

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF
THE RACQUET CLUB OF VERO BEACH
BUILDINGS A & B, A CONDOMINIUM
and BUILDING C, A CONDOMINIUM

Vero Beach
Indian River County, Florida

The following is a restatement of the Declaration of Condominium of The Racquet Club of Vero Beach Buildings A & B, A Condominium, recorded at Official Records Book 503, Page 210 et. seq., and amended at Official Records Book 511, Page 235 et. seq., Official Records Book 636, Page 2544 et. seq., Official Records Book 964, Page 51 et. seq., Official Records Book 1032, Page 450 et. seq., Official Records Book 1787, Page 859 et. seq., and Official Records Book 1886, Page 1837 et. seq.; and

The Declaration of Condominium of The Racquet Club of Vero Beach Building C, A Condominium, recorded at Official Records Book 553, Page 943 et. seq., and amended at Official Records Book 636, Page 2544 et. seq., Official Records Book 964, Page 51 et. seq., Official Records Book 1032, Page 450 et. seq., Official Records Book 1787, Page 855 et. seq., and Official Records Book 1886, Page 1834 et. seq.; and

The Amended and Restated Declaration of Condominium of The Racquet Club of Vero Beach Buildings A & B, A Condominium and Building C, A Condominium, recorded at Official Records Book 2345, Page 794 et. seq., and amended at Official Records Book 3592, Page 2079 et. seq., Official Records Book 3668, Page 1493 et. seq., Official Records Book 3682, Page 2363 et. seq., and Official Records Book 3725, Page 482 et. seq., Public Records of Indian River County, Florida.

ARTICLE I
PURPOSE

The purpose of this Declaration is to submit the lands described in this instrument and improvements on such lands to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes as amended, hereinafter called the Condominium Act.

A. Name and Address. The names by which these condominiums are to be identified is THE RACQUET CLUB OF VERO BEACH, BUILDINGS A & B, A Condominium and THE RACQUET CLUB OF VERO BEACH, BUILDING C, A Condominium, located at 3939 Ocean Drive, Vero Beach, Indian River County, Florida.

B. The Land. The lands which were submitted to the condominium form of ownership, are the following described lands lying in Indian River County, Florida:

Lots 4, 5, 6, 7, 8 and A, Block 5, Bethel-By-The-Sea Unit 1, as shown on the plat hereof recorded in Plat Book 3, at Page 19, Public Records, Indian River County, Florida.

Lots 1, 2, 3, 9, 10 and 11, Block 5, BETHEL-BY-THE-SEA, Unit 1, as shown on the Plat hereof recorded in Plat Book 3, at Page 19, Public Records, Indian River County, Florida.

which lands are called “the land”.

ARTICLE II DEFINITIONS

The terms used in this Declaration and its exhibits shall have the meanings stated in the Condominium Act (Chapter 718 Florida Statutes as amended) and as follows; unless the context otherwise requires:

A. Dwelling Unit means unit as defined by the Condominium Act and the terms “dwelling unit” and “apartment” shall be used interchangeably in this Declaration and shall have the same meaning.

B. Dwelling Unit Owner means unit owner as defined by the Condominium Act.

C. Association means THE RACQUET CLUB OF VERO BEACH CONDOMINIUM ASSOCIATION, INC., as lawfully amended from time to time, and its successors.

D. Common Elements means the portions of the condominium property not included in the units and shall include the tangible, personal property required for the maintenance and operation of the condominium, even though owned by the Association, as well as the items stated in the Condominium Act.

E. Limited Common Elements shall include the portion of the common elements consisting of the numbered automobile parking spaces, the apartment balconies, the numbered storage areas, the numbered roof air compressor units and unit hurricane shutters, for which the right of exclusive use and enjoyment shall be reserved as to an appurtenance to a particular dwelling unit.

F. Common Surplus means the excess of all receipts of the Association, including but not limited to assessments, rents, profits, and revenues on account of the common elements, over the amount of common expenses.

G. Share means the percentage interest each apartment owner has in the common elements, common expense and common surplus as shown in Article V.

H. Voting Rights shall mean those rights of a member of the Association to vote upon the matters presented at properly called and constituted meetings of the Association, the voting rights for each apartment owner being set forth in Exhibit C.

I. Assessment means a share of the funds required for the payment of common expenses which, from time to time, is assessed against the apartment and apartment owner.

J. Special Assessment means a share of the funds required for payment of common expenses, which are unbudgeted or for which insufficient provision is made in the budget, occasioned by unforeseeable and fortuitous events, which from time to time is assessed against the apartment and apartment owner.

K. Special Limited Common Elements. The sixth (6th) floor in Building A is herein defined as a special limited common element and, as such, shall be reserved as an appurtenance to dwelling unit A-600 and shall be for the exclusive use and benefit of the owner of said dwelling unit and his guests.

L. Common Expenses Include:

1. Expenses of administration; expenses of the maintenance, operation, repair or replacement of the common elements, and of the portions of apartments to be maintained by the Association.

2. Expenses declared common expenses by provisions of this Declaration or of the By-Laws.

3. Any valid charge against the condominium property as a whole.

M. Condominium means all of the condominium property as a whole when the context so permits, as well as the meaning stated in the Condominium Act.

N. Singular, Plural, Gender. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

O. Utility Services, shall include, but not be limited to, water, cable television and trash and garbage disposal.

P. Regulation – Authoritative rule dealing with details or procedure.

Q. Rule – Prescribed guide for conduct or action.

R. Restriction – A limitation on the use or enjoyment of a facility.

ARTICLE III
EASEMENT RESERVATIONS

A. Easements. The following easements are covenants running with the land of the condominium:

(i) Utility easements are reserved through the condominium property as may be required for utility services in order to adequately serve the condominium and contiguous properties which are a part of the development plan; provided, however, such easements through a condominium unit shall be only according to the plans and specifications for the building, or as the building is constructed, unless approved in writing by the Condominium Unit owner. Said utility easements shall include, but is not limited to, the power line access easement which runs along the westerly side of Buildings A & B as shown in Exhibit "A".

(ii) An easement for ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as the same from time to time may exist upon the common elements; and for vehicular traffic over, through and across such portions of the common elements as from time to time may be paved and intended for such purposes.

(iii) Easements in parking areas. Easements are reserved to the owners of other lands within Block 5, Bethel-by-the-Sea, Unit 1, per plat thereof recorded in the Office of the Clerk of the Circuit Court for Indian River County, Florida, for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes; and for the construction and maintenance of water, sewer and other utilities, recreational facilities and similar items.

(iv) An easement is reserved through all common areas of the condominium for the full and unrestricted use by other owners of lands or condominium units (hereafter to be created) within Block 5, Bethel-by-the-Sea, Unit 1, for all uses or purposes for which such common areas are designed or suited, therefore, all unit owners in Building C shall have the full and unrestricted use in joint and in common with the owners of units in Buildings A & B of all recreational facilities, including, but not limited to, clubhouse, tennis courts and swimming pool.

B. Perpetual Non-exclusive Easement in Common Property. The common property shall be, and the same is hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of apartments in these for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services, utilities, and recreational or other facilities for which the same are reasonably intended for the enjoyment of said owners of apartments, and as the same may exist or be necessary or desirable for the furnishing of the same to apartments or other areas of these condominiums from time to time.

C. Easement for Air Space. The owner of each apartment shall have an exclusive easement for the use of the air space occupied by said apartment as it exists at any particular time and as said apartment may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

D. Easement for Unintentional and Non-negligent Encroachments. In the event that any apartment shall encroach upon any common property for any reason not caused by the purposeful or negligent act of the apartment owner or owners, or agents of such, an easement shall exist for the continuance of such encroachment onto the common property for so long as such encroachment shall naturally exist; and, in the event that any portion of the common property shall encroach upon any apartment, then an easement shall exist for the continuance of any encroachment of the common property into any apartment for so long as such encroachment shall naturally exist.

ARTICLE IV DESCRIPTION OF IMPROVEMENTS

The condominium is described and established as follows:

A. Survey. A survey of the land showing the improvements on it is attached as Exhibit A.

B. Plans. The improvements upon the land are constructed in accordance with the plans and specifications therefore, a portion of which plans are attached hereto as Exhibit A.

C. Improvements – General Description

1. Apartment Buildings. The Buildings A & B condominium includes two (2) apartment buildings. Building A consists of six (6) floors and contains thirteen (13) dwelling units. Building B consists of six (6) floors and contains thirty-five (35) dwelling units. The Building C condominium includes one (1) apartment building. The building consists of four (4) floors and contains forty (40) dwelling units. The ground floor in each building contains undercover parking spaces.

2. Other Improvements. The condominium includes gardens, landscaping, swimming pool, parking areas, storage rooms, utility rooms, lobby in each building, stairways, elevators, recreation building, tennis courts and other facilities located substantially as shown on the plans and which are called “common elements”.

D. Dwelling Unit Boundaries. Each dwelling unit, which term, as used in this subsection concerning boundaries, shall include that part of the building containing the dwelling unit that lies within the boundaries of the dwelling unit, which boundaries are as follows:

1. Upper and Lower Boundaries. The upper and lower boundaries of the dwelling unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

a. Upper Boundary – the horizontal plane of the lower surfaces of the ceiling slab.

b. Lower Boundary – the horizontal plane of the lower surfaces of the floor slab.

2. Perimetrical Boundaries. The perimetrical boundaries of the dwelling unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

a. Exterior Building Walls – The intersecting vertical plane adjacent to, and which includes the exterior of, the outside walls of the apartment building bounding a dwelling unit and the fixtures thereon, and which there is attached to the building a screened porch, or other portion of the building serving only the dwelling unit being bounded, such boundaries shall be the intersecting vertical planes adjacent to and which include all of such structures and fixtures thereon.

b. Interior Building Walls – The vertical planes of the center line of walls bounding a dwelling unit extended to intersection with other perimetrical boundaries with the following exceptions:

(1) When the walls between dwelling units are of varying thickness, or abut a column or shaft, the plane of the center line of a bounding wall shall be extended to an intersection with the connecting bounding plane without regard to the plane of the center line of an intervening column or shaft.

(2) When walls of different thickness abut with a flush side so that their center lines do not intersect, the plane of the center line of the thinner wall shall be extended into the thicker wall for a distance which is one-half the thickness of the thinner wall, and the boundary shall thence run at a right angle to the plane of the center line of the thicker wall.

E. Common elements. The common elements include the land and all other parts of the condominium not within the dwelling units.

ARTICLE V THE DWELLING UNITS

The dwelling units of the condominium are described more particularly, and the rights and obligations of their owners are established, as follows:

A. Typical Dwelling Unit Plans. The typical dwelling unit floor plans which are located in THE RACQUET CLUB OF VERO BEACH, BUILDINGS A & B and Building C are described by building plans attached as a portion of Exhibit “A”.

B. Dwelling Unit Numbers. The dwelling units are numbered as shown on Exhibit A which is attached hereto.

C. Appurtenances to Dwelling Units. The owner of each dwelling unit shall own a share and a certain interest in the condominium property, which share and interest are appurtenant to his dwelling unit, including but not limited to, the following items which are appurtenant to the several dwelling units as indicated:

1. Common elements and Common surplus. The undivided share in the land and other common elements, and in the common surplus, which is appurtenant to each dwelling unit is as follows:

Buildings A and B Condominium:

Building A

<u>DWELLING UNIT</u>	<u>PARKING SPACE</u>	<u>UNDIVIDED SHARE</u>
A-201	A-201	2.07
A-202	A-202	2.07
A-203	A-203	2.07
A-301	A-301	2.07
A-302	A-302	2.07
A-303	A-303	2.07
A-401	A-401	2.07
A-402	A-402	2.07
A-403	A-403	2.07
A-501	A-501	2.07
A-502	A-502	2.07
A-503	A-503	2.07
A-600	A-600 (2 spaces)	2.71

Building B

<u>DWELLING UNIT</u>	<u>PARKING SPACE</u>	<u>UNDIVIDED SHARE</u>
B-201	B-201	2.07
B-202	B-202	2.07
B-203	B-203	2.07
B-204	B-204	2.07
B-205	B-205	2.07
B-206	B-206	2.07

B-207	B-207	2.07
B-301	B-301	2.07
B-302	B-302	2.07
B-303	B-303	2.07
B-304	B-304	2.07
B-305	B-305	2.07
B-306	B-306	2.07
B-307	B-307	2.07
B-401	B-401	2.07
B-402	B-402	2.07
B-403	B-403	2.07
B-404	B-404	2.07
B-405	B-405	2.07
B-406	B-406	2.07
B-407	B-407	2.07
B-501	B-501	2.07
B-502	B-502	2.07
B-503	B-503	2.07
B-504	B-504	2.07
B-505	B-505	2.07
B-506	B-506	2.07
B-507	B-507	2.07
B-601 (a/k/a PH-1B)	B-601	2.07
B-602 (a/k/a PH-2B)	B-602	2.07
B-603 (a/k/a PH-3B)	B-603	2.07
B-604 (a/k/a PH-4B)	B-604	2.07
B-605 (a/k/a PH-5B)	B-605	2.07
B-606 (a/k/a PH-6B)	B-606	2.07
B-607 (a/k/a PH-7B)	B-607	2.07

Building C Condominium:

BUILDING C

<u>DWELLING UNIT</u>		<u>PARKING SPACE</u>	<u>UNDIVIDED SHARE</u>
C-200	20	C-200	2.207
C-201	8	C-201	2.777
C-202	11	C-202	2.512
C-203	19	C-203	2.512
C-204	12	C-204	2.512
C-205	18	C-205	2.473
C-206	13	C-206	2.436
C-207	38	C-207	2.436

C-208	39	C-208	2.245
C-209	40	C-209	2.170
C-210	37	C-210	2.170
C-211	31	C-211	2.092
C-212	30	C-212	2.051
C-213	33	C-213	2.663
C-301	3	C-301	2.892
C-302	2	C-302	2.626
C-303	1	C-303	2.626
C-304	10	C-304	2.626
C-305	15	C-305	2.587
C-306	17	C-306	2.550
C-307	16	C-307	2.550
C-308	36	C-308	2.359
C-309	35	C-309	2.284
C-310	34	C-310	2.284
C-311	29	C-311	2.208
C-312	28	C-312	2.208
C-313	27	C-313	2.777
PH-1C	6	PH-1C	3.044
PH-2C	5	PH-2C	2.739
PH-3C	4	PH-3C	2.739
PH-4C	7	PH-4C	2.739
PH-5C	14	PH-5C	2.701
PH-6C	9	PH-6C	2.664
PH-7C	32	PH-7C	2.664
PH-8C	21	PH-8C	2.473
PH-9C	22	PH-9C	2.397
PH-10C	23	PH-10C	2.397
PH-11C	26	PH-11C	2.321
PH-12	25	PH-12	2.321
PH-13	24	PH-13	2.968

2. Automobile Parking Space. The limited common elements include numbered parking spaces for automobiles of dwelling unit owners, as well as guest parking.

3. Association Membership. The membership of each dwelling unit owner in the Association and the interest of each dwelling unit owner in the fund and assets held by the Association.

D. Liability of Common Expenses. Each dwelling unit owner shall be liable for a proportionate share of the common expenses, such shares being the same as the undivided share in the common elements appurtenant to the dwelling unit owned by him.

ARTICLE VI
MAINTENANCE, ALTERATION AND IMPROVEMENT

Responsibility for the maintenance of the condominium property and restrictions upon its alteration and improvements shall be as follows:

A. Dwelling Units.

1. By the Association. The Association shall maintain, repair and replace at the Association's expense:

a. With the exception of interior surfaces, all portions of a dwelling unit, contributing to the support of the apartment building, which portions shall include, but not be limited to, boundary walls of dwelling units, floor and ceiling slabs, load-bearing columns and load-bearing walls. Also included are all fixtures on its exterior (except that the dwelling unit owner shall be responsible for hurricane shutters, screens, exterior doors, windows, sliding glass doors and roof air compressor units). In addition, the Association shall maintain uniformity of exterior appearance by providing periodic cleaning of entrance doors and of screens and windows on common walkways.

b. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of a dwelling unit maintained by the Association; and all such facilities contained within a dwelling unit that service part or parts of the condominium other than the dwelling unit within which contained.

c. All incidental damage caused to a dwelling unit by such work shall be repaired promptly at the expense of the Association.

2. By the Dwelling Unit Owner. The responsibility of the dwelling unit owner shall be as follows:

a. To maintain, repair and replace at his expense all portions of his dwelling unit except the portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other dwelling unit owners. The original appearance of doors, windows and screens shall not be altered.

b. Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building.

c. To promptly report to the Board of Directors any defect or need for repairs for which the Association is responsible.

d. For the purpose of protecting the common elements and units, all unit owners are required, at their own cost and expense, to install or have installed, maintain, repair and replace hurricane shutters on all balcony doors and windows and walkway doors and windows. Hurricane shutters must also be installed on side and rear side windows of residential units equipped with such windows. Specifications regarding the design, color and style of the hurricane shutters will be adopted by the Board of Directors of the Association and must be followed. All owners must submit a request for, and obtain approval of the Association prior to installing shutters on their condominium units.

In the event a unit owner fails to install, maintain, or replace hurricane shutters as required herein, the Association shall have a right of entry into the unit to perform the necessary installation, maintenance, or replacement. Such entry into the unit shall not be deemed a trespass. Furthermore, the Association shall have the power and authority to levy and collect an individual assessment against the unit for the cost of such installation, maintenance or replacement. The assessment shall be collectible in the same manner as regular assessments in accordance with Article VII hereof.

All dwelling unit owners shall close or have closed, all hurricane shutters within 48 hours of the issuance of a hurricane warning for the area. Additionally, any dwelling unit owner planning to be absent from the unit more than two (2) days from June 1 to November 30 shall close, or have closed, all hurricane shutters before departure. Unless otherwise approved in writing by the Board of Directors, no hurricane shutters shall be closed from December 1 to May 30.

3. Alteration and Improvement. Neither a dwelling unit owner nor the Association shall make any alteration in the portions of a dwelling unit or of an apartment building that are maintained by the Association, or remove any portion of such, or make any additions to them, or do anything that would jeopardize the safety or soundness of an apartment building, or impair any easement, without first obtaining approval in writing of the voting interests of all dwelling units in which such work is to be done and the preliminary approval of the Board of Directors of the Association. A copy of detailed plans for all such work shall be filed with the Board of Directors prior to final approval for the start of the work.

B. Common Elements.

1. By the Association. The maintenance and operation of the common elements shall be the responsibility of the Association and a common expense.

2. Alteration and Improvement. After the completion of the improvements by this Declaration, there shall be no alteration nor further improvement of the real property constituting the common elements without prior approval as follows:

Up to five (5) times in a calendar year, material alterations costing less than \$10,000 may be approved by a majority of the entire Board of Directors.

Up to three (3) times in a calendar year, material alterations costing \$10,000 or more, but less than \$30,000, may be approved by a majority of the unit owners present and voting, in person or by proxy, at a duly convened meeting of the Members.

Material alterations costing \$30,000 or more and any material alterations exceeding the calendar year caps set forth above must have prior approval in writing of two-thirds (2/3) of the voting interests.

Any such alteration or improvement shall not interfere with the rights of any dwelling unit owners without their consent. In the event that such alteration or improvement is exclusively or substantially exclusively for the benefit of the dwelling unit owner or owners requesting same, then in such event, the requesting apartment owner or owners shall be assessed therefore in such proportions as they approve jointly, and failing such approval in such proportions as may be determined by the Board of Directors of the Association. Because the cost of such alteration or improvement is paid for by the requesting apartment owner or owners, a majority of the entire Board of Directors may approve the material alteration and the approval requirements set forth above will not apply. There shall be no change in the shares and rights of a dwelling unit owner in the common elements altered or further improved, whether or not the dwelling unit contributes to the cost of such alteration or improvements.

ARTICLE VII ASSESSMENTS

The making and collection of assessments against dwelling unit owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

A. Share of Common Expenses. Each dwelling unit owner shall be liable for a proportionate share of the common expenses, such shares being the same as the undivided share in the common elements appurtenant to the dwelling unit owned by him.

B. Interest; Application of Payments. Assessments and installments on such assessments received during the month when due shall not be subject to penalty. All sums received after the month when due shall be assessed interest of eighteen percent (18%) per annum and a late payment charge of twenty-five dollars (\$25.00) per month. All payments upon account shall be first applied to interest and late charges and then to the assessment payment first due.

C. Lien for Assessments. The lien for unpaid assessments shall also secure, interest, late charges and reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

D. Rental Pending Foreclosure. In any foreclosure of a lien for assessments the owner of the dwelling unit subject to the lien shall be required to pay a reasonable rental for the dwelling unit, and the Association shall be entitled to the appointment of a receiver to collect the

same. The dwelling unit owner shall be required to pay all legal fees and costs incurred by any such receiver.

ARTICLE VIII ASSOCIATION

The operation of the condominiums shall be by THE RACQUET CLUB OF VERO BEACH CONDOMINIUM ASSOCIATION, INC., a Corporation not for profit under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

A. Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached hereto as Exhibit "B".

B. The By-Laws. The By-Laws of the Association shall be the By-Laws of the condominiums, a copy of which is attached hereto as Exhibit "C".

C. Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to dwelling unit owners for injury or damage, other than the cost of maintenance and repair caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or by other owners or persons.

D. Restraint Upon Assignment of Shares in Assets. The share of members in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his dwelling unit.

E. Approval or Disapproval of Matters. Whenever the decision of a dwelling unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

ARTICLE IX INSURANCE

The insurance, other than title insurance, that shall be carried upon the condominium property and the property of the dwelling unit owners shall be governed by the following provisions:

A. Authority to Purchase; Named Insured. All insurance policies upon the condominium property shall be purchased by the Association in accordance with the Condominium Act and shall be placed in a single company, if possible. The named insured shall be the Association individually and as agent for the dwelling unit owners, without naming them, and as agent for their mortgagees. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of dwelling unit owners. Such policies shall provide that payments by the insurer for losses shall be made to the Insurance Trustee for the benefit of the beneficial dwelling unit owners, and all policies and their endorsement shall be deposited with the Insurance Trustee, and with the mortgagee if required

by the mortgagee. The dwelling unit owners shall obtain coverage at their own expense as required by the Condominium Act upon their personal property and for their personal liability and living expense. Proof of such insurance shall be provided by the dwelling unit owner to the Association.

B. Coverage.

1. Casualty. All buildings and improvements upon the land shall be insured in an amount equal to the maximum insurance replacement value, excluding foundation and excavation costs, and all personal property included in the common elements shall be insured for its value, all as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

a. loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

b. such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the building on the land including, but not limited to, vandalism, malicious mischief, windstorm and water damage.

2. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association including, but not limited to, hired automobile coverages, and with cross liability endorsement to cover liabilities of the dwelling unit owners as a group to a dwelling unit owner.

3. Workmen's compensation policy to meet the requirements of law.

4. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

C. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged to the dwelling unit owner in accordance with the undivided share in the common elements appurtenant to the dwelling unit owned by him.

D. Insurance Trustee; shares of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the dwelling unit owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association, as Trustee, or to such other financial institution in Florida with trust powers as may be designated from time to time by the Board of Directors of the Association, which trustee is referred to in this instrument as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the proceeds in trust for the purposes elsewhere stated in this instrument and for the benefit of the dwelling unit

owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee.

1. Common elements. Proceeds on account of damage to common elements: an undivided share for each dwelling unit owner, such share being the same as the undivided share in the common elements appurtenant to his dwelling unit.

2. Dwelling units. Proceeds on account of damage to dwelling units shall be held in the following undivided shares:

a. When the building is to be restored – for the owners of damaged dwelling units in proportion to the cost of repairing the damage suffered by each dwelling unit owner, which cost shall be determined by the Association.

b. When the building is not to be restored – an undivided share for each dwelling unit owner, such share being the same as the undivided share in the common elements appurtenant to his dwelling unit.

3. Mortgagee. In the event a mortgagee endorsement has been issued as to a dwelling unit, the share of the dwelling unit owner shall be held for the mortgagee and the dwelling unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the dwelling unit owner and mortgagee pursuant to the provisions of this Declaration.

E. Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

1. Expense of the trust. All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

2. Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost of such as elsewhere provided. Any proceeds which remain after defraying such costs shall be distributed to the beneficial owners, remittances to dwelling unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a dwelling unit and may be enforced by such mortgagee.

3. Failure to reconstruct or repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to

dwelling unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a dwelling unit and may be enforced by such mortgagee.

4. Certificate. In making distribution to dwelling unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the dwelling unit owners and their respective shares of the distribution.

F. Association as Agent. The Association is irrevocably appointed agent for each dwelling unit owner and for each owner of a mortgage or other lien upon a dwelling unit and for each owner of any other interest in the condominium property, to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

ARTICLE X RECONSTRUCTION OR REPAIR AFTER CASUALTY

A. Determination to Reconstruct or Repair. If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

1. Common elements. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

2. Apartment building.

a. Lesser damage. If the damaged improvement is an apartment building or buildings, and if dwelling units to which 50% of the common elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless with 60 days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated.

b. Major damage. If the damaged improvement is an apartment building or buildings, and if dwelling units to which more than 50% of the common elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will not be reconstructed or repaired and the condominium will be terminated without agreement as elsewhere provided, unless within 60 days after the casualty the owners of 75% of the common elements agree in writing to such reconstruction or repair.

3. Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

B. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is an apartment building or buildings, by the owners of not less than 75% of the common elements, including the owners of all damaged dwelling units, which approval shall not be unreasonably withheld. All reconstruction and repair must meet building code requirements as of the date of such reconstruction and repair.

C. Responsibility. If the damage is only to those parts of a dwelling unit for which the responsibility of maintenance and repair is that of the dwelling unit owner, then the dwelling unit owner shall be responsible for the reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair shall be that of the Association. The dwelling unit owner shall commence reconstruction and repair within ninety (90) days of the casualty unless a later date is approved by the Board of Directors.

D. Estimates of costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, including the aforesaid fees and premiums, assessments shall be made in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to each owners share in the common elements.

F. Construction funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from the assessments against dwelling unit owners, shall be distributed in payment of such costs in the following manner:

1. Association. The total of assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair shall be deposited by the Association in the Insurance Trustee account.

2. Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association in the Insurance Trustee account by the Association from collections of assessments against dwelling unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner and order:

a. Association – lesser damage. If the amount of the estimated costs of reconstruction and repair is less than \$50,000.00, then the construction

fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association, using the services of an architect or engineer as deemed necessary.

b. Association – major damage. If the amount of the estimated costs of reconstruction and repair is more than \$50,000.00, then the construction fund that is held by the Insurance Trustee shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association, including approval of an architect and/or engineer qualified to practice in Florida and employed by the Association to supervise the work.

c. Dwelling unit owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a dwelling unit owner shall be paid by the Insurance Trustee to the dwelling unit owner, or if there is a mortgagee endorsement as to the dwelling unit, then to the dwelling unit owner and the mortgagee jointly, who may use such proceeds as they may be advised.

d. Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial owner that is not in excess of assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

e. Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether or not sums paid by the dwelling unit owners upon assessments shall be deposited by the Association with the Insurance Trustee, not to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid.

ARTICLE XI USE RESTRICTIONS

The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and the apartment building or buildings in useful condition exist upon the land.

A. Dwelling Units. Each of the dwelling units shall be occupied only by a family, its servants and guests, as a residence and for no other purpose. No dwelling unit may be divided or subdivided into a smaller unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the dwelling units being affected. Maximum occupancy for two bedroom dwelling units shall be four persons and maximum occupancy for three bedroom dwelling units shall be six persons.

B. Common Elements. The common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the dwelling unit owners.

C. Nuisances. No nuisance shall be allowed upon the condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the condominium shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No dwelling unit owner shall permit any use of his dwelling unit or make any use of the common elements that will increase the cost of insurance upon the condominium property. Except in an emergency, contractors or other repair persons may only work Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. Saturday work is permitted from 8:00 a.m. to 12:00 p.m., provided such work is quiet and not disturbing to the occupants of other dwelling units.

D. Guests. Any overnight guest occupying a dwelling unit more than one night must register with the Association by executing and signing a guest form adopted by the Board of Directors. The guest form shall require the guest's name, address, vehicle information and an acknowledgement that he or she is a guest and not a tenant or other permanent occupant of the dwelling unit. Any guest occupying a dwelling unit in excess of sixty (60) consecutive days shall be deemed a tenant and must comply with the requirements set forth in Article XII below.

E. Pets. Pets shall not be permitted in the dwelling units or on the condominium property.

F. Swimming Pool & Tennis Courts. The swimming pool, exercise room and equipment and tennis courts located on the lands of THE RACQUET CLUB OF VERO BEACH and surrounding area are for the use of dwelling unit owners of THE RACQUET CLUB OF VERO BEACH, their lessees and their guests only. No other visitors shall be permitted. Persons using the swimming pool, exercise room and equipment, and tennis courts shall do so at their own risk.

G. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part of it, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

H. Leasing. After approval by the Association elsewhere required, entire dwelling units may be rented, provided the occupancy is only by the lessee and his family, servants and guests. A lease must be for a minimum of thirty (30) days and subleasing is prohibited. A lease must include an agreement by the owner and the lessee granting to the Association the right to evict the lessee for violations of the Rules and Regulations of the Condominium after notice to the owner of its intention to do so. The lease must grant to the lessee the right to use the common facilities in lieu of the owner.

I. Regulations. Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all dwelling unit owners and residents of the condominium upon request.

J. Vehicles. The parking of vehicles upon the condominium property shall be in accordance with the rules and regulations adopted by the Association. Only licensed and registered vehicles are allowed on the condominium property. All commercial vehicles are prohibited from overnight parking and are not permitted during non-working hours except in an emergency. The parking of oversized vehicles must have prior approval of the Board of Directors and may only park in designated areas. All dwelling unit owners and lessees must park in their assigned parking locations.

K. Floor Coverings. Floor coverings other than carpet, including but not limited to, wood, laminate, natural stone, ceramic tile, vinyl tile and bamboo may only be installed in a dwelling unit upon prior written approval of the Board of Directors. All such floor coverings must be installed with an underlayment for the purpose of noise and sound control in accordance with specifications approved by the Board of Directors. The installation of carpeting is prohibited on all balconies.

L. Private Use of Clubhouse. Dwelling unit owners may reserve the clubhouse for a private function in accordance with the rules and regulations adopted by the Association.

M. Smoking. Except for designated areas of the Common Elements as provided below, smoking (including cigarettes, cigars, pipes, electronic/vaping devices, and marijuana) is prohibited on the Common Elements and on all porches and balconies, serving a Dwelling Unit. Smoking is permitted on the parking lots (blacktop area) on the north side of Building B and the west side of Building C.

ARTICLE XII MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the dwelling units, the transfer of dwelling units by any owner shall be subject to the following provisions as long as the condominium exists and the apartment building is in useful condition, which provisions each dwelling unit owner covenants to observe:

A. Transfer Subject to Approval.

1. Sale. No dwelling unit owner may dispose of a dwelling unit or any interest in a dwelling unit by sale without the approval of the Association, except to another dwelling unit owner.

2. Lease. No dwelling unit owner may dispose of a dwelling unit, or any interest in a dwelling unit, by lease without the approval of the Association, except to another dwelling unit owner.

3. Gift. If any dwelling unit owner shall acquire his title by gift, the continuance of his ownership of his dwelling unit shall be subject to the approval of the Association.

4. Devise or inheritance. If any dwelling unit owner shall acquire his title by devise or inheritance, the continuance of his ownership of his dwelling unit shall be subject to the approval of the Association.

5. Other transfers. If any dwelling unit owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of his dwelling unit shall be subject to the approval of the Association.

B. Approval by the Association. The approval of the Association that is required for the transfer of ownership of dwelling units shall be obtained in the following manner:

1. Notice to Association.

a. Sale. A dwelling unit owner intending to make a bona fide sale of his dwelling unit or any interest in it shall give to the Association notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. Such notice at the dwelling unit owner's option may include a demand by the dwelling unit owner that the Association furnish a purchaser of the dwelling unit if the proposed purchaser is disapproved without cause; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

b. Lease. A dwelling unit owner intending to make a bona fide lease of his dwelling unit or any interest therein shall give to the Association notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease. The dwelling unit owner shall submit the completed lease application a minimum of fourteen (14) days prior to the start of the lease period together with the required transfer fee.

c. Gift; devise or inheritance; other transfers. A dwelling unit owner, who has obtained his title by gift, devise or inheritance, or by any other manner not previously considered, shall give to the Association notice of the acquiring of his title, together with such information concerning the dwelling unit owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

d. Failure to give notice. If the above required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a dwelling unit, the Association at its election and without notice may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

e. Transfer fee. The Association may require a transfer fee to be paid in accordance with the Condominium Act upon the giving of notice under this Article.

f. Personal Interview. The Association may require a personal interview of any applicant and any other intended occupants as a condition of approval hereunder.

2. Certificate of Approval.

a. Sale. If the proposed transaction is a sale, then within thirty 30 days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association, which shall be recorded in the Public Records of Indian River County, Florida, at the expense of the purchaser.

b. Lease. If the proposed transaction is a lease, then within 14 days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in recordable form, which, at the election of the Association, shall be delivered to the lessee or shall be recorded in the Public Records of Indian River County, Florida, at the expense of the lessee.

c. Gift; devise or inheritance; other transfers. If the dwelling unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the continuance of the dwelling unit owner's ownership of his dwelling

unit. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association, which shall be recorded in the Public Records of Indian River County, Florida, at the expense of the dwelling unit owner.

C. Disapproval by Association. If the Association shall disapprove a transfer of ownership of a dwelling unit, the matter shall be disposed of in the following manner:

1. Sale.

a. With Good Cause. If disapproved with good cause, the dwelling unit owner shall be advised of the disapproval in writing, and the sale shall not be made. Only the following may be deemed to constitute good cause of disapproval:

(1) The person seeking approval or intended occupants have been convicted of a felony involving violence to persons or property, or a felony demonstrating dishonesty or moral turpitude;

(2) The person seeking approval has a record of financial irresponsibility including, without limitation, prior bankruptcies, foreclosures or bad debts;

(3) The application for approval on its face indicates that the persons seeking approval or intended occupants intend(s) to conduct himself/themselves in a manner inconsistent with the covenants and restrictions applicable to the Condominium and/or the Rules and Regulations of the Association.

(4) The person seeking approval or intended occupants have a history or disruptive behavior or disregard for the rights or property of others;

(5) The person seeking approval or intended occupants have evidenced an attitude of disregard for covenants or restrictions applicable to the Condominium and/or Rules and Regulations of the Association, by his conduct in this Condominium as a tenant, Owner or occupant of a Unit, or such attitude at the personal appearance before the Board or its designee; or

(6) The person seeking approval has failed to provide the information, fees or appearances required to process the application in a timely manner, or provided false information during the application process.

b. Without Good Cause. If the proposed transaction is a sale that the Board disapproves without good cause and if the notice of sale given by the dwelling unit owner shall so demand, then within thirty (30) days after receipt of such notice and information, the Association shall deliver or mail by registered mail to the dwelling unit owner an agreement to purchase the dwelling unit concerned by a purchaser approved by the Association who will purchase and to whom the dwelling unit owner must sell the dwelling unit upon the following terms:

(1) At the option of the purchaser to be stated in the agreement, the price to be paid shall be that stated in the disapproved contract to sell or shall be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association, who shall base their determination upon an average of their separate appraisals of the dwelling unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(2) The purchase price shall be paid in cash.

(3) The sale shall be closed within thirty (30) days after the delivery or mailing of the agreement to purchase, or within ten (10) days after the determination of the sale price if such is by arbitration, whichever is the later.

(4) A certificate of the Association executed by its President and Secretary and approving the purchaser shall be recorded in the Public Records of Indian River County, Florida, at the expense of the purchaser.

(5) If the Association shall fail to provide a purchaser upon demand of the dwelling unit owner in the manner provided, or if a purchaser furnished by the Association shall default in his agreement to purchase, then, notwithstanding the disapproval, the proposed transaction shall be deemed to have been approved and the Association shall furnish a certificate of approval as elsewhere provided, which shall be recorded in the Public Records of Indian River County, Florida, at the expense of purchaser.

2. Lease. If the proposed transaction is a lease, the dwelling unit owner shall be advised of the disapproval in writing and the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, any one or more of the following:

a. The Owner is delinquent in the payment of assessments at the time the application is considered, and the Owner does not bring the delinquency current (with any interest, late fees, costs and attorneys' and paralegal fees also due and owing) within a time frame required by the Board of Directions;

b. The Owner has a history of leasing his/her Unit to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his Unit;

c. The real estate company or agent handling the leasing transaction on behalf of the Owner has a history of screening lessee applicants inadequately or recommending undesirable lessees;

d. The application on its face appears to indicate that the person seeking approval and/or intended occupants intend(s) to conduct himself/themselves in a manner inconsistent with the covenants and restrictions applicable to the Condominium and/or Rules and Regulations of the Association.

e. The prospective lessee or other intended occupants have been convicted of a felony involving violence to persons or property, or a felony demonstrating dishonesty or moral turpitude;

f. The prospective lessee or other intended occupants have a history of conduct which evidences disregard for the rights and property of others;

g. The lessee or other intended occupants, during previous occupancy, have evidenced an attitude or disregard for the covenants and restrictions applicable to the Condominium and/or Rules and Regulations of the Association;

h. The lessee(s) or intended occupants have failed to provide the information or appearances required to process the application in a timely manner, or provided false information during the application process; or the required transfer fee is not paid; or the Owner fails to give proper notice of his intention to lease his Unit to the Board of Directors.

3. Gift; devise or inheritance; other transfers. If the dwelling unit owner giving notice has acquired title by gift, devise or inheritance, or in any other manner, then within thirty (30) days after receipt from the dwelling unit owner of the notice and information required to be furnished, the Association shall deliver or mail by registered mail to the dwelling unit owner an agreement to purchase the dwelling unit concerned by a purchaser approved by the Association who will purchase and to whom the dwelling unit owner must sell the dwelling unit upon the following terms:

a. The sale price shall be the fair market value determined by agreement between the seller and the purchaser within fifteen (15) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the dwelling unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

b. The purchase price shall be paid in cash.

c. The sale shall be closed within ten (10) days following the determination of the sale price.

d. A certificate of the Association executed by its President and Secretary and approving the purchaser shall be recorded in the Public Records of Indian River County, Florida, at the expense of the purchaser.

e. If the Association shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by the Association shall default in his agreement to purchase, the ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided, which shall be recorded in the Public Records of Indian River County, Florida, at the expense of the dwelling unit owner.

D. Mortgage. No dwelling unit owner may mortgage his dwelling unit or any interest in it without the approval of the Association, except to a bank, life insurance company, savings and loan association, a wholly or partially owned service corporation of a savings and loan association or another financial institution, to secure a portion or all of the purchase price. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

E. Unauthorized transactions. Any sale, mortgage or lease not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

F. Signs. No for sale or for rent signs shall be displayed by any individual dwelling unit owner, in any dwelling unit nor on any of the condominium premises.

ARTICLE XIII COMPLIANCE AND DEFAULT

Each dwelling unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation and By-Laws and Regulations adopted

pursuant to those documents, and all of such as they may be amended from time to time. Failure of a dwelling unit owner to comply with such documents and regulations shall entitle the Association or other dwelling unit owners to the following relief in addition to the remedies provided by the Condominium Act.

A. Negligence. A dwelling unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. A dwelling unit owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of a dwelling unit or its appurtenances, or of the common elements, by the dwelling unit owner.

B. Costs and Attorney's fees. In any proceedings arising because of an alleged failure of a dwelling unit owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the By-Laws, or the Regulations adopted pursuant to them, and the documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the Court.

C. No Waiver of Rights. The failure of the Association or any dwelling unit owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Association, the By-Laws or the Regulations, shall not constitute a waiver of the right to do so thereafter.

D. Fines. The Association is authorized to levy fines for violations in accordance with the Condominium Act and the Bylaws of the Association.

ARTICLE XIV AMENDMENTS

Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

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

B. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by ten percent (10%) of the voting interests of the Condominium. Approvals must be either by:

1. Not less than sixty percent (60%) of the entire membership of the Board of Directors and by not less than sixty percent (60%) of the votes of the voting interests of each Condominium; or

2. Not less than two-thirds (2/3) of the votes of the entire voting interests of each Condominium.

C. Proviso. Provided, however, that no amendment shall discriminate against any dwelling unit owner nor against any dwelling unit or class or group of apartments, unless the dwelling unit owners so affected shall consent; and no amendment shall change any dwelling unit nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the dwelling unit concerned joins in the execution of the amendment.

D. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Indian River County, Florida.

ARTICLE XV TERMINATION

The condominium may be terminated in the following manner in addition to the manner provided by the Condominium Act.

A. Destruction. If it is determined in the manner elsewhere provided that the apartment building or buildings shall not be reconstructed because of major damage, the condominium plan of ownership will be terminated without agreement.

B. Agreement. The condominium may be terminated at any time by the approval in writing of all record owners of dwelling units and all record owners of mortgages on dwelling units. If the proposed termination is submitted to a meeting of the members of the Association, the notice of the meeting shall give notice of the proposed termination, and if the approval of the owners of not less than 75% of the common elements, and of the record owners of all mortgages upon the dwelling units, are obtained in writing not later than thirty (30) days from the date of such meeting, then the approving owners shall have an option to buy all of the dwelling units of the other owners for the period ending on the 60th day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. The option shall be upon the following terms:

1. Exercise of option. The option shall be exercised by delivery or mailing by registered mail to each of the record owners of the units to be purchased, an agreement to purchase signed by the record owners of dwelling units who will participate in the purchase. Such an agreement shall indicate which dwelling units will be purchased by each participating owner and shall require the purchase of all dwelling units owned by owners not approving the termination, but the agreement shall affect a separate contract between each seller and his purchaser.

2. Price. The sale price for each dwelling unit shall be the fair market value determined by the agreement between the seller and the purchaser within thirty (30) days from the delivery or mailing of such agreement and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon the average of their appraisals of the dwelling unit, and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

3. Payment. The purchase price shall be paid in cash.

4. Closing. The sale shall be closed within ten (10) days following the determination of the sale price.

C. Certificate. The termination of the condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Indian River County, Florida.

D. Shares of Owners after Termination. After termination of the condominium, the dwelling unit owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares that shall be the same as the undivided shares in the common elements appurtenant to the owner's dwelling units prior to the termination.

E. Amendment. This section concerning termination cannot be amended without consent of all dwelling unit owners and of all record owners of mortgages upon the dwelling unit.

ARTICLE XVI SEVERABILITY AND CONCLUSION

The invalidity in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of Condominium, Articles of Incorporation, By-Laws or Regulations of the Association shall not affect the validity of the remaining portions.