

BYLAWS

OF

NORTH PASSAGE ASSOCIATION, INC.

1. IDENTITY.

These are the Bylaws of NORTH PASSAGE ASSOCIATION, INC., hereinafter called Association in these Bylaws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 31st day of March, 1977. The Association has been organized for the purpose of operating a condominium to be established upon the lands described in such Articles of Incorporation.

1.1. The office of the Association will be at 3355 Ocean Drive, Vero Beach, Florida.

1.2. The fiscal year of the Association will be the calendar year.

1.3. The seal of the corporation will bear the name of the corporation, the word "Florida", the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

2. MEMBERS' MEETINGS.

The members of the Association will be the owners of the apartments of said condominium apartment building.

2.1. The annual members' meeting will be held at 1:30 o'clock P. M., Eastern Standard Time on the second Thursday in March of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting will be held at the same hour on the next day that is not a holiday.

2.2. Special members' meetings will be held whenever called by the President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from members entitled to cast ten percent (10%) of the votes of the entire membership.

2.3. Notice of all members' meetings stating the time and place and the objects for which the meeting is called will be given by the President or Secretary or Assistant Secretary unless waived in writing. Such notice will be in writing and shall be sent by certified mail to each member at his address as it appears on the books of the Association and will be mailed not less than fourteen (14) days nor more than thirty (30) days prior to the date of the meeting. Written notice of the members' meeting shall also be posted at a conspicuous location at the condominium at least fourteen (14) days prior to any said meeting. Proof of such mailing and posting shall be given by affidavit of the person giving the notice. Notice of the meeting may be waived before or after the meeting.

2.4. A quorum at members' meetings will consist of persons entitled to cast a majority of the votes of the entire membership.

The acts approved by a majority of the votes present at a meeting at which a quorum is present will constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

### 2.5. Voting.

a. The Owner of each apartment will be entitled to one vote, and if one owner owns more than one apartment he will be entitled to one vote for each apartment owned.

b. If an apartment is owned by one person, his right to vote will be established by the record title to his apartment. If an apartment is owned by more than one person, or is under lease, the person entitled to cast the vote for the apartment will be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary or Assistant Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment will be designated by a certificate signed by the President and attested by the Secretary of the corporation and filed with the Secretary or Assistant Secretary of the Association. All such certificates shall be valid until revoked or until superseded by a subsequent certificate or until there is a change in the ownership of the apartment concerned. If such a certificate is not on file, the vote of such owners will not be considered in determining the requirement for a quorum nor for any other purpose.

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

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

2.8. The order of business at the annual members' meetings and as far as practical at other members' meetings, will be:

- a. Election of chairman of the meeting.
- b. Calling of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Reports of officers.
- f. Reports of committees.
- g. Election of directors.
- h. Unfinished business.
- i. New business.
- j. Adjournment.

2.9. Proviso. Provided, however, that until such time as the Developer shall relinquish control of the Association to the condominium unit owners, other than the Developer, the proceedings of all meetings of the members of the Association shall have no effect unless approved by the Board of Directors. Within sixty (60) days after unit owners, other than the Developer, elect a majority of the directors of the Association, the Developer shall relinquish control of the Association to the unit owners.

### 3. DIRECTORS.

3.1. Membership. The affairs of the Association will be managed by a board of not less than three (3) nor more than seven (7) directors, the exact number to be determined at the time of election.

3.2. Election of directors will be conducted in the following manner:

a. Election of directors will be held at the annual members' meetings.

b. A nominating committee of three (3) members will be appointed by the Board of Directors not less than forty-five (45) days prior to the annual members' meeting. The committee will nominate one person for each director then serving. Nominations for additional directorships created at the meeting will be made from the floor, and other nominations may be made from the floor.

c. The election will be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There will be no cumulative voting.

d. Except as to vacancies arising by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members will be filled by the remaining directors.

e. Any director may be removed with or without cause by vote of a majority of all unit owners at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created will be filled by the members of the Association at the same meeting.

f. The first election of directors by condominium unit owners, other than the Developer, shall not be held until after the Developer has closed the sales of fifteen percent (15%) of the condominium units that will be operated ultimately by the Association. At such time as the condominium unit owners, other than the Developer, own fifteen percent (15%) of the condominium units that will be operated ultimately by the condominium association, the said unit owners shall be entitled to elect one-third (1/3) of the directors of the Association. The condominium unit owners, other than the Developer, shall have the right to elect the majority of the directors of the Association three (3) years after the Developer has closed the sales of fifty percent (50%) of the condominium units that will be operated ultimately by the Association, or three (3) months after the Developer has closed the sales of ninety percent (90%) of the condominium units that will be operated ultimately by the Association, or at such time as all of the condominium units that will be operated ultimately by the Association have been completed and some of them have been conveyed to purchasers, should the Developer discontinue offering unsold condominium units in the ordinary course of business, whichever shall first occur. The Developer shall be entitled to elect at least one (1) director as long as the Developer holds for sale in the ordinary course of business any condominium unit in the condominium to be operated by the Association. The Developer may, at Developer's sole discretion, elect to allow the condominium unit owners, other than the Developer, to elect a majority of the Board of Directors before the occurrence of the aforementioned events, and relinquish control of the Association at that time.

3.3. The term of each director's service will extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4. The organizational meeting of each newly-elected Board of Directors will be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected; and no further notice of such organizational meeting will be necessary.

3.5. Regular meetings of the Board of Directors may be held at such time and place as will be determined, from time to time, by a majority of the directors. Notice of regular meetings will be given to each director, personally or by mail, telephone or telegraph, at least twenty-one (21) days prior to the day named for such meeting.

3.6. Special meetings of the directors may be called by the President and must be called by the Secretary or Assistant Secretary at the written request of one-third of the directors. Not less than forty-eight (48) hours notice of the meeting will be given personally or by mail, telephone or telegraph, which notice will state the time, place and purpose of the meeting.

3.7. Notice of Meetings. Meetings of the Board of Directors shall be open to all condominium unit owners and notice of such meetings shall be posted at a conspicuous location at the condominium forty-eight (48) hours in advance of the meeting; except, however, in the case of an emergency meeting held by the Board of Directors.

3.8. Waiver of notice. Any director may waive notice of a meeting before or after the meeting and such waiver will be deemed equivalent to the giving of notice.

3.9. A quorum at directors' meeting will consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present will constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

3.10. Adjourned meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

3.11. Joinder in meeting by approval of minutes. The joinder of a director in the action of a meeting by a director signing and concurring in the minutes of that meeting will constitute the presence of such director for the purpose of determining a quorum.

3.12. The presiding officer of directors' meetings will be the chairman of the Board of Directors if such an officer has been elected; and if none, the President will preside. In the absence of the presiding officer, the directors present will designate one of their number to preside.

3.13. The order of business at directors' meetings will be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of officers and committees.
- e. Election of officers.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

3.14. Directors' fees will not be paid.

#### 4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the Association will be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically herein or elsewhere required.

## 5. OFFICERS.

5.1. The executive officers of the Association will be a President, who will be a director, a Vice President, a Secretary, an Assistant Secretary, a Treasurer, and an Assistant Treasurer, all of whom will be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting, with or without cause. Any person may hold two or more offices except that the President shall not also be the Secretary or Assistant Secretary. The Board of Directors from time to time will elect such other officers and designate their powers and duties as the Board of Directors shall determine is necessary or required to manage the affairs of the Association.

5.2. The President will be the chief executive officer of the Association. He will have all of the powers and duties usually vested in the office of the President of an association, including, but not limited to, the powers to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

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

5.4. The Secretary will keep the minutes of all meetings of the directors and the members. He will attend to the giving and serving of all notices to the members and directors and other notices required by law. He will have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He will keep the records of the Association, except those of the Treasurer, and will perform all other duties incident to the office of Secretary of the Association and as may be required by the directors or the President.

5.5. The Assistant Secretary in the absence or disability of the Secretary will perform the duties of the Secretary. He will also assist the Secretary generally and perform such other duties as shall be prescribed by the directors.

5.6. The Treasurer will have custody of all property of the Association, including funds, securities and evidences of indebtedness. He will keep the books of the Association in accordance with good accounting practices; and he will perform all other duties incident to the office of Treasurer.

5.7. The Assistant Treasurer in the absence or disability of the Treasurer will perform the duties of the Treasurer. He will also assist the Treasurer generally and perform such other duties as shall be prescribed by the directors.

5.8. No compensation will be paid to officers of the Association.

## 6. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association will be as set forth in the Declaration of Condominium, supplemented by the following:

6.1. Accounts. The receipts and expenditures of the Association will be credited and charged to accounts under the following classifications, as shall be appropriate, all of which expenditures shall be deemed common expenses:

a. Current expense, which will include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance in this fund at the end of each year will be applied to reduce the assessments for current expense for the succeeding year.

b. Reserve for deferred maintenance, which will include funds for maintenance items that occur less frequently than annually.

c. Reserve for replacement, which will include funds for repair or replacement required because of damage, depreciation or obsolescence.

d. Betterments, which will include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

6.2. Budget. The Board of Directors will adopt a combined budget for each calendar year that will include the estimated funds required to defray the common expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices, as follows:

a. Current expense.

b. Reserve for deferred maintenance, the amount for which will not exceed one hundred fifteen percent (115%) of the budget for this account for the prior year, once an initial reserve is established.

c. Reserve for replacement, the amount for which will not exceed one hundred fifteen percent (115%) of the budget for this account for the prior year, once an initial reserve is established.

d. Proviso. Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by apartment owners entitled to cast not less than a majority of the votes of the entire membership of the Association; and further provided, however, that the Developer shall not be assessed as a unit owner for any capital improvements as long as the Developer holds a condominium unit for sale in the ordinary course of business.

e. Copies of Budget. A copy of the proposed annual budget and assessments shall be mailed to each member not less than thirty (30) days prior to the Board of Directors meetings at which the budget will be considered, together with a notice setting forth the time and place of that meeting. Such a meeting shall be open to all members of the Association.

f. Submission of Budget. The Board of Directors may submit the proposed budget to the members for their approval at a meeting of the members called for that purpose.

g. Limitations. As long as the Developer is in control of the Association, the Board of Directors shall not impose an assessment for Current Expense for any year greater than one hundred fifteen percent (115%) of the prior year's assessment unless approved by a majority of the members.

6.3. Assessments. Assessments against the apartment owners for their shares of the items of the budget will be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments will be due in four equal installments on the first day of January, the first day of April, the first day of July and the first day of October of the year for which the assessments are made. If an annual assessment is not made as required, an assessment will be

presumed to have been made in the amount of the last prior assessment and quarterly installments on such assessment will be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that exceeds such limitation will be subject to the approval of the membership of the Association as previously required by these Bylaws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made will be due in equal installments on the first day of each month remaining in the year for which an assessment is due.

6.4. Acceleration. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate all remaining quarterly installments of the assessment for the year upon notice to the apartment owner, and then the unpaid balance of that year's assessment shall become due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.5. Assessments for emergencies. Assessments for emergencies that cannot be paid from the annual assessments of common expenses will be made only after notice of the need for such is given to the members. After such notice and upon approval by a majority of the members, the assessment will become effective, and it will be due after thirty (30) days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

6.6. The depository of the Association will be such bank or banks as shall be designated from time to time by the directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the directors.

6.7. An audit of the accounts of the Association will be made annually and a copy of the audit report will be furnished to each member not later than April 1 of the year following the year for which the audit is made.

6.8. Fidelity bonds may be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the directors. The premiums on such bonds shall be paid by the Association.

## 7. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) will govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these Bylaws.

## 8. AMENDMENTS.

These Bylaws may be amended in the following manner:

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

8.2. A Resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Except as elsewhere provided, such approvals must be either by:

- a. not less than a majority of the entire members of the Board of Directors; and

b. not less than seventy-five percent (75%) of the entire membership of the Association; or

c. until a majority of the Board of Directors are elected by the condominium unit owners, other than the Developer, by not less than a majority of the entire Board of Directors; provided the amendment does not increase the number of apartments or alter the boundaries of the common elements.

8.3. Proviso. Provided, however, that no amendment will discriminate against any member, unless the member so affected shall consent; and no amendment will affect or impair the validity or priority of any mortgage covering any apartment, or affect or impair the rights of a lessor under any leases made by the Association.

The foregoing were adopted as the Bylaws of NORTH PASSAGE ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors.

\_\_\_\_\_  
Secretary

Approved:

\_\_\_\_\_  
President



NORTH PASSAGE ASSOCIATION, INC.  
 SCHEDULE OF ESTIMATED YEARLY COMMON EXPENSES  
 COLLECTIBLE BY ASSESSMENT FROM UNIT OWNERS  
 FOR  
 NORTH PASSAGE CONDOMINIUM  
 INDIAN RIVER COUNTY, FLORIDA

<u>ADMINISTRATIVE EXPENSES</u>	<u>ANNUAL ESTIMATE</u>
Managerial Services	\$3,000.00
Office Salaries (Clerical-Bookkeeping)	300.00
Office Supplies & Expenses	100.00
Legal Expenses (Counsel)	260.00
Audit Expenses	900.00
Total Administrative Expenses	4,560.00
<u>OPERATION EXPENSES</u>	
Electricity (Common Areas, Pool)	1,800.00
Water (All Unit Owners, Common Areas, Pool, Rec. Bldg.)	3,780.00
Sewer (All Unit Owners, Common Areas)	2,712.00
Trash & Garbage Removal	400.00
Total Operating Expenses	8,692.00
<u>MAINTENANCE EXPENSES</u>	
Pool Maintenance Chemicals	600.00
Elevator Service	600.00
Grounds Expense	4,800.00
Maintenance Supplies	810.00
Total Maintenance Expense	6,810.00
<u>TAXES, FEES, INSURANCE EXPENSE</u>	
Property Insurance (Hazard, Flood)	8,918.00
Total Insurance	8,918.00
TOTAL COMMON EXPENSES ANNUALLY	\$28,980.00
TOTAL COMMON EXPENSES MONTHLY (1/12)	\$2,415.00

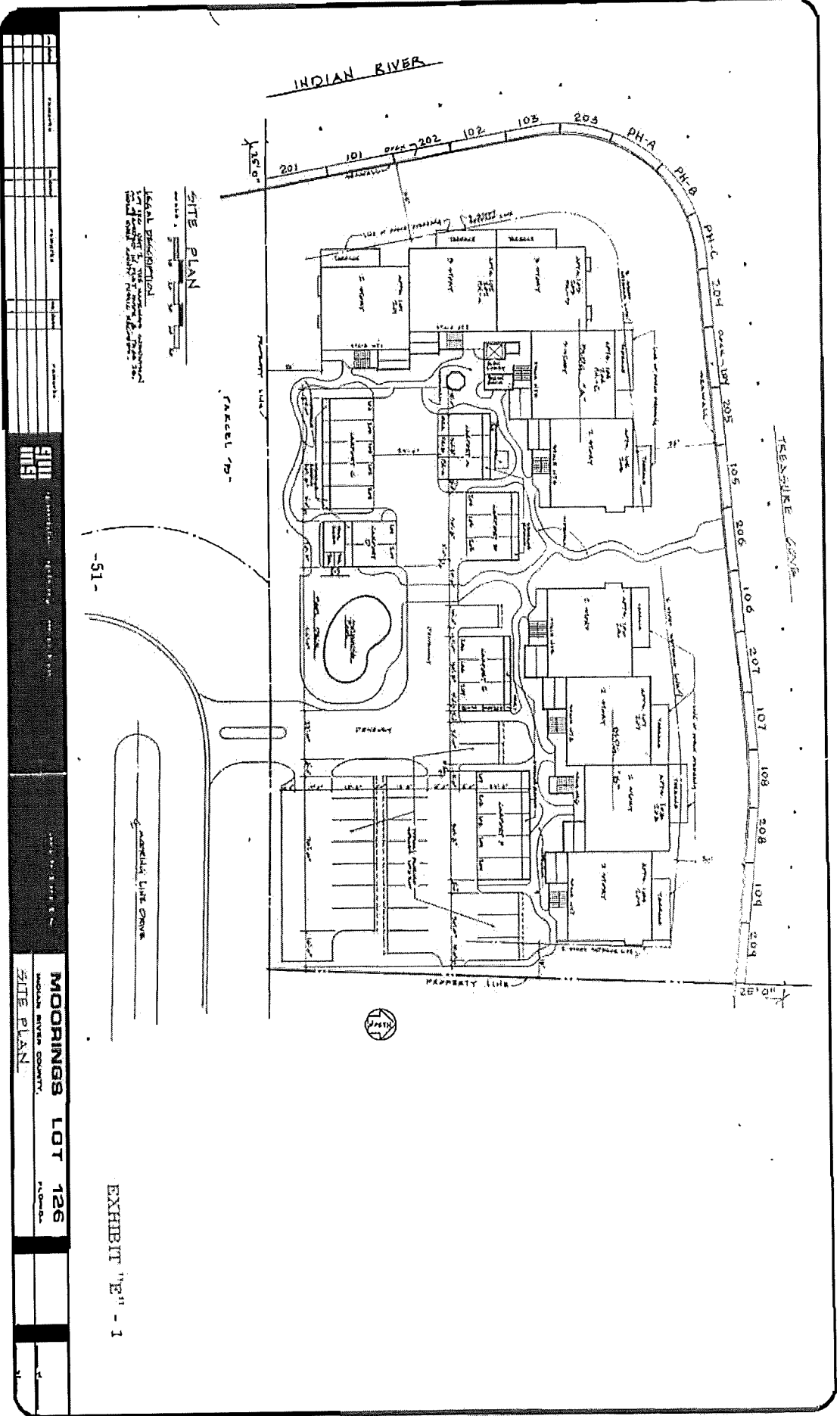
COLLECTION OF MONTHLY ASSESSMENTS:

The total estimated common expenses for the current calendar year, shall be shared by the owner of each condominium apartment unit equally, with each unit bearing 1/21st of the estimated expenses. The yearly estimated assessment for each apartment unit is \$1,380.00 (\$28,980 divided by 21 units.) The monthly assessment for each apartment is \$115 per month (\$2,415 divided by 21 units). The assessments for common expenses are due quarterly in advance, against each apartment unit on January 1, April 1, July 1, and October 1 of each year.

The developer guarantees that until October 31, 1979, or until developer has transferred control of North Passage Association, Inc., to the unit owners other than the developer, whichever shall first occur, each said unit owner other than the developer shall be required to pay no more than \$115 per month (payable quarterly in advance) for the common expenses for each apartment so owned and developer obligates itself to pay any amount of the common expenses incurred during the above period which has not been produced by the aforementioned assessments against the said unit owners other than the developer.

DEVELOPER MAY BE IN CONTROL OF THE BOARD OF ADMINISTRATION OF THE CONDOMINIUM DURING THE PERIOD OF OPERATION FOR WHICH THIS BUDGET HAS BEEN RENDERED.

EXHIBIT "D"



**SITE PLAN**  
 LEGAL DESCRIPTION  
 LOT 126 OF THE MOORINGS SUBDIVISION  
 IN MOBILE COUNTY, ALABAMA

NO.	REVISIONS	DATE	BY	APP'D.

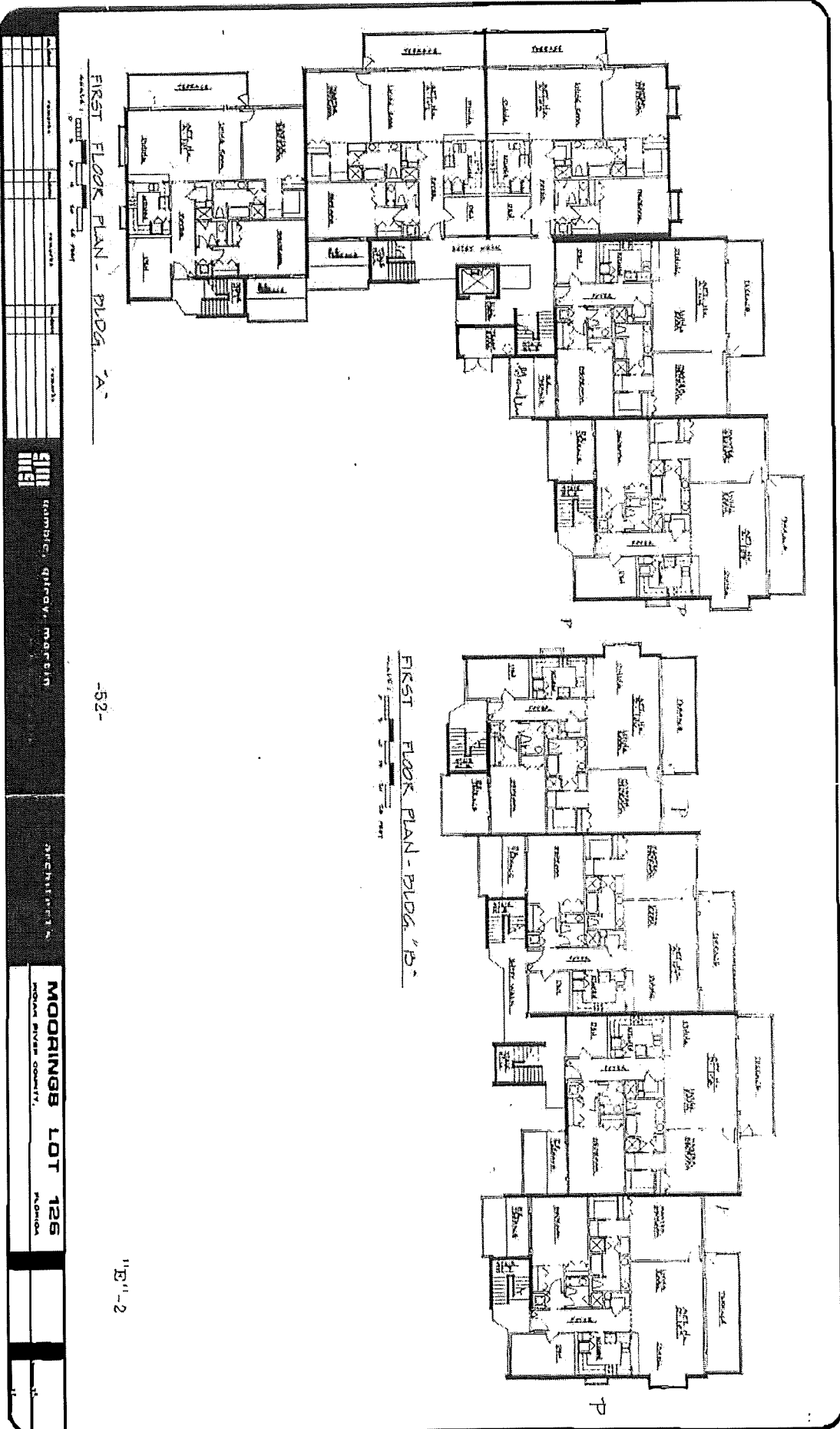
**SIII**  
**1151**  
 ARCHITECTS

**MOORINGS LOT 126**  
 MOBILE RIVER COUNTY,  
 ALABAMA

**SITE PLAN**

-51-

EXHIBIT 'E' - 1



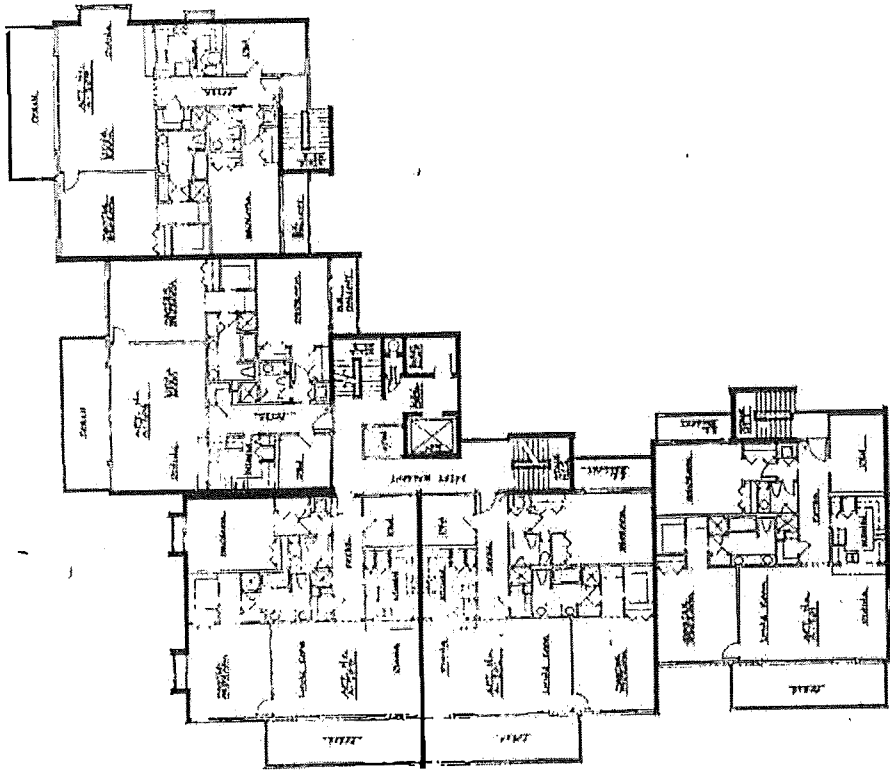
-52-

1/8" = 1'-0"

No.	DATE	REVISIONS

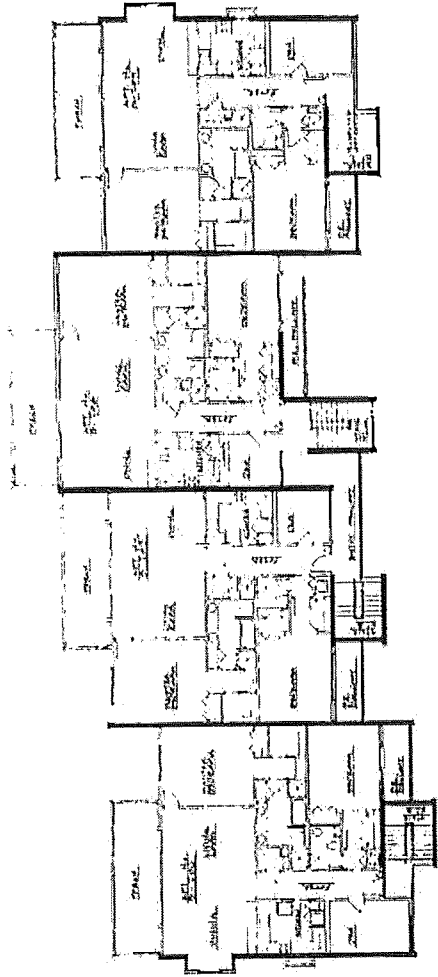
**SHI**  
Hambler, Girdy, Martin  
ARCHITECTS

**MOORING LOT 126**  
FLORIDA  
MOORE RIVER COUNTY



SECOND FLOOR PLAN - BLDG. 'A'

-53-



SECOND FLOOR PLAN - BLDG. 'B'

1/8" = 1'

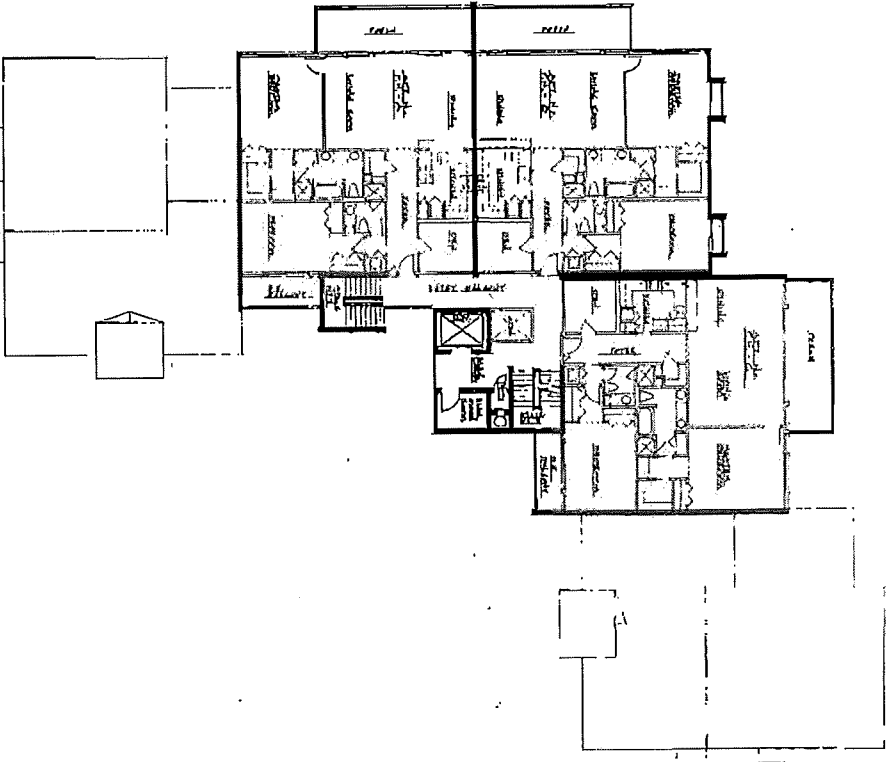
NO.	REVISIONS	DATE	BY	CHKD.

FLORIDA DEPARTMENT OF TRANSPORTATION  
 DIVISION OF HIGHWAYS  
 TALLAHASSEE, FLORIDA

ARCHITECT

MOORINGS LOT 126  
 MOBILE, ALABAMA

THIRD FLOOR PLAN - BLDG. "A"



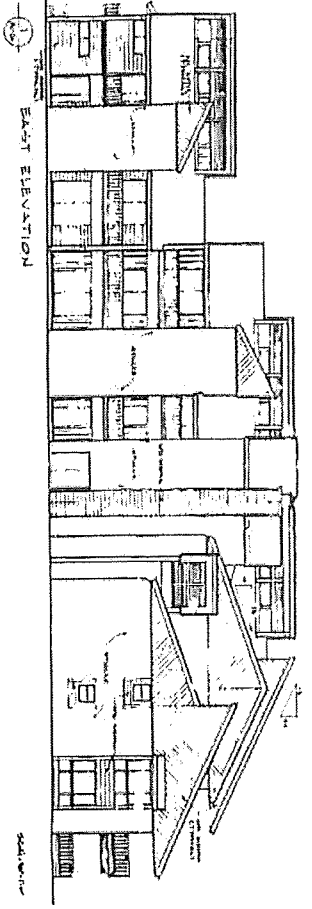
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11/11 - 4

SUN  
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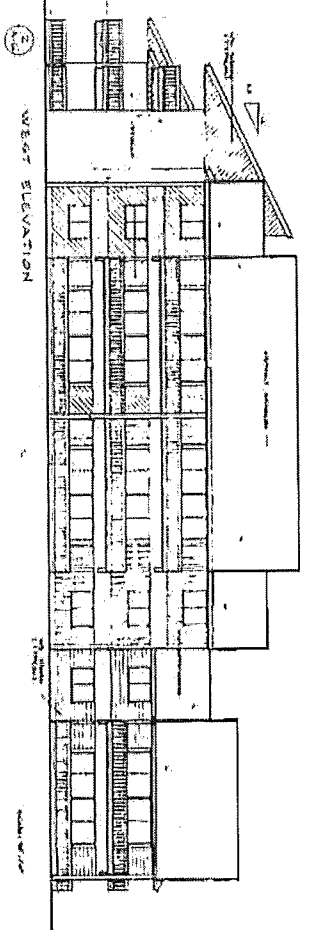
ARCHITECTS

MOORINGS LOT 126  
INDIAN RIVER COUNTY, FLORIDA



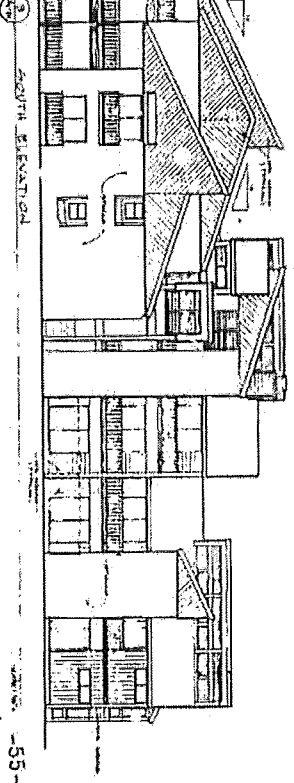
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EAST ELEVATION



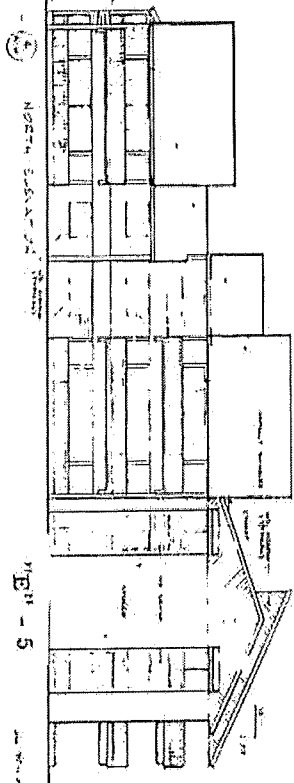
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WEST ELEVATION



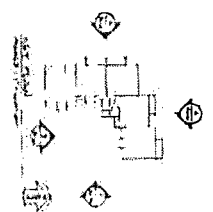
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SOUTH ELEVATION



4

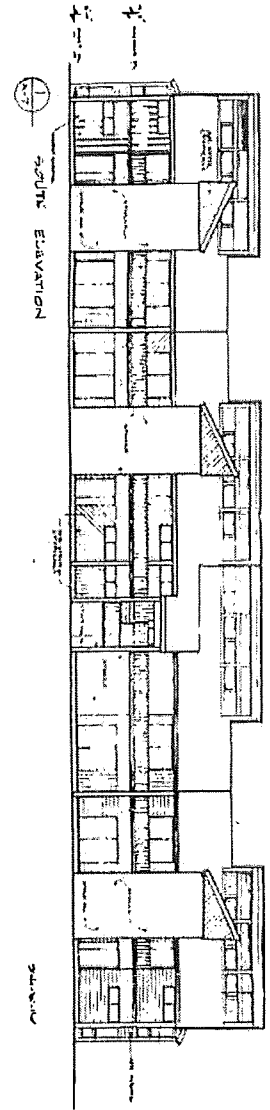
NORTH ELEVATION



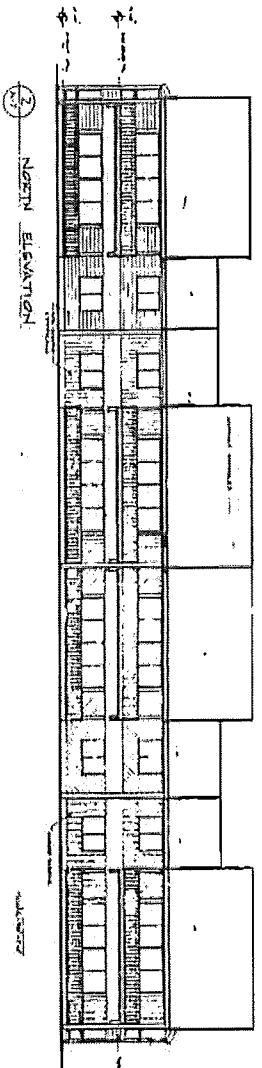
PROJECT NO.	DATE	SCALE	BY	CHECKED
<b>5111</b>				
<b>MOORINGS LOT 126</b>				
MOORINGS BLVD. COMMUNITY				
EXTERIOR ELEVATIONS - BLDG. 2				
1/8" = 1'-0"				

55

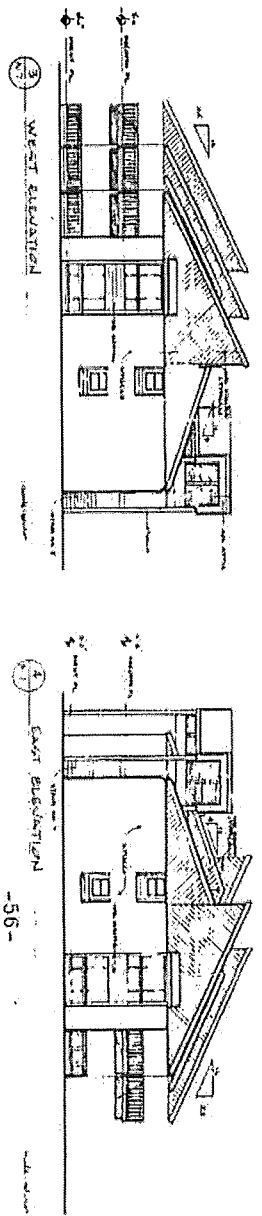
1/8" = 5'



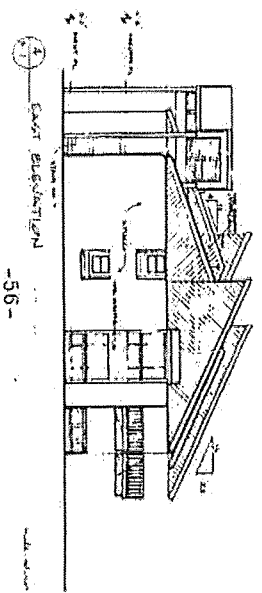
① SOUTH ELEVATION



② NORTH ELEVATION



③ WEST ELEVATION



④ EAST ELEVATION

-56-

1/8" = 1' - 0"

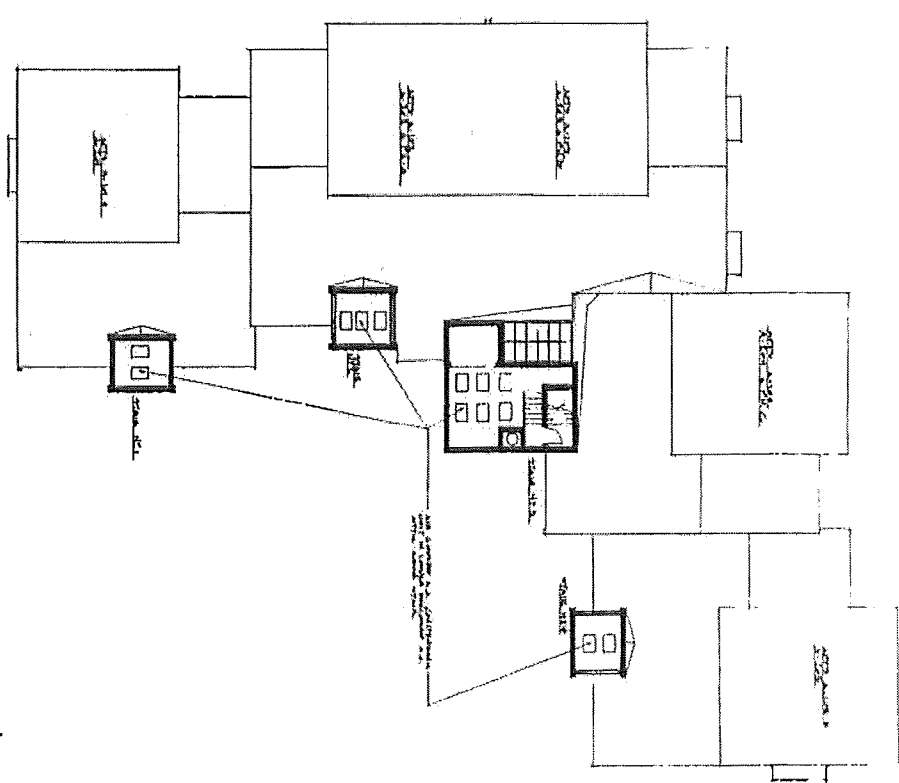


NO.	REVISIONS	DATE	BY	CHKD.

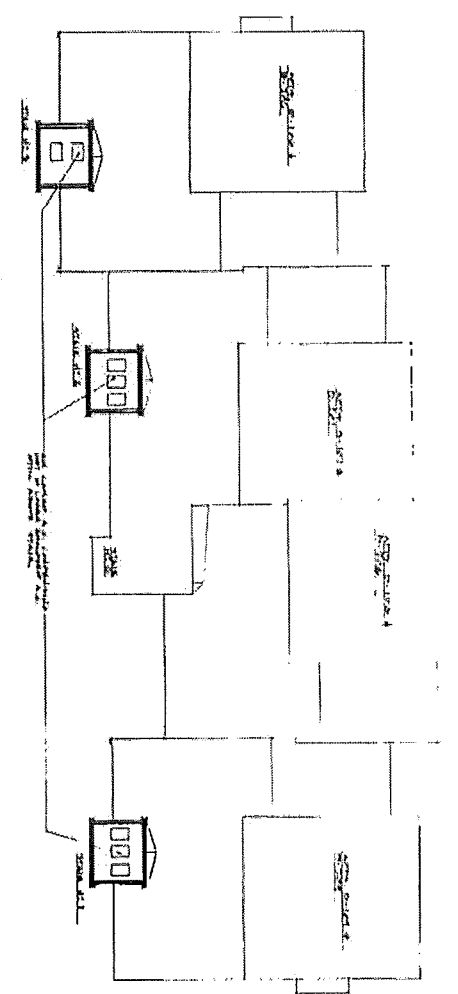
**SHI**  
10151

**MOORINGS LOT 126**  
MOBILE HILLS COMMUNITY  
FLORIDA  
EXTERIOR ELEVATIONS - BLDG. '5'

A.C. ROOF PLAN - BLDG. 'A'



A.C. ROOF PLAN - BLDG. 'B'



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11/21 - 7

NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7	NO. 8	NO. 9	NO. 10	NO. 11	NO. 12	NO. 13	NO. 14	NO. 15	NO. 16	NO. 17	NO. 18	NO. 19	NO. 20	

MOORINGS LOT 126  
MOORINGS RIVER COUNTY, MO.  
MOORINGS, MO.



PURCHASE AND SALE AGREEMENT

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between THE MOORINGS DEVELOPMENT COMPANY, whose mailing address is P. O. Box 3160, Vero Beach, Florida, 32960, hereinafter referred to as "Developer", and \_\_\_\_\_, whose mailing address is \_\_\_\_\_, hereinafter referred to as "Buyer", for the purchase by Buyer from the Developer of Apartment No. \_\_\_\_\_, and the assignment of covered parking facility No. \_\_\_\_\_ and boat docking space No. \_\_\_\_\_, NORTH PASSAGE, a Condominium, to be constructed by the Developer on the following described real property located in Indian River County, Florida:

Lot 126, THE MOORINGS, UNIT TWO, as recorded in Plat Book 8, pages 28 to 28C, public records of Indian River County, Florida.

I. PRICE AND TERMS OF PAYMENT. The purchase price shall be paid in the following manner:

PURCHASE PRICE ----- \$ \_\_\_\_\_  
DEPOSIT ----- \$ \_\_\_\_\_  
BALANCE OF PURCHASE PRICE AT CLOSING ----- \$ \_\_\_\_\_

The deposit made pursuant to this Agreement by Buyer to Developer, during construction of North Passage Condominium, shall be transferred to and held in an interest bearing escrow account with The Beach Bank of Vero Beach, 755 Beachland Boulevard, Vero Beach, Florida, pursuant to the provisions of Section 718.202, Florida Statutes. The Buyer may obtain a Receipt for Buyer's deposit from the escrow agent upon request. Any interest paid thereon by said Bank shall be disbursed according to said statute and this Agreement. Buyer shall give the escrow agent written instructions to disburse the deposit and all interest paid thereon to the Developer at the closing of the transaction.

II. APPROVAL OF PURCHASER. Buyer understands that Developer is attempting to create a community of financially responsible and congenial people of mutual interest and that this Agreement is made conditionally upon the Buyer being desirable as an owner and generally of good character, habits and morals. An investigation will be made to determine that the Buyer meets these requirements. Buyer consents to Developer making such investigation of Buyer as Developer may deem desirable, and Buyer covenants to hold Developer harmless from liability on account of such investigation and Developer's decision on it. In the event that the Buyer is not approved within ninety (90) days, the Developer shall, upon written request of Buyer, immediately refund to the Buyer the above deposit, together with interest paid thereon by said Bank, and thereupon this contract shall be terminated and both parties shall be relieved from all further liability hereunder. In addition, the Buyer understands and agrees that the individual members of the Board of Directors of the Developer, its agents and employees, shall not be held responsible in connection with the disapproval of the Buyer.

III. CLOSING DATE. The Developer, subject to the conditions of this Agreement, hereby obligates itself to construct the condominium buildings on the aforementioned property substantially in accordance with

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

the plans and specifications prepared by Gamble & Gilroy, Architects, Fort Lauderdale, Florida; a copy of the complete plans and specifications for the construction of North Passage Condominium being available for inspection by the Buyer at the sales office of the Developer, and to have the Buyer's apartment ready for occupancy within a reasonable time after construction begins, but under no circumstances later than two (2) years from the date of this Agreement. Developer shall not be responsible for any delay occasioned by circumstances beyond its control, such as Acts of God, strikes, catastrophes, unavailability of materials and/or labor, or for delays of construction completion dates beyond the two year period if such delays are caused by conditions which would be legally supportable in the State of Florida as impossible of performance for reasons beyond the control of the Developer. At the time the Buyer's apartment is substantially completed the Developer shall notify the Buyer and shall advise the Buyer of the day and time of the closing of this transaction, which shall be no earlier than forty-five (45) days nor no later than sixty (60) days from the date the notice is mailed. The transaction shall be closed (assuming Buyer has been approved by Developer) at the Developer's office at 3355 Ocean Drive, Vero Beach, Indian River County, Florida, on the date so stated in Developer's notice to Buyer, or, should a Certificate of Occupancy be issued for the apartment as of the date of this Agreement, the closing shall be held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_. The net proceeds to be paid the Developer by the Buyer at closing shall be by a certified check. At closing Developer will deliver to Buyer a properly executed warranty deed from Developer to Buyer conveying fee simple ownership to the above apartment and bearing Florida documentary and surtax stamps in the required amounts. The apartment shall not have been previously occupied before Buyer occupies the same and Buyer shall not enter into possession of the apartment until the transaction has been fully closed. In no event shall Buyer be obligated to close until a temporary or permanent Certificate of Occupancy has been issued for the apartment or the building containing the apartment.

IV. THE APARTMENT. Apartment dimensions are approximate. Buyer acknowledges that in the course of the construction of the improvements on the property and of the apartment certain changes, deviations or omissions may be desirable or required by governmental authorities having jurisdiction of the property, job conditions or design changes being necessary by the architect. Any changes, deviations or omissions authorized by the architect, or required by governmental authorities are hereby authorized. Buyer understands that certain items and improvements to the condominium and the apartment, such as color of paint, tile, cabinets and appliances to be furnished by the Developer for the apartment are subject to design change by the manufacturer, are subject to shadings in color and gradations, and may vary from any sample that may be shown to Buyer by Developer. It is also agreed that Developer reserves the right to make changes and substitutions of materials or equipment of equal or greater quality than that which may be shown as specified on the plans and specifications. The wood trim, doors and walls of the apartment will be painted in accordance with the plans and specifications, but the apartment will not be decorated otherwise. The apartment is being sold unfurnished, but will include the following appliances: electric oven and range, range hood, refrigerator, dishwasher, disposal, washer and dryer.

V. DEVELOPER'S AUTHORIZATION. The Buyer hereby authorizes the Developer, as the Developer deems necessary, to record among the public records of Indian River County, Florida, such documents and instruments as are required to be filed under the laws of the State of Florida in order to create and maintain the condominium. The Developer reserves the right to make changes in any of such condominium documents as Developer, governmental authorities having jurisdiction over the property, title insurance companies or mortgage lenders require or deem necessary, providing the changes do not materially alter the boundaries of the apartment, change the size of the common elements

to the prejudice of the Buyer, decrease Buyer's share in the common elements, change Buyer's voting rights, decrease Buyer's share in the common surplus or increase Buyer's share in the common expenses or otherwise materially affect the rights of the Buyer, or the value of the apartment.

VI. ABSTRACT. Within fifteen (15) days before the aforementioned date of closing Developer shall furnish Buyer an abstract of title to the apartment showing Developer's title in the same to be good and marketable and/or insurable, subject, however, to easements of record, the provisions of the Declaration of Condominium for North Passage Condominium and taxes for the year in which the sale is closed, if not paid. All mortgages, liens and other encumbrances (except those arising through the Buyer) now or hereafter encumbering the apartment shall be discharged or released at or subsequent to the closing, and any part of the purchase price to be paid by the Buyer may be used by the Developer to discharge or release the same. The Developer shall record the documents releasing, discharging or satisfying any of the aforementioned mortgages and liens. The Buyer, or Buyer's attorney, shall have ten (10) days from the date of delivery of the abstract to examine the abstract and inform Developer of any objections to title. In the event the examination proves the title to be unmerchantable and/or uninsurable, the Buyer shall so notify the Developer and the deposit hereinabove paid, together with any interest paid thereon by the escrow agent, shall be returned to the Buyer and thereupon this contract shall be terminated, and both parties shall be relieved of any liability hereunder.

VII. DEFAULT. In the event the Buyer does not pay the balance of the sums due hereunder and close this transaction at the time set forth herein (time being hereby made of the essence), then and in such event all sums previously deposited by the Buyer, together with any interest paid thereon by the escrow agent, shall be and become the sole and exclusive property of the Developer as liquidated and agreed upon damages, and this Agreement shall thereupon be null and void and both parties are relieved from further liability hereunder. The escrow agent shall not be liable to the Buyer for the disbursement of such funds to the Developer upon written demand to the escrow agent from the Developer stating that the Buyer is in default.

If the Developer defaults in the performance of its obligations hereunder, then Buyer's sole remedy shall be the return of the sums paid by the Buyer hereunder, together with any interest paid thereon by the escrow agent, upon Buyer's written demand to Developer. The Buyer hereby specifically waives any and all other rights and remedies, both legal and equitable, that the Buyer may have against the Developer upon any such default.

VIII. RECEIPT OF DOCUMENTS. The Buyer acknowledges having received from the Developer the following documents as of the date of this contract:

(a) The Prospectus, together with the documents required to be delivered by Developer to Buyer pursuant to Sections 718.503 and 718.504, Florida Statutes, including the exhibits required thereby, including among other documents, the Declaration of Condominium, Articles of Incorporation and Bylaws of North Passage Association, Inc., a copy of the estimated operating budget for North Passage Condominium, and a schedule of required apartment owner's expenses in connection therewith.

(b) A Sales Brochure, which includes a copy of the floor plan of the aforementioned apartment being purchased.

IX. OPTION TO CANCEL AGREEMENT. THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

X. MINIMUM SALES REQUIREMENT. The Developer shall not be required to submit the above described property to the condominium form of ownership, and the Developer's obligations hereunder are subject to the Developer entering into a sufficient number of sales agreements of condominium apartments to assure satisfactory condominium operation. Such condition shall be satisfied by the making of contracts for sale of apartments to which sixty percent (60%) of the common elements are appurtenant or by a determination made by the Developer in the Developer's sole discretion, that the number of contracts for sale of apartments that have been made are sufficient for this purpose, whichever shall first occur. Should the Developer determine the number of contracts for the sale of apartments do not assure satisfactory condominium operation, all deposits paid hereunder by the Buyer, together with any interest paid thereon by the escrow agent, shall be returned to the Buyer with notice thereof by Developer and thereupon neither party hereto shall have any further liability to the other.

XI. ASSIGNMENT. This Agreement may not be assigned without the prior written consent of the Developer being first obtained.

XII. COMMON EXPENSES. At the closing the Buyer shall be assessed that portion of the common expenses for the unit being purchased prorated from the date of closing until the end of the then existing assessment period. Developer guarantees that until October 31, 1979, or until Developer has transferred control of North Passage Association, Inc., to the unit owners other than the Developer, whichever shall first occur, each said unit owner, other than the Developer, shall be required to pay no more than \$115.00 per month (payable quarterly in advance) for the common expenses for each apartment unit so owned, and Developer hereby obligates itself to pay any amount of the common expenses incurred during the above period which has not been produced by the aforementioned assessments against the said unit owners, other than the Developer. During the aforementioned time period the Developer will not be assessed common expenses for any apartment owned by the Developer except to the extent set forth above.

XIII. RISK OF LOSS. Risk of loss prior to closing shall be borne by the Developer.

XIV. NOTICES. All written notices and demands provided hereunder shall be by certified or registered mail, return receipt requested. All such notices and demands shall be deemed to be received three (3) days after the same are properly addressed and mailed, postage prepaid, by United States mail. All notices and demands shall be deemed properly addressed if addressed to the respective party at the addresses recited herein.

XV. SPECIAL CLAUSES.

The foregoing terms of This Agreement are hereby approved and the parties hereto have hereunto set their hands and seals the day and year first above written.

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_ (SEAL)

As to Buyer

\_\_\_\_\_ (SEAL)  
Buyer

Buyer's Social Security No.:

\_\_\_\_\_

\_\_\_\_\_

THE MOORINGS DEVELOPMENT COMPANY,  
a Florida corporation

\_\_\_\_\_

BY \_\_\_\_\_

ESCROW AGREEMENT

WHEREAS, THE MOORINGS DEVELOPMENT COMPANY, a Florida corporation, hereinafter called "DEVELOPER", contemplates developing a condominium in Indian River County, Florida, known as NORTH PASSAGE CONDOMINIUM; and,

WHEREAS, Florida Statute 718.202 requires a Developer to establish an escrow with a bank or trust company having trust powers with whom shall be deposited all payments received by Developer from Buyers of condominium apartments until the amount deposited shall equal ten percent (10%) of the sales price if contracts for sale are entered into when the condominium building has not been completed, established, furnished and landscaped in accordance with the plans and specifications therefore; and,

WHEREAS, THE BEACH BANK OF VERO BEACH, a Florida Banking Corporation, 755 Beachland Blvd., Vero Beach, Florida, hereinafter called "ESCROW AGENT", is a bank having trust powers and has agreed to act as Escrow Agent pursuant to the aforementioned Florida Statute;

NOW, THEREFORE, for valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, and in consideration of the covenants and undertakings contained herein, the parties hereto covenant and agree:

1. That the Developer shall deposit with the Escrow Agent, pursuant to the requirements of Florida Statute 718.202, deposits received by the Developer from Buyers of condominium apartments in the proposed North Passage Condominium.
2. That the deposits of Buyers shall be deposited with the Escrow Agent in a common escrow account and may be comingled with other escrowed monies received by the Escrow Agent under the terms of this Agreement.
3. That the Escrow Agent shall release the funds so deposited with it, together with interest thereon, pursuant to the provisions of Florida Statute 718.202, and the Purchase and Sale Agreement for North Passage Condominium, a copy of which is attached hereto and made a part hereof, which said Agreement shall be used by the Developer in connection with all sales of apartments in North Passage Condominium.

4. That the funds deposited with the Escrow Agent under this Agreement shall earn interest at the rate of five percent (5%) per annum, payable from date of deposit to date of withdrawal, and the Escrow Agent shall make no charges for acting as Escrow Agent except as hereinafter set forth.

5. Upon request the Escrow Agent agrees to furnish a Buyer a receipt for Buyer's deposit after the said deposit has been received by the Escrow Agent.

6. That in the event of a disagreement between the parties hereto or between any Buyer of a condominium unit in North Passage Condominium and any party, the Escrow Agent in its discretion may withhold action on its part until directed to proceed by written agreement of the parties to any such dispute or by an order of court of competent jurisdiction; or the Escrow Agent in its discretion may deposit the subject matter of the dispute in the registry of a court of competent jurisdiction and interplead the other parties to such dispute.

7. That the Developer shall indemnify the Escrow Agent and save it harmless against any and all liabilities, costs and expenses incurred by the Escrow Agent, including reasonable attorney's fees for anything whatsoever arising out of the existence of this Agreement, except as a result of the Escrow Agent's own negligence, wilful misconduct or bad faith.

EXECUTED by the parties this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

WITNESSES:

\_\_\_\_\_  
As to Developer

\_\_\_\_\_  
As to Escrow Agent

THE MOORINGS DEVELOPMENT COMPANY

BY \_\_\_\_\_  
President

ATTEST: \_\_\_\_\_  
Secretary

"DEVELOPER"  
(CORPORATE SEAL)

THE BEACH BANK OF VERO BEACH

BY \_\_\_\_\_

ATTEST: \_\_\_\_\_

"ESCROW AGENT"  
(CORPORATE SEAL) "G"-2

assessments paid by such owner into the construction fund will not be made payable to any mortgagee.

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether or not sums paid will be deposited 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. Instead, the Insurance Trustee may rely upon a certificate of the Association as to any or all of such matters and stating the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to an apartment owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

(G) Right of Entry For Maintenance of Common Elements. Whenever it is necessary to enter any apartment for the purpose of performing any maintenance, alteration or repair to any portion of the common elements, or to go upon any limited common elements for such purpose, the owner of each apartment shall permit other owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such apartment, or to go upon the limited common elements constituting an appurtenance to any such apartment, for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

(H) Right of Entry into Apartments in Emergencies. In case of any emergency originating in or threatening any apartment, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the Building Superintendent or Managing Agent, shall have the right to enter such apartment for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the owner of each apartment, if required by the Association, shall deposit under the control of the Association a key to such apartment.

#### XIV

#### USE RESTRICTIONS

The use of the condominium property shall be in accordance with the following provisions, as long as the condominium exists and the apartment buildings in useful condition exists upon the land:

(A) Apartments. Each of the apartments shall be occupied as a single family private dwelling by the owner, the members of his family, and his social guests, and for no other purpose and except as reserved to Developer, no apartment may be divided or subdivided into a smaller unit or otherwise transformed without first amending this Declaration to show the changes in the apartments to be affected.



No animals or pets of any kind shall be kept in any apartment, or on any property of the condominium, except with the written consent of the Board of Directors of the Association and thereafter under the rules and regulations adopted by such Board; provided that they will not be kept, bred or maintained for any commercial purpose and further provided that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the property, upon three (3) days' written notice from said Board.

The apartment owners shall not cause anything to be hung, displayed or placed on the exterior walls, doors or windows of the apartment building and shall not otherwise change the appearance of any portion of the exterior of the apartment building, and common element or limited common element, or the surfaces of interior building walls facing common elements or limited common elements, without the prior written consent of the Board of Directors of the Association. No clothes lines or similar devices, and no "For Sale" signs, shall be allowed on any part of the condominium property without the written consent of said Board.

The Association shall determine the exterior color scheme of the buildings and all exteriors, and no owners shall paint an exterior wall, door, window or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Association.

Automobiles may be parked in the parking areas of the condominium property adjacent to or near the apartment building but only in accordance with the regulations of the Board of Directors of the Association. No other vehicles and objects, including but not limited to trucks, motorcycles, trailers and boats, will be parked or placed upon such portions of the condominium property unless permitted by said Board.

(B) Common Elements. The common elements shall be used only for the purpose for which they are intended.

(C) Nuisances. No nuisances shall be allowed upon the condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No apartment owner shall permit any use of his apartment or make any use of the common elements, limited common elements, or additional facilities that will increase the cost of insurance upon said property.

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

(E) Leasing. After approval by the Board of Directors of the Association elsewhere required, entire apartments may be rented, provided the occupancy is only by the Lessee, members of his family, and his social guests. No rooms may be rented and no transient tenants may be accommodated. All leases must be for a minimum term of at least thirty (30) days.

(F) Rules and Regulations. Reasonable rules and regulations concerning other use of the condominium property may be made and amended from time to time by the Board of Directors of the Association. Copies of such rules and regulations will be furnished by said Board to all apartment owners and residents of the condominium, upon request.

(G) Use or Acquisition of Interest in the Condominium to Render User or Acquirer Subject to Provisions of Declaration of Condominium, Rules and Regulations. All present or future owners, tenants or any other person who might use the facilities of the Condominium in any manner are subject to the provisions of this Declaration of Condominium, and the mere acquisition or rental of any apartment, or the mere act of occupancy of any apartment, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

(H) Proviso. Provided, however, that until the Developer has completed all of the contemplated improvements, and closed the sales of all of the apartments of the condominium, neither the apartment owners nor the Association, nor the use of the condominium property, will interfere with the completion of the contemplated improvements and the sale of the apartments. The Developer may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property, and the display of signs.

XV

MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the apartments, the transfer of apartments by any owner other than the Developer will be subject to the following provisions as long as the condominium exists and the apartment buildings in useful condition exists upon the land, which provisions each apartment owner covenants to observe:

(A) Transfer subject to approval.

(a) Sale. No apartment owner may dispose of an apartment or any interest in an apartment by sale without approval of the Board of Directors of the Association.

(b) Lease. No apartment owner may dispose of an apartment or any interest in an apartment by lease without approval of the Board of Directors of the Association.

(c) Gift, Devise or Inheritance. If any apartment owner shall acquire his title by gift, devise or inheritance, the continuance of his ownership of his apartment will be subject to the approval of the Board of Directors of the Association.

(d) Other Transfers. If any apartment owner shall acquire his title by any manner not considered in the foregoing sub-sections, the continuance of his ownership of his apartment will be subject to the approval of the Board of Directors of the Association.

(e) Unlawful Denials. No person shall be denied the right to purchase, lease or own an apartment because of race, religion, sex or national origin.

(B) Approval by Association. The approval of the Board of Directors of the Association that is required for the transfer of ownership of apartments will be obtained in the following manner: