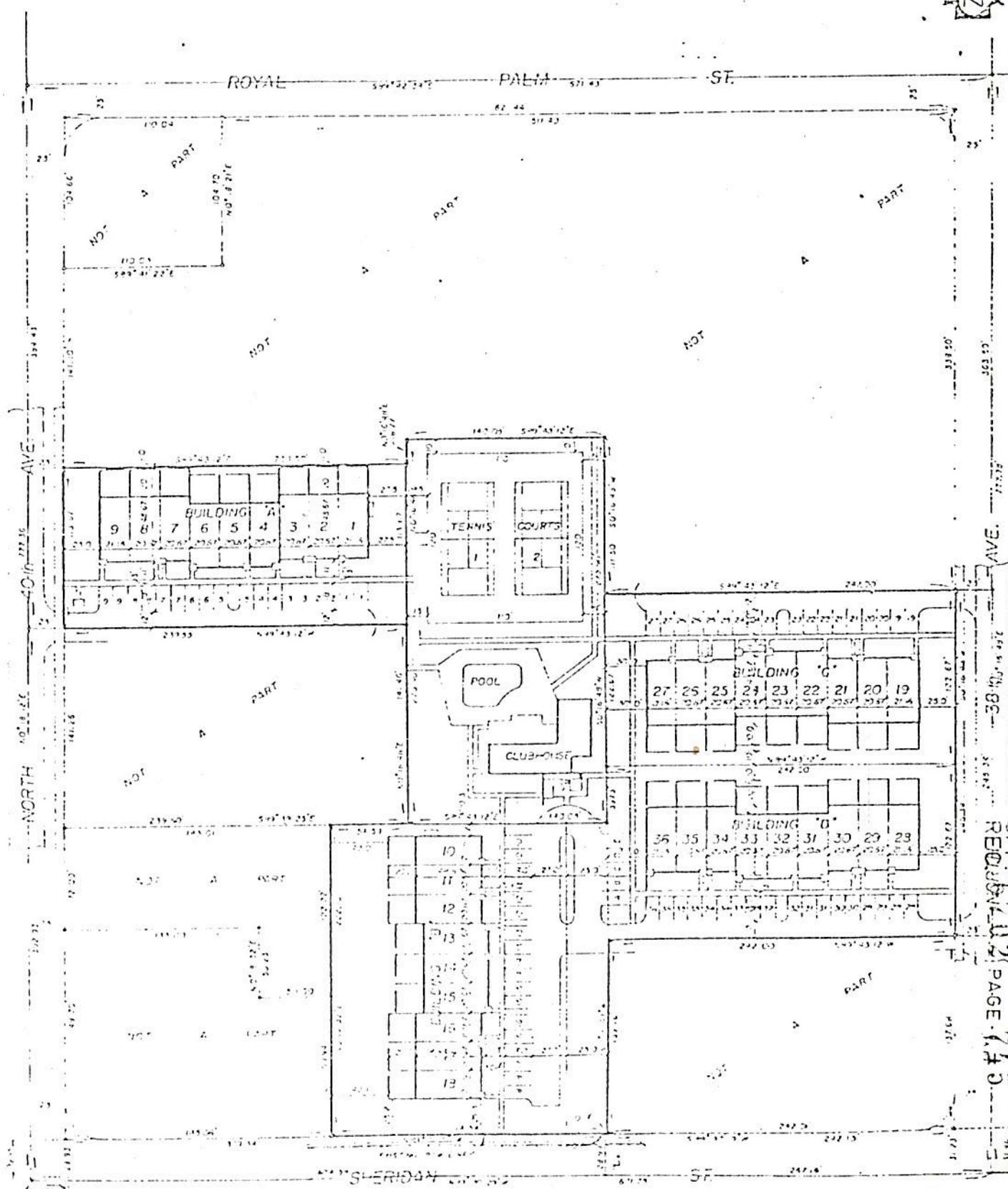
**LEGAL DESCRIPTION:**

A portion of Block 24, 3d and 32 of HOLLYWOOD GARDEN, according to the plat thereof recorded in Plat Book 6 at Page 21 of the Public Records of Brevard County, Florida; also a portion of less than Street, between said Blocks 24 and 3, also a portion of Florida Street, between said Blocks 21 and 32, all as shown on said plat of HOLLYWOOD GARDEN being more particularly described as follows:

Commerce at the Southeast Corner of the SW 1/4 of Sec. 5, Twp. 56 S., Pg. 42 E., as shown on said plat of HOLLYWOOD GARDENS; being in Section 59 1/2 of 2d E., 2nd South line of said section, 140 feet from N. 50 1/2 E. for 240 feet to North Right-of-Way line of Sheridan Street (G.R. No. 923) being the POINT OF BEGINNING of hereinbefore described parcel of land.

From **POINT OF BEGINNING**, hence run N. 49° 23' 37" W., along said line P/W line, for 194.54 feet, thence run N. 50° 8' 32" E., along West line of Lot 28 of said Block 32 and its boundary extension, for 222.16 feet, thence run S. 27° 43' 27" E. for 54.59 feet, thence run N. 45° 45' 42" E. for 141.45 feet, thence run N. 29° 43' 12" W. for 239.55 feet to East P/W line of Block 405, thence run N. 50° 8' 12" E., along said P/W line, for 113.57 feet, thence run S. 29° 43' 12" E. for 213.52 feet, thence run N. 50° 8' 42" E., along the S. 29° 43' 12" E. for 140.25 feet, thence run S. 0° 10' 45" E. for 115.01 feet, thence run S. 29° 43' 12" E. by 245.01 feet to West P/W line of Block 339 Avenue, thence run S. 29° 43' 12" W. for 190.33 feet, thence run S. 29° 43' 12" W. for 207.01 feet, thence run S. 29° 43' 12" W. for 183.16 feet to West P/W line of Sherman Street, thence run S. 29° 43' 12" W., along said P/W line, for 0.14 feet to **POINT OF BEGINNING**. Containing 168,232 square feet, or 3.631 Acres, more or less.

NORTH



CERTIFICATION OF SURVEY

These "Elements" and "Elements" together with the wording of the Description are a correct representation of the requirements, described and most items can be determined from the identification, location, dimensions and size of each and one of the component elements.

SCHILLER'S *FAUST*

2. " DODD, DODD & ASSOCIATES, INC.  
Signed 

500-1

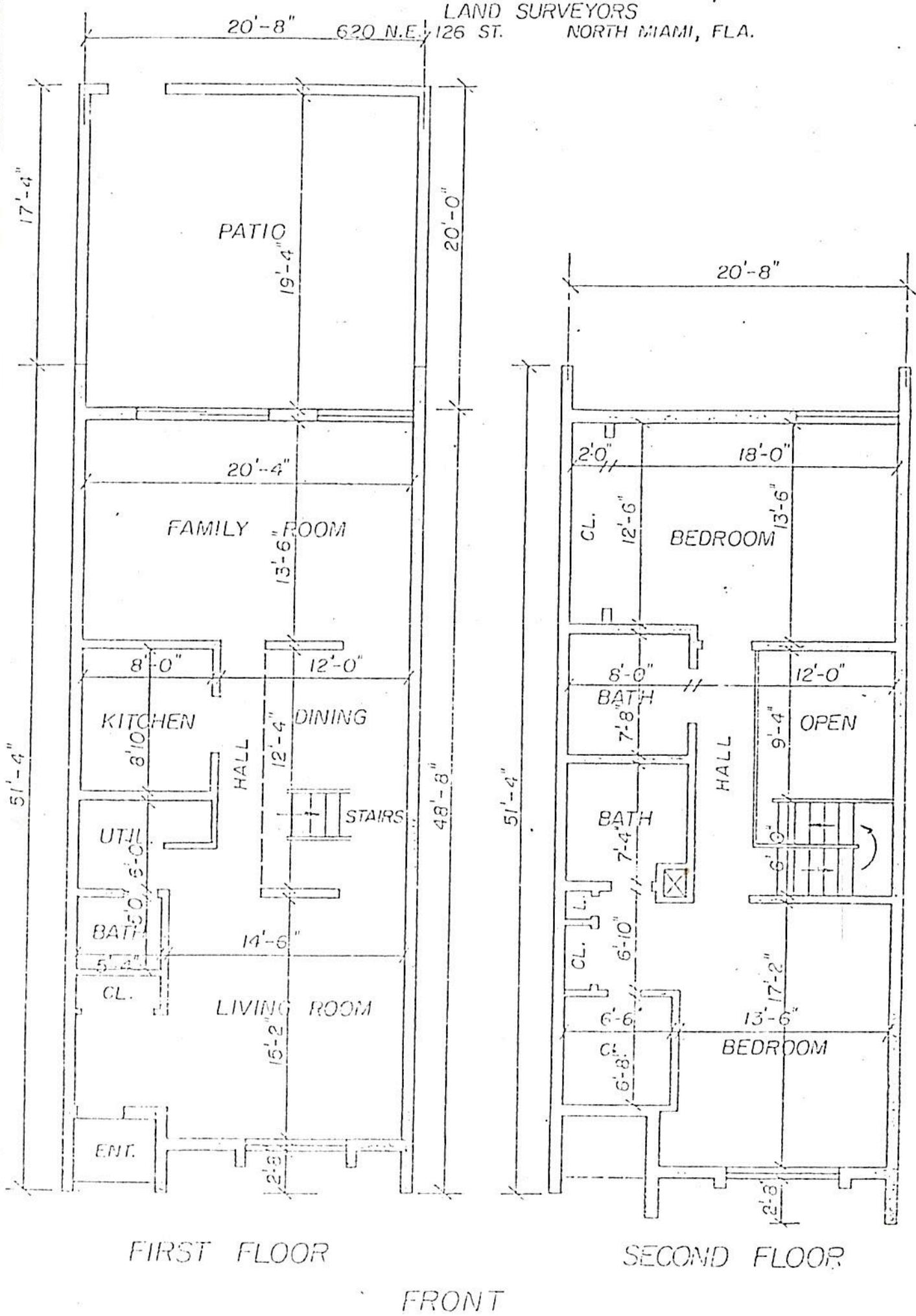
PAGE 1

EXHIBIT 2 PAGE 2

VILLAS OF SHRIDAH

2 BEDROOM UNIT

A. R. TOUSSAINT & ASSOCIATES, INC.  
LAND SURVEYORS  
620 N.E. 126 ST. NORTH MIAMI, FLA.



OFF REC. 6702 PAGE 746

EXHIBIT 2 PAGE 2

ORDER NO. 3122-5

EXHIBIT 2 PAGE 3

VILLAS OF SHERIDAN  
3 BEDROOM UNIT

A.R. TOUSSAINT & ASSOCIATES, INC.  
LAND SURVEYORS  
620 N.E. 126 ST. NORTH MIAMI, FLA.

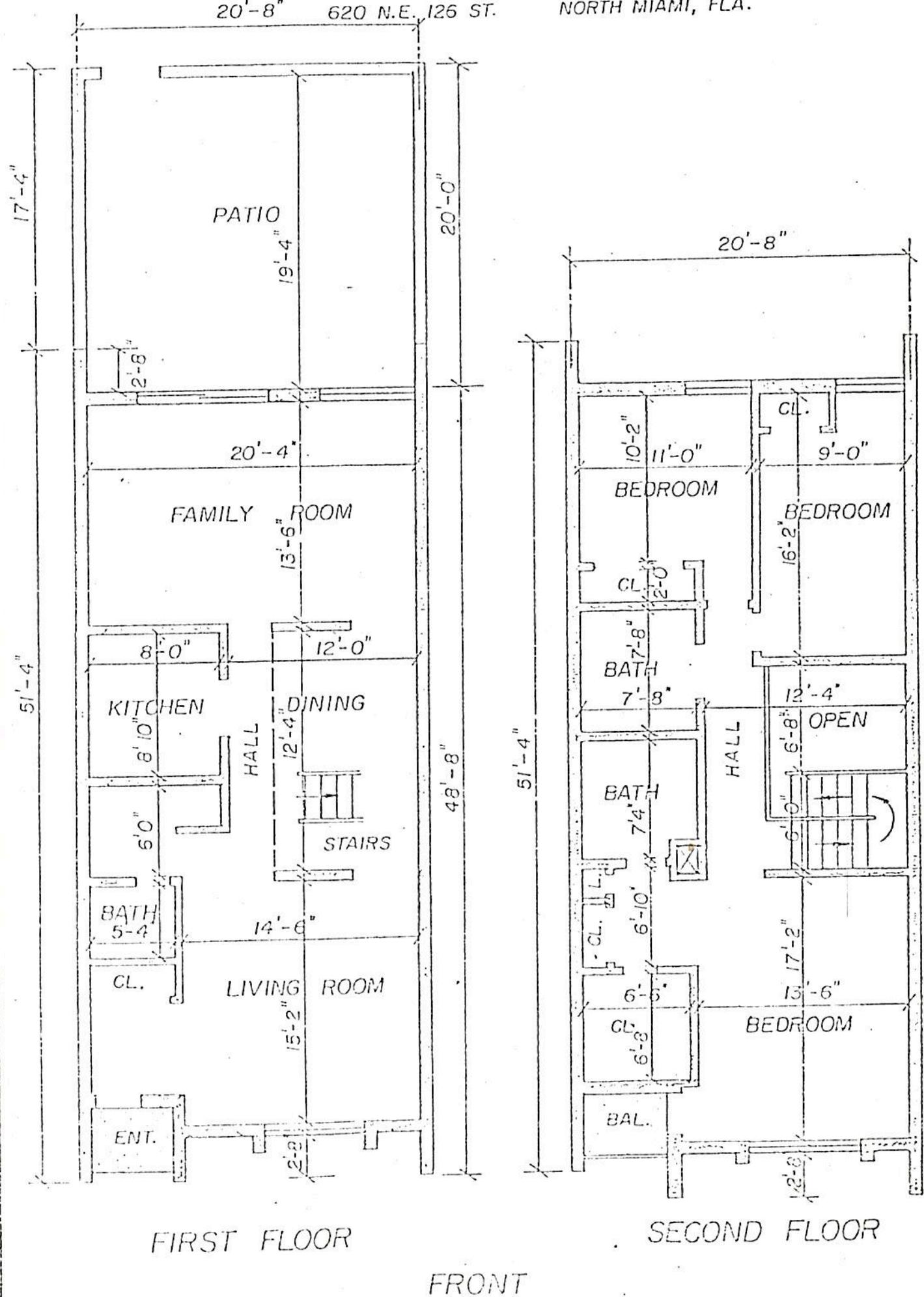


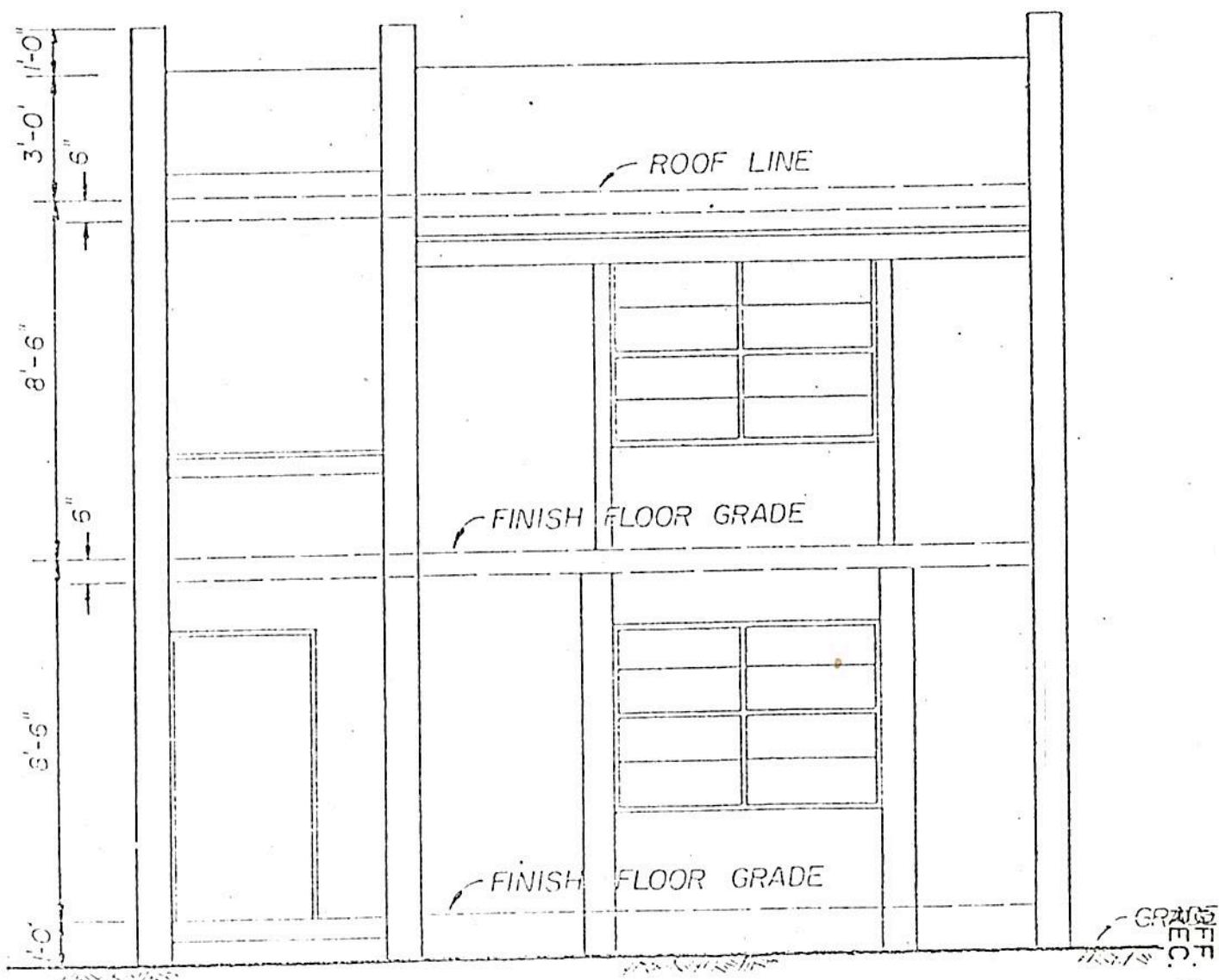
EXHIBIT 2 PAGE  
ORDER No. 512

VILLAS OF SHERIDAN  
ELEVATION DATA

FINISH FLOOR ELEVATIONS

BUILDING "A"	FIRST FLOOR ELEV.	8.40'
BUILDING "B"	FIRST FLOOR ELEV.	9.35'
BUILDING "C"	FIRST FLOOR ELEV.	9.10'
BUILDING "D"	FIRST FLOOR ELEV.	9.10'

Note: Elev. refer to U.S.C. & G.S. Datum, M.S.L.



TYPICAL ELEVATION  
FRONT VIEW

## EXHIBIT 2 PAGE 5

<u>BUILDING A</u>	<u>No. Of Bedrooms</u>
Unit 1	3
Unit 2	3
Unit 3	3
Unit 4	3
Unit 5	2
Unit 6	2
Unit 7	3
Unit 8	3
Unit 9	3

<u>BUILDING B</u>	
Unit 10	3
Unit 11	2
Unit 12	2
Unit 13	3
Unit 14	2
Unit 15	2
Unit 16	3
Unit 17	3
Unit 18	3

<u>BUILDING C</u>	
Unit 19	2
Unit 20	3
Unit 21	3
Unit 22	2
Unit 23	2
Unit 24	3
Unit 25	2
Unit 26	2
Unit 27	3

<u>BUILDING D</u>	
Unit 28	3
Unit 29	3
Unit 30	3
Unit 31	3
Unit 32	2
Unit 33	2
Unit 34	3
Unit 35	3
Unit 36	3

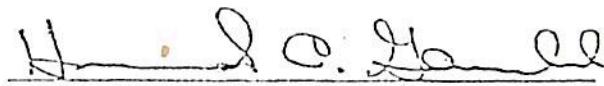
SURVEYOR'S CERTIFICATE

STATE OF FLORIDA      )  
                             )    SS: VILLAS OF SHERIDAN  
 COUNTY OF DADE      )

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgements, personally appeared Howard Gamble, who after first being duly cautioned and sworn, deposed and says as follows:

1. That he is a duly registered land surveyor under the Laws of the State of Florida, being Surveyor No. 1683
2. Affiant hereby certifies that the Declaration of Condominium of VILLAS OF SHERIDAN, a Condominium, together with the exhibits attached hereto, constitute a correct representation of the improvements located upon the real property described therein and are in sufficient detail to identify the Common Elements and each Unit and provide accurate representations of their locations and dimensions and that the construction of improvements is sufficiently complete so that with such material there can be determined therefrom the identification, location, and dimensions of the Common Elements and of each unit.

FURTHER AFFIANT SAYETH NAUGHT

  
 Howard Gamble

SWORN TO AND SUBSCRIBED before me  
 this 29 day of April 1976.

  
 NOTARY PUBLIC STATE OF FLORIDA

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE  
 MY COMMISSION EXPIRES JUNE 20, 1976  
 SERVED THROUGH FRED W. MCGELHORN

OFF  
 REC. 6702 PAGE 750

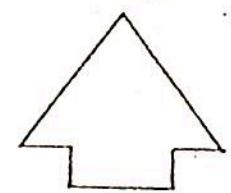
## EXHIBIT 3

## VILLAS OF SHERIDAN

## RECREATIONAL PROPERTY

NORTH

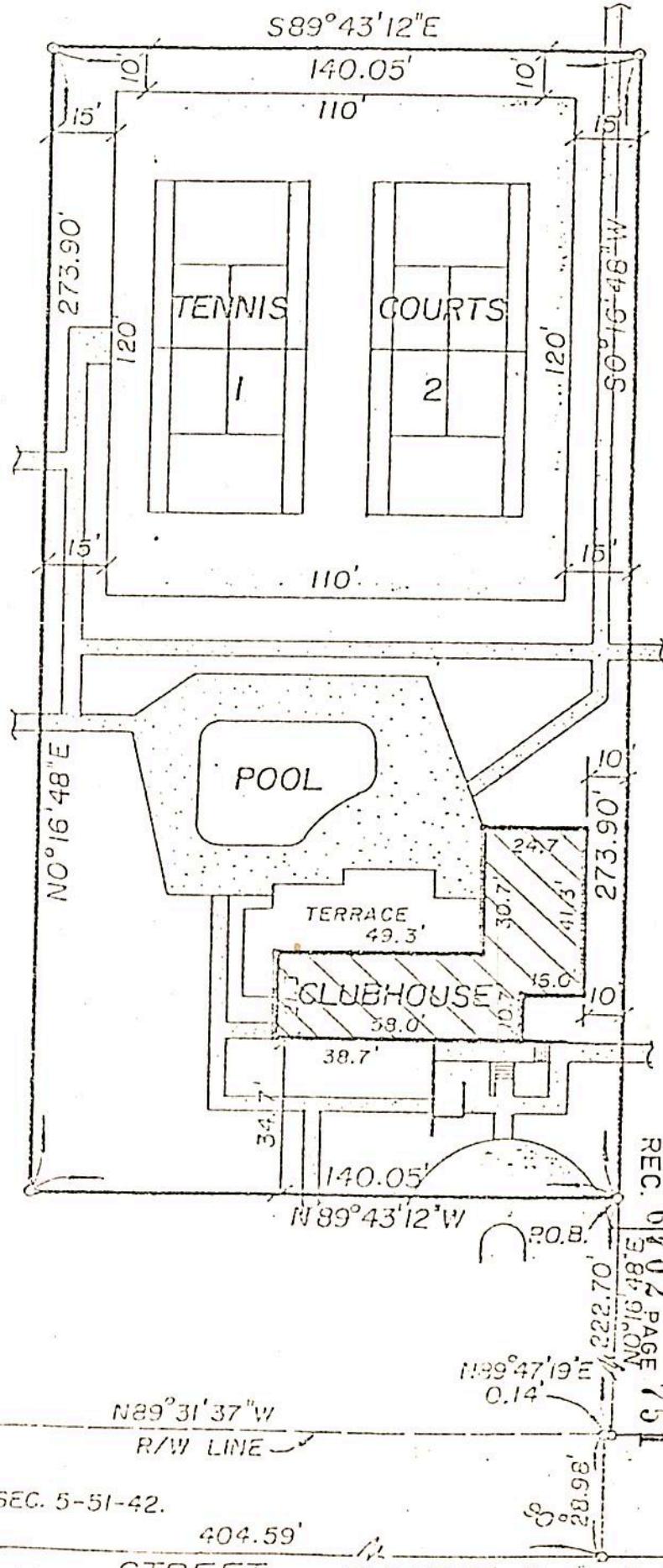
A. R. TOUSSAINT & ASSOCIATES, INC.  
LAND SURVEYORS  
620 N.E. 126th ST. NORTH MIAMI



## LEGAL DESCRIPTION : RECREATIONAL PROPERTY

Plat Book 6 at Page 21 of HOLLYWOOD GARDENS, according to the plat thereof recorded in Public Records of Broward County, Florida; also a portion of Florida Street and New Bern Street, as shown on said Plat, and being described as follows:

Commence at S.W. Corner of SW 1/4 of Sec. 5-51-42, as shown on said plat of HOLLYWOOD GARDENS, thence run S89°40'29"E, along South line of said SW 1/4, for 404.59 feet; thence run N0°19'31"E for 23.98 feet to North Right-of-Way line of Sheridan Street; thence run N89°47'19"E for 0.14 feet; thence run N0°16'48"E for 222.70 feet to P.O.B. From said P.O.B. thence run N89°43'12"W for 140.05 feet; thence run N0°16'48"E for 273.90 feet; thence run S89°43'12"E for 140.05 feet; thence run S0°16'48"W for 273.90 feet to P.O.B. Contains 38,360 sq. ft. or 0.881 Acres, more or less.



12 NORTH 40th AVE.

S.W. COR. SW 1/4  
SEC. 5-51-42  
PER P.B. 6-21

SOUTH LINE SW 1/4 SEC. 5-51-42.

S89°40'29"E

SHERIDAN

404.59'

STREET

EXHIBIT 3

GROUP 5-122

0.14

222.70'

20.8'

222.70'

28.98'

30.7'

34.7'

38.7'

38.0'

41.3'

49.3'

50.7'

59.0'

67.0'

75.7'

83.7'

91.3'

100.0'

108.7'

117.0'

125.3'

133.7'

142.0'

150.3'

158.7'

167.0'

175.3'

183.7'

191.0'

199.3'

207.0'

215.3'

223.7'

231.0'

239.3'

247.0'

254.3'

262.0'

270.3'

278.0'

285.3'

293.0'

300.3'

307.0'

314.3'

322.0'

329.3'

336.0'

343.3'

350.0'

357.3'

364.0'

371.3'

378.0'

385.3'

392.0'

399.3'

406.0'

413.3'

420.0'

427.3'

434.0'

441.3'

448.0'

455.3'

462.0'

469.3'

476.0'

483.3'

490.0'

497.3'

504.0'

511.3'

518.0'

525.3'

532.0'

539.3'

546.0'

553.3'

560.0'

567.3'

574.0'

581.3'

588.0'

595.3'

602.0'

609.3'

616.0'

623.3'

630.0'

637.3'

644.0'

651.3'

658.0'

665.3'

672.0'

679.3'

686.0'

693.3'

700.0'

707.3'

714.0'

721.3'

728.0'

735.3'

742.0'

749.3'

756.0'

763.3'

770.0'

777.3'

784.0'

791.3'

798.0'

805.3'

812.0'

819.3'

826.0'

833.3'

840.0'

847.3'

854.0'

861.3'

868.0'

875.3'

882.0'

889.3'

896.0'

903.3'

910.0'

917.3'

924.0'

931.3'

938.0'

945.3'

952.0'

959.3'

966.0'

973.3'

980.0'

987.3'

994.0'

1001.3'

1008.0'

1015.3'

1022.0'

1029.3'

1036.0'

1043.3'

1050.0'

1057.3'

1064.0'

1071.3'

1078.0'

1085.3'

1092.0'

1099.3'

1106.0'

1113.3'

1120.0'

1127.3'

1134.0'

1141.3'

1148.0'

1155.3'

1162.0'

1169.3'

1176.0'

1183.3'

1190.0'

1197.3'

1204.0'

1211.3'

1218.0'

1225.3'

1232.0'

1239.3'

1246.0'

1253.3'

1260.0'

1267.3'

1274.0'

1281.3'

1288.0'

1295.3'

1302.0'

1309.3'

1316.0'

1323.3'

1330.0'

1337.3'

1344.0'

1351.3'

1358.0'

1365.3'

1372.0'

1379.3'

1386.0'

1393.3'

1400.0'

1407.3'

1414.0'

1421.3'

1428.0'

1435.3'

1442.0'

1449.3'

1456.0'

1463.3'

1470.0'

1477.3'

1484.0'

1491.3'

1498.0'

1505.3'

1512.0'

1519.3'

1526.0'

1533.3'

1540.0'

1547.3'

1554.0'

1561.3'

1568.0'

1575.3'

1582.0'

1589.3'

1596.0'

1603.3'

1610.0'

1617.3'

1624.0'

1631.3'

1638.0'

1645.3'

1652.0'

1659.3'

1666.0'

1673.3'

1680.0'

1687.3'

1694.0'

1701.3'

1708.0'

VILLAS OF SHERIDAN

UNDIVIDED SHARES IN COMMON ELEMENTS,  
COMMON EXPENSES AND COMMON SURPLUS

There are 36 Condominium Units in VILLAS OF SHERIDAN. Each of said Units shall have a 1/36th interest in the Condominium's Common Elements and Common Surplus, and shall be responsible for the payments of 1/36th of the Condominium's Common Expenses.

EXHIBIT 4

0FF REC. 6702 PAGE 752

ARTICLES OF INCORPORATION  
OF  
SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.  
A Non-Profit Corporation

WE, the undersigned, for the purpose of forming a non-profit corporation in accordance with the laws of the State of Florida, acknowledge and file these Articles of Incorporation in the office of the Secretary of State of Florida.

ARTICLE I

NAME

The name of this corporation shall be SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC. ("Association").

ARTICLE II

PURPOSES AND POWERS

The purposes for which this corporation is formed are as follows:

- A. To form an "Association" as defined in Chapter 711, Florida Statutes, as amended ("Condominium Act") and as such to operate, maintain, repair, improve, reconstruct and administer the Condominium Property of, and to perform the acts and duties necessary and desirable for the management of the Units and Common Elements in Sheridan Hills Villas, A Condominium, ("Condominium"); and, to own, operate, lease, sell and trade property, whether real or personal, including units in Sheridan Hills Villas, A Condominium, as may be necessary or convenient in the administration of the Condominium.
- B. To carry out the duties and obligations and receive the benefits given the Association by the Declaration of Condominium ("Declaration") of the Condominium.
- C. To establish By-Laws for the operation of the Condominium Property ("By-Laws"), provide for the administration of the Association and rules and regulations for governing the same, and enforce the provisions of the Condominium Act, the Declaration, these Articles of Incorporation and the By-Laws.

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- D. To contract for the management of the Condominium and to delegate to the party with whom such contract has been executed the appropriate powers and duties of the Association except those which require specific action by or approval of the Board of Administration or members of the Association ("Members").
- E. To lease recreation facilities and Common Elements of the Condominium.
- F. The Association shall have all of the common law and statutory powers under the laws of the State of Florida, those powers provided by the Condominium Act, the Declaration, these Articles and the By-Laws of the Association.

### ARTICLE III

#### MEMBERS

A. All Unit Owners in the Condominium shall automatically be members of the Association and their memberships shall automatically terminate when they sell their Units. If a Member sells his Unit under the provisions of the Declaration, his purchaser shall automatically acquire membership in the Association. Membership certificates are not required and will not be issued.

B. Each Unit shall have one vote in all elections of the Association. An individual, corporation or other entity owning an interest in more than one Unit may be designated as the voting Member for each Unit in which he or it owns an interest.

C. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit. No part of the income of the Association shall be distributed to its Members, Directors or Officers.

### ARTICLE IV

#### EXISTENCE

This Association shall have perpetual existence.

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ARTICLE V

SUBSCRIBERS

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

<u>NAME</u>	<u>ADDRESS</u>
Robert Wissoker	2401 Douglas Road Miami, Florida 33145
Martin Fine	2401 Douglas Road Miami, Florida 33145
Bernard Jacobson	2401 Douglas Road Miami, Florida 33145

ARTICLE VI

DIRECTORS

A. The affairs and property of the Association shall be managed and governed by a Board of Administration composed of not less than three (3) nor more than nine (9) persons ("Directors"). The first Board of Administration shall have three (3) members and in the future, the number shall be determined from time to time in accordance with the Corporation's By-Laws.

B. Directors shall be elected by the Members in accordance with the By-Laws at the regular annual meetings of the membership of the Association. Directors shall be elected to serve for a term of one year and in the event of a vacancy, the remaining Directors may appoint a Director to serve the balance of said unexpired term. The Directors named in Article VII shall serve until the first election of a director or directors as provided in the By-Laws and any vacancies in their number occurring before the first election shall be filled by the remaining directors.

C. All officers shall be elected by the Board of Administration in accordance with the By-Laws at the regular annual meeting of the Board as established by the By-Laws. The Board of Administration shall elect from among the Members a

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President, Vice President, Secretary, Treasurer and such other officers as it shall deem desirable. The President shall be elected from among the membership of the Board of Administration but no other officer need be a Director.

#### ARTICLE VII

##### FIRST BOARD OF ADMINISTRATION

The following persons shall constitute the first Board of Administration and shall hold office and serve until their successors are elected as provided in Article VII:

<u>NAME</u>	<u>ADDRESS</u>
Robert Wissoker	2401 Douglas Road Miami, Florida 33145
Martin Fine	2401 Douglas Road Miami, Florida 33145
Bernard Jacobson	2401 Douglas Road Miami, Florida 33145

#### ARTICLE VIII

##### OFFICERS

Subject to the direction of the Board of Administration, the affairs of the Association shall be administered by officers who shall be elected by and serve at the pleasure of said Board of Administration. The following persons shall constitute the initial officers of the Association and they shall continue to serve as such officers until removed by the Board of Administration:

<u>NAME</u>	<u>TITLE</u>
Robert Wissoker	President
Martin Fine	Vice President
Bernard Jacobson	Secretary/Treasurer

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## ARTICLE IX

### BY-LAWS

The By-Laws of this corporation shall be adopted by the first Board of Administration and attached to the Declaration to be filed among the Public Records of Broward County, Florida. The By-Laws may be altered, amended or rescinded in the manner provided by said Board of Administration.

## ARTICLE X

### AMENDMENTS

A. Proposals for amendments to these Articles of Incorporation which do not conflict with the Condominium Act or the Declaration may be made by a majority of the Board of Administration or a majority of the Members. Such proposals shall be in writing and shall be delivered to the President who shall thereupon call a special meeting of the Members not less than fourteen (14) days nor more than sixty (60) days following his receipt of the proposed amendment. Notice of such special meeting shall be given and posted in the manner provided in the By-Laws. An affirmative vote of seventy-five per cent (75%) of the Board of Directors and Members owning seventy-five per cent (75%) of the Units shall be required for approval of the proposed amendment.

B. Any Member may waive any or all of the requirements of this Article as to the submission of proposed amendments to these Articles of Incorporation to the President or notice of special meetings to vote thereon, either before, at or after a membership meeting at which a vote is taken to amend these Articles.

## ARTICLE XI

The street address of the initial registered office of the corporation is 2401 Douglas Road, Miami, Florida and the name of the initial registered agent of this corporation at that address is Barry N. Semet.

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ARTICLE XII  
INDEMNIFICATION

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

ARTICLE XIII

ADDRESS

The principal address of the Association shall be  
2500 North 39th Avenue, Hollywood, Florida 33021, or at  
such other place as may be subsequently designated by the  
Board of Administration.

IN WITNESS WHEREOF, we have hereunto set our hands  
and seals at Miami, Dade County, Florida this 20  
day of February, 1976.

Signed, sealed and delivered  
in the presence of:

Elliott Messing  
Henry J. J.

Robert Wissner  
Alfred J. J.  
David M. M.

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FILED

Feb 26 4 10 PM '76

SECRETARY OF STATE  
MIAMI, FLORIDA

STATE OF FLORIDA

COUNTY OF

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, Robert Wissoker, Martin Fine and Bernard Jacobson, to me well known and known to be the subscribers described in and who executed the foregoing Articles of Incorporation, and they acknowledged before me that they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal at CORAL GABLES  
said County and State, this 26 day of February, 1976.

Arnold Jacobson  
Notary Public, State of Florida

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES FEB 1, 1977  
RENEWAL FEE PAID, EXPIRES APR 1, 1979

FILED  
FEB 26 4 10 PM '76  
SECRETARY OF STATE  
MAMI, FLORIDA

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

In pursuance of Chapter 48.091, Florida Statutes, the  
following is submitted, in compliance with said Act:

First--that SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION,  
INC. desiring to organize under the laws of the State of  
Florida with its principal office, as indicated in the  
Articles of Incorporation at City of Hollywood, County of  
Broward, State of Florida has named BARRY N. SEMET  
located at 2401 Douglas Road, Miami, Florida 33145  
(Street address and number of building,  
Post Office Box address not acceptable)  
City of Miami, County of Dade, State of Florida, as  
its agent to accept service of process within this state.

ACKNOWLEDGEMENT: (MUST BE SIGNED BY DESIGNATED AGENT)

Having been named to accept service of process for the  
above stated corporation, at place designated in this  
certificate, I hereby accept to act in this capacity, and  
agree to comply with the provision of said Act relative to  
keeping open said office.

By   
(Resident Agent)

RECEIVED  
FEB 26 4:10 PM '76  
DEPARTMENT OF STATE  
MIAMI, FLORIDA

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ARTICLE OF AMENDMENT  
OF  
SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.  
A Non-Profit Corporation

WE, being all the Members and Officers of the Board of Administration of SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC., do hereby certify that pursuant to a unanimous vote of the Board of Administration and Officers taken at a special meeting on April 23, 1976, the following Amendment to the Articles of Incorporation was adopted in accordance with the Articles of Incorporation and By-Laws of SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.

The following is hereby amended:

ARTICLE I

NAME

The name of this corporation shall be VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC. ("Association").

IN WITNESS WHEREOF, we have hereunto set our hands and seals at Miami, Dade County, Florida, this 27<sup>th</sup> day of May, 1976.

Signed, sealed and delivered  
in the presence of:

Robert Wissoker

Robert Wissoker  
ROBERT WISSOKER, President

Clayton

Martin Fine  
MARTIN FINE, Vice President

Bernard Jacobson  
BERNARD JACOBSON, Secretary/Treasurer

STATE OF FLORIDA      )  
                            )  
COUNTY OF DADE      )

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, ROBERT WISSOKER, MARTIN FINE and BERNARD JACOBSON, to me well known and known to be the subscribers described in and who executed the foregoing Article of Amendment, and they acknowledged before me that they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal at said County and State, this 27<sup>th</sup> day of May, 1976.

Anne L. Davis  
Notary Public  
State of Florida at Large

My commission expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES SEPT 1, 1977  
STATE OF FLORIDA NOTARIAL AUTHORITY CO.

BY-LAWS

SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.

EXHIBIT 6

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INDEX TO BY-LAWS  
OF  
SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.

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I.	General
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VI.	Notices
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IX.	Joint Ownership
X.	Amendment
XI.	Construction

BY-LAWS

OF

SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

GENERAL

Section 1. Name: The name of the corporation shall be SHERIDAN HILLS VILLAS CONDOMINIUM ASSOCIATION, INC., ("Association")

Section 2. Principal Office: The principal office of the Association shall be at 2500 North 39th Avenue, Hollywood, Florida 33021, or at such location as may be designated by the Association's Board of Administration. All books and records of the Association shall be kept at its principal office.

Section 3. Definitions: As used herein, the term corporation shall be synonymous with "Association" as defined in the Declaration of Condominium ("Declaration") of Sheridan Hills Villas, A Condominium ("Condominium"), and the words "Condominium Property", "Unit", "Unit Owner", "Assessment", "Condominium Parcel", "Common Elements", "Condominium" and "Developer" are defined as set forth in the Declaration. "Condominium Act" shall mean and refer to Chapter 711, Florida Statutes, as amended.

ARTICLE II

DIRECTORS

Section 1. Number and Term: The number of directors ("Directors") which shall constitute the Association's Board of Administration shall be not less than three (3) nor more than nine (9). Until succeeded by Directors elected at the first meeting of Members ("Members"), Directors need not be members of the Association but thereafter, all Directors shall be Members. Within the limits above specified, the number of Directors shall be determined by the Members at their annual meeting. Each Director shall be elected to serve for a term of one (1) year, or until his successor shall be elected and shall qualify. The first Board of Directors shall have three (3) members.

Section 2. Vacancy and Replacement: If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired portion of the term of the vacated office.

Section 3. Removal: Directors, other than those named in Article VII of the Association's Articles of Incorporation ("Articles"), may be removed for cause by an affirmative vote of a majority of the qualified votes of Members and the Directors, or any of them, named in Article VII may be removed for any reason by a majority vote of the Board of Administration. No Directors, other than the original Directors named in the Articles, shall continue to serve on the Board if, during his term of office, his membership in the Association shall be terminated for any reason whatsoever; and, in the event any Director fails to pay any Assessment levied by the Board of

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PAGE 23

Administration, whether regular or special Assessment, within thirty (30) days after its due date, he shall automatically be removed as a Director and the remaining Directors shall select a successor to serve the unexpired portion of the term of said removed Director.

Section 4. First Board of Administration: The first Board of Administration named in the Articles shall hold office and exercise all powers of the Board of Administration as provided in Article VI of the Articles, subject to the following:

A. When Unit Owners other than the Developer own 15% or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled elect not less than one-third of the Members of the Board of Administration. Unit Owners other than the Developer shall be entitled to elect not less than the majority of the members of the Board of Administration of the Association three years after sales by the Developer have been closed on 50% of the Units that will be operated ultimately by the Association, three months after sales have been closed by the Developer of 90% of the Units that will be operated ultimately by the Association, or when all of the Units that will be operated ultimately by the Association have been completed, some of them have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur. Notwithstanding the foregoing, the Developer shall be entitled to elect not less than one member of the Board of Administration of the Association as long as the Developer holds for sale in the ordinary course of business any Units in the Condominium.

B. Within sixty (60) days after Unit Owners other than the Developer are entitled to elect a Member or Members of the Board of Administration, the Association shall call, and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the Unit Owners for this purpose. Such meeting may be called and a notice given by any Unit Owner if the Association fails to do so.

C. Prior to or within a reasonable time after the time that Unit Owners other than the Developer elect the majority of the Members of the Board of Administration, such reasonable time not to exceed sixty (60) days, the Developer shall relinquish control of the Association and shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Developer in accordance with the provisions of Section 711.66(4), Florida Statutes.

Section 5. Powers: The property and business of the Association shall be managed by the Board of Administration, which may exercise all corporate powers not specifically prohibited by statute, the Articles or the Declaration. The powers of the Board of Administration shall specifically include, but not be limited to, the following:

A. To levy and collect regular and special Assessments.

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B. To use and expend the Assessments collected to maintain, care for and preserve the Units and Condominium Property, except those portions thereof which are required to be maintained, cared for and preserved by the Unit Owners.

C. To purchase the necessary equipment required in the maintenance, care and preservation referred to above.

D. To enter into and upon the Units when necessary, with as little inconvenience to the Unit Owners as possible, in connection with said maintenance, care and preservation.

E. To insure and keep insured said Condominium Property in the manner set forth in the Declaration, against loss from fire and/or other casualty and the Unit Owners against public liability, and to purchase such other insurance as the Board of Administration may deem advisable.

F. To collect delinquent Assessments by suit or otherwise, abate nuisances and enjoin or seek damages from the Unit Owners for violations of these By-Laws, the Articles, the Declaration, and rules and regulations promulgated by the Board of Administration.

G. To employ and compensate such personnel as may be required for the maintenance and preservation of the Condominium Property.

H. To make reasonable rules and regulations for the occupancy of the Units and use of the Common Elements.

I. To acquire, rent or lease Units in the name of the Association or a designee.

J. To contract for management of the Condominium and to delegate to such other party all powers and duties of the Association except those specifically required by the Declaration to have the specific approval of the Board of Administration or membership.

K. To carry out the obligations of the Association under any easements, restrictions or covenants running with any land submitted to Condominium ownership.

Section 6. Compensation: Neither Directors nor officers shall receive compensation for their services as such.

Section 7. Meetings:

A. The first meeting of each Board of Administration newly elected by the Members shall be held immediately upon adjournment of the meeting at which they were elected,

provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Administration shall be held at the same place as the Members' meeting, and immediately after the adjournment of same.

B. Special meetings shall be held whenever called by the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three (3) days before the date of such meeting, but the directors may waive notice of the calling of the meeting.

C. Meetings of the Board of Administration shall be open to all Unit Owners and except in cases of emergency, notices of such meetings shall be posted conspicuously on the Condominium Property forty-eight (48) hours in advance of such meetings.

D. A majority of the Board shall be necessary at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting until a quorum shall be present.

Section 8. Order of Business: The order of business at all meetings of the Board shall be as follows:

- A. Roll call;
- B. Reading of Minutes of the last meeting;
- C. Consideration of communications;
- D. Resignations and elections;
- E. Reports of officers and employees;
- F. Reports of committees;
- G. Unfinished business;
- H. Original resolutions and new business;
- I. Adjournment.

Section 9. Accounting Records: The Association shall maintain accounting records according to good accounting practices, which shall be open to inspection by a Unit Owners or their authorized representatives at reasonable time and written summaries of which shall be supplied at least annually to Unit Owners or their authorized representatives. Such records shall include, but are not limited to, a record of all receipts and expenditures and an account for each Unit which shall designate the name and address of the Unit Owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

OFFICERS

Section 1. Executive Officers: The executive officers of the Association shall be a President, Vice-President, Treasurer and Secretary, all of whom shall be elected annually by the Board of Administration. Any two of said offices may be united in one person, except that the President shall not also be the Secretary or an Assistant Secretary of the Association. If the Board so determines, there may be more than one Vice-President.

Section 2. Subordinate Officers: The Board of Administration may appoint such other officers and agents as it may deem necessary, who shall hold office at the pleasure of the Board of Administration and who shall have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. Tenure of Officers; Removal: All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board of Administration, which may delegate such powers to any officer. In the event that any officer fails to pay any Assessment levied by the Board of Administration, whether regular or special Assessment, within thirty (30) days of its due date, said officer shall automatically be removed from office and the Board of Administration shall appoint a successor.

Section 4. The President:

A. The President shall be Chairman of, and shall preside at, all meetings of the Members and Directors, shall have general and active management authority over the business of the Association except that which is delegated, shall see that all orders and resolutions of the Board are carried into effect and shall execute bonds, mortgages and other contracts requiring a seal of the Association. The seal, when affixed, shall be attested by the signature of the Secretary.

B. He shall supervise and direct all other officers of the Association and shall see that their duties are performed properly.

C. He shall submit a report of the operations of the Association for the fiscal year to the Directors (whenever called for by them) and to the Members at their annual meeting, and from time to time shall report to the Board all matters within his knowledge which the best interests of the Association may require be brought to their notice.

D. He shall be an ex-officio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of the President of a corporation.

Section 5. The Vice President: The Vice President shall be vested with all the powers and be required to perform all the duties of the President in his absence, together with such other duties as may be prescribed by the Board of Administration or the President.

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Section 6. The Secretary:

A. The Secretary shall keep the minutes of meetings of the Members and of the Board of Administration in one or more books provided for that purpose;

B. He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as otherwise required by law;

C. He shall be custodian of the corporate records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws.

D. He shall keep a register of the post office address of each Member, which shall be furnished to the Secretary by such Member;

E. In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Administration.

Section 7. The Treasurer:

A. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Administration;

B. He shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.

C. He may be required to give the Association a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

Section 8. Vacancies: If the office of the President, Vice-President, Secretary, Treasurer or any other office established by the Board of Administration becomes vacant by reason of death, resignation, disqualification or otherwise, the Directors, by a majority vote of the Board of Administration, may choose a successor or successors who shall hold office for the unexpired portion of the term of the vacated office.

Section 9. Resignations: Any Director or officer may resign his office at any time, in writing, which resignation shall take effect from time of its receipt by the Association, unless some later time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

#### ARTICLE IV

##### MEMBERSHIP

Section 1. Definition: Each Unit Owner (including a corporate owner) shall be a member of the Association, and membership in the Association shall be limited to Unit Owners.

Section 2. Transfer of Membership and Ownership: Membership in the Association may be transferred only as an incident to the transfer of the transferor's Unit and his undivided interest in the Common Elements of the Condominium. Such transfer shall be subject to the procedures set forth in the Declaration.

#### ARTICLE V

##### MEETINGS OF MEMBERSHIP

Section 1. Place: All meetings of the Association membership shall be held at such place as may be stated in the notice of the meeting.

Section 2. Annual Meeting:

A. The first annual meeting of Members shall be held one year after the closing of the sale of a unit by the Developer if not a legal holiday, and if a legal holiday, then on the next secular day following. In addition to the election of Directors at said first meeting, such other business as may properly come before the meeting may be transacted.

B. Regular annual meetings subsequent to the first meeting shall be held on the first weekday of the month in which said first meeting was held, if not a legal holiday, and if a legal holiday, then on the next secular day following.

C. All annual meetings shall be held at such time as shall be determined by the Board of Administration.

D. At the annual meetings, the Members, by a plurality vote (cumulative voting prohibited) shall elect a Board of Administration and transact such other business as may properly come before the meeting.

E. Written notice of the annual meeting shall be served upon or mailed to each Member entitled to vote at such address as appears on the books of the Association, at least fourteen (14) days prior to the meeting. A notice of such meeting shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to the meeting.

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Section 3. Membership List: At least fourteen (14) days before every election of Directors, a complete list of Members entitled to vote at said election, arranged numerically by Units, with the residence of each member, shall be prepared by the Secretary. Such list shall be produced and kept for said fourteen (14) days and throughout the election at the office of the Association, and shall be open to examination by any Member throughout such time.

Section 4. Special Meetings:

A. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of one-third (1/3) of the Members. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a special meeting of Members stating the time, place and object thereof shall be served upon or mailed to each Member entitled to vote thereon at such address as appears on the books of the Association at least fourteen (14) days before such meeting. A notice of such meeting shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to the meeting.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum. Members owning fifty-one percent (51%) of the total Units, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by statute, the Articles or these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote there at, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 6. Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one which, by express provision of the Florida Statutes, the Declaration, the Articles or these By-Laws requires a different vote, in which case such express provision shall govern and control the decision of such question.

Section 7. Right to Vote:

A. The Owner or Owners of a Unit shall be entitled to one (1) vote for each Unit owned; provided, however, that Unit Owners who are delinquent in the payment of assessments shall not be entitled to vote at any meeting of the Members, annual or special, for so long as any such assessments remain delinquent.

OFF.  
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B. If a Unit is owned by more than one individual or by a corporation or other entity, said Owners, corporation or other entity shall file a certificate with the Secretary naming the person authorized to cast said Unit vote. If the same is not on file prior to any meeting of the Members, annual or special, a vote of such Unit shall not be considered, nor shall the presence of said Owners at a meeting be considered in determining whether the quorum requirement has been met.

C. All proxies must be in writing, signed by the voting Member granting the proxy and filed with the Secretary prior to the meeting, annual or special, for which said proxy is granted. The proxy shall be valid only for such meeting or meetings subsequently held pursuant to an adjournment of that meeting. Proxies may be given only to a voting Member and no voting Member may be designated to hold or cast proxies for more than five (5) Units.

Section 8. Waiver and Consent: Whenever the vote of Members at a meeting is required or permitted by any provision of the Florida Statutes, the Declaration, the Articles or these By-Laws in connection with any action of the Association, the meeting and vote of Members may be dispensed with if all Members who would have been entitled to vote upon the action of such meeting if such meeting were held shall consent in writing to such action being taken.

Section 9. Order of Business: The order of business at annual Members' meetings and as far as practical at other Members' meetings, will be:

- A. Election of Chairman;
- B. Roll Call;
- C. Proof of Notice of Meeting or Waiver of Notice;
- D. Reading of Minutes of Prior Meeting;
- E. Officers' Reports;
- F. Committee Reports;
- G. Elections;
- H. Unfinished Business;
- I. New Business;
- J. Adjournment.

## ARTICLE VI

### NOTICES

Section 1. Definition: Whenever under the provisions of the Florida Statutes, the Declaration, the Articles or these By-Laws, notice is required to be given to any director, officer or Member, it shall not be construed to mean personal notice, but such notice may be given in writing by mail by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the Association. Any such notice and any notice of any meeting of the Members, annual or special, need not be sent by certified mail.

Section 2. Service of Notice - Waiver: Whenever any notice is required to be given under the provisions of the Florida Statutes, the Declaration, the Articles or these

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By-Laws, a waiver thereof, in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Address: The address for notice to the Association is 2500 North 39th Avenue, Hollywood, Florida 33021.

## ARTICLE VII

### FINANCES

Section 1. Fiscal Year: The fiscal year shall be the calendar year.

Section 2. Checks: All checks or demands for money and notes of the Association, shall be signed by any one of the following officers: President, Vice President, Secretary or Treasurer, or by such officer or officers or such other person or persons as the Board of Administration may from time to time designate. The Board of Administration by resolution may require more than one (1) signature.

#### Section 3. Determination of Assessments:

A. (1) The Board of Administration shall fix Assessments adequate to meet the Common Expenses of the Condominium. Common Expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance, and any other expenses designated as Common Expenses by the Declaration or from time to time by the Board of Administration.

(2) Funds for the payment of Common Expenses shall be assessed against Unit Owners in the proportions or percentages, and in the manner, provided in the Declaration and said assessments shall be payable as provided in the Declaration.

(3) The Board of Administration is specifically empowered, on behalf of the Association, to make and collect Assessments and to maintain, repair and replace the Common Elements of the Condominium.

(4) Special Assessments, which may be required by the Board of Administration, shall be levied and paid in the same manner as provided for regular assessments.

B. When the Board of Administration has determined the amount of any Assessment, the Secretary or Treasurer shall mail or present a statement of the Assessment to each of the Unit Owners. All assessments shall be payable to the Association, and upon request, the Secretary or Treasurer shall give a receipt for each payment made.

#### Section 4. Annual Budget:

A. A copy of the Association's proposed annual budget common expenses shall be mailed to each Unit Owner not less than thirty (30) days prior to the

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meeting of the Board of Administration at which the budget will be considered together with a notice of that meeting. Such meeting of the Board of Administration shall be open to all Unit Owners.

B. If the Board of Administration adopts a budget which requires assessments against Unit Owners for the proposed fiscal year exceeding 115% of such assessments for the preceding year, all as determined in accordance with Section 711.11(2)(f), Florida Statutes, as amended, 1974, as said section may hereafter be amended the Unit Owners shall have the right to proceed in the manner provided in said section.

Section 5. Working Capital and Reserve Fund:

A. The Board of Administration may establish a working capital fund for the initial months of operation equal to a minimum amount of two (2) months' estimated Common Expenses charged for each unit.

B. The Board of Administration shall have the right to assess Unit Owners to establish a reserve fund for the future replacement of or additions to the Common Elements and such reserve fund shall be held in trust by the Board or its designated nominee to be used solely for the purpose for which it was established.

Section 6. Payment of Assessments: All assessments shall be payable to the Association upon receipt of a statement from the Association setting forth the amount thereof. Assessments shall be made against Unit Owners not less frequently than quarterly in advance no less than are required to provide funds in advance for payment of all of the anticipated current operating expenses and for all the unpaid operating expenses previously incurred.

Section 7. Limitation on Expenditures: Notwithstanding anything in these By-Laws, the Articles, or the Declaration which authorize expenditures, after the first election of Directors, no expenditure for the improvement of the Common Elements exceeding \$5,000.00 per annum shall be made without the approval of Members owning seventy-one (71%) per cent of the Units except for the repair of the Condominium Property due to casualty loss.

Section 8. Application of Payments and Comingling of Funds: All sums collected by the Association from Assessments may be comingled in a single fund or divided into more than one fund as determined by the Board of Administration. All Assessments shall be applied as provided herein and in the declaration.

ARTICLE VIII

DEFAULT

In the event a Unit Owner does not pay any sum, charge, or Assessment required to be paid to the Association within ten (10) days from the due date, the Association, acting through its Board of Administration, may enforce its lien

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for Assessments or take such other action to recover the sum, charge, or Assessment to which it is entitled in accordance with the Declaration and the laws of the State of Florida.

If the Association becomes the owner of a Unit by reason of foreclosure, it shall offer said Unit for said and at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for Assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees and any and all expenses incurred in the resale of the Unit which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit. All monies remaining after deducting the foregoing items of expenses shall be returned to the former owner of the Unit.

In the event of a violation of the provisions of the Declaration, the Articles or By-Laws, which violation is not corrected within ten (10) days after notice from the Association to the Unit Owner to correct said violation, the Association may take such action as it may deem appropriate, including the institution of legal action, to correct the violation. Nothing contained in this Article shall be construed to require that the Association furnish notice to any Unit Owner of his failure to pay any Assessment, sum or other charge due to the Association. In the event such legal action is brought against a Unit Owner and results in a judgment for the plaintiff, the defendant shall pay the plaintiff's reasonable attorneys' fees and court costs.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions regardless of the harshness of the remedy available to the Association and regardless of the availability of the other equally adequate procedures. It is the intent of all Unit Owners to give to the Association such powers and authority which will enable it to operate on a business-like basis, to collect those monies due and owing to it from Unit Owners, and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint and nuisance.

#### ARTICLE IX

##### JOINT OWNERSHIP

Membership may be held in the name of more than one person, corporation or other entity. In the event ownership is in more than one person, corporation or other entity, all of the joint owners shall be entitled collectively to only one vote in the management of the affairs of the Association and said vote may not be divided between multiple owners.

#### ARTICLE X

##### AMENDMENT

These By-Laws may be amended at any duly called meeting of the Members. The notice of the meeting shall contain a full REC'D. 6702 PAGE 776

statement of the proposed amendment. It shall be necessary that there be an affirmative vote of Members owning seventy-five per cent (75%) of all Units and seventy-five per cent (75%) of the Board of Administration to amend these By-Laws. No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights or liabilities of any mortgagee.

#### ARTICLE XI

#### CONSTRUCTION

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

Should any of the provisions of these By-Laws be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

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

  
\_\_\_\_\_  
BRIAN M. WILCOX  
SECRETARY

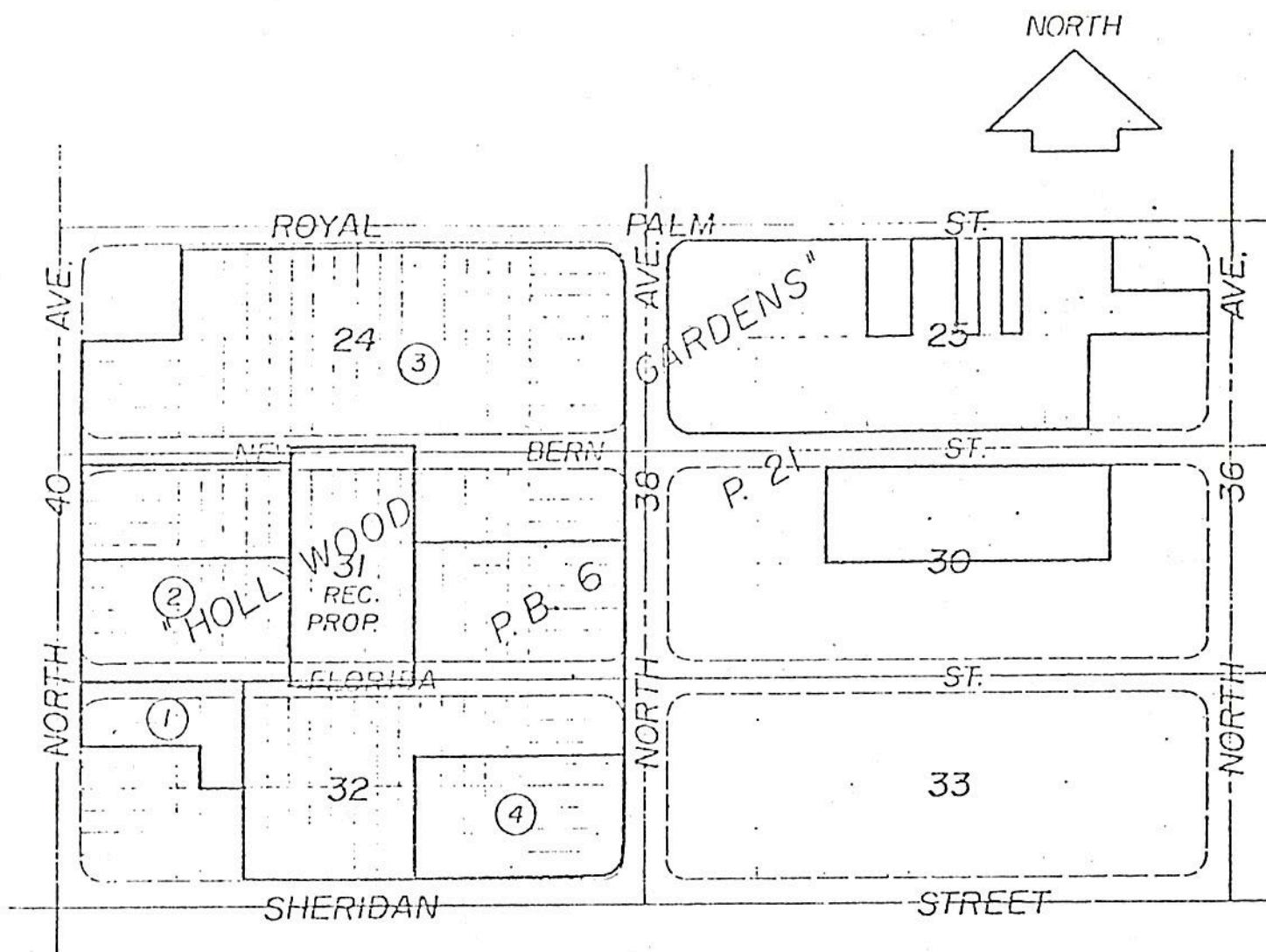
APPROVED:

  
\_\_\_\_\_  
ROBERT W. WILCOX  
PRESIDENT

EXHIBIT 7 PAGE 1

## VILLAS OF SPAIN

## LOCATION MAP



PREPARED, BY

A. R. TOUSSAINT & ASSOCIATES, INC.  
LAND SURVEYORS  
620 N.E. 126th ST. NORTH MIAMI

NOTE : Florida St. and New Bern St. between Blocks 24, 31 and 32, were closed and vacated by City of Hollywood, Florida by Ord. O-73-57 on July 11, 1973.

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EXHIBIT 7 PAGE  
ORDER 5122

## SKETCH TO ACCOMPANY LEGAL DESCRIPTIONS

EXHIBIT 7 PAGE 2

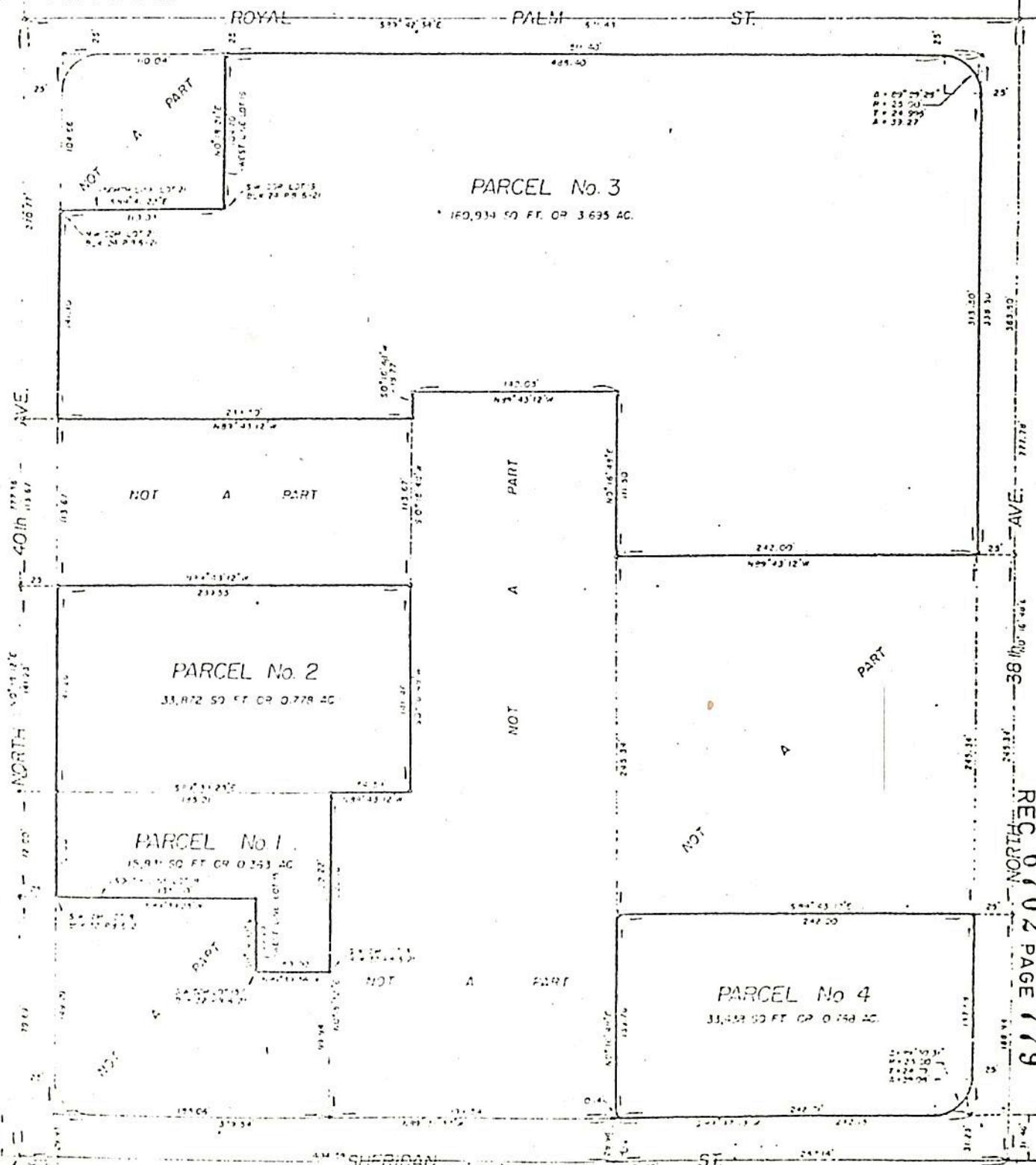
## VILLAS OF SHERIDAN

A. R. TOUSSAINT & ASSOCIATES, INC.  
LAND SURVEYORS  
620 N.E. 125th St.  
Miami, Florida

## LEGAL DESCRIPTION:

A portion of Blocks 24, 31 and 32 of HOLLYWOOD GARDENS, according to the plat thereof recorded in Plat Book 6 of Plat Book of Broward County, Florida; also a portion of the 5th Street, between said blocks 24 and 31; also a portion of Florida Street, between said blocks 31 and 32, all as shown on said plat of HOLLYWOOD GARDENS, all being more particularly described as follows:

PARCEL No. 1: Commence at the Southwest Corner of the 5th Street of Lot 5-5-42, as shown on said plat of HOLLYWOOD GARDENS, hence run N 27° 2' E, along the West line of said SW 1/4, for 169.49 feet, thence run S 29° 39' 25" W for 25.00 feet, to SW Corner of Lot 18-3-1 said Block 22, being the P.O.B. From said P.O.B., continue S 29° 39' 25" W, along South line of said Lot 18-3-1, for 50.23 feet to SW Corner of Lot 15-4, for 52.00 feet to S.E. Corner of Lot 4, hence run N 27° 2' E for 122.15 feet, thence run N 27° 2' E for 195.00 feet to East P/W line of said Lot 4-24; hence run N 27° 2' W, along said P/W line for 25.00 feet, to P.O.B. PARCEL No. 2: Commence at the Southwest Corner of the 5th Street, as described above, hence run N 27° 2' E, along West line of said SW 1/4, for 201.59 feet, thence run S 29° 39' 25" W for 233.55 feet to East P/W line of the 4th Street, thence run S 27° 2' W, along said P/W line for 41.26 feet, to P.O.B. PARCEL No. 3: Commence at the Southwest Corner of Lot 5-5-42, as described above, hence run N 27° 2' E, along SW line of said SW 1/4, for 51.00 feet, thence run S 29° 43' 2" E for 25.00 feet to P.O.B. From said P.O.B. thence run N 27° 2' E, along East P/W line of North 4th Ave., for 141.10 feet to the Corner of Lot 21 of said Block 24, thence run S 29° 43' 2" E, along the South line of said Lot 21, for 110.03 feet to SW Corner of Lot 15 of said Block 24; thence run N 27° 2' E, along the West line of said Lot 15, for 170.47 feet, thence run S 29° 43' 2" E, along a line 25 feet off said P/W line to the centerline of Royal Pm St., for 446.40 feet to point of arrival. NORTH side of the circular curve to the right, thence run S 27° 2' E along a line 25 feet off said curve for an angle of 29.5925°, a radius of 25 feet, from an arc distance of 39.27 feet to point of tangency, thence run S 27° 2' W, along West P/W line of North 4th Ave., for 31.50 feet, thence run N 29° 43' 2" W for 242.00 feet, thence run N 27° 2' E, for 110.50 feet; thence run N 29° 43' 2" W for 140.05 feet, thence run S 27° 2' W, for 21.50 feet, thence run N 29° 43' 2" W for 219.50 feet to P.O.B. PARCEL No. 4: Commence at SW Corner of Lot 5-5-42, as described above, hence run S 29° 43' 2" W, along SW line of Lot 15-4, for 404.53 feet, thence run N 27° 2' E for 24.55 feet to North P/W line of Sheridan St.; thence run N 29° 43' 2" E for 0.14 feet to P.O.B. From said P.O.B. continue N 27° 2' E, along SW line of Lot 15-4, for 217.22 feet to point of arrival of a circular curve to the left, thence run N 27° 2' E along a line 25 feet off said curve for an angle of 257.2031°, a radius of 25 feet, from an arc distance of 31.05 feet to point of arrival, thence N 27° 2' E, along West P/W line of North 38th Ave., for 12.00 feet; thence run N 29° 43' 2" W for 242.00 feet; thence run S 27° 2' W, for 139.75 feet to point of arrival.



## SURVEYOR'S CERTIFICATION:

We hereby certify that the property sketched to accompany legal description is true and correct to the best of our knowledge and belief as correctly drawn and taken.

PROSPECTUS FOR  
VILLAS OF SHERIDAN  
A CONDOMINIUM

This Prospectus concerns VILLAS OF SHERIDAN, a Condominium which consists of four (4) buildings containing thirty-six (36) condominium units. The address of VILLAS OF SHERIDAN is 2500 North 39th Avenue, Hollywood, Florida 33021.

VILLAS OF SHERIDAN is a development of REPUBLIC MORTGAGE INVESTORS, a Massachusetts Business Trust ("Developer"), 2401 Douglas Road, Miami, Florida.

IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT ARE SET FORTH COMMENCING ON PAGE TWO (2) OF THIS DOCUMENT.

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS REFERENCE SHOULD BE MADE TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS.

IMPORTANT MATTERS

I. VILLAS OF SHERIDAN HAS BEEN CREATED ON A FEE SIMPLE INTEREST AND INDIVIDUAL CONDOMINIUM UNITS ARE BEING SOLD IN FEE SIMPLE TO PURCHASERS.

II. UNIT OWNERS WILL BE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP, REPLACEMENT AND OTHER COSTS FOR THE USE OF THE RECREATIONAL FACILITIES. THE ESTIMATED ANNUAL COST OF THE RECREATIONAL FACILITIES AND THE ANNUAL AND MONTHLY PRO RATA COST TO SPECIFIC UNITS IS CONTAINED AS PART OF THE ESTIMATED ANNUAL BUDGET OF VILLAS OF SHERIDAN CONDOMINIUM. THE BUDGET IS BASED UPON 36 CONDOMINIUM UNITS USING THE RECREATIONAL FACILITIES, AND THE BUDGET IS ATTACHED HERETO AS EXHIBIT B.

III. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD. THE PROVISIONS RELATING TO SUCH CONTROL MAY BE FOUND IN ARTICLE II, SECTION 4 OF THE BY-LAWS ("BY-LAWS") OF VILLAS OF SHERIDAN CONDOMINIUM, INC., ("ASSOCIATION") ATTACHED AS EXHIBIT 3 TO THE DECLARATION OF CONDOMINIUM OF VILLAS OF SHERIDAN, A CONDOMINIUM ("DECLARATION") WHICH IS ATTACHED TO THIS PROSPECTUS AS EXHIBIT A.

IV. THE SALE, LEASE OR TRANSFER OF YOUR UNIT IS RESTRICTED OR CONTROLLED. PLEASE REFER TO ARTICLE 22 OF THE DECLARATION WHERE PROVISIONS CONCERNING LIMITATIONS ON THE SALE, LEASE OR TRANSFER OF UNITS MAY BE FOUND.

THE STATEMENTS SET FORTH ABOVE ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES AS WELL AS THE ENTIRE SET OF DISCLOSURE MATERIALS AND HIS CONTRACT OR PURCHASE AGREEMENT. ALL DISCLOSURE MATERIALS, CONTRACT DOCUMENTS AND BROCHURE MATERIALS ARE IMPORTANT LEGAL DOCUMENTS AND IF NOT UNDERSTOOD, PROSPECTIVE PURCHASER SHOULD SEEK LEGAL ADVICE.

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NOTE: PLEASE REFER TO UNDERLINED ITEMS ABOVE FOR PROVISIONS RELATING TO OWNERSHIP OR CONTROL BY ANY PERSON, OTHER THAN UNIT OWNERS OR AN ASSOCIATION CONTROLLED BY THEM, OR ANY PART OF THE CONDOMINIUM PROPERTY WHICH WILL BE USED BY UNIT OWNERS AS A MANDATORY CONDITION OF UNIT OWNERSHIP.

EXHIBITS TO PROSPECTUS

A. Declaration of Condominium of VILLAS OF SHERIDAN,  
CONDOMINIUM ("Declaration")

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NOTE: PLEASE REFER TO UNDERLINED ITEMS ABOVE FOR PROVISIONS  
RELATING TO OWNERSHIP OR CONTROL BY ANY PERSON, OTHER THAN UNIT  
OWNERS OR AN ASSOCIATION CONTROLLED BY THEM, ANY PART OF THE  
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MANDATORY CONDITION OF UNIT OWNERSHIP.

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2. Site Plan - Floor Plans.
3. Recreation Property
4. Undivided Shares in Common Elements, Common Expenses and Common Surplus.
5. Articles of Incorporation, VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION ("ARTICLES").

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NOTE: PLEASE REFER TO UNDERLINED ITEMS ABOVE FOR PROVISIONS RELATING TO OWNERSHIP OR CONTROL BY ANY PERSON, OTHER THAN UNIT OWNERS OR AN ASSOCIATION CONTROLLED BY THEM, OF ANY PART OF THE CONDOMINIUM PROPERTY WHICH WILL BE USED BY UNIT OWNERS AS A MANDATORY CONDITION OF UNIT OWNERSHIP.

6. By-Laws, VILLAS OF SHERIDAN CONDOMINIUM  
ASSOCIATION, INC., ("BY-LAWS")

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NOTE: PLEASE REFER TO UNDERLINED ITEMS ABOVE FOR PROVISIONS  
RELATING TO OWNERSHIP OR CONTROL BY ANY PERSON, OTHER THAN  
UNIT OWNERS OR AN ASSOCIATION CONTROLLED BY THEM, OF ANY PART  
OF THE CONDOMINIUM PROPERTY WHICH WILL BE USED BY UNIT OWNERS  
AS A MANDATORY CONDITION OF UNIT OWNERSHIP.

PROSPECTUS  
FOR  
VILLAS OF SHERIDAN  
A CONDOMINIUM

I. DESCRIPTION OF THE CONDOMINIUM.

(A) The name of the condominium described herein is VILLAS OF SHERIDAN, A CONDOMINIUM ("VILLAS OF SHERIDAN"). VILLAS OF SHERIDAN is located at 2500 North 39th Avenue, Hollywood, Florida, and is situated upon property the legal description of which is attached to the Declaration as Exhibit 1.

(B) The maximum number of units that will use facilities in common with VILLAS OF SHERIDAN is ninety (90).

II. SALE-LEASE. The Developer's plan is to sell Units rather than lease them. However, Article 22 F. of the Declaration provides, in part, that the Developer "is hereby irrevocably empowered without any limitation at all times, whether for permanent or temporary occupancy to sell, lease, rent or transfer Units for any period and under any terms to any lessees, purchasers or transferees without the consent of the Association."

The Developer, therefore, has the power to lease any or all of the unsold Units located in VILLAS OF SHERIDAN and has in fact leased a large number of Units. As to a leased Unit, the Purchase Agreement for said Unit shall contain the following statement in capital letters: THIS UNIT WILL BE TRANSFERRED SUBJECT TO A LEASE THAT EXPIRES \_\_\_\_\_ AND THE LESSEE'S INTEREST WILL TERMINATE UPON EXPIRATION OF THE LEASE.

III. DESCRIPTION OF THE CONDOMINIUM BUILDINGS.

(A) VILLAS OF SHERIDAN contains four buildings known as VILLAS OF SHERIDAN, 2500 North 39th Avenue, Hollywood, Florida which contains 36 Units. The following is a listing of all of said Units, and the number of bedrooms and bathrooms in each Unit:

<u>Building A</u>	<u>No. of Bedrooms</u>	<u>No. of Bathrooms</u>	<u>Building B</u>	<u>No. of Bedrooms</u>	<u>No. of Bath</u>
Unit 1	3	2.5	Unit 10	3	2
Unit 2	3	2.5	Unit 11	2	2
Unit 3	3	2.5	Unit 12	2	2
Unit 4	3	2.5	Unit 13	3	2
Unit 5	2	2.5	Unit 14	2	2
Unit 6	2	2.5	Unit 15	2	2
Unit 7	3	2.5	Unit 16	3	2
Unit 8	3	2.5	Unit 17	3	2
Unit 9	3	2.5	Unit 18	3	2
<u>Building C</u>			<u>Building D</u>		
Unit 19	2	2.5	Unit 28	3	2
Unit 20	3	2.5	Unit 29	3	2
Unit 21	3	2.5	Unit 30	3	2
Unit 22	2	2.5	Unit 31	3	2
Unit 23	2	2.5	Unit 32	2	2
Unit 24	3	2.5	Unit 33	2	2
Unit 25	2	2.5	Unit 34	3	2
Unit 26	2	2.5	Unit 35	3	2
Unit 27	3	2.5	Unit 36	3	2

(B) The total number of Units presently contained in VILLAS OF SHERIDAN is 36 Units.

(C) The site plan of VILLAS OF SHERIDAN CONDOMINIUM, showing the location of all residence buildings used only by VILLAS OF SHERIDAN Unit Owners (exclusive of the Recreation Property described in Exhibit 3 to the Declaration) is attached to the Declaration as Exhibit 2. See Article IV of this Prospectus concerning the use of the Recreation Property which may be used by Unit Owners and others.

(D) The estimated latest date of completion of VILLAS OF SHERIDAN is April 1, 1976.

IV. RECREATIONAL AND OTHER COMMONLY USED FACILITIES.

(A) Indoor Facilities. VILLAS OF SHERIDAN contains recreational and other commonly used facilities that will be used by Unit Owners of VILLAS OF SHERIDAN and the owners of condominium or co-operative units or residents of rental apartment buildings located on contiguous property. These facilities are located on the property described in Exhibit 2, Page 1 and Exhibit 3 attached to the DECLARATION and consist of a number of rooms. The following is a description of each room as to its intended purpose, location, approximate floor area and capacity:

<u>Room</u>	<u>Intended Purpose</u>	<u>Location</u>	<u>Approximate Floor Area</u>	<u>Capacity</u>
Lobby	Waiting area	Front Center of Building		15
Social Hall	Meeting place	West end of Building		40
Billiard Room	Game Room	Northeast corner of Building		40
Kitchen	Food Preparation	West end of Building		4
Utility Room	Storage	Southeast portion of Billiard Room		-0-

(1). The Developer has supplied the following items of personal property as furnishings or equipment for the facilities described in this IV(A):

Office

- 1 Metal Pedestal desk
- 1 Swivel desk chair - black vinyl
- 2 Side chairs with arms - black vinyl
- 1 Waste basket
- 1 Swimming pool test kit

Lobby

- 1 Metal two pedestal desk
- 1 Swivel desk chair - black vinyl
- 2 Side chairs - with arms - black vinyl
- 1 Cork bulletin board
- 1 Waste basket

Game Room

- 1 4' X 8' Ebonite pool table
- 1 Set balls and rack
- 4 Cue sticks
- 1 Bridge
- 1 Wall rack for sticks
- 1 End table - formica - 2' X 2-1/2'
- 1 Table lamp with shade
- 2 Arm chairs - gold velvet
- 1 Table - formica with chrome legs - 5' X 2-1/2'

Storage  
1 Wooden desk with return  
1 Swivel desk chair - black vinyl  
1 Side chair - black vinyl

Social Room

1 Two seat couch - brown herculean plaid  
1 Three seat couch - brown herculean plaid  
1 2' x 2-1/2' formica end table - brown  
1 3' x 5' cocktail table - formica-brown  
1 2' x 4' cocktail table - formica-brown  
1 Table lamp with shade  
2 Upholstered arm chairs - off white  
2 "Stakmore" card tables - walnut with black vinyl inset  
12 "Stakmore" folding chairs walnut with black vinyl

Kitchen

1 19<sup>1</sup> General Electric Refrigerator - Serial No. 211601,  
Model No. TFF19DRC  
1 General Electric Range - Serial No. D1138356G, Model  
No. J3020R1H1105  
1 General Electric Hood - Serial No. LT810082G, Model  
No. JV310R1HT  
1 Square waste basket  
1 20 gallon waste container.

Miscellaneous Equipment

1 Eureka vacuum cleaner, Model No. 910B, Serial No.  
A72397  
1 Push broom - stiff bristle  
1 Push broom - soft bristle  
1 Leigh 1-1/2 gallon sprayer - Model 152G  
1 Mop  
1 Wheelbarrow  
1 Rake  
1 Shovel  
1 Pair trimming shears for shrubs  
1 Scrub bucket and wringer

(2). The facilities described in this IV(A) can reasonably be expected to serve the following numbers of people at any one time:

<u>Room</u>	<u>Approximate Capacity</u>
Lobby	15 people
Social Hall	40 people
Billiard Room	40 people
Kitchen	4 people

(3) All rooms and other facilities described in this Article IV (A) above have been completed and are available for use by Unit Owners and other proper parties.

(4) All rooms and other facilities described in this Article IV are owned by the Unit Owners or VILLAS OF SHERIDAN, INC. the management association.

(B) Outdoor Facilities. The following outdoor recreational facilities have been completed:

(1) Pool Deck. The pool deck serves as an outdoor recreational and lounging facility and is located directly in the center of the VILLAS OF SHERIDAN condominium buildings. The floor area of the pool deck is approximately 3000 square feet and it will accommodate approximately 40 people.

(2) Pool. The pool is located upon the pool deck and the pool is approximately 38 feet by 28 feet and its depth ranges from 3 feet to 6 feet. The pool will accommodate approximately 20 people and is heated.

(3) Personal Property. The Developer has furnished the following items of personal property to the pool deck and pool respectively:

- 1 20 gallon waste container
- 1 Life ring - blue and white
- 1 Aluminum pole life hook and net attachment
- 10 "Tradewinds" Sun Lounges - yellow with white identification bands
- 10 "Tradewinds" Pool Chairs - yellow with white identification bands

(4) Tennis Courts. Two tennis courts are adjacent to the above described recreation building, pool deck and pool. They will accommodate approximately 8 tennis players. The courts have an asphalt surface which has been painted green.

(C) Ownership and Management of Recreation and Other Commonly Used Facilities.

(1) The Indoor and Outdoor Facilities described in sub-paragraphs (A) and (B) above which constitute a portion of the Common Elements of VILLAS OF SHERIDAN, will, in the future, be used by persons who are not owners or occupants of Condominium Units in VILLAS OF SHERIDAN. The following provisions of the DECLARATION, Section 4.B., set forth the terms and conditions under which persons other than owners of Condominium Units in VILLAS OF SHERIDAN may use said Indoor and Outdoor Facilities.

"B. Included within the Common Elements described above is a recreation area ("Recreation Property") consisting of a swimming pool, recreation building and two (2) tennis courts, all of which are described in Exhibit 3 attached hereto.

1. The costs of operating, maintaining and repairing, the Recreation Property, together with expenses incurred in replacing portions thereof and adding property or facilities thereto, constitute a part of the Common Expenses payable by each Unit Owner.

2. Notwithstanding the fact that the Recreation Property constitutes a part of the Common Elements, the use and enjoyment thereof shall, at all times, be available to the owners and occupants of a condominium, and which may be constructed upon adjacent property ("Adjacent Property"), the legal description and location of which is set forth in Exhibit 7 attached hereto, provided that the owners of the units located upon the Adjacent Property pay to the Association an amount per unit which reflects the cost and expense of operating, maintaining, repairing and replacing the Recreation Property, and adding property and facilities thereto. The maximum number of Units to be constructed on the adjacent property which shall be entitled to the use of the Recreation Property is 90.

a. The amount per unit to be paid by Unit Owners and the owners of units located upon the Adjacent Property shall be determined by computing the total costs and expenses described in this subparagraph B for each monthly period and dividing such amount by the total number of Units and units located upon the Adjacent Property.

b. The amount payable per unit located upon the Adjacent Property shall be payable as to each unit constructed thereon, shall be paid from and after the time that any such unit is initially occupied and thereafter, shall be payable as to such unit whether or not it is occupied.

c. No Unit Owner or occupant of a unit located upon the Adjacent Property shall be permitted to use the Recreation Property unless all sums payable hereunder with respect to all such units have been paid.

d. Payments shall be made at the time and in the manner as Common Expenses are payable to the Association by Unit Owners.

3. Neither the Association nor any Unit Owners may impose conditions, restrictions or limitations upon the use and enjoyment of the Recreation Property by the occupants of units on said Adjacent Property which are not imposed upon Unit Owners, nor may the Association or Unit Owners in any manner discriminate against said occupants with respect to the use and enjoyment of the Recreation Property, it being the intention hereof that all users of the Recreation Property be entitled to the full and equal use and enjoyment thereof.

4. Notwithstanding any other provisions contained in the DECLARATION, the Recreational and Other Commonly Used Facilities shall be managed in accordance with the following:

a. Until such time as the sales of 27 Units have been closed, the Association shall have full management control over, and responsibility with respect to, the Recreational and Other Commonly Used Facilities.

b. After the sales of 27 Units have been closed, the management control of the Recreation and Other Commonly Used Facilities shall be vested in a committee consisting of two representatives of the Association (selected by its Board of Administration) and two representatives of owners and occupants of all units located on the Adjacent Property, and said owners and occupants shall not be entitled to more than two representatives regardless of the fact that the number of such units may exceed 36.

c. Decisions of the committee described herein shall be by majority vote provided that no meeting of the committee may take place unless all four members have been notified in writing of the date, time and place of such meeting at least three days prior thereto and at least three members of the committee are present at a such meeting.

d. After the committee described herein commences its management of the Recreational and Other Commonly Used Facilities in the event that the committee is unable to reach a decision by majority vote as required herein, the matter in issue shall be submitted to arbitration in Broward County, Florida under the then prevailing rules of the American Arbitration Association. The costs of any such arbitration proceeding (including reasonable attorney fees for both parties to the proceeding) shall be borne by the Association or owners and occupants of the units located upon the Adjacent Property against whom the arbitration decision is made, as the case may be.

C. Notwithstanding any other provisions contained in this DECLARATION or the exhibits hereto concerning amendments to the DECLARATION or said exhibits, the rights and obligations of Unit Owners and occupants of units located upon the Adjacent Property with respect to the use and enjoyment of the Recreation Property may not be altered, modified, amended or terminated except by an instrument in writing executed by all Unit Owners, the owners of all the Adjacent Property and the holders of mortgage liens encumbering the Units and units located upon the Adjacent Property and recorded among the Public Records of Broward County, Florida."

V. PHASE DEVELOPMENT. VILLAS OF SHERIDAN is part of a phase development, as defined in Section 711.64, Florida Statutes, and the Developer's Commitment to Phase Development is attached hereto as Exhibit C.

VI. CONVERSION. VILLAS OF SHERIDAN contains buildings which are being converted from use as rental operations to condominium ownership.

(A) The type of construction of the buildings is "ordinary construction" having exterior masonry walls with reinforced concrete tie beams and wall columns. The date of the construction is , 1973.

(B) Prior to the conversion to condominium ownership, such buildings were used for the rental of units contained therein for residential purposes.

(C) A registered architect has examined the condition of the roof, and the mechanical, electrical, plumbing and structural elements. A copy of his certified report is attached hereto as Exhibit F.

The condition of the roof and flashing were found to be satisfactory having continuity of seal and having no indication of delamination of roofing felts and no evidence of water penetration.

The structural elements were found to be sound having no elements that would indicate detriment to the structural elements.

The plumbing and electrical systems were found to be in good operating and usable condition.

(D) A certified pest control operator has inspected the buildings and recreational facilities for termite damage or infestation. A copy of such inspection report is attached hereto as Exhibit G. The inspection showed no signs of termite damage or infestation.

(E) There are no warranties unless they are expressly stated in writing by the Developer.

VII. RESTRICTIONS.

(A) Article 23 of the DECLARATION sets forth the following use restrictions which are binding upon all Unit Owners:

"23. Obligations of Members.

In addition to other obligations and duties set out in this DECLARATION, every Unit Owner shall:

(A) Promptly pay all Assessments levied by the Association.

(B) Maintain, repair and replace, at his own cost and expense, all portions of his Unit requiring maintenance, repair or replacement, including, but not limited to, air conditioning and heating equipment, hot water heaters, and all other appliances and equipment

(including any facility and connections required to provide utility service to serve the Unit and no other), paint, decorate and finish interior surfaces of perimeter walls, interior walls, ceilings and floors of the Unit, the surface, concrete floors and interior surfaces of the exterior wall of the balcony and/or patio adjoining or a part of the Unit even though the same may constitute a Limited Common Element, and replace all screens, windows, and plate glass installations (including glass doors) forming a portion of the perimeter of the Unit and, pay for any utilities which are separately metered to his Unit; provided, however, that no Unit Owner shall make any alteration, decoration, repair, replacement change or paint, nor place any screens, jalousies or other enclosures on balconies or patios or any other parts of the Unit, Common Elements, Limited Common Elements or Condominium Building without the prior written approval of the Board of Administration.

(C) Not use or permit the use of his Unit for any purpose other than as a single family residence for himself, members of his family and social guests.

(D) Keep only those pets, birds or other animals in his Unit which do not violate regulations established by the Association. Small pets and small birds shall be permitted but only in individual Units or when pets are leashed and they shall not be permitted in the area of recreation facilities. The Association shall have the power to change these regulations from time to time, but if pets have been permitted prior to the change in regulations, such change shall not affect the rights of Unit Owners to keep such previously permitted pets.

(E) Not permit or suffer anything to be done or kept in his Unit which will increase the insurance rates on his Unit or Common Elements, or which will obstruct or interfere with the rights of other Unit Owners or disturb them by unreasonable noises or otherwise or permit any nuisance, immoral or illegal act in his Unit or upon the Common Elements.

(F) Conform to and abide by the By-Laws and rules and regulations in regard to the use of his Unit and Common Elements which may be adopted in writing from time to time by the Board of Administration of the Association.

(G) Allow the Board of Administration or the agents and employees of the Association or the management company if any, to enter any Unit for the purpose of maintenance, inspection, repair, or replacement of the improvements within Units or the Common Elements, or to determine whether any violation of this Declaration is being committed.

(H) Display no sign, advertisement or notice of any type upon the Common Elements or his Unit, and erect no exterior antennas or aerials except as provided in regulations promulgated by the Association.

(I) Make or permit no repairs to any plumbing or electrical wiring within a Unit except by plumbers or electricians authorized to do such work by the management company, if any, or the Association. Plumbing and electrical repairs within a Unit shall be the obligations of, and shall be paid for by, each Unit Owner. The Association shall pay, and be responsible for plumbing and electrical repair within the Common Elements.

(J) Return his Condominium Parcel for the purpose of ad valorem taxes to the respective taxing authorities having jurisdiction for separate assessment against his Condominium Parcel.

(K) Use no parking space except as specifically assigned to him. The Developer has the right to make the initial assignment of parking spaces, but if it fails to exercise such right, the Association may do so. Once parking spaces have been assigned, they may not be changed without written re-assignment by the Association."

(B) Article 10 C (5) of the Declaration grants the Association the following power.

"5. The power to adopt reasonable rules and regulations for the maintenance and conservation of the Condominium Property, and for the health, comfort, safety and welfare of the Unit Owners, all of whom shall be subject to such rules and regulations."

(C) The following Rules and Regulations have been adopted by the Board of Administration of the Association:

1. Units shall be used only for residential purposes.

2. Unit Owners shall not use or permit the use of their premises in any manner which would be disturbing or be a nuisance or to other owners, or in such a way as to be injurious to the reputation of the Condominium.

3. The use of the Condominium Parcels shall be consistent with the laws of the State of Florida and the Declaration of Condominium of VILLAS OF SHERIDAN, A Condominium, as the same may be amended from time to time.

4. Common Elements shall not be obstructed, littered, defaced, or misused in any manner.

5. No structural changes or alterations shall be made in any Unit without prior written consent of the Board of Administration and any Mortgagee holding a mortgage on said Unit.

6. A Unit Owner shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside of walls of his Unit, and no sign, awning, shutter or antenna shall be affixed to or placed on the exterior walls or roof, or any part thereof, without the prior written consent of the Association.

7. No outdoor clothes lines may be erected, and nothing shall be hung or exposed on any part of the Common Elements.

8. Common walks, recreation areas and other Common Elements shall be kept free from rubbish debris and other unsightly materials, and shall not be obstructed, littered, defaced or misused in any manner.

9. No "for sale" or "for rent" signs or other window displays or advertising shall be permitted on any part of the Common Elements or in any Unit except that the Developer submitting said property to condominium use and any Mortgagee who may become the owner of a Condominium Parcel shall have the right to exhibit such signs.

10. All garbage and refuse or other waste materials must be stored in the areas designated for the same and must be placed in covered containers approved by the Board of Administration.

11. Parking areas are solely for automobiles. Boats, Trailers, recreation vehicles or any other transportable personal property will not be permitted in the parking areas or drives but may be stored only in locations that may be designated for such purpose by the Board of Administration.

12. Employees of the Association shall not be sent out of the Condominium by any Unit Owner at any time for any purpose, and no Unit Owner or resident will direct, supervise or in any manner attempt to assert control over the employees of the Association.

13. No inflammable, combustible or explosive fluids, chemicals or substances shall be kept in any Unit or storage area except such as are required for normal household use.

14. In order to protect the Condominium Property, each Unit Owner who plans to be absent from his Unit during the hurricane season must prepare his Unit prior to departure by:

(A) Removing all furniture, plants and other objects from his patio, terrace, or balcony, where applicable, and

(B) Designate a responsible firm or individual to care for his Unit should the Unit suffer hurricane damage and furnish the Association with the name of such firm or individual."

VIII. UTILITIES. The following utility and other services are being supplied to VILLAS OF SHERIDAN.

(A) Water Supply and Sewage Disposal - City of Hollywood, Florida

(B) Waste Disposal - Broward County, Florida.

- (C) Electrical Power - Florida Power & Light Co.
- (D) Natural Gas (pool heater only) Public Gas Co.
- (E) Telephone - Southern Bell Telephone and Telegraph Company.

IX. MANAGEMENT.

(A) VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC., a non-profit Florida corporation, has been incorporated for the purpose of forming the "Association", as defined in Chapter 711, Florida Statutes, which will manage the affairs of VILLAS OF SHERIDAN. VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC. has entered into no contract or arrangement for the transfer of its management responsibilities to a third party, and the affairs of VILLAS OF SHERIDAN are managed by VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC. in accordance with the provisions of the Declaration, Articles of Incorporation and By-Laws of VILLAS OF SHERIDAN CONDOMINIUM ASSOCIATION, INC. and Chapter 711, Florida Statutes.

(B) The Association has not entered into any contracts to provide services to VILLAS OF SHERIDAN. Pool service and lawn and landscaping care are provided under circumstances in which the Association may terminate the services at any time.

X. APPORTIONMENT. Responsibility for Common Expenses and ownership of the Common Elements were apportioned among individual Unit Owners in accordance with the relationship between the square footage of each individual Unit and the total square footage of all Units in VILLAS OF SHERIDAN.

XI. BUDGET. An estimated operating budget for the Condominium and Association for the Condominium's first annual accounting period prior to the time Unit Owners other than the Developer elect a majority of the Board of Administration and a schedule of Unit Owners' expenses are attached hereto as Exhibit B. Since the Condominium and Association have never been in operation before, all figures in the budget are estimates.

DEVELOPER MAY BE IN CONTROL OF THE BOARD OF ADMINISTRATION OF THE CONDOMINIUM DURING THE PERIOD OF OPERATION FOR WHICH THIS BUDGET HAS BEEN RENDERED.

XII. CLOSING EXPENSES.

(A) The following is a schedule of estimated closing expenses to be paid by the buyers of individual units at Closing:

1. Association Assessment against the Unit for Common Expenses pro-rated from the date of closing to first day of the next succeeding calendar quarter. This amount shall not exceed	\$
2. Initial capital contribution to the Association	\$ 100.00

(B) If a buyer is utilizing mortgage financing in the acquisition of his Unit, he will be required by the mortgage lender to pay the closing costs of the mortgage loan to mortgage lender in addition to the closing expenses set forth in paragraph A above. These closing costs are determined in the sole discretion of the mortgage lender and Developer has no means of ascertaining their amount.

(C) If buyer retains an attorney, he will be responsible for any attorney's fee so incurred.

(D) Neither a guaranteed title opinion nor a title insurance policy will be furnished to buyers of individual units by Developer. However, upon the request and at the expense of a buyer, Developer will furnish an owner's title insurance policy to each unit in accordance with the provisions of paragraph 3 of the specimen purchase agreement attached hereto as Exhibit D.

XIII. DEVELOPER. Condominium Units in VILLAS OF SHERIDAN are being sold by Republic Mortgage Investors, a Massachusetts Business Trust ("Republic"). Republic provided financing for the development and construction of VILLAS OF SHERIDAN to its original developer, and acquired title to then unsold (36) units in VILLAS OF SHERIDAN on December 8, 1975. Republic has financed the development and construction of other condominiums in Florida including the following:

<u>Condominium</u>	<u>Location</u>	<u>No. of Units</u>
The Greens of Inverrary	Fort Lauderdale, Florida	207
Gratigny Plaza	Miami, Florida	54
Hampton Gardens Phase I and II	Deerfield Beach, Florida	92
Caribbean House	Miami, Florida	38
Highpoint of Delray	Delray Beach, Florida	524
Foxmoor	Fort Myers, Florida	64

The business affairs of Republic are conducted by its investment advisor, Mortgage Investment Services, Inc., a Florida corporation. The chief operating officers of Mortgage Investment Services, Inc., are Martin Fine and Bernard Jacobson.

Mr. Fine is Chairman of the Board of Directors of Mortgage Investment Services, Inc., an attorney in the Miami, Florida area, and has served as both a member and chairman of the Miami Public Housing Authority, is a past president of the Florida Association of Housing Authorities and is a director of the National Housing Conference.

Mr. Jacobson is an attorney in the Miami, Florida area, and is President of Mortgage Investment Services, Inc.

XIV. CONTROL. Please refer to the DECLARATION, Article II, Section 4 of the BY-LAWS attached to the DECLARATION as Exhibit for provisions relating to control of the management association by persons other than unit owners.

However, notwithstanding the provisions of the DECLARATION, ARTICLES and BY-LAWS, the transfer of control of the management Association shall take place in accordance with the pertinent portions of Section 711.66, Florida Statutes, as amended. Further details in these regards are set forth in the Important Matters section of this Prospectus commencing on the inside front cover.