BY-LAWS

OF

THE PINES OF DELRAY NORTH ASSOCIATION, INC.

A Non-profit Florida Corporation

1. Identity. These are the By-Laws of THE PINES OF DELRAY NORTH ASSOCIATION, INC., herein called the "Association", a non-profit Florida corporation, organized pursuant to Chapter 617, Florida Statutes, and Section 718.111, Florida Statutes, for the purpose of administering the condominiums in The Pines of Delray North Community, in Delray Beach, Palm Beach County, Florida.

As used herein, the word "Corporation" shall be the equivalent of "Association" as defined in the Declaration of Condominium to which these By-Laws are attached. "Condominium" means each condominium in the Community. All other words, as used herein, shall have the same definitions as attributed to them in the Declaration of Condominium to which these By-Laws are attached.

.1 Office. The office of the Association shall temporarily be at the administrative offices of The Pines of Delray Community situate upon portions of the recreational facilities.

.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

2. Members.

.1 Qualification. The members of the Association shall consist of all of the record owners of apartments.

.2 Change of Membership. After receiving the approval of the Association elsewhere required, change of membership in the Association shall be established by recording in the Public Records a deed or other instrument establishing a record title to an apartment in the condominium and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owners shall be thereby terminated.

.3 Voting Rights. The members of the Association shall be entitled to cast one vote for each apartment owned by them.

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.4 Designation of Voting Representative. If an apartment is owned by one person, his right to vote shall be established by the record title to his apartment. If an apartment is owned by more than one person, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the apartment concerned. A certificate designating the person entitled to cast the vote of an apartment may be revoked by any owner thereof.

.5 Approval or Disapproval of Matters. Whenever the decision of an apartment owner is required on any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record owners is specifically required by the Declaration or these By-Laws.

.6 Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

3. Members' Meetings.

.1 Annual Members' Meeting. The annual members' meeting shall be held at a place in Delray Beach selected by the Secretary at 7:30 P.M. Eastern Standard Time, on the first Thursday in April of each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day. The annual meeting may be waived by a unanimous agreement of the members, in writing. Notice of annual members' meetings shall be posted in a conspicuous place on the condominium property at least 14 days prior to the annual meeting.

.2 Special Members' Meetings. Special members' meetings shall be held whenever called by a majority of the board of administration and must be called by such administrators upon receipt of a written request from members entitled to cast 75 per cent of the votes of the entire membership.

.3 Notice of All Members' Meetings. Notice of all members' meetings, stating the time and place and the objects for which meeting is called, shall be given unless waived in writing. Such notice shall be in writing and furnished to each member, by certified mail unless waived by

the member in writing, at his address as it appears on the books of the Association and shall be mailed not less than 14 days prior to the date of the meeting. Notice of meeting may be waived before or after meetings.

.4 Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the Association. The acts approved by a majority of those present at a meeting which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration of Condominium or these By-Laws. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof.

.6 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

.7 Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

(a) Calling of the roll and certifying of proxies.

(b) Proof of notice of meeting or waiver of notice.

(c) Reading and disposal of any unapproved minutes.

(d) Reports of officers.

(e) Reports of committees.

(f) Election of Board of Administration.

(g) Unfinished business.

(h) New business.

(i) Adjournment.

.8 Proviso. Provided, however that until the Developer of the condominium has completed, sold and conveyed all of the apartments in the Pines of Delray North Community development or until January 1, 1986, whichever shall first occur, the proceedings of all meetings of the members of the Association shall have no effect unless approved by the Board of Administration.

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4. Board of Administration.

.1 Membership. The affairs of the Association shall be managed by a board of three administrators, which will be expanded automatically to nine when unit owners other than the Developer own fifteen (15%) percent or more of the units that will be operated ultimately by the Association. After the Developer has completed, sold and conveyed all of the apartments in The Pines of Delray North Community, or after January 1, 1986, or until transfer of Association control has been made pursuant to applicable Florida Statutes, whichever shall first occur, each administrator shall be a person entitled to cast a vote in the Association.

.2 Determination of Administrators. The Administrators shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association. Each member shall be entitled to vote for as many nominees as there are vacancies to be filled.

(a) Except as to vacancies provided by removal of administrators by members, vacancies in the board of administration occurring between annual meetings of members shall be filled by the remaining administrators.

(b) Any administrator may be removed by concurrence of two-thirds of the members of the Association at a special meeting of the members called for that purpose. The vacancy in the board of administration so created shall be filled by the members of the Association at the same meeting.

(c) Provided, however, that until the Developer has completed, sold and conveyed all of the apartments of The Pines of Delray North Community, or until the Developer has no substantial economic interest to justify retaining control, whichever occurs first, all administrators shall be designated by the Developer and need not be owners of apartments in the condominium and may not be removed by members as elsewhere provided. Thereafter, control of the Association shall be transferred to the unit owners according to the following guidelines: When unit owners other than the developer own fifteen percent (15%) or more of the units that will be operated ultimately by the Association, the unit owners other than the developer shall be entitled to elect not less than one third (1/3) of the administrators. Unit owners other than the developer shall be entitled to elect not less than a majority of the administrators of the Association three (3) years after conveyance by the developer have been made on fifty percent (50%) of the units that will be operated ultimately by the Association, or three (3) months after conveyance have been made by the developer on ninety percent (90%) of the units that will be operated ultimately by the Association, or when all of the units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the other are being offered for sale by the developer in the ordinary course of business, or 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, whichever shall first occur. The developer shall be entitled to elect not less than one (1)

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administrator as long as the developer holds for sale in the ordinary course of business any unit in any condominium operated by the Association.

.3 Term. The term of each administrator's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

.4 Organization Meeting. The organization meeting of a newly elected board of administration shall be held within 10 days of their election at such place and time as shall be fixed by the administrators at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

.5 Regular Meetings. Regular meetings of the board of administration may be held at such time and place as shall be determined, from time to time, by a majority of the administrators. Notice of regular meetings shall be given to each administrator, personally or by mail, telephone or telegraph at least 3 days prior to the day named for such meeting. Notice of such meetings shall also be posted conspicuously on the condominium property at least 48 hours in advance, except in an emergency, board meetings shall be open to all unit owner.

.6 Special Meetings. Special meetings of the administrators may be called by the President and must be called by the Secretary at the written request of one-third of the administrators. Not less than 3 days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

.7 Waiver of Notice. Any administrator may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

.8 Quorum. A quorum at administrators' meetings shall consist of a majority of the entire board of administration. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the board of administration, except where approval by a greater number of administrators is required by the Declaration of Condominium or these By-Laws.

.9 Adjourned Meetings. If at any meeting of the board of administration there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until 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.

.10 Joinder in Meeting by Approval of Minutes. The joinder of an administrator in the action of a meeting by signing and concurring in the minutes thereof shall

constitute the presence of such administrator for the purpose of determining a quorum.

.11 Presiding Officer. The presiding officer of administrators' meetings shall be the President. In the absence of the President, the administrators present shall designate one of their number to preside.

.12 Administrators' Fees. Administrators' fees, if any, shall be determined by the members of the Association; provided, administrators designated by the Developer shall never under any circumstances be entitled to administrators' fees.

5. Powers and Duties of Board of Administration. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium and these By-Laws shall be exercised exclusively by the board of administration, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically required. Such powers and duties of the administrators shall include but shall not be limited to the following, subject, however, to the provisions of the Declaration of Condominium and these By-Laws:

.1 Assess. To make and collect assessments against members to defray the costs and expenses of the condominium.

.2 Disburse. To use the proceeds of assessments in the exercise of its powers and duties.

.3 Maintain. To maintain, repair, replace and operate the condominium property.

.4 Insure. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members.

.5 Reconstruct. To reconstruct improvements after casualty and further improve the condominium property.

.6 Regulate. To make and amend reasonable rules and regulations respecting the use of the property in the condominium in the manner provided by the Declaration of Condominium.

.7 Approve. To approve or disapprove of the transfer, mortgage and ownership of apartments in the manner provided by the Declaration of Condominium.

.8 Management Contract. To contract for management of the condominium and to delegate to the contractor all powers and duties of the Association except such as are specifically required by the Declaration of Condominium or these By-Laws to have approval of the board of administration or the membership of the Association.

.9 Acquire Interests. To acquire and enter into agreements whereby it acquires leaseholds, memberships, and other possessory of use interest in lands or facilities whether or not contiguous to the lands of the condominium intended to provide for the enjoyment, recreation or other use and benefit of the apartment owners and to declare expenses in connection therewith to be common expenses.

.10 Enforce. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, the By-Laws, and the regulations for the use of the property in the condominium.

.11 Purchase Apartments. To purchase apartments in this Condominium, subject to the provisions of the Declaration of Condominium.

6. Officers.

.1 Officers and Election. The executive officers of the association shall be a President, who shall be an administrator, a Vice President, who shall be an administrator, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the board of administration and who may be preemptorily removed by vote of the administrators 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 of administration shall from 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.

.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association, including but not-limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall serve as chairman of all board and members' meetings.

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

.4 Secretary. The Secretary shall keep the minutes of all proceedings of the administrators and the members. He shall keep the minutes of the meetings of the board and the officers in a book available for inspection by unit owners, or their authorized representatives, and board members at any reasonable time. He shall attend to the giving and serving of all notices to the members and administrators and other notices required by law. He shall keep

the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Administrators or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent. The duties of the Secretary may be fulfilled by a manager employed by the Association.

.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

.6 Compensation. The compensation of all officers shall be fixed by the members at their annual meeting. No officer who is a designee of the Developer shall receive any compensation for his services as such.

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

7. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

.1 Accounts. The funds and expenditures of the Association shall be credited and charged to separate accounts for each Condominium under the following classifications as shall be appropriate:

(a) Current Expense. Current expense shall include all funds and expenditures to be made within the year for which the funds are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves.

(b) Reserve for Deferred Maintenance. Reserve for deferred maintenance shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for Replacement. Reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

.2 Budget. The board of administration shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expense and may provide funds for the foregoing reserves. Notice of the board meeting to adopt the budget shall be given in compliance with F.S. Section 718.112(2)(a).

.3 Assessments. Assessments against the apartment owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due in 12 equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the 1st day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the board of administration. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the board of administration. Until the first annual assessment shall be determined by the board of administration of the Association, assessments shall be as reflected in the Developer's proposed budget.

.4 Depository. The depository of the Associaton will be such banks and/or savings and loan associations in Florida as shall be designated from time to time by the board of administration and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only be checks signed by such persons as authorized by the board. Provided, however, that the provisions of management agreement between the Association and a manager relative to the subject matter of this section shall supersede the provisions hereof.

.5 Fidelity Bonds. Fidelity bonds shall be required by the board of administration from all persons handling or responsible for association funds. The amount of such bonds shall be determined by the board. The premiums on such bonds shall be paid by the Association.

8. Parliamentary Rules. oberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium or these By-Laws.

9. Amendment. The By-Laws may be amended in the manner set forth in the Declaration.

10. Management Agreement. Simultaneously with the adoption of these By-Laws and the execution of the Declaration, the Association by and through its original board of administration and officers has entered into an agreement with The Pines Management Co. entitled "Management Agreement". A signed original copy of said management agreement is attached to the Declaration. Amendment or revision of such management agreement shall not require the procedures for an amendment or change to the Declaration or to these By-Laws and may be accomplished by expression thereof executed by the board of administration of the Association and the Manager with the formality required for deed and duly filed among the Public Records. Each apartment owner, his heirs, successors and assigns, shall be bound by said management agreement to the same extent and effect as if he had executed said management agreement for the purposes herein expressed including but not limited to: (a) adopting, ratifying, confirming, and consenting to the execution of said management agreement by the Association; (b) covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by apartment owners in the cases provided therefor in said management agreement; (c) ratifying, confirming and approving each and every provision of said management agreement and acknowledging the all of the terms and provisions thereof including the manager's fee, are reasonable; and (d) agreeing that the persons acting as administrators and officers of the Association entering into such agreement have not breached any of their duties or obligations to the Association. It is specifically recognized that some or all of the persons comprising the original board of administration and the officers of the Association are owners of some or all of the stock of The Pines Management Co. and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association nor as possible grounds to invalidate the management agreement in whole or in part. The management agreement, each and every provision thereof and the acts of the board of administration and officers of the Association entering into such agreement be and the same are hereby ratified, confirmed, approved, and adopted.

11. Standing Committees.

.1 Membership. Each standing committee shall include at least one member of the Board of Administration and at least one unit owner who is not an administrator. In addition, the immediate past president of the Association shall be an ex-officio member of each standing committee.

Each such committee shall have as many members as the Board may determine are required to fulfill the committee's functions. Subject to the foregoing, the President shall appoint all committee members. The Board, by majority vote, may remove members for cause; and unanimously without cause.

.2 Term. Every member of a standing committee shall serve until the installation of a newly elected President.

.3 Committees and their respective functions.

(a) Fiscal Affairs. This committee shall have responsibility for preparation of the annual budget, establishment of adequate reserves, and periodic review of the insurance program. It shall also oversee collection and disbursement of assessments and expenses, and other receipts and disbursements of association moneys.

(b) Personnel, Grounds and Equipment. This committee shall oversee the maintenance and preservation of the common elements, including the grounds, equipment and personnel to assure the smooth operation and functioning of the physical elements of the Community, and shall direct the efforts of the manager.

(c) Liaison Committee. This committee shall serve as the communication link between the Board and third parties such as the Developer, local municipal authorities, unit mortgagees, and counsel for the Association.

(d) Unit Owner Relations. This committee should formulate, review and publish house rules and regulations and maintain two-way communication between the board and the individual members of the Association. It will also receive and review applications for membership and make recommendations thereon to the Board.

(e) Social Affairs. This committee should plan and carry out social events for the residents of the Community of the Pines of Delray North. It may also publish news letter or bulletins covering local events.

.4 Jurisdiction. Within the limits of the Board's own jurisdiction, any committee may be expressly empowered by the Board to fulfill its functions without further review by the Board. Otherwise the action of the committees shall only be advisory.

.5 Reports. Each committee shall keep minutes of their proceedings and shall file a copy with the Secretary of the Association. A summary of all committee proceedings shall be presented to the annual meeting. A reasonable time within which to file such minutes and reasonable hours of inspection by interested members may be fixed by the Board of Administration.

MANAGEMENT AGREEMENT

THIS AGREEMENT, made the date last appearing in the body hereof, by and between THE PINES MANAGEMENT CO., a Florida corporation, herein called "Manager" or "Management Firm", and a non-profit Florida corporation, which has executed this Agreement, herein called "Association", which said terms shall be deemed to include the legal representatives, successors and assigns of the said parties hereto;

WITNESSETH:

WHEREAS, Association has been formed to administer the operation and management of the condominium described in the Declaration of Condominium to which this Management Agreement is attached, said condominium being hereinafter referred to in this Agreement as the "condominium" or "condominium property"; and all references hereinafter contained to an "apartment" or "apartments" mean the Condominium Units and/or Parcels; (and all other words shall have the same definitions as set forth in the Declaration); and

WHEREAS, the Developer, whose name appears at the end of this Agreement, hereinafter referred to as "Developer", is in the process of promoting and developing THE PINES OF DELRAY NORTH COMMUNITY, a multi-phase condominium community in Delray Beach, Florida; and

WHEREAS, orderly and uniform administration, appearance, upkeep and management of all of the condominiums in THE PINES OF DELRAY NORTH COMMUNITY, as a single entity, are so necessary and essential for the preservation and promotion of the communal nature of THE PINES OF DELRAY NORTH COMMUNITY, the protection of economic values thereof, including the value of the property thereon, and the convenience and well-being of the residents of THE PINES OF DELRAY NORTH COMMUNITY as to require the employment of a Manager. Accordingly, in the Declaration of Condominium to which this Management Agreement is attached, the Association has covenanted that the use by the Association and its members, of the facilities, shall be subject to the rules and regulations promulgated by the Management Firm during the term of the Management Agreement, and the Condominium, the operation of which is the Association's responsibility, are to be at all times under the Management Firm's complete supervision, operation and control, and the Management Firm is to have the right to determine the budget, and fix and collect assessments required and nessary therefor, as to said Condominium, as provided in said Declaration of Condominium and this Agreement; and

WHEREAS, the Management Firm is desirous of furnishing such management services;

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NOW, THEREFORE, in consideration of the foregoing premises, the promises and covenants herein made, and the sum of Ten Dollars ($10.00) to each the other in hand paid, receipt of which is hereby acknowledged, it is agreed as follows:

1. Employment. The Association does hereby employ the Manager as the exclusive Manager of the condominium property and community facilities and the Manager does hereby accept such employment.

2. Term. The term of this Agreement shall commence as of the date of recording hereof as an Exhibit to the Declaration of Condominium of The Pines of Delray North 7, A Condominium, in the Public Records, and shall terminate either on January 1, 1987, or on the date that the Association comes under the control of its unit owners by their election of that Association's Board of Administration, or pursuant to applicable Florida Statute, whichever shall first occur. When Developer, its successors or assigns, has determined that it is developing the last phase of The Pines of Delray North Community, then Developer shall advise Association of the date on which control shall be turned over to its unit owners. This agreement may be sooner terminated upon the approval of the Management Firm, the Developer, and a majority of the voting members of the Association.

Termination of the Association, by dissolution or otherwise, shall not terminate this Agreement, but shall so operate as to make the owners of the apartments signatories to this Agreement.

3. Powers and Duties of Manager. The Manager, to the exclusion of all persons, including the Association and its members, shall have all the powers and duties of the Association as set forth in its Articles of Incorporation, By-Laws and Declaration of Condominium, (except such thereof as are specifically required to be exercised by its administrators or members). Amongst such powers and by way of illustration and not of limitation, the Manager shall:

A. Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Condominium, including a Manager, who, in each instance, shall be the employees of the Management Firm, as the Management Firm, in its absolute discretion, shall determine, and cause to be discharged all persons unnecessary or undesirable.

B. Collect all common expenses, limited common expenses, charges and assessments and monies and debts of every nature and description which may become due the Association from its members. The Association hereby authorizes the Manager to request, demand, collect, receive and receipt for any and all such common expenses, charges, assessments and other monies which may be due the Association, and to take such action in the name of the Association exercising any of the Association's rights, privileges and options, including bringing of suit, as may be required or found desirable by the Manager for the collection of the same.

C. To maintain and repair the Condominium property, community facilities, the limited common elements and the common elements of said Condominium to the same extent that the Association is required to maintain and repair same, as provided in said condominium's Declaration of Condominium and Exhibits attached thereto. For any one item of repair, replacement or refurbishing as to the Condominium, the expense incurred as to the Condominium as a whole shall not exceed the sum of Two Thousand Dollars ($2,000.00), unless specifically authorized by the Board of Administration, except, however, in the case of an emergency, the Management Firm is authorized to expend any sum necessary to protect and preserve the property.

D. Take such action as may be necessary to comply with all laws, statutes, ordinances, rules and of all appropriate governmental authority, and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

E. Purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary or desirable to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the Condominium property and community facilities, as aforesaid. Purchases shall be made in the name of the Manager, or in its discretion, in the name of the Association.

F. Cause to be placed or kept in force all insurance required or permitted in the By-Laws and the Declaration of Condominium, to act as agent for the Association, each unit owner, and for each owner of any other insured interest, to adjust all claims arising under insurance policies purchased by the Association; to bring suit thereon in the name of the Association and deliver releases upon payment of claims; to otherwise exercise all of the rights, powers and privileges of the Association; to receive in behalf of the Association all insurance proceeds and pay the same to the Insurance Trustee.

G. As to the condominium property, to enter into contracts for elevator maintenance, pool maintenance, garbage and trash removal, vermin extermination, and other services, and to make all such contracts and purchases in either the Association's or Manager's name, as the Manager shall elect.

H. Maintain the Association's financial record books, accounts and other records as provided by the Association's By-Laws and pursuant to the Condominium Act; issue Certificates of Account to members, their mortgagees and lienors without liability for errors unless as a result of gross negligence. Such records shall be kept at the office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm

shall agree to; however, said request for inspection by the expert cannot be made more than once in any calendar year. Such expert may also conduct an external audit, provided the cost for same is paid by the Association, and said independent auditor, in any instance, must be acceptable to the Management Firm, whose acceptance shall not be unreasonably withheld. As a standard procedure, the Management Firm shall render to the Association a statement for each calendar year no later than the April 1st next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same, but no independent or external audit shall be required of it.

I. Maintain records sufficient to describe its services hereunder and such financial books and records sufficient in accordance with prevailing accounting standards to identify the source of all funds collected by it in its capacity as Management Firm, and the disbursement thereof. Such records shall be kept at the office of the Management Firm and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm may agree to; however, said request for inspection cannot be made more than once in any calendar year. The Management Firm shall perform a continual internal audit of the Management Firm's financial records relative to its services as Manager for the purpose of verifying same, but no independent or external auditing shall be required of it.

J. Establish reserves, both funded and unfunded, for the payment of any and all costs and expenses of the Association to be disbursed by the Manager hereunder. Should the Association itself decide to fund special reserve accounts the Manager shall collect and account for such funds and disburse the same on the directions of the Association.

K. Deposit all funds collected of the Association or otherwise accruing to the Association in a special bank account or accounts of the Manager in banks and/or savings and loan associations in the State of Florida, with suitable designation indicating their source.

L. The Management Firm, in its sole discretion, shall determine the budget as to the Condominium, for the term of the Management Agreement; subject, however, to the specific limitations thereof where otherwise provided. Upon said budget's being determined annually, the Management Firm shall submit annually to the Association the operating budget for the ensuing year, setting forth the anticipated income and expenses of the Association for the year, justifying the estimates made in every important particular, and said Management Firm shall specify therein each unit owner's monthly share thereof. Should an increase in assessments be required or a special assessment be required during the year, the same shall be determined and made by the Management Firm and the Association shall be advised thereof and as to the share thereof payable by each of the Association's

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members, as the case may be. The Management Firm shall collect the assessments based upon the foregoing. The assessments as to each member of the Association shall be made payable to the Management Firm, or such other firm or entity as the Management Firm shall direct; and the Management Firm shall have the right to designate such member or members of the Association, or the Association itself, as it determines, to collect said assessments on behalf of the Management Firm and deliver same to it. The Management Firm shall not be responsible for obtaining the best price available as to any service, material or purchase, but shall, with impunity purchase or contract for same with such person or party as it deems advisable and in the best interests of the Association and the Management Firm, without the necessity of obtaining the best price.

M. Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder, and to employ same on such basis as it deems most beneficial.

N. Access at all times to all portions of the Condominium property and community facilities, including all apartments, as may be necessary for inspection thereof and to make and to perform any item of maintenance, repair or replacement.

O. In the Manager's sole discretion, but without any obligation to do so, provide for the use by residents of The Pines of Delray North Community, their families, guests and invitees, motor vehicle transportation to, within and from The Pines of Delray North Community; establish rules and regulations relative thereto; purchase, lease, repair and maintain motor vehicles necessary to provide such service; and purchase all forms of insurance in connection therewith.

P. May cause a representative of its organization to attend meetings of the unit owners and of the Board of Administration of the Association; however, it is understood and agreed that the Minutes of all the Association's meetings, whether of unit owners or of the Board of Administration shall be taken by the Association's secretary, and possession of the Minute Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings to the required parties. The Management Firm shall have the right to determine the fiscal year and when it shall commence.

Q. Promulgate, adopt and amend Rules and Regulations as it deems advisable in its sole discretion, for the use and occupancy of the Condominium's common elements, limited common elements, and units therein, and to enforce same. The Management Firm, in its sole discretion, shall determine all activities and programs to be carried on in the community facilities and shall employ the personnel required therefor as it determines in its sole discretion. The Management Firm shall determine whether or not and on what basis the services of a Social Director should be obtained

and the cost and the expense thereof shall be deemed a part of the Operating Budget. The Management Firm shall determine, in its sole discretion, the number of the security personnel, if any, and the times when they shall be on duty, and the cost and expense of same shall be deemed a part of the Operating Budget. Where the condominium contains a Manager's apartment, the Management Firm shall have the exclusive use of such apartment and shall be entitled to have same occupied by such management personnel as it determines in its sole discretion. If the Manager's apartment is rented, said rent shall be deemed a part of the Operating Budget.

R. Cause such alterations and/or additions to the common elements or limited common elements of the Condominium property and community facilities to be made as authorized by the Board of Administration of the Association and its members where required pursuant to and in accordance with said Condominium's Declaration of Condominium and Exhibits attached thereto, including the By-Laws.

S. Sublet or enter into Agreements for the use of such space and upon such terms and conditions and for such purpose as the Management Firm determines, in its sole discretion, within the common elements, and limited common elements of the Condominium, and by agreement grant concessions and licenses to persons to provide facilities and services as to and within the community facilities and the Condominium. Management Firm shall have the right itself or give others the right to install coin vending machines and coin operated equipment within the said community facilities and common areas of the Condominium and to divide the revenue between the Association and itself or others in a manner to be determined by the Management Firm. Revenue derived by the Management Firm from coin vending machines and coin operated equipment shall be in addition to the Manager's compensation provided for in this Agreement. The parties hereto recognize that space may be sublet, or agreements may be entered into to provide facilities and services as specified herein for very nominal or no compensation whatspever. The Management Firm may enter into same in its sole discretion, and it shall use its best judgment; however, it shall not be responsible for same nor the fact that a greater sum might have been obtained or a shorter period contracted for. The Management Firm may use such portion of space in the Condominium and in the community facilities for a Manager's office as it determines, in its sole discretion, without compensation therefor.

T. Make and collect special assessments for such purposes and against such parties as the Management Firm determines, subject to the provisions of the Declaration of Condominium and all Exhibits to said Declaration of Condominium and all Exhibits attached to said Declaration of Condominium.

U. If maintenance of the condominium referred to in the Declaration of Condominium, including any unit, units, and/or the common elements, or limited common elements, is

required due to loss by Act of God or other cause which is other than normal wear and tear, and which loss is less than "very substantial", as defined in the Condominium's Declaration of Condominium, then in such event, the Management Firm shall undertake to repair and restore said loss. The Management Firm shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the unit owners in such proportions as it deems advisable, pursuant to the Declaration, notwithstanding the fact that said loss or damage was or was not covered by insurance, and said total assessment shall be equal to the cost of said repair. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration, in such proportions as hereinabove set forth in this paragraph. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from insurance proceeds, where such are received, and then from assessments collected, and should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the unit owners, as provided in the Declaration. All repairs and restoration of a unit, units and/or common elements and limited common elements of said Condominium by the Management Firm shall be made pursuant to the applicable provisions of the Declaration. Should said Condominium suffer loss or damage which is "very substantial", as defined in the Condominium's Declaration, the decision to restore and repair, or abandon and terminate, the Condominium shall be made solely by the unit owners of the Condominium, pursuant to the Declaration of Condominium. Should the unit owners vote to abandon the Condominium, it shall be terminated as provided in the Declaration of Condominium. Should the unit owners vote to restore and repair the Condominium, the Management Firm shall cause said repairs and restoration to be made, and determine, assess, charge and levy the costs thereof, as previously provided in this paragraph and pursuant to the Declaration.

4. Application of Collections. Although Manager retains the right to use its own discretion in determining to what items in the budget shall be applied the charges, assessments and other revenue of the Association collected by the Manager, and the Manager shall, as nearly as it is reasonably possible, apply such revenue as follows:

A. Insurance. First, to the payment of premiums on insurance policies carried by the Association and the Manager including insurance covering the condominium property community facilities.

B. Taxes. Next, to the payment of real estate and personal property taxes on the community facilities and personal property taxes, if any, assessed against personal property owned by the Association.

C. Manager. Next, to the payment of the Manager of its fees as hereinafter set forth in Paragraph 5.

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D. Utilities. Next, to the payment of utilities supplied to the common elements and limited common elements of the condominium property, but not the bills of individual apartments.

E. Balance. The balance shall be utilized, applied, disbursed and otherwise expended or reserved by the Manager to pay the costs and expenses of services rendered by the Manager under this Agreement. "Costs and expenses" of services, as used herein, is defined to include any and all cost and expense incurred by the Manager in the performance of any of its duties or the exercise of any of its powers. By way of illustration and not of limitation, said costs and expenses of services shall include:

(i) Lands and Buildings. Cost attributable to the maintenance, repair and upkeep of the lakes, lands, apartment buildings, private roads, and appurtenances which, under the Declaration of Condominium and the Association's By-Laws, it is required to maintain and repair.

(ii) Materials and Supplies. All office machinery, motor vehicles, tools, equipment, goods, wares, materials and supplies of every nature and description required by the Manager in and about the performance of its services or necessary for the utilization and enjoyment of the condominium property and community facilities.

(iii) Manager's Overhead and Expense. All of the Manager's overhead expense, including but not limited to insurance, all personnel costs, transportation and fees of attorneys at law, certified public accountants and other professionals and experts employed by the Manager hereunder.

Manager shall have the right to weight charges with regard to "Costs and Expenses", defined in paragraph 4E, amongst and between the several condominium properties managed by the Manager in The Pines of Delray North Community. Such weighting shall be determined by the Manager in the exercise of its reasonable discretion, taking into consideration the relative size of apartment buildings and the number of apartments contained therein. The parties recognize that the Manager will be performing similar services under this Agreement for the several condominiums in The Pines of Delray North Community, and to require the Managers to cost account with regard to each Condominium property will substantially increase the costs of administration hereunder. Accordingly, such costs and expenses as are general to all of the Condominium properties in The Pines of Delray North Community managed by the Manager may, within the Manager's discretion, be averaged and be charged on a weighted basis.

5. Manager's Compensation. It is specifically understood and agreed that the Manager shall perform all of the services required of it hereunder at no cost or expense whatever to itself, but solely at the cost and expense of the Association and/or others, as elsewhere herein provided. As compensation, fee or profit for its services hereunder,

the Manager shall receive a fixed fee, free of all charges and expenses, in the amount of $4.00 per month per unit, which sum shall be assessed by Association as a common expense of the condominium created by the Declaration of Condominium to which this Agreement is attached. Association shall pay to the Manager its management fee monthly, in advance, on or before the tenth (10) day of each month for the term of this Agreement.

The Manager's fee from the Association and its members shall be chargeable against apartments in a building for which a Certificate of Occupancy has been issued by the appropriate governmental body and shall commence on the first day of the month after the month in which said Certificate of Occupancy is issued. The foregoing shall also include special assessments.

The parties agree that Developer shall not be assessed by the Association or be required to pay to Association any monies allocated to Manager's compensation for apartments whose titles are vested in Developer. Similarly, Manager agrees to accept a lesser amount of compensation hereunder from the Association equal to the Manager's compensation for the particular apartments owned by Developer.

6. Apartments. This Agreement does not contemplate nor is the Manager responsible for or required to perform the upkeep and repair of the apartments, the responsibility for which, under its By-Laws and the Declaration of Condominium, is that of the owner of an apartment. However, the Manager may, in its absolute discretion, perform such maintenance and repair services of an apartment as are required by an owner thereof as an accommodation to the Association or to such owner and charge such owner, who shall have requested said service of the Manager, a reasonable charge therefor.

7. Interference. The Association shall not interfere nor permit, allow or cause any of its officers, directors or members to interfere with the Manager in the performance of its duties or the exercise of any of its powers hereunder.

8. Manager's Liability. The Management Firm shall not be liable to the Association and its members for any loss or damage not caused by the Management Firm's own gross negligence or willful misconduct, and said Association and its members will, and do hereby, indemnify and save harmless the Management Firm from any such liability for damages, costs, and expenses arising from injury to any person or property in, about and in connection with the condominium property and the community facilities from any cause whatsoever, unless such injury shall be caused by said Management Firm's own gross negligence or willful misconduct.

9. Assignment of Agreement. The Management Firm may assign this Agreement as long as the Assignee agrees, in writing, to assume and perform the terms and covenants of this Agreement; and upon such assumption, the Management

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Firm shall be released from any and all obligations hereunder. Said assignment shall be duly recorded in the Public Records and notice of same, together with an executed duplicate of said Assignment, shall be delivered to the said Association by certified mail or its equivalent. The Management Firm may also subcontract all or portions of its duties and powers under this Agreement.

The Association, on behalf of its members, may assign its right, title and interest in and to this Agreement to another Condominium Association operating and existing under the laws of Florida; however, said Assignment shall not be valid unless and until the Assignee thereunder expressly assumes and agrees, in writing, to perform each and every covenant and term of this Agreement. The said Assignment shall be duly recorded in the Public Records and an executed duplicate of said Assignment shall be delivered to the Management Firm.

10. Special Assessments. The Management Firm shall be authorized to assess a condominium unit owner for those items of special assessments as set forth in the Declaration of Condominium and the Exhibits attached to said Declaration and in this Agreement; i.e., maintenance, repairs or replacements caused by the negligence or misuse by a unit owner, his family, servants, guests or invitees, or lessees; or failure of a unit owner to maintain those portions of his condominium unit as he is required to repair and maintain; or violation of the provisions of the aforesaid Declaration and Exhibits attached thereto which require the removal of same by the Management Firm, and/or which increase the costs or maintenance and/or repair upon the Management Firm; or increase insurance rates and premiums, etc. The Management Firm is further authorized to assess a condominium unit Owner for special assessments for guests or invitees of said unit owner, whether in residence in the condominium or not, as to their use of the community facilities, or for services, purchases, rental of equipment or otherwise, in the community facilities of the condominium, including any allied services, and for any other special services or charges agreed upon between the unit owner and the Management Firm; i.e., providing special services on behalf of and at the request of the unit owner, such as putting up the unit owner's approved storm shutters or providing personal services within the unit owner's unit, or providing a service or reporting information on behalf of a unit owner as may be required by said unit owner's permitted mortgagee. The Management Firm shall be under no duty or obligation to perform such personal services. Items of special assessments referred to herein shall be a lien upon the appropriate unit owner's unit with the same effect as though the said assessment were a common expense payable by said unit owner.

11. Parking. The Association hereby delegates to the Management Firm the power to assign and change assignments of specific parking spaces to its members, and to otherwise regulate vehicular parking of all manner and type of vehicles, and storage of non-vehicular personally within the property

of the condominium specified in the Declaration of Condominium, or not to permit such storage within the condominium property, as the Management Firm deems advisable. The Management Firm shall also regulate and control the parking area not specifically assigned to members, if such a parking area exists, in such manner as it determines.

12. Renewal. This Agreement may be renewed upon such terms and conditions as are mutually agreeable to the Association and the Management Firm. The Board of Administration of the Association shall be authorized to enter into such renewal Agreement with the Management Firm on behalf of its members upon the approval of a majority of said members at a meeting of the said Association at which a quorum is present, and which meeting is called in accordance with the said Association's By-Laws. The renewal Agreement shall be recorded in the Public Records.

13. No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same covenant.

14. Time is of the essence in every particular, and especially where the obligation to pay money is involved.

15. No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value unless in writing, signed by the parties to this Agreement, i.e., the Management Firm and the Association whose name appears at the end of this Agreement, or their respective successors or assigns.

16. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the community facilities and with the condominium property, and the same shall attach to and be binding upon the Management Firm, its successors and assigns, and the Association, its successors and assigns, and the present and future owners of the aforesaid condominium, and their heirs, personal representatives, successors and assigns.

17. This instrument, together with the Declaration of Condominium and the Exhibits attached to said Declaration, including this Agreement, consitute the entire agreement between the parties hereto as of the date of execution hereof, and neither has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein, which are not expressly contained herein.

18. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provisions of this Agreement or the Exhibits attached hereto, and the Declaration of Condominium and the Exhibits attached to said Declaration, shall not affect the validity of the remaining portions thereof.

19. If the condominium whose responsibility it is the Association's to manage, shall be terminated as provided in its Declaration of Condominium, then each of the condominium unit owners shall thereby become a tenant in common and shall, as to his separate interests, continue to be a party to this Agreement and bound by the provisions hereof, and the Management Firm shall manage such interest pursuant to the provisions of this Agreement as the nature of such interest and the context of this Agreement shall permit.

20. If the Association or its members shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the said Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm, fifteen (15) days after having given written notice to said Association of said default by delivering said notice to any officer of the Association, or in their absence, to any member of the said Association, may declare this Agreement in default unless such default be cured by the said Association within fifteen (15) days after such notice. Upon default, the Management Firm may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the said Association and its members for damages and/or specific performance and/or such other rights and remedies as it may have, and the said Association and its members shall be liable for the Management Firm's reasonable attorney's fees and the costs incurred thereby. All of such rights of the Management Firm upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

21. Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of forty-five (45) days after written notice of default from the Association whose name appears at the end of this Agreement, specifying the default complained of, shall be grounds for the said Association's cancellation of this Agreement.

22. The Management Firm, during the term of this Agreement, may file a lien against a unit owner's condominium parcel should he fail to pay his assessments as required and provided in the Declaration of Condominium to which this Agreement attached, and Exhibits attached to said Declaration, and take such other action as provided in said documents, either in its name or in the name of or as agent of the Association whose name appears at the end of this instrument. The Management Firm may compromise liens in such amounts as it deems advisable, in its sole discretion, and it may satisfy liens of record and render statements as to the current status of a unit owner's assessments.

23. The Association shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association shall further aid and assist the Management

Firm in any reasonable manner required by the Management Firm so as to simplify the method of collecting the monthly assessments or special assessments due from unit owners.

24. The Management Firm shall have the right, in its sole discretion, to suspend any unit owner and/or authorized user of the community facilities from the use of such community facilities for any infraction of the promulated Rules and Regulations pertaining to said community facilities, for a period not to exceed thirty (30) days, and during said period of suspension, there shall be no reduction in the assessments due and payable from said unit owner and/or authorized user.

25. Should a unit owner fail to pay an assessment within ten (10) days after its due date, the Management Firm may deny to the unit owner and/or the authorized user of the community facilities, the use and enjoyment of the said community facilities until such time as all assessments are paid.

26. Use of the community facilities shall be limited to owners of the condominium parcels in the condominium created by virtue of the Declaration of Condominium to which this Agreement is attached, together with spouse and other members of said parcel owner's immediate family who are in residence in the Condominium parcel and such other persons and under such terms and conditions as the Management Firm determines in its sole discretion. The lessee of the condominium unit may be entitled to the use of the community facilities in the place of the unit owner.

27. Notwithstanding the terms of this Agreement, the Management Firm shall have the right as it determines to retain all or such portion of the late charge and interest due on assessments, as provided in the Declaration of Condominium to which this Agreement is attached and all Exhibits attached to said Declaration of Condominium, and shall have the further right, as it determines, to charge and retain all or such portion of an application fee for approval in connection with transfers or leasing of condominium units; however, although the Management Firm's approval to such transfer or lease is required, it shall not be obliged to the Association to investigate applications for such transfers or leases, and it shall be the duty and responsibility of the Association to undertake such independent investigation as it deems necessary to investigate and approve or disapprove all applications for transfers or leases. The sums paid to the Management Firm under the provisions of this paragraph shall be over and above the management Firm's fee under the Management Agreement as hereinafter set forth.

28. Notwithstanding the delegation by the Association to the Management Firm of its power to determine and collect assessments during the term of this Agreement, the Association retains the power to make those assessments as are specified in the Declaration of Condominium to which this Agreement is attached and the By-Laws which are attached thereto.

29. Should any dispute arise as to the rights of any of the parties under this Agreement, including the powers and duties of the parties and all of the terms and conditions of this Agreement, and said dispute cannot be amicably settled and resolved between the parties, then either party shall have the right to submit the matter in controversy for arbitration, and the decision of the arbitrators shall be final. Costs and attorney's fees may be assessed in such amount and against such party as is meet and proper under the circumstances.

30. The parties hereto acknowledge that THE PINES OF DELRAY NORTH COMMUNITY is a multi-phase Condominium Project for the purposes of Section 718.302 of the Florida Statutes.

Should the Association assume the management of the condominium property and the services of the Management Firm as the manager of the condominium property no longer be necessary as a result of the exercise of the provisions of Section 718.302 of the Florida Statutes, then:

Those provisions of this Agreement which relate to the Management and operation of the condominium property by the Management Firm shall be of no further force or effect; and

Each and every provision of this Agreement, shall survive the cancellation (pursuant to Section 718.302 of the Florida Statutes) of those provisions relating to the Manager's management and operation of the Condominium property. Nevertheless, the Association, its members and the Management Firm acknowledge that the right of the unit owners to cancel the provisions of this Agreement relating to the management and operation of the Condominium property by the Management Firm, pursuant to Section 718.302 of the Florida Statutes, is conditioned upon the Association first being under the control of its unit owners in accordance with the Declaration and By-Laws.

31. Developer's Rights. The Developer, whose name appears at the end of this Agreement, is a Developer of THE PINES OF DELRAY NORTH COMMUNITY. It, its successors and its assigns, and other future developers in THE PINES OF DELRAY NORTH COMMUNITY are herein called "Developer". Notwithstanding anything contained in this Agreement to the contrary, the Developer and the Developer alone shall be vested solely and exclusively with all of the following rights.

A. Sale of Condominium Units. All of the rights of the Developer, as set forth in the Declaration of Condominium including, but not limited to, the right of sale and lease without the approval and consent of the Association.

B. Retained Control. All of the rights of the Developer to designate administrators, officers and otherwise, retain control of the Association as the same may now or hereafter be set forth in its Articles of Incorporation and By-Laws.

C. Proviso: No act of commission or omission by the Developer, whether or not under the purported authority or rights vested in it, shall ever be construed or considered as (i) a breach by the Manager of any of its promises and covenants in this Agreement; or (ii) as an excuse, justification, waiver or indulgence by the Manager to the Association with regard to the Association's prompt, full, complete and continuous performance of its promises and covenants herein. Under no circumstances whatever is the Developer to be considered or construed as the agent for or the principal of the Manager.

32. Miscellaneous.

A. Entire Agreement. This instrument contitutes the entire Agreement between the parties as of the date of its execution and same has not been induced by the other by representations, promises, or understandings not expressed herein. There are no collateral agreements, stipulations, promises or understandings whatsoever in any way touching upon the subject matter of this instrument which are not expressly contained herein.

B. Construction. This instrument is to be construed in accordance with the laws of the State of Florida.

C. Parts, Captions and Titles. The parts, captions, and titles contained in this Agreement are for convenience and reference only, and in no way define, limit or described the scope or intent of this Agreement.

D. Parties. This Agreement is binding upon the parties hereto and their successors and assigns.

E. Execution. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals affixed this 31st day of December, 1978.

SEE ADDENDUM FOR PARAGRAPHS 33, 34 and 35 FOR COMPLIANCE WITH FSA 718.3025.

Signed, sealed and delivered in the presence of:

THE PINES OF DELRAY NORTH ASSOCIATION, INC.

BY: _____ President

ATTEST: _____ Secretary

THE PINES MANAGEMENT CO.

BY: _____ President

ATTEST: _____ Secretary

The undersigned, being the Developer under the Declaration of Condominium, does hereby approve and consent to this Agreement.

CARMAN DEVELOPERS, LTD.
BY CARMAN CORPORATION,
a Florida corporation
General Partner,

BY _____
President

ATTEST Bernard Glasser
Secretary

CORPORATE SEAL FLORIDA

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ADDENDUM TO MANAGEMENT AGREEMENT

33. Services to be Performed by Management Firm. The management services to be performed by the Management Firm in implementing its powers and duties are set forth in Paragraph 3A through 3U of the Management Agreement. The actual time and frequency required to perform these management services cannot be accurately projected and shall be performed as required. However, in order to comply with Section 718.3025, Florida Statutes, the approximate frequency for these services to be performed is estimated as set forth in Paragraph 34 hereinbelow.

34. Manager's Fee for Services. The Management Firm shall perform the management services required to implement its powers and duties for the net fee set forth in Paragraph 5 of the Management Agreement. Estimated below, in order to comply with Section 718.3025, Florida Statutes, is the approximate allocation per service, of that net monthly fee per unit. The amount of money to be paid for each service, obligation or responsibility to be performed, other than management supervision, shall be the actual cost incurred, at no expense to the Management Firm. Those costs are as estimated in the Budget of the condominium.

Services As Set Forth in Paragraph 3, with Sub-Paragraphs Listed Below	Estimated Frequency of Performing Such Services; D=Daily, W=Weekly, M=Monthly, Q=Quarterly, A=Annually	Estimated Allocation of Net Monthly Management Fee Per Unit
A	D	.95
B	M	.95
C	D	.95
D	Q	.01
E	W	.01
F	A	.01
G	A	.01
H	D	.50
I	D	.50
J	Q	.01
K	W	.01
L	A	.01
M	A	.01
N	D	.01
O	Q	.01
P	M	.01
Q	M	.01
R	M	.01
S	Q	.01
T	A	.01
U	A	.01

35. Minimum Number of Personnel. In order to further comply with Section 718.3025, Florida Statutes, the Management Firm estimates that a minimum of one person shall be employed initially to perform the management services set forth in Paragraph 3A through 3U of the Management Agreement, and that such minimum will vary as the number of units being managed changes from time to time.

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EXHIBIT 7,
First of three pages

FIRST PHASE OF COMMUNITY

A parcel of land in the NE 1/4 of Section 7, Township 46 South, Range 43 East, said parcel being more particularly described as follows:

Commencing at the Northeast corner of said Section 7; thence run South 0°23'20" East (on an assumed bearing) 90 feet along the East line of said NE 1/4 of Section 7, to an intersection with the Southerly right of way line of the Lake Worth Drainage District Canal L-30; thence run North 89°54'30" West 1688.97 feet along said Southerly right of way line; thence run South 1°50'30" West 1218.07 feet, to the Point of Beginning; thence continue South 1°50'30" West 885.34 feet; thence run South 89°54'30" East 1591 feet, to a point of intersection with the arc of a curve running Northwesterly to the left, a radial said point bearing North 75°28'42" West; thence along the arc of said curve to the left, (also forming the Westerly right of way line of Congress Avenue as now located and constructed), having a radius of 3766.80 feet and a central angle of 13°37'04" run Northeasterly 895.27 feet; thence run South 89°36'40" West 268.09 feet; thence run South 19°01'56" East 1.47 feet, to a point of curvature of a curve to the right; thence along the arc of said curve to the right, having a radius of 200 feet and a central angle of 24°, run Southerly 83.78 feet, to a point of tangency; thence run South 4°58'04" West 28.76 feet along the tangent extended; thence run North 85°01'56" West 246.43 feet; thence run South 65°35'30" West 100.10 feet; thence run North 24°24'30" West 45.62 feet; thence run North 89°54'30" West 120 feet; thence run North 0°05'30" East 38 feet; thence run North 89°54'30" West 262.29 feet; thence run South 18°35'30" West 40.07 feet; thence run North 89°54'30" West 90 feet; thence run North 0°05'30" East 42 feet; thence run North 89°54'30" West 170 feet; thence run North 0°05'30" East 51.52 feet; thence run North 89°54'30" West 412.14 feet, to the Point of Beginning.

Said lands situate in the City of Delray Beach, Palm Beach County, Florida and containing 31.7249 acres, more or less.

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EXHIBIT 7

Second of three pages

SECOND PHASE OF THE COMMUNITY

All of the Pines of Delray North, Section 2, according to the Plat thereof, recorded in Plat Book 38, Page 17, of the Public Records of Palm Beach County, Florida.

EXHIBIT 7,

Third of three pages

TOTAL PROPOSED COMMUNITY

A parcel of land lying in the Northeast quarter of Section 7, Township 46 South, Range 43 East, Palm Beach County, Florida; Being more particularly described as follows:

Commence at the Northeast corner of said Section 7; thence S 0°23'20"E, along the East line of said Section 7, for 90.00 ft.; thence N 89°54'30"W for 53.00 ft. to the point of beginning of the following described parcel of land, said point of beginning being the point of intersection of the Southerly right-of-way line of Lake Worth Drainage District Canal L-30 and the Westerly right-of-way line of Congress Avenue as laid out and now in use; thence continue N 89°54'30"W, along said Southerly right-of-way line of L.W.D.D. Canal L-30, for 1635.97 ft.; thence S 1°50'30"W for 2103.41 ft.; thence S 89°54'30" E for 1591.00 ft. to a point on a circular curve, said point bearing S 75°28'42"E from the radius point of said curve; thence Northeasterly along a circular curve to the left having a radius of 3766.30 ft. a central angle of 14°54'38" for an arc distance of 980.26 ft., to a point of tangency; thence N 0°23'20"W for 1132.21 ft. to the point of beginning (said last mentioned two courses being along said westerly right-of-way line of Congress Avenue). The above lands containing 80.00 acres more or less.

RECORD VERIFIED
PALM BEACH COUNTY, FLA.
CLERK CIRCUIT

03281 P0605