

NORTH PASSAGE CONDOMINIUM

THIS PROSPECTUS CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

NORTH PASSAGE, A CONDOMINIUM

Indian River County, Florida

- A. NORTH PASSAGE CONDOMINIUM IS CREATED ON REAL ESTATE TO WHICH THE DEVELOPER OWNED FEE SIMPLE TITLE, AND TITLE TO EACH UNIT SHALL BE SO CONVEYED BY THE DEVELOPER TO THE PURCHASER OF A UNIT.
- B. THERE IS NOT A RECREATIONAL FACILITY LEASE ASSOCIATED WITH THIS CONDOMINIUM; THERE IS, HOWEVER, A CLUB MEMBERSHIP FORMAT ASSOCIATED WITH THIS CONDOMINIUM. Membership in The Moorings of Vero Property Owners' Association, Inc., is required in order for a unit owner to have use of certain ocean front property. (Refer to Article V entitled "Ocean Front Recreational Property", in the Prospectus for North Passage Condominium).
- C. THERE ARE NO MANAGEMENT CONTRACTS WITH ANY PERSON, FIRM OR CORPORATION FOR THE MANAGEMENT OF NORTH PASSAGE CONDOMINIUM.
- D. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD. (Refer to Article VIII entitled "Association" in the Prospectus for North Passage Condominium).
- E. THE SALE, LEASE OR TRANSFER OF YOUR UNIT IS RESTRICTED OR CONTROLLED. (Refer to Article IX entitled "Restrictions", in the Prospectus for North Passage Condominium).

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Indian River County, Florida

I. CONDOMINIUM PROPERTY. North Passage Condominium is located in Indian River County, Florida, on the following described property:

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

North Passage Condominium is comprised of two buildings. The West building, designated "Building A", is a two (2) to three (3) story building. The West building contains thirteen (13) condominium apartments. The East building consists of two (2) stories. The East building, designated "Building B", contains eight (8) condominium apartments. Each unit contains two bedrooms and two bathrooms, and there is a total of twenty-one (21) units. A general description of the apartments is found on Page 4 of the Declaration of Condominium. A survey and plot plan of the condominium are found as Exhibits A and B respectively of the Declaration of Condominium. The latest estimated date for construction, finishing and equipping the building comprising the condominium is the 31st day of October, 1978.

II. FACILITIES. None of the common facilities of North Passage Condominium shall be used in common with any other condominium or cooperative complex. There are only twenty-one (21) units that will use the common facilities of the condominium.

III. LEASES. NORTH PASSAGE CONDOMINIUM IS CREATED AND BEING SOLD AS FEE SIMPLE INTERESTS. THERE ARE NO LAND OR RECREATIONAL LEASES IN CONNECTION WITH NORTH PASSAGE CONDOMINIUM. EACH PURCHASER OF A CONDOMINIUM UNIT WILL RECEIVE A DEED TO THE FEE SIMPLE TITLE TO THAT UNIT.

IV. RECREATIONAL FACILITIES. The recreational facilities of North Passage Condominium shall only be used by the unit owners of that condominium.

The recreational facilities for the condominium consists of a swimming pool located in an area East of the West condominium building and South of the East condominium building, and of the general shape and dimensions as shown on the aforementioned plot plans. The depth of the pool will be from three (3) feet to six (6) feet maximum. There will be a minimum deck area surrounding the pool of at least four (4) feet, and the pool will have an approximate capacity of seventy-five (75) persons. Adjoining the swimming pool will be restroom facilities for both men and women.

The recreational facilities for the condominium shall also consist of a parallel dock four (4) feet in width and running along the North bulkhead wall of the condominium property for approximately 500 feet. Boat dockage space shall be provided for each apartment owner as a limited common element.

The Developer represents that it will expend at the minimum a sum of One Thousand Dollars (\$1,000.00) for the purchase of various and sundry items of swimming pool furniture to be used by the unit owners around the pool.

The Developer estimates that the aforementioned recreational facilities will be available for use by the unit owners no later than October 31, 1978.

V. OCEAN FRONT RECREATIONAL PROPERTY. Lot 50, as shown on the plat of The Moorings, Unit One, is an ocean front lot, which has approximately 400 feet of ocean frontage and an average depth of approximately 300 feet. The Moorings Development Company has conveyed this lot to The Moorings of Vero Property Owners' Association, Inc., a Florida corporation not for profit, for the sole use and benefit of eligible owners of residential property in all present and future units of The Moorings Subdivision who are members in good standing of the aforementioned Association or are otherwise authorized to use this lot by the Articles of Incorporation and Bylaws of The Moorings of Vero Property Owners' Association, Inc.

Acquisition by a person or persons, or by an entity other than The Moorings Development Company, or its successor, of the fee title to real property (including a condominium unit) lying within the boundaries of the property described in any of the following instruments recorded in the office of the Clerk of the Circuit Court of Indian River County, Florida, and located in a district in which applicable zoning regulations permit residential dwellings or actual use as a residence, renders the owner of such property eligible for active membership in The Moorings of Vero Property Owners' Association, Inc.:

The Moorings, Unit One, as shown in Plat Book 8, page 6;
The Moorings, Unit Two, as shown in Plat Book 8, page 28;
The Moorings, Unit Three, as shown in Plat Book 8, Page 63;
The Moorings, Unit Four, as shown in Plat Book 8, page 72;
Instrument recorded in Official Record Book 448, page 124;
Instrument recorded in Official Record Book 448, page 266,
as modified by Agreement recorded in Official Record Book
449, page 771.

Where such property is owned by more than one owner or by a corporation or by other entity, one and only one owner selected by the joint owners or the sole designated representatives of the non-individual entity is eligible for active membership. Only active members are entitled to vote. The Bylaws provide associate membership for joint owners of such property who are not active members and for the family, guests, lessees or tenants of active members or their spouses.

Any eligible person may become a member of The Moorings of Vero Property Owners' Association, Inc., after submitting a written application to the Association and upon a finding of eligibility by either a majority of the members of the Board of Governors of the Association within sixty (60) days or by a majority of the active members of the Association and the payment of such dues or assessments as may be specified in the Bylaws of the Association or imposed by the Board of Governors. Membership in the Association is not transferable or inheritable and automatically terminates upon cessation of eligibility. The aforementioned Association shall be responsible for the taxes, maintenance, upkeep, etc., concerning the ocean front property. The Bylaws of the Association delegate to the Board of Governors the power to impose, levy and collect dues, fines and assessments upon the members and the power of expelling members.

Membership in The Moorings of Vero Property Owners' Association, Inc., is not a mandatory condition of condominium unit ownership.

VI. DEVELOPER'S SALES PLAN. The Developer intends to offer for sale to the general public all of the condominium units located in North Passage Condominium. The Developer's plan does not include a program of leasing units to the general public; however, the Developer reserves the right to lease any unsold units until such time as the Developer has found a purchaser for the same.

VII. MAINTENANCE AND MANAGEMENT. During the time the Developer has control of North Passage Association, Inc., (See Article VIII in this Prospectus designated "Association"), the Developer shall endeavor to collect from each condominium unit that unit's assessments for current expenses, will manage the Association and will endeavor to maintain the condominium property in a state of good repair.

North Passage Association, Inc., does not contemplate entering into any type of management or maintenance contracts during the period of time in which the Developer has control of the Association. After the control of the Association is transferred by the Developer to unit owners, other than the Developer, the Association may then enter into a management and maintenance contract with the Developer. Should such an agreement be entered into between the Developer and the Association, it is contemplated that the Developer will at that time charge a fee for its services.

VIII. ASSOCIATION. North Passage Association, Inc., a Florida corpora-

tion not for profit, is responsible for the operation of North Passage Condominium. The Articles of Incorporation and Bylaws of North Passage Association, Inc., are attached to the Declaration of Condominium of North Passage Condominium as Exhibits D and E respectively.

Unit owners, other than the Developer, shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors of the Association when unit owners, other than the Developer, own fifteen percent (15%) or more of the units that will be ultimately operated by the Association. Unit owners, other than the Developer, shall be entitled to elect not less than a majority of the Board of Directors of the Association three (3) years after sales by the Developer have been closed of fifty percent (50%) of the units that will be ultimately operated by the Association, or three (3) months after the sales have been closed by the Developer of ninety percent (90%) of the units that will be ultimately operated by the Association, or when all of the units that will be ultimately operated by the Association have been completed and some of them have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business, or at such time as the Developer may, in Developer's sole discretion, elect to allow unit owners to elect a majority of the Board of Directors, whichever shall first occur. The Developer shall be entitled to elect at least one (1) director as long as Developer holds for sale in the ordinary course of business any condominium unit in the condominium to be operated by the Association.

THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

Provisions relating to control of the Association are set forth in Paragraph 3.2(f), Page 3, of the Bylaws of North Passage Association, Inc., and in Paragraph 5.3, Page 3, of the Articles of Incorporation of North Passage Association, Inc., both of which are attached to the Declaration of Condominium of North Passage Condominium as Exhibits D and E.

IX. SALE, LEASE AND TRANSFER RESTRICTIONS. THE SALE, LEASE, OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED. Provisions relating to the restriction, limitation, and control on the sale, lease and transfer of units is set forth in ARTICLE XV, MAINTENANCE OF COMMUNITY INTERESTS, of the Declaration of Condominium of North Passage Condominium.

X. RESTRICTIONS. In order to maintain and protect the value of each unit in North Passage Condominium and to attempt to assure each owner the quiet, peaceful and undisturbed possession of his or her unit, certain restrictions pertaining to the sale, lease, transfer and use of units have been promulgated by the Developer.

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.

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.

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.

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.

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.

Regulations relating to use restrictions are set forth in ARTICLE XIV, USE RESTRICTIONS, of the Declaration of Condominium of North Passage Condominium.

XI. UTILITIES. Water, electrical, telephone, sewer and waste disposal facilities, together with a storm drainage system, shall be constructed and/or installed by the Developer.

XII. COMMON OWNERSHIP AND EXPENSES. There are twenty-one (21) condominium units in North Passage Condominium. Appurtenant to each unit is an undivided one-twenty-first (1/21st) share of the common elements. The common surplus and common expenses of the Association shall also be owned and shared by each unit owner in the same proportions as their interests in the common elements.

XIII. ASSOCIATION'S BUDGET. A current estimated operating budget for North Passage Association, Inc., and a schedule of each unit's share of said budget on a monthly and annual basis is attached hereto as an exhibit.

The aforementioned budget is based on estimates of the common expenses and charges for the current calendar 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 \$115.00 per month, payable quarterly in advance, for the common expenses for each apart-

ment 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.

The Bylaws of North Passage Association, Inc., Fiscal Management, 6.1, provides for a reserve for deferred maintenance, reserve for replacement and a reserve for betterments. Until the Developer transfers control of the Association to the unit owners other than the Developer, the Board of Directors may omit from the budget all allowances for contingencies and reserves, and accordingly the aforementioned proposed budget does not reflect any amount for such reserves. As long as the Developer owns and holds a condominium unit for sale in the ordinary course of business no condominium unit so owned by the Developer shall be assessed for capital improvements.

XIV. CLOSING EXPENSES. A purchaser's closing costs for a unit shall be the cost of recording the deed of conveyance in the public records of Indian River County, Florida.

At closing the purchaser of a unit shall be assessed that portion of the common maintenance charge for the unit being purchased from the date of closing until the end of the then existing assessment pending.

Cost and expense which a purchaser may incur in financing the acquisition of a unit shall be the responsibility of the purchaser and may vary between lending institutions.

The Developer shall, at Developer's expense, furnish each purchaser of a unit with an abstract of title to the unit being purchased.

In lieu of abstract of title, upon written request of a purchaser, Developer will provide to a purchaser, subsequent to closing, a standard owner's title insurance commitment, upon the recording of the purchaser's deed, an owner's policy of title insurance in the amount of the purchase price, insuring title of the purchaser to the unit being purchased, subject to the following exceptions:

1. The provisions of the Declaration of Condominium, including such regulations as may be specified under the Declaration.
2. Taxes for the year in which the sale is closed, if not paid.
3. Restrictions and easements of record and such zoning or other restrictions upon the use of the property as may be imposed by governmental authorities having jurisdiction.
4. Rights of persons in possession of the property.
5. Facts that an accurate survey or personal inspection of the property will disclose.
6. Unrecorded labor, mechanic or materialmen liens.
7. Liens for work done or materials furnished at the request of the purchaser.
8. Encumbrances, liens or conveyances, other than the conveyance to the person to whom the commitment and binder is made, which are recorded, or which the purchaser or his attorney acquires knowledge between the effective date of the commitment and binder and the date of issuance of the title policy.
9. Any lien provided by Chapter 159, Florida Statutes,

in favor of any city, town, village or port authority for unpaid charges for services by any water system, sewer system serving the lands described herein.

10. Any mortgage executed by the purchaser encumbering the apartment.

Should a purchaser elect to have the Developer provide purchaser with such a title insurance policy, the cost of said policy shall be borne entirely by the purchaser. The cost of such policy would be based on the amount of insurance coverage involved, that is, generally the sales price of the unit. The cost of a Fifty Thousand Dollar (\$50,000.00) title insurance policy would be Three Hundred Forty-Three Dollars (\$343.00). Insurance coverage in excess of Fifty Thousand Dollars (\$50,000.00) would be at the rate of Four Dollars (\$4.00) for each One Thousand Dollars (\$1,000.00) of coverage, or a portion thereof, in excess of Fifty Thousand Dollars (\$50,000.00).

XV. DEVELOPER. The Developer of North Passage Condominium is The Moorings Development Company, a Florida corporation, and the chief operating officer is Jorge Gonzalez, President. Mr. Gonzalez has been directing the company since 1971. The Moorings Development Company has a long history of land development dated back to 1958 when its first project was initiated in Naples, Florida. This was successfully completed in 1968, and totaled 750 residential units, and substantial commercial improvements. The Moorings Development Company has previously successfully developed Indies West Condominium in Naples, Florida, and the Billows Condominium, South Passage Condominium and Sabal Reef Condominium in Indian River County, Florida.

Mr. Gonzalez is Chairman of the Board and President of The Moorings Development Company, and has occupied both offices since May, 1971. Prior to that time Mr. Gonzalez was Chairman of the Board of The Moorings Development Company and served in various other capacities.