

**VILLA DEL SOL AT MEADOW WOODS
CONDOMINIUM ASSOCIATION, INC. NO. 2**

BY-LAWS

Exhibit "5"

Exhibit 5

Bylaws of Villa del Sol at Meadow Woods Condominium No. 2

Generally.-

The operation of the association shall be governed by the articles of incorporation and the bylaws of the association, which shall be included as exhibits to the recorded declaration.

I Identity

A. These are the Bylaws of Villa del Sol at Meadow Woods Condominium No. 2 Association, Inc. ("the Association"), a Florida corporation not for profit, the Articles of Incorporation ("the Articles") which were filed in the office of the Secretary of the State of Florida on the 27 day of Sept., 2002. The Association has been organized for the purposes of administering the operation and management of the Villa del Sol at Meadow Woods Condominium No. 2 ("the Condominium") to be established in accordance with the Florida Condominium Act ("the Act") upon the land situated in Orange County, Florida.

B. The provision of these Bylaws are applicable to the condominium and are subject to the provision of the Articles, a copy of the Articles and a copy of these Bylaws will be annexed as an exhibit to the Declaration of Condominium ("the Declaration"), which will be recorded in the Public Records of Orange County, Florida. The terms and provisions of the Articles of Declaration shall control wherever the same may be in conflict herewith.

C. All members of the Association and their invitees, including without limitation to, all present or future owners and tenants of dwelling units in the Condominium ("the Units") and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Articles and the Declaration.

D. This office of the Association shall be at the site of the premises of the Condominium or at such other place as may be established by resolution of the Board of Administration.

E. The Fiscal year of the Association shall be the calendar year.

F. 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.

G. The annual meeting of Members shall be held at the office of the Association or such other place in Orange County, Florida, as may be specified in the notice of the meeting, at 7:00 P.M. on the second Tuesday in May of each year for the purposes of electing members of the Board of Administration and transacting any other business authorized to be transacted by the Members. If such date shall be a legal holiday, the annual meeting date shall be the next succeeding regular business day. Written notice shall be given to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days prior to the annual meeting.

II Membership, Administration, Quorum, Voting Requirements, Proxies, and Recalls

A. The qualification of Members of the Association ("the Members"), the manner of their admission to membership and termination of such membership and voting by Members shall be as set forth in the Articles, the provisions of which are incorporated herein by reference.

B. The vote of the ownership of a unit owned by more than one natural person, such as tenants in common, joint tenants (except a husband and a wife as tenants in their entirety), a partnership or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at a meeting at which members of the Association are entitled to vote or otherwise act by one natural person designated by the owner of such unit as the "Primary Occupant" thereof. In each instance when title to a unit is proposed to be occupied or is

otherwise to become vested in more than one natural person (except a husband and wife as tenants in their entirety), a partnership or any association of natural persons, or by a corporation, a trust, or any other entity, the prospective owner shall, by written instrument acceptable to the Association, designate one natural person as the Primary Occupant. The designated Primary Occupant shall be and remain the Primary Occupant of the Unit until such designation has been revoked by a written instrument executed by the owner of the unit or by lawful conveyance of the unit. The Primary Occupant of the unit shall be the only person entitled to cast, or exercise, in person or by proxy, the vote of the owner of such unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

C. Quorum. The percentage of voting interests required to constitute a quorum at a meeting of the members shall be a majority of the voting interests. Except as otherwise provided in the declaration, articles of incorporation, or bylaws, decisions shall be made by owners of a majority of the voting interests represented at a meeting at which a quorum is present.

D. Proxy. Except as specifically otherwise provided herein, unit owners may not vote by general proxy, but may vote by limited proxies. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves for votes taken to waive financial statement requirements; for votes taken to amend the declaration; for votes taken to amend the articles of incorporation or bylaws pursuant to this section. No proxy, limited or general, shall be used in the election of board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this subparagraph, unit owners may vote in person at unit owner meetings.

Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy is revocable at any time at the pleasure of the unit owner executing it.

E. Board of administration meetings. Meetings of the board of administration at which a quorum of the members is present shall be open to all unit owners. Any unit owner may tape record or videotape meetings of the board of administration. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Board shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The association may adopt written reasonable rules governing the frequency, duration, and manner of unit owner statements. Adequate notice of all meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the board. Such emergency action shall be noticed and ratified at the next regular meeting of the board. However, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding unit use, will be considered shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property 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 or association property upon which all notices of board meetings shall be posted. If there is no condominium property or association property upon which notices can be posted, notices of board meetings shall be mailed or delivered at least 14 days before the meeting to the owner of each unit. 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 any such assessments. Meetings of a committee to take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this section, unless those meetings are exempted from this section by the bylaws of the association. Notwithstanding any other law, the requirement that board meetings and committee meetings be open to the unit owners is inapplicable to meetings between the board or a

committee and the association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

When any of the board or committee members meet by telephone conference, those board or committee members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those board or committee members attending by telephone may be heard by the board or committee members attending in person as well as by any unit owners present at a meeting.

F. Special meetings. A special meeting of Members shall be held whenever called by the President, Vice-President, or by a majority of the Board of Administration, and must be called by such officer, upon receipt of a written request from members owning a majority of the units.

G. Budget meeting.

1. Any meeting at which a proposed annual budget of an association will be considered by the board or unit owners shall be open to all unit owners. At least 14 days prior to such a meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the association by the unit owner, a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement and such affidavit shall be filed among the official records of the association.

2. a. If a 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 meeting. An officer or manager of the association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement and such affidavit shall be filed among the official records of the association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the board shall take effect as scheduled.

b. Any determination of whether assessments exceed 115 percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the condominium property, anticipated expenses of the association which the board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the condominium property.

c. If the developer controls the board, assessments shall not exceed 115 percent of assessments for the prior fiscal year unless approved by a majority of all voting interests.

H. Annual budget.

1. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 718.504(21), Florida Statutes.

2. In addition to annual operating expenses, the budget shall include reserve

accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula, which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to an adopted budget in which the members of an association have determined, by a majority vote at a duly called meeting of the association, to provide no reserves or less reserves than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to Section 718.301, Florida Statutes, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 fiscal years of the association's operation, beginning with the fiscal year in which the initial declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper 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.

3. 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 an association by a developer to unit owners other than the developer pursuant to Section 718.301, Florida Statutes, 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 nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the association.

When a unit owner files a written inquiry by certified mail with the board of administration, the board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the division. If the board requests advice from the division, the board shall, within 10 days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding or arbitration arising out of the inquiry. The association may through its board of administration adopt reasonable rules and regulations regarding the frequency and manner of responding to unit owner inquiries, one of which may be that the association is only obligated to respond to one written inquiry per unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

I. Transfer fees. The association may charge a fee of no higher than \$50.00, in connection with the sale, mortgage, lease, sublease, or other transfer of a unit. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made. The association may require that a prospective lessee place a security deposit, in an amount not to exceed the equivalent of 1 month's rent, into an escrow account maintained by the association. The security deposit shall protect against damages to the common elements or association property. Payment of interest, claims against the deposit, refunds, and disputes under this paragraph shall be handled in the same fashion as provided in Part II of Chapter 83.

J. Recall of board members. Subject to the provisions of Section 718.301, Florida Statutes, any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the board of administration 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.

1. 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 3.

2. 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 of administration 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 3.

3. 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 at a meeting, the board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in Section 718.1255, Florida Statutes. 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 Section 718.501, Florida Statutes. 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.

4. 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.

5. 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.

K. Common elements; limited power to convey.

The association has a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

III Board of Administration and Meeting of Membership

A. At the meeting of Members, the Chairman of the Board or in his absence, the President, shall preside or in the absence of both, the Members present shall select a chairman of the meeting.

B. The order of business at the annual meeting of Members, and as far as practical at other meetings of Members shall be:

1. Calling of the roll and certifying of proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading or waiver of reading of the minutes of previous meeting.
4. Reports of the Officers.
5. Reports of Committees.
6. Appointments by Chairman of inspectors of election.
7. Election of Members of the Board of Administration.
8. Unfinished business.
9. New business.
10. Adjournment.

C. Directors shall be elected in the following manner:

1. Commencing with the election of the first Board to succeed the Board comprised of the subscribers of the Articles, Developer shall designate the number and the identity of the members of the Board which it shall be entitled to designate in accordance with the Articles and these Bylaws and upon such designation by Developer by written instrument presented to the meeting at which such election is held, the persons so designated by Developer shall be deemed and considered for all purposes members of the Board and shall thenceforth hold the offices and perform the duties of such offices until their successors shall have been elected or designated as the case may be and qualified in accordance with the provision of these bylaws.

2. All members of the Board whom Developer shall not be entitled to designate under these Bylaws shall be elected pursuant to the Florida Statute, Section 718.112(2)(d)3.

3. Vacancies of the Board may be filled on the date of the next annual meeting by the remaining members, except that, should any vacancy in the Board be created in any membership previously filled by any person designated by Developer, such vacancy shall be filled by the Developer designating, by written instrument delivered to any officer of the Association, the successor member of the Board who shall fill the vacated membership for the unexpired term thereof.

4. If, at the time of the first annual meeting of the members unit owners other than the Developer are entitled to elect some or all of the members of the Board, the terms of office of such members shall be one year. The term of office of all members of the Board designated by the Developer shall also be for one year. Members of the Board shall hold office for the terms, which were elected or designated and thereafter until their successor are duly elected, designated by Developer and qualified or until removed in the manner elsewhere herein provided for or as provided by law.

5. In the event that Developer selects any person or persons to serve on any Board, Developer shall have the absolute right at any time in its sole discretion to replace any such person or persons with another person or persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any board shall be made by written instrument delivered to any officer of the Association which instrument shall specify the name or names of the person or persons designated as successor or successors to the person so removed from the Board. The removal of any member and designation of his successors shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

D. The organization meeting of a newly elected or designated Board shall be held immediately following the adjournment of the membership meeting at which they were elected, if

notification to the unit owners is posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting.

E. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, assistant secretaries and assistant treasurers as the Board shall deem advisable from time to time. The president shall be elected from the membership of the Board, but no other officer need be a member of the Board. The same person may hold two offices, the duties of which are not incompatible. The Board may from time to time elect such other officers and designate their powers and duties as the Board may deem necessary properly to manage the affairs of the Association. Officer may be removed from office by the Board.

F. The President shall be the chief executive officer of the Association. He shall have all of the power and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees 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 have such additional powers as the Board may designate.

G. 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 duties as shall be prescribed by the Board.

H. The Secretary shall keep the minutes of all proceedings of the Board and the members. He shall attend to the giving and serving of all notices to the members of the board and such other notices as may be required by law. He shall have custody of the seal of the association and affix the same to instruments requiring a seal when duly signed. 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 a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

I. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidence of indebtedness. He shall keep the assessment rolls and account of the members; 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.

J. The officers shall serve without compensation and at the pleasure of the Board of Administration. This provision shall not preclude the Board from employing a member of the Board as an employee of the Association, nor preclude contracting with a member of the Board for the management of the condominium.

K. Transfer of Control by Developer

1. The affairs of the Association shall be managed by the Board of Administration. The Board of Administration shall be comprised of three persons appointed by the Developer until such time as the Developer is transferred to the Association pursuant to Florida Statute 718.301. After such event occurs, the Board of Administration shall be comprised of five persons.

When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an 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 administration of the association. Unit owners other than the developer are entitled to elect no less than a majority of the members of the board of administration of an association:

a. Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

b. Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

c. 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;

d. 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

e. Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, Florida Statutes, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a 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 of administration.

2. Within 75 days after the unit owners other than the developer are entitled to elect a member or members of the board of administration of an association, the association shall call, and give not less than 60 days' notice of an election for the members of the board of administration. The election shall proceed as provided in Section 718.112(2)(d), Florida Statutes. The notice may be given by any unit owner if the association fails to do so. Upon election of the first unit owner other than the developer to the board of administration, the developer shall forward to the division the name and mailing address of the unit owner board member.

3. If a developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the developer:

a. Assessment of the developer as a unit owner for capital improvements.

b. Any action by the association that would be detrimental to the sales of units by the developer. However, an increase in assessments for common expenses without discrimination against the developer shall not be deemed to be detrimental to the sales of units.

4. At the time that unit owners other than the developer elect a majority of the members of the board of administration of an association, the developer shall relinquish control of the association, and the unit owners shall accept control. Simultaneously, or for the purposes of paragraph (c) not more than 90 days thereafter, the developer shall deliver to the association, at the developer's expense, all property of the unit owners and of the association, which is held or controlled by the developer, including, but not limited to, the following items, if applicable, as to each condominium operated by the association:

a. The original or a photocopy of the recorded declaration of condominium and all amendments thereto. If a photocopy is provided, it shall be certified by affidavit of the developer or an officer or agent of the developer as being a complete copy of the actual recorded declaration.

b. A certified copy of the articles of incorporation of the association or, if the association was created prior to the effective date of this act and it is not incorporated, copies of the documents creating the association.

c. A copy of the bylaws.

d. The minute books, including all minutes and other books and records of the association, if any.

- e. Any house rules and regulations, which have been promulgated.
- f. Resignations of officers and members of the board of administration who are required to resign because the developer is required to relinquish control of the association.
- g. The financial records, including financial statements of the association and source documents from the incorporation of the association through the date of turnover. The records shall be audited for the period from the incorporation of the association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation, by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards, as prescribed by the Florida Board of Accountancy, pursuant to Chapter 473. The accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for association purposes and the billings, cash receipts and related records to determine that the developer was charged and paid the proper amounts of assessments.
- h. Association funds or control thereof.
- i. All tangible personal property that is property of the association, which is represented by the developer to be part of the common elements or which is ostensibly part of the common elements, and an inventory of that property.
- j. A copy of the plans and specifications utilized in the construction or remodeling of improvements, the supplying of equipment to the condominium and in the construction and installation of all mechanical components serving the improvements and the site with a certificate in affidavit form of the developer or the developer's agent or an architect or engineer authorized to practice in this state that such plans and specifications represent, to the best of his or her knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the condominium property and for the construction and installation of the mechanical components serving the improvements. If the condominium property has been declared a condominium more than 3 years after the completion of construction or remodeling of the improvements, the requirements of this paragraph do not apply.
- k. A list of the names and addresses, of which the developer had knowledge at any time in the development of the condominium, of all contractors, subcontractors and suppliers utilized in the construction or remodeling of the improvements and in the landscaping of the condominium or association property.
- l. Insurance policies. Copies of any certificates of occupancy, which may have been issued for the condominium property.
- m. Any other permits applicable to the condominium property which have been issued by governmental bodies and are in force or were issued within 1 year prior to the date the unit owners other than the developer take control of the association.
- n. All written warranties of the contractor, subcontractors, suppliers and manufacturers, if any, that are still effective.
- o. A roster of unit owners and their addresses and telephone numbers, if known, as shown on the developer's records.
- p. Leases of the common elements and other leases to which the association is a party.
- q. Employment contracts or service contracts in which the association is one of the contracting parties, or service contracts in which the association or the unit owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.

- r. All other contracts to which the association is a party.

IV Parliamentary Rules

Robert Rules of Order shall govern the conduct of the corporate proceeding when not in conflict with the Articles, these Bylaws or the Laws of the State of Florida.

V Amendment to Bylaws

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

A. Amendments to these Bylaws may be proposed by the Board, acting upon vote of a majority of the member or members of the association owning a majority of the units in the condominium whether meeting at a members meeting or by instruments in writing signed by them.

B. Upon any amendment or amendments to these Bylaws being proposed by the Board of member of the Association, such proposed amendment shall be transmitted to the president of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the member for a date not sooner than twenty days not later than sixty days from receipt by such officer of the proposed amendment, and it shall be the duty of the Secretary to give 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 is required as herein set forth; provided that proposed amendment to the bylaws may be considered and voted upon at annual meeting of the members.

C. In order for such amendment to become effective, the same must be approved by an affirmative vote of the owners of units to which not less than sixty seven per cent of the common elements are appurtenant, and a copy of such amendment to these bylaws shall be transcribed, certified by President and Secretary of the Association and a copy thereof shall be incorporated into an Amendment of the Declaration and recorded in the Public Records of Orange County, Florida within thirty days from the date of which amendment have been affirmatively approved by the members.

D. At any meeting held to consider such amendment to these bylaws the written vote of any member shall be recognized if such member is not present at such meeting in person or by proxy provided such written vote is delivered to the Secretary at or prior to the meeting.

E. No bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing bylaws shall contain the full text of the bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw ____ for present text."

Nonmaterial errors or omissions in the bylaw process will not invalidate an otherwise properly promulgated amendment.

F. Notwithstanding the foregoing provision of this Articles VIII no amendment to these bylaws which shall abridge, amend or alter the right of the Developer to designate members of each Board of Administration as provided in these bylaws may be adopted or become effective without the written consent of the Developer.

VI Mandatory Nonbinding Arbitration of Disputes

A. Prior to the institution of court litigation, the parties to a dispute shall petition the division for nonbinding arbitration, which action shall toll the applicable statute of limitations.

B. At the request of any party to the arbitration, such arbitration shall issue subpoenas for the attendance of witnesses and the production of books, records, documents and other evidence, and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by the law.

C. The arbitration decision shall be presented to the parties in writing. An arbitration decision shall be final if a complaint for a trial de novo is not filed in a court of competent jurisdiction within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party may be awarded reasonable attorney's fees.

D. The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs and other reasonable costs, including attorney's fees, investigation expenses and expenses for expert or other testimony or evidence incurred after the arbitration hearing if the judgement upon the trial de novo is not more favorable than the arbitration decision. If the judgement is more favorable, the party who filed the complaint for trial de novo shall be awarded reasonable court costs and attorney's fees.

E. Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in the circuit court for the circuit in which the arbitration took place. A petition may not be granted unless the time for appeal by the filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed.

VII Certificate of Compliance

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 Condominium units to the Condominium Fire and Life Safety Code 718.112.

VIII Assessments; liability; lien and priority; interest; collection

Assessments. Assessments shall be made against units not less frequently than quarterly in an amount, which is not less than that required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Nothing in this paragraph shall preclude the right of an association to accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

A. 1. A unit owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments, which come due while he or she is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

2. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:

a. The unit's unpaid common expenses and regular periodic assessments, which accrued or came due during the 6 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

b. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association

was dissolved or did not maintain an office or agent for service of process at a location, which was known to or reasonably discoverable by the mortgagee.

3. The person acquiring title shall pay the amount owed to the association within 30 days after transfer of title. Failure to pay the full amount when due shall entitle the association to record a claim of lien against the parcel and proceed in the same manner as provided in this section for the collection of unpaid assessments.

4. For purposes of this subsection, the term "successor or assignee" as used with respect to a first mortgagee includes only a subsequent holder of the first mortgage.

B. The liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

C. Assessments and installments, which are not paid when due shall bear interest at the highest rate allowed by law, from the due date until paid. The association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25 or 5 percent of each installment of the assessment for each delinquent installment that the payment is late. Any payment received by an association shall be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment. A late fee shall not be subject to the provisions in Chapter 687 or Section 718.303(3), Florida Statutes.

D. 1. The association has a lien on each condominium parcel to secure the payment of assessments. Except as otherwise provided in subsection (A) and as set forth below, the lien is effective from and shall relate back to the recording of the original declaration of condominium, or, in the case of lien on a parcel located in a phase condominium, the last to occur of the recording of the original declaration or amendment thereto creating the parcel. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the condominium parcel is located.

2. To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the association, the amount due and the due dates. It must be executed and acknowledged by an officer or authorized agent of the association. No such lien shall be effective longer than 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period shall automatically be extended for any length of time during which the association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien shall secure all unpaid assessments, which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.

3. By recording a notice in substantially the following form, a unit owner or the unit owner's agent or attorney may require the association to enforce a recorded claim of lien against his or her condominium parcel:

NOTICE OF CONTEST OF LIEN

TO: (Name and address of association) You are notified that the undersigned contests the claim of lien filed by you on _____, (year), and recorded in Official Records Book _____ at Page _____, of the public records of _____ County, Florida, and that the time within which you may file suit to enforce your lien is limited to 90 days from the date of service of this notice. Executed this _____ day of _____, (year).

Signed: (Owner or Attorney)

After notice of contest of lien has been recorded, the clerk of the circuit court shall mail a copy of the recorded notice to the association by certified mail, return receipt requested, at the address shown in the claim of lien or most recent amendment to it and shall certify to the service on the face of the notice. Service is complete upon mailing. After service, the association has 90 days in which to file an action to enforce the lien, and if the action is not filed within the 90-day period, the lien is void. However, the 90-day period shall be extended for any length of time that the association is prevented from filing its action because of an automatic stay resulting from the filing of a bankruptcy petition by the unit owner or by any other person claiming an interest in the parcel.

E. 1. The association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed, and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments.

2. No foreclosure judgment may be entered until at least 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his or her last known address; and, upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a notice of contest of lien as provided in subsection (5). The notice requirements of this subsection do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the association would be affected by such foreclosure; and if actual, constructive or substitute service of process has been made on the unit owner.

3. If the unit owner remains in possession of the unit after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party, which does not prevail in the foreclosure action.

4. The association has the power to purchase the condominium parcel at the foreclosure sale and to hold, lease, mortgage or convey it.

F. A first mortgagee acquiring title to a condominium parcel as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of its ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

G. Within 15 days after receiving a written request therefor from a unit owner purchaser, or mortgagee, the association shall provide a certificate signed by an officer or agent of the association stating all assessments and other moneys owed to the association by the unit owner with respect to the condominium parcel. Any person other than the owner who relies upon such certificate shall be protected thereby. A summary proceeding pursuant to Section 51.011, Florida Statutes, may be brought to compel compliance with this subsection, and in any such action the prevailing party is entitled to recover reasonable attorney's fees.

H. **Commingling.** All funds collected by an association shall be maintained separately in the association's name. For investment purposes only, reserve funds may be commingled with operating funds of the association. Commingled operating and reserve funds shall be accounted for separately and a commingled account shall not, at any time, be less than the amount identified as reserve funds. A manager or business entity required to be licensed or registered under Section 468.432, Florida Statutes, or an agent, employee, officer or director of an association, shall not

commingle any association funds with his or her funds or with the funds of any other condominium association. All funds shall be maintained separately in the association's name. Reserve and operating funds of the association shall not be commingled unless combined for investment purposes. This subsection is not meant to prohibit prudent investment of association funds even if combined with operating or other reserve funds of the same association, but such funds must be accounted for separately, and the combined account balance may not, at any time, be less than the amount identified as reserve funds in the combined account. No manager or business entity required to be licensed or registered under Section 468.432, Florida Statutes, and no agent, employee, officer or director of a condominium association shall commingle any association funds with his or her funds or with the funds of any other condominium association or community association as defined in Section 468.431, Florida Statutes.

IX Official Records

From the inception of the association, the association shall maintain each of the following items, when applicable, which shall constitute the official records of the association:

1. A copy of the plans, permits, warranties and other items provided by the developer pursuant to Section 718.301(4), Florida Statutes.
2. A photocopy of the recorded declaration of condominium of each condominium operated by the association and of each amendment to each declaration.
3. A photocopy of the recorded bylaws of the association and of each amendment to the bylaws.
4. A certified copy of the articles of incorporation of the association, or other documents creating the association and of each amendment thereto.
5. A copy of the current rules of the association.
6. A book or books, which contain the minutes of all meetings of the association, of the board of directors and of unit owners, which minutes shall be retained for a period of not less than 7 years.
7. A current roster of all unit owners and their mailing addresses, unit identifications, voting certifications and, if known, telephone numbers.
8. All current insurance policies of the association and condominiums operated by the association.
9. A current copy of any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility.
10. Bills of sale or transfer for all property owned by the association.
11. Accounting records for the association and separate accounting records for each condominium which the association operates. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but are not limited to:
 - a. Accurate, itemized and detailed records of all receipts and expenditures.
 - b. A current account and a monthly, bimonthly or quarterly statement of the account for each unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid upon the account and the balance due.
 - c. All audits, reviews, accounting statements and financial reports of the

association or condominium.

d. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year.

12. Ballots, sign-in sheets, voting proxies and all other papers relating to voting by unit owners, which shall be maintained for a period of 1 year from the date of the election, vote or meeting to which the document relates.

13. All rental records, when the association is acting as agent for the rental of condominium units.

14. A copy of the current question and answer sheet as described by Section 718.504, Florida Statutes.

15. All other records of the association not specifically included in the foregoing, which are related to the operation of the association.

The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member. The association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and copying. The failure of an association to provide the records within 10 working days after receipt of a written request shall create a rebuttable presumption that the association willfully failed to comply with this paragraph.

A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this paragraph. The minimum damages shall be \$50 per calendar day up to 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 as provided herein 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 the 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 Section 718.504, Florida Statutes, and year-end financial information required in this section on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to unit owners:

1. Any record protected by the lawyer-client privilege as described in Section 90.502, Florida Statutes, and any record protected by the work-product privilege including any record prepared by an association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy or legal theory of the attorney or the association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.

2. Information obtained by an association in connection with the approval of the lease, sale or other transfer of a unit.

3. Medical records of unit owners.

X Financial Reporting

Within 90 days after the end of the fiscal year, the association shall prepare and complete or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the association from the third

party, the association shall mail to each unit owner at the address last furnished to the association by the unit owner or hand deliver to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon receipt of a written request from the unit owner. The association shall adopt the rules set forth in Section 718.111(13), Florida Statutes.

XI Miscellaneous

A. The following is the procedure for a hearing for all unit owners before the association may levy a fine against an owner of a unit or it's occupant, licensee or invitee for failure to abide by any provision of the Declaration, the association bylaws or rules of the association the association must allow the following:

B. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of unit owners after reasonable notice of not less than fourteen (14) days and said notice shall include:

1. A statement of the date, time and place of hearing;
2. A statement of the provision of the declaration, association, bylaws or association rules which have allegedly been violated; and
3. A short and plain statement of the matters asserted by the association.
4. The party against whom the fine may be levied shall have an opportunity to respond, to evidence and to provide written and oral argument on all issues involved and shall have an opportunity to at the hearing to review, challenge and respond to any material considered by the association.

Exhibit "6"

Exhibit 6-A

Villa Del Sol at Meadow Woods Condominium No. 2 Association
Phase I - Building 1
Initial Operating Budget for 12 Units
January 1, 2002 to December 31, 2002

	UNIT PER MONTH	PROJECTED MONTHLY	PROJECTED YEARLY
INCOME:			
A. ASSESSMENTS	45.54	546.52	6,558.24
B. RESERVES	15.06	180.72	2,168.64
TOTAL ESTIMATED INCOME	60.60	727.24	8,726.88
EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM:			
A. ADMINISTRATION OF ASSOCIATION OFFICE SUPPLIES, POSTAGE, ACCOUNTING, LEGAL AND PROFESSIONAL SERVICES	1.59	19.08	228.96
B. MANAGEMENT FEES	8.00	96.00	1,152.00
C. MAINTENANCE LANDSCAPING, LAWN AND TREES	7.00	84.00	1,008.00
D. RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES	--- NOT APPLICABLE ---		
E. TAXES ON ASSOCIATION PROPERTY	--- NOT APPLICABLE ---		
F. TAXES UPON THE LEASED AREAS	--- NOT APPLICABLE ---		
G. INSURANCE	20.62	247.44	2,969.28

H.			
SECURITY PROVISIONS	--- NOT APPLICABLE ---		
I.			
OTHER EXPENSES			
UTILITIES, ELECTRIC,			
COMMON ELEMENTS,			
WASTE COLLECTION	3.00	36.00	432.00
J.			
OPERATING CAPITAL			
Initial Deposits	---, NOT APPLICABLE ---		
K.			
ELECTRICITY	5.00	60.00	720.00
L.			
RESERVE FOR ROOF	6.50	78.00	936.00
REPLACEMENT			
RESERVE FOR			
PAVEMENT			
REPLACEMENT	2.31	27.72	332.64
RESERVE FOR PAINTING	6.25	75.00	900.00
FEEs PAYABLE TO			
FLORIDA DIVISION OF			
LAND SALES &			
CONDOMINIUM	0.3333	4.00	48.00
TOTAL ESTIMATED			
BUDGET	60.60	727.24	8,726.88

Expenses for a Unit Owner:

The unit owner will also pay the following charges monthly but not to the Association: Electric Bill for unit to Florida Power and Light and Water Bill for unit to Orange County Utilities.

Waste Collection is by private company and is included in the monthly maintenance fees paid by the unit owner.

There is no rent for a unit owner. There is no rent payable by unit owner for use of any recreational lease or for commonly-used facilities because there are no recreational leases or commonly used facilities.

As the Owner of a unit at Villa del Sol at Meadow Woods Condominium No. 2, you are required to be a member of the Villa del Sol at Meadow Woods Master Association, (the "Master Association"), and as such, you are responsible for the payment of assessments for common expenses imposed by the Master Association. The Master Declaration is set forth as Exhibit "17" to the Prospectus. The Master Association budget for its fiscal year is attached to the Prospectus as Exhibit "6-D". At present, the monthly payment to the Master Association is \$35.40 per month per unit. This payment will be made directly to the Master Association.

The Developer, by virtue of its initial control over the Board of Directors of the

Association and as owner of all unsold Units, reserves the right, upon recording of the Declaration of Condominium, to convene an Association meeting pursuant to which it may elect pursuant to Section 718.112(2)(f), Florida Statutes, to provide for no reserve or for reduced reserves during the first fiscal year of the Association. Accordingly, the Developer figures for reserves are disclosed to the Unit Owners as reserves intended to be established. The reserve's figures presume that the components fail at the end of their useful lives requiring total replacement, that replacement cost estimates do not change and that full, current estimated reserve amounts would not accrue interest. Such figures are as follows:

RESERVES:

ROOF REPLACEMENT:

ESTIMATED REMAINING LIFE	25 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$23,400.00
ESTIMATED USEFUL LIFE	25 YEARS
CURRENT BALANCE FOR ROOF RESERVE	\$ 0.00

PAVEMENT RESURFACE:

ESTIMATED REMAINING LIFE	5 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$1,663.20
ESTIMATED USEFUL LIFE	5 YEARS
CURRENT BALANCE FOR RESERVE	\$ 0.00

PAINTING:

REMAINING ESTIMATED LIFE	5 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$4,500.00
ESTIMATED USEFUL LIFE	5 YEARS
CURRENT BALANCE FOR RESERVE	\$ 0.00

The figures used in the budget are estimates and are not guaranteed to the unit owners by the Developer. At closing the unit owner will pay the following:

1. Capital contributions in the amount of, \$70.80 to Villa del Sol at Meadow Woods Master Association and Capital Contribution in the amount of, (\$121.20) to Villa del Sol at Meadow Woods Condominium No. 2. Capital Contribution is not considered as advance payment of common expenses or funds of the association. Such contributions shall be used to reimburse the Developer for start-up expenses, such as not limited to reimbursement for the cost of insurance paid by the Developer on behalf of the unit owner.
2. One month of the monthly assessment in advance and a proration of the monthly maintenance from the date of closing to the end of the month to Villa del Sol at Meadow Woods Master Association and Villa del Sol at Meadow Woods Condominium No. 2.

Exhibit 6-B

Villa Del Sol at Meadow Woods Condominium No. 2 Association
Phases I and II - Buildings 1 and 3
Initial Operating Budget for 24 Units
January 1, 2002 to December 31, 2002

	UNIT PER MONTH	PROJECTED MONTHLY	PROJECTED YEARLY
INCOME:			
A. ASSESSMENTS	45.54	1,092.96	13,115.52
B. RESERVES	15.06	361.44	4,337.28
TOTAL ESTIMATED INCOME	60.60	1,454.40	17,452.80
EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM:			
A. ADMINISTRATION OF ASSOCIATION OFFICE SUPPLIES, POSTAGE, ACCOUNTING, LEGAL AND PROFESSIONAL SERVICES	1.59	38.16	457.92
B. MANAGEMENT FEES	8.00	192.00	2,304.00
C. MAINTENANCE LANDSCAPING, LAWN AND TREES	7.00	168.00	2,016.00
D. RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES	--- NOT APPLICABLE ---		
E. TAXES ON ASSOCIATION PROPERTY	--- NOT APPLICABLE ---		
F. TAXES UPON THE LEASED AREAS	--- NOT APPLICABLE ---		
G.			

INSURANCE	20.62	494.88	5,938.56
H. SECURITY PROVISIONS	--- NOT APPLICABLE ---		
I. OTHER EXPENSES UTILITIES, ELECTRIC, COMMON ELEMENTS, WASTE COLLECTION	3.00	72.00	864.00
J. OPERATING CAPITAL Initial Deposits	--- NOT APPLICABLE ---		
K. ELECTRICITY	5.00	120.00	1,440.00
L. RESERVE FOR ROOF REPLACEMENT	6.50	156.00	1,872.00
RESERVE FOR PAVEMENT REPLACEMENT	2.31	55.44	665.28
RESERVE FOR PAINTING	6.25	150.00	1,800.00
FEE PAYABLE TO FLORIDA DIVISION OF LAND SALES & CONDOMINIUM	0.3333	8.00	96.00
TOTAL ESTIMATED BUDGET	60.60	1,454.40	17,452.80

Expenses for a Unit Owner:

The unit owner will also pay the following charges monthly but not to the Association: Electric Bill for unit to Florida Power and Light and Water Bill for unit to Orange County Utilities.

Waste Collection is by private company and is included in the monthly maintenance fees paid by the unit owner.

There is no rent for a unit owner. There is no rent payable by unit owner for use of any recreational lease or for commonly used facilities because there are no recreational leases or commonly used facilities.

As the Owner of a unit at Villa del Sol at Meadow Woods Condominium No. 2, you are required to be a member of the Villa del Sol at Meadow Woods Master Association, (the "Master Association"), and as such, you are responsible for the payment of assessments for common expenses imposed by the Master Association. The Master Declaration is set forth as Exhibit "17" to the Prospectus. The Master Association budget for its fiscal year is attached to the Prospectus as Exhibit "6-D". At present, the monthly payment to the Master Association is \$35.40 per month per unit. This payment will be made directly to the Master Association.

The Developer, by virtue of its initial control over the Board of Directors of the Association and as owner of all unsold Units, reserves the right, upon recording of the Declaration of Condominium, to convene an Association meeting pursuant to which it may elect pursuant to Section 718.112(2)(f), Florida Statutes, to provide for no reserve or for reduced reserves during the first fiscal year of the Association. Accordingly, the Developer figures for reserves are disclosed to the Unit Owners as reserves intended to be established. The reserve's figures presume that the components fail at the end of their useful lives requiring total replacement, that replacement cost estimates do not change and that full, current estimated reserve amounts would not accrue interest. Such figures are as follows:

RESERVES:

ROOF REPLACEMENT:

ESTIMATED REMAINING LIFE	25 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$46,800.00
ESTIMATED USEFUL LIFE	25 YEARS
CURRENT BALANCE FOR ROOF RESERVE	\$ 0.00

PAVEMENT RESURFACE:

ESTIMATED REMAINING LIFE	5 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$3,326.40
ESTIMATED USEFUL LIFE	5 YEARS
CURRENT BALANCE FOR RESERVE	\$ 0.00

PAINTING:

REMAINING ESTIMATED LIFE	5 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$9,000.00
ESTIMATED USEFUL LIFE	5 YEARS
CURRENT BALANCE FOR RESERVE	\$ 0.00

The figures used in the budget are estimates and are not guaranteed to the unit owners by the Developer. At closing the unit owner will pay the following:

1. Capital contributions in the amount of, \$70.80 to Villa del Sol at Meadow Woods Master Association and Capital Contribution in the amount of, (\$121.20) to Villa del Sol at Meadow Woods Condominium No. 2. Capital Contribution is not considered as advance payment of common expenses or funds of the association. Such contributions shall be used to reimburse the Developer for start-up expenses, such as not limited to reimbursement for the cost of insurance paid by the Developer on behalf of the unit owner.
2. One month of the monthly assessment in advance and a proration of the monthly maintenance from the date of closing to the end of the month to Villa del Sol at Meadow Woods Master Association and Villa del Sol at Meadow Woods Condominium No. 2.

Exhibit 6-C

Villa Del Sol at Meadow Woods Condominium No. 2 Association
Phases I, II and III - Buildings 1, 3 and 4
Initial Operating Budget for 36 Units
January 1, 2002 to December 31, 2002

	UNIT PER MONTH	PROJECTED MONTHLY	PROJECTED YEARLY
INCOME:			
A. ASSESSMENTS	45.54	1,639.44	19,673.28
B. RESERVES	15.06	542.16	6,505.92
TOTAL ESTIMATED INCOME	60.60	2,181.60	26,179.20
EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM:			
A. ADMINISTRATION OF ASSOCIATION OFFICE SUPPLIES, POSTAGE, ACCOUNTING, LEGAL AND PROFESSIONAL SERVICES	1.59	57.24	686.88
B. MANAGEMENT FEES	8.00	288.00	3,456.00
C. MAINTENANCE LANDSCAPING, LAWN AND TREES	7.00	252.00	3,024.00
D. RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES	---	NOT APPLICABLE	---
E. TAXES ON ASSOCIATION PROPERTY	---	NOT APPLICABLE	---
F. TAXES UPON THE LEASED AREAS	---	NOT APPLICABLE	---
G. INSURANCE	20.62	742.32	8,907.84
H.			

SECURITY PROVISIONS --- NOT APPLICABLE ---

I.			
OTHER EXPENSES			
UTILITIES, ELECTRIC,			
COMMON ELEMENTS,			
WASTE COLLECTION	3.00	108.00	1,296.00
J.			
OPERATING CAPITAL			
Initial Deposits		---	NOT APPLICABLE ---
K.			
ELECTRICITY	5.00	180.00	2,160.00
L.			
RESERVE FOR ROOF	6.50	234.00	2,808.00
REPLACEMENT			
RESERVE FOR			
PAVEMENT			
REPLACEMENT	2.31	83.16	997.92
RESERVE FOR PAINTING	6.25	225.00	2,700.00
FEE PAYABLE TO			
FLORIDA DIVISION OF			
LAND SALES &			
CONDOMINIUM	0.3333	12.00	144.00
TOTAL ESTIMATED			
BUDGET	60.60	2,181.60	26,179.20

Expenses for a Unit Owner:

The unit owner will also pay the following charges monthly but not to the Association: Electric Bill for unit to Florida Power and Light and Water Bill for unit to Orange County Utilities.

Waste Collection is by private company and is included in the monthly maintenance fees paid by the unit owner.

There is no rent for a unit owner. There is no rent payable by unit owner for use of any recreational lease or for commonly used facilities because there are no recreational leases or commonly used facilities.

As the Owner of a unit at Villa del Sol at Meadow Woods Condominium No. 2, you are required to be a member of the Villa del Sol at Meadow Woods Master Association, (the "Master Association"), and as such, you are responsible for the payment of assessments for common expenses imposed by the Master Association. The Master Declaration is set forth as Exhibit "17" to the Prospectus. The Master Association budget for its fiscal year is attached to the Prospectus as Exhibit "6-D". At present, the monthly payment to the Master Association is \$35.40 per month per unit. This payment will be made directly to the Master Association.

The Developer, by virtue of its initial control over the Board of Directors of the Association and as owner of all unsold Units, reserves the right, upon recording of the

Declaration of Condominium, to convene an Association meeting pursuant to which it may elect pursuant to Section 718.112(2)(f), Florida Statutes, to provide for no reserve or for reduced reserves during the first fiscal year of the Association. Accordingly, the Developer figures for reserves are disclosed to the Unit Owners as reserves intended to be established. The reserve's figures presume that the components fail at the end of their useful lives requiring total replacement, that replacement cost estimates do not change and that full, current estimated reserve amounts would not accrue interest. Such figures are as follows:

RESERVES:

ROOF REPLACEMENT:

ESTIMATED REMAINING LIFE	25 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$70,200.00
ESTIMATED USEFUL LIFE	25 YEARS
CURRENT BALANCE FOR ROOF RESERVE	\$ 0.00

PAVEMENT RESURFACE:

ESTIMATED REMAINING LIFE	5 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$4,989.60
ESTIMATED USEFUL LIFE	5 YEARS
CURRENT BALANCE FOR RESERVE	\$ 0.00

PAINTING:

REMAINING ESTIMATED LIFE	5 YEARS
ESTIMATED REMAINING REPLACEMENT COST	\$13,500.00
ESTIMATED USEFUL LIFE	5 YEARS
CURRENT BALANCE FOR RESERVE	\$ 0.00

The figures used in the budget are estimates and are not guaranteed to the unit owners by the Developer. At closing the unit owner will pay the following:

1. Capital contributions in the amount of, \$70.80 to Villa del Sol at Meadow Woods Master Association and Capital Contribution in the amount of, (\$121.20) to Villa del Sol at Meadow Woods Condominium No. 2. Capital Contribution is not considered as advance payment of common expenses or funds of the association. Such contributions shall be used to reimburse the Developer for start-up expenses, such as not limited to reimbursement for the cost of insurance paid by the Developer on behalf of the unit owner.
2. One month of the monthly assessment in advance and a proration of the monthly maintenance from the date of closing to the end of the month to Villa del Sol at Meadow Woods Master Association and Villa del Sol at Meadow Woods Condominium No. 2.

VILA DEL SOL MASTER CONDOMINIUM ASSOCIATION, INC.
208 UNITS @ \$35.40 PER MONTH X 12 MONTH

\$88,358.40

INCOME

ASSESTMENTS - 208 UNITS @ \$35.40 PER MONTH

EXPENSES

\$88,358.40

GROUNDS	
LANDSCAPE MAINTANACE	\$12,000.00
MULCH	\$2,500.00
LANDSCAPE REPLACEMENT	\$1,500.00
FERTILIZATION OF COMMON GROUNDS	\$1,400.00
IRRIGATION - REPAIRS AND MAINTENANCE	\$2,000.00
LAKE MAINTENANCE	\$900.00
WELL SERVICE & TREATMENT	\$800.00
ENTRY GATE - SERVICE & REPAIRS	\$1,200.00
ENTRY GATE - PHONE AND ELECTRICITY	\$900.00
SIGNAGE - MAINTENANCE	\$200.00
FENCE & WALL - REPAIR & MAINTENANCE	\$800.00
LIGHTING / ELECTRICAL REAPAIR & MAINT.	\$1,500.00
LOCKS & KEYS	\$200.00
TRASH REMOVAL	\$18,871.40
TERMITE BOND	\$250.00
MISCELLANEOUS	\$300.00

TOTAL GROUNDS MAINTENANCE \$42,921.40

POOL & CABANA	
POOL MAINTENANCE	\$4,200.00
POOL EQUIPMENT REPAIRS	\$350.00
POOL PERMIT	\$180.00
CABANA MAINTENANCE	\$4,800.00

TOTAL POOL & CABANA MAINTENANCE \$9,510.00

MANAGEMENT / ADMINISTRATIVE	
MANAGEMENT FEE	\$12,480.00
TAX PREPARATION	\$250.00
AUDIT FEES	\$750.00
LEGAL FEES	\$1,000.00
BANK CHARGES	\$250.00
POSTAGE	\$350.00
COPIES & PRINTING	\$400.00
CORPORATE ANNUAL REPORT	\$65.00
FEES PAYABLE TO DIVISION	\$832.00
LIABILITY & HAZARD INSURANCE	
POOL, CABANA AND GROUNDS	\$8,500.00
DIRECTORS & OFFICERS INSURANCE	\$650.00
MISCELLANEOUS	\$200.00

TOTAL MANAGEMENT / ADMINISTRATIVE \$23,727.00

UTILITIES	
ELECTRICITY - COMMON AREA	\$4,750.00
ELECTRICITY - STREET LIGHTS	\$2,400.00
WATER & SEWER	\$1,800.00

TOTAL UTILITIES \$8,950.00

RESERVE FUNDS

CABANA PAINT	\$800.00
CABANA ROOF	\$500.00
CABANA BUILDING	\$400.00
ROAD PAVING	\$2,250.00
GATE	\$800.00

TOTAL RESERVE \$3,250.00

VILLA DEL SOL MASTER CONDO. ASSOCIATION

INITIAL BUDGET FOR 208 UNITS

	UNIT PER MONTH	PROJECTED MONTHLY	PROJECTED YEARLY
INCOME	\$19.775	\$4,113.200	\$49,358.40
RESERVES	\$15.625	\$3,250.000	\$39,000.00
TOTAL ESTIMATED INCOME	\$35.400	\$7,363.200	\$88,358.400
GROUNDS LANDSCAPE LAKE MAINTENANCE TRASH REMOVAL	\$17.196	\$3,576.783	\$42,921.40
POOL & CABANA II MAINTENANCE	\$3.810	\$792.500	\$9,510.00
ADMINISTRATION OF ASSOCIATION INSURANCE SUPPLIES PROFESSIONAL FEES	\$9.506	\$1,977.250	\$23,727.00
UTILITIES	\$3.586	\$745.833	\$8,950.00
RESERVE INCOME	\$1.302	\$270.833	\$3,250.00
TOTAL	\$35.400	\$7,363.200	\$88,358.400

Exhibit "7"

**INSTR 20020625655
OR BK 06715 PG 0097**

This AGREEMENT is made between **VILLA DEL SOL AT MEADOW WOODS NO. 2 CONDOMINIUM ASSOCIATION INC.** a Florida Corporation (hereinafter referred to as the "Association"), located in, Florida and Leland Management, Inc., with a principal place of business at 1633 East Vine Street, Suite 110, Kissimmee, Florida 34744 (hereinafter referred to as "Leland")

WHEREAS, the Board believes it to be in the best interest of the members of the Association, that the Association be managed by an organization in the business of Community Association Management; and

WHEREAS, the Board of the Association is empowered by provisions of the Bylaws of the Association to employ such an organization.

NOW THEREFORE, it is agreed as follows:

Article I - CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement and any Attachments. Certain terms in this Agreement relate to the Association Documents, Bylaws of the Association, and Board Resolutions.

Article II -MANAGEMENT RELATIONSHIP

Leland's function is to assist the Board of Directors in the operation and administration of the Association. Leland shall be an independent contractor in performing its functions on behalf of the Association as its Agent. Actions taken by Leland shall be made under the express or implied authorization of the Board of the Association in accordance with the terms of this agreement, documents of the association or under written or verbal instructions of the board.

Notwithstanding the authority given to Leland in this Agreement, it is understood and agreed that the parties shall at all times endeavor to confer fully and freely to facilitate the performance of the services set forth in this Agreement.

Article III - RESPONSIBILITY OF MANAGEMENT

Leland agrees to perform the services as stated in this Agreement and Attachment "A" in name of and on behalf of the Association, and the Association gives Leland authority and powers required to perform these services.

A. Maintain the Association's records and files and books of account in good order; be the custodian of the official records of the Association and provide access to the records at the office of the Leland to appropriate persons with prior appointment upon reasonable notice.

B. Leland shall establish and maintain a custodial bank account for the Association, in a bank whose deposits are guaranteed by the Federal Government. Leland shall have authority to make disbursements from the account to pay obligations of the Association in accordance with its responsibilities under this agreement if so authorized by Association Documents and Board.

make disbursements from the account to pay obligations of the Association in accordance with its responsibilities under this agreement if so authorized by Association Documents and Board.

C. Leland shall make disbursements regularly and punctually for the Association to pay debts and amounts owed by the Association from funds collected and deposited in the association's bank account. Leland shall not be required to use its funds for the Association, or to assume any liability for the Association.

D. Subject to this agreement and the direction and the expense of the Association, Leland shall cause the building, appurtenances and common grounds of the property and its common areas and facilities to be maintained according to standards acceptable to the Association. For any one item of repair or replacement, the expense incurred shall not exceed the sum of One Thousand dollars (\$1,000.00) unless specifically authorized by the Board or by a budget which has been approved by the Board; provided, however, that emergency repairs involving manifest danger to life or safety of the property or for the safety of the owners, or required to avoid the suspension of any necessary service to the property or to its common areas and facilities, may be made by the Leland irrespective of the limitation imposed by this Paragraph.

E. Subject to this Agreement and approval by the Association, Leland shall negotiate contracts for maintenance and other necessary services which Leland or the Association shall deem advisable within the scope of services defined in Attachment "A". Leland shall also place orders for equipment, tools, appliances, materials and supplies as are necessary to properly maintain the common and limited common areas subject to the limitations set forth in Paragraph D. When taking bids or issuing purchase orders, the Leland shall act at all times under the direction of the Association, and shall be under a duty to secure for and credit to the latter any discounts, commissions or rebates obtainable as a result of such purchases. Leland shall maintain appropriate records of all such contracts and orders.

F. Leland shall have NO authority or responsibility for maintenance or repairs to individual dwelling units unless required by the Association Documents.

G. Leland shall designate one of its licensed employees as primary Property Manager for the Association. Selection of the Manager assigned to the Association shall be within the discretion of Leland. However, the Board shall be entitled upon written notice to Leland to have the designated manager changed. At the request of the Board and upon reasonable notice Property Manager shall attend one meeting of the Board per month.

Article IV - RESPONSIBILITY OF ASSOCIATION

In order for Leland to effectively perform its duties, the Association agrees to assume the following responsibilities:

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- A. Maintain a legally constituted Board of Directors.
- B. Appoint one (1) Board member or authorized representative to act as liaison to coordinate with Leland on Association business. Unless a specific appointment is made in writing, the liaison shall be the President of the Association. Leland is authorized to act on behalf of the Association based on policies adopted by the Board and directives, written and oral, from the Board or the Board's liaison.
- C. Supply Leland with an accurate Owner's information roster, showing the names as recorded on the deed, the last known address, phone number(s), if known, and any other pertinent facts with regard to ownership of the property. Any changes shall be communicated immediately to Leland in writing.
- D. The Association shall furnish Leland with a complete set of Association legal documents and any amendments that show the stamp of recording of the County and complete records and files of the Association for one year prior to the contract date.
- E. Failure of the Board to provide adequate information to Leland, or if such information is not received in a timely manner, will revoke the right of the Association to claim nonperformance as to duties that require such information.
- F. The Association shall not interfere with, nor allow or cause any of the officers, directors, or members to interfere with Leland in the performance of its duties or the legitimate exercise of any of its responsibilities, including, but not limited to direct contact with those persons or organizations performing services under the supervision of Leland.
- G. Employees of Leland who handle or are responsible for the handling of the Association's moneys shall be bonded or insured by an endorsement to the Association's fidelity bond in an amount as required by the governing documents or any state statutes that are applicable to the Association.

Article V - COMPENSATION

5.01 Management Services * Monthly compensation if Phase I \$100.00, Phase 1 & 2 \$200.00 and Phase 1,2 & 3 \$300.00, or \$5.00 per door, whichever is greater. Such compensation includes overhead of Leland, including salaries of employees, general and administrative expenses, and travel expenses of officers and employees of Leland incurred to perform services defined in Attachment "A". Fees are due and payable on the 1st day of each month during which such services are to be provided. Leland is hereby authorized to deduct the monthly fee directly from the account of the

Association. If the amount due is not available to be paid in full by the 15th of the month, the balance due shall accrue interest at the maximum legal rate until paid.

5.02 Direct Expenses

Leland shall be reimbursed for direct expenses relating to mailings, photocopying, office supplies for the Association, and other items that may be required from time to time as required or requested by the Board of Directors or by Owners as defined on Attachment "B". In addition, Leland shall have the right to charge any authorized party or owner requesting information or service that is under the control of Leland, to cover Leland's expenses as they relate to the specific request.

5.03 Additional Services

Additional services not provided for in this agreement are available at the request of the board under terms specified in Attachment "B".

Article VI - CONTRACT PERIOD and TERMINATION

6.01 Term

This Agreement shall commence on _____, and shall automatically renew for one year periods. At any time after the end of each one year term of this Agreement, Leland shall have the right to adjust its monthly management fee. Association shall have thirty(30) days to accept the proposed adjustments. If after thirty(30) days the Association fails to accept the proposed adjustment, Leland, at its option, may terminate said Agreement or continue under the existing terms and conditions. Notwithstanding, after the transfer of control of the association to the unit owners, the association shall have a right to terminate this agreement with 90 day notice.

6.02 Termination

Either party may terminate this Agreement without cause upon 60 days written notice.

Leland has the right to terminate immediately in the event payment is not made within 20 days of the due date. In no case shall such termination forfeit any rights of Leland to collect its compensation according to this Agreement.

6.03 Termination Procedures

A time shall be set for a meeting to take place in Leland's principal office on the last day of the term of the Agreement for the purposes of turning over to the Association all requested records, all funds

Article VII - LIABILITY OF PARTIES

Leland will indemnify and hold the Association harmless from all loss, damage or injury, resulting from wanton or intentional acts done or caused by Leland, its officers, directors, or employees which cause harm to persons or property or which cause a monetary loss or expense to the Association. In no event, however, shall Leland be liable to the Association for any errors of judgment Leland may commit or refrain from committing in the reasonable good faith performance of its duties.

Except for willful acts or for breaches of duties constituting gross negligence, the Association shall indemnify, defend and hold Leland, its shareholders, directors, officers, employees, and agents, harmless from all claims, actions, and damages arising from the performance of Leland's duties under this Agreement.

Leland shall maintain in force, for the term of the Agreement, worker's compensation insurance, and such other insurance as may be reasonably requested in writing by the Board.

Notwithstanding the foregoing, the Board shall name Leland as an additional insured on the Association's liability and casualty policies and shall provide to Leland a certificate so evidencing the same.

The Association shall indemnify, defend, and save Leland its shareholders, directors, officers, employees and agents, harmless from all claims, investigations, and suits with respect to any alleged or actual violation of state or federal labor laws, environmental protection laws, fair housing laws, fair employment laws, or for any other reason whatsoever, where the alleged or actual violation is the result of action taken at the direction of the Board. The association's obligation under this Paragraph shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorney's fees, including those incurred through all appeals.

Said indemnification as outlined in above Paragraphs shall survive this Agreement for a period not less than the term of the Statute of Limitation for bringing any action against Leland or the Association for acts performed under the terms of this Agreement or while this Agreement is in effect. Termination of this Agreement shall not terminate any liability or obligation of the Association to Leland, its shareholders, directors, officers, employees and agents, for any act or occurrence having taken place during the term for the Agreement or for any indemnification, payment, reimbursement or other sum of money due and payable or thereafter becoming due and payable to Leland, its shareholders, directors, officers, employees and agents.

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Article VIII - MISCELLANEOUS

8.01 Definitions

To the extent any definition is not inconsistent with the Association's legal documents, unless the context shall require otherwise, the terms used in these Contract Documents shall have the same meaning as defined in the documents or as defined in the same manner as in Florida Statutes, where applicable.

8.02 Conflicts

Any conflict, real or perceived, will not affect the whole of the contract. Any such real or perceived conflict shall be negotiated between the parties of the agreement.

8.03 Waiver and Modification

No forgiveness of failure to perform shall be deemed a waiver upon any subsequent violation. This Agreement may be modified only by a written instrument executed by all parties.

8.04 Construction

This Agreement, which may be signed in several original counterparts, is to be construed as a bilateral contract. Headings are provided for convenience only and are not intended to be utilized in interpreting the contents. Terms of gender shall refer to the opposite gender where appropriate and terms of singular shall refer to plural and visa versa.

8.05 Notices

All notices as provided for, or as may be deemed desirable, shall be in writing and sent postage prepaid by certified mail, return receipt requested, to Leland at the address indicated above, or such other address as given by Leland in a notice, and to the Board in care of the then-serving President at his/her residential address.

8.06 Identification of Agent

Subject to the written approval of the Association, Leland. shall be allowed to place a sign on the property stating that the property is being managed by Leland.

8.07 Breach and Default

Failure by the Parties to this Agreement to insist upon the strict performance of any term of this Agreement or to exercise any right, power or remedy upon a breach thereof by the Parties shall not

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constitute a waiver of any such term of any such breach. Waiver of any breach shall not affect or alter this agreement, which shall continue in full force and effect with respect to any other then-existing or subsequent breach by the Parties.

Failure by either party to perform its duties and obligations under this Agreement for the continuous period of 30 days after written notice of default specifying the default complained of shall be grounds for the other's termination of this Agreement, and, at the option of the other, the defaulting party shall be liable for any and all damages flowing therefrom as a result of such breach or default.

8.08 Attorney's Fees and Arbitration/Mediation

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 the parties shall submit the matter in controversy to arbitration under Florida Statutes, Chapter 682, and in accordance with standards set by the American Arbitration Association. If the dispute results in attorney's fees to resolve, the prevailing party in and under this Agreement shall be entitled to recover costs and attorneys fees.

8.09 Severability

In the event that any provision or provisions of this Management Agreement shall be determined to be invalid, void, or unenforceable, such determination shall not affect the other provisions of this Agreement which can be given effect without the invalid, void or unenforceable provision or provisions.

8.10 Binding Obligations

This Agreement shall inure to the benefit of and constitute a binding obligation upon Leland and the Association, and their respective legal representatives, administrators, successors and assigns.

8.11 Governing Law and Venue

The Contract Documents shall be governed by and construed in accordance with Florida law. Any action commenced pursuant to this Agreement shall be brought in Orange County, Florida.

8.12 Licensure

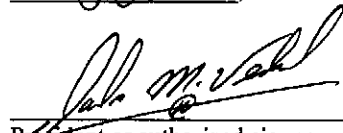
Leland warrants and represents that it possesses and shall maintain during the term hereof, all licenses, permits, approvals, and similar items, as are necessary and/or appropriate to its performance hereunder.

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8.13 Whole Agreement

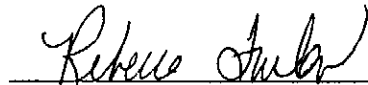
The Contract Documents represent the parties' entire understanding and supersede any prior agreement. The parties acknowledge that there are no other understandings between them in these regards, except as may be evidenced by written agreement.

IN WITNESS, the parties have set their hands and seals this 1 day of Oct, 2002.



President or authorized signer

LELAND MANAGEMENT, INC



Rebecca Furlow, CAM President

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MANAGEMENT AGREEMENT
LELAND MANAGEMENT INC.

ATTACHMENT "A"

Property Management:

- Perform regular inspections of the associations common areas and facilities to monitor their condition and maintenance needs
- Assist the association in locating and contracting with maintenance providers.
- Assist in securing competitive bids on services and products of the association.
- Coordinate and monitor the activity and performance of maintenance providers
- Confirm that maintenance providers are properly insured
- Perform regular inspections of the physical appearance and condition of the members properties to assess compliance with the Covenants, Restrictions and By-laws of the association
- Follow up on complaints of violations or maintenance issues received from association members or the Board
- Issue violation notices and take other appropriate action necessary to resolve a violation in accordance with association documents and instructions of the board
- Process Architectural Review Board applications
- Provide assistance in obtaining property and liability insurance for the association
- Provide assistance in reporting and filing of insurance claims on behalf of the association

• **Assessments:**

- Maintaining assessment rolls including coordination closing information with title companies.
- Complete invoice billing to each Association member on a monthly, quarterly or other basis requested by the association
- Collection and deposit of assessments into Association bank account insured by the FDIC
- Preparation and mailing of past due notices and Intent to Lien Notices in accordance with the policies of the association.

• **Accounting:**

- Preparation of monthly and year end financial statements
- Preparation of supporting financial reports including detailed general ledger, cash receipts and disbursements registers
- Maintaining and updating detailed accounts receivable records including aging reports

- Maintenance of Association bank account
- Preparation of monthly bank reconciliation
- Preparation of annual budget under guidance of the Association Board
- Preparation and approval of disbursements in accordance with the terms of approved vendor contacts or as authorized by the budget or Board

• **Tax and Association Reporting Requirements:**

- Preparation of IRS Form 1099 for vendor payments.
- Coordinate the Preparation and filing of Federal tax returns.
- Coordinate the Preparation and filing of State tax returns
- Preparation and filing of Annual Report required by the Florida Department of State.
- Coordination and oversight of financial audit and reviews by independent CPA if required by statute or requested by the Board.

• **Association Governance:**

- Preparation of monthly Management Reports for the President of the Association summarizing significant events and actions for the period
- Property manager will attend a monthly Board of Directors meeting annual meeting at request of the Board.
- Advise Board of items that may be appropriate for meeting agenda
- Arrange for transcription of minutes upon request of Board
- Prepare and mail proper notice for annual and special meetings
- Facilitate communications between the members and the Board

• **Maintenance of Association Records:**

- We act as custodian of official records and files of the Association including;
 - - Minutes of Board meetings, special meetings and annual meetings
 - - Annual and special meeting attendance records
 - - Accounting records including cash receipt and disbursement records
 - - Insurance records
 - - Federal and State tax returns and other tax related record
 - - Annual corporate filing

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**MANAGEMENT AGREEMENT
LELAND MANAGEMENT INC.**

ATTACHMENT "B"

SCHEDULE OF CHARGES TO ASSOCIATION FOR DIRECT EXPENSES

Envelopes, Stationary, Mailing Labels etc.	Actual cost
Copies (including computer generated copies)	\$.15 per page
Printing and Postage	Actual cost
Long Distance Phone or Facsimile charges	Actual cost
Photos (when necessary to document a violation)	Actual cost
Assessment Notices/Coupons	Copy / coupon cost
Research of records kept by previous management companies	\$25.00 per hour
Meeting attendance (in excess of 2 hours per month and 2 hours annual)	\$50.00 per hour

SCHEDULE OF CHARGES REIMBURSED BY OWNERS OR BUYERS

Change of Ownership Transfer:	\$25.00
Additional Documentation Fee	\$50.00
Delinquent Account Collections:	
Processing returned, unpaid/NSF checks	\$25.00 or 5% if greater
Intent to Lien Letter	\$35.00
Prepare/filing of Lien	\$175.00
Documents/Copies:	
Copying/printing Governing Documents	\$25.00
Unit owner request for copies of Association records	\$.15 per page
Application Processing Fee (does not include supplier cost)	\$25.00

It is understood and agreed that expense charges may vary over time according to Agent's cost

Exhibit "8"

ESCROW AGREEMENT

THIS AGREEMENT made and entered into between Villa Del Sol Developers Inc., a Florida Corporation, hereinafter referred to as "Developer", and North American Title Company, whose address is 151 Wymore Road Suite 4250, Altamonte Springs, Florida 32714, hereinafter referred to as "Escrow Agent".

WHEREAS, the Developer is developing a condominium project in Orange County, Florida which project is known as Villa del Sol at Meadow Woods Condominium No. 2; and

WHEREAS, the Developer contemplates to offer for sale to the public residential dwellings in the condominium form of ownership; and

WHEREAS, the Developer desires to appoint an Escrow Agent to receive certain funds as are more fully detailed hereinafter in compliance with the Condominium Act of the State of Florida (F.S. 718.202); and

WHEREAS, the Escrow Agent agrees to act in that capacity in connection with the sale of the condominium units above described.

NOW, THEREFORE, in consideration of the mutual covenants and promises between the parties hereto, it is agreed as follows:

1. Developer agrees that all of said payments toward the purchase of condominium units shall be paid to Escrow Agent at the address 151 Wymore Road Suite 4250, Altamonte Springs, Florida 32714.
2. Developer agrees, in conjunction with the prospective purchase to provide Escrow Agent, along with the transmission of the said funds to be placed in escrow a copy of the Purchase Agreement with respect to each of the condominium units.
3. Escrow Agent agrees to receive said funds and the copies of the Purchase and Sale Agreements with respect to each prospective purchaser and to hold the monies in escrow which were transmitted to it under the terms of this Escrow Agreement, and in accordance with the provisions of the Condominium Act of the State of Florida.
4. Escrow Agent shall deposit all payments made pursuant to a specific purchase agreement into the escrow account opened to that effect. Escrow Agent agrees to keep said escrow monies until such time as it has been provided with written notification from an officer of the Developer or its legal counsel that closing has taken place unless prior to the disbursement Escrow Agent receives from the Purchaser written notice of a dispute between the Purchaser and the Developer in which case said funds shall not be released until such time as Escrow Agent is provided with the written authorization from Purchaser or an order of the competent jurisdiction authorizing such release. Upon receipt of the above items, Escrow Agent shall release said funds in accordance with the written instructions or the order of the competent jurisdiction.
5. A Purchaser shall be entitled to a refund of his funds and Escrow Agent shall pay said funds to said Purchaser, if a purchaser shall, in writing, request a refund of its funds within any refund period provided for in the Purchase Agreement or in the event the sales program of the Condominium project above mentioned is discontinued pursuant to the terms of the Purchase Agreement and Purchaser is not otherwise in default under the terms of said agreement. An affidavit of Developer stating that the sales program has been discontinued shall be sufficient notice under this paragraph.
6. In the event the prospective Purchaser defaults in connection with his purchase for any reason deemed a breach by the provisions of the Purchase and Sale Agreement, Developer shall have the right to demand the escrowed funds from Escrow Agent as liquidated damages as provided for in the Purchase and Sale Agreement. Written notification from an officer of Developer as to Purchaser's default, with a copy of same to Purchaser, shall be sufficient notice to purchaser under this paragraph and Escrow Agent may release funds to Developer upon receipt of such notice.

Developer shall hold Escrow Agent harmless of any loss resulting from a dispute between Developer and Purchaser.

7. The duties of Escrow Agent hereunder shall be entirely administrative and not discretionary. Escrow Agent shall be obligated to act only in accordance with written instructions received by it, as provided in this Agreement and is authorized hereby to comply with any orders, judgments or decrees of any court with or without jurisdiction and shall not be liable as a result of its compliance with the same.

8. Escrow Agent may rely absolutely upon the genuineness and authorization of the signature and purported signature of any party upon any instruction notice, release, request or other document delivered to it pursuant to this Agreement.

9. Developer hereby agrees to indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity or any other expenses, fees or charges of any character or nature which it may incur or with which it may be threatened by reason of its acting as such Escrow Agent under this Agreement, and in connection therewith to indemnify Escrow Agent against any and all expenses, including attorney's fees and the costs of defending any action, suit or proceeding or resist any claim.

10. If any two parties shall be in disagreement about the interpretation of this Escrow Agreement or about the rights and obligations or the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion file an action of interpleader to resolve the said disagreement, Escrow Agent shall be indemnified for all costs, including reasonable attorney's fees in connection with the aforesaid interpleader action and shall be fully protected in suspending all or a part of its activities under this Agreement until a final judgment in the interpleader action is received.

11. Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of counsel. Escrow Agent shall otherwise not be liable for any mistakes of fact or error of judgment or for any act or omission of any kind unless caused by its willful misconduct or gross negligence.

12. Developer agrees to pay Escrow Agent charges for acting as such and Escrow Agent hereby waives any claims which it may have to receive any such compensation from the funds of deposit.

13. Escrow Agent may resign upon thirty (30) days written notice to the parties in this Agreement. If a successor Escrow Agent is not appointed within thirty (30) days period, the Escrow Agent may petition a court of competent jurisdiction to name a successor.

14. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if sent by registered or certified mail, return receipt requested to the respective addressees set forth herein below.

15. The rights created by this Agreement shall inure to the benefit of and the obligations created hereby shall be binding upon the successors, and assigns of Escrow Agent and all parties to this Agreement.


16. This Agreement shall be construed and enforced according to the laws of the State of Florida in general and the Condominium Act in specific.

17. Escrow Agent must give a receipt to each purchaser.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this
17th day of May, 2002.

FOR THE DEVELOPER:

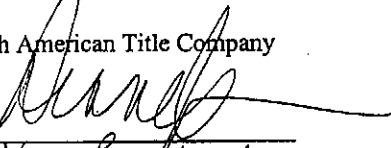
Villa Del Sol Developers Inc., a Florida Corporation


Alejandro Robles, President

FOR THE ESCROW AGENT: ¹

North American Title Company

By:


Vice President

1.

Exhibit "9"

Villa del Sol at Meadow Woods Condominium No. 2
Purchase Agreement

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

ANY PAYMENT IN EXCESS OF 10 PERCENT OF THE PURCHASE PRICE MADE TO THE DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION PURPOSES BY THE DEVELOPER.

This is a legally binding contract for sale and purchase made and entered into on this ____ day of _____, 20____, by and between Villa Del Sol Developers, Inc., a Florida Corporation, as Seller, and _____, as Buyer, whose address is _____ and whose phone is _____ and whose Social Security Numbers are: _____.

WITNESSETH

Seller agrees to sell and convey, and Buyer agrees to purchase Condominium Unit No. ____ (the "Unit") in Building _____, of Villa del Sol at Meadow Woods Condominium No. 2 (the "Condominium"), according to the Declaration of Condominium to be recorded in the Public Records of Orange County, Florida. The address of the condominium is 443 Rhode Island Woods Circle, Orlando, Florida 32824.

This condominium unit is a new construction and it has never been occupied. The Seller reserves the right to make changes and substitutions of materials of equal or greater quality than as contained in the Model and/or as shown on the plans and specifications on file with Orange County, Florida.

Purchase Price:.....\$ _____

Contract Extras Addendum (Non Refundable).....\$ _____

Contract Credits Addendum.....\$ _____

Total Purchase Price.....\$ _____

Payable as follows:

Initial Deposit at Execution of Agreement.....\$ _____

Additional Deposit, Due _____ \$ _____

Balance Due at Closing\$ _____

Total Purchase Price.....\$ _____

1. Closing Date:

a. If the Building in which the dwelling unit is located is to be constructed or is under construction, then this transaction shall be closed and the deed and other closing papers shall be delivered on or before the fifth day following issuance of the Certificate of Occupancy by the Orange County Building and Zoning Department or other proper governmental agency for the building and/

or Unit. This certificate of occupancy for the unit will be sufficient evidence that the construction is complete. In the event the transaction is not closed on the fifth day following issuance of the Certificate of Occupancy, and the Seller agrees, at its sole and absolute option, to extend the time for closing, it is understood and agreed that in consideration for the extension of time to close, Buyer shall pay all Carrying Charges as that term is defined below.

b. If the unit is complete (i.e., Certificate of Occupancy has been issued) then the transaction shall be closed and the deed and other closing papers shall be delivered on the date certain, to wit- the _____ day of _____ 2002. In the event the transaction is not closed on such date, and Seller agrees, at its sole and absolute option, to extend the time for closing, it is understood and agreed that in consideration for the extension of time to close, the Buyer shall pay all Carrying Charges on the property commencing on the first day subsequent to such date certain. "Carrying Charges," as used herein, shall include but shall not be limited to interest on the unpaid balance of the Purchase Price at the highest rate of interest allowed by law, taxes, insurances, interest on all mortgages, lawn care, utilities and maintenance.

c. The Seller shall provide five days notice to the Buyer of the above closing date.

d. The closing shall take place at the office of North American Title Company, 151 Wymore Road, Suite 4250, Altamonte Springs, Florida 32714.

e. The Seller agrees to substantially complete construction of the unit, in the manner specified in the agreement, by a date no longer than two (2) years from the date of the agreement, (time limitation required to insure Seller exemption under Section 1702(a)(2) of the Federal Interstate Land Sales Full Disclosure Act) subject to, however, delays caused by unavailability of material at reasonable costs, strikes, other labor problems, governmental orders or other events which would support a defense based upon impossibility of performance for reason beyond the control of the Seller. If Seller is unable to complete construction within this time, Buyer may terminate this agreement and receive a full refund of all deposits. If Buyer elects to receive a refund, Seller shall be relieved of all obligations under this agreement when Seller refunds the deposits to the Buyer.

2. Deposits:

All the deposits to be made by Buyer in accordance to the provisions of this Purchase Agreement shall be deposited with an Escrow Agent. The name and address of the Escrow Agent is North American Title Company, 151 Wymore Road, Suite 4250, Altamonte Springs, Florida 32714. The Buyer shall not earn interest on deposits. The Buyer has the right to obtain a receipt of its deposits from the Escrow Agent.

3. Title:

It is understood and agreed that Buyer is buying the Unit subject to the items as hereinafter stated and that title to the Unit will be good and marketable in accordance with the title standards of the Florida Bar, subject only to the following:

a. The covenants, conditions, reservations, restrictions, limitations, dedications, agreements, easements, special taxing districts, existing zoning ordinances and zoning agreements of record, including, but not limited to water, sewer, gas, electric and other utility's agreements of record. However, there shall be no limitation on Buyer's title which prohibits construction of the Unit.

b. The restriction, covenants, conditions, easement terms and other provisions imposed by or referred to in the Condominium Documents of Villa del Sol at Meadow Woods Condominium No. 1.

c. Taxes, pending municipal liens and easement existing and to be created for ingress and egress to the condominium property.

d. The general printed exceptions contained in an American Land Title Association

Standard Form A Owner's Title Insurance Policy customarily issued in Orange County, Florida.

e. Perpetual easement for encroachments now or hereinafter existing caused by the settlement or movements of improvements or caused by minor inaccuracies in building or rebuilding.

At closing, title shall be conveyed to Buyer by Special Warranty Deed together with any such other instruments as shall be required to complete and consummate the closing, including, but not limited to, instructions to the Escrow Agent to release to the Seller all funds held in escrow.

4. Title Evidence and Closing Costs:

At Buyer's expense, Seller shall deliver to Buyer or Buyer's attorney, at least three days prior to the closing, an owner title insurance commitment subject to the items specified in paragraph three, herein above and subject to the normal exclusions from coverage, standard exceptions, and provision of conditions and stipulations of a standard owner's title insurance commitment. Said title insurance commitment shall be prepared by North American Title Company. The delivery of the foregoing title insurance commitment shall be deemed conclusive evidence as to Seller's compliance with good and marketable title as set forth above in paragraph three. Buyer may elect to obtain the title insurance commitment from another company by providing Seller written notification of Buyer's decision within fifteen days of the execution of this contract. However, Seller shall not be obliged to deliver to the Buyer any abstract of title, nor pay for any other title evidence, nor pay for any title search.

At closing, Buyer shall pay the following sums:

a. The balance of the total Purchase Price, as it may be adjusted pursuant to the terms of this contract.

b. One Month in advance payment of the Condominium Assessment for Villa del Sol at Meadow Woods Condominium No. 1 and a proration for the maintenance assessments due for the month of the closing. Working Capital Contribution in the amount equal to two months of the monthly maintenance. Working Capital is not considered as advance payment of common expenses or funds of the association. Such contributions shall be used to reimburse the Developer for start-up expenses, such as not limited to reimbursement for the cost of insurance paid by the Developer on behalf of the unit owner.

c. One Month in advance payment of the Assessment for Villa del Sol at Meadow Woods Master Association and a proration for the maintenance assessments due for the month of the closing. Working Capital Contribution in the amount of equal to two months of the monthly maintenance. Working Capital is not considered as advance payment of common expenses or funds of the association. Such contributions shall be used to reimburse the Developer for start-up expenses, such as not limited to reimbursement for the cost of insurance paid by the Developer on behalf of the unit owner.

d. Utility meter cost estimated to be \$115.00.

e. Proration of real estate taxes for the year of the closing.

f. All closing costs including but not limited to any permanent loan to be arranged by Seller and/or Buyer. Closing costs are defined as follows: stamps on note, intangible tax on mortgage, recording of mortgage and any other instrument, appraisal fees, credit report fees, attorney's fees of lender, mortgage title insurance for lender, points charged by lender, mortgage insurance premium and any other expenses related to the permanent loan, and

g. The Buyer also agrees to pay documentary stamps on the deed, recording of the deed and survey of the property.

5. Construction:

The Seller reserves the right, without liability to Buyer, to make any modifications, changes

or omissions to the unit, as long as they are required by any government authority or so long as they do not, in Seller's sole opinion, substantially adversely affect Buyer. The Seller also reserves the right, without liability to Buyer, to substitute items, including, but not limited to, materials, equipment, cabinets, fixtures, appliances and/or floor coverings with items which are, in Seller's opinion, of equal or greater quality, utility, value and/or color. The Buyer understands that material such as brick, wood, wood grain, carpeting, paint, cabinets, marble, tile, mica and the like are subject to size, color, shading, gradation and quality variations and may vary from samples, models or color charts and from place to place, and Seller shall not be liable for such variances.

The Seller shall have complete discretion in landscaping, amenities and other improvements within the development in which the Property is located, and may remove any existing trees or vegetation. The Buyer acknowledges landscaping and exterior amenities around the model home or building may be more extensive than may be provided for the Property.

The Seller may, at Seller's option, grant Buyer the right to make color, material, appliance or other selections, and if Seller does grant such said option, Buyer will make those selections within five (5) days after Seller's request. If Buyer fails or refuses to make any selections within the five (5) day period, Seller may make the selections for Buyer. If Buyer does make said selections, Seller shall endeavor to provide Buyer with Buyer's selections but Seller will not be liable for a substitution or for any error due to: (1) changes made by Buyer; (2) shortages; (3) discontinuation of colors; (4) increases in costs through substitution; or (5) color run variations. If the Property is completed or partially completed at the time that Buyer and Seller enter into this Contract, Buyer accepts all selections which Seller has already made.

The Buyer agrees and understands that all upgrades, changes and extras must be agreed to by the Seller, in writing and the Buyer must pay for them when ordered. The Buyer understands and agrees no credits will be given by Seller unless agreed to by Seller in writing and said credits will be given to the Buyer at closing.

The unit owners acknowledge that the primary inducement of purchasing a unit in this Condominium was the unit itself and not the recreational area.

6. Inspections prior to closing:

The Buyer shall be given an opportunity to examine the improvements along with the Seller's representative prior to the closing of title at a time and date to be scheduled by the Seller. At that time the Buyer with Seller's representative will prepare and sign a final inspection statement setting forth any defect in workmanship and material. Within a reasonable time after closing, Seller will complete, replace or correct any items on the list which in Seller's opinion are in fact defects or which remain to be done, keeping in mind, the standard of construction in the County where the property is located. If the Buyer fails to inspect the unit prior to the closing, said unit will be deemed acceptable "AS IS". The Buyer acknowledges that all matters pertaining to the initial construction of the unit will be handled by the Seller and its representatives and Buyer agrees not to interfere with or molest any workman at the site of the property.

At time of the Closing, the fact that Seller has to complete work, or the installation of any items normally completed by the Seller after the closing shall not delay or postpone the closing or Buyer's obligations to close and pay the balance of the purchase price or be grounds for reductions of or credit against the purchase price or be grounds for placing a portion of the purchase price in escrow pending completion of such items. No escrow or hold back of closing funds will be permitted. In addition, the fact that the Seller may be in process of completing, finishing, detailing, landscaping and decorating, or the fact that the surrounding recreational areas, including, but not limited to, pools and gazebos, may not yet be completed, shall not be grounds to delay the closing or to hold back escrow funds.

7. Insulation:

In order to comply with the Federal Trade Regulations rules dealing with the labeling and advertising of home insulation, Seller hereby advises Buyer the type, thickness and R-value of all

insulation installed or to be installed in the dwelling as follows: Exterior Walls R 4.2 and Roof R 30.

8. Prorations:

Real Estate taxes shall be prorated as of the date of closing and shall be based upon the taxes for the previous year. The Seller will not re-prorate the real estate taxes after closing. If the tax bill is projected to be a Master Tax Bill, then Buyer shall pay to Seller the projected tax amount from the date of closing until December 31 of the current year and the Seller shall pay the real estate taxes for the year.

9. Default:

Time is of the essence. If Buyer fails to perform his obligations under this purchase agreement within the time specified, the deposits paid by Buyer and any prepayment for extra or upgrades may be retained by or for the account of the Seller as consideration for the execution of this agreement and in full settlement of any claims for damages and all parties shall be relieved of all obligations under this purchase agreement. This shall be Seller's sole remedy. Buyer and Seller agree this is a fair and reasonable compensation to Seller for having constructed the residence on the property and removing the property from the market and having to resell it. The provision herein contained for liquidated damages and agreed upon damages is a bona fide provision for such and is not a penalty. The parties understand that by reason of the withdrawal of the Unit for Sale to the general public at a time when other parties would be interested in purchasing the property, that the Seller has sustained damages if Buyer's default with damages would be substantial but will not be capable of determination with mathematical precision and therefor, as aforesaid, the provision for liquidated damages has been incorporated into this agreement as a provision beneficial to both parties hereto. If this agreement is so terminated, Seller may sell the property to any third party as though this contract has never been made and Seller shall have no obligation to make account to Buyer for any part of the proceeds of such sale.

If, for any reason other than failure of Seller to render his title marketable, Seller fails, neglects, or refuses to perform this agreement, Buyer shall give Seller written notice of such default and if Seller within twenty (20) business days from receipt of such notice shall fail to take action that would cure the default within a reasonable time, then Buyer shall within ten (10) days of receipt of Seller's deadline to cure the default will choose one of the following remedies in writing: (1) terminate the Contract and receive a refund of all deposit and prepayment of options, extras, upgrades and the like actually paid under this Contract; or (2) specifically enforce this Contract. In no event shall Seller be liable to Buyer for monetary damages. When Buyer elects one of the remedies available to Buyer, Buyer will be deemed to have waived the other.

10. Radon Gas:

Pursuant to Florida Statutes 404.056, Seller herein notifies to Buyer as follows: Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over times. Levels of radon that exceed federal and state guidelines have been found in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

11. Sales Promotion Right of Developer:

The Buyer acknowledges and agrees that, for the purpose of completing this sale and construction of all the units within the Villa del Sol at Meadow Woods Condominium Complex development in which the Property is located, Seller shall have the right and authority to maintain or establish, within such development, models, sales and construction offices, advertising signs and banners, lighting and all other activities normally associated with the sale, development and construction of a residential real estate development until one year after the closing of the last unit in the development.

12. Attorneys' Fees:

In the event that any litigation is commenced respecting this Agreement, the Home or the application or regulations to any aspect of this transaction, each party shall pay his/her own legal expenses and costs.

13. Miscellaneous Provisions:

This Agreement shall be binding on both parties and their heirs, successors, executors, and assigns of the respective parties. This agreement cannot be assigned by Buyer without the written approval of the Seller. This agreement shall not be recorded in the Public Records of Orange County, Florida. Buyer and Seller as used in this agreement shall include the male or female gender and the singular or plural wherever the context hereof so requires.

If the property is damaged by fire or other casualty prior to closing, Seller will have to decide whether or not to repair the Property. If the damage will not be repaired, this Contract will be terminated and all deposits already paid will be returned to Buyer.

A buyer has no right to assign, sell or transfer his interest in this Agreement without Seller's prior written consent.

Should any part, clause, provision or condition of this Agreements be held to be void, invalid or inoperative, the parties agree that such invalidity shall not affect any other part, clause, provision or condition thereof, and that the remainder of this Agreement shall be effective as though such void part, clause, provision, or condition had not been contained herein.

The Buyer represents and warrants that there was no real estate broker (other than those brokers who have signed brokerage agreements with Seller to sell houses in this development, provided said brokerage agreements are in full force) instrumental in procuring this purchase, and Buyer agrees to indemnify and hold Seller harmless against and from all liabilities, including attorney's fees, arising from any claims for brokerage commissions or finder's fees arising from any dealings or negotiations had by Buyer with any broker or any other person relating to this purchase.

14. Termination of Agreement:

The Seller has the right to terminate this purchase agreement if in his sole opinion, the sales of the development are too few and/or the development is not feasible to the Seller. The Seller shall notify the Buyer by Certified Return Receipt Mail of his decision and refund the deposit by Certified Return Receipt Mail. The Seller shall direct the escrow agent to return the deposit to the Buyer. No release shall be required from Buyer.

15. Soil Condition:

The Seller has no knowledge of the soil or subsurface condition of the property nor has the Seller conducted any tests to determine any soil or subsurface condition which would affect the suitability of the property for construction. THE SELLER NEITHER EXPRESSLY NOR IMPLIEDLY WARRANTS THE HABITABILITY OF SOIL OR SUBSURFACE CONDITIONS OF THE SUBJECT PROPERTY. THE BUYER AGREES TO ACCEPT THE RISK OF ANY LOSS CAUSED BY THE SOIL OR ANY SUBSURFACE CONDITIONS. THE BUYER SHALL HAVE THE RIGHT TO CONDUCT ANY TEST NECESSARY, TO DISCOVER ANY SOIL OR SUBSURFACE CONDITIONS THAT MAY ADVERSELY AFFECT THE PROPERTY. ALL TESTS SHALL BE CONDUCTED WITHIN 10 DAYS FROM THE EFFECTIVE DATE OF THIS CONTRACT. ANY SUCH REPORTS SHALL BE DELIVERED TO SELLER WITHIN TWO (2) DAYS THEREAFTER.

16. Waiver of Jury Trial and Venue:

To the extent such waiver is permitted by law, the parties waive trial by jury in any action or proceeding brought in connection with this Agreement. The parties agree that venue for any

proceeding brought to enforce this Agreement shall be maintained in Orange County, Florida.

17. Construction Industries Recovery Fund:

Payment may be available from the construction industries' recovery fund if you lose money on a project performed under contract, where the loss results from specified violations of Florida law by a state-licensed Seller. For information about the recovery fund and filing a claim, contact the Florida Construction Licensing Board at the following telephone number and address: 7960 Arlington Expressway, Jacksonville, Florida 32211-7467; (904) 727-6530.

18. Warranties and Disclaimers:

The Seller hereby grants to Buyer warranties for the Unit expressly set forth in the Condominium Act under Section 718.203, Florida Statutes. To the maximum extent allowed by law, Seller disclaims any and all implied warranties of merchantability and fitness as to the building and appurtenances upon the condominium property other than such warranties as are expressly set forth in the Condominium Act, but only to the extent that the same extend to the Condominium property.

As to any implied warranty which cannot be disclaimed entirely, as a result of federal or state law, all secondary, incidentally and consequential damages are specifically excluded and disclaimed (claims for secondary, incidental and consequential damages being clearly unavailable in the case of implied warranties which are disclaimed entirely above).

The foregoing disclaimer does not, however, extend to and is not a limitation upon any implied warranties otherwise conferred as to any personalty or appliances constituting consumer products that are within the purview of the statutes granting the same.

In the event that a competent court of law decides any disclaimer hereunder to be ineffective, the parties agree that any action brought under warranty must be brought within one (1) year from the date of issuance of a temporary or permanent certificate of occupancy as to the buildings themselves and the common elements (excluding the Unit) and, as to the Unit, within a period of one (1) year from the date of Buyer's closing hereunder.

The provisions of this paragraph 18 shall survive closing.

19. Appliance Warranties:

Seller, without recourse, hereby assigns and agrees to deliver at closing or within a reasonable date thereafter any warranties received by Seller from the manufacturers of the appliances, equipment or fixtures provided by Seller in the Unit.

20. Disclosure Notice:

The representative for Seller in this transaction is Key Realty Advisors, Inc., a Florida Corporation. Key Realty Advisors, Inc. is being compensated by the developer for procuring the purchase and sale agreement. The salesperson is being compensated by Key Realty Advisors, Inc..

21. Facsimile:

A facsimile copy of this Purchase Agreement and any signature thereon shall be considered for all purposes as originals. The date of the Contract (effective date) will be the date when the last party has signed this offer.

22. Subordination to Seller's lender:

This contract is and will be subject and subordinate to the liens of any mortgage on the property; provided, however that Seller shall cause any such mortgage to be discharged with the proceeds of the sale of the Condominium Unit.

23. Notice to home buyers about mold, mildew, fungus, spores and chemical in construction products:

Every, new home contains products that have water, powders, solids and industrial chemicals that are used in constructing the home. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals which may cause allergic or other bodily reactions in certain individuals. You should consult your physician to determine the molds, mildews, fungus, spores or chemicals that may adversely affect you or member of your family.

The home which you are purchasing contains materials which contain or are affected by mold, mildew, fungus, spores and chemicals. The construction products used in building your home contain, among others, some of the following chemicals in measurable amounts:

Water (contains or allows growth of molds, mildew and fungus)
Formaldehyde(e.g. in carpeting and pressed wood products)
Arsentic (e.g. in treated wood products)
Fiberglass (e.g. in insulation products)
Petroleum and Petroleum Products (e.g. in vinyl and plastic products)
Methylen Chloride (e.g. in paint thinners)

If you are not comfortable with the fact that these chemicals or substances exist in some amount in the house you are purchasing, you should not purchase this house.

Leaks, wet flooring and moisture will contribute to the growth of molds, mildew, fungus or spores. The home buyer understands and agrees that the Seller/Builder is not responsible, and hereby disclaims any responsibility for, any illness or allergic reactions which the buyer may experience as a result of mold, mildew, fungus or spores. It is the home buyers' responsibility to keep the house clean, dry, well ventilated and free of contamination. Electronic air filters that may assist in effective air filtration are available at additional cost.

THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OR RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS AVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

ANY PAYMENT IN EXCESS OF 10 PERCENT OF THE PURCHASE PRICE MADE TO THE DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION PURPOSES BY THE DEVELOPER.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date above written.

Buyer:

Signature of Witness

Signature of Buyer

Name of Witness (Please Print)

Name of Buyer (Please Print)

Signature of Witness

Name of Witness (Please Print)

Signature of Buyer

Name of Buyer (Please Print)

Seller:

Villa Del Sol Developers, Inc., a Florida
Corporation

Signature of Witness

Name of Witness (Please Print)

Signature of Witness

Name of Witness (Please Print)

ADDENDUM TO PURCHASE AND SALE AGREEMENT

The addendum entered into on this ____ day of _____, 20____, between _____, Buyer, and Villa Del Sol Developers, Inc., a Florida Corporation, Seller, for the purchase of Condominium Unit No. _____ (The "Unit") in Building No. _____, of Villa del Sol at Meadow Woods Condominium No. 2 (the "Condominium"), according to the Declaration of Condominium, recorded in the Public Records of Orange County, Florida, hereinafter called "The Agreement".

MORTGAGE FINANCING

A. MORTGAGE LOAN. Buyer intends to pay for a portion of the "Total Purchase Price" (as defined in the Agreement) by obtaining a Mortgage Loan. The Buyer shall immediately make an application with _____ in order to qualify for a Mortgage Loan in the amount of \$ _____ at the prevailing interest rate in the market.

Buyer agrees to cooperate with lending institution in the execution and submission of all necessary and required documents to qualify for said mortgage. Buyer has to apply within five (5) days of this purchase agreement. It is understood by the parties that failure to present a bona fide application to a lender will constitute a default under the terms of this contract and Seller shall retain Buyer's deposit(s) as liquidated damages. Buyer understands that additional information may be requested by Lender from time to time, and Buyer agrees to supply the information requested, in good faith, in attempt to qualify for the mortgage. If Buyer has a spouse that has not signed this agreement, Buyer agrees to have said spouse sign the mortgage and any other mortgage documents requested by Lender. Buyer has to be approved by the lending institution within thirty (30) days of acceptance of this Purchase Agreement (Commitment Deadline) or Seller shall have the right to cancel this Agreement by refunding Buyer deposit. This contract is not assignable by Buyer without the prior written permission of the Seller.

In the event Buyer, having undertaken and performed the Mortgage Loan Acts:

- a) Does not secure a written commitment for the Mortgage Loan by 5 p.m. on _____ (Commitment Deadline), Buyer shall within two (2) business days of such failure notify Seller of this fact in writing. Upon timely receipt of such notice from Buyer, Seller shall elect in its sole discretion, in writing to do one of the following:
 - (i) Return deposit and terminate this agreement.
 - (ii) Extend the Commitment deadline to a date chosen by Seller at its sole discretion, but not later than the scheduled closing date.
- b) If declined a commitment for a Mortgage Loan at any time prior to the expiration of the time Commitment Deadline specified on (a) above, Buyer shall within two (2) business days of such decline notify Seller of this fact in writing. Upon timely receipt of such notice from Buyer, Seller shall instruct escrow agent to return Buyer's deposit and this agreement shall be terminated.

Seller has no obligations to inquire whether the Mortgage Loan has been approved. Seller shall be entitled to conclude that Buyer has waived its rights under this Rider to acquire a Mortgage Loan if Seller has not received a Loan Rejection Notice from Buyer prior to the expiration of the Commitment Deadline. In such event, this Agreement shall not be terminated and will thereafter be deemed a Cash sale and the deposit will not be refundable.

If Buyer is unable to obtain a Mortgage Loan due to an adverse change in Buyer's personal or financial condition occurring after the Commitment Deadline, or if the Mortgagee withdraws its

approval of the Mortgage Loan after approving the Buyer for the Mortgage Loan, this agreement shall not be terminated and will thereafter be deemed a cash sale and the deposit will not be refundable.

Notwithstanding anything to the contrary contained in this Addendum, once Buyer has been approved or received a written commitment for a Mortgage Loan, the deposit paid by Buyer hereunder shall no longer be refundable notwithstanding the subsequent disapproval of Buyer for the Mortgage Loan.

If the Buyer elects not to utilize the financing as specified, above, then in that event the total down payment deposit and closing costs must be paid within fifteen days (15) from the date of this contract and the contract shall become an all cash transaction. Should, said deposit not be made within said time, the Developer may declare this Agreement in default and retain all deposits made as agreed upon liquidated damages.

B. VA APPRAISAL. It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not incur any penalty by forfeiture or earnest money or to otherwise, or be obligated to complete the purchase of the property described herein, if the contract price or costs exceeds the reasonable value of the property established by Veterans Administration. The Buyer shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Veterans Administration.

C. FHA APPRAISAL. It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not be obligated to complete the purchase of the property described herein or to incur any penalty or forfeiture of earnest money deposits or otherwise unless the Seller has delivered to the Buyer a written statement issued by the Federal Housing Commissioner setting forth the appraised value of the property (excluding closing costs) of not less than \$_____, which statement the Seller hereby agrees to deliver to Buyer promptly after such appraised value statement is made available to the Seller. The Buyer shall however, have the privilege and option of proceeding with the consummation of the contract without regard to the amount of the appraised valuation made by the Federal Housing Commissioner. The appraised valuation is arrived at to the determination of the maximum mortgage the Department of Housing and Commissioner will insure. HUD does not warrant the value or the condition of the property.

D. The Buyer agrees to pay all closing costs, including but not limited to, stamps on note, intangible tax on the mortgage, recording of the mortgage and any other instrument, appraisal fees, credit report fees, attorneys' fees of the lender, mortgage title insurance for lender, points charged by lender, any mortgage insurance premium and any other expenses related to the permanent loan. The Buyer also agrees to pay documentary stamps on the deed, recording of the deed and survey of the property.

The parties agree that Seller shall pay no closing costs. However, Seller does agree to pay FHA non allowable closing cost in an amount no higher than \$75.00.

This addendum was executed on the same date, at the same time, and in the same place as the original Agreement.

Signed, sealed and delivered in the presence of:

Buyer:

Signature of Witness

Signature of Buyer

Name of Witness (Please Print)

Name of Buyer (Please Print)

Signature of Witness

Name of Witness (Please Print)

Signature of Witness

Name of Witness (Please Print)

Signature of Witness

Name of Witness (Please Print)

Signature of Buyer

Name of Buyer (Please Print)

Seller:

Villa Del Sol Developers, Inc., a Florida
Corporation

1.

Exhibit "10"

PREPARED BY:
Maria Fernandez-Valle, Esq.
10570 N.W. 27th Street
Suite 103
Miami, Florida 33172

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS that Bank of America N.A., the holder of a first mortgage on the property recorded on May 21, 2001, in Official Records Book 6262, at Page 3840, recorded in the public records of Orange County, Florida and as holder of any subsequent recorded modifications thereto, does hereby consent to the Declaration of Condominium for Villa del Sol at Meadow Woods Condominium No. 2, for the purposes of consenting thereto. This consent being attached to the original Declaration of Condominium.

NOW, THEREFORE, the Mortgagee consents to the recordation of the Declaration.

Mortgagee makes no warranty or any representation of any kind or nature concerning the Declaration, any of its terms or provision, or the legal sufficiency thereof, and disavows any such warranty or representation as well as any participation in the development of Villa del Sol at Meadow Woods Condominium No. 2, and does not assume and shall not be responsible for any of the obligations or liabilities of the Developer contained in the Declaration or other documents used in connection with the promotion of Villa del Sol at Meadow Woods Condominium No. 2. None of the representations contained in the Declaration or other documents shall be deemed to have been made by Mortgagee, nor shall they be construed to create any obligations on Mortgagee to any person relying thereon. Nothing contained herein shall affect or impair the rights and remedies of Mortgagee as set forth in the Mortgage or in the Declaration.

IN WITNESS WHEREOF, Mortgagee has caused this instrument to be signed by its proper corporate officers and the seal affixed, this 23rd day of September, 2002.

WITNESSES:

Bank of America N.A.

Claire E. Murphy
Claire E. Murphy

Jackie Perdue

JACKIE PERDUE

STATE OF FLORIDA

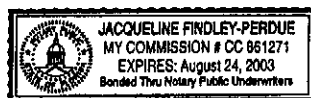
COUNTY OF ORANGE Hillsborough

BY:

Dean W. Kuna
Sr. Vice President

BEFORE ME, personally appeared DEAN W. Kuna, as Sr. Vice President of Bank of America N.A. and on behalf of Bank of America, to me well known and known to me to be the person described in and who executed the foregoing instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal on this 23rd day of September, 2002.



Jacqueline Findley-Perdue
NOTARY PUBLIC

Jacqueline Findley-Perdue

Exhibit "11"

EXHIBIT 11 TO DECLARATION OF CONDOMINIUM

OF

Villa del Sol at Meadow Woods Condominium No. 2

IF THE DEVELOPER DECLARES PHASE TWO OF THE DECLARATION THEN THE PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS AND COMMON SURPLUS AND SHARING OF COMMON EXPENSES SHALL BE.

Each Owner of a residential unit of this Condominium owns one twenty fourth (1/24) of the common elements and the common surplus and will be responsible for one twenty fourth (1/24) of the common expenses of this condominium.

IF THE DEVELOPER DECLARES PHASE THREE OF THE DECLARATION THEN THE PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS AND COMMON SURPLUS AND SHARING OF COMMON EXPENSES SHALL BE.

Each Owner of a residential unit of this Condominium owns one thirty sixth (1/36) of the common elements and the common surplus and will be responsible for one thirty sixth (1/36) of the common expenses of this condominium.

Exhibit "12"

OF

Villa del Sol at Meadow Woods Condominium No. 2

IF THE DEVELOPER DECLARES PHASE THREE OF THE DECLARATION THEN THE PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS AND COMMON SURPLUS AND SHARING OF COMMON EXPENSES SHALL BE.

Each Owner of a residential unit of this Condominium owns one thirty sixth (1/36) of the common elements and the common surplus and will be responsible for one thirty sixth (1/36) of the common expenses of this condominium.