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RESTATED AND FIRST AMENDMENT
TO THE DECLARATION OF
CONDOMINIUM FOR
THE CORALSTONE CLUB I, A CONDOMINIUM

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OF
THE CORALSTONE CLUB I, A CONDOMINIUM

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RESTATED AND FIRST AMENDMENT TO THE
DECLARATION OF CONDOMINIUM

OF

THE CORALSTONE CLUB I, A CONDOMINIUM

THIS RESTATED AND FIRST AMENDMENT TO THE DECLARATION OF CONDOMINIUM is made by CONSOLIDATED VISTA DEVELOPMENT CORPORATION, for itself, its successors, grantees and assigns.

RECITALS:

WHEREAS, the Declaration of Condominium of THE CORALSTONE CLUB I, A CONDOMINIUM was recorded on July 29, 1987 in Official Records Book 774, Page 2294, Public Records of Indian River County, Florida; and

WHEREAS, therein the "DEVELOPER" was described as CONSOLIDATED VISTA DEVELOPMENT CORPORATION, a Florida corporation; and

WHEREAS, with the exception of Phase 1, as described in Exhibit "B" attached hereto and incorporated herein by this reference, CONSOLIDATED VISTA DEVELOPMENT CORPORATION is the owner in fee simple of all property described on sheets 4 and 5 of 73 of Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the DEVELOPER, CONSOLIDATED VISTA DEVELOPMENT CORPORATION is the owner of in excess of 60 of the condominium units described in Exhibit "A" located within Phase I; and

WHEREAS, the DEVELOPER, CONSOLIDATED VISTA DEVELOPMENT CORPORATION, has noted certain ambiguities in the original Declaration of Condominium; and

WHEREAS, the DEVELOPER, pursuant to Article 20, of CONDOMINIUM, is permitted to unilaterally make certain non-material amendments to the Declaration of Condominium; and

WHEREAS, the DEVELOPER, CONSOLIDATED VISTA DEVELOPMENT CORPORATION, is desirous of making certain non-material amendments to the original Declaration of Condominium in an effort to clarify certain ambiguities.

NOW, THEREFORE, the DEVELOPER, CONSOLIDATED VISTA DEVELOPMENT CORPORATION, a Florida corporation, has executed this Restated and First Amendment to the Declaration of Condominium of THE CORALSTONE CLUB I, A CONDOMINIUM as of the date set forth below and hereby amends the Declaration of Condominium and restates the Declaration of Condominium as follows:

1. Purpose. The purpose of this DECLARATION is to submit the land and improvements described to the CONDOMINIUM FORM OF OWNERSHIP and use pursuant to Chapter 718 of the Florida Statutes, herein referred to as the "CONDOMINIUM ACT". Except where permissive variances herefrom appear in this DECLARATION, the annexed ARTICLES and/or BYLAWS of the ASSOCIATION, or in lawful amendments to these instruments, the provisions of the CONDOMINIUM ACT are incorporated herein by reference. This DECLARATION, the ARTICLES and the BYLAWS of the ASSOCIATION, as lawfully amended from time to time, and the CONDOMINIUM ACT as same exists as of the execution of this DECLARATION, shall govern this CONDOMINIUM and the rights, duties and responsibilities of UNIT OWNERS therein.

1.1 Name. The name by which this CONDOMINIUM is to be identified is THE CORALSTONE CLUB I, A CONDOMINIUM.

1.2 Submission to CONDOMINIUM FORM OF OWNERSHIP. By this DECLARATION, the property described in Exhibit "B," attached hereto and made a part hereof, is hereby submitted to the CONDOMINIUM FORM OF OWNERSHIP. The property described in Exhibit "B" shall be hereinafter sometimes referred to as "Phase I."

1.3 Effect of DECLARATION. All restrictions, reservations, covenants, conditions and easements contained herein constitute covenants running with the land and shall rule perpetually unless terminated or amended as provided herein, and shall be binding upon all UNIT OWNERS as hereinafter defined, and in consideration of receiving and by acceptance of grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons agree to be bound by the provisions hereof, and the ARTICLES and BYLAWS. Both the burdens imposed and the benefits derived shall run with each UNIT as herein defined.

2. Definitions. The terms used in this DECLARATION and all exhibits attached hereto, and in the ARTICLES and the BYLAWS, shall have the meanings stated in the CONDOMINIUM ACT and as follows, unless the context otherwise requires.

2.1 ARTICLES means the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.

2.2 ASSESSMENT means a share of the funds required for the payment of COMMON EXPENSES which from time to time is assessed against a UNIT OWNER, and all other sums which may be assessed against a UNIT OWNER or which may be required to be paid by any UNIT OWNER to the ASSOCIATION pursuant to this DECLARATION, the ARTICLES or the BYLAWS.

2.3 ASSOCIATION means THE CORALSTONE CLUB CONDOMINIUM ASSOCIATION, INC., a Florida corporation not-for-profit, which is the corporate entity responsible for the operation of the CONDOMINIUM.

2.4 BOARD means the Board of Directors of the ASSOCIATION.

2.5 BUILDING means and includes any building contained within the CONDOMINIUM from time to time as herein provided.

2.6 BYLAWS means the bylaws of the ASSOCIATION, as same may be amended from time to time.

2.7 COMMON ELEMENTS means the portions of the CONDOMINIUM PROPERTY not included in the UNITS, and all other property declared as COMMON ELEMENTS herein and in the CONDOMINIUM ACT.

2.8 COMMON EXPENSES means all expenses properly incurred by the ASSOCIATION for the CONDOMINIUM which shall include, but not limited to, the following:

2.8.1 Expenses of administration and management of the CONDOMINIUM PROPERTY and of the ASSOCIATION.

2.8.2 Expenses of maintenance, operation, repair or replacement of COMMON ELEMENTS.

2.8.3 Expenses declared COMMON EXPENSES by the provisions of this DECLARATION, the ARTICLES and/or the BYLAWS.

2.8.4 Any valid charge against the CONDOMINIUM as a whole.

2.8.5 Any expense of or charges to the ASSOCIATION as provided for in this DECLARATION, the ARTICLES and/or the BYLAWS.

2.8.6 Expenses of maintenance, operation, repair or replacement of any recreational facilities within the COMMON ELEMENTS or owned by the ASSOCIATION, which may exist from time to time, and the lands underlying the facilities.

2.9 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.

2.10 CONDOMINIUM means THE CORALSTONE CLUB I, A CONDOMINIUM, which is formed pursuant to this DECLARATION.

2.11 CONDOMINIUM ACT means the Florida Condominium Act, as it exists on the date of execution of this DECLARATION, as contained in Chapter 718 of the Florida Statutes.

2.12 CONDOMINIUM FORM OF OWNERSHIP means that form of ownership of real property created pursuant to the CONDOMINIUM ACT and which is comprised of UNITS that may be owned by one (1) or more persons, and there is, appurtenant to each UNIT, an undivided share in the COMMON ELEMENTS.

2.13 CONDOMINIUM PARCEL means a UNIT together with the undivided share in the COMMON ELEMENTS which is appurtenant to the UNIT.

2.14 CONDOMINIUM PROPERTY means the lands that are subjected to the CONDOMINIUM FORM OF OWNERSHIP by this DECLARATION or by any amendment hereto, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the CONDOMINIUM.

2.15 DECLARATION or DECLARATION of CONDOMINIUM means this instrument, as it may be amended from time to time.

2.16 DEVELOPER means and refers to CONSOLIDATED VISTA DEVELOPMENT CORP., a Florida corporation, its successors, grantees, assigns, nominees, and designees. The term "DEVELOPER" shall not include any existing UNIT OWNER other than CONSOLIDATED VISTA DEVELOPMENT CORP., or any other person or entity acquiring title only to one or more UNIT(S) for which a certificate of occupancy has been issued by the controlling governmental authority, unless DEVELOPER specifically assigns its rights as developer to such person or entity.

2.17 ELIGIBLE MORTGAGEE means an INSTITUTIONAL MORTGAGEE which holds a first mortgage encumbering a CONDOMINIUM PARCEL, who has requested notice of certain matters from the ASSOCIATION in accordance with paragraph 24.1 of this DECLARATION. ELIGIBLE INSURER or GUARANTOR means any company or entity insuring or guaranteeing a first mortgage encumbering a CONDOMINIUM PARCEL, who has requested notice of certain matters from the ASSOCIATION in accordance with paragraph 24.1 of this DECLARATION, and who would be an INSTITUTIONAL MORTGAGEE if it was the holder of such mortgage.

2.18 INSTITUTIONAL MORTGAGEE or INSTITUTIONAL LENDER means any company or entity holding a first mortgage encumbering a CONDOMINIUM PARCEL, which in the ordinary course of business makes, purchases, guarantees, or insures residential mortgage loans, and which company or entity is not owned or controlled by the UNIT OWNER of the CONDOMINIUM

PARCEL encumbered. An INSTITUTIONAL LENDER may include a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional type lender. For definitional purposes only, an INSTITUTIONAL MORTGAGEE shall also mean the holder of any mortgage executed by or in favor of the DEVELOPER, whether or not such holder would otherwise be considered an INSTITUTIONAL MORTGAGEE.

2.19 LIMITED COMMON ELEMENTS means those COMMON ELEMENTS which are reserved for the use of a certain UNIT or UNITS to the exclusion of other UNITS, if any.

2.20 UNIT or DWELLING UNIT means a part of the CONDOMINIUM PROPERTY which is subject to exclusive ownership. The term DWELLING shall be synonymous, and may be used interchangeably, with UNIT.

2.21 UNIT OWNER means the owner(s) of a CONDOMINIUM PARCEL.

3. Development Plans. This CONDOMINIUM is being developed in phases pursuant to section 718.403 of the CONDOMINIUM ACT. Initially, the CONDOMINIUM PROPERTY will consist of the land and improvements described in Exhibit "B" and depicted on sheet 9 of 73 in Exhibit "A" attached hereto which will be sometimes hereinafter referred to as Phase 1 of the CONDOMINIUM. As described in detail in paragraph 22 of this Declaration, three additional Phases may be added as part of the CONDOMINIUM PROPERTY. If all of the phases are added, the CONDOMINIUM PROPERTY will consist of a total of 68 BUILDINGS and 21 UNITS, all as generally depicted in Exhibit "A" attached hereto. Accordingly, if all of the Phases are added as part of the CONDOMINIUM PROPERTY, the CONDOMINIUM will ultimately consist of the property described on sheet 7 of 73 and depicted on sheet 6 of 73, all in Exhibit "A" attached hereto. Notwithstanding the foregoing, nothing contained herein shall impose upon the DEVELOPER any obligation to add any additional lands or improvements to the CONDOMINIUM PROPERTY, or to otherwise utilize any or all portions of the lands described in Exhibit "A" (other than Phase I) in any particular manner.

4. CONDOMINIUM Improvements and UNITS.

4.1 Plot Plan and Survey. A survey of the property initially comprising the CONDOMINIUM, a graphic description of the improvements, and a plot plan thereof, as well as the floor plans of the UNITS within the CONDOMINIUM, are all attached hereto as Exhibit "A," sheets 8 through 11 and sheets 18 through 73. This exhibit, together with this DECLARATION, is an accurate representation of the location and dimensions of the improvements constituting the CONDOMINIUM and are in sufficient detail so that the identification, location, and dimensions of the COMMON ELEMENTS and of each UNIT can be determined.

4.2 UNIT Identification. The legal description of each UNIT shall consist of the number designation for the BUILDING in which the UNIT is located, and the number of the UNIT as shown upon Exhibit "A." Every deed, lease, mortgage or other instrument may legally describe a UNIT and/or CONDOMINIUM PARCEL by its identifying UNIT designation as provided, and each and every description shall be deemed good and sufficient for all purposes.

4.3 UNIT Boundaries. Each UNIT shall include that part of the BUILDING containing the UNIT that lies within the boundaries of the UNIT, which boundaries are as follows:

4.3.1 Upper and Lower Boundaries. The upper and lower boundaries of each UNIT shall be the following boundaries extended to an intersection with the perimetrical boundaries.

4.3.1.1 Upper Boundary: The horizontal plane of the undecorated finished ceiling. In a UNIT containing a room in which the ceiling is raised above the level of the ceiling in the rest of the UNIT, the ceiling shall include the vertical or diagonal surface connecting the raised ceiling with the ceiling of the remaining portion of the UNIT, and the upper boundary shall include the plane of the undecorated finished vertical or diagonal surface that joins the planes of the undecorated finished horizontal portions of the ceiling.

4.3.1.2 Lower Boundary: The horizontal plane of the undecorated finished floor. In a UNIT containing a room in which the floor is raised above the level of the floor in the rest of the UNIT, the floor shall include the vertical or diagonal surface connecting the raised floor with the floor of the remaining portion of the UNIT, and the lower boundary shall include the plane of the undecorated finished vertical or diagonal surface that joins the planes of the undecorated finished horizontal portions of the floor.

4.3.2 Perimetrical Boundaries. The perimetrical boundaries of the UNIT shall be the vertical planes of the undecorated finished interior surfaces of the building walls bounding the UNIT, the vertical planes of finished exterior surfaces of screened or glass walls bounding the UNIT, and imaginary vertical planes along the lower boundaries of the UNIT where there is no wall, extended to their planar intersections with each other and with the upper and lower boundaries.

4.3.3 Apertures. Where there are apertures in any boundary, including, but not limited to, windows, doors, and skylights, such boundary shall be extended to include the interior undecorated finished surfaces of such apertures, including all frameworks thereof. Exterior surfaces made of glass, screening, or other transparent material, and all framings and casings therefore, shall be included in the boundaries of the UNIT.

4.3.4 Boundaries - Further Defined. The boundaries of the UNIT shall not include all of those spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and those surfaces above the undecorated and/or inner surfaces of the ceilings of each UNIT and, further, shall not include those spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions and, further, shall exclude all pipes, ducts, wires, conduit and other facilities running through any interior wall or partition for utility services to other UNITS and/or for COMMON ELEMENTS. No part of the interior non-boundary walls within a UNIT shall be considered a boundary of the UNIT.

4.3.5 Exceptions. In cases not specifically covered above, and/or in the case of any conflict or ambiguity, the survey of the UNITS set forth in Phase I in Exhibit "A" hereto shall control in determining the boundaries of a UNIT, except the provisions of Section 4.3.1 and 4.3.2 above shall control unless specifically reflected on such survey. Furthermore, in the case of any conflict between the language of this DECLARATION describing the boundaries of

any UNIT, and any language contained on the survey attached for Phase I in Exhibit "A" describing the boundaries of any UNIT, the language of this DECLARATION shall control.

4.4 LIMITED COMMON ELEMENTS. The areas depicted as "LIMITED COMMON ELEMENTS" of Phase I on Exhibit "A" of this DECLARATION, if any, shall be limited common elements of the UNIT designated, for the exclusive use and enjoyment of the UNIT OWNER and residents of the UNIT designated, and their guests and invitees.

4.5 AUTOMOBILE PARKING SPACES.

4.5.1 The COMMON ELEMENTS include parking areas for automobiles of the UNIT OWNERS and residents of the CONDOMINIUM, their guests and invitees. The ASSOCIATION shall designate at least one (1) garage space and one (1) outdoor space as assigned parking spaces for the exclusive use of the UNIT OWNER or any resident of each UNIT, and their guests and invitees (except Villa Type A Units). The ASSOCIATION shall designate at least one (1) garage space as assigned parking for Villa Type A Unit residents, their guests and invitees. No UNIT OWNER or resident of any UNIT, and none of their guests and invitees, shall park in a parking space designated for another UNIT. All other parking spaces will be for the general use of the UNIT OWNERS and residents of the CONDOMINIUM, and their guests and invitees. The ASSOCIATION shall have the right to redesignate the designated parking spaces for each UNIT from time to time upon written notice to the affected UNIT OWNERS.

4.5.2 Any transfer of title of a UNIT, including a transfer by operation of law, shall operate to transfer the exclusive use of the UNIT'S then assigned parking space(s) (garage and outdoor). In addition, a UNIT OWNER shall not sell, reassign or otherwise transfer his right to use his then assigned parking space(s) without the express prior written consent of the BOARD.

5. Easements and Restrictions. Each of the following easements and restrictions is a covenant running with the land of the CONDOMINIUM and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of the CONDOMINIUM.

5.1 Utilities. Easements may be required for utility services in order to adequately serve the CONDOMINIUM or any UNIT or COMMON ELEMENT, including, but not limited to, electricity, telephones sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities, and electronic security facilities. However, easements through a UNIT shall be only according to the plans and specifications for the building containing the UNIT or as the building is actually constructed, or reconstructed, unless approved in writing by the UNIT OWNER of the UNIT. A UNIT OWNER shall do nothing within or outside his UNIT that interferes with or impairs the utility services using these easements. The BOARD or its designee shall have a right of access to each UNIT to inspect same, to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility service facilities and COMMON ELEMENTS contained in the UNIT or elsewhere in the CONDOMINIUM PROPERTY and to remove any improvements interfering with or impairing the utility services or easements herein reserved; provided such right of access shall not unreasonably interfere with the UNIT OWNER'S permitted use of the UNIT, and except in the event of an emergency, entry into any UNIT shall be made on reasonable notice to the UNIT OWNER.

Parking at Coralstone

There are 69 garage spaces on the property; one deeded to each of the Condominium Units. Except for the one bedroom Villa A Units, each Condominium Unit is also assigned an outdoor parking space. The Association has the right to reassign outdoor parking spaces should the need arise. In each Village there are one or more unassigned spaces marked "SHORT TERM". Parking spaces designated as "SHORT TERM" are not available for overnight parking. They are to be used for day visitors, service calls, unloading, etc. Overnight visitors and/or overflow guests may use the Unit designated parking space or park in the extra spaces marked "GUEST" to the west of the Clubhouse. Residents may not use "SHORT TERM" spaces on a regular basis for their own convenience. Parking is not allowed on any paved surface not so designated and never on any grass area. The Rules and Regulations specifically list which types of vehicles are allowed on the Coralstone property. Vehicles longer than 30 feet are not allowed on the property.

The rules regulating parking are very clearly put forth in the Condominium Documents and in the rules and regulations. For some reason, however, there are many of liberties taken in this area. In any event, improprieties with regard to parking will place vehicle owners at risk of meeting the assigned towing company. Owners may note that the appropriate signage is posted on the property advising all entering that towing of automobiles is an option in case of violations.

As in all matters of rules at Coralstone, there is no police force to monitor activities on the property; voluntary cooperation is the number one rule of the day.

5.2 Support. Every portion of a UNIT contributing to the support of a BUILDING or an adjacent UNIT shall be burdened with an easement of support for the benefit of all other UNITS and COMMON ELEMENTS in the BUILDING.

5.3 Perpetual non-exclusive easement in COMMON ELEMENTS. The COMMON ELEMENTS shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the UNIT OWNERS and residents of the CONDOMINIUM, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

5.4 Air Space. Each UNIT shall have an exclusive easement for the use of the air space occupied by the UNIT as it exists at any particular time and as the UNIT may lawfully be altered.

5.5 Encroachments. If any portion of the COMMON ELEMENTS encroaches upon any UNIT; if any UNIT encroaches upon any other UNIT or upon any portion of the COMMON ELEMENTS; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the COMMON ELEMENTS or LIMITED COMMON ELEMENTS made by or with the consent of the ASSOCIATION; (iv) any repair or restoration of any improvements (or any portion thereof) or any UNIT after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any UNIT or the COMMON ELEMENTS; or (v) any non-purposeful or non-negligent act of a UNIT OWNER except as may be authorized by the BOARD, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvement shall stand.

5.6 Easements for Overhangs. Easements for overhanging troughs, gutters, downspouts, and the discharge therefrom of rainwater and the subsequent flow thereof over the UNITS and the CONDOMINIUM PROPERTY.

5.7 Easements and Restrictions of Record. The creation of this CONDOMINIUM is subject to restrictions, reservations, and easements which have been placed of record prior to the formation and filing hereof.

5.8 Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the COMMON ELEMENTS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portions of the COMMON ELEMENTS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the UNIT OWNERS and the residents of the CONDOMINIUM, and their guests and invitees.

5.9 Easement for Beach Access. Easement of 20 feet for beach access, same being for the use and benefit of the UNIT OWNERS and the residents of the CONDOMINIUM and their guests and invitees.

5.10 Additional Easements. DEVELOPER (so long as it owns any UNITS) and the ASSOCIATION, on their behalf and on behalf of all UNIT OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under, and/or across the COMMON ELEMENTS in favor of the UNIT OWNERS and residents of the CONDOMINIUM and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or (ii) modify,

relocate, abandon or terminate existing easements within or outside of the CONDOMINIUM in favor of the ASSOCIATION and/or the UNIT OWNERS and residents of the CONDOMINIUM and their guests and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the DEVELOPER or the ASSOCIATION may deem desirable for the proper operation and maintenance of the CONDOMINIUM, or any portion thereof, or for the health, safety or welfare of the UNIT OWNERS, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably and adversely interfere with the use of UNITS for dwelling purposes, no joinder of any UNIT OWNER or any mortgagee of any UNIT shall be required or, if same would unreasonably and adversely interfere with the use of any UNIT for dwelling purposes, only the joinder of the UNIT OWNERS and ELIGIBLE MORTGAGEES of UNITS so affected shall be required. To the extent required, all UNIT OWNERS hereby irrevocably appoint DEVELOPER and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

6. Ownership.

6.1 Type of Ownership. Ownership of each CONDOMINIUM PARCEL may be in fee simple or in any other estate in real property recognized by the law, subject, however, to this DECLARATION and restrictions, reservations, easements and limitations of record.

6.2 UNIT OWNER'S Rights. Each UNIT OWNER is entitled to the exclusive possession of his UNIT. He shall be entitled to use the COMMON ELEMENTS in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of other UNIT OWNERS. There shall be a joint use of the COMMON ELEMENTS and a joint and mutual easement for that purpose is hereby created.

7. Restraint Upon Separation and Partition of COMMON ELEMENTS. The fee title of each CONDOMINIUM PARCEL shall include both the UNIT and an undivided interest in the COMMON ELEMENTS, said undivided interest in the COMMON ELEMENTS to be deemed to be conveyed or encumbered with its respective UNIT, even though the description in the deed or instrument of conveyance may refer only to the fee title to the UNIT. Any attempt to separate and/or action to partition the fee title to a UNIT from the undivided interest in the COMMON ELEMENTS appurtenant to each UNIT shall be null and void.

8. Percentage of Ownership of COMMON ELEMENTS. Each of the UNIT OWNERS of the CONDOMINIUM shall own an undivided share in the COMMON ELEMENTS as an appurtenance to the UNIT OWNER'S UNIT, which undivided share shall initially be equal to $1/X$, "X" being the number of Units contained within the CONDOMINIUM from time to time. Accordingly, each UNIT OWNER'S undivided share and the common elements will initially be $1/69$, which undivided share will be redetermined if and when each Phase is added to the CONDOMINIUM as described in paragraph 22 of this DECLARATION.

9. COMMON EXPENSE and COMMON SURPLUS.

9.1 Each UNIT OWNER will be responsible for a portion of the COMMON EXPENSES, equal to the undivided share in the COMMON ELEMENTS appurtenant to the UNIT OWNER'S UNIT as determined above. In the event the ASSOCIATION operates more than one (1) condominium, the COMMON EXPENSES of this CONDOMINIUM shall include all expenses specifically relating to this CONDOMINIUM, as well as this CONDOMINIUM'S share of all mutual expenses relating to this and other condominiums operated by the ASSOCIATION, as determined by the BOARD.

9.2 Any COMMON SURPLUS of the ASSOCIATION shall be owned by each UNIT OWNER in the same proportion as his liability for COMMON EXPENSES. In the event the ASSOCIATION operates more than one (1) condominium, then the UNIT OWNERS in this CONDOMINIUM shall only have an interest in the COMMON SURPLUS of the ASSOCIATION attributable to the CONDOMINIUM.

10. Maintenance of CONDOMINIUM PROPERTY. The responsibility for the maintenance of the CONDOMINIUM PROPERTY, shall be as follows:

10.1 By the ASSOCIATION. The ASSOCIATION shall operate, maintain, repair and replace, at the ASSOCIATION'S expense:

10.1.1 All COMMON ELEMENTS and LIMITED COMMON ELEMENTS, except for portions to be maintained by the UNIT OWNERS as hereinafter provided.

10.1.2 All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portion of a UNIT contributing to the support of the BUILDING or to another UNIT, or within interior boundary walls, and all such facilities contained within a UNIT which service part or parts of the CONDOMINIUM other than the UNIT within which such facilities are contained.

10.1.3 All property owned by the ASSOCIATION.

All incidental damage caused to a UNIT by such work shall be promptly repaired at the expense of the ASSOCIATION.

10.2 By the UNIT OWNER. Each UNIT OWNER shall operate, maintain, repair and replace, at the UNIT OWNER'S EXPENSE:

*10.2.1 All portions of the UNIT except the portions to be maintained, repaired and replaced by the ASSOCIATION. Included within the responsibility of the UNIT OWNER shall be windows, screens, sliding glass doors, and doors on the exterior of his UNIT, and framing for same. Also included within the responsibility of the UNIT OWNER shall be the maintenance and painting of exterior building walls within a UNIT OWNER'S screened or enclosed porch, patio or balcony, which shall be painted the same color as the outside exterior building walls. All such maintenance, repairs and replacements shall be done without disturbing the rights of other UNIT OWNERS.

10.2.2 The air conditioning and heating systems, which are a part of the CONDOMINIUM PROPERTY, subject to exclusive ownership by serving the UNIT OWNER'S UNIT exclusively, whether inside or outside of his UNIT.

10.2.3 Within the UNIT OWNER'S UNIT, all cabinets, carpeting and other floor coverings, sinks, fans, stoves, refrigerators, washers, dryers, disposals, compactors, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, television transmission, sewage and sanitary service to the UNIT, as well as all personal property of the UNIT OWNER.

All property to be maintained, repaired and/or replaced by a UNIT OWNER shall be maintained at all times in a first class condition and in good working order, if same affects the exterior appearance of the CONDOMINIUM, so as to preserve a well kept appearance throughout the CONDOMINIUM, and no such maintenance, repair or replacement shall be performed in a manner which changes or alters the exterior appearance of

the CONDOMINIUM from its original appearance or conditions without the prior written consent of the ASSOCIATION. All property to be maintained, repaired and/or replaced by a UNIT OWNER which is inside of the UNIT OWNER'S UNIT and which does not affect the exterior appearance of the CONDOMINIUM shall be maintained at all times in a condition which does not and will not adversely affect any other UNIT OWNER, or any other portion of the CONDOMINIUM PROPERTY.

10.3 No UNIT OWNER shall operate, maintain, repair or replace any portion of the CONDOMINIUM PROPERTY to be operated, maintained, repaired and/or replaced by the ASSOCIATION without first obtaining written approval from the ASSOCIATION. Each UNIT OWNER shall promptly report to the ASSOCIATION any defects or need for repairs, maintenance, or replacements, the responsibility for which is that of the ASSOCIATION.

10.4 Whenever it is necessary to enter any UNIT for the purpose of performing any maintenance, repair or replacement of any COMMON ELEMENTS or any other UNIT, or for making emergency repairs necessary to prevent damage to any COMMON ELEMENTS or to any other UNIT, the owner of the UNIT shall permit the ASSOCIATION, the other UNIT OWNERS, or persons authorized by them, to enter the UNIT for such purposes, provided that such entry may be made only at reasonable times and with reasonable advance notice, except that in the case of an emergency no advance notice will be required. To facilitate entry in the event of any emergency, the owner of each UNIT, if required by the ASSOCIATION, shall deposit a key to such UNIT with the ASSOCIATION.

11. Additions, Alterations or Improvements.

11.1 By the ASSOCIATION. The ASSOCIATION shall have the right to make such additions, alterations or improvements to the COMMON ELEMENTS as it deems necessary or desirable from time to time, provided, however, that if the cost of any additions, alterations or improvements shall in any calendar year exceed in the aggregate the sum of Two Hundred (\$200) Dollars (which sum shall be increased in direct proportion to any increase in the Consumer Price Index subsequent to the date of the recording of this DECLARATION, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, using the U.S. city average, all items (1967 = 100), or any similar index if the foregoing Index is discontinued) multiplied by the number of UNITS in the CONDOMINIUM as of the time such additions, alterations or improvements shall not be performed without the approval of a majority of the UNIT OWNERS. The foregoing approval shall in no event apply with respect to expenses incurred in connection with the maintenance, repair or replacement of existing COMMON ELEMENTS. The cost and expense of any such additions, alterations, or improvements to the COMMON ELEMENTS shall constitute a part of the COMMON EXPENSES and shall be assessed to the UNIT OWNERS as COMMON EXPENSES.

11.2 By UNIT OWNERS. No UNIT OWNER shall make any structural addition, alteration or improvement in or to his UNIT without the prior written consent of the ASSOCIATION. No UNIT OWNER shall make any addition, alteration or improvement in or to the exterior of the BUILDING containing the UNIT, or any LIMITED COMMON ELEMENT of the UNIT, or any COMMON ELEMENT, without the prior written consent of the ASSOCIATION, including, but not limited to: electric or other fixtures; awnings, porches, patios, terraces, balconies, or courts, or any enclosure of same; fountains, swimming pools, whirlpools, hot tubs, or other similar improvements; or any landscaping. Any request by a UNIT OWNER for consent or approval by the ASSOCIATION to any

addition, alteration or improvement, shall be in writing and shall be accompanied by plans and specifications or other details as the ASSOCIATION may deem reasonably necessary in connection with its determination as to whether or not it will approve any such addition, alteration or improvement, but the ASSOCIATION'S approval as to same may be granted or withheld in the ASSOCIATION'S sole discretion, and in any event shall not be granted if same would detrimentally affect the architectural design of the CONDOMINIUM PROPERTY, but shall not be withheld in a discriminatory manner. All additions, alterations or improvements made by a UNIT OWNER shall be made in compliance with all laws, rules, ordinances, and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the ASSOCIATION with respect to design, structural integrity, aesthetic appeal, construction details, or otherwise. A UNIT OWNER making or causing to be made any additions, alterations or improvements agrees, and shall be deemed to have agreed, for such UNIT OWNER, and the UNIT OWNER'S heirs, personal representatives, successors, and assigns, as appropriate, to hold the ASSOCIATION and all other UNIT OWNERS harmless from any liability or damage to the CONDOMINIUM PROPERTY and expenses arising therefrom. Each UNIT OWNER shall be solely responsible for and shall maintain all exterior additions, alterations or improvements in a first class condition and in good working order as originally approved by the ASSOCIATION.

11.3 By the DEVELOPER. The foregoing restrictions shall not apply to DEVELOPER-owned UNITS. DEVELOPER shall have the right, with the written consent of 100% of the ASSOCIATION members to (i) make alterations, additions or improvements, in, to, and upon UNITS owned by DEVELOPER, or any LIMITED COMMON ELEMENTS of such UNITS or any COMMON ELEMENTS, whether structural or non-structural, interior or exterior, ordinary or extraordinary (including, without limitation, the removal of walls, floors, ceilings and other structural portions of any improvements); and (ii) change the layout or number of rooms in any DEVELOPER-owned UNITS; provided, however, the DEVELOPER shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in connection with the foregoing. In making the above alterations, additions and improvements DEVELOPER may relocate and alter COMMON ELEMENTS adjacent to or affected by same, provided that such relocation or alteration does not materially and adversely affect the market value (in DEVELOPER'S sole but reasonable opinion) or ordinary use of UNITS owned by UNIT OWNERS other than DEVELOPER.

12. Determination of COMMON EXPENSES and Fixing of ASSESSMENTS Therefor. The BOARD shall from time to time, and at least annually, prepare and adopt a budget for the CONDOMINIUM, determine the amount of ASSESSMENTS for COMMON EXPENSES payable by the UNIT OWNERS to meet the COMMON EXPENSES of the CONDOMINIUM, and allocate and assess such expenses among the UNIT OWNERS in accordance with the provisions of this DECLARATION and the BYLAWS. The ASSOCIATION shall notify all UNIT OWNERS, in writing, of the amount and due dates of the ASSESSMENTS for COMMON EXPENSES payable by each of them, which due dates shall not be less than ten (10) days from the date of such notification. In the event any ASSESSMENTS for COMMON EXPENSES are made in equal periodic payments as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency as indicated in the notice, unless and/or until: (i) the notice specifically provides that the periodic payments will terminate upon the occurrence of a specified event or the payment of a specified amount, or (ii) the ASSOCIATION notifies the UNIT OWNER in writing of a change in the amount and/or frequency of the periodic payments. If

requested in writing, copies of all notices of ASSESSMENTS for COMMON EXPENSES shall be given to any INSTITUTIONAL MORTGAGEE. The COMMON EXPENSES shall include the expenses of and reserves for (if desired by the BOARD or required by law) the operation, maintenance, repair and replacement of the COMMON ELEMENTS, costs of carrying out the powers and duties of the ASSOCIATION, and any other expenses designated as COMMON EXPENSES by the CONDOMINIUM ACT, this DECLARATION, the ARTICLES or BYLAWS, applicable Rules and Regulations, or by the ASSOCIATION. Working capital contributions made to the ASSOCIATION upon the sale of UNITS by the DEVELOPER may be used to reimburse the DEVELOPER for start-up expenses of the ASSOCIATION provided it is subsequent to the time period in which the DEVELOPER guarantees not to increase the common expenses, or otherwise as the ASSOCIATION shall determine from time to time and need not be restricted or accumulated. Any budget adopted by the BOARD shall be subject to change to cover actual expenses at any time, in conformance with applicable provisions of the BYLAWS. In the event the expenditure of funds by the ASSOCIATION is required that cannot be made from the regular ASSESSMENTS for COMMON EXPENSES, the ASSOCIATION may make special ASSESSMENTS for COMMON EXPENSES, which shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS for COMMON EXPENSES and shall be payable in the manner determined by the BOARD as stated in the notice of any special ASSESSMENT for COMMON EXPENSES. ASSESSMENTS for COMMON EXPENSES will commence upon the conveyance of the first UNIT by the DEVELOPER, and prior to such commencement date the DEVELOPER will be responsible for all COMMON EXPENSES of the CONDOMINIUM.

13. Monetary Defaults and Collection of ASSESSMENTS.

13.1 Liability for ASSESSMENTS. A UNIT OWNER, regardless of how title is acquired, including without limitation a purchaser at a judicial sale, shall be liable for all ASSESSMENTS coming due while he is the UNIT OWNER, and except as hereinafter provided shall be liable for all unpaid ASSESSMENTS owed by the prior UNIT OWNER of the UNIT OWNER'S UNIT, without prejudice to any right the UNIT OWNER may have to recover from the prior UNIT OWNER any ASSESSMENTS paid by the UNIT OWNER. The ASSESSMENTS shall include regular and special ASSESSMENTS for COMMON EXPENSES, and other ASSESSMENTS which may be payable to the ASSOCIATION by a UNIT OWNER pursuant to the CONDOMINIUM ACT, this DECLARATION, the ARTICLES, or the BYLAWS.

13.2 Non-Waiver. The liability for ASSESSMENTS may not be avoided by waiver of the use or enjoyment of any COMMON ELEMENTS or by abandonment of the UNIT for which the ASSESSMENTS are made.

13.3 Interest. ASSESSMENTS and installments on ASSESSMENTS not paid within ten (10) days after the first of each month shall bear interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.

13.4 Acceleration of ASSESSMENTS. If any member or any UNIT OWNER is in default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than thirty (30) days after written demand by the ASSOCIATION, the ASSOCIATION upon written notice to the defaulting member or UNIT OWNER shall have the right to accelerate and require such defaulting UNIT OWNER or member pay to the ASSOCIATION ASSESSMENTS for COMMON EXPENSES for the next twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration, the defaulting UNIT OWNER or member

shall continue to be liable for any increases in the regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or for all other ASSESSMENTS payable to the ASSOCIATION.

13.5 Lien for ASSESSMENTS. The ASSOCIATION has a lien on each CONDOMINIUM PARCEL for any unpaid ASSESSMENTS with interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and for all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION'S lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the CONDOMINIUM PARCEL is located, stating the description of the CONDOMINIUM PARCEL, the name of the record UNIT OWNER, the amount due, and the due dates. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien includes only ASSESSMENTS which are due when the claim is recorded, together with all other sums specified herein. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

13.6 Collection and Foreclosure. 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, and the applicable UNIT OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement, and/or foreclosure of the ASSOCIATION'S lien, including reasonable attorneys' fees, and all sums paid by the ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the ASSOCIATION'S lien. However, no foreclosure judgment may be entered until at least thirty (30) days after the ASSOCIATION gives written notice to the UNIT OWNER of its intention to foreclose its lien to collect the unpaid ASSESSMENTS, and other sums secured by the claim of lien. If this notice is not given at least thirty (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. If, after diligent search and inquiry, the ASSOCIATION cannot find the UNIT OWNER or a mailing address at which the UNIT OWNER will receive the notice, the court may proceed with the foreclosure action and may award attorneys' 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 by the CONDOMINIUM ACT. The BOARD is authorized to settle and compromise the ASSOCIATION'S lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION. The notice requirements of this subparagraph shall not apply if an action to foreclose a mortgage on the UNIT is pending before any court, if the ASSOCIATION'S rights would be affected by such foreclosure, and if actual, constructive, or substitute service of process has been made on the UNIT OWNER.

13.7 Rental and Receiver. If a UNIT OWNER remains in possession of his UNIT and the claim of lien of the

ASSOCIATION against his UNIT is foreclosed, the court, in its discretion, may require the UNIT OWNER to pay a reasonable rental for the UNIT, and the ASSOCIATION is entitled to the appointment of a receiver to collect the rent.

13.8 Liability of Mortgagee, Lien or Judicial Sale Purchaser for ASSESSMENT. Where any person obtains title to a CONDOMINIUM PARCEL by a purchase at the public sale resulting from a foreclosure judgment in a foreclosure suit of a first mortgage of record of an INSTITUTIONAL LENDER in which the ASSOCIATION has been properly named as a defendant junior lienholder or where an INSTITUTIONAL LENDER accepts a deed to a CONDOMINIUM PARCEL in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for the share of COMMON EXPENSES or ASSESSMENTS or for any other monies owed to the ASSOCIATION including but not limited to, interest, late charges, fines or fees, attributable to the CONDOMINIUM PARCEL or chargeable to the former UNIT OWNER of the CONDOMINIUM PARCEL which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien for ASSESSMENTS that is recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid share of COMMON EXPENSES or ASSESSMENTS are COMMON EXPENSES collectible from all of the UNIT OWNERS, including such acquiring and his successors and assigns. The new owner, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the CONDOMINIUM PARCEL.

13.9 Assignment of Claim and Lien Rights. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid ASSESSMENTS and any other monies owed to the ASSOCIATION, to the DEVELOPER or to any UNIT OWNER or group of UNIT OWNERS or to any third party.

13.10 Unpaid ASSESSMENTS - Certificate. Within 15 days after request by a UNIT OWNER or INSTITUTIONAL LENDER, the ASSOCIATION shall provide a certificate stating all ASSESSMENTS and other monies owed to the ASSOCIATION by the UNIT OWNER with respect to the CONDOMINIUM PARCEL. Any person other than the UNIT OWNER who relies upon such certificate shall be protected thereby.

13.11 Application of Payments. Any payments made to the ASSOCIATION by any UNIT OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien; next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of assessments and other monies owed to the ASSOCIATION by the UNIT OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENTS or other monies due to the ASSOCIATION, as provided herein; and next towards any unpaid ASSESSMENTS OWED to the ASSOCIATION, in the inverse order that such ASSESSMENTS were due.

14. ASSOCIATION. In order to provide for the administration of this CONDOMINIUM, the ASSOCIATION has been organized as a non-for-profit corporation under the Laws of the State of Florida, and the ASSOCIATION shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incidental thereto in accordance with the terms, provisions and conditions of this DECLARATION, the ARTICLES, BYLAWS, and the rules and regulations promulgated by the ASSOCIATION from time to time.

14.1 ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "C." No amendment of the ARTICLES shall be deemed an amendment to this DECLARATION and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

14.2 BYLAWS. A copy of the BYLAWS is attached as Exhibit "D." No amendments of the BYLAWS shall be deemed an amendment to this DECLARATION and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

14.3 Limitation Upon Liability of ASSOCIATION. Notwithstanding the duty of the ASSOCIATION to maintain and repair portions of the CONDOMINIUM PROPERTY, the ASSOCIATION shall not be liable to 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 other owners or persons.

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

14.5 Approval or Disapproval of Matters. Whenever the decision of the UNIT OWNERS is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decision shall be expressed in accordance with the ARTICLES and the BYLAWS.

14.6 Acts of the ASSOCIATION. Unless the approval or action of the UNIT OWNERS, and/or a certain specific percentage of the BOARD, is specifically required in this DECLARATION, the ARTICLES or BYLAWS, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of the UNIT OWNERS, and the BOARD may so approve and act through the proper officers of the ASSOCIATION without a specific resolution. When an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

14.7 MANAGEMENT COMPANY. The ASSOCIATION shall have the right to contract for the management and maintenance of the CONDOMINIUM PROPERTY, and to authorize a management agent or company to assist the ASSOCIATION in carrying out its powers and duties as set forth herein. Any management agent or company may be the DEVELOPER or an affiliate of the DEVELOPER. However, the ASSOCIATION and its officers shall retain at all times the powers and duties granted to it by this DECLARATION, the ARTICLES, BYLAWS and the CONDOMINIUM ACT.

14.8 Membership. The record owner(s) of ALL UNITS in the CONDOMINIUM shall be members of the ASSOCIATION. Membership as to each UNIT shall be established, and transferred, as provided by the ARTICLES and the BYLAWS.

14.9 Voting. On all matters as to which the members of the ASSOCIATION shall be entitled to vote, there shall be only one vote for each UNIT.

15. Insurance. The insurance other than title insurance which shall be carried upon the CONDOMINIUM

PROPERTY and the property of the UNIT OWNERS shall be governed by the following provisions:

15.1 Purchase, Custody and Payment of Policies

15.1.1 Purchase. All insurance policies covering the CONDOMINIUM PROPERTY shall be purchased by the ASSOCIATION and shall be issued by an insurance company authorized to do business in Florida which has an office or agent located in the State of Florida.

15.1.2 Approval by ELIGIBLE MORTGAGEES. Each ELIGIBLE MORTGAGEE will have the right upon reasonable notice to the ASSOCIATION to review and approve, which approval shall not be unreasonably withheld, the form, content, insurer, limits and coverage of all insurance purchased by the ASSOCIATION, and to require the ASSOCIATION to purchase insurance complying with the reasonable and customary requirements of the ELIGIBLE MORTGAGEE. In the event of a conflict between ELIGIBLE MORTGAGEES, the decision of the ELIGIBLE MORTGAGEE holding mortgages encumbering UNITS which secure the largest aggregate indebtedness shall control.

15.1.3 Named Insured. The named insured on all policies purchased by the ASSOCIATION shall be the ASSOCIATION, individually and as agent for UNIT OWNERS covered by the policy, without naming them, and as agent for their mortgages, without naming them.

15.1.4 Custody of Policies and Payment of Proceeds. All policies shall provide that payments for losses made by the insurer on account of casualty to any portion of the CONDOMINIUM PROPERTY shall be paid to the Insurance Trustee, and all policies and endorsements for casualty losses shall be deposited with the Insurance Trustee.

15.1.5 Copies to UNIT OWNERS or MORTGAGEES. One copy of each insurance policy or certificate evidencing same, and all endorsements thereon, shall be furnished by the ASSOCIATION to each UNIT OWNER or INSTITUTIONAL MORTGAGEE included in the mortgagee roster who holds a mortgage upon a UNIT covered by the policy, and in writing requests the ASSOCIATION to provide it with such policies.

15.1.6 Personal Property and Liability. UNIT OWNERS may obtain insurance at their own expense and at their own discretion for their personal property, personal liability, living expenses, flood damage, and for improvements made to their UNIT.

15.2 Coverage.

15.2.1 Casualty. ALL BUILDINGS and improvements upon the CONDOMINIUM PROPERTY and all personal property of the ASSOCIATION included in the CONDOMINIUM PROPERTY are to be insured in an amount equal to one hundred percent (100%) of the then current replacement cost, excluding foundation, excavating costs, and other items normally excluded from coverage, as determined annually by the ASSOCIATION. Such coverage shall afford protection against:

15.2.1.1 Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

15.2.1.2 Such other risks as from time to time shall be customarily insured against with respect to buildings and improvements similar in construction, location and use, including but not limited to vandalism and malicious mischief, and all other risks normally covered by a standard "All Risk" endorsement, where available.

15.2.1.3 The hazard insurance policy shall cover, among other things, all of the UNITS within the CONDOMINIUM building. The hazard insurance policy shall not include any improvements made in any UNIT having a value in excess of that originally supplied by the DEVELOPER, or any furniture, furnishings, wall coverings, floor coverings and ceiling coverings or other personal property installed or brought into a UNIT, from time to time, by the UNIT OWNERS or residents of a UNIT, or their guests or invitees.

15.2.2 Liability. Comprehensive general public liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the CONDOMINIUM PROPERTY or adjoining driveways and walkways, or any work, matters or things related to the CONDOMINIUM PROPERTY or this DECLARATION and its exhibits, with such coverage as shall be required by the ASSOCIATION, but with a combined single limit liability of not less than \$1,000,000.00 for bodily injury, death, or property damage, arising out of a single occurrence, and with cross liability endorsement to cover liabilities of the UNIT OWNERS as a group to a UNIT OWNER.

15.2.3 Workmen's Compensation as shall be required to meet the requirements of the law.

15.2.4 Fidelity Bonds. The ASSOCIATION shall obtain blanket fidelity bonds for all officers, directors, trustees and employees of the ASSOCIATION and all other persons handling or responsible for funds of or administered by the ASSOCIATION. Furthermore, where the ASSOCIATION has delegated some or all of the responsibility for the handling of funds to a management company, such bonds shall be required for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the ASSOCIATION. The total amount of fidelity bond coverage required shall in no event be less than (i) a sum equal to three (3) months' aggregate assessments on all UNITS plus reserve funds held by the ASSOCIATION, or (ii) such amount as may be required by the CONDOMINIUM ACT from time to time, whichever is greater. Notwithstanding the foregoing, unless an ELIGIBLE MORTGAGEE otherwise requires fidelity bond coverage, such coverage will not be required unless and until the CONDOMINIUM consists of greater than thirty (30) UNITS.

15.2.5 Flood Insurance and Such Other Insurance as the ASSOCIATION shall determine from time to time to be desirable or as may reasonably be required by an ELIGIBLE MORTGAGEE pursuant to paragraph 15.1.2, and as is customarily obtained with respect to condominiums similar in construction, location, and use to this CONDOMINIUM, such as, where applicable, host liquor liability, contractual and all-written contract insurance, employers' liability insurance, and comprehensive automobile liability insurance.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the ASSOCIATION and against the UNIT OWNERS individually and as a group, (ii) any pro rata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk, and (iii) avoid liability for a loss that is caused by an act of one or more Directors of the ASSOCIATION or by one or more UNIT OWNERS; and shall provide that such policies may not be cancelled or substantially modified (except for increases in coverage for limits of liability) without at least ten (10) days' prior written notice to the ASSOCIATION and to the holder of a first mortgage encumbering any UNIT in the CONDOMINIUM which is listed as a scheduled holder of a first mortgage in the insurance policy.

15.3 Premiums. Premiums for insurance policies purchased by the ASSOCIATION shall be paid by the ASSOCIATION as a COMMON EXPENSE, except that any increase in any insurance premium occasioned by misuse, occupancy or abandonment of a UNIT or its appurtenances or of the COMMON ELEMENTS by a particular UNIT OWNER, or by a resident of any UNIT, or by a member of their families or their guests or invitees, shall be assessed against and paid by that UNIT OWNER.

15.4 Insurance Trustee. All casualty insurance policies purchased by the ASSOCIATION shall provide that all proceeds covering casualty losses shall be paid to any national bank or trust company in the vicinity of the CONDOMINIUM with trust powers as may be designated by the ASSOCIATION, as Trustee, which Trustee is herein referred to as the "Insurance Trustee." The Insurance Trustee shall not be liable for payment of premiums or for the renewal or sufficiency of the policies or for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the UNIT OWNERS and their respective mortgagees in the following shares, which shares need not be set forth in the records of the Insurance Trustee.

15.4.1 COMMON ELEMENTS. Proceeds on account of damage to COMMON ELEMENTS shall be held in as many undivided shares as there are UNITS, the share of each UNIT OWNER being the same as his share in the COMMON ELEMENTS, as same are hereinabove stated.

15.4.2 UNITS. Proceeds on account of damage to UNITS shall be held in the following undivided shares:

15.4.2.1 When the UNITS are to be repaired and restored, for the owners of damaged UNITS in proportion to the cost of repairing the damage suffered by each UNIT OWNER.

15.4.2.2 When the UNITS are not to be repaired and restored as elsewhere provided, for the owners of all UNITS in the CONDOMINIUM, each owner's share being in proportion to his share in the COMMON ELEMENTS appurtenant to his UNIT.

15.4.2.3 Mortgage. In the event a mortgagee endorsement has been issued as to a UNIT, the share of the UNIT OWNER shall be held in trust for the mortgagee and the UNIT OWNER as their interests may appear. However, 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 thereof made to the UNIT OWNER and mortgagee pursuant to the provisions of this DECLARATION.

15.5 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:

15.5.1 Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provisions made therefor.

15.5.2 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 costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to UNIT

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

15.5.3 Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged building and/or UNIT for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to UNIT OWNERS and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a UNIT and may be enforced by such mortgagee.

15.5.4 Certificate. In making distribution to UNIT OWNERS and their mortgagees, the Insurance Trustee may rely upon a certificate of the ASSOCIATION executed by the President and Secretary as to the names of the UNIT OWNERS and mortgagees together with their respective shares of the distribution.

15.5.5 Limitation on Use of Proceeds. In no event may any hazard insurance proceeds for losses to any CONDOMINIUM PROPERTY (whether to UNITS or to COMMON ELEMENTS) be used for other than expenses of the Insurance Trustee or for the repair, replacement or reconstruction of such CONDOMINIUM PROPERTY, without the approval of at least sixty-six and two-thirds (66-2/3%) percent of the votes of the UNIT OWNERS.

15.6 ASSOCIATION as Agent. The ASSOCIATION is hereby irrevocably appointed agent for each UNIT OWNER and for the holder of a mortgage or other lien upon a 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.

15.7 Notice of Possible Inadequate Insurance Coverage. In any legal action in which the ASSOCIATION may be exposed to liability in excess of insurance coverage protecting it and the UNIT OWNERS, the ASSOCIATION shall give notice of any excess exposure within a reasonable time to all UNIT OWNERS who may be exposed to the liability and they shall have the right to intervene and defend.

15.8 Inspection of Insurance Policies. A copy of each insurance policy purchased by the ASSOCIATION shall be made available for inspection by any OWNER or INSTITUTIONAL MORTGAGEE at reasonable times.

16. Reconstruction or Repair - After Casualty

16.1 Determination to reconstruct or repair. If any part of the CONDOMINIUM PROPERTY is damaged or destroyed by casualty, whether or not the damage will be repaired shall be determined in the following manner:

16.1.1 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.

16.1.2 BUILDINGS Containing UNITS. In the event of damage to or destruction of any BUILDING(S) containing UNITS as a result of fire or other casualty, except as hereinafter provided, the ASSOCIATION shall arrange for the prompt repair and restoration of the BUILDING(S) (including any damaged UNITS contained therein, and the bathroom and kitchen fixtures equivalent in value to that initially installed by the DEVELOPER, but not including improvements having a value in excess of that originally installed by the

DEVELOPER, or furniture, furnishings, or other personal property supplied by a UNIT OWNER or tenant of a UNIT OWNER) and the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Notwithstanding the foregoing, if fifty percent (50%) or more of the UNITS within the CONDOMINIUM are very substantially damaged or destroyed, then within sixty (60) days after such damage or destruction a special meeting of the members of the ASSOCIATION shall be called to determine whether the damage or destruction will be repaired and restored, or whether the CONDOMINIUM will be terminated as elsewhere provided. The damage or destruction shall be repaired and restored unless it is determined at said meeting that the CONDOMINIUM will be terminated, and in the event the CONDOMINIUM is to be terminated, the CONDOMINIUM PROPERTY will not be repaired or restored and the net proceeds of insurance resulting from such damage or destruction shall be divided among all the UNIT OWNERS in proportion to their respective interests in the COMMON ELEMENTS, provided, however, that no payment shall be made to a UNIT OWNER until there has first been paid off out of his share of such funds all liens on his UNIT in the order of priority of such liens. 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.

16.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements, portions of which are attached hereto as exhibits, or if not, then according to plans and specifications approved by the BOARD and the members of the ASSOCIATION, and ELIGIBLE MORTGAGEES holding mortgages on UNITS which have at least fifty-one percent (51%) of the votes of UNITS subject to mortgages of ELIGIBLE MORTGAGEES, and if the damaged property is one or more BUILDINGS containing UNITS, by the UNIT OWNERS of all UNITS (and their respective ELIGIBLE MORTGAGEES) the plans for which are to be altered, which approval shall not be unreasonably withheld.

16.3 Responsibility. If the damage is only to those parts of a UNIT for which the responsibility of maintenance and repair is that of the UNIT OWNER, the UNIT OWNER shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the ASSOCIATION.

16.4 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 from one or more reliable licensed contractors, and shall submit copies of all acceptable estimates to the Insurance Trustee.

16.5 ASSESSMENTS. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the ASSOCIATION, or if at any time during or after the reconstruction and repair the funds for the payment of the costs thereof are insufficient, ASSESSMENTS shall be made against the UNIT OWNERS, in sufficient amounts to provide funds to pay such costs. Such ASSESSMENTS against UNIT OWNERS for damage to UNITS shall be in proportion to the cost of reconstruction and repair of their respective UNITS. Such ASSESSMENTS on account of damage to COMMON ELEMENTS shall be in proportion to the UNIT OWNER'S share in the COMMON ELEMENTS.

16.6 Deductible Provision. The funds necessary to cover any deductible amount under an insurance policy against which a claim is made shall be a COMMON EXPENSE.

16.7 Construction Funds. The funds for payment for 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 ASSESSMENTS against UNIT OWNERS shall be disbursed in payment of such costs in the following manner:

16.7.1 ASSOCIATION. If the total ASSESSMENTS made by the ASSOCIATION in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the ASSOCIATION is more than Twenty-Five Thousand (\$25,000.00) Dollars, then the sums paid upon such ASSESSMENTS shall be deposited by the ASSOCIATION with the Insurance Trustee. In all other cases, the ASSOCIATION shall hold the sums paid upon such ASSESSMENTS and disburse the same in payment of the costs of reconstruction and repair.

16.7.2 Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the ASSOCIATION from COLLECTIONS OF ASSESSMENTS against UNIT OWNERS on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

16.7.2.1 ASSOCIATION - lesser Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the ASSOCIATION is less than Twenty-Five Thousand Dollars (\$25,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the ASSOCIATION; provided, however, that upon request to the Insurance Trustee by an INSTITUTIONAL MORTGAGEE which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

16.7.2.2 ASSOCIATION - major damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the ASSOCIATION is more than Twenty-Five Thousand Dollars (\$25,000.00), then the construction fund shall be disbursed in payment of such costs in the manner required by the ASSOCIATION and upon approval of an architect qualified to practice in the State of Florida and employed by the ASSOCIATION to supervise the work.

16.7.2.3 UNIT OWNER. If there is a balance of insurance proceeds after payment of costs of reconstruction and repair that is the responsibility of the ASSOCIATION, such balance shall next be distributed to owners of damaged UNITS who have responsibility for reconstruction and repair of their UNITS. The distribution shall be in the shares that the estimated costs of reconstruction and repair in each damaged UNIT bears to the total of these costs in all damaged units, provided, however, that no UNIT OWNER shall be paid an amount in excess of the estimated costs of reconstruction and repair for his UNIT. If there is a mortgage upon a UNIT, the distribution shall be paid to the UNIT OWNER and the mortgagee jointly and they may use the proceeds as they may determine.

16.7.2.4 Surplus. It shall be presumed that the first monies disbursed in payments 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 which is not in excess of ASSESSMENTS paid by such owner into the construction fund shall not be made payable to any mortgagee.

16.7.2.5 Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by UNIT OWNERS upon ASSESSMENTS shall be deposited by the ASSOCIATION with the Insurance Trustee, nor 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, nor to determine whether surplus funds to be distributed are less than the ASSESSMENTS paid by UNIT OWNERS. Instead the Insurance Trustee may rely upon a certificate of the ASSOCIATION executed 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; provided, however, that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a UNIT OWNER and further provided that when the ASSOCIATION or a mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the ASSOCIATION shall first be obtained by the ASSOCIATION for disbursements in payment of costs of reconstruction and repair.

17. Condemnation and Eminent Domain

17.1 Representation by ASSOCIATION. The ASSOCIATION shall represent the UNIT OWNERS in any condemnation or eminent domain proceedings or in negotiations, settlements and agreements with the condemning or taking authority for acquisition of the COMMON ELEMENTS, or any part thereof, and for such purpose each UNIT OWNER appoints the ASSOCIATION as the UNIT OWNER'S attorney-in-fact.

17.2 Deposit of Awards with Insurance Trustee. The taking of any CONDOMINIUM PROPERTY by condemnation or eminent domain proceedings shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to UNIT OWNERS, the UNIT OWNERS shall deposit the awards with the Insurance Trustee; and in the event of a failure to do so, in the discretion of the ASSOCIATION, a special ASSESSMENT shall be made against a defaulting UNIT OWNER in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that UNIT OWNER.

17.3 Determination Whether to Continue CONDOMINIUM. Whether the CONDOMINIUM will be terminated after condemnation or eminent domain proceedings will be determined in the manner provided for termination of the CONDOMINIUM as elsewhere provided, and in the event of any condemnation or eminent domain proceedings, a meeting of the members of the ASSOCIATION shall be called to make such determination within sixty (60) days after the taking of any CONDOMINIUM PROPERTY by condemnation or eminent domain proceedings is final.

17.4 Disbursement of Funds. If the CONDOMINIUM is terminated after condemnation or eminent domain proceedings,

the proceeds of the awards and special ASSESSMENTS will be deemed to be CONDOMINIUM PROPERTY and shall be owned and distributed in the manner provided for insurance proceeds if the CONDOMINIUM is terminated after a casualty. If the CONDOMINIUM is not terminated after condemnation or eminent domain proceedings, the size of the CONDOMINIUM will be reduced, the UNIT OWNERS of condemned or taken UNITS will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and special ASSESSMENTS shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

17.5 UNIT Reduced but Tenantable. If the taking reduces the size of a UNIT and the remaining portion of the UNIT can be made tenantable, the award for the taking of a portion of the UNIT shall be used for the following purposes in the order stated and the following changes shall be effected in the CONDOMINIUM:

17.5.1 Restoration of UNIT. The UNIT shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the UNIT OWNER of the UNIT.

17.5.2 Distribution of Surplus. The balance of the award, if any, shall be distributed to the UNIT OWNER of the UNIT and to each mortgagee of the UNIT, the remittance being made payable jointly to the UNIT OWNER and mortgagees.

17.6 UNIT Made Untenantable. If the taking is of the entire UNIT or so reduces the size of a UNIT that it cannot be made tenantable, the award for the taking of the UNIT shall be used for the following purposes in the order stated and the following changes shall be effected in the CONDOMINIUM:

17.6.1 Payment of Award. The award shall be paid first to all INSTITUTIONAL MORTGAGEES in an amount sufficient to pay off their mortgages due from those UNITS which are not tenantable; and then jointly to the UNIT OWNERS and mortgagees of UNITS not tenantable in an amount equal to the market value of the UNIT immediately prior to the taking and with credit being given for payments previously reserved for INSTITUTIONAL MORTGAGEES; and the balance, if any, to repairing and replacing the COMMON ELEMENTS.

17.6.2 Addition to COMMON ELEMENTS. The remaining portion of the UNIT, if any, shall become part of the COMMON ELEMENTS and shall be placed in condition for use by all of the UNIT OWNERS in the manner approved by the BOARD; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the COMMON ELEMENTS.

17.6.3 Adjustment of Shares in COMMON ELEMENTS. The shares in the COMMON ELEMENTS appurtenant to the UNITS that continue as part of the CONDOMINIUM shall be adjusted to distribute the ownership of the COMMON ELEMENTS among the reduced number of UNIT OWNERS. This shall be done by reserving the shares of continuing UNIT OWNERS in the COMMON ELEMENTS as elsewhere provided in this DECLARATION.

17.6.4 ASSESSMENTS. If the amount of the award for the taking is not sufficient to pay the market value of a condemned or taken UNIT to the UNIT OWNER and to condition the remaining portion of the UNIT for use as a part of the COMMON ELEMENTS, the additional funds required for those purposes shall be raised by ASSESSMENTS against all of the

UNIT OWNERS who will continue as owners of UNITS after the changes in the CONDOMINIUM effected by the taking. The ASSESSMENTS shall be made in proportion to the shares of those UNIT OWNERS in the COMMON ELEMENTS after the changes effected by the taking.

17.6.5 Appraisal. If the market value of a UNIT prior to the taking cannot be determined by agreement between the UNIT OWNER and mortgagees of the UNIT and the ASSOCIATION within thirty (30) days after notice by either party, the value shall be determined by one MAI appraiser mutually agreed upon by the UNIT OWNER and the ASSOCIATION, or if the parties are unable to agree as to an appraiser, the value shall be determined as the average of three (3) appraisals by three (3) such appraisers, one of whom shall be selected by the ASSOCIATION, one by the unit owner, and one by the two appraisers so selected. The cost of such appraisal or appraisals shall be a COMMON EXPENSE of the ASSOCIATION.

17.7 Taking of COMMON ELEMENTS. Awards for the taking of COMMON ELEMENTS shall be used to make the remaining portion of the COMMON ELEMENTS useable in the manner approved by the BOARD; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the COMMON ELEMENTS. The balance of the awards for the taking of COMMON ELEMENTS, if any, shall be distributed to the UNIT OWNERS in the shares in which they own the COMMON ELEMENTS after adjustment of these shares on account of the condemnation or eminent domain proceedings. If there is a mortgage on a UNIT, the distribution shall be paid jointly to the owner and the mortgagee(s) of the UNIT.

17.8 Amendment of DECLARATION. The changes in UNITS, in the COMMON ELEMENTS and in the ownership of the COMMON ELEMENTS that are effected by condemnation shall be evidenced by an amendment of the DECLARATION of CONDOMINIUM that need be approved only by the BOARD.

18. Use Restrictions. The use of the property of the CONDOMINIUM shall be in accordance with the following provisions:

18.1 UNITS.

18.1.1 Residential Use. Each of the UNITS shall be occupied and used only for residential purposes, and not for business, commercial or other purposes.

18.1.2 Maximum Number of Occupants. With the exception of temporary occupancy (no more than two (2) weeks) by visiting guests, no UNIT may be occupied by more than two (2) persons for each bedroom in the UNIT, without the prior written consent of the ASSOCIATION. The BYLAWS or the Rules and Regulations of the ASSOCIATION may define visiting guests, and limit the number of visiting guests permitted in any UNIT at any time, and the maximum length of time a visiting guest may reside in any UNIT.

18.1.3 No Division. No UNIT may be divided or subdivided into a smaller UNIT or any portion thereof sold or otherwise transferred without first amending this DECLARATION to reflect the changes in the UNITS to be effected thereby.

18.2 Exterior Appearance. Without limiting the provisions of paragraph 11.2 of this DECLARATION, except with the written consent of the ASSOCIATION as elsewhere provided, no UNIT OWNER shall cause or permit his terrace, balcony, garden area, or patio (except as originally constructed by DEVELOPER) to be enclosed, nor shall any UNIT

OWNER cause or permit his terrace, balcony, garden area, or patio to be increased in size, the configuration thereof altered, or awnings installed thereon, or on the exterior of any BUILDING. Except with the written consent of the ASSOCIATION, no UNIT OWNER shall cause or permit any doors, windows, or screening on the exterior of his UNIT to be modified or removed, nor shall any UNIT OWNER in any manner change the exterior appearance of his UNIT or any BUILDING or COMMON ELEMENT, except for purposes of repair or replacement required to be made by the UNIT OWNER, and any such repair or replacement shall be in substantial conformity with that originally installed by the DEVELOPER or last approved by the ASSOCIATION. Except with the written consent of the ASSOCIATION, no UNIT OWNER shall install or permit to be installed in his UNIT electrical wiring, television or radio antenna, machines or air conditioning equipment, which may protrude through the roof or walls of his UNIT or the BUILDING. No UNIT OWNER shall place signs or written material on the windows of his UNIT, or on the exterior of the CONDOMINIUM PROPERTY. Except with the written consent of the ASSOCIATION, no UNIT OWNER shall install any trees, shrubbery, flowers, or other landscaping on the exterior of any CONDOMINIUM PROPERTY, and no UNIT OWNER shall remove or alter any such landscaping installed by the ASSOCIATION. UNIT OWNERS may place tasteful patio furniture, plants, and barbecue units on their terraces, balconies, garden areas, or patios, but shall keep same neat in a slightly condition, and the ASSOCIATION shall have the right to require any UNIT OWNER to remove any personal property placed on any terrace, balcony, garden area, or patio, or otherwise on the exterior of the CONDOMINIUM PROPERTY, which the ASSOCIATION deems unsightly or potentially dangerous.

18.3 Pets. Cats and dogs are permitted as household pets. A UNIT OWNER may have one (1) pet whose weight does not exceed thirty (30) pounds or two (2) pets whose total combined weight does not exceed thirty (3) pounds. Fish and birds are permitted so long as they are not kept for commercial purposes, and are exclusively and continuously confined to tanks, cages, or other similar enclosures within the UNIT. All other pets are prohibited. No pet is permitted which creates an unreasonable source of noise or annoyance to other residents of the condominium. No pet may be kept outside of any UNIT. The BYLAWS or the Rules and Regulations of the ASSOCIATION may further provide for reasonable rules and regulations regarding pets.

18.4 Leasing. A UNIT OWNER may lease his UNIT for a period of not less than one (1) month without the prior approval of the ASSOCIATION. Any lease must be in writing and specifically be subject to this DECLARATION, the ARTICLES, the BYLAWS, and the Rules and Regulations of the ASSOCIATION. The ASSOCIATION shall have the right to approve all lease forms used by UNIT OWNERS to lease their UNITS. The ASSOCIATION shall have the right, but not the obligation, to terminate any lease or occupancy and/or to bring summary proceedings to evict any tenant or occupant in the event of a default by the tenant or occupant in the performance of the obligations under the lease to the extent such default adversely affects the ASSOCIATION or the other UNIT OWNERS, or in the event any tenant or occupant creates a nuisance or unreasonably annoys the other UNIT OWNERS, or fails to observe any of the provisions of this DECLARATION, the ARTICLES, the BYLAWS, or the Rules and Regulations of the ASSOCIATION. Any costs or attorneys' fees incurred by the ASSOCIATION in connection with the eviction of any tenant or occupant shall be assessed to the UNIT OWNER.

18.5 COMMON ELEMENTS. The COMMON ELEMENTS shall be used only for the purposes for which they are intended.

18.6 Nuisances. No nuisance shall be allowed upon the CONDOMINIUM PROPERTY, and no use or practice which is an unreasonable source of annoyance to residents or which shall interfere with the peaceful possession and proper use of the CONDOMINIUM PROPERTY by its residents shall be permitted. All parts of the CONDOMINIUM PROPERTY shall be kept in a clean and sanitary condition and no rubbish, refuse, garbage, or pet wastes shall be allowed to accumulate or any fire hazard allowed to exist. No UNIT OWNER shall permit any use of his UNIT or of the COMMON ELEMENTS which will increase the rate of insurance upon the CONDOMINIUM PROPERTY.

18.7 Lawful use. No immoral, improper, offensive or unlawful use shall be made of the CONDOMINIUM PROPERTY or any part thereof. All laws, zoning ordinances and regulations of all governmental bodies which require maintenance, modification or repair of the CONDOMINIUM PROPERTY shall be complied with, and the responsibility for such compliance shall be the same as the responsibility for the maintenance and repair of the property concerned.

18.8 Rules and Regulations. All UNIT OWNERS shall comply with reasonable rules and regulations concerning the use of the CONDOMINIUM PROPERTY, as may be made and amended from time to time by the ASSOCIATION in the manner provided by the ARTICLES or BYLAWS. Copies of such regulations and amendments thereto shall be furnished by the ASSOCIATION to all UNIT OWNERS and residents of the CONDOMINIUM upon request.

18.9 Proviso. Provided, however, that until the DEVELOPER has completed all of the contemplated improvements and closed the sales of all of the UNITS within this CONDOMINIUM, including the additional Phases contemplated by the DEVELOPER as set forth in paragraph 22 below, neither the UNIT OWNERS for the ASSOCIATION nor the use of the CONDOMINIUM PROPERTY shall interfere with the completion of all contemplated improvements and the sale of all UNITS within the CONDOMINIUM, and the DEVELOPER may make such use of the unsold UNITS and COMMON ELEMENTS as may facilitate such completion and sale including, but not limited to, maintenance of models, sales offices, administrative offices, the showing of the CONDOMINIUM PROPERTY and DEVELOPER-owned UNITS and the display of signs.

19. Compliance and Non-Monetary Default.

19.1 Failure of UNIT OWNER to Comply. Each UNIT OWNER shall comply with all of the terms of this DECLARATION, the ARTICLES, the BYLAWS, and the Rules and Regulations, as they may be amended from time to time, and in the event any UNIT OWNER fails to comply therewith (other than the non-payment of any ASSESSMENT, which is governed by paragraph 12 of this DECLARATION), the ASSOCIATION shall give the UNIT OWNER written notice of such failure. If such failure is not corrected as soon as is reasonably practical and in any event within ten (10) days after such written notice, or in the event of a subsequent similar failure by the UNIT OWNER, then without further notice the ASSOCIATION shall have the following rights, in addition to all other rights otherwise granted to or available to the ASSOCIATION:

19.1.1 The ASSOCIATION may commence an action to enforce performance on the part of the UNIT OWNER, and to require the UNIT OWNER to correct such failure, for damages, for injunctive relief, and/or for such other relief as may be necessary under the circumstances; and/or

19.1.2 The ASSOCIATION may itself perform any act or work required to correct such failure and, either prior to or after doing so, may levy the UNIT OWNER with all

reasonable costs incurred or to be incurred by the ASSOCIATION in connection therewith, plus a service fee equal to twenty percent (20%) of such costs. In connection with the foregoing, the ASSOCIATION may enter the UNIT OWNER'S UNIT where necessary, may perform any maintenance or repairs, may remove any change, alteration, addition or improvement which are necessary to prevent damage to the common elements or to another unit or units, and/or

19.1.3 The ASSOCIATION may levy fines against any UNIT OWNER for any failure to comply, including non-payment of ASSESSMENTS. The BYLAWS of the ASSOCIATION shall set forth a schedule of fines, determining the amount and any limit or occasion thereof. However, no fine will become a lien against the UNIT.

19.2 Negligence. A UNIT OWNER shall be liable and may be charged by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION.

19.3 Responsibility of UNIT OWNER for Occupant, Tenants, Guests, and Invitees. Each UNIT OWNER shall be responsible for the acts and omissions, whether negligent or willful, or any person residing in his UNIT, and for all guests and invitees of the UNIT OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the CONDOMINIUM PROPERTY, or any liability to the ASSOCIATION, the UNIT OWNER shall be charged for same and a lien placed on the property, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION, of the ARTICLES, the BYLAWS, or any Rule or Regulation, by any resident of any UNIT, or any guest or invitee of a UNIT OWNER or any resident of a UNIT, shall also be deemed a violation by the UNIT OWNER, and shall subject the UNIT OWNER to the same liability as if such violation was that of the UNIT OWNER.

19.4 Right of ASSOCIATION to Evict Tenants, Occupants, Guests and Invitees. With respect to any person present in any UNIT or any portion of the CONDOMINIUM PROPERTY, other than a UNIT OWNER and the members of his immediate family permanently residing with him in the UNIT, if such person shall materially violate any provision of this DECLARATION, the ARTICLES, the BYLAWS, or the Rules and Regulations, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the CONDOMINIUM, or shall damage or destroy any COMMON ELEMENTS or personal property of the ASSOCIATION, then upon written notice by the ASSOCIATION such person shall be required to immediately leave the CONDOMINIUM PROPERTY and if such person does not do so, the ASSOCIATION is authorized to commence an action to compel the person to leave the CONDOMINIUM PROPERTY and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be levied against the applicable UNIT OWNER who such person was visiting, or with whose permission such person was present on the CONDOMINIUM PROPERTY. The foregoing shall not be deemed to limit, modify, or affect any other rights or remedies available to the ASSOCIATION, or any rights or remedies the ASSOCIATION may have with respect to similar actions by a UNIT OWNER or a member of his immediate family residing with him in the UNIT.

19.5 Costs and Attorneys' Fees. In any legal proceeding arising out of an alleged failure of a UNIT OWNER to comply with the terms of the CONDOMINIUM, the ARTICLES, the BYLAWS, and/or the Rules and Regulations, as said

documents may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

19.6 No Waiver of Rights. The failure of the ASSOCIATION or any UNIT OWNER to enforce any covenant, restriction or any other provision of this DECLARATION, the ARTICLES, the BYLAWS, or the Rules and Regulations, as the said documents may be amended from time to time, shall not constitute a waiver of the right to do so thereafter.

20. Amendment of DECLARATION and Limitations on Amendments to ARTICLES and BYLAWS.

20.1 Amendments to DECLARATION. In addition to amendments elsewhere authorized herein, and subject to limitations contained herein upon amendment, this DECLARATION may be amended in the following manner:

20.1.1 By the DEVELOPER. Except for amendments required to be approved by UNIT OWNERS and ELIGIBLE MORTGAGEES as set forth below, the DEVELOPER shall have the right to amend this DECLARATION without the consent of the UNIT OWNERS, the ASSOCIATION or its BOARD so long as the DEVELOPER is entitled to appoint any director of the ASSOCIATION, or holds title to any UNIT in the CONDOMINIUM, including UNITS in any additional phase contemplated herein, as described in paragraph 22 below. A copy of each amendment made by the DEVELOPER shall be recorded amongst the public records of the county in which the CONDOMINIUM is located; and any amendment shall be effective when so recorded.

20.1.2 By the UNIT OWNERS.

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

20.1.2.2 Resolution of Adoption. A resolution adopting a proposed amendment may be proposed by either the BOARD or by the members of the ASSOCIATION. Approval of an amendment must be by not less than sixty-seven percent (67%) of the votes of the entire membership of the ASSOCIATION. Members not present in person or by proxy at a meeting considering an amendment may express their approval in writing, provided such approval is delivered to the Secretary within thirty (30) days after the meeting.

20.1.2.3 Execution and Recording. A copy of each amendment shall be attached to a certificate of the ASSOCIATION certifying that the amendment was duly adopted, which certificate shall include the recording data identifying this DECLARATION and shall be executed by the President and Secretary of the ASSOCIATION with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded amongst the public records of the county in which the CONDOMINIUM is located.

20.2 Approval of UNIT OWNERS and ELIGIBLE MORTGAGEES of Amendments to DECLARATION, ARTICLES and BYLAWS. The approval of at least sixty-seven percent (67%) of the votes of the entire membership of the ASSOCIATION and the approval of ELIGIBLE MORTGAGEES holding first mortgages encumbering UNITS which have at least fifty-one percent (51%) of the votes of UNITS subject to first mortgages of ELIGIBLE MORTGAGEES shall be required to add or amend any material provision of this DECLARATION, the ARTICLES, or the BYLAWS, which establish, provide for, govern or regulate any of the following:

20.2.1 ASSESSMENTS, ASSESSMENT LIENS or subordination of such liens.

20.2.2 Reserves for maintenance, repair and replacement of the COMMON ELEMENTS (or UNITS if applicable).

20.2.3 Insurance or fidelity bonds.

20.2.4 Rights to use of the COMMON ELEMENTS.

20.2.5 Responsibility for maintenance and repair of the several portions of the CONDOMINIUM.

20.2.6 Leasing of UNITS.

20.2.7 Any right of first refusal or similar restriction on the right of a UNIT OWNER to sell, transfer, or otherwise convey his or her UNIT.

20.2.8 Any provision which are for the express benefit of INSTITUTIONAL MORTGAGEES or other mortgage holders, or insurers or guarantors of mortgages encumbering UNITS.

20.2.9 The allocation of distributions of hazard insurance proceeds or condemnation awards.

An addition or amendment to the DECLARATION, ARTICLES or BYLAWS, shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

20.3 Any material provision (as defined above) of this DECLARATION, the ARTICLES, or the BYLAWS, which establish, provide for, govern or regulate any of the following may not be added or amended unless either (1) 100% of the votes of the entire membership of the ASSOCIATION approve such change and ELIGIBLE MORTGAGEES holding first mortgages encumbering UNITS which have at least fifty-one percent (51%) of the votes of UNITS subject to first mortgages of ELIGIBLE MORTGAGEES approve such change, or (2) the DEVELOPER no longer owns any UNITS in the CONDOMINIUM in which case the following may be so changed in accordance with the conditions of Paragraph 20.2:

20.3.1 Voting

20.3.2 Expansion or contraction of the CONDOMINIUM or the addition, annexation or withdrawal of property to or from the CONDOMINIUM (except as expressly provided for in other provisions of this DECLARATION).

20.3.3 Boundaries of any UNIT, or the partition or subdivision of any UNIT.

20.3.4 The interest in the general or limited COMMON ELEMENTS.

20.3.5 The convertibility of UNITS into COMMON ELEMENTS or of COMMON ELEMENTS into UNITS.

20.4 Proviso. No amendment shall discriminate against any UNIT OWNER or against any UNIT, or class or group of UNITS, unless the UNIT OWNERS so affected and their respective INSTITUTIONAL MORTGAGEES shall join in the execution of the amendment. No amendment shall change the configuration or size of any UNIT in any material fashion, materially alter or modify the appurtenances to the UNIT, or change the proportion of percentage by which the UNIT OWNER of the UNIT shares the COMMON EXPENSES and owns the COMMON SURPLUS unless the record owner of the UNIT and any INSTITUTIONAL MORTGAGEE holding a first mortgage encumbering the UNIT join in the execution of the amendment. No

amendment may prejudice or impair the rights, interests or priorities of INSTITUTIONAL MORTGAGEES unless all INSTITUTIONAL MORTGAGEES holding a first mortgage join in the execution of the amendment. Prior to the addition of all phases to this CONDOMINIUM as described in paragraph 22 of this DECLARATION and the closing of the sale of all UNITS in all phases of the CONDOMINIUM, no amendment shall make any change which would in any way affect any of the rights, privileges, powers and options of the DEVELOPER, unless the DEVELOPER joins in the execution of such amendment. The foregoing joinder requirements as to amendments herein specified shall be in addition to other provisions of this DECLARATION relating to amendments to the DECLARATION.

20.5 If any provision of this DECLARATION specifically requires the consent of a certain percentage of the UNIT OWNERS or ELIGIBLE or INSTITUTIONAL MORTGAGEES to approve or authorize any action or matter, no amendment may reduce such percentage unless the amendment is approved by at least such specified percentage of the UNIT OWNERS or ELIGIBLE or INSTITUTIONAL MORTGAGEES.

21. Termination of CONDOMINIUM. The CONDOMINIUM shall continue until (i) terminated by casualty loss, condemnation or eminent domain as more particularly provided in this DECLARATION, or (ii) such time as withdrawal of the CONDOMINIUM PROPERTY from the provisions of the CONDOMINIUM ACT is authorized by a vote of UNIT OWNERS of at least eighty percent (80%) of the UNITS and COMMON ELEMENTS (DEVELOPER shall not vote the UNITS owned by it for such withdrawal unless the UNIT OWNERS of at least eighty percent (80%) of all other UNITS and COMMON ELEMENTS so elect such withdrawal, at which time DEVELOPER may choose to vote either in favor of or against such withdrawal, as DEVELOPER sees fit) and such withdrawal is consented to in writing by each INSTITUTIONAL MORTGAGEE holding a first mortgage encumbering a UNIT in the CONDOMINIUM. In the event such withdrawal is authorized as aforesaid, the CONDOMINIUM PROPERTY shall be subject to an action for partition by any UNIT OWNER or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all UNIT OWNERS in proportion to their respective interests in the COMMON ELEMENTS, provided, however, that no payment shall be made to a UNIT OWNER until there has first been paid off out of his share of such net proceeds all liens on his UNIT in the order of their priority. 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 the basis of the termination and said certificate shall be recorded among the public records of the county in which the CONDOMINIUM is located. This section may not be amended without the consent of all INSTITUTIONAL MORTGAGEES, and the DEVELOPER, so long as it owns any UNITS. After termination of the CONDOMINIUM, UNIT OWNERS shall own the CONDOMINIUM PROPERTY and all assets of the ASSOCIATION as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the UNIT OWNERS. Such undivided share of the UNIT OWNERS shall be the same as the undivided shares in the COMMON ELEMENTS appurtenant to the UNIT OWNERS' UNITS prior to the termination.

22. Description of Phasing. As previously indicated, there may be additional phases added to the CONDOMINIUM pursuant to and in accordance with Section 718.403 of the CONDOMINIUM ACT. In the event the DEVELOPER elects to add a phase to this CONDOMINIUM, a complete description of the phasing, and the impact which the completion of subsequent phases will have upon the initial phase, is as follows:

22.1 Attached as Exhibit "A" to this DECLARATION are legal descriptions which describe the land upon which each additional phase is to be built. Exhibit "A" of this DECLARATION depicts the property and relative location of each proposed phase, and the approximate location of the BUILDINGS and COMMON ELEMENTS within each proposed phase. The number and approximate location of each UNIT to be included in each phase are also depicted in Exhibit "A." The size of the UNITS in each phase will range from approximately 783 to 1,729 square feet.

22.2 As, and if, one or more of the additional phases are added to the CONDOMINIUM, each UNIT OWNER'S undivided share in the COMMON ELEMENTS, and the corresponding share of expenses and surplus, will be adjusted to reflect the increase in the number of UNITS in the CONDOMINIUM caused by the addition of the phase(s), pursuant to the formula set forth in paragraph 8 of this DECLARATION.

22.3 The membership vote and ownership in the ASSOCIATION attributable to each UNIT will be one (1) vote per UNIT. Accordingly, in the event any phase is added, the membership in the ASSOCIATION will be increased by the number of additional UNIT OWNERS in the added phase or phases, and each UNIT in the CONDOMINIUM will have one (1) vote. If any phase or phases are not developed and added as part of the CONDOMINIUM, then the membership vote in the ASSOCIATION will be one (1) vote per UNIT for UNIT OWNERS in Phase I, and any phase actually added to the CONDOMINIUM.

22.4 If one or more phases are not added to the CONDOMINIUM, the UNITS within the CONDOMINIUM are entitled to one hundred (100%) percent ownership of all COMMON ELEMENTS within the phases actually developed and added as part of the CONDOMINIUM. In other words, the aggregate of the existing UNIT OWNERS in the CONDOMINIUM will at all times have one hundred (100%) percent ownership in all of the COMMON ELEMENTS, subject to dilution as to the percentage share of each UNIT OWNER in the event a subsequent phase or phases are actually developed and added as a part of CONDOMINIUM.

22.5 Each phase will be added to the CONDOMINIUM by an appropriate amendment to this DECLARATION. Notwithstanding the provisions of Section 718.110, Florida Statutes, or any other provision of this DECLARATION, amendments to this DECLARATION adding one (1) or more phases to this CONDOMINIUM shall not require the execution of such amendments or consents thereto by UNIT OWNERS, mortgagees, lienors, or the ASSOCIATION, or any other person or entity other than the DEVELOPER of such additional phase. Taxes and other ASSESSMENTS relating to the property in any phase added to this CONDOMINIUM, covering any period prior to the addition of such phase, shall be the responsibility of the DEVELOPER. All intended improvements in any phase must be substantially completed prior to the time the phase is added to the CONDOMINIUM.

22.6 A DEVELOPER of any additional phase may be the DEVELOPER of this CONDOMINIUM and/or its nominees, designees, assignees, or successors, in whole or in part, or any person or entity which owns the land constituting the phase when added.

22.7 Phases may be added to the CONDOMINIUM in any order.

22.8 The DEVELOPER, or his successors, nominees, assignees or designees has no obligation or responsibility to cause any additional phase or its improvements to be constructed and added to this CONDOMINIUM. Accordingly, nothing contained herein should be deemed a representation

or warranty that any additional phase will, in fact, be constructed and added to the CONDOMINIUM, although the DEVELOPER does plan, at this time, to construct and add all additional phases to the CONDOMINIUM.

22.9 No time-share estates will or may be created with respect to UNITS in any phase.

22.10 The time period within which each phase must be completed, if at all, is a date which is seven (7) years after this DECLARATION is recorded in the Public Records of the County where the CONDOMINIUM is located.

22.11 ASSESSMENTS for COMMON EXPENSES against the UNITS within a phase added to the CONDOMINIUM will commence upon recordation of the DECLARATION of CONDOMINIUM and the amendments adding subsequent phases. Prior to the date that ASSESSMENTS for COMMON EXPENSES commence for the UNITS within a phase added to the CONDOMINIUM, the DEVELOPER will be responsible for all expenses associated with the phase, and for the performance of all of the obligations of the ASSOCIATION with respect to the phase.

22.12 The impact which the addition of any phase will have upon the CONDOMINIUM is as follows: (i) the land included in the CONDOMINIUM will be increased, (ii) the number of UNITS included in the CONDOMINIUM will be increased, (iii) the COMMON ELEMENTS will be increased, (iv) the ASSOCIATION will be responsible for the repair, maintenance and operation of the COMMON ELEMENTS as increased by the addition of any phase, (v) the ASSOCIATION will incur additional expenses in connection with the maintenance, repair and operation of the CONDOMINIUM as increased by the addition of the phase; however, expenses incurred by the ASSOCIATION in connection with the COMMON ELEMENTS of additional phases will be a COMMON EXPENSE to be assessed against a larger number of UNITS in proportion to their respective shares of the COMMON ELEMENTS, and (vi) the ownership interest in the COMMON ELEMENTS and share of the COMMON EXPENSES of each UNIT may be reduced pursuant to paragraph 8 of this DECLARATION.

22.13 DEVELOPER reserves the right to make minor changes in the location, size and configuration of the UNITS, the BUILDINGS, and the COMMON ELEMENTS in any phase, prior to the time the phase is actually added to the CONDOMINIUM. However, no such change to any phase shall result in a substantial deviation from the UNITS, BUILDINGS, and COMMON ELEMENTS shown on Exhibit "A," and in no event shall changes be made in the number of BUILDINGS within any phase, the number of UNITS within any BUILDING, or the total number of UNITS within any phase. Furthermore, all BUILDINGS and UNITS added to the CONDOMINIUM shall be of comparable quality of construction to the UNITS initially included in the CONDOMINIUM.

23. Alternate Improvement of Additional Lands. The DEVELOPER reserves the following rights with respect to all or any portion of the lands depicted on sheet 3 of 73 and described on sheets 4 and 5 of 73, all in Exhibit "A" in lieu of or in addition to improving such lands and adding same as additional phases to the CONDOMINIUM:

23.1 Other Condominiums Operated By The ASSOCIATION. The DEVELOPER may, in its sole and absolute discretion, construct and develop one or more separate and distinct condominium(s) upon the lands, or any portion thereof, and may use the ASSOCIATION as the governing entity conducting the affairs of such separate and distinct condominium(s), which is the same ASSOCIATION that operates this CONDOMINIUM. The ASSOCIATION shall be the governing entity for said other condominiums only if the instruments creating

said condominiums and submitting the property therein described to the CONDOMINIUM FORM OF OWNERSHIP shall submit said condominiums to the jurisdiction of the ASSOCIATION. In this event, the following will apply:

23.1.1 All of the UNIT OWNERS of UNITS in the separate and distinct condominium(s), and in this CONDOMINIUM, will be members of the ASSOCIATION having equal voting rights consisting of one (1) vote per UNIT. All matters of common concern will be voted upon by all of the members, and all matters of concern to only one condominium will be voted upon only by members who are UNIT OWNERS within that condominium.

23.1.2 Separate budgets will be established for each condominium. Items relating to only one condominium will be borne by the members of that condominium, and items relating to all of the condominiums operated by the ASSOCIATION will be borne by all of the members of the ASSOCIATION, unless the BOARD determines that this method is not fair with respect to any expense item, and an alternate method of sharing such expense item is determined.

23.2 Other Condominiums Operated By Other Condominium Associations. The DEVELOPER may construct and develop one or more separate and distinct condominium(s) upon the lands, or any portion thereof, and may use as the governing entity operating such separate and distinct condominiums a distinct, independent condominium association, other than the ASSOCIATION.

23.3 Other Types of Residential Dwelling Units. The DEVELOPER may construct and develop residential dwelling units other than condominium units upon the lands, or any portion thereof.

23.4 Developer. For purposes of this paragraph, the term DEVELOPER shall also include any of the successors, nominees, assignees or designees of the DEVELOPER, or any person or entity which owns any portion of such lands.

23.5 Proviso. With the exception of Phase I, nothing contained herein shall be deemed to impose any requirement that the DEVELOPER develop and/or improve all or any portion of the lands described in Exhibit "A" in any particular manner.

24. Special Provisions Regarding INSTITUTIONAL MORTGAGEES.

24.1 Notice of Action. Upon written request to the ASSOCIATION by an INSTITUTIONAL MORTGAGEE holding, insuring or guaranteeing a first mortgage encumbering any UNIT, identifying the name and address of the holder, insurer or guarantor and the UNIT number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:

24.1.1 Any condemnation loss or any casualty loss which affects a material portion of the CONDOMINIUM or any UNIT on which there is a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, as applicable;

24.1.2 Any delinquency in the payment of ASSESSMENTS or other monies owed by a UNIT OWNER, or any other default in the performance by the UNIT OWNER of any obligation under this DECLARATION, the ARTICLES, or the BYLAWS, which UNIT OWNER'S UNIT is subject to a first mortgage held, insured or guaranteed by such holder insurer or guarantor, which remains uncured for a period of sixty (60) days;

24.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the ASSOCIATION;

24.1.4 Any proposed action which would require the consent of a specified percentage of ELIGIBLE or INSTITUTIONAL MORTGAGEES.

24.2 Consent of ELIGIBLE or INSTITUTIONAL MORTGAGEES. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any CONDOMINIUM PARCEL(S) or CONDOMINIUM PROPERTY is required by this DECLARATION, the ARTICLES, the BYLAWS, or any applicable statute or law, to any amendment of the DECLARATION, the ARTICLES, or the BYLAWS, or to any action of the ASSOCIATION, or to any other matter relating to the CONDOMINIUM, the ASSOCIATION may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such requests was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the ASSOCIATION), which response must be received by the ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the ASSOCIATION, which affidavit, where necessary, may be recorded in the Public Records of the County where the CONDOMINIUM is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an ELIGIBLE or INSTITUTIONAL MORTGAGEE is otherwise required to specifically join in an amendment to this DECLARATION.

25. Miscellaneous Provisions.

25.1 The invalidity in whole or in part of any covenant or restriction of any section, subsection, sentence, clause, phrase, word or other provisions of this DECLARATION, the ARTICLES, BYLAWS, or Rules and Regulations of the ASSOCIATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

25.2 In the event any court shall hereafter determine that any provisions as originally drafted herein violated the rule against perpetuities or any other rules of law because of the duration of the period involved, the period specified in the DECLARATION shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of law and for such purpose measuring life shall be that of the last surviving original purchaser of a UNIT.

25.3 Notices. All notices required or desired hereunder or under the BYLAWS shall be sent to the ASSOCIATION c/o its office at the CONDOMINIUM or to such other address as the ASSOCIATION may hereafter designate from time to time by notice in writing to all UNIT OWNERS, or the registered agent as designated with the Secretary of State of the State of Florida. All notices to any UNIT OWNER shall be sent to the CONDOMINIUM address of such UNIT OWNER or such other address as may have been designated by such UNIT OWNER from time to time, in writing, to the

ASSOCIATION. All notices to mortgagees of UNITS shall be sent to their respective addresses, or to any other address designated by them from time to time, in writing, to the ASSOCIATION. Notice given by certified mail, return receipt requested, shall be effective the day after mailed, and notice by any other means shall be effective upon delivery to the person being notified.

25.4 Signature of President and Secretary. Whenever the signature of the president of the ASSOCIATION is required hereunder, the signature of a vice-president may be substituted therefore, and wherever the signature of the secretary of the ASSOCIATION is required hereunder, the signature of an assistant secretary may be substituted therefore, provided, that the same person may not execute any single instrument on behalf of the ASSOCIATION in two separate capacities.

25.5 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this DECLARATION, the Exhibits annexed hereto or the rules and regulations adopted pursuant to such documents, as same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.

25.6 Waiver. No provisions contained in this DECLARATION shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

25.7 Gender; Plurality. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

25.8 Captions. The captions herein and in the Exhibits annexed hereto are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the particular document or any provision thereof.

25.9 Reservation of Right to Own, Install, Provide, and Maintain a Closed Circuit Television System, Telecommunications System, a Master Antennae System and Community Antennae Television System (CATV Service). Developer reserves and retains to itself, its successors and assigns: (1) the title to any closed circuit television system, telecommunications system, master antennae system, and related ancillary services and to the equipment including but not limited to conduits, wires, amplifiers, antennae and related apparatus and electronic equipment both active and passive (the "Central System") in and upon the Condominium Property and an easement for ten years for the placement and location of the Central System including, but not limited to conduits, wires, amplifiers, antennae and related apparatus and electronic equipment, both active and passive, and (2) an easement for ten years for ingress and egress from the Condominium Property to service, maintain, install, repair and replace the aforesaid apparatus and equipment; and (3) the right to connect the Central System to such receiving source as Developer may in its sole discretion deem appropriate, for which service Developer, its successors and assigns or designee shall have the right to charge the Association and/or individual unit owners a reasonable fee not to exceed the fees generally charged within the Indian River County vicinity for similar service.

25.10 Disclosure of Individual Unit Security System Operation and Agreement. The Developer has prewired each condominium unit with a security system by Network

Multi-Family Security Corporation. The cost of this
rewiring is included in the purchase price of the unit.
Upon possession of the unit, the resident may elect to pay
an application fee and a monitoring fee to Network
Multi-Family Security Corporation for the security
monitoring service.

IN WITNESS WHEREOF, the undersigned, being the
DEVELOPER of the real property described herein, has
executed this RESTATED AND FIRST AMENDMENT TO THE
DECLARATION of CONDOMINIUM of THE CORALSTONE CLUB I, A
CONDOMINIUM as of the 4th day of November 1987

CONSOLIDATED VISTA DEVELOPMENT
CORPORATION, a Florida
corporation

Attest:


SECRETARY (SEAL)

By: 
Brian W. Sparks, President

STATE OF FLORIDA
COUNTY OF BREVARD

I hereby certify that on this 4th day, before me appeared
Brian W. Sparks, President of CONSOLIDATED VISTA DEVELOPMENT
CORPORATION, a Florida corporation, to me known to be the
person described in and who executed the foregoing
instrument, and he acknowledged before me that he executed
the same.

WITNESS MY HAND and official seal in the County and
State last aforesaid this 4th day of November, 1987.

My commission expires:


NOTARY PUBLIC

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP JUNE 16, 1988
BONDED THRU GENERAL INS. UND.