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IN THE RECORDS OF  
JEFFREY K. BARTON  
CLERK CIRCUIT COURT  
INDIAN RIVER CO., FLA.

1234566

27.00

CERTIFICATE OF AMENDMENT TO  
DECLARATION OF CONDOMINIUM

OF

SPINDRIFT CONDOMINIUM ASSOCIATION OF VERO BEACH, INC.

The undersigned, being the President and Secretary of Spindrift Condominium Association of Vero Beach, Inc., a Florida corporation, hereby certify that at a duly called meeting of all of the owners of condominium units in the above-named condominium, duly held on the 23rd day of August, 2000, in accordance with the requirements of Florida law, and of the Declaration of Condominium of Spindrift, a Condominium, recorded in Official Record Book 641, Page 2142, Public Records of Indian River County, Florida, and after the adoption of a Resolution proposing said amendments by the Board of Directors, not less than Sixty-Six and Two-Thirds percent (66 2/3%) of the voting members in the aforementioned condominium affirmatively voted to amend the Declaration of Condominium as hereinafter set out.

Paragraphs 16a, 16b, 17 and 19 of the Declaration of Condominium are amended to read as follows:

16. Insurance coverage, use and distribution of proceeds, repair or reconstruction after casualty.

a. All insurance policies upon the Condominium property shall be purchased by the Association. The named insured shall be the Association individually and as agent for the Unit owners, without naming them. Provision shall be made for the issuance of mortgagee endorsements and/or memoranda of insurance to the Unit owners and their mortgagees. Unit owners shall obtain coverage at their expense upon the interior of their Unit, including wall, floor and ceiling coverings, their hurricane shutters, their personal property and for their personal liability.

b. All buildings and improvements upon the land shall be insured in such amounts that the insured will not be a co-insurer except under deductible clauses required to obtain coverage at a reasonable cost. The coverage may exclude foundation and excavation costs, and shall exclude that part of value of each Unit occasioned by

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any Unit, or in, to or upon Common Property or Limited Common Property, shall be borne by the owner of each such Unit. All personal property and furnishings or fixtures constituting a portion of the Common Property and held for the joint use and benefit of all owners of all Units and all other property, whether Common or not, maintenance, repair or replacement of which is the responsibility of Association under other provisions of this Declaration shall be covered by such insurance as shall be maintained in force and effect by Association as herein provided. The owner of a Unit shall have no personal liability for any damages caused by the Association or in connection with the use of the Common Property or Limited Common Property. The owner of a Unit shall be liable for injuries or damages resulting from an accident in his own Unit, to the same extent and degree that the owner of a house would be liable for an accident occurring within his house.

19. Maintenance and repair by owners of Units. Every owner must perform promptly all maintenance and repair work within his Unit which, if omitted, would affect the Condominium in its entirety or affect any part belonging to other owners, being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each Unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all electrical fixtures, water heaters, built-in cabinets, hurricane shutters, air-conditioning, heating equipment and all other mechanical systems serving only his Unit, stoves, refrigerators, fans or other appliance or equipment, including any fixtures and/or their connection required to provide water, light power, telephone, sewage and sanitary service to his Unit and which may now or hereafter be situated in his Unit or be for the purpose of serving only his Unit. Such owner shall further be responsible and liable for maintenance, repair and replacement of any and all interior wall, ceiling and floor surfaces, windows, painting, decorating, and furnishings, and all other accessories which such owner may desire to place or maintain in his Unit. Wherever the maintenance, repair and replacement of any items which the owner of a Unit is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by Association, the proceeds of the insurance received by Association shall be



Spindrift and that they acknowledged executing the same for such corporation, freely and voluntarily, under authority duly vested in them by said corporation, and that I relied upon the following forms of identification Personally Known and \_\_\_\_\_

WITNESS my hand and official seal in the State and County last aforesaid, this 30<sup>th</sup> day of November, 2000.



Sarah M Gallo  
My Commission CC736716  
Expires April 26, 2002

Sarah Gallo  
Notary Public

314144

Rec. 232<sup>00</sup>

**THIS COPY  
CONTAINS ONLY THE  
LAST PAGE  
OF THE DECLARATION**

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DECLARATION OF CONDOMINIUM  
ESTABLISHING  
SPINDRIFT, a Condominium

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*Return to: Smith, C. Harris etc.*

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DECLARATION OF CONDOMINIUM  
ESTABLISHING  
SPINDRIFT

This Declaration, made this 17th day of March, 1981, by  
THE SPINDRIFT CORPORATION OF VERO BEACH, a Florida corporation,  
having its principal place of business at 1025 Flamevine Lane, Vero Beach,  
Indian River County, Florida (hereinafter sometimes referred to as "Developer"),  
for itself, its successors, grantees and assigns:

WHEREIN, Developer makes the following declaration and submission:

1. Purpose. The purpose of this Declaration is to submit the lands herein described and the improvements thereon to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes, herein called "the Condominium Act", as and for a plan of condominium ownership consisting of real property and improvements thereon as hereinafter described.

a. Name and address. The name by which this condominium is to be identified is SPINDRIFT, a condominium (hereinafter referred to as the "Condominium"), and its address is 1026 Flamevine Lane, Vero Beach, Indian River County, Florida.

b. The land and the development. The land owned by the Developer which is hereby submitted to the condominium form of ownership are the following described lands lying and being in Indian River County, Florida:

Lots 1, 2 and 3, Block 2, WALTER KITCHING'S SUBDIVISION, according to the plat filed in the office of the Clerk of the Circuit Court of St. Lucie County, Florida, in Plat Book 4, page 5; said land now lying and being in Indian River County, Florida.

on which real property there has been constructed one five-story building containing twenty-two (22) units and other appurtenant improvements.

c. Easements. The Developer reserves the following easements, which are covenants running with the land of the Condominium:

(i) Utility easements are reserved through the Condominium property as may be required for utility services in order adequately to serve

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the Condominium, provided, however, such easements through a Condominium unit shall be only according to the plans and specifications for the building, or as the building is constructed, unless approved in writing by the Condominium unit owner.

(ii) An easement for ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, roads, streets and lanes as the same from time to time may exist upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes; said easement to be for the benefit of the Condominium. This easement shall not be construed to create in any person the right to park upon any portion of the Condominium property except those areas specifically assigned for same.

(iii). An easement is reserved through all common areas of the Condominium for the full and unrestricted use by the Condominium Unit owners within the area of land submitted to the Condominium, for all uses or purposes for which such common areas are designed or suited.

2. Survey and description of Improvements. Annexed hereto and expressly made a part hereof as Exhibit "A" consisting of 12 pages (numbered A-1 through A-10) is a survey of the land and graphic description and plot plans of the Improvements constituting the Condominium, identifying the units, the Common Elements and the Limited Common Elements and their respective locations and dimensions. Said survey and graphic description and plot plans have been prepared, respectively, by Carter & Associates, Land Surveyors, Registration No. 2805, and by Donald Frederick Evans, an architect authorized to practice in the State of Florida and designated as his Commission No. 22379.2. Each unit is identified by specific number and alphabetical designation on said Exhibit "A", and no unit bears the same designation as any other unit. Annexed hereto and expressly made a part hereof as Exhibit "B" is the Certificate of Dana Howard that construction of the improvements described is sufficiently complete so that such material as is contained in Exhibit "A", together with the wording of the Declaration, is a correct representation of the improvements described, and further, that with such material there can be determined therefrom the identification, location and dimensions of the Common Elements and of each unit.

3. Units, Common Property and Limited Common Property. The Condominium consists of units, Common Property and Limited Common Property as said terms are hereinafter defined.

a. "Units", as the term is used herein, shall mean and comprise the twenty-two (22) separate and numbered dwelling units, as said units are defined in the Condominium Act, which are designated in Exhibit "A" to

this Declaration of Condominium. Each unit will include that part of the building that lies within the following described boundaries of the unit:

(i) The horizontal boundaries shall be as described below, extended to an intersection with the perimetrical, or vertical, boundaries hereinafter defined:

Upper Boundary: The plane of the undecorated unfinished 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 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 unfinished vertical surface that joins the planes of the undecorated unfinished horizontal portions of the ceiling. There shall be included within Units 501 and 502 the skylights and area within the chimney serving such Units.

Lower Boundary: The plane of the undecorated unfinished 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 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 unfinished vertical surface that joins the planes of the undecorated unfinished horizontal portions of the floor.

(ii) The perimetrical boundaries of each unit shall be vertical planes of the undecorated unfinished interior walls bounding the unit, extended to intersections with each other and the upper and lower boundaries; there shall be included within each unit the exterior doors and windows appurtenant to the same.

The perimetrical boundaries of units are represented by heavy solid lines and designated as "floor plans" on pages A-4, A-5, A-6 and A-7 of Exhibit "A" attached hereto, while the upper and lower boundaries of the units are represented by dark solid lines and designated as "elevations" on pages A-9 and A-10 of Exhibit "A" attached hereto.

b. "Common Property", as that term (and the term "Common Elements") is used herein, shall mean and comprise all of the real property, improvements and facilities of the Condominium other than the units, as same are hereinabove defined, and shall include easements through units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility service to all units (provided, however, that no such easement shall exist where no unit shares utility services in common with any other unit) and Common Property and easements of support in every portion of a unit which contributes to the support of the improvements, and shall further include all personal property held and maintained for the joint use and enjoyment of all the owners of all such units, together with any real or personal property, or any interest therein, which may be acquired by the Association (hereinafter defined).

The fee title to each unit will include both the unit and its undivided interest in the Common Elements; said interest to be deemed to be conveyed or encumbered with its respective unit, even though the description in the instruments of conveyance or encumbrance may refer only to the fee title to the unit. Any attempt to separate the fee title to a unit from the undivided interest in the Common Elements shall be null and void.

c. "Limited Common Property", as that term is used herein, shall mean and comprise that portion of the common property consisting of the following:

(i) Covered parking - Twenty (20) separate and designated covered parking spaces, as specifically identified on Exhibit "A", as to each of which said parking spaces a right of exclusive use is reserved.

(ii) Uncovered parking - Twenty (20) separate and designated uncovered parking spaces, as specifically identified on Exhibit "A", as to each of which said parking spaces a right of exclusive use is reserved.

(iii) Parking garages - Two (2) separate parking garages, as specifically identified on Exhibit "A", as to each of which said parking garages a right of exclusive use is reserved to Units 501 and 502.

(iv) Roof patio area - Two (2) roof patio areas adjacent and connected to Units 501 and 502, as specifically identified on Exhibit "A", as to each of which said patio areas a right of exclusive use is reserved to Units 501 and 502.

d. "Common Surplus", as the term is used herein, shall mean all funds and other assets of SPINDRIFT CONDOMINIUM ASSOCIATION OF VERO BEACH, INC. (hereinafter referred to as the "Association"), properly allocable to this Condominium in accordance with generally accepted principles of accounting, including excess of receipts of the Association (including, but not limited to, assessments, rents, profits and revenues from unit owners of the Condominium) over amount of the Common Expense for the Condominium. The Common Surplus shall be owned by unit owners in the proportions of percentages of ownership of the Common Elements provided in this Declaration of Condominium.

4. Administration of the Condominium by the Association. To provide efficiently and effectively for the administration of the Condominium by the owners of units, a non-profit Florida corporation, known and designated as SPINDRIFT CONDOMINIUM ASSOCIATION OF VERO BEACH, INC. (referred to herein as the "Association"), has been organized, and said corporation shall administer the operation and management of the Condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration of Condominium, and in accordance with the terms of the Articles of Incorporation of the Association,

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and the By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of said corporation are annexed hereto and expressly made a part hereof as Exhibits "C" and "D", respectively. The owner or owners of each unit shall automatically become members of the Association upon his, their or its acquisition of an ownership interest in or title to any unit in SPINDRIFT, a Condominium, and the appurtenant undivided interest in Common Property and Limited Common Property in SPINDRIFT, a Condominium, and upon recording evidence of such ownership interest in the public records of Indian River County, Florida, and the membership of such owner or owners shall terminate automatically upon such owner or owners being divested of such ownership interest in or title to such unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association, or to any of the rights or privileges of such membership. In the administration of the operation and management of the Condominium, said Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of Condominium, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the units, Common Property and Limited Common Property as the Board of Directors of the Association may deem to be in the best interests of the Condominium.

On all matters on which the membership is entitled to vote, there shall be only one (1) vote for each unit in the Condominium, which vote may be exercised by the owner or owners of each unit in the manner provided in the By-Laws of the Association, and which vote shall be subject to any limitations or restrictions provided in said By-Laws or in this Declaration of Condominium. Reference is hereby made to paragraph 32 and provisions therein made relating to the Board of Directors of the Association. Should any member own more than one unit in the Condominium, such member shall be entitled to exercise as many votes as he owns units.

5. Perpetual non-exclusive easement in Common Property. The Common Property shall be, and the same is hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the owners of units in this Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services, utilities and facilities for which the same are reasonably intended for the enjoyment of said owners of units, and as the same may exist or be necessary or desirable for the furnishing of the same to units or other areas of this condominium from time to time. Notwithstanding anything above provided in this paragraph to the contrary, the Association hereinbefore identified shall have the right to establish the rules and regulations pursuant to which the owner or owners of any unit may be entitled to the exclusive use of any parking space or spaces other than those parking spaces comprising Limited Common Property.

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

7. Easement for unintentional and non-negligent encroachments. In the event that any unit shall encroach upon any Common Property for any reason not caused by the purposeful or negligent act of the unit owner or owners, or agents of such owner or owners, then an easement appurtenant to such unit shall exist for the continuance of such encroachment onto the Common Property for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Property shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the Common Property into any unit for so long as such encroachment shall naturally exist.

8. Ownership of units and appurtenant share in Common Elements, Common Surplus and Common Expense. Each unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership. The owner or owners of each of units 501 and 502 shall own, as an appurtenance to the ownership of each said unit, a 1/12 undivided share of all Common Elements and any Common Surplus of the Condominium. The owner or owners of all other units shall own, as an appurtenance to the ownership of each said unit, a 1/24 undivided share of all Common Elements and any Common Surplus of the Condominium. Similarly, each owner of a unit shall be liable for and obligated to pay a share of the Common Expenses of the Condominium to the Association, as hereinafter provided, in the same proportion as each owner's share of the ownership of the Common Elements.

9. Developer's Warranty. Subject to the provisions of Section 718.203 of the Condominium Act, the Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth therein, and no person shall rely on any warranty or representation not so specifically made therein unless otherwise stated. Maintenance fees, common expenses, taxes or other charges are estimates only and no warranty, guarantee or representation is made or intended, nor may one be relied upon.

10. Amendment of Plans. The Developer reserves the right to change the interior design and arrangement of all apartments and to alter the boundaries between apartments, as long as Developer owns the apartments so altered. No such change will increase the number of apartments nor alter the boundaries of the Common Elements or Limited Common Elements, without amendment of this Declaration in the manner described in paragraph 38 hereof. If the Developer shall make any changes in apartments, as herein authorized, such

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changes will be reflected by an amendment of this Declaration; and if more than one apartment is concerned, the Developer will apportion between the apartments the shares in the Common Elements appurtenant to the apartments concerned.

11. Restraint upon separation and partition of Common Property.

Recognizing that the proper use of a unit by any owner or owners is dependent upon the use and enjoyment of the Common Property in common with the owners of all other units and that it is in the interest of all owners of units that the ownership of the Common Property be retained in common by the owners of units in the Condominium, it is declared that the undivided interest in the Common Property appurtenant to each unit shall remain undivided and no owner of any unit shall bring or have any right to bring any action for partition or division.

12. Restriction against further subdividing of Units and separate conveyance of appurtenant Common Property, etc. Except as reserved to Developer, no Unit may be divided or subdivided into a smaller Unit or smaller Units than as shown on Exhibit "A" hereto, nor shall any Unit, or portion thereof, be added to or incorporated into any other Unit without the prior written consent of the Board of Directors of the Association, as hereinbelow provided. The undivided interest in the Common Property declared to be an appurtenance to each Unit and the Limited Common Property reserved for the exclusive use of the Unit owner shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Unit, and the undivided interest in Common Property appurtenant to each Unit and the Limited Common Property reserved for the exclusive use of the Unit owner shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such undivided interest in Common Property or the appurtenant Limited Common Property is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, mortgage or other instrument which purports to affect the interest or lien in, to or upon a Unit shall be null, void and of no effect insofar as the same purports to affect any interest in a Unit and its appurtenant undivided interest in Common Property or Limited Common Property, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit which describes said Unit by the Unit number assigned thereto in Exhibit "A" without limitation or exception shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the Common Property and appurtenant Limited Common Property. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in Common Property or appurtenant Limited Common Property by more than one (1) person or entity as tenants in common, joint tenants or as tenants by the entirety.

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13. 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 to the rules and regulations of Association, as the same may from time to time be adopted and promulgated, and the mere acquisition or rental of any Unit, or the mere act of occupancy of any Unit, shall signify that the provisions of this Declaration of Condominium and of Association's rules and regulations are accepted and ratified in all respects.

14. Assessments: Liability, lien and enforcement. The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all Units. To administer properly the operation and management of the project, the Association will incur, for the mutual benefit of all of the owners of Units, costs and expenses which will be continuing or non-recurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "Common Expenses". To provide the funds necessary for such proper operation and management, the said Association has heretofore been granted the right to make, levy and collect assessments against the owners of all Units and against the said Units. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium, the following provisions shall be operative and binding upon the owners of all Units, to-wit:

a. The Board of Directors of the Association shall establish an annual budget in advance of each fiscal year to project and determine the amount of the Common Expenses which may be required for the proper operation, management and maintenance of the Condominium and to allocate and assess such Common Expense among the Unit owners according to the share that each is required to pay. In determining such Common Expenses, the Board of Directors may provide for an operating reserve not to exceed fifteen percent (15%) of the total projected Common Expenses for the year for the Condominium. Each Unit owner shall be liable for the payment to the Association of that proportion of the Common Expenses as determined in said budget, as each Unit shares in the Common Elements as hereinabove set forth in paragraph 8; provided, however, that the Developer shall be excused from the payment of the share of the Common Expenses and assessments related to unsold Units in the Condominium for a period subsequent to the recording of the Declaration of Condominium and terminating not later than the first day of the fourth calendar month following the month in which such declaration is recorded, or for a period terminating with the first day of the month of the third succeeding calendar month after the closing of the purchase and sale of any Condominium Unit within the Condominium to a Unit owner who is not the Developer, the nominee of the Developer



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or a substitute or alternative Developer, whichever shall be the later date; provided that the Developer shall be obligated to pay that portion of the Common Expenses incurred during that period which exceeds the amount assessed against other Unit owners. The Developer shall also be excused from the payment of its share of the Common Expense in respect to unsold Units in the Condominium during such period of time that it shall have guaranteed that the assessment for Common Expenses of the Condominium, imposed upon the Unit owners other than Developer or such person making the guarantee, shall not increase over a stated dollar amount and obligate itself to pay any amount of the Common Expenses incurred during that period and not produced by the assessments at the guaranteed level receivable from other Unit owners.

b. Special assessments may be made by the Board of Directors from time to time to meet other needs or requirements of the Association in the operation and management of the Condominium and to provide for emergencies, repair or replacements, and infrequently recurring items of maintenance, or to perform any other function or act authorized expressly or impliedly by this Declaration, the Articles of Incorporation of Association or its By-Laws.

c. All monies collected by Association shall be treated as the separate property of the said Association, and such monies may be applied by the said Association to the payment of any expense of operating and managing the Condominium or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration of Condominium and the Articles of Incorporation and By-Laws of Association, and, as the monies for any assessment are paid unto Association by an owner of a Unit, the same may be commingled with the monies paid to the said Association by other owners of Units. Although all funds and other assets of Association, and increments thereto or profits derived therefrom, or from the leasing or use of Common Property, shall be held for the benefit of the members of Association, no member of said corporation shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit. When the owner of a Unit shall cease to be a member of Association by reason of the divestment of his ownership of such Unit, by whatever means, Association shall not be required to account to such owner for any share of the funds or assets of Association, or which may have been paid to said Association by such owner, as all monies which any owner has paid to Association shall be and constitute an asset of said corporation which may be used in the operation and management of the Condominium.

d. The liability for any assessment or portion thereof may not be avoided by a Unit owner or waived by reason of such Unit owner's waiver of the use and enjoyment of any of the Common Elements of the Condominium or by his abandonment of his Unit.

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Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by Association which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

**15. Maintenance and repair of Common Property and Limited Common Property by Association.** Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Property and Limited Common Property, including those portions thereof which contribute to the support of the building, all conduits, ducts, plumbing, wiring and other facilities located in the Common Property and the Limited Common Property for the furnishing of utility or drainage services to the Units and said Common Property and Limited Common Property and, should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by Association in the maintenance, repair or replacement on, of or at any Common Property, the said Association shall, at its expense, repair such incidental damage. If repairs to Common Property and Limited Common Property, or windows are made necessary by the negligence of any Unit owner, members of his family, or his guests, employees, agents, invitees or lessees, then such repairs shall be effected by Association at the expense of said Unit owner, and payment for the same shall be made within ten (10) days of demand by Association; if unpaid within ten (10) days, then Association may proceed to collect the same, together with costs of collection, as herein provided for the collection of delinquent assessments for maintenance. All responsibilities of Association hereunder for maintenance, repair or replacement shall be insured against loss as hereinbelow provided in paragraph 16.

**16. Insurance coverage, use and distribution of proceeds, repair or reconstruction after casualty.**

a. All insurance policies upon improvements to the land, personal property owned by Association, excluding only the contents of the Units placed there by Unit owners as defined in Section 17 hereof, shall be purchased by the Association. The named insured shall be the Association, and the Unit owners and their mortgagees as their interests may appear. Provision shall be made for the issuance of mortgagee endorsements and/or memoranda of insurance to the Unit owners and their mortgagees.

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b. The Association shall be required to obtain and maintain casualty insurance covering all improvements upon the land, including all parts of the buildings, both exterior and interior, and including fixtures, as are ordinarily covered by similar types of insurance policies, in an amount equal to the maximum insurable replacement value, exclusive of foundation and excavation costs, as determined annually by the insurance carrier; or, if approved by the Board of Directors, such insurance may be carried on not less than a ninety percent (90%) co-insurance basis. The coverage shall afford protection against loss or damage by fire, windstorm and other hazards covered by a standard extended coverage endorsement, and such other risks as are customarily covered with respect to buildings similar in construction, location and use, including but not limited to vandalism and malicious mischief. The Association shall also be required to carry public liability insurance in sufficient amounts to provide adequate protection to the Association and its members against any act or omission to act, on the part of the Association. All liability insurance maintained by the Association shall contain cross-liability endorsements to cover liability of the Unit owners as a group to each Unit owner.

The Association may carry such other insurance, or obtain such other coverage, as the Board of Directors may determine to be desirable. Employer's liability insurance shall be obtained if necessary to comply with the Workmen's Compensation Law.

c. The premiums upon all insurance policies herein referred to shall be paid by the Association as a Common Expense.

d. Association is hereby declared to be and appointed as authorized agent for all of the owners of all Units for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss or damage to insured property.

e. Any proceeds becoming due under the casualty insurance policy or policies for loss, damage or destruction sustained to the buildings or other improvements shall be payable to the Association and the institutional first mortgagees to which have been issued loss payable mortgagee endorsements.

In the event of any loss, damage or destruction to the insured premises is not substantial (as such term "substantial" is hereinafter defined), and such loss, damage or destruction is replaced, repaired or restored with the Association's funds, the institutional first mortgagees which are named as payees upon the drafts issued by the insurance carrier shall endorse said drafts and deliver the same to the Association; provided, however, that any repair and restoration on account of physical damage shall restore the improvements to substantially the same condition as existed prior to the casualty.

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"Substantial" loss, damage or destruction, as the term is herein used, shall mean any loss, damage or destruction sustained to the insured improvements which would require an expenditure of sums in excess of five percent (5%) of the amount of coverage applicable to the particular improvement or improvements suffering loss, damage or destruction in any one instance under the Association's casualty insurance policy or policies then existing, in order to restore, repair and reconstruct the loss, damage or destruction sustained.

Any casualty insurance proceeds becoming due by reason of substantial loss, damage or destruction sustained to the Condominium Improvements shall be payable to the Association, unless there shall have been issued loss payable mortgagee endorsement to an institutional first mortgagee, in which case insurance proceeds shall be payable to Association and such mortgagee, and such proceeds shall be made available to the institutional first mortgagee which shall hold the mortgage on the particular improvement sustaining loss, damage or destruction, or, in the event of loss, damage or destruction to more than one Unit, to the institutional first mortgagee which may hold the greater number of mortgages encumbering the Units which may have sustained loss, damage or destruction in any one instance in the Condominium, which proceeds shall be held in a construction fund to provide for the payment of all work, labor and materials to be furnished to the reconstruction, restoration and repair of the Condominium Improvements. Disbursements from such construction fund by such institutional first mortgagee shall be in accordance with such institution's usual and customary construction loan procedures. In the event of the loss of or damage to Common Property, Limited Common Property and any Unit or Units, which loss or damage is covered by the casualty insurance, the proceeds paid to the Association to cover such loss or damage shall be first applied to the repair, replacement or reconstruction, as the case may be, of Common Property, real or personal, and Limited Common Property, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any Unit or Units which may have sustained loss or damage so covered. Any sums remaining in the construction fund after the completion of the restoration, reconstruction and repair of the improvements and full payment therefor shall be paid over to the Association and held for, and/or distributed to, the Unit owners in proportion to each Unit owner's share of the Common Surplus. If the insurance proceeds payable as a result of such casualty are not sufficient to pay the estimated costs of such restoration, repair and reconstruction, which estimate shall be made prior to proceeding with restoration, repair or reconstruction, the Association shall levy a special assessment against the owner of the damaged Unit and against all members and all Unit owners (as a Common Expense) in case of damage to Common Elements, for the amount of such insufficiency, and shall pay said sum into the aforesaid construction fund. If at any time during reconstruction and repair or upon completion of reconstruction and repair the funds in the hands of Association for the payment of the costs thereof are insufficient, assessments shall be made

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against the owners who own the damaged Units, and against all owners of Units in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against owners of Units for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units. Such assessments for damage to Limited Common Elements shall be in proportion to each owner's share in the Limited Common Elements.

Notwithstanding which institutional first mortgagee holds the greater number of mortgages encumbering the Units, such mortgagees may agree between or among themselves as to which one shall administer the construction fund in the event of loss or damage to more than one Unit in any one instance. If there be no institutional mortgagee as to whom a loss payable endorsement has been issued for any Unit, then the insurance proceeds for loss or damage to such unencumbered Unit shall be paid to Association and used for reconstruction and repair in the same manner as hereinabove provided for use by an institutional first mortgagee.

If the damage sustained to the improvements is less than substantial, as heretofore defined, the Board of Directors may determine that it is in the best interests of the Association to pay the insurance proceeds into a construction fund to be administered by an institutional first mortgagee as hereinabove provided. No institutional mortgagee shall be required to cause such insurance proceeds to be made available to the Association prior to completion of any necessary restoration, repair or reconstruction, unless arrangements are made by the Association to satisfactorily assure that such restoration, repair and reconstruction shall be completed. Such assurances may consist of, without limitation, obtaining (1) a construction loan from other sources, (2) a binding contract with a contractor or contractors to perform the necessary restoration, repair and reconstruction, or (3) the furnishing of performance and payment bonds.

Any restoration, repair or reconstruction made necessary through a casualty shall be commenced and completed as expeditiously as reasonably possible, and must substantially be in accordance with the plans and specifications for the construction of the original building. In no event shall any reconstruction or repair change the relative locations and approximate dimensions of the Common Elements or of any Unit, unless an appropriate amendment be made to this Declaration.

f. Where physical damage has been sustained to the Condominium improvements and the insurance proceeds have not been paid into a construction fund as hereinabove more fully provided, and where restoration, repair or reconstruction has not been commenced as soon as reasonably possible, an institutional mortgagee who has commenced foreclosure proceedings upon a mortgage encumbering a Unit which shall have sustained loss, damage or destruction shall be entitled to receive that portion of the insurance proceeds applicable

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to the loss sustained by said Unit provided that no other Unit, Common Property or Limited Common Property shall have sustained loss, damage or destruction occasioned at the same time and from the same cause (in which event said Institutional mortgagee shall only be entitled to receive the portion of the insurance proceeds apportioned to said Unit in the same share as the share in the Common Elements appurtenant to said Unit) .

g. If substantial loss, damage or destruction shall be sustained to the Condominium Improvements, the Condominium may be terminated as hereinafter provided in paragraph 37; provided, however, such termination will not be effective without the written consent of all institutional first mortgagees holding mortgages encumbering Units .

17. Personal liability and risk of loss of owner of Unit and separate insurance coverage, etc. The owner of each Unit may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner, and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's Unit or upon the Common Property or Limited Common Property. All such insurance obtained by the owner of each Unit shall, wherever such provision shall be available, provide that the insurer waives its right of subrogation as to any claims against other owners of Units, Association and the respective servants, agents and guests of said other owners and Association, and such other insurance coverage shall be obtained from the insurance company from which Association obtains coverage. Risk of loss or damage to any furniture, furnishings, personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the Common Property or for loss or damage for which Association is responsible under other provisions of this Declaration) belonging to or carried on the person of the then owner of each Unit, or which may be stored in any Unit, or in, to or upon Common Property or Limited Common Property, shall be borne by the owner of each such Unit. All personal property and furnishings or fixtures constituting a portion of the Common Property and held for the joint use and benefit of all owners of all Units and all other property, whether Common or not, maintenance, repair or replacement of which is the responsibility of Association under other provisions of this Declaration shall be covered by such insurance as shall be maintained in force and effect by Association as herein provided. The owner of a Unit shall have no personal liability for any damages caused by the Association or in connection with the use of the Common Property or Limited Common Property. The owner of a Unit shall be liable for injuries or damages resulting from an accident in his own Unit, to the same extent and degree that the owner of a house would be liable for an accident occurring within his house.

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18 Right of Association to alter and improve property and assessment therefor. Association shall have the right to make or cause to be made such alterations or improvements to the Common Property as do not prejudice the rights of the owner of any Unit in the use and enjoyment of his Unit, (unless such owner's written consent has been obtained), provided the making of such alterations and improvements are approved by the Board of Directors of Association, and the cost of such alterations or improvements shall be assessed as Common Expenses to be assessed and collected from all of the owners of Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the owner or owners of a Unit or Units exclusively or substantially benefited, the assessment shall be levied in such proportion as may be determined by the Board of Directors of Association. The cost of any alterations or improvements contemplated by this Section 18 shall not be assessed against an institutional lender acquiring its title as the result of owning a mortgage upon the Unit owned, unless such owner shall approve the alterations or improvements, regardless of whether title was acquired by foreclosure or deed in lieu thereof.

19. Maintenance and repair by owners of Units. Every owner must perform promptly all maintenance and repair work within his Unit which, if omitted, would affect the Condominium in its entirety or affect any part belonging to other owners, being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each Unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air-conditioning, heating equipment and all other mechanical systems serving only his Unit, stoves, refrigerators, fans or other appliance or equipment, including any fixtures and/or their connection required to provide water, light power, telephone, sewage and sanitary service to his Unit and which may now or hereafter be situated in his Unit or be for the purpose of serving only his Unit. Such owner shall further be responsible and liable for maintenance, repair and replacement of any and all interior wall, ceiling and floor exterior surfaces, windows, painting, decorating, and furnishings, and all other accessories which such owner may desire to place or maintain in his Unit. Wherever the maintenance, repair and replacement of any items which the owner of a Unit is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by Association, the proceeds of the insurance received by Association shall be used for the purpose of making such maintenance, repair or replacement, except that the owner of such Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The floor and interior walls of a terrace, patio, balcony, yard or loggia appurtenant to a Unit, shall be maintained by the owner of the Unit at his expense; provided that an owner of a Unit shall not

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build, furnish or otherwise decorate or change in any manner the appearance of any portion of the exterior of the Unit owned by him or the building within which the Unit is located without the prior, written consent of the Association.

20. Right of entry for maintenance of Common Property. Whenever it is necessary to enter any Unit for the purpose of performing any maintenance, alteration or repair to any portion of the Common Property or any property which Association has the duty or right to maintain or repair (although not Common Property), or to go upon any Limited Common Property constituting an appurtenance to any such Unit, for such purpose, the owner of each Unit shall permit other owners or their representatives, or the duly constituted and authorized agent of Association, to enter such Unit, or to go upon the Limited Common Property constituting an appurtenance to any such Unit, for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

21. Right of entry into Units in emergencies. In case of any emergency originating in or threatening any Unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors of Association, or any other person authorized by it, or the building superintendent or managing agent shall have the right to enter such Unit 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 Unit, if required by the Association, shall deposit, under the control of the Association, a key to such Unit.

22. Limitation upon right of owners to alter and modify Units. Unless otherwise provided herein, no owner of a Unit shall permit there to be made any structural modifications or alterations in such Unit without first obtaining the written consent of Association, which consent may be withheld in the event that a majority of the Board of Directors of Association determine, in their sole and absolute discretion, that such structural modifications or alterations would affect or in any manner endanger the Condominium in part or in its entirety. If the modification or alteration desired by the owner of any Unit involves the removal of any permanent interior partition, such owner, without consent of the Association or its Board, shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting Common Property located therein. No owner shall cause any improvements or changes to be made on the exterior of his Unit or of the Condominium, including painting or other decoration, or the installation of electrical wiring, television antenna, machines or air-conditioning units, which may protrude through the walls or roof of the Condominium building, or in any manner change the appearance of any portion of the building not within the walls of such Unit. No Unit owner



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will cause anything to be hung, displayed or placed on the exterior walls, doors or windows of the Condominium building; and no Unit owner will in any way change or alter the appearance of any portion of the exterior of the building constituting a part of his Unit or any surface of an interior building or patio wall facing Common Elements or visible from Common Property or any other unit without the prior written consent of the Association. No clothes lines or similar devices, and no signs of any type, will be allowed on any part of the Condominium.

Association shall determine the exterior color scheme of the buildings and the nature and color of all exterior decorative elements, fixtures or furnishings.

Unit owners may enclose balcony areas contained within the boundaries of the Unit, in accordance with uniform plans approved by the Board of Directors of Association for such purpose. A Unit owner who encloses a balcony area other than in accordance with the uniform plans approved by the Board of Directors of Association shall be subject to all rights and remedies of which the Association may avail itself pursuant to paragraph 33 herein.

23. Residential use restriction, use of Common Property and Limited Common Property subject to rules of Association. Each Unit is hereby restricted to private residential use and the use of Common Property by the owner or owners of all Units, and all other parties authorized to use the same, and the use of Limited Common Property by the owner or owners entitled to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established by the Association.

Until the Developer has closed sales of all of the Units in this Condominium, neither the other Unit owners nor the Association shall interfere with the sale of such Units. The Developer may make such use of the unsold Units and Common Elements as may facilitate its sales, including but not limited to maintenance of a sales office, model Units, the showing of the property and the display of signs.

24. The Condominium to be used for lawful purposes, restriction against nuisances, etc. No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Property, or of the Limited Common Property, nor any part thereof, and all rules and regulations, all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed. No owner of any Unit shall permit or suffer anything to be done or kept in his Unit or on the Common Property, or on the Limited Common Property, which will increase the rate of insurance on the Condominium or which will obstruct or interfere with the rights of other owners or annoy them by unreasonable noises, nor shall any such owner undertake any use or practice which shall create and constitute a nuisance to any

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other owner of a Unit, or which interferes with the peaceful possession and proper use of any other Unit, or the Common Property, or the Limited Common Property.

25. Sales and leasing of Units, right of first refusal in Association, exceptions.

a. With the exception of transfer of ownership of any Unit by one co-tenant to another, should a Unit owner desire to sell or lease his Unit, the Association shall have and is hereby given and granted the right of first refusal to purchase or lease such Unit, as the case may be, upon the same terms and conditions as those contained in any bona fide offer which such owner may have received for the sale or lease of his Unit. A "bona fide offer" is defined herein as an offer in writing, binding upon the offeror and containing all of the pertinent terms and conditions of such sale or lease, and, in the case of an offer to purchase, accompanied by an earnest money deposit in an amount equal to at least ten percent (10%) of the purchase price. Whenever a Unit owner has received a bona fide offer to purchase or lease his Unit, such owner shall notify the Board of Directors of Association in writing of his desire to accept such offer, stating the name, address, business, occupation or employment of the offeror, an executed copy of the bona fide offer for such purchase or lease to accompany the notice. The right of first refusal in the Association includes the right of the Association to designate another person or entity to take title to the Unit or to lease the same in the event the Association exercises its right of first refusal. If the Association, upon the written approval of a majority of its Board of Directors and of the owners of Units in the Condominium to which at least fifty-one percent (51%) of the Common Elements are appurtenant, elects to exercise its option to purchase or lease (or cause the same to be purchased or leased by its designee), the Association shall notify the Unit owner desiring to sell or lease of exercise of its option, such notice to be in writing and posted by registered or certified mail to such owner within thirty (30) days from the Association's receipt of the owner's notice. Said notice by the Association to the owner, in order to be effective, must be accompanied by a binding written offer on the part of the Association, or its designee, containing the same terms and conditions as the original offer to the Unit owner, and, if an offer to purchase, shall be accompanied by an earnest money deposit of at least ten percent (10%) of the purchase price. The Unit shall then be purchased or leased by the Association, or its designee, in accordance with the terms and conditions contained in said bona fide offer. When any Unit owner has notified the Board of Directors of the Association of his desire to sell or lease as hereinabove provided, such owner shall be free to consummate such sale or lease of his Unit unless the Association, within thirty (30) days from receipt of the owner's required notice, shall have notified such owner of exercise of the right of first refusal. In such event, the owner shall not sell or lease the Unit to any other than the party designated to the Board of Directors in the owner's original notice required hereunder, nor for any lower purchase price or rental, nor upon any more

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favorable terms and conditions than those originally contained in said bona fide offer presented to the Association, without again giving to the Association the right of first refusal upon such new terms.

b. All lease agreements by a Unit owner for the lease of his Unit shall be for a minimum term of ninety (90) days and any lease for a term of less than ninety (90) days must be disapproved by the Board of Directors of the Association.

c. Notwithstanding the provisions of paragraph 25(a), the Board of Directors of Association may affirmatively approve and give consent to a proposed sale or lease, and may do so without the approval of the members of the Association, provided that a majority of the Board of Directors of Association concur and evidence such concurrence in writing in the form of a certificate executed by the President and Secretary of the Association with the formalities of a deed so that the same shall be entitled to recordation in the public records of Indian River County, Florida, delivered to the Unit owner desiring to sell or lease his Unit. Such certificate shall bind the Association and no grantee or mortgagee shall be obligated to make further determination of such approval, but may rely upon such certificate.

d. Any purported sale or lease of a Unit where the owner has failed to comply with the foregoing provisions of this paragraph 25 shall be voidable at the election of the Board of Directors of the Association, provided, however, that such voidability shall exist for a period of no longer than ninety (90) days from the consummation of such sale or lease transaction, such consummation to be evidenced by occupancy of the Unit or by the recordation of a deed of conveyance thereto; and provided, further, that the Association commences an action within such ninety (90) day period to have the same declared void.

e. Any institutional first mortgagee making a mortgage loan for the purpose of financing the purchase of a Unit in the Condominium shall not be required to make inquiry into whether or not its mortgagor's grantor complied with the provisions of this paragraph 25, and any failure of such mortgagor's grantor to so comply will not operate to affect the validity or priority of such mortgage.

f. Any purchaser of a Unit in the Condominium, whose prospective seller has been in title for at least ninety (90) days preceding such purchase, shall not be required to make inquiry into whether or not such seller's grantor complied with the provisions of this paragraph 25 in selling such Unit to such seller. After ninety (90) days following the consummation of any transaction involving the sale of a Unit in the Condominium, which consummation shall be evidenced by the recordation of a deed conveying the title to such Unit, no action whatsoever may be brought by the Association to void such transaction by reason of non-compliance with this paragraph 25.

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g. Any lease approved by the Board of Directors shall provide that it may not be extended or assigned without the approval of the Board of Directors, and the lessee may not sublet without such approval. Any lessee occupying a Unit under an approved lease shall be fully subject to the terms of this Declaration and the rules, regulations and By-Laws of the Association, and such lease shall be subject to cancellation by Association without notice if the lessee thereunder shall fail to comply with the rules and regulations contained herein or which may hereafter be established by the Association.

h. The right of first refusal granted to the Association shall not apply or be operative to any foreclosure or other judicial sale of a Unit, although a purchaser at such judicial sale, except as hereinafter provided, shall thereafter be subject to the right of first refusal in the Association relative to the sale or lease of a Unit.

i. All of the terms and provisions of this paragraph 25 set forth hereinabove relative to the right of first refusal of the Association shall at all times be wholly inapplicable and inoperative as to any institutional first mortgagee which has acquired title to a Unit by reason of foreclosure of its mortgage or by the acceptance of a voluntary conveyance in lieu thereof, and such institutional first mortgagee shall have the unequivocal right and power to sell, transfer, lease or otherwise dispose of such Unit as it may deem in its best interests, without first offering the same to the Board of Directors and without any restriction whatsoever. The exceptions to the right of first refusal as set forth in this Section (i) of this paragraph 25 shall be fully applicable to the Developer, which likewise shall have the unrestricted right to sell or lease Units which it owns in the Condominium without the approval of Association, its members or directors.

26. Pet restriction. No animals or pets of any kind will be kept in any Unit or upon any other portion of the Condominium property, except with the prior written consent of the Board of Directors of Association.

27. Transfers other than by sale.

a. If any Unit owner shall acquire his title by gift, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association.

b. If any Unit owner shall acquire his title by devise or inheritance, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association.

c. If any Unit owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association.

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d. A Unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not previously considered, shall give to the Board of Directors of the Association notice of the acquiring of his title, together with such information concerning the Unit owner as said Board may reasonably require and a certified copy of the instrument evidencing the owner's title. If the above required notice to the Board of Directors of the Association is not given, then, at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Unit, said Board, at its election and without notice, may approve or disapprove the transaction or ownership. If said Board disapproves the transaction or ownership, it will proceed as if it had received the required notice on the date of such disapproval.

e. If the Unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner not previously mentioned, then, within sixty (60) days after receipt from the Unit owner of the notice and information required to be furnished, the Board of Directors, if it shall affirmatively disapprove such ownership, may deliver or mail by registered mail to the Unit owner an agreement to purchase the Unit concerned by a purchaser approved by it, who will purchase and to whom the Unit owner must sell the Unit under the following terms:

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

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

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

(4) A certificate approving the purchaser will be executed by the President and Secretary of the Association.

(5) If the Board of Directors of the Association shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by the Association shall default in his agreement to purchase, then, notwithstanding the disapproval, such ownership will be deemed to have been approved, and said Board shall furnish a certificate of approval as elsewhere provided.

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f. No provision or limitation hereinabove provided in this paragraph 27 shall be applicable or operative as to any transfer by Developer.

28. Association to maintain registry of owners and mortgagees. Association shall at all times maintain a register setting forth the names of the owners of all of the Units, and, in the event of the sale or transfer of any Unit to a third party, the purchaser or transferee shall notify Association in writing of his interest in such Unit together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Unit. Further, the owner of every Unit shall at all times notify Association of the names of the parties holding any mortgage or mortgages on any Unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any Unit may, if they so desire, notify Association of the existence of any mortgage or mortgages held by such party on any Unit, and, upon receipt of such notice, Association shall register in its records all pertinent information pertaining to the same.

29. Approval of corporate owner or purchaser. Inasmuch as the Condominium may be used only for residential purposes and a corporation cannot occupy a Unit for such use, if the Unit owner or purchaser of a Unit is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the Unit be approved by the Board of Directors of the Association. No provision or requirement of this paragraph 29 shall be applicable to or operative as to Developer.

30. Mortgages. No Unit owner, excepting for Developer, may mortgage a Unit or any interest in it without the approval of the Board of Directors of the Association, unless such mortgage be to an institutional lender or to the Developer or to the seller of a Unit to secure a portion or all of the purchase price. The approval of any other mortgage may be upon such conditions as may be determined by the Board of Directors of Association, or may be arbitrarily withheld by the said Board. No provision or requirement of this paragraph 30 shall be applicable to or operative as to Developer.

31. Apportionment of tax or special assessment if levied and assessed against the Condominium as a whole. In the event that any taxing authority having jurisdiction over the Condominium shall levy or assess any tax or special assessment against the Condominium as a whole, as opposed to levying and assessing such tax or special assessment against each Unit and its appurtenant undivided interest in Common Property, as now provided by law, then such tax or special assessment so levied shall be paid as a Common Expense by Association, and any taxes or special assessments which are to be so levied shall be included, wherever possible, in the estimated annual budget of Association, or shall be separately levied and collected as an assessment by Association

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against all of the owners of all Units and said Units if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by Association in the event that such tax or special assessment is levied against the Condominium as a whole, instead of against each separate Unit and its appurtenant and undivided interest in Common Property shall be apportioned among the owners of all Units so that the amount of tax or special assessment so paid or to be paid by Association and attributable to and to be paid by the owner or owners of each Unit shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in Common Property appurtenant to each Unit bears to the total undivided interest in Common Property appurtenant to all Units. In the event that any tax or special assessment shall be levied against the Condominium in its entirety, without apportionment by the taxing authority to the Units and appurtenant undivided interests in Common Property, then the assessment by Association, which shall include the proportionate share of such tax or special assessment attributable to each Unit and its appurtenant undivided interest in Common Property, shall separately specify and identify the amount of such assessment attributable to tax or special assessment, and the amount of such tax or special assessment so designated shall be and constitute a lien prior to all mortgages and encumbrances upon any Unit and its appurtenant undivided interest in Common Property, regardless of the date of the attachment or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment has been separately levied by the taxing authority upon each Unit and its appurtenant undivided interest in Common Property.

All personal property taxes levied or assessed against personal property owned by Association shall be paid by said Association and shall be included as a Common Expense in the annual budget of Association.

32. Right of Developer to sell or lease Units owned by it free of right of first refusal or right of redemption, and right of Developer to representation on Board of Directors of Association. So long as Developer shall own any Unit, the said Developer shall have the absolute right to lease or sell any such Unit to any person, firm or corporation upon any terms and conditions as it shall deem to be in its own best interests, and, as to the lease or sale of any Unit by Developer, the right of first refusal and any right of redemption herein granted to Association shall not be operative or effective in any manner.

When Unit owners other than the Developer own fifteen percent (15%) or more of the Units that will be operated ultimately by the Association, the 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. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors of the Association three (3) years after sales by the Developer have been closed of fifty percent (50%)

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of the Units that will be operated ultimately by the Association, three (3) months after sales have been closed by the Developer of ninety percent (90%) of the Units that will be operated ultimately by the Association, or when all of the Units that will be operated ultimately by the Association have been completed, some of them have been sold, and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall be entitled to elect not less than one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business any Units in the Condominium operated by the Association. Whenever Developer shall be entitled to designate and select any person or persons to serve on any Board of Directors of Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation or By-Laws of Association, and Developer, or Developer's successors or assigns, shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Developer need not be a resident in the Condominium or a member of Association.

Any representative or designee of Developer serving on the Board of Directors of Association shall not be required to disqualify himself upon any vote upon any management contract or any other matter between Developer and Association where the said Developer may have a pecuniary or other interest. Similarly, Developer, as a member of Association, shall not be required to disqualify itself in any vote which may come before the membership of Association upon any management contract or any other matter between Developer and Association where the said Developer may have a pecuniary or other interest.

33. Remedies in event of default. The owner or owners of each Unit shall be governed by and shall comply with the provisions of this Declaration of Condominium, the Articles of Incorporation and By-Laws, and the rules and regulations of Association, as any of the same are now constituted or as they may hereafter be amended or adopted from time to time. A default by the owner or owners of any Unit shall entitle Association or the owner or owners of another Unit or other Units to the following relief:

a. Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of Association, or which may be adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by Association or, if appropriate, by an aggrieved owner of a Unit.