

THIS INSTRUMENT PREPARED/RETURN TO:
RICHARD L. SCHANERMAN, ESQ.
AKERMAN SENTERFITT
ONE SOUTHEAST THIRD AVENUE
28TH FLOOR
MIAMI, FLORIDA 33131

This is a
Notarized
Document

**DECLARATION OF CONDOMINIUM
OF
SHOMA COURTYARDS III AT ROYAL PALM, A CONDOMINIUM**

Shoma Homes at Royal Palm Beach Inc., a Florida corporation, as fee simple owner of the real property in Palm Beach County, Florida, described on EXHIBIT "1" attached hereto, together with the improvements thereon and appurtenances thereto, does hereby state and declare, for itself, its successors, grantees and assigns, that said property is submitted to condominium ownership pursuant to the Condominium Act of the State of Florida.

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

1.1 PURPOSE. The purpose of this Declaration is to submit certain real property, including all improvements thereon and appurtenances thereto, to condominium ownership and use in the manner prescribed by the Laws of the State of Florida.

1.2 NAME AND ADDRESS. The name of this Condominium is SHOMA COURTYARDS III AT ROYAL PALM, A CONDOMINIUM. The Condominium is located off Victoria Grove Boulevard and State Road 7, Village of Royal Palm Beach, Florida.

1.3 THE LAND. The real property submitted to condominium ownership is subject to easements, restrictions, declarations, conditions, limitations, reservations and rights of way of record, together with those contained or provided for in the Condominium Documents.

1.4 EFFECT. All of the provisions of the Condominium Documents shall be binding upon all Unit Owners and are enforceable equitable servitudes running with the Condominium Property and existing in perpetuity until this Declaration is revoked and the Condominium is terminated as provided herein. 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 or entities agree to be bound by the provisions hereof. Both the burdens imposed and the benefits granted by the Condominium Documents shall run with each Unit in this Condominium.

2. DEFINITION OF TERMS. The terms used in the Condominium Documents shall have the meanings stated in the Condominium Act, and as follows, unless the context otherwise requires:

2.1 AGENCIES AND CORPORATIONS. The Department of Housing and Urban Development ("HUD"), the Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC").

2.2 CONDOMINIUM ACT OR ACT. The Condominium Act of the State of Florida (F.S. 718, et. seq.) as it exists at the time of recording this Declaration of Condominium in the Public Records.

2.3 CONDOMINIUM. That form of real property ownership which is created pursuant to the provisions of the Condominium Act and which is comprised of Units that may be owned by one or more persons, and there is appurtenant to each Unit an undivided share in the Common Elements. The term shall also mean the Condominium established by this Declaration of Condominium.

2.4 CONDOMINIUM PROPERTY. The real and personal property hereby 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.

2.5 ASSOCIATION PROPERTY. That property, real and personal, in which title or ownership is vested in the Association for the use and benefit of its members. If in these Condominium Documents the Association is given certain powers over Condominium Property, or other reference is made to Condominium Property, such term or reference shall also include Association Property, if any.

2.6 UNIT, CONDOMINIUM UNIT OR CONDOMINIUM PARCEL. A part of the Condominium Property which is to be subject to exclusive ownership as specified in the Condominium Documents.

2.7 COMMON ELEMENTS. The portions of the Condominium Property not included in the Units.

2.8 LIMITED COMMON ELEMENTS. Those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units.

2.9 ASSESSMENT. A share of the funds required for the payment of Common Expenses as set forth herein which is assessed against any Unit Owner from time to time.

2.10 CHARGE. A share of the funds required by the Association for the payment of any sums needed by the Association under Section 10.7 and Section 13.13 of this Declaration, which required sum is not a Common Expense that can be collected by means of an Assessment against all Unit Owners. A charge or charges shall be charged against Unit Owners in the manner provided in Section 10.7 and Section 13.13 of this Declaration.

2.11 COMMON EXPENSES. All expenses properly incurred by the Association for the Condominium as specified in F.S. 718.115 and by the provisions of the Condominium Documents.

2.12 SPECIAL ASSESSMENTS. Any assessment levied against Unit Owners other than the assessments required by the annual budget adopted by the Association.

2.13 COMMON SURPLUS. All receipts of the Association, collected on behalf of the Condominium, including but not limited to, assessments, rents, profits, and revenues on account of the Common Elements, in excess of the amount of Common Expenses.

2.14 CONDOMINIUM DOCUMENTS. This Declaration of Condominium and all exhibits attached hereto.

2.15 DECLARATION OR DECLARATION OF CONDOMINIUM. This instrument.

2.16 ARTICLES OF INCORPORATION. The Articles of Incorporation of the Association, as filed in the Office of the Secretary of State of Florida and as amended from time to time and attached hereto as Exhibit "3".

2.17 BYLAWS. The Bylaws of the Association, as amended from time to time and attached hereto as Exhibit "4".

2.18 MANAGEMENT AGREEMENT. The Management Agreement entered into, from time to time, by the Association.

2.19 MANAGEMENT FIRM. The firm hired by the Association pursuant to a Management Agreement.

2.20 DEVELOPER. Shoma Homes at Royal Palm Beach, Inc., a Florida corporation.

2.21 UNIT OWNER. The owner of a Condominium Unit.

2.22 OCCUPANT. The person or persons in actual possession of a Unit.

2.23 ASSOCIATION OR CONDOMINIUM ASSOCIATION. Shoma at Royal Palm Condominium Association, Inc., a not-for-profit Florida corporation responsible for the operation of the Condominium.

2.24 BOARD OR BOARD OF DIRECTORS. The Board of Directors of the Association.

2.25 INSTITUTIONAL MORTGAGEE. A state or federal bank, savings and loan association or service company, Developer, an insurance company, real estate investment trust, any agency of the United States Government, or the Federal National Mortgage Association, or like entity being a mortgagee of a Unit, any first mortgagee of a Unit, and any lender designated as such by Developer.

2.26 ASSOCIATION COMMON EXPENSES. All expenses of the Association that are not directly attributable to the operation of any specific condominium or condominiums within that certain condominium complex hereafter referred to as the Shoma at Royal Palm Condominium Complex.

These definitions shall apply as the context requires whether or not the same are capitalized in their usage.

3. SURVEY AND DESCRIPTION OF IMPROVEMENTS.

3.1 SURVEY. Exhibit "1" to this Declaration contains a legal description of the land hereby submitted to condominium ownership and Exhibit "2" to this Declaration contains a survey of such land, a graphic depiction of the improvements, and a plot plan thereof. Such documents identify the Common Elements, Limited Common Elements, and all Units, with their relative locations and approximate dimensions. The parking areas are depicted thereon. Each Residential Unit is identified on EXHIBIT "2" by a specific number. No Unit bears the same number as any other Unit.

3.2 TIME SHARING. There will be no time-share estates in this Condominium.

4. INTEREST IN COMMON ELEMENTS, OWNERSHIP AND BOUNDARIES OF UNITS, PARKING.

4.1 INTEREST IN COMMON ELEMENTS. Each Unit Owner shall own, as an appurtenance to the Unit, the undivided interest in the Common Elements, as assigned to that Unit in EXHIBIT "5" to this Declaration. The undivided interest of each Unit in the Common Elements shall not be changed without the unanimous consent of all Unit Owners (except as provided for elsewhere herein).

4.2 PARTITION. No action shall lie for partition or division of undivided interests in the Common Elements.

4.3 BOUNDARIES. A Unit consists of the space and improvements lying within the following boundaries:

4.3.1 HORIZONTAL BOUNDARIES:

UPPER AND LOWER BOUNDARIES. The upper and lower boundaries of a Unit shall be the following horizontal planes bounding the Unit extended to intersections with the perimetrical boundaries:

(1) UPPER BOUNDARY -- The horizontal plane of the unfinished lower surface of the structural ceiling.

(2) LOWER BOUNDARY -- The horizontal plane of the unfinished upper surface of the concrete floor of the Unit.

4.3.2 PERIMETRICAL BOUNDARIES: The perimetrical boundaries of a Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries.

The horizontal and perimetrical boundaries shall be subject to:

(1) Where there is an aperture in any boundary, including, but not limited to, sky lights, windows and doors, the boundary at such places shall be coincident with the unfinished interior surface of such aperture, including the framework. Exterior walls made of glass or glass fired to metal framing, exterior windows and frames, exterior glass sliding doors, frames and casings, are part of the Unit and are not Common Elements. Screens are part of the Unit.

(2) The interior partitions within a Unit are part of the Unit.

4.3.3 EXCEPTIONS. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Units set forth in Exhibit "2" hereto shall control in determining the boundaries of a Unit.

4.3.4 MAINTENANCE EASEMENT. There shall exist, as a Common Element, an easement through each Unit for the ducts, pipes, conduits, plumbing, wiring or other facilities, maintenance of the Common Elements and easements relating thereto, and for the furnishing of support of the structure, maintenance of corridor wall, utility services and cable television service to the Units and the Common Elements, and for maintaining, repairing and servicing same.

4.3.5 PIPES. Any pipes, ducts, wires, conduits, electrical panels, plumbing, drains, or any utility services serving only one Unit are part of the Unit and are not part of the Common Elements.

4.3.6 AIR CONDITIONING. The air conditioning room and air handler in the Unit and the air conditioning compressor and blower located on or near any building and the refrigerant and electrical lines running from such compressors to the Unit serving one Unit are part of the Unit and are not Common Elements.

4.4 AUTOMOBILE PARKING AREAS. Each Unit is entitled to the exclusive use of the two (2) parking spaces. The Developer may, from time to time prior to the sale of the last Unit, assign the exclusive use of additional parking spaces to a Unit. Developer may charge a fee for such assignments and retain the fee for its own account. The parking spaces shall be assigned by the Developer, or its designee, at the closing of each Unit. Each assigned parking space is a Limited Common Element for the use and benefit of that Unit as an appurtenance thereto, and shall not subject the owner thereof to any assessments or charges by the Association beyond its percentage share of Common Expenses as an owner of a Unit. Parking spaces which are not assigned to a Unit shall be Common Elements utilized by the owners of all Units, the Developer and the Management Firm on a non-exclusive, unreserved basis. All parking spaces are subject to Rules and Regulations adopted by the Association from time to time. No rule or regulation shall effect the assignment of exclusive use, as aforesaid. Unit Owners are required to use the parking spaces on the Condominium Property assigned to their respective Unit and other nonassigned parking spaces designated by the Developer for parking and located within the Condominium Property. Unit Owners shall not park their automobiles on the private drives within the Condominium Property. The Association is authorized to and shall enforce the requirements contained herein as to parking in the same manner in which the Association is entitled to enforce other agreements, rules and regulations of this Declaration and its Exhibits. The Association shall enter into a Contract with a towing company in accordance with Florida Statutes, Section 715.07, as amended from time to time, to tow vehicles away that are illegally parked and the Association shall post such warning signs as may

be required under said Section. The Association shall have no liability to any party for towing of any improperly parked vehicles.

4.5 LIMITED COMMON ELEMENTS. Balconies, terraces, patios, storage lockers, if any, as designated on Exhibit "2", are also Limited Common Elements for the use and benefit of the Unit to which they are adjacent as an appurtenance thereto.

4.6 ROOF COMMON ELEMENTS. No Unit Owner shall have the right to go upon the roof. Any Unit Owner assumes the risk of going upon the roof.

5. RESTRICTION AGAINST FURTHER SUBDIVIDING OF UNITS. No Unit may be divided or subdivided into smaller Units, and no Unit, or portion thereof, shall, except as specifically authorized by Developer (and in accordance with Florida Statutes Section 718.110(4)), be added to or incorporated into any other Unit.

6. EASEMENTS.

6.1 PERPETUAL NON-EXCLUSIVE EASEMENT. The Common Elements are, except as limited herein or in the Rules and Regulations of the Association, subject to a perpetual non-exclusive easement in favor of all Unit Owners and or Occupants of the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, including the providing of services for the benefit of all Units.

6.2 EASEMENT FOR UNINTENTIONAL ENCROACHMENTS. In the event that any Unit, Common Element or Limited Common Element encroaches upon any other Unit, Common Element or Limited Common Element for any reason other than the purposeful act of any person, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

6.3 SUPPORT AND UTILITY EASEMENTS. Support, maintenance and, utility easements are reserved by Developer, and granted nonexclusively to the Association across and through the Condominium Property as may be required for support, the maintenance of the Condominium Property and the construction and maintenance of utility, and Internet, cable T.V. and security monitoring services to adequately serve the Condominium. Developer reserves the right to enter into separate agreements to provide the following services to the Condominium Property (any such agreement shall be subject to Florida Statutes, Section 718.302): cable television, telephone, Internet, Internet access, security monitoring and other cable and/or Internet provider services. Any provider designated by the Developer shall have easement through the Condominium Property as may be required to construct and maintain said services. Developer may enter into separate agreements with Century Communications, LLC to provide cable, Internet and security monitoring service to the Condominium Property.

6.4 INGRESS AND EGRESS. Except for exclusionary rights specific to Limited Common Elements, a non-exclusive easement for ingress and egress is hereby created in favor of all Unit Owners and/or Occupants of the Condominium, their families, guests and invitees for pedestrian traffic over, and through and across sidewalks, paths, walks, driveways, passageways and lanes as the same, from time to time, may exist upon the Common Elements, and for vehicular traffic over, through and across such portions of the Common Elements as, from time to time, may be paved and intended for such purposes. Any conveyance or encumbrance of portions of the Common Elements which provides the only means of ingress and egress to a Unit shall provide that it is subject to an easement for the affected Unit Owner.

This Condominium is intended to be part of a multi condominium complex known as the "Shoma at Royal Palm Condominium Complex." The Shoma at Royal Palm Condominium Complex is depicted in Exhibit "2" to this Declaration. The Developer intends to construct in addition to this condominium six (6) other condominiums in the Shoma at Royal Palm Condominium Complex to be known as (i) Shoma Villas I at Royal Palm, a Condominium, (ii) Shoma Villas II at Royal Palm, a Condominium, (iii) Shoma Villas III at Royal Palm, a Condominium, (iv) Shoma Courtyards I at Royal Palm, a Condominium, (v) Shoma Courtyards II at Royal Palm, a Condominium and (vi) Shoma Townhomes at Royal Palm Beach, a Condominium. The Developer intends that all of the Condominiums to be located within the Shoma at Royal Palm Condominium Complex shall be administered by the Association.

The Association, its members and future members, the Developer, its successors, assigns and designees, by virtue of the execution of this Declaration and Exhibits by said Condominium Association and Developer hereby grant to each other and the designees of the Developer an easement for ingress and egress over, through and across the paved area of the Common Elements, other than the parking spaces, which are intended for vehicular and pedestrian traffic, and such parties are further hereby granted a pedestrian easement over, through and across the common elements of the Condominium intended to be used for pedestrian and vehicular traffic. The foregoing easement over, through and across the paved area of the Common Elements of the Condominium other than the parking spaces shall be referred to as an "access easement" or "roadway" or "drive" or "drive or roadway easement." The easements as provided above are hereby granted by virtue of the execution of this Declaration and Exhibits by the Association and the Developer to each other and the Developer's designees and same are further granted hereby to and for the benefit of owners and occupants, including the Association and its members located within the Shoma at Royal Palm Condominium Complex, as determined by the Developer. The easements hereinbefore provided in this paragraph for vehicular and/or pedestrian purposes shall also apply to the Recreation Facility, which is described in Article 28 of this Declaration. The aforesaid easements in this Section shall also be for the benefit of all owners of a portion of the real property and persons resident upon the lands or portions of the lands which are located in the Shoma at Royal Palm Condominium Complex. Nothing contained herein shall require Developer to construct any other condominium within the Shoma at Royal Palm Condominium Complex.

6.5 CONDOMINIUM DOCUMENTS. The Condominium Property is subject to all easements necessary to accomplish the provisions of the Condominium Documents.

6.6 SURVEY EXHIBIT - EASEMENTS. The Developer shall have the right to create for others, or reserve unto itself, such rights and easements as are necessary to accomplish the purposes referred to in this Paragraph 6. If such right or easement is granted as of the date hereof, the portion thereof that falls within the confines of the Condominium Property may be shown on EXHIBIT "2" and shall be governed by the language thereon or may be created by separate document. Developer, or its designees shall have the right, but not the obligation, to enter the Condominium Property for the purpose of constructing, maintaining and repairing easements and the equipment thereon.

6.7 OF RECORD. The Condominium Property is subject to easements, reservations, restrictions, conditions, declarations and limitations of record.

6.8 DEVELOPMENT EASEMENT. Developer reserves an easement, for itself and its designees, over, upon, across, and under the Condominium Property as may be required in connection with the development of this Condominium and to promote or otherwise facilitate the sales and/or leasing of Units in this Condominium.

6.9 WARRANTY EASEMENT. In the event there is an insured warranty program associated with this Condominium, then the Warrantor, its agents and/or insurers shall have an easement upon and within any Unit to effect the necessary corrections in the Unit or Common Elements.

6.10 CABLE TV. The Developer reserves unto itself, its successors, assigns, contractors, designees and nominees, (i) ownership of any closed circuit, master antenna, community antenna or cable television system or the like (including any and all related conduits, wires, amplifiers, antennas, towers and other apparatus and equipment which it (or one of its successors, assigns, designees or nominees) installs in part or whole on the Condominium Property (any such system and its related apparatus and equipment) being hereinafter referred to as the "CATV System"), (ii) a perpetual easement over, through and across the Condominium Property for the installation, servicing, maintenance, repair, replacement and removal of the CATV System or any part thereof, (iii) the right to connect the CATV System to whatever receiving source the owner of the CATV System deems appropriate, (iv) the right to enter the Units, upon reasonable notice to the Unit Owner for the purpose of repairing or replacing any portion of any closed circuit, master antenna, community antenna, or cable television system of which he has retained ownership; and (v) the right to provide (or cause to be provided) mandatory or non-mandatory services to Units through the CATV System (and related, ancillary services to Units, including, but not limited to, security-related services) at charges not to exceed those normally paid for like services by residents of single-family homes or condominium units.

within the general vicinity of the Condominium, and to retain or assign all such charges. The foregoing reservations are subject to Florida Statutes, Section 718.302.

6.11 SPECIAL TELEPHONE SERVICES. The Developer reserves unto itself, its successors, assigns, contractors, designees and nominees, (i) ownership of any telephone system (including any and all related conduits, wires and other apparatus and equipment) which it (or one of its successors, assigns, designees or nominees) installs in part or whole on the Condominium Property (any such system and its related apparatus and equipment being hereinafter referred to as the "Telephone System"), (ii) a perpetual easement over, through and across the Condominium Property for the installation, servicing, maintenance, repair, replacement and removal of the Telephone System or any part thereof, and (iii) the right to provide (or cause to be provided) mandatory or non-mandatory services to Units through the Telephone System (and related, ancillary services), and to retain or assign the charges collected from Owners therefor. The foregoing reservations are subject to Florida Statutes, Section 718.302.

6.12 ADDITIONAL EASEMENTS. The Developer (as long as it owns any Units) and the Association, on their behalf and on behalf of all Unit Owners (each of whom hereby appoints the Developer and the Association as its attorney-in-fact for this purpose), each shall have the right to grant such additional general ("blanket") and specific electric, gas or other utility, cable television, hurricane shutters, security systems, communications or service easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining thereto) or relocate any such existing easements or drainage facilities, in any portion of the Condominium Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium Property, as the Developer or the Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium Property, or any portion thereof, or for the general health, safety, welfare or recreation of the Unit Owners, or for the purpose of carrying out any provisions of this Declaration, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes.

7. LIABILITY AND METHOD OF SHARING; COMMON EXPENSES; COMMON SURPLUS.

7.1 SHARE. Each Unit shall share in the Common Surplus and be liable for Common Expenses of the Condominium in the same percentage as the percentage of undivided interest of each Unit in the Common Elements as specified in Exhibit "5" to this Declaration. The right to share in the Common Surplus does not include the right to withdraw or to require payment or distribution thereof except upon termination and dissolution of the Condominium as stated herein. The Common Expenses of this Condominium are the Common Expenses directly attributable to the operation of this Condominium. As previously stated herein, it is intended that this Condominium shall be part of a multi-condominium complex known as the Shoma at Royal Palm Condominium Complex. Certain Common Expenses of the Association pertain to the Shoma at Royal Palm Condominium Complex as a whole and are not attributable to the operation of any one condominium within the Shoma at Royal Palm Condominium Complex. These multi-condominium Association Common Expenses and Common Surplus shall be charged and shared to and by each Unit Owner by the Association pursuant to the following formula: The share of liability for the Association Common Expenses and of ownership of the Common Surplus of the Association allocated to each Unit in each condominium operated by the Association shall be a fraction of the whole, the numerator of which is the number one and the denominator of which is the total number of Units in all condominiums operated by the Association. The Common Expenses of the Association will include Common Expenses that are not directly attributable to the operation of any specific condominium or condominiums within the multi condominium complex, including, without limitation, expenses related to the Shoma at Royal Palm Recreation Facility.

7.2 DEVELOPER'S LIABILITY FOR ASSESSMENTS. During the period from the date of recording of this Declaration until one (1) year after the first closing (the "Guarantee Expiration Date"), the Developer shall not be obligated to pay the share of the Common Expenses and Assessments attributable to Units the Developer is offering for sale, provided that the regular monthly Assessments for Common Expenses imposed on each Unit Owner, including, without limitation, Common Expenses imposed upon the Unit Owner (other than the Developer) that are Common Expenses of the Association resulting from the operation

of the multi-condominium complex shall not increase during such period over \$2,424.00 yearly, \$202.00 monthly (the "Guaranteed Level"), and provided further that the Developer shall be obligated to pay any amount of Common Expenses actually incurred during such period and not produced by the Assessments at the Guaranteed Level. For purposes of this Section, income to the Association other than Assessments (as defined herein and in the Act) shall not be taken into account when determining the deficits to be funded by the Developer. Developer may extend the guaranty period after the Guarantee Expiration Date for an additional period of one year, and thereafter, for additional one year periods, in Developer's sole and absolute discretion.

8. ADMINISTRATION OF THE CONDOMINIUM.

8.1 THE ASSOCIATION. The Association shall administer the operation and management of the Condominium and Condominium Property and undertake and perform all acts and duties incident thereto in accordance with the provisions of the Condominium Documents and the Condominium Act.

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

8.3 POWERS OF ASSOCIATION. The Association has the authority and power to enforce the provisions of the Condominium Documents, levy and collect assessments, and to adopt, promulgate and enforce rules and regulations governing the use of Condominium Property. The Association has all of the powers and duties set forth in the Condominium Documents and in the Condominium Act. Subject to the Condominium Act, the Association has the right to grant licenses, easements, permits, leases or privileges to any individual or entity, including non-unit owners, which affect the Condominium Property, and to alter, add to, relocate or improve Common Elements and Limited Common Elements; PROVIDED, HOWEVER, if any Limited Common Elements are affected, the consent of the Owner(s) of the Unit(s) to which the Limited Common Elements are appurtenant and of any Institutional Mortgagee must be obtained by the Association. Subject to the Condominium Act, the Association has the right to exercise its powers, as appropriate, as may be reasonably necessary to promote the health, safety, welfare and recreation of the Unit Owners in this Condominium. Notwithstanding the foregoing, except for alterations and additions made by the Developer, there shall not be any material alteration of, or substantial addition to, the common elements of this Condominium unless approved by a majority of the total voting interests in the Condominium. In connection with real property owned by the Association, except for alterations and additions made by the Developer, there shall not be any material alteration or substantial addition made to Association real property except if approved by a majority of the total voting interests of the Association.

8.4 REPORTS TO MEMBERS. The Association or its designees shall maintain records and render reports as required by F.S. 718.111.

8.5 REPORTS TO LENDERS AND AGENCIES AND CORPORATIONS. So long as an Institutional Mortgagee is the owner or holder of a mortgage encumbering a Unit in the Condominium, the Association shall, if requested, furnish the Institutional Mortgagee with one (1) copy of the annual financial statement and report of the Association pertaining to the Unit upon which the mortgage is held. The official records of the Association shall be available for inspection, upon request, during normal business hours or under other reasonable circumstances by any Institutional Mortgagees and related parties. Upon written request from any of the Agencies and Corporations which has an interest or a prospective interest in the Condominium, the Association shall be required to prepare and furnish within a reasonable time an audited financial statement of the Association for the immediately preceding fiscal year.

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

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

8.7 VOTING. Each Unit, including those owned by the Developer, shall be entitled to one (1) vote. The vote of each Unit shall be governed by the provisions of the By-Laws attached hereto as Exhibit "4" to this Declaration.

8.8 MANAGEMENT AGREEMENT. The Association may enter into agreements with any person, firm or corporation for the administration, maintenance and repair of Condominium Property and Association property and may delegate to such person, firm or corporation those powers and duties of the Association as the Association and such person, firm or corporation may agree. The Developer may cause the Association to enter into a Management Agreement prior to a transfer of control of the Association provided that the Association shall have a right of termination without penalty under such Management Agreement upon providing not more than 90 days notice to the other party thereto. If the Association enters into the initial Management Agreement of the Association subsequent to the recording of this Declaration of Condominium, the Declaration of Condominium shall be amended to include such Management Agreement.

9. RULES AND REGULATIONS. Attached hereto as Schedule "A", and incorporated herein by reference, are the initial Rules and Regulations relating to the use and occupancy of the Condominium Property. As used in the Condominium Documents, "Rules and Regulations" shall include all modifications adopted from time to time by majority vote of the Board.

10. MAINTENANCE AND REPAIR.

10.1 MAINTENANCE BY ASSOCIATION. The Association is responsible for and shall maintain, repair and replace all of the Common Elements, Limited Common Elements (except as indicated herein to the contrary), the weight bearing walls or columns which are within the boundaries of a Unit (from the undecorated and unfinished surfaces thereof), the exterior surface of all hallway doors, corridor walls (from undecorated and unfinished interior surface thereof) and other areas as indicated in the Condominium Documents.

Should the Association or a Unit Owner fail to fulfill its maintenance obligations or should the Association make unauthorized changes in appearance, the Developer may give thirty (30) days notice to the Association to cure the default. If not cured within the time allowed, the Developer may: (i) as agent for the Association cause the problem to be remedied at the Association's sole cost and expense; or (ii) enforce this obligation through legal action in which event the Association shall pay the Developer's costs and attorneys' fees.

It is agreed that this agency is coupled with an interest and that Developer's interests are irreparably affected if the maintenance standards of the Condominium are allowed to deteriorate.

10.2 MAINTENANCE BY UNIT OWNER. Each Unit owner shall, in accordance with the standards set forth by the Association, maintain, repair and replace in good condition, at its expense, all portions of their Unit, including, but not limited to, the glass, screens, electric panels, electric wiring, electric outlets and fixtures, heaters, hot water heaters, all appliances, drains, plumbing fixtures and connections, interior surfaces of all walls, floors and ceilings, air conditioning compressor and blower, refrigerant and electrical lines.

10.3 MAINTENANCE OF LIMITED COMMON ELEMENTS. Limited Common Elements shall be maintained as follows:

10.3.1 PARKING AND STORAGE. The Association shall maintain the parking and storage areas, including the Limited Common Elements assigned to Units.

10.3.2 TERRACES AND PATIOS. Except as specified to the contrary, the Unit Owner of Units to which the terraces and patios (if any), and any portions of the hallways designated by the Association as Limited Common Elements (if any), are appurtenant, shall be responsible to, at the Unit Owner's expense, to maintain, repair, and preserve such areas, including, but not limited to, clean and maintain the surfaces and replace and repair light and other fixtures. The Association shall be responsible for the

painting thereof (at such time as the surrounding portions of the exterior of the building is being painted) and for the repair and maintenance of the structural components thereof.

10.4 **LIABILITY OF UNIT OWNER.** If a Unit Owner or Occupant makes an unauthorized addition or modification to a Unit, Limited Common Element, or other portion of the Condominium Property, or if a Unit Owner fails or refuses to maintain and make repairs as required, or causes any damage to the Condominium Property, the Association may take such action as it deems necessary and make such repairs, replacements or maintenance. The Association shall levy a charge for the cost thereof against the Unit Owner. In the event a Unit Owner threatens to or violates the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof.

10.5 **INSURANCE PROCEEDS.** Whenever any maintenance, repair and replacement of any items for which a Unit Owner is responsible is made necessary by any loss covered by insurance maintained by the Association, the proceeds of the insurance received by Association, or the Insurance Trustee (as hereinafter defined), shall be used for the purpose of accomplishing the maintenance, repair or replacement. The Unit Owner shall be required to pay all of the costs thereof that exceed the amount of the insurance proceeds, including, but not limited to, the amount of any deductibles.

10.6 **RIGHT OF ENTRY BY ASSOCIATION.** Whenever it is necessary to enter a Unit or Limited Common Element for the purpose of performing any maintenance, replacement or repair to any portion of the Common Elements, Limited Common Elements, or to prevent damage to the Common Elements or another Unit or Units, the Unit Owner shall permit an authorized agent of the Association to enter the Unit, or to go upon the Limited Common Elements. Such entry shall be made at reasonable times and, with reasonable advance notice. In the case of emergency such as, but not limited to, fire or hurricane, entry may be made without notice. The Association shall retain a master pass key to all of the Units in the Condominium. Each Unit Owner does hereby appoint the Association as an agent for the Unit Owner for the purposes herein provided. The Association shall not be liable for any alleged property damage or theft caused or occurring on account of any entry.

10.7 **UTILITY LINES.** Water, sewer and other utility service shall be provided to the Condominium by government or other authorities. The Association shall own and maintain the same as required by the governmental or other authority. Water service to the Condominium shall be furnished by the Village of Wellington. The Village of Wellington shall monthly or periodically bill the Association for all water service furnished to the Condominium. Each Unit, however, shall have its own separate water meter which will be installed by the Developer. The Developer will enter into a service agreement with a service provider who will read each Unit Owner's meter and bill each Unit Owner for its usage of the water. The service provider shall also have the right to charge the Unit Owner for service fees, late charges, and administrative costs in invoicing and collecting the water charges due from the Unit Owner. The Association, from time to time, will enter into service provider agreements detailing the charges and responsibilities of the service provider. Any fees charged by the service provider or directly by the Association for providing water service to the Unit, the collection of the water usage and related service charges, shall be deemed Charges as provided for in Section 14.10 of this Declaration. If allowed by applicable law, the Association or the service provider may discontinue providing water service to any Unit which is delinquent in paying its water bill.

10.8 **CABLE TELEVISION.** Cable television cables and equipment shall be owned as provided in the agreement, if any, with the cable provider.

11. **APPORTIONMENT OF TAX OR ASSESSMENT.** Each Unit Owner shall promptly pay all ad valorem taxes and special assessments levied against that Unit and all personal property taxes levied against the contents thereof.

All personal property taxes levied or assessed against personal or other property owned by the Association are a Common Expense.

12. **MAINTENANCE OF COMMUNITY INTERESTS.** In order to maintain a community of congenial residents who are financially and socially responsible and thus protect the value of the Condominium Property, the transfer, leasing and mortgaging of Units shall be subject to the following provisions:

12.1 TRANSFERS NOT SUBJECT TO APPROVAL. The transfer of a Unit by sale, lease, gift, devise or inheritance or otherwise is not subject to a right of first refusal in favor of the Association or similar restriction.

12.2 LEASES. All leases must be in writing. No lease may be made for a term of less than thirty (30) days. No transient accommodations shall be provided.

12.3 NOTICE TO ASSOCIATION.

(1) SALE. A Unit Owner, except Developer, who sells a Unit shall give to the Association notice of the sale together with the name, address and such information concerning the intended purchaser as the Association may require, on forms provided for that purpose by the Association. Upon closing of the sale, a copy of the recorded deed to the Unit shall be furnished to the Association.

(2) LEASE. A Unit Owner intending to enter into a lease of a Unit shall give to the Association notice of such intention, together with the name, address and such other information concerning the intended lessee as the Association may require, on forms provided for that purpose by the Association. The notice shall be accompanied by a copy of the proposed lease. Both the Unit Owner and lessee shall be responsible for compliance with the terms of the Condominium Documents notwithstanding the fact that the Unit may have been leased. Upon entering into the Lease, the Unit Owner shall furnish to the Association a fully executed copy of the Lease.

(3) GIFT, DEVISE OR INHERITANCE, OTHER TRANSFERS. A Unit Owner or other person who has obtained title or use rights by gift, devise or inheritance, or by any other manner not previously considered, shall give to the Association notice thereof, together with such information concerning the Unit Owner as the Association may require. The notice shall be accompanied by a copy of the instrument evidencing the owner's title or use right.

12.4 SECURITY DEPOSIT. The Association may establish and collect a security deposit from a tenant to secure the Association against damage to the Common Elements by the tenant or its guests and invitees.

12.5 MORTGAGE. No Unit Owner may mortgage a Unit, or any interest therein, without the approval of the Association, except to an Institutional Mortgagee or to a vendor to secure a portion or all of the purchase price.

12.6 CONDOMINIUM DOCUMENTS. It shall be the responsibility of the transferor of a Unit to transfer to the transferee all of the Condominium Documents originally provided to the transferor and the documents required under Florida Statute Section 718.503(2). The transferee shall be bound by the terms of the Condominium Documents even though the transferor fails to deliver the required documents.

12.7 UNAUTHORIZED TRANSACTIONS. Any lease or mortgage not authorized pursuant to the provisions of this Declaration shall be void unless subsequently approved by the Association.

12.8 INAPPLICABILITY TO DEVELOPER. Notwithstanding anything to the contrary herein, none of the provisions of this Article 12 shall apply to any Unit owned, initially or re-acquired, by the Developer or any corporation that is a parent, affiliate, subsidiary, assignee or successor of the Developer.

13. INSURANCE PROVISIONS. The insurance which shall be purchased and maintained for the benefit of the Condominium shall be governed by F.S. 718.111(11) and the following provisions:

13.1 PURCHASE OF INSURANCE. All insurance purchased pursuant to this Article 13 shall be purchased by the Association for the benefit of the Association, the Unit Owners and their respective mortgagees, as their interests may appear. The policies shall provide for the issuance of Certificates of Insurance (to Institutional Mortgagees and Unit Owners) and Mortgagee Endorsements to any or all Institutional Mortgagees upon request. The

policies shall provide that the insurer waives its rights of subrogation as to any claims against Unit Owners and the Association, their respective servants, agents, tenants and guests. Each Unit Owner and the Association waive any claim against each other and against other Unit Owners for any loss or damage for which insurance is carried where the insurer has waived its rights of subrogation.

13.2 COST AND PAYMENT PREMIUMS. The cost of obtaining all insurance hereunder any other related fees and expenses, excluding insurance purchased by individual Unit Owners, is a Common Expense.

13.3 UNIT OWNERS' RESPONSIBILITY. Each Unit Owner shall obtain insurance at his own expense, affording coverage upon the Unit Owners' property, floor coverings, wall coverings and ceiling coverings. Each Unit Owner may obtain insurance, at its own expense, affording coverage for liability and living expenses as the Unit Owner deems advisable. All insurance issued to Unit Owners shall provide that the coverage afforded by such policies is in excess of the amount recoverable under any other policy covering the same property, without rights of subrogation against the Association.

13.4 COVERAGE. The following coverages shall be obtained by the Association from insurers acceptable to FNMA and FHLMC:

a. The building (as defined in F.S. 718.111(11)) and all other insurable improvements upon the land, including all of the Units as originally constructed by Developer and as furnished and equipped, Common Elements, Limited Common Elements, and all personal property owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavations and foundations) as determined annually by the Association in consultation with the insurance company providing the coverage or by an independent appraisal service. The coverage shall afford protection against loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, together with all other perils customarily covered with respect to condominiums, similar to this, including the standard "all risk" endorsement, if available. The policy shall not be cancelable or substantially modified without at least ten (10) days' prior written notice to the Association and to each Institutional Mortgagee listed in the policies. The policies shall not contain any limiting clauses other than insurance conditions which could prevent collection of the insurance proceeds. The policy should also contain a "Special Condominium Endorsement", an "Agreed Amount Endorsement", an "Inflation Guard Endorsement" (if available), and certain construction endorsements (if required by FNMA or FHLMC).

b. Commercial General Liability Insurance in such amounts and form as required by the Association, providing limits of not less than \$1,000,000 combined single limit (bodily injury liability and property damage liability, combined), each occurrence \$1,000,000 personal injury liability, each person or organization, \$2,000,000 general aggregate. The coverage shall include, but not be limited to, water damage, legal liability for property damage, bodily injury and deaths of persons in connection with the operation, maintenance and use of the Common Elements and arising from lawsuits related to employment contracts of the Association. The policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to each Institutional Mortgagee listed in the policy, legal liability and liability of the Association for its employees while off premises. Business auto coverage covering hired automobile and non-owned automobile liability shall be written, either separately or as part of the commercial general liability policy, providing limits of liability not less than \$1,000,000 combined single limit each accident. All liability policies shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to an individual Unit Owner. FNMA or FHLMC may require additional endorsements.

c. Adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its

management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

d. A "master" or "blanket" policy of flood insurance on the condominium building and any other property covered by the required form of policy in an amount not less than the following: the lesser of: (i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area, or (ii) one hundred percent (100%) of current "replacement cost" of all buildings and other insurable property located within a designated flood hazard area.

e. Worker's compensation policies to meet the requirements of law.

f. Such other insurance as the Board may determine to be necessary from time to time or as required by law.

13.5 NAMED INSURED. The name of the insured under any insurance policies shall be Shoma at Royal Palm Condominium Association, Inc. (or the Insurance Trustee) for use and benefit of the individual Unit Owners.

13.6 INSURANCE TRUSTEE. All insurance policies purchased in accordance with Paragraph 13.4a shall provide that all proceeds payable to the Association as a result of any insured loss, except those specifically herein excluded, shall be paid to a bank with trust powers doing business in the County in which the Condominium is located, and which is designated as Insurance Trustee from time to time by the Association. The appointment of the Insurance Trustee is subject to the reasonable approval of the Institutional Mortgagee holding the greatest dollar amount of first mortgages on the Units. The Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency or content of the policies, or for failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive insurance proceeds, as paid, to hold the proceeds in trust for the benefit of the Condominium, the Association, the Unit Owners and their respective mortgagees as their interests may appear. Proceeds on account of damage to the Units shall be paid for the benefit of the Association, affected Unit Owners and their respective mortgagees as their interests may appear.

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

a. If the damaged improvement for which the proceeds were paid is to be reconstructed, the proceeds shall be paid to defray the costs of the reconstruction. Any proceeds remaining after defraying the costs shall be distributed to the Association, except as otherwise provided.

b. If it is determined that the damaged improvement for which the proceeds were paid is not to be reconstructed, the proceeds shall be distributed to the Unit Owners for whom the proceeds are being held and their mortgagees as their interest may appear.

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

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

13.9 DETERMINATION TO REPAIR. If any part of the Condominium Property is damaged by casualty the determination as to whether or not it shall be repaired (which term shall include reconstruction) shall be made in the following manner:

a. COMMON ELEMENTS. If the damage is only to Common Elements or Association Property (if any) the damage shall be repaired.

b. DAMAGE TO UNITS

(i) If the damage is to Units, except as set forth below, the damage shall be repaired.

(ii) If the damage is to Units and if the Units to which more than 70% of the Common Elements are appurtenant are found by the Board to be untenable, then the damaged property will not be repaired and the Condominium will be terminated (provided that approval is obtained from the eligible holders of first mortgages on Units to which at least fifty one percent (51%) of the votes of Units subject to mortgages held by such eligible holders are allocated), unless within sixty (60) days after the casualty, voting interests representing 70% or more of the Common Elements agree in writing to the repair.

c. CERTIFICATE. The Insurance Trustee may rely upon a certificate of the Association to determine whether or not the damage is to be repaired.

13.10 RESPONSIBILITY. If the damage is only to those parts of a Unit for which the Unit Owner is responsible, then the Unit Owner shall be responsible for repair after casualty. A Unit Owner shall promptly repair the damage. In all other instances, the responsibility of repair after casualty shall be that of the Association.

13.11 NATURE OF REPAIR. Any repairs shall be substantially in accordance with the plans and specifications of the original building(s), or as the building(s) was last constructed, subject to modification to conform with then current governmental restrictions and codes, if applicable, unless approval is obtained from the holders of first mortgages on Units to which at least fifty one percent (51%) of the votes of Units subject to mortgages held by such first mortgagees are allocated.

13.12 ESTIMATES. Immediately after a casualty causing damage to the property for which the Association has the responsibility of repair, the Association shall obtain a reliable, detailed estimate of the cost to repair. The cost may include professional fees and premiums for such bonds as the Board may desire, or those required by any Institutional Mortgagee involved.

13.13 ASSESSMENTS. If the proceeds of insurance are not sufficient to defray the estimated costs of repair by the Association, or if, at any time during repair or upon completion of repair, the funds for the payment of the costs are insufficient, charges shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of the costs in the manner hereinafter provided. If the insurance proceeds are insufficient to cover the estimated cost of repair or the payment of the cost of the repair of Association Property, Common Elements or Limited Common Elements required to be maintained by the Association, then the amount of the insufficiency shall be treated as a Common Expense to be collected by the Association from the Unit Owners by means of an Assessment or Assessments. If the insurance proceeds are insufficient to cover the estimated cost of repair or the payment of the cost of repair of a Unit or Units, or Limited Common Elements which are required to be maintained by Unit Owners, the amount of the insufficiency or insufficiencies shall be treated as a Charge to be collected by the Association from the Unit Owners in proportion to the cost of reconstruction of their respective Unit or Limited Common Element(s) which the Unit Owner has the responsibility to maintain under this Declaration.

13.14 DISPOSITION OF PROCEEDS. The proceeds of insurance and any assessments collected on account of a casualty shall be deposited with the Insurance Trustee and

shall constitute a construction fund which shall be disbursed for payment of the costs of repair in the following manner:

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

b. If the amount of the estimated cost of repair is less than \$25,000.00, and is the responsibility of the Association, the construction fund shall be disbursed directly to the Association in payment of the costs and upon the Association's order.

If the amount of the estimated cost of reconstruction is more than \$25,000.00, and is the responsibility of the Association, then the reconstruction fund shall be applied by the Insurance Trustee to the payment of the costs and shall be paid for the account of the Association, from time to time, as the work progresses. The Insurance Trustee shall make payment upon the written request of the Association accompanied by an appropriate certificate signed by both an officer of the Association and by the architect or engineer in charge of the work, if any, setting forth:

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

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

(3) That the cost, as estimated, of the work remaining to be done subsequent to the date of the certificate does not exceed the amount of funds remaining in the construction fund after the payment of the sums requested.

d. The first monies disbursed in payment of the costs shall be from insurance proceeds and shall first be applied to repair of the Common Elements and then to the Units. If there is a balance in the construction fund after the payment of all costs, the balance shall be distributed to the Association, provided, however, if charges were made under Paragraph 13.12 hereof, then all or a part of the balance shall be returned to the Units Owners paying the charges, pro-rata, according to the amount each paid, up to the full amount each paid, and then to the Association.

13.15 EFFECT OF MORTGAGE ENDORSEMENTS CONCERNING INSURANCE PROCEEDS. In the event a mortgagee endorsement has been issued concerning any Unit, the share of the Unit Owner shall be held in trust for the Unit Owner and mortgagee as provided above. No mortgagee shall have the right to determine or participate in the determination as to whether or not the damage shall be repaired. No mortgagee shall have the right to apply, or have applied to, the reduction of its mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and mortgagee where the damage is not to be repaired. All mortgagees agree to waive the right to the proceeds if the proceeds are used to pay for the repair of the damage. The provisions hereof shall not affect the right, if any, of the mortgagee to require any surplus proceeds payable to a Unit Owner to be distributed to it. All covenants contained herein for the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the Unit Owner from the duty to repair damage to the Unit as provided above.

13.16 AUTHORITY OF ASSOCIATION. In all instances herein, except when a vote of the voting interests in the Association is specifically required, all decisions, duties and

obligations of the Association hereunder shall be made by the Board. The Association and its members shall jointly and severally be bound thereby.

13.17 REPAIR OF LAND. In the event, pursuant to the provisions of Paragraph 13.8, the Condominium is not to be restored, the remains of the building shall be razed and the land thereunder restored to a landscaped green area. The costs thereof is a Common Expense. The expenses thereof shall be deducted from any insurance proceeds paid on account of the damage.

13.18 CONDEMNATION. Issues arising from the taking, under power of eminent domain, of Condominium Property shall be dealt with as if the condemned property were destroyed by casualty and the proceeds of the condemnation were insurance proceeds relating to a casualty.

13.19 REALLOCATION OF INTERESTS IN COMMON ELEMENTS. No reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Condominium Property may be effected without the approval of the Institutional Mortgagees on Units to which at least 51% of the votes of Units is subject to mortgages held by such Institutional Mortgagees are allocated.

14. ASSESSMENTS; LIABILITY; LIEN AND ENFORCEMENT.

14.1 GENERAL AUTHORITY. The Association has the power to make, levy and collect regular and special assessments for Common Expenses, such other assessments as provided by the Condominium Act, the provisions of the Condominium Documents and all other expenses declared by the Board to be Common Expenses from time to time. The Association shall also have the power to make, levy and collect Charges when needed pursuant to Section 10.7 and Section 13.13 of this Declaration.

14.2 UNIT OWNER'S GENERAL LIABILITY. All assessments levied against Unit Owners shall be on a uniform basis in the same proportion as the percentage of the undivided shares in the ownership of the Common Elements except that in connection with Association Common Expenses attributable to the operation of the multi-condominium complex, Association Assessments shall be levied against each Unit Owner as provided for in Section 7.1. Assessments shall not be increased or decreased based on the existence, or lack of existence, of any right to use a Limited Common Element. Should the Association be the owner of any Unit(s), the assessment, which would otherwise be due and payable to the Association by the Owner of such Unit(s), shall be a Common Expense. Developer's liability for assessments shall be as specified in Paragraph 7 hereof.

14.3 PAYMENT. Assessments levied against each Unit shall be payable in such installments, and at such times, as determined by the Board.

14.4 SPECIAL ASSESSMENTS. The specific purpose of any special assessment shall be set forth in a written notice of the special assessment sent to each Unit Owner. The funds collected pursuant to a special assessment shall be used only for the specific purpose(s) set forth in the notice. However, upon discharge of the specific purpose(s), any excess funds shall be considered common surplus.

14.5 EMERGENCIES. If assessments levied are, or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy additional assessment(s) as necessary.

14.6 RESERVES.

a. RESERVE FUND. The Board in assessing for Common Expenses shall include a sum to be collected as reserve funds in compliance with F.S. 718.112. However, prior to turnover of control of the Association by Developer to Unit Owners other than Developer, Developer may vote to waive the reserves or reduce the funding of reserves for the first two (2) fiscal years of the Association's operation, beginning with the fiscal year in which the Declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all non-Developer voting interests voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of the Unit

Owners has been called to determine whether to waive or reduce the funding of reserves, and no such result is achieved or a quorum is not attained, the reserves as included in the budget shall go into effect. After the turnover, the Developer may vote its voting interest to waive or reduce the funding of reserves.

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association. Prior to turnover of control of the Association by Developer to Unit Owners other than Developer, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all non-Developer voting interests, voting in person or by limited proxy at a duly called meeting of the Association (provided, reserves may be waived by Developer as provided above).

OPERATING RESERVE FUND. The Board in assessing for Common Expenses may include a sum to be collected and maintained as a general operating reserve to provide a measure of financial security during periods of special stress. Those sums may be used to meet deficiencies from time to time existing as a result of delinquent payments of assessments by Unit Owners or as a result of emergencies. During the initial months of the Condominium's Operations, this fund shall be equal to at least a two months' estimated Common Expenses for each Unit.

14.7 SEPARATE PROPERTY. All funds collected by the Association shall, unless collected for the benefit of others, be the separate property of the Association. Association funds shall not be subject to attachment or levy by a creditor or judgment creditor of a Unit Owner. All funds may be applied by the Association to the payment of any expenses of operating and managing the Condominium, and to the expenses of the multi-condominium complex if the expenses collected are Association Common Expenses, or to the proper undertaking of all acts and duties imposed upon it by virtue of the provisions of the Condominium Documents. Reserve and operating funds of the Association shall not be commingled. All funds shall be held and spent for the benefit of the Unit Owners and/or Condominium and/or members of the Association in connection with multi condominium Association Expenses. This section does not prohibit the Association in the operation of multiple Condominiums from commingling the operating funds of separate condominiums or the reserve funds of separate condominiums. Furthermore for investments purposes only, the Association may commingle the operating funds of separate condominiums with the reserve funds of separate condominiums. No Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to a Unit. When a Unit Owner ceases to be a member of the Association by the divestment of ownership of a Unit by whatever means, the Association shall not be required to Account to such owner of any share of other funds or assets of the Association.

14.8 DEFAULT. The payment of any assessments, charges, or installments thereof shall be in default if not paid to the Association when due. If a default exists for in excess of ten (10) days, the delinquent assessments, charges (including Charges charged under Section 10.7 and Section 13.13 of this Declaration), or delinquent installments thereof and all advances permitted by the Condominium Documents, shall bear interest at the rate equal to the maximum rate then allowed to be charged in the State of Florida. In the event that any Unit Owner is in default in payment of any assessments, charges (including Charges charged under Section 10.7 and Section 13.13 of this Declaration) or installments thereof, that Unit Owner shall be liable for all costs of collection, including reasonable attorneys' fees at all levels of proceeding.

For any assessment not paid within ten days of the date due, the Unit Owner shall also be liable to the Association for the payment of an administration late fee to be charged by the Board in an amount not to exceed the highest amount provided for in the Act (as the Act may be amended from time to time).

14.9 NO WAIVER. No Unit Owner may exempt himself from liability for any assessment or charge by waiver of the use or enjoyment of any of the Condominium Property or by abandonment of the Unit against which the assessment is made or in any other manner.

14.10 LIEN. In accordance with F.S. 718.116(5)(a), the Association has a lien upon each Condominium Parcel. The lien granted to the Association may be foreclosed as provided in the Condominium Act. The Association shall have a lien for any Charges charged against a Unit Owner and not paid when due. The lien for Charges, however, does not arise pursuant to the Act and is effective from and after recording of a claim of lien which can be foreclosed in the same manner as foreclosing mortgages.

The Association may also bring an action to recover a money judgment for the unpaid monies without waiving any claim of lien.

No lien shall continue for longer than the period provided by statute after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction.

14.11 ACQUISITION AT FORECLOSURE. Subject to the provisions of Florida Statute Section 718.116(1)(a), a first mortgagee who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed. However, the mortgagee's liability is limited to a period not exceeding six (6) months, but in no event does the first mortgagee's liability exceed 1% of the original mortgage debt. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure. Following acquisition, all Unit Owners of any nature, including, without limitation a purchaser at a judicial sale or Institutional Mortgagee, shall be liable for all assessments coming due while the Owner of the Unit.

14.12 ACQUISITION. Except as otherwise provided in F.S. 718.116, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor made prior to the time of the transfer of title.

The Board of Directors is also hereby empowered to impose a fine against any Unit in an amount not to exceed \$100.00 for any violation by the Unit Owner or its licensees or invitees of the agreements, covenants and reasonable rules and regulations of this Declaration and all exhibits thereto. The fine imposed may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine in the aggregate shall exceed \$1,000.00. No fine may be levied except after the giving of the Unit Owner written notice of the offense. If the Unit Owner requests in writing within ten days of the date of the notice, the fine will not be levied until the Unit Owner (or its invitee or licensee, if applicable) is given a hearing to contest the fine. If the Unit Owner (or invitee or licensee, if applicable) does not file its request for a hearing within ten (10) days of the date of the notice, the fine will be levied. If the Unit Owner (or licensee or invitee) requests a hearing within the ten (10) day period, the alleged offender shall be entitled to hearing before a Committee of Unit Owners selected by the Board. If the Committee does not agree with the fine, the fine may not be levied against Unit.

14.13 CERTIFICATE OF STATUS OF ASSESSMENTS. Within fifteen (15) days after request by a Unit Owner or Institutional Mortgagee, the Association shall provide a certificate stating the status of all assessments and other funds owed to the Association by the Unit Owner with respect to the Unit. Any person other than the Owner who relies upon such certificate shall be protected thereby.

14.14 NO ELECTION OF REMEDIES. The institution of a suit at law for collection of any delinquent assessments may be maintained without waiving the lien securing the same. Proceeding by foreclosure to attempt to effect such collection shall not be deemed an election precluding the institution of suit at law for collection of the same.

14.15 LIENS - MECHANICS. The creation and enforcement of construction and other liens against the Units and Condominium Property, except those created by this Declaration, shall be governed by the provisions of (F.S. 718.121--LIENS) the Condominium Act.

15. TERMINATION. The Condominium may be terminated in the following manner:

15.1 DESTRUCTION. If it is determined because of the circumstances and in the manner provided in Paragraph 13.9.b. hereof that the Condominium Property shall not be repaired, the Condominium will be terminated (subject to the provisions of Paragraph 13.16).

15.2 AGREEMENT. As provided in Section 718.117 of the Condominium Act, the Condominium may be terminated at any time by consent of all of the Unit Owners, and by written consent by all of the holders of recorded liens affecting any of the condominium parcels.

15.3 CERTIFICATE. The termination of the Condominium shall be evidenced by a certificate of the Association certifying the fact of the termination. The termination shall become effective upon the certificate being recorded in the Public Records.

15.4 SHARES OF OWNERS AFTER TERMINATION. After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common of undivided shares that shall be equal to the sum of its undivided shares in the Common Elements appurtenant to the Units prior to termination.

15.5 EXCLUSIVE RIGHTS EXTINGUISHED BY TERMINATION. Exclusive rights of use of common property shall not be extinguished by virtue of the termination of the Condominium during the period that the assets are being held as tenants in common as set forth above.

15.6 AMENDMENT. This Paragraph 15 concerning termination cannot be amended without written consent of four-fifths (4/5) of the Unit Owners.

15.7 EASEMENTS CONTINUE. All easements necessary for the operation and maintenance of the property after termination shall continue.

15.8 EQUITABLE RIGHTS. Unit Owners shall have the rights provided in F.S. 718.118.

16. AMENDMENT. Except as herein or elsewhere provided, and subject to the requirements and limitations of Florida Statute Section 718.110, this Declaration may be amended in the following manner:

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

16.2 PROPOSAL OF AMENDMENT. An amendment may be proposed by either a 75% vote of the entire Board or by a 33% vote of the voting interest in this Condominium at a duly called and noticed meeting. Directors and/or voting interests not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary within ten (10) days after the meeting. Except as elsewhere provided, a resolution adopting the proposed amendment must be approved by either:

- a. Not less than 50% of the entire membership of the Board and by not less than 67% of the voting interests in this Condominium; or,
- b. Not less than 75% of the voting interests in this Condominium; or,
- c. Subject to the limitations contained in Section 16.4, until the first election of a majority of the Board by the membership other than Developer as provided for in Article IX of the Articles of Incorporation, by the Developer alone.

16.3 OMISSION OR ERROR. Pursuant to Section 718.110, F.S., whenever it shall appear that there is an omission or error in the Condominium Documents, the correction of which would not materially or adversely affect the property rights of any Unit Owner, the Condominium Documents may be amended by a majority of the Board at any duly called and

noticed regular or special meeting. In the event the property rights of any Unit Owners are materially or adversely affected, the error or omission may be adopted in this manner if such affected Unit Owner(s) joins in the execution of the Certificate of Amendment to be recorded.

16.4 LIMITATIONS.

a. No amendment shall be passed which shall alter a Unit's percentage in the Common Elements, alter a Unit's proportionate share in the Common Elements or Common Surplus, change voting rights, alter the basis for apportionment of assessment which may be levied by the Association against a Unit, or change the fractional share of liability for the Common Expenses of the Association and Ownership of the Common Surplus of the Association without the written consent of the voting interest attributable to that Unit, the consent of a majority of the voting interests attributable to all Units within the Condominium, and the consent of all Institutional Mortgagees owning of record a mortgage lien upon that Unit, which consent shall not be unreasonably withheld by such Institutional Mortgagees.

b. No amendment may change the configuration or size of any Unit in any material fashion, unless the record owner of the Unit and all record owners of liens on it join in the execution of the amendment and unless at least a majority of the record owners of all other units approve the amendment.

c. No amendment shall be passed which shall impair or prejudice the material rights and priorities of any Institutional Mortgagee without the prior written consent of the Institutional Mortgagee affected, which consent shall not be unreasonably withheld.

d. No amendment shall be passed which shall impair or prejudice the rights, easements, exemptions and priorities of Developer without the prior written consent of the Developer.

e. No amendment shall be passed which shall impair or alter the right to lease a Unit as set forth herein unless written consent of four-fifths (4/5) of the voting interests in this Condominium is obtained.

f. No Amendment shall be passed with permits time share estates unless approved (if at all) by all Unit Owners and their Mortgagees.

g. Except as otherwise provided in the Condominium Documents, the Association has the power to purchase any land or recreation lease upon the approval of a majority of the voting interests of the Association.

16.5 ADDING BUILDINGS. Pursuant to Section 718.104(4)(e), F.S., completed Units within each substantially completed building in the Condominium may be conveyed to purchasers, notwithstanding that other buildings in the Condominium are not substantially completed, provided that all planned improvements, including, but not limited to, landscaping, utility services and access to the Unit, and common-element facilities serving such building, as set forth in the Declaration, are first completed and the Declaration of Condominium is first recorded and provided that as to the Units being conveyed there is a certificate of a surveyor and mapper, including certification that all planned improvements, including, but not limited to, landscaping, utility services and access to the Unit, and common-element facilities serving the building in which the Units to be conveyed are located have been substantially completed, and such certificate is recorded with the Declaration or as an amendment to the Declaration. Notwithstanding anything in the Declaration to the contrary, no amendment adding a building within the Condominium shall be required to be executed, noticed or consented to by the Owners, the Association, any mortgagees of Units, or by any party other than Developer.

16.6 HUD/VA/FHA AMENDMENTS. Notwithstanding the foregoing, as long as Developer owns one or more Units, the Developer shall have an absolute right to make any amendments to this Declaration requested or required by the Federal National Mortgage Association, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, or other governmental or quasi-governmental body

which owns or expects to own one or more institutional mortgages or insures or expects to insure the payment of one or more institutional mortgages or which is requested or required by any institutional mortgagee or prospective institutional mortgagee to enhance the salability of institutional mortgages owned by it to one or more of the foregoing. Any provision herein which violates HUD, FHA and/or VA guidelines is null and void.

17. REMEDIES.

17.1 RELIEF. Each Unit Owner and the Association shall be governed by and shall comply with the provisions of the Condominium Documents. A violation thereof shall entitle the appropriate party to pursue an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, or any other action available pursuant to the Condominium Act or law. Subject to Florida Statutes Section 718.1255 and the rendering of an arbitration decision as contemplated therein, suit may be brought by the Association, Developer and one or more Unit Owners. Each Unit Owner acknowledges that the failure to comply with any of the provisions of the Condominium Documents shall or may constitute an irreparable injury to the Association, the Managing Agent, Developer or the other Unit Owners.

17.2 COSTS AND ATTORNEYS' FEES. Subject to Florida Statutes Section 718.303(1), in any proceeding arising because of an alleged default, act, failure to act, or violation by a Unit Owner or Association, including the enforcement of any lien granted pursuant to the Condominium Documents, the prevailing party shall be entitled to recover the costs of the proceeding, including reasonable attorneys' fees.

17.3 NO WAIVER. The failure of Association, the Management Firm, a Unit Owner, or the Developer to enforce any right, provision, covenant, or condition created or granted by the Condominium Documents shall not constitute a waiver of the right to enforce that right, provision, covenant or condition in the future.

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

17.5 VENUE; WAIVER OF TRIAL BY JURY. The Association, Developer, Management Firm, all Unit Owners or Occupants and all persons claiming any interest in a Unit agree that in any suit or court proceeding brought pursuant to the provisions of the Condominium Documents, suit shall be brought in the Courts in the County in which the Condominium is located, or the United States District Court, as the same is now constituted or any court in the future that may be the successor to the courts contemplated herein. All parties waive the right to trial by jury and consent to a trial by the Court without a jury.

17.6 APPOINTMENT OF AGENT; PROVISIO. Should suit be instituted, all Unit Owners or Occupants do hereby irrevocably appoint the Secretary of State of the State of Florida as their Agent for the acceptance of service of process should, at the time of such service of process, any such person not be residing in the Condominium, if service cannot be accomplished in any other reasonable fashion. The provisions hereof shall not be applicable to service upon the Developer.

18. MISCELLANEOUS RIGHTS OF DEVELOPER.

18.1 CONFLICT OF INTERESTS. No representative of the Developer serving on the Board shall be required to disqualify himself upon any vote upon any management contract, lease, or other matter involving the Developer, or Management Firm, where Developer, or Management Firm may have a pecuniary or other interest. Developer, as a member of the Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract, lease or other matter where Developer may have a pecuniary or other interest, nor shall any conflict of interests be a cause of

partial or total invalidity of the matter voted upon whether or not such vote was necessary for the adoption, ratification, or execution of the same.

18.2 ASSIGNMENT OF DEVELOPER'S RIGHTS. Any and all of the rights, privileges or options of Developer provided in the Condominium Documents may be assigned to a successor Developer pursuant to an assignment to that effect or as provided by law.

19. SECURITY SYSTEM. The Association may enter into agreement providing for security systems, road maintenance, common area maintenance and other matters relating to the Condominium. The Association shall not be liable for the failure of the security system or of any contractor to monitor the security system.

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

Notices to the Developer shall be made by registered mail to Developer at the following address: Shoma Homes at Royal Palm Beach, Inc., 8550 N.W. 33rd Street, Suite 100, Miami, Florida, Attention: The President.

21. CONSTRUCTION. All of the provisions of this Declaration shall be construed in accordance with the Laws of the State of Florida.

22. GENDER. Unless the contrary appears to have been intended, words in plural number shall include the singular and words in the singular shall include the plural, and words of the male gender shall include the female gender and the neuter gender.

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

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

25. ASSIGNMENT. The Developer may, upon conveyance of all or a portion of the Units it owns, prior or subsequent to any such conveyance, designate the grantee thereof as a successor developer who shall then be deemed to have all rights granted or reserved to Developer herein.

26. DEVELOPER'S MORTGAGE. Any person or entity which holds a mortgage executed by Developer, either prior to or subsequent to the recording of this Declaration, encumbering any part or all of the Condominium Property, shall be deemed to be an Institutional Mortgagee for the purposes of this Declaration and shall have all rights and privileges appertaining thereto.

27. FNMA REQUIREMENTS. If the FNMA requirements are applicable, upon written request to the Association, identifying the name and address of the Institutional Mortgagee, or insurer or guarantor thereof and the Unit number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of: (a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable; (b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of 60 days; (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (d) any proposed amendment of the Condominium Documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Elements or the

Limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Association appertaining to any Unit, or (iv) the purposes to which any Unit or the Common Elements are restricted; or (e) any proposed termination of the Condominium.

So long as required in connection with Agencies and Corporations financing of the purchase of Units, prior to turnover, the following provisions shall supersede other provisions herein to the contrary:

27.1 Annexation of additional properties into the Condominium, dedication of Common Elements, and amendments to this Declaration which materially affect the rights of Unit Owners shall require the approval of HUD, FNMA and/or VA, as applicable.

27.2 The Common Elements cannot be mortgaged or conveyed without consent of at least two-thirds (2/3) of the Unit Owners, other than Developer.

27.3 The Developer's weighted vote (if any) shall cease upon turnover of the Association in accordance with the Bylaws.

27.4 In addition to any other requirements for amendments set forth herein, the approval of two-thirds (2/3) of the Unit Owners shall be required to amend this Declaration in any manner which materially affects the rights of the Unit Owners. For the purpose of this section only, Developer shall be considered Unit Owner of a Unit with respect to each Unit Owned by it within the Condominium at the time of such amendment.

28. RECREATION FACILITY. The Shoma at Royal Palm Condominium Complex Recreation Facility (the "Recreation Facility") is the real property with improvements thereon as depicted in Exhibit "2" attached hereto and labeled "Recreation Facility". All of the condominiums within the Shoma at Royal Palm Condominium Complex shall be entitled to the use and enjoyment of the Recreation Facility. The Association shall pay for all of the costs and expenses of any type or nature as to the Recreation Facility, including without limitation expenses, taxes, assessments, insurance premiums, costs of maintenance and repair and replacements and all other costs applicable thereto, and the sums due shall be charged by the Association to each Unit Owner as an Association Common Expense with said sum due and payable under the applicable condominium's Declaration of Condominium and Exhibits attached thereto, and said sum shall be a lien upon the applicable Condominium Unit with the same force and effect as all other sums which are a lien against the applicable Condominium Unit for Common Expenses. Each Condominium Unit entitled to the use and enjoyment of said Recreation Facility shall pay an equal share of said costs and expenses subject, however, to any exemption of the Developer's Units under Section 7(8.116(9)(b) and (c) for the term of the Developer's Guaranty. The Association hereby agrees to assess its members as hereinbefore provided.

Notwithstanding the foregoing provisions of this Article it is understood and agreed that the Developer is not required to create condominiums within the Shoma at Royal Palm Condominiums Complex upon all of the property. In such case, should the Developer construct non-condominium Units within the Shoma at Royal Palm Condominium Complex it shall have the right in its sole discretion to determine whether the owner of said Units and the lessees thereof shall be entitled to the use and enjoyment of the Recreation Facility and, in such event, although the total interest in and to the fee simple title to said Recreation Facility may be owned by the Condominium Association, said Condominium Association covenants and agrees and it shall be legally required, at the option of the Developer, its successors and assigns, to enter into an agreement(s) with the owner and/or party responsible for the operation and management of said non-condominium Units whereby the owners and/or occupants of said Units are entitled to the equal use and enjoyment of the Recreation Facility. The agreement(s) shall be prepared by the Developer and it shall contain such matters as the Association shall determine in its sole discretion; however, the non-condominium Unit Owners and/or occupants shall be entitled to the equal use and enjoyment of said Recreation Facility to the same extent as are the Condominium Association's members and all Rules and Regulations as to said Recreation Facility shall be the same as to all parties entitled to the use and enjoyment of same. The aforesaid agreement(s) shall be duly recorded in the Public Records at the cost and expense of the non-condominium Unit Owners and/or occupants and said agreement(s) shall incorporate therein such provisions for payment and enforcement of the payment of the obligations of said non-condominium Unit

Owners and/or occupants as to the Recreation Facility. Every condominium Unit or non-condominium Unit entitled to the use and enjoyment of the Recreation Facility shall pay the cost and expense of same on the same basis as hereinbefore provided as to only condominium Units sharing said costs and expenses. The Condominium Association covenants and agrees to the provisions of this paragraph by virtue of its execution of this Declaration of Condominium.

Each Unit Owner, his heirs, successors and assigns, agrees to make payment to the Condominium Association of his share of the monies due pursuant to and in the amount or proportion as specified in the Declaration. It shall be mandatory for the Unit Owner to make said payments regardless of whether or not said Unit Owner uses the Recreation Facility.

The Unit Owners hereby covenant and agree to be bound by all of such Rules and Regulations as the Association may from time to time promulgate as to the Recreation Facility and said parties shall obey same and be responsible for their being obeyed by the said Unit Owners, their families, guests, invites and servants.

Any person who is the Owner of a Condominium Unit in this Condominium, together with spouse and other members of said Unit Owner's immediate family who are in residence in the Condominium Unit, as provided herein, may use the Recreation Facility. Where a corporation is a Unit Owner, the use of the Recreation Facility shall be limited at any one time to such officer, director or employee of said corporation who is in actual residence and such individual shall be deemed to be the Condominium Unit Owner for the purposes of this paragraph. All Unit Owners' children and children of guests or invites who are under such age as determined by the Association must be accompanied by an adult to such portions of the Recreation Facility as the Association determines. Guests and invitees of a Unit Owner, whether in temporary residence in the Condominium or not, may only be permitted to use the Recreation Facility, if at all, with the permission of the Association. On transfer of control to the Association in accordance with this Declaration and Section 718.301 of the Act, the Developer which is the Owner of the Recreational Facility shall convey same to the Association via Quit-Claim Deed to be recorded in the Public Records of Palm Beach County, Florida or earlier as determined by the Developer in its sole discretion.

29. GATE. According to the Plot Plan as depicted in Exhibit "2", part of the unmanned gate is located approximately between Shoma Courtyards I at Royal Palm, a Condominium and Shoma Courtyards III at Royal Palm, a Condominium at the entrance to the Shoma at Royal Palm Condominium Complex. Notwithstanding the location of the gate, the gate and the costs of repair, replacement and maintenance of same shall be Common Expense of the Association as the gate benefits all of the property located within the Shoma at Royal Palm Condominium Complex and not just this Condominium. The Unit Owners covenant and agree to pay the costs of the gate in the same manner as other Association Common Expenses.

30. EASEMENT AND MAINTENANCE AGREEMENT (AND DECLARATION OF COVENANTS AND RESTRICTIONS OF VICTORIA GROVE). In connection with the development of the Condominium, the following documents have been recorded and encumber the Condominium Property (and the Shoma at Royal Palm Condominium Complex property): (i) Easement and Maintenance Agreement, dated September 17, 2001, and recorded on October 11, 2001, in Book 12976, Page 1041 of the Public Records of Palm Beach County (as amended, the "Entrance Easement Agreement"), and (ii) Declaration of Covenants and Restrictions of Victoria Grove, dated March 5, 2002, and recorded on March 18, 2002, in Book 13513, Page 1537 of the Public Records of Palm Beach County (as amended, the "Victoria Grove Declaration"). The Association by joining in this Declaration assumes all liabilities and responsibilities of Developer, "Shoma", "Apartment Owner" and "Owners of the Contiguous Property", as applicable, under the Entrance Easement Agreement and/or the Victoria Grove Declaration, and releases Developer and its affiliates from any and all such liabilities and responsibilities. The Association will defend, indemnify and hold the Developer and its affiliates harmless from and against all claims, demands, losses, liabilities, costs, including, without limitation, all reasonable attorneys' fees, incurred by Developer or any of its affiliates, directly or indirectly relating to, resulting from, arising out of or in connection with the Entrance Easement Agreement and/or the Victoria Grove Declaration.

(signature page follows)

IN WITNESS WHEREOF, the Developer has caused this Declaration of Condominium to be executed this 4th day of February, 2003.

Signed, sealed and delivered in the presence of:

DEVELOPER:

SHOMA HOMES AT ROYAL PALM BEACH, INC., a Florida corporation

Print Name:

Enclisse Sivegria

By:

Masoud Shojaee, President

Print Name:

Lanya M Garcia

STATE OF FLORIDA)

) ss

COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 4th day of February, 2003 by Masoud Shojaee as President of Shoma Homes at Royal Palm Beach, Inc., a Florida corporation. He is personally known to me, or has produced the following type of identification _____.

My Commission Expires: 12-17-2004

NOTARY PUBLIC

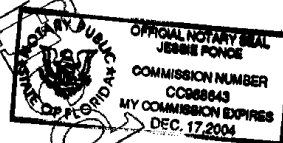
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Commission No.:

CC988643

[NOTARIAL SEAL]



CONSENT OF MORTGAGEE

BANKATLANTIC, a Federal Savings Bank (the "Mortgagee"), being the holder of that certain Mortgage Deed and Security Agreement (the "Mortgage") from Shoma Homes at Royal Palm Beach, Inc., a Florida corporation, dated September 19, 2001, and recorded October 11, 2001 in Official Records Book 12976 at Page 1065 of the Public Records of Palm Beach County, Florida, encumbering the property described on Exhibit "1", hereby consents to the filing of the Declaration of Condominium (to which this Consent is attached) covering the property described in Exhibit "1" hereto, in accordance with the requirements of Florida Statutes, Section 718.104(3), solely for the purpose of subordinating its mortgage interest to the Declaration of Condominium. The foregoing Consent shall not in any way subject Mortgagee to any liability under the Declaration of Condominium.

EXECUTED this 14th day of March, 2003.

Signed, sealed and delivered
in the presence of:

BANKATLANTIC, a Federal Savings Bank

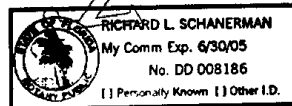
[Signature]
Print Name: Richard L. Schanerman
[Signature]
Print Name: Mercy Brow

By: [Signature]
Name: Judith E. Margolis
Title: Vice President

STATE OF FLORIDA)
)ss:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 14 day of March, 2003, by Judith E. Margolis the Vice President of BANKATLANTIC, a Federal Savings Bank, on behalf of the bank.

[Signature]
Notary Public, State of _____
Print Name: _____
My Commission Expires: _____



FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, SHOMA AT ROYAL PALM CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration of Condominium and Exhibits.

IN WITNESS WHEREOF, SHOMA AT ROYAL PALM CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, has caused these presents to be signed in its name by its President and its Corporate Seal affixed, attested by its Secretary, this 4 day of February, 2003.

Signed, sealed and delivered
in the presence of

Tanya M Garcia
Print Name: Tanya M Garcia

Shelley Hallen
Print Name: Shelley Hallen

SHOMA AT ROYAL PALM
CONDOMINIUM ASSOCIATION INC., a
Florida corporation not for profit

By: Melissa Sires-Garcia
Melissa Sires-Garcia, President

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this 4th day of February, 2003, by Melissa Sires-Garcia President of Shoma at Royal Palm Condominium Association Inc., a Florida corporation not for profit, on behalf of the corporation. He is personally known to me, or has produced the following type of identification

My Commission Expires: 12-17-2004

NOTARY PUBLIC

Print Name

Commission No.: 988643

[NOTARIAL SEAL]



SCHEDULE "A"

RULES AND REGULATIONS

1. **RESIDENTIAL USE.** Each Unit is restricted to residential use as a residence by the Owner or permitted occupant thereof, his immediate family, guests, tenants and invites. At no time may a Unit be used by more persons than for which it was designed (i.e. two (2) persons in each bedroom).

2. **OWNERSHIP BY ENTITY.** In the event that other than a natural person is a Unit Owner, that Unit Owner shall, prior to the purchase of the Unit, designate the person(s) who is/are to be the permanent occupant(s) of the Unit. That Unit Owner shall not thereafter have the right to designate other persons as the occupants of the Unit, whether in substitution of, or in addition to, the persons initially designated, except with the approval of the Association given pursuant to the provisions of the Declaration. All provisions of the Declaration shall apply to such designated occupant(s) as though they had title to the Unit and the occupant and the Unit Owner shall be bound thereby.

3. **GENERAL USE RESTRICTION.** The Condominium Property, or any part thereof, shall not be used in any manner contrary to the Condominium Documents.

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

5. **ALTERATIONS AND ADDITIONS.** Subject to the rights of the Developer, no material alteration, addition or modification to a Unit or modification or installation of electrical wiring, television antenna systems or connections, whether inside or outside the Unit shall be made without the prior written approval of the Association. No material puncture or break in the boundaries of a Unit may be made, except as specified to the contrary.

6. **EXTERIOR APPEARANCE.** Subject to the rights of the Developer, no improvements or changes may be made to the exterior of a Unit, building, patio (if any) or balcony (if any), including painting or other decoration. Subject to the rights of the Developer, no change may be made to the appearance of any portion of the Condominium Property, except as specified to the contrary. Except as reasonably required by the Management Firm, no sign, flag, banner, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any part of a Condominium Unit or the Condominium Property that is visible from the outside. Notwithstanding the immediately preceding sentence, any Unit Owner may display one portable, removable United States flag in a respectful way. All window and door treatments visible from outside the Unit shall be white or off-white in color or some other light color and shall be subject to such rules and regulations adopted by the Association from time to time. Any hurricane or other protective devices visible from outside the Unit shall be of a type specified by the Association from time to time.

7. **PETS.** No dog or cat shall be permitted outside of its Owner's Unit unless attended by an adult and on a leash not more than six (6) feet long. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this paragraph.

8. **NUISANCES.** No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of the Condominium Property is permitted. Nothing shall be done or kept upon the Condominium Property or a Unit which will increase the rate of insurance on the Condominium.

9. **DEVELOPER'S COMPLETION AND SALE OF UNITS.** Neither the Unit Owners nor the Association, nor their use of the Condominium, shall interfere with the Developer's completion and sale of the Units. Anything contained herein to the contrary notwithstanding, the Developer may use any unsold Unit, leased back model or sales center unit

and Condominium Property as may facilitate the sale or leasing of any Unit in this Condominium.

10. **CHILDREN'S USE OF FACILITIES.** Persons who are not eighteen (18) years of age or older shall not be permitted to use the recreation facilities, if any, unless under the supervision of an adult Unit owner or lawful occupant over the age of eighteen (18) years, except in such cases and under such conditions as the Association may from time to time establish and require. Unit Owners shall be responsible for all actions of children visiting or occupying that Unit at all times in and about the Condominium Property.

11. **RULES AND REGULATIONS.** All Unit Owners and other persons shall use the Condominium Property and open areas in accordance with the Rules and Regulations promulgated by the Association and the provisions of the Declaration and the By-Laws of the Association.

12. **OBSTRUCTIONS.** The sidewalk, entrances, passages, stairways and all other Common Elements intended for ingress and egress may not be obstructed, encumbered or used for any purpose other than ingress and egress.

13. **PERSONAL PROPERTY.** All personal property of occupants of Units shall be stored either within the Units or in the storage spaces provided for such purpose (if any). No personal property, except usual patio furniture, may be stored on, nor any use made of, the balcony (if any) or patio (if any) which is unsightly or which interferes with the comfort and convenience of others.

14. **GARBAGE CANS.** No trash shall be discarded on any part of the Condominium Property except in designated receptacles. Receptacles are not to be used for disposal of furniture, appliances, carpeting, Christmas trees or any other large objects. No garbage cans, supplies or other similar articles shall be placed on the patios or balconies, Limited Common Elements or Common Elements. Subject to the provisions of FS 163.04 to the extent applicable, no rugs, mops, or laundry of any kind, or any other similar type article, shall be shaken, hung or exposed so as to be visible outside the Unit. The Common Elements, Limited Common Elements, and Condominium Property shall be kept free and clear of rubbish, debris and other unsightly material. All garbage and trash shall be properly disposed of in trash receptacles provided for that purpose. All garbage and trash shall be placed in plastic bags and tied securely before being placed in trash receptacles.

15. **WINDOWS.** Nothing shall be thrown, dropped or permitted to fall from any window, balcony, door or other area on the Condominium Property.

16. **CONTROL OF EMPLOYEES.** No person other than an Association officer shall direct, supervise or in any manner attempt to assert any control over the employees of the Association.

17. **PARKING.** Each Unit has as part of the Unit a garage in which a vehicle may be parked. The outside parking facilities shall be used in accordance with the regulations adopted by the Association. The Developer has the right to assign outside parking spaces to a Unit. The Developer's, or its designee's, assignment of parking shall, except in emergency circumstances, be final. All parking spaces not assigned shall be used on an "as available" basis, except for spaces designated for the temporary parking of delivery vehicles, or vehicles operated by handicapped persons. No vehicle which cannot operate on its own power shall remain on the Condominium Property for more than twelve hours. No repair, except emergency repair, of vehicles shall be made on the Condominium Property. No commercial vehicle or recreational vehicle (except driveable recreational vehicles up to 21'5" which may be kept on the Condominium Property if they are used by the Owner on a daily basis for normal transportation and which fit in a normal parking space shall be parked on the Condominium Property (the term commercial vehicle shall not include clean "non-working" commercial vehicles such as pick-up trucks, vans or cars carrying advertising signs). No boat, boat trailer, camper or like vehicle shall be left or stored on the Condominium Property. Bicycles shall be parked in the areas, if any, provided for that purpose. Washing of vehicles shall be done in the driveway of each Unit.

18. **PASS KEY.** The Association may retain a pass key to all Units. No new lock will be installed or altered without prompt delivery of the new key to the Association. The Unit

Owner shall provide, at all times, the Association with a key for use by the Association pursuant to its rights of access to the Unit. The Association shall not be liable for any damages pursuant to its right of access.

19. **COOKING.** No cooking shall be permitted nor shall any goods or beverages be consumed on the Condominium Property outside of a Unit except in areas designated for those purposes by the Association (if any).

20. **FLAMMABLE SUBSTANCES.** No inflammable, combustible or explosive fluid, chemical, or substance shall be kept in any Unit, except those which are required for normal household use.

21. **PROTECTION.** In the event a Unit is unoccupied for an extended period, the Unit must be prepared prior to departure by: (1) removing all furniture, plants and other objects from outside the Unit; and (2) designating a responsible firm or individual to care for the Unit, should the Unit suffer damage. The name of the designee shall be furnished to the Association. Such firm or individual shall contact the Association for permission to install or remove approved shutters or enclosures.

22. **COMMERCIAL ACTIVITY.** No Commercial or business activity shall be conducted in any Unit or on the Condominium Property. No Unit Owner may actively engage in any solicitations for commercial purposes on the Condominium Property. No solicitors of a commercial nature are to be allowed on the Condominium Property without the prior written consent of the Association.

23. **INTERFERENCE WITH DEVELOPER.** No Unit Owner shall, in any way, interfere with the construction, sale or rental of any Unit by Developer.

24. **RULES.** The Association shall have the right to enact rules and regulations governing the operation and use of the Condominium Property and Recreational Facilities.

25. **DEVELOPER'S EXEMPTIONS.** The rules and regulations set forth above and any additional rules and regulations promulgated in the future shall not apply to Developer, or transferees or designees of Developer, or Units owned by Developer, or transferees and/or designees of Developer. Notwithstanding the foregoing, Developer, or transferees or designees of Developer, or Units owned by Developer shall not be exempt from any rules and regulations that pertain to the following (if any): (a) requirements that leases or lessees be approved by the Association, (b) restrictions on the presence of pets, (c) restrictions on occupancy of units based on age or (d) restrictions on the type of vehicles allowed to park on Condominium Property or Association Property; however, the Developer and its designees and/or transferees shall have the right to be exempt from any such parking restrictions if the vehicle is engaged in any activity relating to construction, maintenance, or marketing of Units.

LEGAL DESCRIPTION:

SHOMA COURTYARDS III AT ROYAL PALM, A CONDOMINIUM
A PORTION OF TRACT A OF "ANTHONY GROVES PHASE 1" ACCORDING TO THE PLAT
THEREOF AS RECORDED IN PLAT BOOK 93 AT PAGES 40 THROUGH 52 OF THE PUBLIC
RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED
AS FOLLOWS:

COMMENCE AT SOUTHWEST CORNER OF SAID TRACT A; THENCE NORTH 55°53'20"
EAST ON THE SOUTHERLY BOUNDARY OF SAID TRACT A 298.27 FEET TO THE BEGINNING
OF A TANGENT CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG
SAID SOUTHERLY BOUNDARY AND THE ARC OF SAID CURVE HAVING A RADIUS OF 340.00
FEET, A CENTRAL ANGLE OF 29°59'48" AND AN ARC DISTANCE OF 172.07 FEET TO THE
POINT OF BEGINNING OF THE TRACT OF LAND HEREINAFTER DESCRIBED; THENCE
NORTH 01°37'59" EAST 252.68 FEET; THENCE SOUTH 88°22'02" EAST 393.13 FEET
TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY; THENCE
NORTHEASTERLY ON THE ARC OF SAID CURVE HAVING A RADIUS OF 50.00 FEET, A
CENTRAL ANGLE OF 39°18'18" AND AN ARC DISTANCE OF 34.30 FEET TO A POINT OF
NON-TANGENCY; THENCE SOUTH 37°07'44" EAST ON A LINE RADIAL TO THE
FOLLOWING DESCRIBED CURVE 85.64 FEET TO A POINT ON THE ARC OF A CURVE
CONCAVE SOUTHEASTERLY; SAID POINT BEING ON SAID SOUTHERLY BOUNDARY OF
TRACT A; THENCE SOUTHWESTERLY ON SAID SOUTHERLY BOUNDARY AND ON THE
ARC OF SAID CURVE HAVING A RADIUS OF 450.00 FEET, A CENTRAL ANGLE OF 15°40'49"
AND AN ARC DISTANCE OF 123.15 FEET TO A POINT OF REVERSE CURVATURE WITH A
CURVE CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ON SAID SOUTHERLY
BOUNDARY OF TRACT A AND ON THE ARC OF SAID CURVE HAVING A RADIUS OF 255.00
FEET, A CENTRAL ANGLE OF 54°54'05" AND AN ARC DISTANCE OF 244.35 FEET TO A
POINT OF TANGENCY; THENCE NORTH 87°54'33" WEST ON SAID SOUTHERLY
BOUNDARY OF TRACT A 141.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE
SOUTHEASTERLY; THENCE SOUTHWESTERLY ON SAID SOUTHERLY BOUNDARY OF
TRACT A AND ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 340.00 FEET, A
CENTRAL ANGLE OF 7°12'29" AND AN ARC DISTANCE OF 42.77 FEET TO THE POINT OF
BEGINNING.

EXHIBIT " 1 "

Page 32 of 67

SHOMA COURTYARDS III AT ROYAL PALM, A CONDOMINIUM

SURVEY - PLOT PLAN - GRAPHIC DESCRIPTION

EXHIBIT "2"

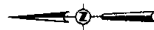
PREPARED BY
PULICE LAND SURVEYORS, INC.

5381 NOB HILL ROAD
SUNRISE, FLORIDA 33351

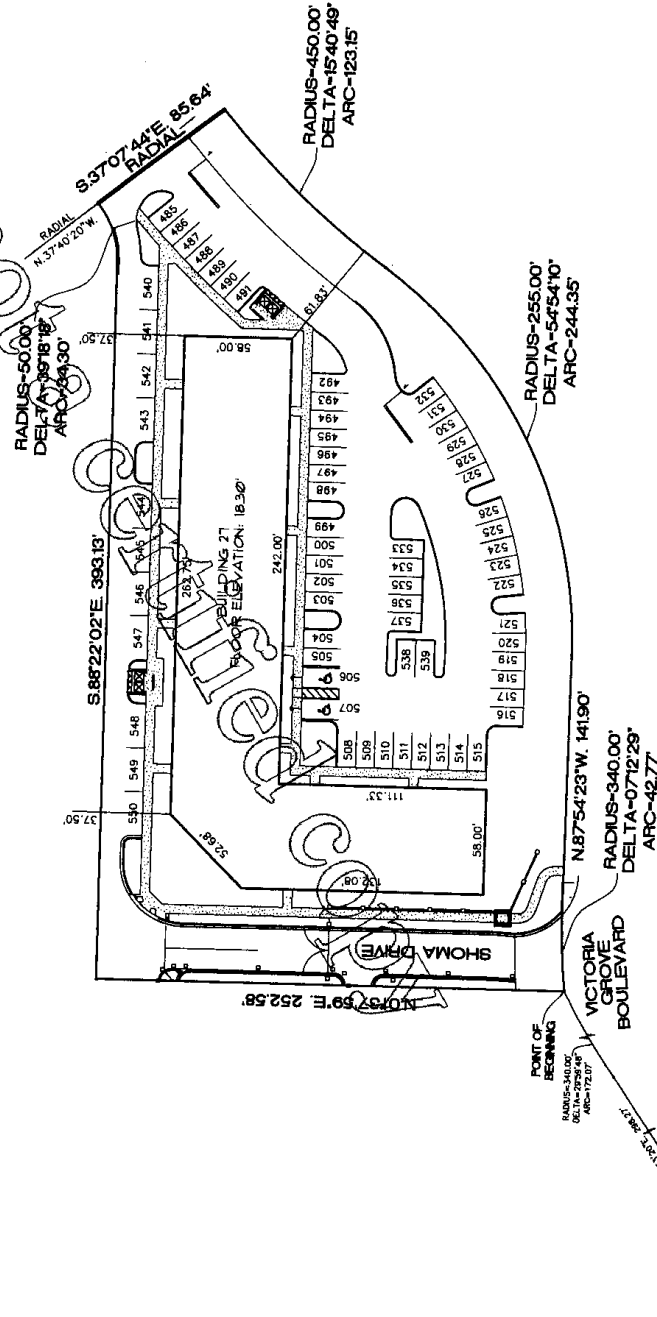
(954) 572-1777 • FAX (954) 572-1778
E-Mail: surveyors@pulicelandsurveyors.com
LB#3870

Common Elements: The portions of the Condominium Property not included in the Units.

Limited Common Elements: Those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, including storage areas, patios, terraces, balconies and assigned parking spaces.



SCALE 1" = 80'
GRAPHIC SCALE



SHEET 2 OF 8 SHEETS

ORDER NO.: 44745

SHOMA COURTYARDS III AT ROYAL PALM, A CONDOMINIUM

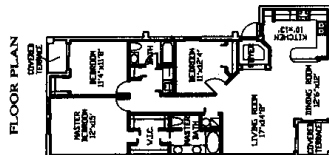
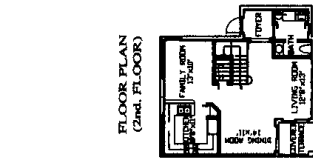
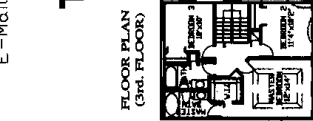
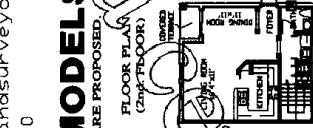
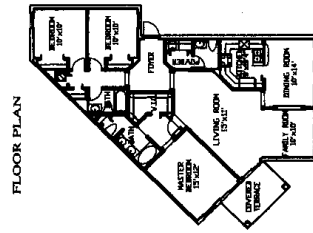
SURVEY - PLOT PLAN - GRAPHIC DESCRIPTION

EXHIBIT "2"

Denotes: Limited Common
Areas, including but not
limited to, storage areas, terraces, balconies
and patios.

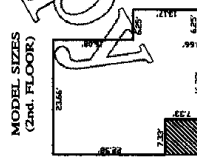
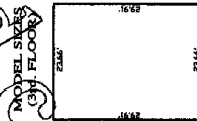
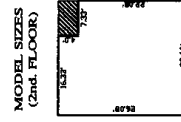
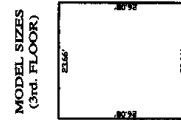
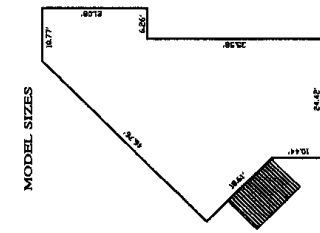
PREPARED BY
PULICE LAND SURVEYORS, INC.
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SUNRISE, FLORIDA 33351

(954) 572-1777 • FAX (954) 572-1778
E-Mail: survey@puliceandsurveyors.com
LB#3870



TYPICAL MODELS

ALL IMPROVEMENTS ARE PROPOSED.



MODEL C
SECOND FLOOR AREA= 555 SQUARE FEET
THIRD FLOOR AREA= 617 SQUARE FEET
TOTAL AREA= 1205 SQUARE FEET

MODEL B
SECOND FLOOR AREA= 708 SQUARE FEET
THIRD FLOOR AREA= 708 SQUARE FEET
TOTAL AREA= 1445 SQUARE FEET

MODEL A
TOTAL AREA= 1340 SQUARE FEET

MODEL D
TOTAL AREA= 1491 SQUARE FEET

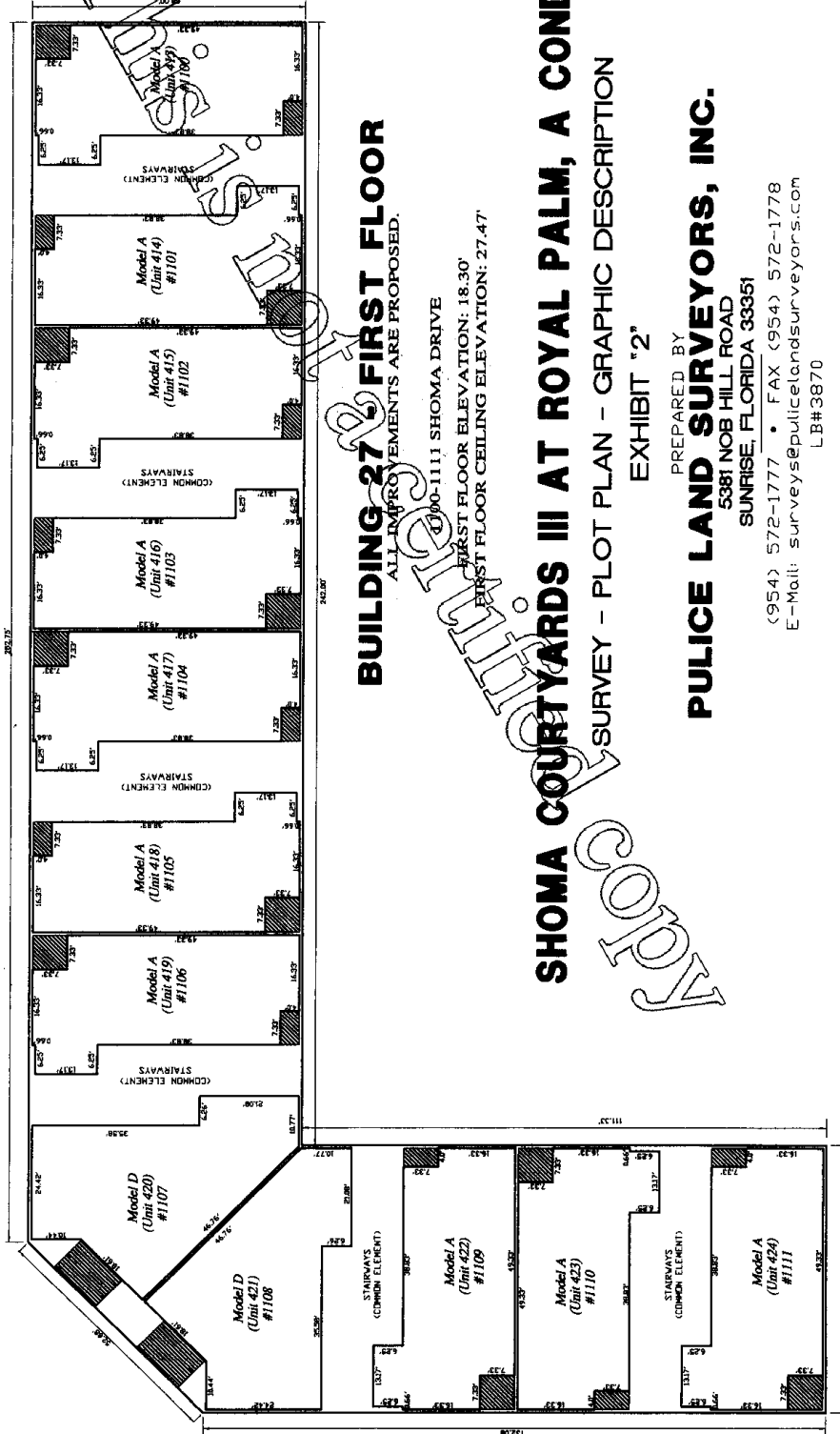


SCALE 1" = 30'
GRAPHIC SCALE

SHEET 3 OF 8 SHEETS

ORDER NO. 44745

Denotes: Limited Common
 Elements: storage areas, terraces, balconies
 and patios.



BUILDING 27 - FIRST FLOOR

ALL IMPROVEMENTS ARE PROPOSED.

100-1111 SHOMA DRIVE

FIRST FLOOR ELEVATION: 18.30'

FIRST FLOOR CEILING ELEVATION: 27.47'

SHOMA COURTYARDS III AT ROYAL PALM, A CONDOMINIUM

SURVEY - PLOT PLAN - GRAPHIC DESCRIPTION
 EXHIBIT "2"

PREPARED BY

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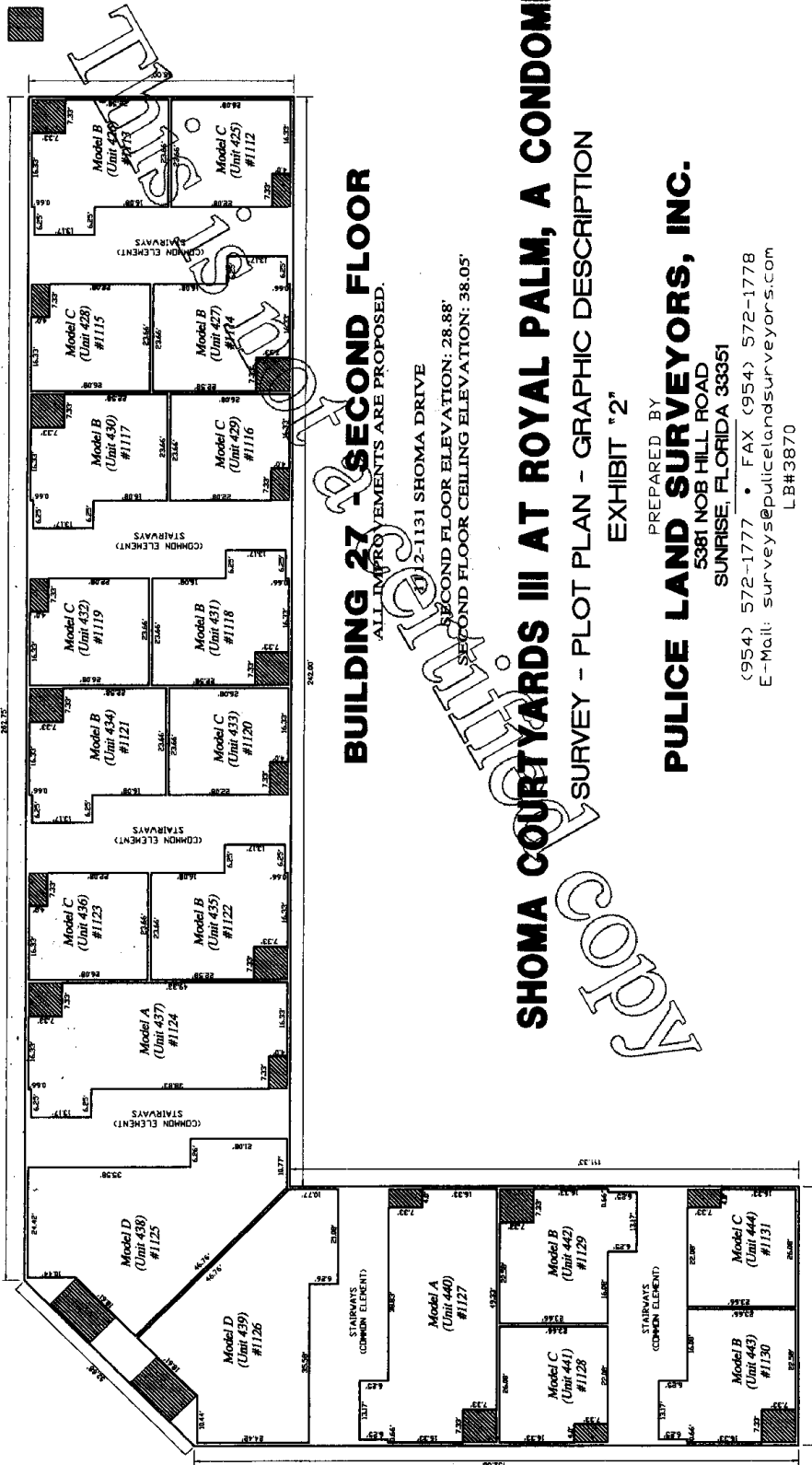
FEET

SCALE 1" = 30'
 GRAPHIC SCALE

SHEET 4 OF 8 SHEETS

ORDER NO: 44745

Denotes Limited Common
Elements which comprise
storage areas, terraces, balconies
and patios.



SURVEY - PLOT PLAN - GRAPHIC DESCRIPTION
EXHIBIT "2"

PULICE LAND SURVEYORS, INC.
5381 NOB HILL ROAD
SUNRISE, FLORIDA 33351

(954) 572-1777 • FAX (954) 572-1778
E-Mail: surveys@pulicelandsurveyors.com
LB#3870

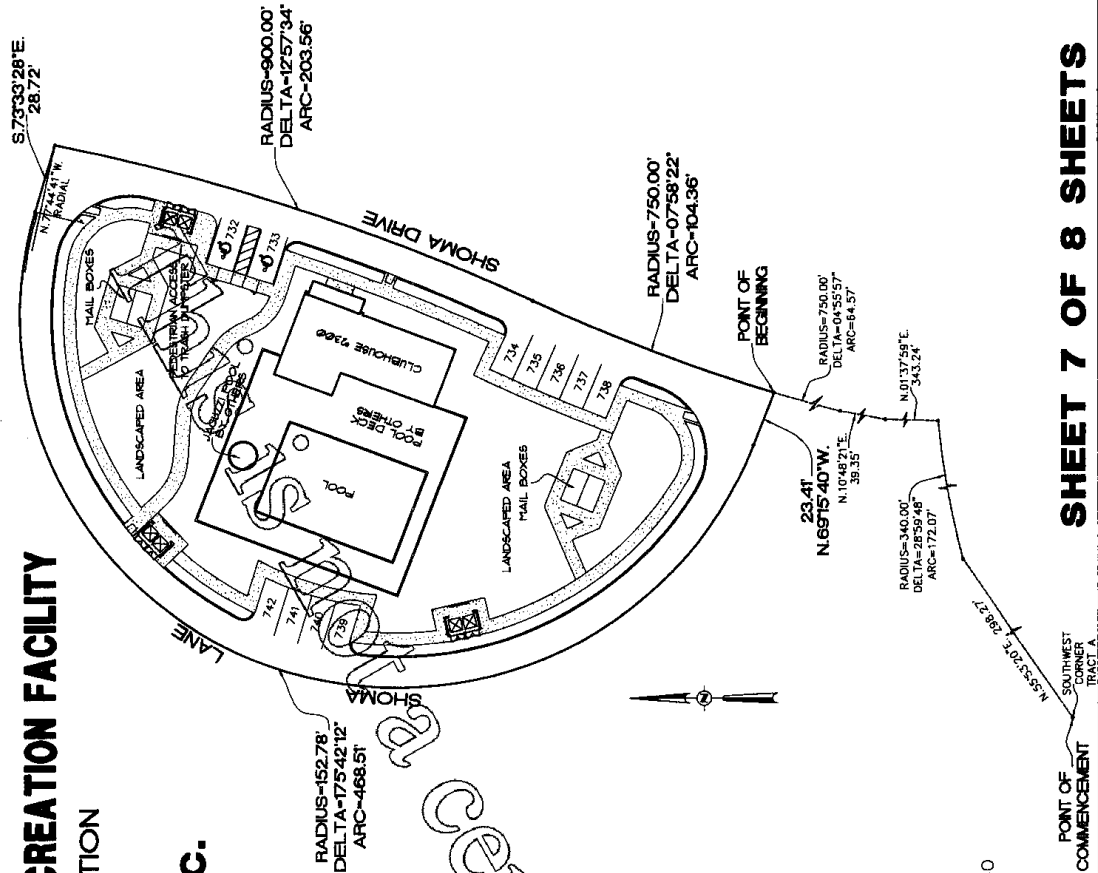
CLUBHOUSE

ALL IMPROVEMENTS ARE PROPOSED.

2300 SHOMA LANE

FLOOR ELEVATION: 18.30'

LEGAL DESCRIPTION:

[illegible]

SCALE 1" = 60'
GRAPHIC SCALE

ORDER NO.: 44745

SHEET 7 OF 8 SHEETS

SHOMA AT ROYAL PALM CONDOMINIUM COMPLEX

SURVEY - PLOT PLAN - GRAPHIC DESCRIPTION

EXHIBIT "2"

PREPARED BY

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SUNRISE, FLORIDA 33351

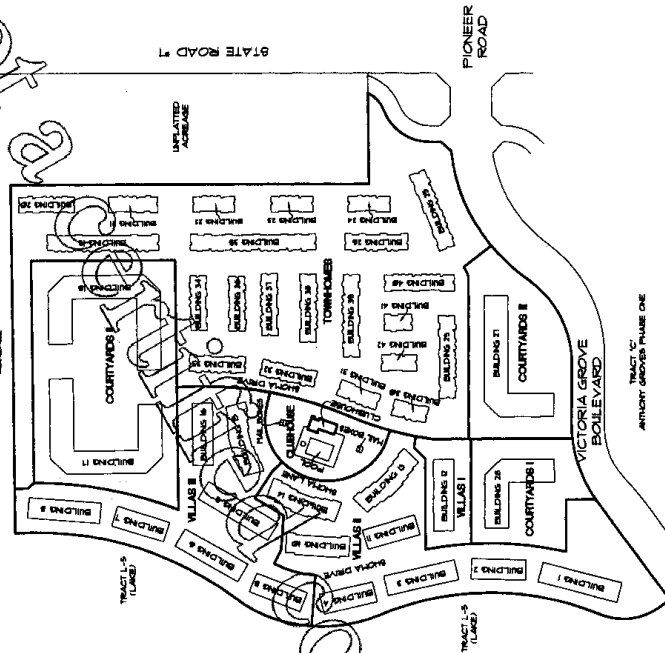
(954) 572-1777 • FAX (954) 572-1778

E-Mail: surveys@puliceandsurveyors.com

LB#3870

LEGAL DESCRIPTION:

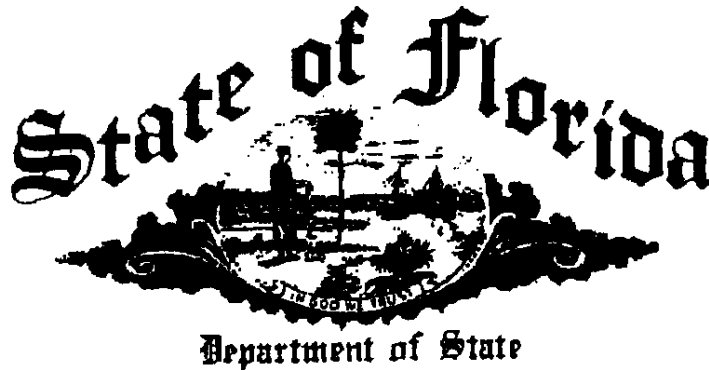
SHOMA AT ROYAL PALM CONDOMINIUM COMPLEX
TRACT "A" OF "ANTHONY GROVES PHASE I" ACCORDING TO THE PLAT THEREOF
RECORDED IN PLAT BOOK 93, AT PAGES 40 THROUGH 52 OF THE PUBLIC RECORDS
OF PALM BEACH COUNTY, FLORIDA.



ORDER NO.: 44745

LOCATION MAP

SHEET 8 OF 8 SHEETS



I certify the attached is a true and correct copy of the Articles of Incorporation of SHOMA AT ROYAL PALM CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on March 6, 2003, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H03000002455. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N03000002013.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Seventh day of March, 2003

Authentication Code: 503A00014579-030703-N03000002013-1/1



Glenda E. Hood
Glenda E. Hood
Secretary of State

EXHIBIT " 3 "

ARTICLES OF INCORPORATION

OF

SHOMA AT ROYAL PALM CONDOMINIUM ASSOCIATION, INC.
(A Corporation Not For Profit)

In order to form a not-for-profit corporation, the undersigned incorporator, adopts these Articles of Incorporation ("Articles").

ARTICLE I

The name of this corporation shall be SHOMA AT ROYAL PALM CONDOMINIUM ASSOCIATION, INC. ("Association").

ARTICLE II

The street address of the Registered Office of the Association is One S.E. 3rd Avenue, 28th Floor, Miami, Florida 33131 and the name of the Registered Agent is American Information Services, Inc., a Florida corporation.

ARTICLE III

The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Fla.Stat., ("Condominium Act"), to operate the residential condominium Shoma Villas I at Royal Palm, a Condominium ("Condominium"), in accordance with the Condominium Documents. The Association shall also be the Association for the operation of additional condominiums which may be created on the property adjacent to the above-specified Condominium as specified in the Declaration of Condominium that shall be filed in the Public Records of Palm Beach County, Florida for Shoma Villas I at Royal Palm, a Condominium. The Board of Directors or the Developer named as such in the Declaration of Condominium for Shoma Villas I at Royal Palm, a Condominium, shall have the authority in its sole discretion to designate the above Association as the Association for such additional Condominiums and, in such instance, the provisions in these Articles of Incorporation shall be interpreted in such a manner as to include such additional condominiums.

ARTICLE IV

All definitions in the Condominium Documents are incorporated in these Articles when applicable.

{MI779343;3}

ARTICLE V

The Association shall have the following powers:

1. The Association shall have all of the power and privileges granted to corporations not for profit except where the same are in conflict with the Condominium Documents.

2. The Association shall have all of the powers of Condominium Associations under and pursuant to the Condominium Act. The Association shall also have all those powers reasonably necessary to implement and effectuate the purposes of the Association as specified in the Condominium Documents, including but not limited to:

(a) To make and establish rules and regulations governing the use of Condominium Property and Association Property (if any).

(b) To levy and collect assessments from members of the Association in the Condominium to defray the Common Expenses of that Condominium (except as limited by F.S. 718.116) and the Common Expenses of the Association in its capacity as the Association for a multi condominium complex, including, but not limited to, the provision of insurance, acquiring, operating, leasing, managing and otherwise dealing with property, whether real or personal (including Units in the Condominium), which may be necessary or convenient for the operation and management of the Condominium, and to do all things necessary to accomplish the purposes set forth in the Condominium Documents.

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

(d) To grant (or accept the grant of) licenses, easements, permits, leases or privileges to any individual or entity, including non-Unit Owners, which affect property owned or controlled by the Association, the Common Elements or Limited Common Elements, and to alter, add to, relocate or improve the Common Elements and Limited Common Elements, provided, however, if any Limited Common Elements are affected, the consent of the Owner(s) of the Unit(s) to which such Limited Common Elements are appurtenant must be obtained by the Association.

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

(f) To enforce the provisions of the Condominium Documents and the rules and regulations adopted as set forth therein.

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

(h) To approve or disapprove of the transfer, mortgage, ownership, leasing, and occupants of condominium units.

(i) To acquire, hold title to and enter into agreements whereby the Association acquires interests in property or a leasehold, membership or other possessory or use interests in land or facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation or other use or benefit of the members.

(j) To exercise its powers concerning any property owned or controlled by the Association

ARTICLE VI

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

1. The owners of all Units in the condominiums administered by this Association and the Subscriber to these Articles shall be members of the Association. No other persons or entities shall be members except as provided in Paragraph 4 of this Article VI. Membership of the Subscriber shall terminate upon the Developer being divested of all Units in the Project.

2. Subject to the provisions of the Declaration of Condominium and the By-Laws of the Association, membership shall be established by the acquisition of fee title to a Unit in the condominiums subject to the jurisdiction of this Association. Membership shall be automatically terminated upon divestiture of title to all Units owned by that member in the applicable condominium. Membership is non-transferrable except as an appurtenance to a Unit. Membership, together with full voting rights appertaining thereto, passes with a Unit as an appurtenance thereto.

3. On all matters on which the voting interests shall be entitled to vote, except as hereinafter specified, each Unit shall have one vote. Such votes may be exercised or cast by the voting interests representing each Unit in such manner as is provided for the Condominium Documents.

4. Until such time the Condominium which this Association is intended to operate is submitted to condominium ownership, the membership of the Association shall be comprised of the Subscriber to these Articles. The Subscriber shall be entitled to cast one vote on all matters on which the voting interests are entitled to vote.

ARTICLE VII

The Association shall have perpetual existence.

ARTICLE VIII

The principal place of business of the Association shall be located at 8550 N.W. 33rd Street, Suite 100, Miami, Florida 33122.

ARTICLE IX

The affairs of the Association will be managed by a Board of Directors consisting of five (5) persons, ~~except the Board of Directors prior to turnover shall consist of three (3) Directors appointed by the Developer.~~ Directors, ~~except Directors appointed by Developer,~~ must be members of the Association.

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

The Directors named in these Articles shall serve until their successors are elected pursuant to the By-Laws. If a Director is to be replaced by a person elected by the Unit Owners other than Developer, Developer shall designate which Developer-appointed Director is to be replaced. Any directorship vacancy occurring before the first election shall be filled by the remaining Directors, or Developer, pursuant to the By-Laws.

The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows.

Melissa Sires-Garcia
8550 N.W. 33rd Street
Suite 100
Miami, Florida 33122

Mike Tahini
8550 N.W. 33rd Street
Suite 100
Miami, Florida 33122

Tania Martin
8550 N.W. 33rd Street
Suite 100
Miami, Florida 33122

The board shall have the powers reserved to it in the Condominium Documents, including the power to adopt the budget of the Association and Condominium.

The transfer of control of the Board from the Developer to the Unit Owners shall occur as follows: When Unit Owners other than the Developer own 15 percent or more of the Units in the multi condominium that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect no less than one-third of the members of the Board of the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of the Association upon the earlier to occur of the following: (i) Three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (ii) Three months after 90 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (iii) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary

course of business; (iv) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (v) Seven years after recordation of the Declaration for the first condominium to be operated by the Association. The developer shall be entitled to elect at least one member of the Board of the Association as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the Units in the multi condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board. So long as there is HUD, FHA and/or VA financing of any Unit, turnover shall occur upon the earlier to occur of any of the following: (i) the occurrence of any of the events listed in (i) through (v) above, (ii) 120 days after the date 75 percent of the Units have been conveyed to purchasers or (iii) no later than May 29, 2009.

Directors shall be subject to recall as provided in F.S. 718.112 (to the extent legally valid).

A director of the Association who is present at a meeting of the Board which action on any corporate matters taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at meetings of the Board. A vote or abstention for each member present must be recorded in the minutes of the Association.

ARTICLE X

The Officers of the Association shall be elected by the Board and shall serve at the pleasure of the Board. The names of the Officers who shall serve until their successors are elected are as follows:

Melissa Sires-Garcia	President
Mike Tahini	Secretary
Tania Martin	Treasurer

The officers and directors of the Association, as well as any manager employed by the Association and required to be licensed pursuant to F.S. 468.432, have a fiduciary relationship to the Unit Owners. No officer, director, or manager required to be licensed under F.S. 468.432 shall solicit, offer to accept, or accept anything or service of value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association. Any such officer, director, or manager who knowingly so solicits, offers to accept, or accepts anything or service of a value is subject to a civil penalty pursuant to F.S. 718.501(1)(d). However, this provision does not prohibit an officer, director, or manager from accepting services or items received in connection with trade fairs or education programs.

ARTICLE XI

The name and address of the Incorporator are Richard L. Schanerman, One S.E. 3rd Avenue, 28th Floor, Miami, FL 33131.

ARTICLE XII

The By-Laws of the Association shall be adopted by a majority vote of the board.

ARTICLE XIII

The Association does hereby indemnify its Officers and Directors as provided in the By-Laws.

ARTICLE XIV

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

1. **Proposal.** Amendments may be proposed either by a vote of the majority of the entire Board adopting a resolution setting forth the proposed amendment to these Articles, directing that it be submitted to a vote at a meeting of members, or by the members of the Association by a vote of twenty-five (25%) percent of the voting interests entitled to a vote.

2. **Call for Meeting.** Upon the adoption of a resolution proposing any amendment to these Articles, the proposed amendment shall be transmitted to the appropriate Officer of the Association, who shall thereupon call a special joint meeting of the Board and the membership. It shall be the duty of the Secretary to give each member written notice stating the place, day, and hour of the meeting and setting forth the proposed amendment or a summary of the changes to be effected thereby and, in the case of a special meeting, the purpose for which the meeting is called. Notice shall be delivered not less than ten (10) or more than sixty (60) days before the date of the meeting, either personally or by first-class mail. If mailed, the notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at the address which appears on the membership roster. Notice shall additionally be posted at a conspicuous location on the Condominium Property 14 continuous days preceding the meeting.

3. **Vote Necessary.** Prior to the election of a majority of the Board by other than Developer, an amendment may be approved by sixty-six (66%) percent of the Board. Thereafter, in order for an amendment to become effective, the amendment must be approved, at a duly called meeting, by an affirmative vote of sixty-six (66%) percent of the Board and seventy-five (75%) percent of the votes of the entire voting interests entitled to vote thereon.

4. Filing. Articles of Amendment containing the approved amendment shall be executed by the Association (by its President or Vice President, and acknowledged by its Secretary or Assistant Secretary). The Articles of Amendment shall set forth:

- (a) The name of the Corporation.
- (b) The amendment(s) so adopted.
- (c) The date of the adoption of the amendment by the members.

The Articles of Amendment shall be filed, along with the appropriate filing fees, within ten (10) days from approval with the office of the Secretary of State of Florida for approval.

Notwithstanding the foregoing provisions of this Article, so long as the Developer holds Units for sale in the ordinary course of business, no amendment to these Articles may be adopted or become effective if the amendment affects the rights of Developer or affects the Developer's ability to sell or lease units in the condominiums.

Notwithstanding any other provision herein to the contrary, so long as there is HUD and/or VA financing of Units, material amendments to the Articles of Incorporations shall require the approval of at least two thirds (2/3) of the votes of the voting interests.

Notwithstanding the foregoing, as long as Developer owns one or more Units, the Developer shall have an absolute right to make any amendments to these Articles requested or required by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, or other governmental or quasi government body which owns or expects to own one or more institutional mortgages or which is requested or required by an institutional mortgagee or prospective institutional mortgagee to enhance the salability of institutional mortgages owned by it to one or more of the foregoing.

ARTICLE XV

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 a Unit. The funds and assets of the Association shall belong solely to the Association, subject to the limitation that the same be expended, held, or used for the benefit of the Association and its membership and for the purposes authorized in the Condominium Documents.

In the event of dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to a public body or conveyed to a not-for-profit organization with a similar purpose as the Association. If the last Board of Directors of the dissolved Association does not undertake to do so, any member may petition the Circuit Court having jurisdiction to appoint a receiver to manage the affairs of the dissolved Association and to manage the Condominium Property until such time as the assets of the Association may be dedicated to a public body or conveyed to a not-for-profit organization with a similar purpose as the Association.

ARTICLE XVI

The Association may enter into contracts or transact business with any firm, corporation, or other concern in which any or all Officers, Directors or members of the Association may have an interest of any nature whatsoever. No contract or business arrangement, including those entered or to be entered into with Developer, or managing agent, shall be invalidated in whole or part by the Association or any Officer, Director and/or member(s) thereof on the grounds that the Officer, Director and/or member(s) had an interest, whether adverse or not, in the contract, business arrangement or party contacted with, regardless of the fact that the vote of the Director, Officer or member(s) with an interest was necessary to obligate the association.

At any meeting of the Directors which shall authorize or ratify any contract or transaction any interested Director or Officer may vote or act thereat, with like force and effect, as if the Director or Officer had no interest [provided that in such case the nature of interest (though not necessarily the extent or details thereof) shall be disclosed, or shall have been known to the Directors or a majority thereof]. A general notice that a Director or Officer is interested in any corporation other concern of any kind above referred shall be a sufficient disclosure thereof. No person shall be disqualified from holding office as Director or Officer of the Association by reason of any adverse interest. No Director, Officer, or member having an adverse interest shall be liable to the Association or to any member or creditor thereof, or to any other person, for any loss incurred by it under reason of the contract or transaction, nor shall any such Director, Officer, member or entity in which said member is involved, be accountable for any gains or profits realized from that contract or transaction.

ARTICLE XVII

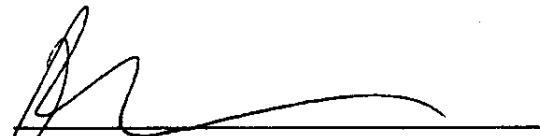
So long as there is HUD and/or VA financing of Units, prior to turnover, the annexation of additional property into the Condominium (other than as contemplated by the Declaration and other Condominium Documents), mergers, consolidations, mortgaging or dedication of the Common Elements, dissolution of the Association and any amendment of these Articles which materially affects the rights of Unit Owners shall require the prior approval of HUD and/or VA, as applicable.

(signature page follows)

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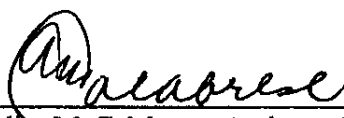
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IN WITNESS WHEREOF, the incorporator has signed these Articles of Incorporation
this 5th day of March, 2003.


Richard L. Schanerman

I HEREBY ACCEPT THE DESIGNATION AS REGISTERED AGENT AS SET FORTH IN
THESE ARTICLES OF INCORPORATION.

AMERICAN INFORMATION SERVICES,
INC., a Florida Corporation, Registered Agent

By: 
Angelica M. Calabrese, Assistant Secretary

BYLAWS

OF

SHOMA AT ROYAL PALM CONDOMINIUM ASSOCIATION, INC. (A Corporation Not for Profit Under the Laws of the State of Florida)

ARTICLE 1

GENERAL PROVISIONS

1.1 Identity -- Purpose. These are the Bylaws of the above named Condominium Association ("Association"). This Association has been organized for the purpose of administering the affairs of the Shoma Villas I at Royal Palm, a Condominium and other condominiums located within the "Shoma at Royal Palm Condominium Complex" where the declaration for that particular condominium indicates that the affairs of that condominium shall be administered by the Association, such condominium and Shoma Villas I at Royal Palm, a Condominium are hereinafter collectively referred to as a "Condominium".

1.2 Bylaws Subject to Other Documents. The provisions of these Bylaws are applicable to said Condominium and are expressly subject to the terms, provisions and conditions contained in the Articles of Incorporation of the Association ("Articles"), and the Declaration of Condominium and Exhibits ("Condominium Documents"), which will be recorded in the Public Records of the County at the time that the real property is submitted to condominium ownership.

1.3 Applicability. Except as provided to the contrary, all Unit Owners, tenants, and occupants, their agents, servants, invitees, licensees and employees and others that use the Condominium Property or Association Property (if any), or any part thereof, are subject to the Condominium Documents.

1.4 Office. The Association shall maintain an office at the Condominium or such other place designated by the Board.

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

1.6 Definitions. All definitions set forth in the Condominium Documents are hereby adopted by reference as though set forth herein verbatim.

ARTICLE 2

MEMBERSHIP, VOTING, QUORUM, PROXIES

2.1 Qualifications of Members, Etc. The qualification of members, the manner of their admission to membership and termination of such membership, and voting shall be as set forth in the Condominium Documents.

2.2 Quorum. On issues affecting the Association as a whole, Voting Interests having fifty (50%) percent plus one of the total votes of the Association shall constitute a quorum. Limited proxies and general proxies may be used to establish a quorum to the extent permitted by law. On issues affecting a particular condominium or condominiums, Voting Interests having fifty (50%) percent plus one of the total votes in that condominium or condominiums shall constitute a quorum.

2.3 Corporate or Multiple Ownership of a Unit. The Voting Interest of a Unit owned by more than one person or by a corporation or entity, except Developer, shall be cast by the person named in a voting certificate designating the holder of the "Voting Interest". The voting certificate will be signed by all of the owners of the Unit, or the proper corporate officer and filed with the Secretary of the Association, and shall be valid until revoked by subsequent certificate.

If a voting certificate is not filed that vote shall not be considered in determining a quorum or for any other purpose.

2.4 Voting; Proxy. Votes may be cast in person or, subject to the terms and limitations of F.S. 718, by proxy. Proxies shall be valid only for the particular meeting designed thereon (or an adjournment thereof), except as provided in Section 3.6 below. Proxies must be filed with the secretary before the appointed time of the meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, and every proxy is revocable at any time by the Unit Owner executing it. Where a voting certificate has been filed, the proxy must be signed by the holder of the Voting Interest.

2.5 Voting. In any meeting, each Voting Interest, shall be entitled to cast one vote on the issues that the Voting Interest is entitled to vote. Each Unit shall be entitled to one Voting Interest. Voting Interests shall not be divisible. For any particular meeting, the Voting Interest shall be determined by ownership of Units not less than five (5) days prior to that meeting.

2.6 Majority. Except where otherwise required by the provisions of the Condominium Documents, or as above, or where the same may otherwise be required by law, the affirmative vote of the Voting Interests having a majority of the votes represented at any duly called meeting at which a quorum is present shall be binding. Except where otherwise required by the provisions of the Condominium Documents, or as above, or where the same may otherwise be required by law, on matters affecting a particular condominium or condominiums, the affirmative vote of the Voting Interests having a majority of votes of that particular condominium or condominiums represented at any duly called meeting at which a quorum is present shall be binding. In connection with questions involving waiving or reducing the funding of budgetary reserves or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, the only Voting Interests eligible to vote are the Voting Interests of the Units subject to assessment to fund the reserves in question.

ARTICLE 3

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

3.1 Annual Meeting. There shall be an annual meeting of the Unit Owners once each calendar year at the office of the Association at the time designated on the notice thereof, for the purpose of electing directors and transacting any other business authorized to be transacted by members.

3.2 Special Meeting. Except as otherwise provided in F.S. 718.112 (2) (e) and (j), special meetings shall be held when called by the President or Vice President or by a majority of the Board. Special meetings must be called by such officers upon request of a majority of the Voting Interest entitled to vote on the matter in question. Notices of special meetings shall be given as set forth below, except that, in the case of an emergency, four (4) days' notice will be deemed sufficient.

3.3 Notice of Meeting; Waiver. Notice of all members' meetings shall be given by an appointed officer of the Association to each Unit Owner. The notice will be written and will state the time, place and object for which the meeting is called, including an identification of agenda items. The notice of the annual meeting shall be given or mailed to each member not less than sixty (60) days prior to the date set for the meeting. If hand delivered, receipt of the notice shall be signed by the Unit Owner. If mailed, the notice shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed to the Unit Owner at the post office address as it appears on the records of the Association. Unless a Unit Owner waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each Unit Owner. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address which the Developer initially identifies for that purpose and thereafter as one or more of the owners of the Unit shall so advise the Association in writing, or if no address is given or the owners of the Unit do not agree, to the address provided on the deed of record.

Notices shall also be conspicuously posted on the Condominium Property at least 14 continuous days preceding the annual meeting. Upon notice to Unit Owners, the Board shall, by

duly adopted rule, designate a specific location on the Condominium Property upon which all notices of Unit Owner meetings shall be posted. An officer of the Association shall provide an affidavit or United States Postal Service certificate of mailing to be included in the official records of the Association, affirming that notices of the Association annual meeting were mailed or hand delivered and posted in accordance with this provision.

3.4 Notice to Others. The Developer (and Management Firm, if any), until turnover, shall be entitled to notice of all Association meetings, entitled to attend the Association meetings, and may designate such persons to attend meetings on their behalf and such persons may act with the full authority and power of Developer or the of Management Firm.

3.5 Budgetary Meetings. Notice of budgetary meetings shall be governed by the provisions of F.S. 718.112(2)(e). Budgetary meetings shall be held prior to November 1 of each year.

3.6 Adjourned Meetings. If any meeting cannot be convened because of the lack of a quorum, the Voting Interests entitled to vote on that matter who are present, either in person or by proxy, may adjourn the meeting, from time to time, to a time certain until a quorum has been attained. Valid proxies for the meeting shall continue to be valid until a quorum is attained, however, no proxy shall be valid for a period of more than 90 days after the date of the first meeting for which it was given.

3.7 Consent. Whenever the vote of members at a meeting is required or permitted by these Bylaws or F.S. 718, the vote shall be at a duly noticed meeting of Unit Owners, except that such meeting and vote may be dispensed with if 75% of the Voting Interests who would have been entitled to vote upon the matter if such meeting were held, shall consent in writing to the action being taken.

3.8 Chairman. At meetings of the general membership of the Association, the President shall preside, or in the absence of the President, the Board shall select a chairman.

3.9 Order of Business. The order of business at Annual Members' Meetings, and, as far as practical at any other meetings of members, shall be:

- (a) Collection of ballots not yet cast;
- (b) Calling of the roll and certifying proxies;
- (c) Proof of notice of meetings or waiver of notice;
- (d) Reading of minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Election of Directors; SUBJECT, HOWEVER, to all provisions of these Bylaws, the Articles and the Declaration;
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

Unit Owners shall have the right to participate in meetings of Unit Owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner participation. Any Unit Owner may tape-record or videotape a meeting of the Unit Owners subject to reasonable rules adopted from time to time by the Division of Land Sales, Condominium and Mobile Homes.

ARTICLE 4

BOARD OF DIRECTORS

4.1 Management of Association. The affairs of the Association shall be managed by a Board of Directors ("Board") consisting of five (5) persons. After the election of all the Directors by the Unit Owners other than Developer, the Directors shall serve such terms (not to exceed two years) as deemed appropriate by the membership.

4.2 First Board. The Board shall, until the Developer has transferred control of the Association to the Unit Owners, consist of three (3) persons. Directors, except those appointed by Developer, must be members of the Association. The first Board shall consist of persons designated by the Developer and they shall serve until replaced by Developer or until their successors are elected as provided below.

(a) Developer shall have the absolute right, at any time, in its sole discretion, to remove any Director designated by Developer and replace that person with another person to serve on the Board. Notice of that action shall be given to the Association.

(b) When Unit Owners other than the Developer own 15 percent or more of the Units in the multi condominium that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect no less than one-third of the members of the Board of the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of the Association upon the earlier to occur of the following: (i) Three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (ii) Three months after 90 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (iii) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; (iv) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (v) Seven years after recordation of the Declaration for the first condominium to be operated by the Association. The developer shall be entitled to elect at least one member of the Board of the Association as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the Units in the multi condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer owned Units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board.

(c) So long as there is HUD, FHA and/or VA financing of any Unit, turnover shall occur upon the earlier to occur of any of the following: (i) the occurrence of any of the events listed in (i) through (v) in Section 4.2(b) above, (ii) 120 days after the date 75 percent of the Units have been conveyed to purchasers or (iii) no later than May 29, 2009.

4.3 Election of Directors. Except for designation of Directors by Developer, as hereinbefore provided, election of Directors shall be conducted in the following manner:

(a) Election of Directors shall be held at the Annual Meeting except that Directors elected by Unit owners other than Developer to replace Developer appointed Directors shall be elected pursuant to F.S. 718.

(b) Any Unit Owners desiring to be a candidate for the Board shall comply with subsection 4.3(c) below.

(c) The election shall be by written ballot or voting machine, and Directors shall be elected by a plurality of the votes cast by the Voting Interests entitled to elect those Directors. Each Voting Interest shall be entitled to cast one vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in electing the Directors, either in general elections or in elections to fill vacancies caused by resignation, or otherwise. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newsletters, to each Unit Owner

entitled to vote, a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Secretary of the Association not less than 40 days before a scheduled election. Together with the written notice, which notice must include an agenda, the Association shall then mail or deliver a second notice of the meeting to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8-1/2" x 11" which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the cost of mailing and copying to be borne by the Association. The Association shall comply with rules established from time to time by the Division of Land Sales, Condominiums and Mobile Homes concerning voting procedures, including rules providing for the secrecy of ballots. There shall be no quorum requirement or minimum number of votes necessary for election of members of the Board. However, at least 20% of the eligible voters must cast a ballot in order to have a valid election of members of the Board. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast will be deemed invalid. Any Unit Owner violating this provision may be fined by the Association in accordance with F.S. 718.303. A Unit Owner who needs assistance in casting the ballot, for the reasons stated in Section 101.051 of Florida Statutes, may obtain assistance in casting the ballot.

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

(e) In the event of a tie in the balloting for the last directorship, the then elected Directors shall be entitled to elect the last Director by a majority vote.

4.4 Organizational Meeting. The organizational meeting of a newly elected Board shall be held within ten (10) days of the election. Notice of the time and place of the meeting and other matters required by Florida Statute 718.112(2)(c) shall be posted conspicuously on the condominium property at least 48 hours preceding the meeting except in an emergency.

4.5 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of the time and purpose of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived. Meetings shall be open to all Unit Owners and notice thereof, including specific identification of agenda items, shall be posted conspicuously on the Condominium Property at least 48 continuous hours preceding the meeting. Any Unit Owner may tape-record or videotape meetings of the Board. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items, subject to rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes of the Florida Department of Business Regulation from time to time. The Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statement. In addition to the posting of notices of meetings described above, written notice of any meeting at which non-emergency special assessments, or which amendments to rules regarding usage of Units will be proposed, discussed, or proved, shall be mailed or delivered to the Unit Owners not less than 14 days prior to the meeting. Evidence of compliance with this 14 day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. Upon notice to the Unit Owners, the Board shall, by duly adopted rule, designate a specific location on the condominium property upon which all notices of Board meetings shall be posted. Notice of any meeting in which regular assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessment.

4.6 Special Meetings. Special meetings of the Board may be called by the Chairman or President. Except in an emergency, or as otherwise provided by statute, the notice shall be given as provided in Section 4.5 above and shall state the time, place and purpose of the meeting.

4.7 Waiver. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance shall be deemed a waiver. A Director may attend by telephone conference call.

4.8 Quorum. A quorum at a Board meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board except as specifically otherwise provided for in the Condominium Documents. A Director who is present at a meeting of the Board at which action on any matter is taken shall have been presumed to have assented to the action taken, unless that Director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. If any Board meeting cannot be convened because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, (wherever the latter percentage of attendance may be required as set forth in the Condominium Documents) the Directors who are present may adjourn the meeting, from time to time, until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. These Bylaws shall be deemed to include the provisions of F.S. 718 concerning the right of a Unit Owner to proceed to have a receiver appointed if the Association fails to fill vacancies on the Board so as to have a quorum.

4.9 Presiding Officer. The presiding officer at Board meetings shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

4.10 Resignation. A director may resign by giving written notice thereof. A Director shall be deemed to have resigned upon termination of membership in the Association (excepting directors appointed by Developer).

4.11 Powers and Duties. The powers and duties of the Association may, subject to the limitations set forth herein and in the Condominium Act, be exercised by the Board, in the Board's sole discretion. Such powers shall include without limiting the generality of the foregoing, the following:

(a) To adopt the budget of the Association, subject to the provisions of F.S. 718. The Association shall adopt a separate budget of common expenses for each Condominium the Association operates and shall also adopt a separate budget of common expenses for the Association.

(b) To make, levy and collect assessments against Units to defray the costs of the operation of the Association and Condominium (provided, however, that - except as otherwise specifically provided, the Association shall not charge any fee against a Unit owner for use of Common Elements or Association Property unless such use is the subject of a lease between the Association and Unit Owner pertaining to the Unit Owner's exclusive use of any part of the Common Elements), and to use the proceeds of said assessments in the exercise of the powers and duties granted to the Association.

(c) To provide for maintenance, repair, replacement, operation, improvement and management of the Condominium Property (including easements providing for maintenance of areas which may be on the Condominium Property, if any, or other properties wherever the same is required to be done and accomplished by the Association for the benefit of its members), all in accordance with the terms, conditions and requirement of F.S. 718.

(d) It is understood that assessments must be sufficient to provide for the payment of all anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Accordingly, the Board is given the power to adopt special assessments provided that the procedures for notice as set forth in F.S. 718 are followed as to any special assessment providing for any previously unanticipated expenses. Special assessments shall be limited to those items which are necessary and all other items which can reasonably be deferred to the regular budgetary meeting shall be so deferred.

(e) As provided in the Condominium Documents, to administer the reconstruction of improvements after casualty and the further improvement of the property, real and personal.

(f) To, in the manner hereinafter specified, adopt and amend rules and regulations governing the details of the operation and use of the Units, Condominium Property, Recreation Facilities, the Common Elements, real and personal, in the Condominium, so long as such rules and regulations or amendments thereto do not conflict with the rights, privileges, restrictions and limitations which may be placed upon the use of such property under the terms of the Condominium Documents. In addition, the Board shall adopt hurricane shutter specifications for the building located on the Condominium Property as required by and in accordance with F.S. 718.113(5). The installation, repair and replacement of hurricane shutters by the Board or by a Unit Owner and the method of paying for same if done by the Board shall be governed by F.S. 718.113(5) and F.S. 718.115(1)(c).

(g) To acquire, hold title to, operate, lease, manage and otherwise trade and deal with property (including creating easements), real and personal, including Units in the Condominium, on behalf of the Association and for the use and benefit of its members, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purpose set forth in the Condominium Documents and as may be appropriate.

(h) To contract on behalf of the Association for the management of the Association and/or condominium and to delegate to such contractor such powers and duties of the Association as the Board deems fit, and to lease or concession ratify and confirm any existing leases or concessions of any part of the Condominium Property.

(i) To enforce by legal means, the provisions of the Condominium Documents and the Rules and Regulations promulgated governing the use of the Condominium Property.

(j) To cause the Association to carry insurance for the protection of the members and the Association, the Condominium Property required to be insured by the Association pursuant to the Condominium Documents and F.S. 718 against casualty and liability as necessary. The insurance shall not include coverage with respect to damages to unit floor coverings, wall coverings, or ceiling coverings, and shall not include coverage for electrical fixtures, appliances, air conditioning or heating equipment, water heaters, or built-in cabinets if located within a Unit and the Unit Owner has responsibility for repair and replacement of such equipment.

(k) To employ personnel, for reasonable compensation, to perform services required for proper administration of the Association, including accountants, attorneys, contractors and other professionals.

(l) To employ personnel, for reasonable compensation, to perform services for the Association, Condominium and Unit Owners, including, but not limited to, doorman, security personnel, concierge service, and valet parking.

(m) To enter any Unit during reasonable hours as may be necessary in accordance with the provisions of F.S. 718 and to effectuate the purposes of the Condominium Documents. To that end, the Association may retain a pass key to all Units.

(n) To the extent not in contravention of Florida Statute 718.106 to grant, or accept, licenses, easements, permits, leases, or privileges to any individual or entity, including non-unit owners, to the Condominium Property, Common Elements or Limited Common Elements of the Condominium and Association Property (if any) and to alter, add to, relocate or improve the same; provided, however, if any Limited Common Elements are affected, the consent of the Owner(s) of the Unit(s) to which such Limited Common Elements are appurtenant must be obtained by the Association.

(o) To enter into agreement with other persons, firms or corporations to share certain expenses for utilization of services or properties which benefit or serve the Condominium and lands owned or maintained by the Association, all in accordance with the terms, conditions and requirements of F.S. 718.

(p) To maintain the Official Records of the Association as set forth in F.S. 718.

(q) To administer the Recreation Facilities and other common facilities of the Shoma at Royal Palm Condominium Complex.

(r) To exercise its rights, and discharge its obligations, under the provisions of any agreement, reservation, restriction, covenant, and limitation of record to which this Association, the Condominium, its members, the Condominium Property are subject, including, but not limited to, the obligation to collect assessments relating thereto.

(s) To adopt hurricane shutters specifications for the Condominium Property, which specifications shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable Building Code, and the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board.

4.12 Authority of First Board. The undertakings and contracts authorized by the first Board including the first budget, shall be binding upon the Association and Condominium in the same manner as though such undertakings and contracts had been authorized by a Board duly elected by the membership. Except as otherwise provided in the Declaration, Prior to turnover of control of the Association by Developer to Unit Owners other than Developer, Developer may vote to waive the reserve accounts for capital expenditures and deferred maintenance items for the first two years of the operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of non-Developer Voting Interest present at a duly called meeting of the Association.

4.13 Recall of Directors. Subject to the provisions of Florida Statute 718.301 (Transfer of Association control) recall and removal of Directors from office and the filling of vacancies of removed or recalled Directors shall be handled in the manner as provided in Florida Statute 718.112(2)(j) with or without cause by the vote or agreement in writing by a majority of all Voting Interests. A special meeting of the Unit Owners to recall a member or members of the Board may be called by 10 percent of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting.

(a) If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting within 5 full business days of the adjournment of the Unit Owner meeting to recall one or more Board members. At the meeting, the Board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within 5 full business days any and all records and property of the Association in their possession, or shall proceed as set forth in subparagraph (c).

(b) If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within 5 full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within 5 full business days any and all records and property of the Association in their possession, or proceed as described in subparagraph 4(c).

(c) If the Board determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote of a meeting, the Board shall, within 5 full business days after the meeting, file with the Division of Land Sales, Condominiums and Mobile Homes, a petition for arbitration pursuant to the procedures in Florida Statute 718.1255. For the purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the division may take action pursuant to Florida Statutes 718.501. Any member or members so recalled shall deliver to the Board any and all records of the Association in their possession within 5 full business days of the effective date of the recall.

(d) If the Board fails to duly notice and hold a Board meeting within 5 full business days of service of an agreement in writing or within 5 full business days of the adjournment of the Unit Owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the association.

(e) If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with this subsection. The rules must provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall but prior to the recall election.

4.14 Proviso. Notwithstanding anything herein contained to the contrary, the Board or Association shall not have the right or authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Developer generally and as set forth in the Condominium Documents.

4.15 Committees. The Board may delegate portions of its responsibilities to, or seek recommendations from, committees established for that purpose, and meetings of such committees shall be open to all Unit Owners.

4.16 Manner of Collection of Common Expenses. The provisions of the Condominium Documents setting forth the manner of collection of Common Expenses and other charges are incorporated herein by reference.

ARTICLE 5

OFFICERS

5.1 Generally. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and, if desired, one or more Assistant Secretaries, all of whom shall be elected annually by the Board and who may be removed by a majority vote of the Board at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board may, time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive officer of the Association. The President shall have all of the powers and duties which are usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the members, from time to time, as determined to be appropriate to assist in the conduct of the affairs of the Association. The President shall be a member of the Board.

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

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the members, cause to be given all notices to the members and Directors, have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed, keep the nonfinancial records of the Association, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Board or President. The Assistant Secretary, if any, shall perform the duties of Secretary when the Secretary is absent.

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

5.6 First Officers. The first Officers of the Association who shall serve until election of their successors, shall be those persons so named in the Articles.

ARTICLE 6

FISCAL MANAGEMENT; ASSESSMENTS; LIENS

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

6.1 Manner and Notification. The Board shall, as required by F.S. 718, from time to time fix and determine the sums necessary to pay all the Common Expenses, and other expenses of the Association, the Condominium and Condominium Property, including maintenance of proper reserves, pursuant to the provisions of the Condominium Documents. The waiving of reserves shall be governed by the provisions of F.S. 718. Assessments shall be made against the Units as provided in the Condominium Documents. Assessments for the first year (or pro-rata portion thereof) of the operation of the Condominium shall be set forth in a projected budget established by the Developer as the same may be amended by the Board from time to time.

6.2 Payments of Assessments and Charges. Funds for the payment of Common Expenses shall be assessed against the Units in the proportions provided in the Declaration. All assessments and charges shall be payable monthly in advance, without notice, and shall be due on the first day of each month, unless otherwise required by the Board. Special assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular assessments, except notice thereof shall be given, and shall be payable in the manner determined by the Board. FAILURE TO PAY ANY ASSESSMENT OR CHARGE WITHIN TEN (10) DAYS FROM THE DATE DUE, SHALL CAUSE SUCH ASSESSMENT OR CHARGE TO BEAR INTEREST AT THE RATE EQUAL TO THE MAXIMUM RATE THEN ALLOWED TO BE CHARGED TO INDIVIDUALS IN THE STATE OF FLORIDA AGAINST THE DEFAULTING UNIT OWNERS.

6.3 Proposed Budgets. The Board of Administration shall mail or hand deliver to each unit owner at the address last furnished to the association a meeting notice and copies of the proposed annual budget of common expenses not less than 14 days prior to the meeting of the board of administration at which the budget will be considered. Evidence of compliance with this 14-day notice must be made by an affidavit executed by an officer of the association or the manager or other person providing notice of the meeting and filed among the official records of the association. The meeting must be open to the unit owners. If the board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the association, a notice of the special meeting. Unless the bylaws require a larger vote, the adoption of the budget requires a vote of not less than a majority vote of all the voting interest. The board of administration may propose a budget to the unit owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the unit owners at the meeting or by a majority of all the voting interests in writing, the budget is adopted. If a meeting of the unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the unit owners, the budget adopted by the board of directors goes into effect as scheduled. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property must be excluded from the computation. However, as long as the Developer is in control of the board of administration, the board may not impose an assessment for any year greater than 115 percent of the prior fiscal or calendar year's assessment without approval of a majority of all the voting interests.

6.4 Depository; Withdrawals. The depository of the Association shall be such bank(s) as shall be designated, from time to time, by the Board and in which the monies of the

Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board. Should the Association employ a Management Firm, and should in the course of such employment said Management Firm be charged with any responsibilities concerning control of any of the funds of the Association, then, and in such event, any agreement with the Management Firm pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the terms of any such agreement.

The Association shall prepare and deliver to Unit Owners a financial report or financial statements as required by F.S. 718.111(13).

All funds of the Association shall be maintained separately in the Association's name. Reserve funds and operating funds shall not be co-mingled. Association funds shall be maintained in a bank, industrial savings bank, trust company, international bank agency, or representative office, or credit union. No manager or business entity required to be licensed or registered under F.S. 468.432 and no agent, employee, officer or director of the Association shall co-mingle any Association funds with his funds or with the funds of any other condominium association or community association.

Prior to turnover of control of the Association by Developer to Unit Owners other than Developer, Developer may vote to waive the reserves or reduce the funding of reserves for the first two (2) fiscal years of the Association's operation, beginning with the fiscal year in which the Declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all non-Developer voting interests voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of the Unit Owners has been called to determine whether to waive or reduce the funding of reserves, and no such result is achieved or a quorum is not attained, the reserves as included in the budget shall go into effect. After the turnover, the Developer may vote its voting interest to waive or reduce the funding of reserves.

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association. Prior to turnover of control of the Association by Developer to Unit Owners other than Developer, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all non-Developer voting interests, voting in person or by limited proxy at a duly called meeting of the Association (provided, reserves may be waived by Developer as provided above).

6.5 Records. The Association shall maintain those records required by F.S. 718 and such records shall be open to inspection by any member of the Association or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain a copy, at a reasonable expense if any, of the Association Member. The Association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspection and copying. The records shall be made available to a unit owner within five (5) working days after receipt of written request by the Board or its designee. The failure of the Association to provide the records within ten (10) working days after receipt of a written request shall create a rebuttable presumption that the Association willfully failed to comply with this provision. A Unit Owner who does not have access to official records of the Association is entitled to the actual damages or minimum damages for the Association's willful, failure to comply with this provision. The minimum damages shall be \$50.00 per calendar day up to ten (10) days, the calculation to begin on the 11th working day after receipt of the written request. The failure to permit inspection of the Association records also entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the records, who, directly or indirectly knowingly denied access to records for inspection. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, Bylaws, and Rules and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in F.S. 718.504 and year-end financial information on the condominium property to ensure their availability to Unit Owners and prospective purchasers and may charge its actual cost for preparing and furnishing these documents to those requesting same. The Association shall prepare a Question and Answer Sheet described in F.S. 718.504, and shall update it annually.

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

6.7 Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board is expressly authorized to adopt a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board deems advisable. The budget year shall run from January to December 31 of each year.

6.8 Acceleration of Payment of Installments of Assessments. If a Unit Owner shall be in default in the payment of any assessment and the Association has filed a claim of lien, the Board may accelerate the remaining installments, if any, in its discretion for the remainder of the fiscal year in which the claim of lien was filed. Upon notice thereof to the Unit owner the accelerated assessment shall immediately become due upon the date stated in the notice, which shall not be less than fifteen (15) days after delivery of or the mailing of such notice to the Unit owners.

6.9 Acquisition of Units. At any foreclosure sale of a Unit, the association or its designee may acquire the Unit being foreclosed. The term "foreclosure" as used in this Section, shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Association to acquire a Unit at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of the Association to do so. The provisions hereof are permissive in nature and for the purpose of setting forth the power of the Association. The Association may also acquire Units in the event damaged Units are not restored pursuant to the provisions of the Condominium Documents.

6.10 Default in Payment of any Assessment; Lien. In the event of a default by a Unit Owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including, but not limited to, those provided by the Condominium Act. The liability of the Unit Owner shall include liability for a reasonable attorneys' fee at all levels of proceedings and for court costs incurred by the Association incident to the collection of such assessment or enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the Unit Owner may, in the discretion of the court, be required to pay a reasonable rental for the Condominium Unit, pendente lite, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. Nothing herein contained shall bar a suit to recover a money judgment for unpaid assessments without waiving the lien securing the same.

ARTICLE 7

UNIT OWNER'S RESPONSIBILITY CONCERNING LIENS AND TAXES

7.1 Liens and Taxes. All liens against a Condominium Parcel (or the Limited common Elements appurtenant thereto), other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within ten (10) days of the date the lien attaches. All mortgage payments, taxes and special assessments upon a Condominium Parcel (or the Limited Common Elements appurtenant thereto) shall be paid at least thirty (30) days before becoming delinquent or as provided in the Condominium Documents, whichever is sooner.

7.2 Notice To Association. A Unit owner shall give notice to the Association of every lien upon his Unit, within five (5) days after the attaching of the lien.

ARTICLE 8

COMPLIANCE

8.1 Violation By Member; Remedies. In the event of a violation (other than the nonpayment of an assessment) by the Unit Owner (or others) of any of the provisions of the Condominium Documents or Rules and Regulations adopted pursuant to any of same, the

Association shall notify the Unit Owner (or offending party) by written notice of said breach, transmitted by mail. If such violation shall continue from the date of notice, the Association shall have the right to treat such violation as an intentional, inexcusable and material breach thereof, and the Association may then pursue any remedy available. No action taken shall be deemed an "election of remedies". The Unit Owner or offending party shall reimburse the Association (or Management Firm) for all costs and losses including reasonable attorneys' fees and costs incurred, in maintaining such action. Any violations which are deemed by the Board to be a hazard to public health or safety or any other matter which requires the Association to expend funds to protect the interests of the Condominium, the Association or the Unit Owners may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Unit Owner and/or offending party as a specific item.

8.2 Liability of Unit Owners. Each Unit Owner shall be liable for the expense, maintenance, repair, or replacement rendered necessary by the act, neglect or carelessness of the Unit Owner, or by that of any member of the Unit Owner's family, the guests, employees, agents or leases or occupants of the Unit, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense of any maintenance, repair or replacement required shall be charged to said Unit owner as a specific item.

8.3 Liability of Unit Owner to Management Firm. The above shall include any assessment or charge due by virtue of a Management Agreement with a Management Firm and such Management Firm shall also have the right to bring such actions and the right to obtain such relief in the name of the Association, including damages, attorney's fees and costs, to enforce the Provisions thereof.

8.4 General Liability. Liability of Unit owners shall be governed, in addition to the provisions hereof, by F.S. 718.

8.5 No Waiver. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by any of the provisions of the Condominium Documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

8.6 Surviving Liability. Termination of membership in the Association shall not relieve any party from any liability, financial or otherwise, incurred by that party while a member and shall in no way impair any rights that the Association has, or may have had, against the terminating member.

8.7 Excess Liability. The Association shall give notice to the Unit Owners of excess liability as provided in F.S. 718.

8.8 Arbitration of Internal Disputes. In the event of any internal dispute arising from or concerning the operation of the condominium among the Unit Owners, Association, their agents and assigns, the parties to such dispute shall submit the same to mandatory non-binding arbitration in accordance with the provisions of F.S. 718.

ARTICLE 9

LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair the Condominium Property, it shall not be liable for injury or damage not caused by the willful misconduct or gross negligence of the Association or caused by a latent condition in the property nor for injury or damage caused by the elements, or by other owners or persons. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Units to the applicable fire and life safety code.

ARTICLE 10

PARLIAMENTARY RULES

Robert Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Condominium Documents or with the Statutes of the State of Florida.

ARTICLE 11

AMENDMENT TO BYLAWS

Amendments to these Bylaws as hereinafter defined and provided for, shall be proposed and adopted in the following manner:

11.1 Proposal. Amendments to these Bylaws may be proposed in the form required by F.S. 718 by the Board acting upon vote of a majority of the Directors or by Voting Interests of the Association having twenty-five (25%) percent of the votes in the Association, whether meeting as members or by an instrument in writing signed by them.

11.2 Call for Meeting. Upon any amendment to these Bylaws being proposed by said Board or members, such proposed amendment shall be transmitted to the appropriate officer of the Association who shall thereupon call a special joint meeting of the Board and the membership for a date not sooner than twenty (20) days or later than sixty (60) from receipt by such officer of the proposed amendment. It shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members as herein set forth. Notice shall also be posted at a conspicuous location on the Condominium property 48 continuous hours preceding the meeting.

11.3 Vote Necessary. Prior to election of a majority of the Board by the Unit Owners other than Developer, amendments to these Bylaws may be adopted by a majority of the Board. After election of a majority of the Board by the Unit Owners other than Developer, in order for such amendment to become effective, the same must be approved by an affirmative vote of seventy-five (75%) percent of the entire membership of the Board and by an affirmative vote of the Voting Interests having seventy-five (75%) percent of the votes in the Association.

11.4 Recording. Thereupon, such amendment shall be transcribed, executed by the President or a Vice President and attested by the Secretary or Assistant Secretary of the Association, and a copy thereof recorded in the public Records of the County in which the Condominium is located within ten (10) days from the date on which any amendment has been adopted.

11.5 Proviso. Notwithstanding the foregoing provisions of this Article 11, no amendment which affects the rights of Developer or its ability to sell Units in the Condominium may be adopted or become effective without the prior written consent of the Developer.

11.6 HUD/VA Provisions. Notwithstanding the foregoing, as long as Declarant owns one or more Units, the Declarant shall have an absolute right to make any amendments to these Bylaws requested or required by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, or other governmental or quasi governmental body which owns or expects to own one or more institutional mortgages or insures or expects to insure the payment of one or more institutional mortgages or which is requested or required by an institutional mortgagee or prospective institutional mortgagee to enhance the salability of institutional mortgages owned by it to one or more of the foregoing. Notwithstanding any other provision herein to the contrary, so long as there is HUD and/or VA financing of Units, prior to turnover, HUD and/or VA, as applicable, shall have the right to veto any amendment which materially affects the rights of Unit Owners.

ARTICLE 12

RULES AND REGULATIONS

12.1 Further Rules and Regulations. Subject to the provisions of Section 11.5 hereof and in addition to the Rules and Regulations attached to the Declaration, the Association may promulgate additional Rules and Regulations concerning the use of the Units, Condominium Property and Recreation Facilities. Said additional Rules and Regulations shall have effect upon posting in a conspicuous place on the Condominium Property, and shall have the dignity of the initial Rules and Regulations. PROVIDED, that no such Rule or Regulation, etc. shall affect the rights of Developer, or any Unit owned by Developer or Developer's right to sell Units in the Condominium without Developer's prior written consent.

ARTICLE 13

INDEMNIFICATION

13.1 Officers and Directors. To the fullest extent allowed by law, the Association shall and does hereby indemnify and hold harmless every Director and every Officer, including the first Officers and Directors and all Officers and Directors appointed by Developer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which they may be made a party by reason of being or having been a director or officer of the Association, including reasonable counsel fees at all levels of proceeding, except as to matters wherein the Officer or Director shall be finally adjudged in such action, suit or proceedings, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

13.2 Insurance. The Association shall, if available at a reasonable expense as determined by the Board, at the Association's expense, purchase Directors' and Officers' liability insurance and shall cause the Directors and Officers, from time to time serving, to be named insureds.

ARTICLE 14

CONFLICT

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

ARTICLE 15

EASEMENT AND MAINTENANCE AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS OF VICTORIA GROVE

In connection with the development of the Condominium, the following documents have been recorded and encumber the Condominium Property (and the Shoma at Royal Palm Condominium Complex property): (i) Easement and Maintenance Agreement, dated September 17, 2001, and recorded on October 11, 2001, in Book 12976, Page 1041 of the Public Records of Palm Beach County (the "Entrance Easement Agreement"), and (ii) Declaration of Covenants and Restrictions of Victoria Grove, dated March 5, 2002, and recorded on March 18, 2002, in Book 13513, Page 1537 of the Public Records of Palm Beach County (the "Victoria Grove Declaration"). The Association hereby assumes all liabilities and responsibilities of Developer, "Shoma", "Apartment Owner" and "Owners of the Contiguous Property" under the Entrance Easement Agreement and/or the Victoria Grove Declaration, and releases Developer and its affiliates from any and all such liabilities and responsibilities. The Association will defend, indemnify and hold the Developer and its affiliates harmless from and against all claims, demands, losses, liabilities, costs, including, without limitation, all reasonable attorneys' fees, incurred by Developer or any of its affiliates, directly or indirectly relating to, resulting from, arising out of or in connection with the Entrance Easement Agreement and/or the Victoria Grove Declaration.

The foregoing were adopted as the Bylaws of the Association at the first meeting of the Board on the ____ day of _____, 2004.

SHOMA AT ROYAL PALM CONDOMINIUM
ASSOCIATION, INC., a Florida not for profit
corporation.

By: _____
Melissa Sires-Garcia, President

This is not a certified copy

<u>UNIT</u>	<u>PERCENT OF FRACTIONAL UNDIVIDED INTEREST</u>	<u>BUILDING</u>
413	1/32	27
414	1/32	27
415	1/32	27
416	1/32	27
417	1/32	27
418	1/32	27
419	1/32	27
420	1/32	27
421	1/32	27
422	1/32	27
423	1/32	27
424	1/32	27
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434	1/32	27
435	1/32	27
436	1/32	27
437	1/32	27
438	1/32	27
439	1/32	27
440	1/32	27
441	1/32	27

442	1/32	27
443	1/32	27
444	1/32	27
TOTAL UNITS 32	1.0	

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