

DECLARATION OF CONDOMINIUM

OF

LAKESIDE OF CHARLOTTE COUNTY, A CONDOMINIUM

POVIA-BALLANTINE CORPORATION, a Florida corporation, herein called "Developer" on behalf of itself, its successors, grantees and assigns, to its grantees and assigns and their heirs, successors and assigns hereby makes this Declaration of Condominium:

1. SUBMISSION TO CONDOMINIUM - The lands located in Charlotte County, Florida, all improvements constructed upon said lands as well as all easements including, but not limited to, the Non-Exclusive Access and Use Easement, utility easements, sewage and drainage easements and ingress and egress serving this Condominium. All of the foregoing specifically described in Exhibit "__", Sheet __ of __, as "LAKESIDE CONDOMINIUM - PHASE I".

2. LAKESIDE OF CHARLOTTE COUNTY, A CONDOMINIUM - PLAN OF DEVELOPMENT - Developer proposes to construct a maximum of 116 single-family residential units and associated improvements designated as Lakeside Of Charlotte County, A Condominium. This will be a four (4) phase condominium per Florida Statute 718.403 and Phases II through IV described in Exhibit "B", may be submitted by Amendment to this Declaration to the condominium form of ownership, and will thereby become a part of this Condominium. NO TIME SHARE ESTATES WILL BE CREATED WITH RESPECT TO UNITS IN ANY PHASE OF THIS CONDOMINIUM.

3. NAME - ASSOCIATION - The name of the Condominium Association is Lakeside Of Charlotte County Condominium Association, Inc. This Association is incorporated as a nonprofit Florida corporation.

4. DEFINITIONS - The terms used herein shall have the meanings stated in the Condominium Act (Florida Statutes, Chapter 718) and as follows unless the context otherwise requires:

A. DEVELOPER - means POVIA-BALLANTINE CORPORATION, a Florida corporation.

B. INSTITUTIONAL MORTGAGEE - means the owner and holder of a mortgage encumbering a condominium unit, which owner

and holder of said mortgage is either a bank, or life insurance company, or a federal or state savings and loan association, or a mortgage or real estate investment trust, or a pension or profit sharing plan, or a credit union, or a Massachusetts business trust, or an agency of the United States government, or an insurance company, mortgage company, or the Federal National Mortgage Association, or a lender generally recognized in the community as an institutional lender for the Developer or assignees, nominees, or designees of the Developer.

C. UNIT - A part of the Condominium property which is subject to exclusive ownership.

D. UNIT OWNER - The owner of a Condominium parcel.

E. UNIT NUMBER - The letter, number, or combination thereof which is designated upon the surveyor plans, and which is used as the identification of a unit.

F. ASSESSMENT - Means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner.

G. ASSOCIATION - The corporation responsible for the operation of the condominium. The Articles of Incorporation for the Association are found in Exhibit "F" to this Declaration.

H. BOARD OF ADMINISTRATION - Means the Board of Directors responsible for administration of the Association.

I. COMMON ELEMENTS - The portions of the condominium property not included in the units as defined in Florida Statute 718.108, including:

(.1) The land.

(.2) All parts of the improvements which are not included within the units.

(.3) All easements as are reflected in Exhibit "B" hereto and easements as are contemplated hereunder.

(.4) Installations for the furnishing of services to more than one unit or to the common elements, such as electricity, gas, water and sewer.

(.5) Personal property - tangible personal property may be purchased, sold, leased, replaced and otherwise dealt with

by the Association, through its Board of Directors, on behalf of the members of the Association, without the necessity of any joinder by the members.

J. LIMITED COMMON ELEMENTS - Means and includes those portions of the common elements which are reserved for the use of a certain unit or units to the exclusion of other units.

K. COMMON EXPENSES - All expenses and assessments properly incurred by the Association for the condominium.

L. 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.

M. PERSON - Means an individual, corporation, trustee, or other legal entity capable of holding title to real property.

N. SINGULAR, PLURAL, GENDER - Whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and use of any gender shall be deemed to include all genders.

O. CONDOMINIUM DOCUMENTS - Means the Declaration and its attached Exhibits, which set forth the nature of the property rights in the Condominium and the covenants running with the land which govern these rights. All the condominium documents shall be subject to the provisions of the Declaration.

P. CONDOMINIUM PARCEL - Means a unit together with the undivided share in the common elements which is appurtenant to the unit.

Q. CONDOMINIUM PROPERTY - Means the lands and personal property subject to condominium ownership, whether or not contiguous and all improvements thereon and all easements and rights appurtenant thereto.

R. OPERATION - Means and includes the administration and management of the condominium property.

5. UNITS SHALL BE CONSTITUTED AS FOLLOWS:

A. REAL PROPERTY - Each unit, together with space within it, and together with all appurtenances thereto, for all purposes, constitute a separate parcel of real property, which may

be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the property, subject only to the provisions of this Declaration and applicable laws.

B. BOUNDARIES - Each unit shall be bounded as to both horizontal and vertical boundaries as below defined, whether the same exist now or are created by construction, settlement or movement of the building, or permissible repairs, reconstruction or alterations. Said boundaries are intended to be as follows and shall be determined in the following manner:

(.1) HORIZONTAL BOUNDARIES: The upper and lower boundaries of the units shall be:

(i) UPPER BOUNDARY - The underside of the finished undecorated ceiling of the unit, extended to meet the vertical boundaries.

(ii) LOWER BOUNDARY - The upperside of the finished undecorated surface of the floor of the unit, extended to meet the vertical boundaries.

(.2) VERTICAL BOUNDARIES: The vertical boundaries shall be the interior surfaces of the perimeter walls of the unit as shown on the surveyor plans and the interior surfaces of the unit's windows and doors that abut the exterior of the buildings or common areas.

C. EXCLUSIVE USE - Each unit owner shall have the exclusive use of his unit.

D. APPURTENANCES - The ownership of each unit shall include, and there shall pass as appurtenances thereto whether or not separately described, all of the right, title and interest of a unit owner in the condominium property which shall include but not be limited to:

(.1) COMMON ELEMENTS - an undivided share of the common elements as defined in Florida Statute 718.108.

(.2) LIMITED COMMON ELEMENTS - The exclusive use (or use in common with one or more other designated units) of the following limited common elements that may exist:

(i) Balcony, terrace, canopy, garden area, storage locker, garage, office, or other facility (enclosed, screened, fenced or open).

(ii) The parking space or spaces assigned to the unit by the Developer or the Association.

(.3) ASSOCIATION MEMBERSHIP and an undivided share in the common surplus and property, real and personal, held by the Association.

E. EASEMENT TO AIR SPACE - 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 be lawfully altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

P. EASEMENTS - The following non-exclusive easements from the Developer to each unit owner, to the Association and its employees, agents and hired contractors, to utility companies, unit owners' families in residence, guests, invitees and to governmental and emergency services are hereby granted and created:

(.1) INGRESS AND EGRESS - Easements over the common elements for ingress and egress.

(.2) MAINTENANCE, REPAIR AND REPLACEMENT - Easements through the units and common elements for maintenance, repair and replacements. Such access is to be only during reasonable hours except that access may be had at any time in case of emergency.

(.3) UTILITIES - Easements through the common elements and units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of services to other units and the common elements.

(.4) NON-EXCLUSIVE ACCESS AND USE EASEMENT - The Unit owners have been granted a non-exclusive access and use easement of the 16 acre lake as per Exhibit "J.3", attached and made a part hereof.

(i) Balcony, terrace, canopy, garden area, storage locker, garage, office, or other facility (enclosed, screened, fenced or open).

(ii) The parking space or spaces assigned to the unit by the Developer or the Association.

(.3) ASSOCIATION MEMBERSHIP and an undivided share in the common surplus and property, real and personal, held by the Association.

E. EASEMENT TO AIR SPACE - 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 be lawfully altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

F. EASEMENTS - The following non-exclusive easements from the Developer to each unit owner, to the Association and its employees, agents and hired contractors, to utility companies, unit owners' families in residence, guests, invitees and to governmental and emergency services are hereby granted and created:

(.1) INGRESS AND EGRESS - Easements over the common elements for ingress and egress.

(.2) MAINTENANCE, REPAIR AND REPLACEMENT - Easements through the units and common elements for maintenance, repair and replacements. Such access is to be only during reasonable hours except that access may be had at any time in case of emergency.

(.3) UTILITIES - Easements through the common elements and units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of services to other units and the common elements.

(.4) NON-EXCLUSIVE ACCESS AND USE EASEMENT - The Unit owners have been granted a non-exclusive access and use easement of the 16 acre lake as per Exhibit "J.3", attached and made a part hereof.

(.5) Emergency, regulatory, law enforcement and other public services in the lawful performance of their duties upon the condominium property.

G. MAINTENANCE - The responsibility for the maintenance of a unit shall be as follows:

(.1) BY THE ASSOCIATION - The Association shall maintain, repair, and replace at the Association's expense:

(i) Such portions of the unit as contribute to the support of the building including but not limited to the perimeter walls, columns, and roofs. Also, wiring, piping, ductwork and other mechanical or electrical or other installations or equipment serving the common areas or other units.

(ii) Provided that if the maintenance, repair, and replacement of any of the above shall be made necessary because of the negligence, act or omission of a unit owner, his family, lessees, invitees and guests, in that event, the work shall be done by the Association at the expense of the unit owner; and the cost shall be secured as an assessment.

(iii) All incidental damage caused to a unit by work done or ordered by the Association shall be promptly repaired by and at the expense of the Association.

(iv) The Association shall operate, maintain and repair all water management facilities and pursuant to this Declaration shall be the fee owner thereof.

(.2) BY THE UNIT OWNER - The responsibility of the unit owner shall be as follows:

(i) To maintain, repair and replace at his expense, all portions of the unit except the portions to be maintained, repaired and replaced by the Association. The unit owner's responsibility specifically includes windows, window and balcony glass, doors, screens and associated hardware, appliances, fixtures, switches, fan motors, compressors, wiring, piping and ductwork serving only the particular unit.

(ii) Not to paint or otherwise decorate or change the appearance of any portion of the building not within

the interior walls of the unit or which is visible from the exterior, unless the written consent of the Association is obtained in advance.

H. ALTERATION AND IMPROVEMENT - No owner shall make any alterations in the portions of the improvements which are to be maintained by the Association or remove any portion thereof or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building, or impair any easements.

I. COMMON ELEMENTS

(.1) The common elements shall be owned by the unit owners in such undivided shares as are set forth in Exhibit "D".

(.2) No action for partition of the common elements shall lie.

(.3) The maintenance and operation of the common elements shall be the responsibility of the Association which shall not, however, prohibit management contracts.

(.4) Each unit owner and the Association shall be entitled to use 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 owners of other units.

(.5) Enlargement or material alteration of or substantial additions to the common elements may be effectuated only by amendment to the Declaration.

6. FISCAL MANAGEMENT - The fiscal management of the condominium including budget, fiscal year, assessments, lien for and collection of assessments, and accounts shall be as set forth in the By-Laws which are Exhibit "G" to this Declaration.

7. ASSOCIATION - The administration of the condominium by the Board of Directors and its powers and duties shall be as set forth in the By-Laws.

8. INSURANCE - The insurance which shall be carried upon the property shall be governed by the following provisions:

A. AUTHORITY TO PURCHASE - Except Builders Risk and other required insurance furnished by Developer during

construction, all insurance policies (except as hereinafter allowed) shall be purchased by the Association, for itself and as agent for the owners and their mortgagees as their interests may appear.

B. UNIT OWNERS - Each unit owner may obtain insurance at his own expense, affording coverage upon his personal property and for his personal liability, for owner or mortgagee title insurance, and as may be required by law.

C. COVERAGE:

(.1) CASUALTY - The buildings and all other insurable improvements upon the land and all personal property owned by the Association (but excluding personal property, additions and/or alterations installed by the owners) shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined by the insurance company affording such coverage. Such coverage shall afford protection against:

(i) LOSS OR DAMAGE BY FIRE, WINDSTORM and other hazards covered by the standard extended coverage endorsement;

(ii) SUCH OTHER RISKS as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the buildings, including but not limited to flood insurance, vandalism and malicious mischief, if available.

(.2) PUBLIC LIABILITY AND PROPERTY DAMAGE in such amounts and in such forms as shall be required by the Association, including but not limited to legal liability, hired automobile, non-owned automobile, and off-premises employee coverages.

(.3) WORKER'S COMPENSATION AND UNEMPLOYMENT COMPENSATION to meet the requirement of law.

D. PREMIUMS - Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged as common expenses.

E. ALL INSURANCE POLICIES PURCHASED by the Association shall be for the benefit of the Association and the unit owners

and their mortgagees as their respective interests may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to any bank in Florida with trust powers as may be approved by the Association. Such bank is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the sufficiency of coverage, nor for the form or contents of the policies, nor for 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 and disburse them as provided in Paragraph 9, next following.

9. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE: If any part of the common elements or units shall be damaged or destroyed by casualty, the same shall be repaired or replaced unless such damage rendered seventy-five percent (75%) or more of the units untenable, and seventy-five percent (75%) of the owners at a meeting called and held within sixty (60) days of the casualty or thirty (30) days after the insurance claim is adjusted (whichever comes first), vote against such repair or replacement, in which event the proceeds shall be distributed to the unit owners and their mortgagees, as their interests may appear, and the condominium shall be terminated as provided in Paragraph 14 following.

(.1) ANY SUCH RECONSTRUCTION OR REPAIR shall be substantially in accordance with the original plans and specifications.

(.2) CERTIFICATE - The Insurance Trustee may rely upon a Certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

(.3) ESTIMATE OF COSTS - Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property insofar as reasonably possible in condition

as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

(.4) ASSESSMENTS - If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premium, if any) assessments shall be made against the unit owners who own the damaged property in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, such funds are insufficient, special assessment shall be made against the unit owners who own the damaged property in sufficient amounts to provide funds for the payment of such costs.

(.5) CONSTRUCTION FUNDS - The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance 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:

(i) UNIT OWNER - The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the unit owner to such contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the unit owner may direct, or if there is a mortgagee endorsement, then to such payees as the unit owner and the first mortgagee jointly direct. Nothing contained herein, however, shall be construed as to limit or modify the responsibility of the unit owner to make such reconstruction or repair.

(ii) ASSOCIATION - Said Insurance Trustee shall make such payments upon the written request of the Association, accompanied by a certificate signed by an officer of the Association, and by the architect or general contractor in charge of the work, who shall be selected by the Association, setting forth that the sum then requested either has been paid by the

Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials and several amounts so paid, or now due and that the cost as estimated by the person signing such certificate, does not exceed the remainder of the construction funds after the payment of the sum so disbursed.

(iii) SURPLUS - It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and, if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the beneficial owners of the funds, who are the unit owners and their mortgagees.

(.6) INSURANCE ADJUSTMENTS - Each unit owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association except in any case where the responsibility of reconstruction and repair lies with the unit owner, subject to the rights of mortgagees of such unit owners.

10. USE RESTRICTIONS - The use of the property of the condominium shall be in accordance with the Rules and Regulations attached as Exhibit "E" and the following provisions:

A. LAWFUL USE - All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair upon condominium property shall be the same as the responsibility for the repair and maintenance of the property concerned as expressed earlier in this Declaration.

B. INTERPRETATION - In interpreting deeds, mortgages, and plans the existing physical boundaries of the unit shall be conclusively presumed to be its boundaries regardless of settling or lateral movement of the buildings and regardless of minor variances between boundaries shown on the plans or in the deed and those of the buildings.

C. REGULATIONS - Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by a majority vote of the Association. Copies of such regulations and amendments thereto shall be posted conspicuously and shall be furnished by the Association to all unit owners. No regulation may discriminate against any group or class of users. No new or amended rule or regulation may be enforced prior to approval by the owners.

11. CONVEYANCE, DISPOSITION - In order to assure a community of congenial residents and thus protect the value of the units, the conveyance, disposal and financing of the units by any owner other than the Developer shall be subject to the following provisions:

A. NO OWNER OTHER THAN THE DEVELOPER may sell, lease, give or dispose of a unit or any interest therein in any manner without the written approval of the Association except to another unit owner. All leases, however, must specifically be made subject to the condominium documents. No lease may be made for a period of less than four (4) weeks. Only entire units may be leases.

B. THE APPROVAL OF THE ASSOCIATION shall be obtained as follows:

(.1) WRITTEN NOTICE SHALL BE GIVEN the Association by the owner of his intention to lease, convey, dispose, or assign such interest, which notice shall include the name and address of the proposed acquirer and a correct and complete copy of the proposed documents to be executed to effectuate the transaction. The Association may require such other and further information as it deems reasonably necessary, but may impose no charge in excess of actual expenditures reasonably required with a maximum charge of \$50.00. No charge shall be made in connection with an extension or renewal of a lease.

(.2) IF A SALE, the Association must, within fifteen (15) days after receipt of the information required above, either approve the transaction or furnish an alternate purchaser it approves or itself elect to purchase and the owner must sell to such alternate or to the Association upon the same terms set forth

in the proposal given the Association, or the owner may withdraw his proposal sale. If the Association fails or refuses within the allotted time to notify the owner of either approval or disapproval, in writing, or if it fails to provide an alternate purchaser or purchase the unit itself then the Association shall conclusively be presumed to have approved the transaction, and the Association shall, upon demand provide a certificate of approval.

(.3) AT THE OPTION OF THE OWNER, if a dispute arises, it shall be resolved by arbitration in accordance with the then existing rules of the American Arbitration Association and a judgment of specific performance upon the arbitrators' award may be entered in any court of jurisdiction. The arbitration expense shall be shared equally by the owner and the Association.

(.4) THE SALE SHALL BE CLOSED WITHIN SIXTY (60) DAYS after an alternate purchaser has been furnished or the Association has elected to purchase or within thirty (30) days of the arbitration award whichever is later.

C. IF THE PROPOSED TRANSACTION IS A LEASE, GIFT, assignment of interest or disposition other than a sale, notice of disapproval of the Association shall be promptly sent in writing to the owner or interest holder and the transaction shall not be made.

D. LIENS -

(.1) PROTECTION OF PROPERTY - All liens against a unit other than for permitted mortgages, taxes or special assessments, will be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special assessments upon a unit shall be paid before becoming delinquent.

(.2) NOTICE OF LIEN - An owner shall give notice to the Association of every lien upon his unit other than for permitted mortgages, taxes and special assessments within seven (7) business days after the attaching of the lien.

(.3) NOTICE OF SUIT - An owner shall give notice to the Association of every suit or other proceedings which may affect the title to his unit, such notice to be given within seven (7) business days after the owners receive knowledge thereof.

(.4) FAILURE TO COMPLY - with this section concerning liens will not affect the validity of any judicial sale.

E. JUDICIAL SALE - No judicial sale of a unit nor any interest therein shall be valid unless the sale is a public sale with open bidding.

F. UNAUTHORIZED TRANSACTIONS - Any transaction which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

12. COMPLIANCE AND DEFAULT - Each owner and the Association shall be governed by and shall comply with the terms of the condominium documents as they may be amended from time to time.

A. Failure to comply shall be grounds for relief, which relief may include but shall not be limited to an action to recover sums due for damages or injunctive relief or both, and which actions may be maintained by the Association or by an aggrieved owner.

B. In any such proceeding the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be awarded by the Court.

C. In the event that the grievance is that of an owner or owners against the Board of Directors or a member thereof, prior to the institution of litigation, written notice in detail of the grievance shall be given the Directors and they shall be allowed a period of twenty (20) days in which to cure or correct.

D. NO WAIVER OF RIGHTS - The failure of the Association or any owner to enforce any covenant, restriction or other provision of the condominium documents shall not constitute a waiver of the right to do so thereafter as to later infractions.

13. AMENDMENTS - Amendments to any of the condominium documents shall be in accordance with the following:

A. An amendment may be proposed either by the Board of Directors or by any owner and may be considered at any meeting of the owners, regular or special, of which due notice has been given according to the By-Laws, which notice includes notice of the

substance of the proposed amendment. Passage shall be evidenced by a certificate executed with the formalities of a deed signed by the President or Vice-President and Secretary of the Association that it has been enacted by the affirmative vote of the required percentage of unit owners (which vote may be evidenced by written approval of owners not present and the separate written joinder of mortgagees where required). An amendment shall include the recording data identifying the Declaration and shall become effective when recorded according to law.

(.1) Provided, however, that no amendment shall be made or valid which shall, in any manner, impair the security of any institutional mortgagee having a mortgage or other lien against any condominium unit.

(.2) While the Developer holds units for sale in the ordinary course of business, any action by the Association that would be detrimental to the sales of units by the Developer may not be taken without approval, in writing, by the Developer.

B. CORRECTORY AMENDMENT - Whenever it shall appear that there is a defect, error or omission in any of the condominium documents, amendment of which will not materially or adversely affect the property rights of unit owners, a fifty-one percent (51%) vote of the owners shall be the required percentage, or the procedure set forth in Florida Statute 718.110(5) may be used.

C. REGULAR AMENDMENTS - An amendment which does not change the configuration or size of any condominium unit in any material fashion, materially alter or modify the appurtenances to such unit, change the proportion or percentage by which the owner of the parcel shares the common expenses and owns the common surplus or materially or adversely affects the property rights of owners may be enacted by a sixty-six and two-thirds percent (66-2/3%) vote.

D. EXTRAORDINARY AMENDMENTS - An amendment which will have the effect of doing any of the things mentioned in "C" above shall require the affirmative vote of all the record owners of the affected units and all record owners of liens thereon and the

affirmative vote of the owners of all other units. This section shall be deemed to include enlargement of, material alteration of or substantial additions to the common elements only if the same will have a material adverse effect on the owners' property rights; which shall otherwise be treated as regular amendments. Any vote changing the percentage of ownership of the common elements or sharing the common expenses shall be conducted by secret ballot.

14. TERMINATION - The condominium shall be terminated if at all, in the following manner:

A. By the agreement of eighty percent (80%) of the owners which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyance of land. The termination shall become effective when such agreement has been recorded according to law. Provided, however, that no action for termination of the condominium shall be effective without the consent of all institutional mortgagees.

B. SHARES OF UNIT OWNERS AFTER TERMINATION - After termination of the condominium, the owners shall own the property as tenants in common in undivided shares and the holders of mortgages and liens against the unit or units formerly owned by such owners shall have mortgages and liens upon the respective undivided shares of the owners. Such undivided shares of the owners shall be as set forth in Exhibit "D". All funds held by the Association except for the reasonably necessary expenses of winding up shall be disbursed to the unit owners in the shares set forth in Exhibit "D". The costs incurred by the Association in connection with a termination shall be a common expense.

C. FOLLOWING TERMINATION - The property may be partitioned and sold upon the application of any owner. Provided however, that if the Board of Directors following a termination, by unanimous vote, determines to accept an offer for the sale of the property as a whole, each owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Directors directs. In such event, any action for partition or other division of the

property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties hereto.

D. THE MEMBERS OF THE LAST BOARD OF DIRECTORS shall continue to have such powers as in this Declaration are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

15. PROVISIONS PERTAINING TO THE DEVELOPER -

A. So long as the Developer holds more than one unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

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

(.2) Any action by the Association that would be detrimental to the sale of units or the completion of the project by the Developer including such use of unsold units and common areas as may facilitate completion and/or sale, maintenance of a sales office, showing the property and display of signs.

B. Until a majority of the Board of Directors of the Association is elected from owners other than the Developer or its nominees, the Developer reserves the right for itself or its nominees to provide and charge for management which shall be fair and reasonable.

16. MORTGAGEE PROVISIONS -

A. The Association shall maintain a list of mortgagees of record and record owners of liens on the condominium real property.

B. The list of mortgagees or lien holders shall be a part of the records of the Association and shall be open to inspection by all unit owners.

C. The Association shall notify the mortgagee or lien holder of any unpaid assessments due from the unit owner on any condominium unit.

D. In any foreclosure action, the lien of the Association shall be subordinate and inferior to any mortgage lien of record encumbering such unit.

E. If a mortgagee acquires title to a unit through a foreclosure action or by a deed in lieu of foreclosure, that mortgagee shall acquire the unit free of the Association's lien for unpaid assessments. All unpaid assessments then shall become a common expense of the Association.

F. In lieu of foreclosing its lien or in the event of a foreclosure by a mortgagee or deed in lieu of foreclosure to a mortgagee, the Association may bring suit against the defaulting unit owner to recover a money judgment for any sums, charges or assessments required to be paid to the Association by the unit owner without waiving its lien securing payment. The defaulting unit owner shall be required to pay all costs of collection including the Association attorney's fees.

G. The Association is obligated to send the mortgagee, if any, a copy of the default notice prior to instituting any action.

H. No amendment to this Declaration shall be effective to change or alter the rights or reservations as herein reserved by the Developer. Moreover, no amendment to this Declaration shall be effective to change or lessen the rights of any institutional mortgagee. Institutional mortgagee as herein defined shall include any bank, savings and loan association, or recognized lending institution.

I. Mortgagees of record shall consent to or join in all amendments to the Declaration which affect the security interest of the mortgagee.

J. The liens herein referred to as maintenance assessments or special assessments to particular units shall be specifically subordinate to the claim of any institutional mortgagee.

K. Where the mortgagee of a first mortgage of record obtains title to a unit by foreclosure or by deed in lieu of foreclosure, such mortgagee and its successors and assigns shall not be liable for such unit's assessments or share of the common expenses which became due prior to acquisition of title unless

such share is secured by a claim of lien for assessments recorded prior to the recordation of the subject mortgage.

L. The mortgagee may occupy, lease, sell or otherwise dispose of such unit without the approval of the Association.

17. AMENDMENT OF AND ADDITION TO CONDOMINIUM DECLARATION BY DEVELOPER - Pursuant to law and the provisions of Florida Statute 718.110, the Developer has a right to amend this Condominium Declaration as follows:

A. The Developer, so long as it owns more than one unit, reserves the right at any time to amend the Declaration, as may be required by any lending institution or public body, or in such manner as the Developer may determine to be necessary to carry out the purposes of the development provided that such amendment shall not increase the proportion of common expenses borne by the owners. Such amendments shall comply in all respects with Florida Statute 718.403 so as to afford unit owners proper consent to any proposed amendment.

B. Any mortgagee of record or record owner of a lien on condominium real property shall be required to join in this amendment by the Developer.

18. ENFORCEMENT OF ASSESSMENT LIENS - Liens for assessments may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of mortgage on real property. During his occupancy, the foreclosed owner shall be required to pay a reasonable rental and the Association shall be entitled to the appointment of a receiver to collect the same, and the Association shall have all the powers provided in Florida Statute 718.116, including specifically interest at sixteen percent (16%) per annum on unpaid assessments and reasonable attorney's fees incident to the collection of such assessment or enforcement of such lien, with or without suit.

19. MEMBERS - The qualification of members, the manner of their admission and voting by members shall be as follows:

A. ALL OWNERS OF UNITS in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership.

B. MEMBERSHIP IN THE ASSOCIATION shall be established by the recording in the Public Records of Charlotte County, Florida, a deed or other instrument establishing a change of record title to a unit in the Condominium and delivery to the Association of a copy of such instrument, the new owner thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated. Provided, however, that the change of ownership and occupancy of the new owner must have been in compliance with this Declaration and the Association need not recognize membership or ownership in any person until its requirements have been complied with.

20. INDEMNIFICATION - Every Director of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been a Director of the Association, or any settlement thereof, whether or not he is a Director at the time such expenses are incurred, except in cases wherein the Director is adjudged guilty of nonfeasance, misfeasance in the performance of his duties, or shall have breached his fiduciary duty to the members of the Association. Provided however, that the Association shall not be liable for payment of a voluntary settlement unless it is first approved by the Board of Directors.

21. APPORTIONMENT OF COMMON EXPENSES AND COMMON SURPLUS AND OWNERSHIP OF COMMON ELEMENTS - The manner in which the apportionment of common expenses and common surplus and the ownership of common elements has been determined is by utilizing a fraction, the numerator of which is one (1) and the denominator of which is the number of all units submitted to condominium ownership. Exhibit "D" to this Declaration sets forth the fraction of ownership of common elements and the apportionment of common expenses and common surplus as each phase is submitted to condominium ownership.

22. SEVERABILITY - If any provision of this Declaration or the Exhibits thereto, as now constituted or as later amended, or

any section, sentence, clause, phrase or word, or the application thereof in any circumstances is held invalid, the validity of the remainder and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

23. VOTING - Each unit shall have one full vote in all matters.

24. PHASING - The Condominium will be developed in four (4) phases. The legal descriptions of these parcels are contained in Exhibit "B" to this Declaration.

A. Initially the condominium will consist of Phase I. Phase II, III and IV may be submitted to the condominium form of ownership by an amendment to this Declaration in accordance with Florida Statute 718.403(6). The legal descriptions for all four phases are found in Exhibit "B" hereto. There will be a maximum of 116 units in the four phases.

B. Phase I will consist of 36 units in 6 buildings. Phase II, if constructed, will consist of 28 units in 5 buildings; Phase III, if constructed, will consist of 24 units in 4 buildings; and Phase IV, if constructed, will consist of 28 units in 5 buildings. All units have two bedrooms and 2 bathrooms. See Exhibit "1" to the Prospectus.

C. The membership vote and ownership in the Association attributable to each unit in each phase and the results if any phase or phases are not developed are as follows:

(1.) Each unit will have one full vote. There will thus be 36 votes in Phase I and 116 votes upon the completion and sell out of Phase IV. If any phase is not added, the votes attributable to that phase will not exist.

(.2) The ownership in the Association shall be as shown in Exhibit "D". If any phase is not added, the fraction of ownership will remain at the level that already exists.

D. The Developer states that the time periods within which each phase shall be completed are as follows:

Phase I - May, 1985 - 36 Units

Phase II - October, 1985 - 28 Units

Phase III - March, 1986 - 24 Units

Phase IV - September, 1986 - 28 Units

NOTE: The Developer has every expectation that the phases will be completed sooner than shown above, but as the Condominium Act, Florida Statute 718.403(1) requires that a legal deadline be set forth in the Declaration, ample time is being given to cover any eventuality.

FURTHER NOTE: Developer does not commit to the construction of additional phases.

E. Pursuant to Florida Statute 718.403(6) amendments to the Declaration adding phases do not require the consent of any unit owners other than the Developer nor of any other person. However, the Developer shall notify owners of existing units of the commencement of, or the decision not to add Phases II through IV. Notice shall be by certified mail addressed to each owner at the address of his unit or at his last known address.

25. RECREATIONAL FACILITIES: It is contemplated that the recreational facilities outlined in this paragraph will be completed at the time the phase in which they are situated is completed. THE DEVELOPER DOES NOT COMMIT TO THE CONSTRUCTION OF SUCH FACILITIES UNLESS THE PHASE IN WHICH THEY ARE LOCATED IS SUBMITTED TO THE CONDOMINIUM FORM OF OWNERSHIP. The location of the recreational facilities is shown on the Site Plans (Exhibit "B" to the Declaration) and consist of the following:

A. A 20' x 40' swimming pool, which has an approximate depth of 4 feet at the shallow end and 6 feet at the deepest point, will be completed at the time Phase I is completed (May, 1985). The swimming pool is not heated and has an approximate capacity of 15 people. The swimming pool is surrounded by a 10 foot sun deck, which has an approximate capacity of 18 people at any one time.

B. Landscaped garden area, random shaped, approximately 70' x 40'. THE DEVELOPER DOES NOT COMMIT TO THE CONSTRUCTION OF SUCH FACILITY UNLESS PHASE IV IS SUBMITTED TO THE CONDOMINIUM FORM OF OWNERSHIP.

C. Asphalt boat ramps located in Lakeshore of Charlotte County (Phase I) on the lake as shown in Exhibit "B" to the Declaration will be available for unit owners of Lakeside. There is a fee of \$2.00 per month for the maintenance of the shoreline and lake as shown in the Budget (Exhibit "H"), such fee will be adjusted as necessary to pay for the apportionate amount per unit. Unit owners will also be responsible for their share of the sewer-lift station and force main as shown in the Budget, Exhibit "H" to the Declaration.

D. Unit owners will have access to a 5' x 20' fishing dock, located in Lakeside Condominium. The fishing docks are made of pressure treated wooden pilings and the frame and deck of same will be constructed of pressure treated lumber. The surface of the dock will be unpainted and each dock will have a capacity of 12 people at any one time.

E. Unit owners will further enjoy the non-exclusive use of a 16 acre lake, which is part of the condominium property, pursuant to an easement attached and made a part hereof as Exhibit "J.1". Owners of the Lakeside Condominium shall have the right to access and use of the 16 acre lake subject to their maintaining the easterly shoreline thereof and the 30' parcel granted by the Non-Exclusive Access and Use Easement and further by payment of their pro-rata share of cost of maintenance of the 16 acre lake. (See Exhibit "H" Budget).

F. The cost of managing, maintaining and operating the recreational facilities shall be that of the Association if all phases are added or by the Association and other legal entities in their respective percentages arrived at by dividing the number of units in the Association or each such entity into the total number of units in the project, to-wit: 116.

THIS DECLARATION OF CONDOMINIUM and attachments hereto are made and entered into this 17th day of April, 1984.

POVIA-BALLANTINE CORPORATION,
a Florida corporation

BY: [Signature] (SEAL)

Attest: [Signature] (SEAL)

[Signature]
Witness
[Signature]
Witness

STATE OF FLORIDA)
) ss
COUNTY OF LEE)

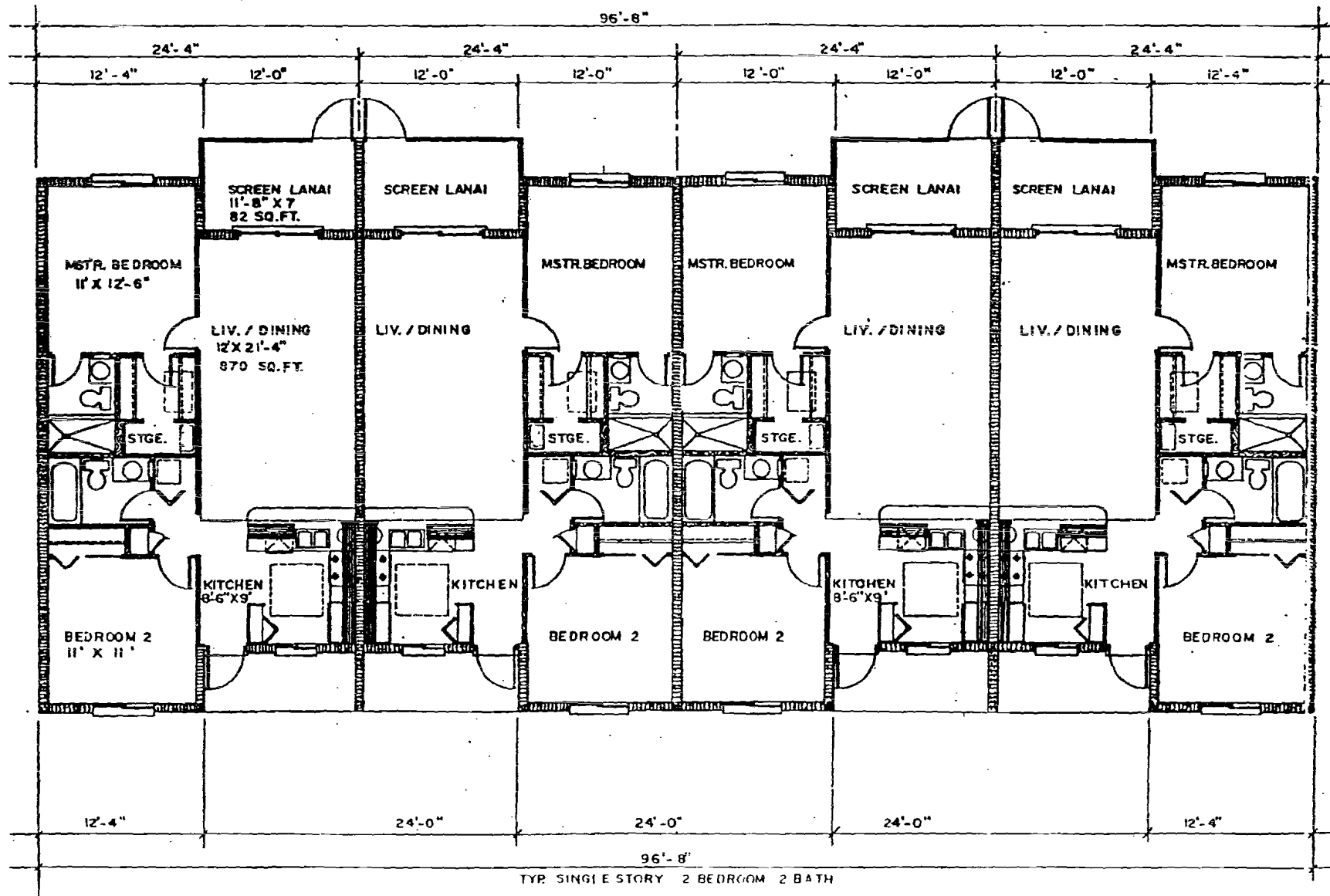
I HEREBY CERTIFY that on this 19th day of April, 1984, before me personally appeared Lawrence Poria and Dean Ballantine, President and Secretary respectively of POVIA-BALLANTINE CORPORATION, a Florida corporation, to me known to be the persons described in and who executed the foregoing Declaration of Condominium of LAKESIDE OF CHARLOTTE COUNTY, A CONDOMINIUM, and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

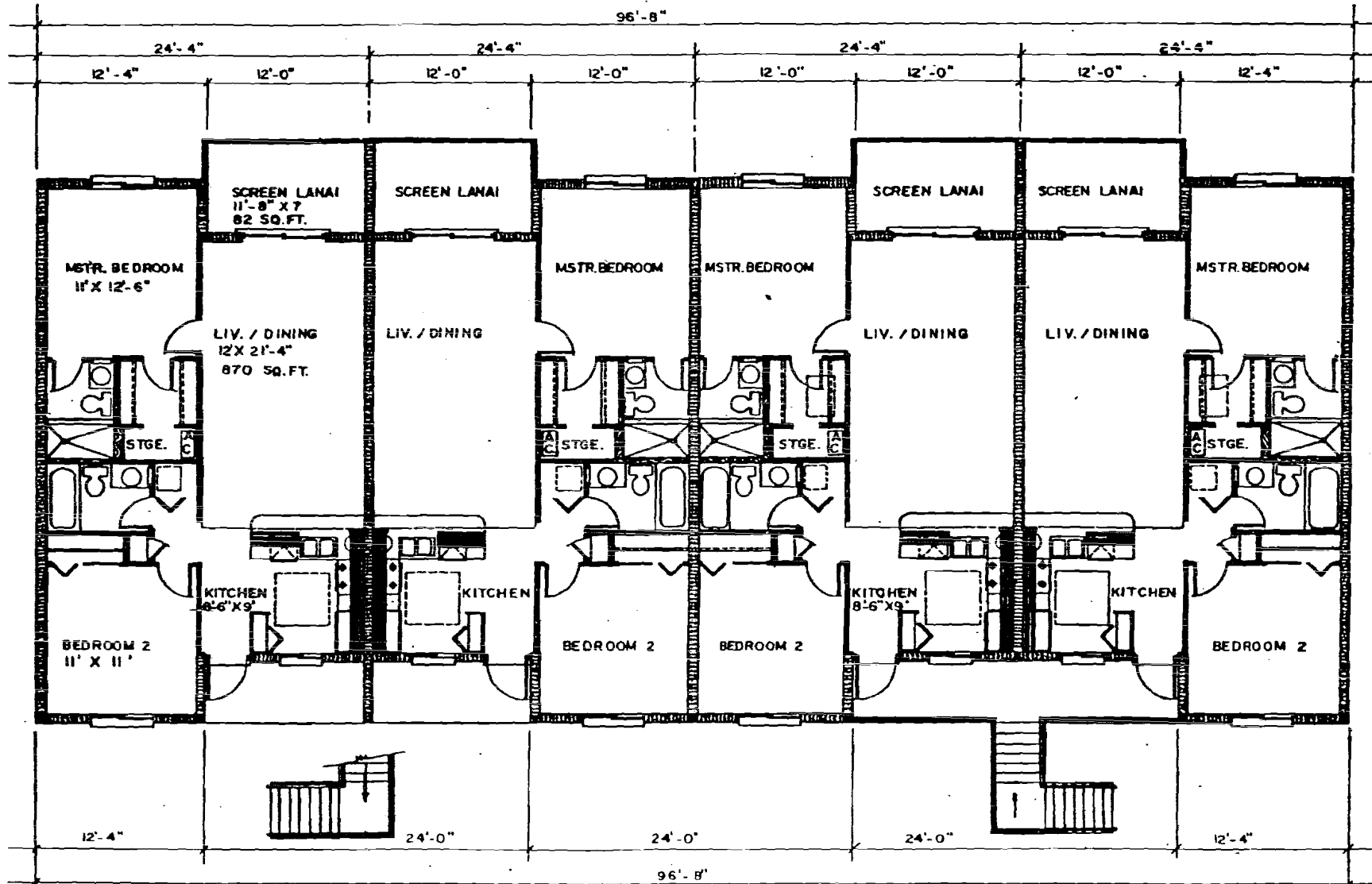
WITNESS my hand and official seal at Fort Myers, in the County and State named above, on the day and year last above written.

Judy N. Pledger (SEAL)
Notary Public

My Commission Expires:

My Commission Expires October 16, 1985





TYP. 2 STORY 2 BEDROOM 2 BATH