

transferred in exchange for another distinct enclosed private garage or for two (2) regular parking spaces, and (c) no Unit owner may be assigned only one (1) space within a distinct enclosed private garage. No Unit shall ever be without two (2) assigned parking spaces. Allocations may only be changed with the consent of the holder. However, the Association shall have the absolute right to make allocations or re-allocations of parking spaces in the garage to accommodate the needs of handicapped persons.

9. ASSOCIATION: The operation of the Condominium is by La Scala at the Colony Condominium Association, Inc., a Florida corporation not-for-profit, which shall perform its function pursuant to the following:

9.1 Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached as Exhibit "2" ("Articles of Incorporation").

9.2 By-laws. A copy of the Amended and Restated By-laws is attached as Exhibit "3" ("Bylaws").

9.3 Delegation of Management. The Association may contract for the management and maintenance of the Condominium Property or employ a licensed manager or management company to assist the Association in carrying out its powers and duties by performing such functions as, but not limited to, those described in the manager's job description, such as the submission of proposals, collection of Assessments, keeping of records, enforcement of Rules and Regulations, and maintenance, repair and replacement of the Common Elements with funds made available by the Association for such purposes. The Association and its officers however shall retain at all times the powers and duties provided in the Condominium Act.

9.4 Membership. The membership of the Association shall be the record owners of legal title to the Units, as further provided in the By-laws.

9.5 Acts of the Association. Unless the approval or affirmative vote of the Unit Owners is specifically made necessary by some provision of the Condominium Act or the Condominium Documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the Unit Owners. The officers and Directors of the Association have a fiduciary relationship to the Unit Owners. A Unit Owner does not have the authority to act for the Association by reason of being a Unit Owner.

9.6 Powers and Duties. The powers and duties of the Association include those set forth in the Condominium Act and the Condominium Documents. The Association may contract, sue, or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the Condominium Property and Association Property. The Association may impose fees for the use of Common Elements or Association Property. The Association has the power to enter into agreements to

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acquire leaseholds, memberships and other ownership, possessory or use interests in lands or facilities, whether or not the lands or facilities are contiguous to the lands of the Condominium, for the use and enjoyment of the Unit Owners. The acquisition of additional real property by the Association shall not be deemed a material change in the appurtenances to the Units. However, agreements acquiring leaseholds, memberships or other possessory or use interests shall be considered a material alteration or substantial addition to the real property that is the Association real property.

9.7 Purchase of Units. The Association has the power to purchase one or more Units in the Condominium at a foreclosure sale resulting from the foreclosure of the Association's Claim of Lien, by deed in lieu of such foreclosure or after the Board rejects a proposed transfer of a Unit, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors. The purchase of one or more Units in the Condominium in other than the contexts described in the preceding sentence must be approved in the manner set forth in Section 9.8 below.

9.8 Acquisition of Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 9.7 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the Voting Interests that are present (in person or by proxy) and voting at any annual or special meeting at which a quorum has been established.

9.9 Disposition of Property. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, leased or otherwise encumbered by vote of the Board of Directors (including the pledge or assignment of personal property as collateral for a loan), without need for authorization by the Unit Owners. Except as provided in Section 9.7 above, any real property owned by the Association may be conveyed by the Board of Directors, but only after approval by at least a majority of the Voting Interests that are present (in person or by proxy) and voting at any annual or special meeting at which a quorum has been established. The Board of Directors shall have the authority to convey personal property (up to a value of ten percent (10%) of the total annual budget (including reserves) for the fiscal year in which such conveyance is approved) without the need for authorization by the members. The Board shall not have the authority to convey personal property (beyond a value of ten percent (10%) of the total annual budget (including reserves) for the fiscal year in which such conveyance is approved, without membership approval.

9.10 Roster. The Association shall maintain a current roster of names, Unit addresses and mailing addresses of Unit Owners, based upon information supplied by the Unit Owners. The Association shall also maintain the electronic mailing addresses and the numbers designated by Unit Owners for receiving notice by electronic transmission, but only for those Unit Owners who have consented to receive Association notices by electronic mailing/transmission. The electronic mailing addresses and numbers provided by Unit Owners to receive notice by electronic transmission shall be removed from the Association's official records when consent to receive notice by electronic

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transmission is revoked. However, the Association is not liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices. In the absence of the Unit Owner's written consent, the roster shall not include the Unit Owner's telephone number or any address other than as provided to fulfill the Association's notice requirements, with the exception of the Unit's address. A copy of the roster shall be made available to each member every year.

9.11 Limitation on Liability. Notwithstanding its duty to maintain and repair the condominium or Association Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair which is caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or Unit Owners or other persons.

10. ASSESSMENTS AND LIENS: The Association has the power to levy and collect Assessments against each Unit and Unit Owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both "regular" Assessments for each Unit's share of the common expenses as set forth in the annual budget, and "special" Assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual Unit for any amounts, other than for common expenses, which are properly chargeable against such Unit under this Declaration or the By-laws. Assessments shall be levied and payment enforced as provided in the By-laws, and as follows:

10.1 Common Expenses. Common expenses include the expenses of operation, maintenance, repair, replacement or insurance of the Common Elements and Association Property, the expenses of operating the Association, and any costs of insurance acquired by the Association under the authority of Section 718.111(11) of the Condominium Act, including the costs and contingent expenses required to participate in a self-insurance fund authorized and approved pursuant to Fla. Statutes Section 624.462, and any other expenses properly incurred by the Association for the Condominium, including amounts budgeted for the purpose of funding reserve accounts. The cost of water and sewer service to the Units shall be a common expense. If the Association contracts on a bulk basis for communications services as defined in Chapter 202, Florida Statutes, information services or Internet services, the cost of such services is a common expense. A contract for communications services as defined in Chapter 202, Florida Statutes, information services or Internet services, must be for at least two (2) years. In addition to the services described in Section 11.4, if the Association contracts for services, including, but not limited to pest control within Units, communications services, information services or Internet services in bulk for the entire Condominium, the cost of such services shall be a common expense, provided that any such bulk service contract, the annual cost of which exceeds ten percent (10%) of the total annual budget (including reserves) in any fiscal year, shall be approved by a majority of the Voting Interests.

10.2 Share of Common Expenses. The Owner of each Unit shall be liable for a share of the common expenses equal to his share of ownership of the Common Elements and the common surplus, as set forth in Section 6.1 above.

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