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DECLARATION OF CONDOMINIUM
ESTABLISHING
LEXINGTON HOUSE CONDOMINIUM
A CONDOMINIUM

Charles R. McKinnon

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This Instrument Prepared by:

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INDEX TO
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		<u>PAGE NO.</u>
I.	PURPOSE OF DECLARATION	1
II.	NAME	1
III.	THE LAND	1
IV.	DEFINITIONS	1
V.	DEVELOPMENT PLAN	2
VI.	OWNERSHIP OF COMMON ELEMENTS	5
VII.	ADDITIONAL FACILITIES	6
VIII.	COMMON EXPENSES AND COMMON SURPLUS	7
IX.	MAINTENANCE, ALTERATION AND IMPROVEMENT	7
X.	ASSESSMENTS	9
XI.	ASSOCIATION	10
XII.	INSURANCE	10
XIII.	RECONSTRUCTION OR REPAIR AFTER CASUALTY	13
XIV.	USE RESTRICTIONS	17
XV.	MAINTENANCE OF COMMUNITY INTERESTS	18
XVI.	COMPLIANCE AND DEFAULT	23
XVII.	NOTICE OF LIEN OR SUIT	24
XVIII.	PROPORTIONATE CHANGES IN COMMON EXPENSES AND COMMON SURPLUS	24
XIX.	AMENDMENTS	25
XX.	TERMINATION	26
XXI.	EXCLUSION OF IMPLIED OR EXPRESSED WARRANTIES	26
XXII.	SEVERABILITY	26
XXIII.	CAPTIONS	26
	SURVEY	Exh. A
	GRAPHIC DESCRIPTION & PLOT PLANS	Exh. B
	CERTIFICATE OF SURVEYOR	Exh. C
	ARTICLES OF INCORPORATION - THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.	Exh. D
	BYLAWS - THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.	Exh. E

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DECLARATION OF CONDOMINIUM
OF
LEXINGTON HOUSE CONDOMINIUM
A CONDOMINIUM
Indian River County, Florida

Made this 4th day of September, 1980, by WEBB BROTHERS CONSTRUCTION COMPANY, a Kentucky corporation authorized and qualified to do business in the State of Florida, hereinafter called the "Developer", for Developer and Developer's successors and assigns.

WHEREIN the Developer makes the following declarations:

I

PURPOSE

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

II

NAME

The name by which this condominium is to be identified is LEXINGTON HOUSE CONDOMINIUM, a condominium.

III

THE LAND

The land owned by the Developer, which by this instrument is submitted to the condominium form of ownership, is located in Indian River County, Florida, described as follows, to-wit:

Lots 4 and 5, Block 14, THE OCEAN CORPORATION SUBDIVISION, according to the plat thereof recorded in Plat Book 3, Page 9, public records of Indian River County, Florida.

IV

DEFINITIONS

The terms used in this Declaration and in its Exhibits, and in all amendments thereto, shall have the meanings stated in the Condominium Act and as follows unless the context otherwise requires.

- (A) Apartment means units as defined by the Condominium Act.
- (B) Apartment Owner means unit owner, as defined by the Condominium Act.
- (C) Assessment means a share of the funds required for the payment of common expenses which, from time to time, is assessed against the apartment owner.
- (D) Association means THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, and its successors and assigns, responsible for the operation of the condominium.

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(E) Common Elements means the portions of the condominium property not included in the apartment units and tangible personal property required for the maintenance and operation of the condominium, including the Manager's Unit.

(F) Limited Common Elements means and includes those common elements which are reserved for the use of a certain unit or units to the exclusion of other units, and as the term is used herein, shall mean and comprise that portion of the condominium property consisting of twenty-three (23) covered parking areas and two (2) uncovered parking areas and twenty-six (26) storage rooms. Each apartment owner shall have the exclusive right to use one (1) parking area and one (1) storage room.

(G) Common Expenses include:

(a) Expenses of administration, expenses of maintenance, operation, repair or replacement of the common elements, limited common elements or additional facilities, if any, and of the portions of the apartments to be maintained by the Association.

(b) Expenses declared common expenses by provisions of this Declaration or the Bylaws of the Association.

(c) Any valid charge against the condominium property as a whole.

(H) Common Surplus means the excess of all receipts of the Association over the common expenses.

(I) Condominium means that form of ownership of property under which units or improvements are subject to ownership by different owners; and there is appurtenant to each unit, as a part thereof, an undivided share in the common elements.

(J) Condominium Property means and includes the land of the condominium, all improvements thereon; and the common elements, limited common elements, and all easements and rights appurtenant thereto.

(K) Institutional Mortgage means a mortgage held by a bank, savings and loan association, insurance company, or union pension fund authorized to do business in the State of Florida.

(L) Utility Services as used in the Condominium Act and as construed with reference to this condominium, and as used in the Declaration and Bylaws, shall include but not be limited to electric power, gas, hot and cold water, heating, refrigeration, air-conditioning, garbage and sewage disposal and telephones.

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

V

DEVELOPMENT PLAN

The condominium is described and established as follows:

(A) Survey. A survey of the land showing the apartment building on it, common elements and limited common elements upon the land is attached as Exhibit A.

(B) Graphic Description and Plot Plans. A plot plan and other documents showing a graphic description of the condominium property in sufficient detail to identify each apartment, the common elements and the limited common elements and which provide



accurate representations of their locations and dimensions are attached as Exhibit B. For the purpose of identification all apartments in the building located upon said land are given identifying numbers and no apartment bears the same identifying number as does any other apartment.

(C) Certificate. A certificate of a surveyor authorized to practice in the State of Florida, certifying that the construction of the improvements described is sufficiently complete so that, with the aforementioned survey, plot plans and graphic descriptions, together with the wording of the Declaration, such descriptions are an accurate representation of the location and dimensions of the improvements described, and further, that with such material there can be determined therefrom the identification, location and dimensions of each apartment and the common elements and limited common elements, is attached as Exhibit C.

(D) Amendment of Plans.

(a) Alteration of Apartment 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 Article XIX hereof. If the Developer shall make any changes in apartments, as herein authorized, such changes will be reflected by an amendment of this Declaration; and, if more than one apartment is concerned, the Developer will apportion between the apartment the shares in the common elements appurtenant to the apartments concerned.

(b) Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of apartment plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, apartment owners or lienors or mortgagees of apartments or of the condominium, whether or not elsewhere required for an amendment.

(E) Easements. Each of the following easements is a covenant running with the land of the Condominium, to-wit:

(a) Utilities. As may be required for utility services in order to adequately serve the Condominium; provided, however, easements through a unit shall be only according to the plans and specifications for the building containing the unit or as the building is actually constructed, unless approved, in writing, by the apartment owner. An easement shall exist throughout the common elements and limited common elements for the purpose of installation, maintenance, repair, and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, wires, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system.

(b) Traffic. An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, elevators, center cores and other portions of the common elements as may be from time to time intended and designated for such purpose and use and as may be necessary to provide reasonable access to public ways;



and for vehicular and pedestrian traffic over, through and across such portions of the common elements as may from time to time be paved and intended for such purpose and as may be necessary to provide reasonable access to public ways; and such easement shall be for the use and benefit of the apartment owners, institutional mortgagees, and/or tenants in the condominium, or members of their respective families and their social guests; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the common elements of the condominium property except to the extent that space may be specifically designated and assigned for parking purposes.

(c) Easement for Unintentional and Non-Negligent Encroachments. If a unit shall encroach upon any common element, limited common element or upon any other unit, by reason of original construction or by the non-purposeful or non-negligent act of the unit owner or Developer, then an easement appurtenant to such encroaching unit to the extent of such encroachment shall exist so long as such encroachment shall exist. If any common element or limited common element shall encroach upon any unit by reason of original construction or the non-purposeful or non-negligent act of the Association or the Developer, then an easement appurtenant to such common element or limited common element to the extent of such encroachment shall exist so long as such encroachment shall exist.

(F) Improvements - General Description.

(a) Apartment Building. The condominium includes one (1) six-story building containing twenty-five (25) condominium units. Each apartment is assigned a number, which is shown on the exhibits attached hereto. All apartments are either on the second, third, fourth, fifth or sixth floor, and the first floor of the building contains twenty-three (23) covered parking areas, reception area, lobby, eight (8) storage spaces, elevator and other facilities. The second floor contains eighteen (18) storage spaces. There are five (5) apartments located on the second floor, designated 101 through 105; there are five (5) apartments located on the third floor, designated 201 through 205; there are five (5) apartments located on the fourth floor, designated, 301 through 305; there are five (5) apartments located on the fifth floor, designated 401 through 405; and there are five (5) apartments located on the sixth floor, designated 501 through 505.

(b) Other Improvements may include, but are not limited to, landscaping, automobile parking areas, walkways and entrance ways, a cabana and storage house for the swimming pool and a separate Manager's Unit, all of which are a part of the Common Elements, except as is stated otherwise herein.

(G) Apartment Boundaries. Each apartment will include that part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

(a) Upper and Lower Boundaries. The upper and lower boundaries of the apartment shall be the following boundaries, extended to an intersection with the perimetrical boundaries:

(1) Upper Boundaries - the plane of the lowest surfaces of the unfinished ceiling slab, including the slab over a balcony, patio or terrace, as to the apartments on the second, third, fourth and fifth floors, and the plane of the unfinished surface of the roof deck as to apartments on the sixth floor.

(2) Lower Boundaries - the plane of the lowest sur-

faces of the unfinished floor slab, including the floor slab of a balcony, patio or terrace.

(b) Perimetrical boundaries. The perimetrical boundaries of the apartments will be the following boundaries extended to an intersection with the upper and lower boundaries:

(1) Exterior building walls - the intersecting vertical planes adjacent to and which include the exterior of the outside walls of the apartment building bounding an apartment and fixtures thereon; and when there is attached to the building a deck, balcony, loggia, terrace, porch, canopy, stairway or other portion of the building serving only the apartment being bounded, except and excluding, however, external access stairways, such boundaries will be the intersecting vertical planes adjacent to and which include all of such structures and fixtures thereon.

(2) Interior building walls - the vertical planes of the center line of walls bounding an apartment extended to intersections with other perimetrical boundaries, with the following exceptions:

(i) If interior building walls separate apartments from common elements or limited common elements, the perimetrical boundaries as to such walls will be the intersecting vertical planes adjacent to and including the surfaces thereof facing the common elements or limited common elements.

(ii) If walls between apartments are of varying thickness, or abut a column or shaft, the plane of the center line of a bounding wall will be extended to an intersection with the connecting bounding plane without regard to the plane of the center line of an intervening column or shaft.

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

(iv) If exterior faces of apartment walls are diametrically opposite from each other, the perimetrical boundary of such apartments will proceed through the intersection of such walls at an angle of forty-five degrees from exterior face to exterior face.

(H) Common Elements. The common elements of the condominium consist of the land and all other parts of the condominium property not within the apartments, or which are not specified as limited common elements; and all tangible personal property which is used in the maintenance and operation of the condominium. The apartment owner shall not be deemed to own pipes, wires, conduits, or other public utility transmission devices running through any condominium apartment which are utilized for or serve more than one condominium apartment, which items are, by these presents, hereby made a part of the common elements.

VI

OWNERSHIP OF COMMON ELEMENTS

Each apartment owner shall have the right to use in common with the other apartment owners the common elements. Each apartment shall have a one-twenty-fifth (1/25) undivided share in the common elements.

As each condominium apartment is purchased, the Developer shall assign to each apartment one (1) parking area and one (1) storage room. Once said parking area and storage room are assigned by the Developer, then said parking area and storage room, as a limited common element, shall be deemed an appurtenance to said condominium apartment to which it was assigned, and such parking area and storage room may not thereafter be separately conveyed, hypothecated, transferred, encumbered or otherwise dealt with, and title thereto shall pass only with title to the unit to which it is appurtenant.

The assignment of said parking area and storage room by the Developer shall be by an instrument in writing and executed with the formalities of a deed, and recorded in the public records of Indian River County, Florida, which said assignment may be made by separate instrument or by inclusion in any instrument of conveyance of an apartment. Upon such assignment of the parking area and storage room, as a limited common element to an apartment, the owner of such apartment shall have the exclusive right to the use thereof without separate charge therefor by the Association. The cost of maintenance and administration of the limited common elements shall be included as part of the common expense applicable to all apartments for purposes of assessment. Neither the Association nor any party shall change the parking area and storage room once the same has been attributed to a condominium apartment. Upon the assignment of the same by the Developer to an apartment owner, the parking area and storage room shall become an appurtenance to said apartment and shall be encumbered by and subject to any mortgage then or thereafter encumbering said condominium apartment and upon the conveyance of or passing of title to the condominium apartment to which said assignment is made, such exclusive right shall pass as an appurtenance thereto in the same manner as the undivided interest in the common elements appurtenant to such apartment.

The fee title to each apartment will include both the apartment and its undivided interest in the common elements, and its interest in the limited common elements appurtenant thereto; said interests to be deemed to be conveyed or encumbered with its respective apartment, even though the description in the instruments of conveyance or encumbrance may refer only to the fee title to the apartment. Any attempt to separate the fee title to an apartment from the undivided interest in the common elements or limited common elements appurtenant to such apartment, shall be null and void.

The common elements may be enlarged by an amendment to this Declaration that includes the description of land owned by the Association and by the Association submitting the said land to the terms of this Declaration as a common element. The amendment shall be approved and executed in the manner required by this Declaration and shall be executed by the Association. Such an amendment shall divest the Association of title to the land and shall vest the title in the Apartment Owners, without naming them and without further conveyance, in the same undivided shares as the undivided shares in the common elements that are appurtenant to the apartments owned by them.

VII

ADDITIONAL FACILITIES

The Association may own and hold fee simple title to lands, within reasonable proximity to the condominium property, upon which recreational facilities, entrance ways, walkways, automobile parking areas, and like facilities are or may be constructed. Such facilities

are for the use and benefit of the apartment owners, institutional mortgagees, and/or tenants in the condominium, or members of their respective families and their social guests. The Association shall assess each separate condominium apartment for its pro-rata share of the cost and expenses of operation and maintenance of said facilities based on each apartment's share of the common expenses as is set forth below, and such assessed expenses shall be considered common expenses of the condominium apartment.

VIII

COMMON EXPENSES AND COMMON SURPLUS

The common expenses of the condominium and any common surplus of the Association shall be shared and owned by the apartment owners in the same proportions as their interest in all of the common elements, as is set forth in Article VI. These ratios shall remain regardless of the purchase price of the apartment, their locations or the square footage included in each apartment, except as otherwise set forth herein.

IX

MAINTENANCE, ALTERATION AND IMPROVEMENT

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

(A) Apartments.

(a) By the Association. The Association will maintain, repair and replace:

(1) All portions of condominium property, except interior surfaces of apartments, which portions shall include but not be limited to the outside walls of the apartment buildings and all fixtures thereon, boundary walls of apartments, floors, load bearing columns and load bearing walls. Such will be done at the expense of the Association, unless made necessary by the negligence of any apartment owner, members of his family, or his, her or their guests, employees, agents or lessees. In the event of such negligence, it will be done by the Association at the expense of said apartment owner.

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of an apartment to be maintained by the Association; and all such facilities contained within an apartment that service part or parts of the condominium other than the apartment within which the same is contained. Such will be done at the expense of the Association unless made necessary by the negligence of an apartment owner, members of his family, or his, her or their guests, employees, agents or lessees. In the event of such negligence, it will be done by the Association at the expense of said apartment owner.

(3) All incidental damage caused to apartments by such work will be promptly repaired by the Association, at the expense of the party responsible for the expense of such work.

(b) By the apartment owners. The responsibility of the apartment owners will be as follows:

(1) To immediately maintain, repair and replace all portions of apartments and the fixtures and equipment contained within apartments, except the portions thereof to be maintained, repaired and replaced by the Association. Such will be done at the expense of the owner of the apartment where the work is done.

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building or the surfaces of interior building walls facing common elements or limited common elements without the prior written approval of the Board of Directors of the Association.

(3) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

(c) Insurance Proceeds. The liability of the Association and apartment owners for maintenance, repair and replacement, as aforesaid, will be reduced to the extent by which such expenses are met by the proceeds of insurance carried by the Association.

(d) Alteration and Improvement. Except as elsewhere reserved to the Developer, no structural alterations will be made in the portions of any apartment to be maintained by the Association, without the prior written approval of the owners of apartments in which such work is to be done and of the Board of Directors of the Association. A copy of plans for all such work prepared by an architect, licensed to practice in the State of Florida, will be filed with said Board of Directors prior to the start of such work.

(E) Common Elements.

(a) By the Association. The maintenance, repair, replacement and operation of the common elements, limited common elements and additional facilities will be the responsibility of the Association and a common expense, unless made necessary by the negligence of any apartment owner, members of his family, or his, her or their guests, employees, agents or lessees. In the event of such negligence, it will be done by the Association at the expense of said apartment owner.

(b) Alteration and Additions. Except as herein reserved to the Developer, there will be no alterations or additions to the common elements or limited common elements without prior approval in writing by the record owners of all of the apartments. Provided, however, that any alterations or additions to the common elements, or limited common elements, bearing the approval in writing of the record owners of not less than seventy-five (75%) percent of the common elements and which does not interfere with the rights of any owners without their consent, may be done if the owners who do not approve are relieved from the initial cost of such alteration or addition. The share of any cost of such alteration or addition not so assessed will be

assessed to the other apartment owners in the shares that their share in the common expenses bear to each other. There will be no change in the shares or rights of an apartment owner in the common elements altered or further improved, whether or not the apartment owner contributes to the cost of such alteration or addition.

X

ASSESSMENTS

The making and collection of assessments against apartment owners for common expenses will be pursuant to the Bylaws of the Association, as supplemented by the following provisions:

(A) Share of Common Expense. Each apartment owner will be liable for a proportionate share of the common expenses, and will share in the common surplus, as provided for in Article VIII of this Declaration.

(B) Interest; Application of Payments. Assessments and installments on such assessments, which are paid on or before ten days after date when due, will not bear interest, but all sums not paid on or before ten days after the date when due will bear interest at the rate of fifteen percent (15%) per annum from the date when due until paid. All payments upon account will be first applied to interest and then to the assessment payment first due.

(C) Lien for Assessments. The Association will have a lien upon each apartment and upon all tangible personal property located within each apartment for any unpaid assessments, together with interest, except that such liens shall be subordinated to bona fide liens recorded in the public records of Indian River County, Florida, prior to the recording therein of claims of liens for such unpaid assessments. Reasonable attorney's fees incurred by the Association incident to the collection of such assessments for the enforcement of such liens, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien will be payable by the apartment owner and secured by such liens.

(D) Collections and Foreclosure. The Association may take such action as it deems necessary to collect assessments by personal action against the apartment owner, or by enforcing and foreclosing said liens, and may settle and compromise the same, if in the best interests of the Association. The Association, through its Board of Directors, will be entitled to bid at any sale held pursuant to a suit to foreclose any lien; and at any sale held pursuant to a suit to foreclose an assessment lien, it may apply as a cash credit against its bid all sums due the Association covered by the lien enforced. In case of the foreclosure of an assessment lien, the owner of a unit apartment subject to the lien shall be required to pay a reasonable rental for the unit apartment to the Association from the date the foreclosure action is commenced, and the Association shall be entitled to the appointment of a receiver to collect the same.

(E) Additional Assessments. Should the Association take action to collect delinquent assessments by personal action or by enforcing and foreclosing its lien, if during such action against a delinquent apartment owner additional or future assessments become due on the delinquent apartment owner's apartment and are not promptly paid, then, in such event, said additional or future assessments shall be covered by the Association's lien and claim of lien recorded pursuant to Florida law for the initial unpaid assessment, without the necessity of any further action on the part of the Association, and likewise, said additional or future assessments may be collected by the Association in its initial action as if said additional or future assessments were initially made a part thereof.

(F) Liability of Mortgagee, Lienor or Judicial Sale Purchaser for Assessments. Where the mortgagee of an institutional first mortgage of record, recorded prior to the Association's recorded lien for assessments, acquires title to an apartment as a result of such foreclosure, or where said mortgagee accepts a deed to an apartment in lieu of foreclosure, such acquirer of title, his heirs, executors, legal representatives, successors and assigns, will not be liable for the share of common expenses or assessments by the Association pertaining to such apartment or chargeable to the former owner of such apartment which became due prior to such acquisition of title. Such unpaid share of common expenses or assessments will be deemed to be common expenses, collectible from all of the apartment owners, including such acquirer of title, his heirs, executors, legal representatives, successors and assigns.

Any person who acquires an interest in an apartment, except as hereinabove described, shall not be entitled to its occupancy or to the enjoyment of its common elements or limited common elements until all unpaid assessments due and owing by the former owner have been paid.

(G) Assignment of Claim and Lien Rights. The Association will have the right to assign its claim and lien rights for the recovery of any unpaid assessment to the Developer, or to any apartment owner or group of apartment owners, or to any third party.

XI

ASSOCIATION

The operation of the condominium will be by the Association which will fulfill its functions pursuant to the following provisions:

(A) Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit D.

(B) Bylaws. The Bylaws of the Association shall be the Bylaws of the Condominium, a copy of which is attached hereto as Exhibit E.

(C) Modification or Amendment of Bylaws. No modification or amendment to the Bylaws of the Association shall be valid unless set forth in or annexed to a duly recorded amendment to this Declaration. The Bylaws may be amended in the manner provided for therein, but no such amendment shall be adopted, which would affect or impair the validity or priority of the record owner of any mortgage covering any apartment, unless said mortgagee shall join in the execution of the amendment.

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

(E) Restraint upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

(F) Voting Rights of Apartment Owner. Each apartment owner shall be entitled to at least one vote as a member of the Association, pursuant to the terms of the Articles of Incorporation and Bylaws of the Association.

XII

INSURANCE

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

(A) Authority to Purchase; Named Insured. All insurance policies upon the condominium property will be purchased by the Association. The named insured will be the Association individually and as agent for the apartment owners, without naming them. Provision will be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of apartment owners. Such policies and their endorsements will be deposited with the Insurance Trustee. Apartment owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expense.

(B) Coverage.

(a) Casualty. All buildings and improvements upon the land, and additional facilities as defined in Article VII, shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property included in the common elements will be insured for its value, as determined by the Association. Such coverage will afford protection against:

(1) Loss or damage by fire or other hazards, covered by a standard extended coverage endorsement; and,

(2) Such other risks as from time to time will be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to, vandalism and malicious mischief.

(b) Public Liability in such amounts and with such coverage as shall be required by the Association, including but not limited to hired automobile and non-owned automobile coverages and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner.

(c) Workmen's Compensation policy to meet the requirements of law.

(d) Such other insurance as the Association shall determine from time to time to be necessary or desirable.

(C) Premiums. Premiums upon insurance policies purchased by the Association will be paid by the Association as a common expense.

(D) Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association will be for the benefit of the Association and the apartment owners and their mortgagees as their interest may appear, and will provide that all proceeds covering property losses will be paid to such bank in Florida with trust powers as may be designated as insurance trustee by the Board of Directors of the Association, which Trustee is referred to in this instrument as the Insurance Trustee. The Insurance Trustee will not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee will be to receive such proceeds as are paid and hold the proceeds in trust for the purposes elsewhere stated in this instrument and for the benefit of the apartment owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

(a) Common Elements. Proceeds on account of damage to common elements or additional facilities as defined in Article VII, an undivided share for each apartment owner, such share being the same as the undivided share in the common elements appurtenant to his apartment.

(b) Apartments and Limited Common Elements. Proceeds on account of damage to apartments and limited common elements will be held in the following undivided shares:

(1) When the building is to be restored - for the owners of damaged apartments and limited common elements in proportion to the cost of repairing the damage suffered by each apartment owner, which cost will be determined by the Association.

(2) When the building is not to be restored - an undivided share for each apartment owner, such share being the same as the undivided share in the common elements, appurtenant to his apartment.

(c) Mortgagees. In the event a mortgagee endorsement has been issued as to an apartment, the share of the apartment owner will be held in trust for the mortgagee and the apartment owner as their interests may appear; provided, however, that no mortgagee will have any right to determine or participate in the determination as to whether or not any damaged property will be reconstructed or repaired, and no mortgagee will have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution of such proceeds made to the apartment owner and mortgagee pursuant to the provisions of this Declaration.

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

(a) Expense of the Trust. All expenses of the Insurance Trustee will be paid first, or provisions made for such payment.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds will be paid to defray the cost of such as elsewhere provided. Any proceeds remaining after defraying such costs will be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid will not be reconstructed or repaired, the remaining proceeds will be distributed to the beneficial owners, remittance to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

(d) Certificate. In making distribution to apartment owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the apartment owners and their respective shares of the distribution.

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

XIII

RECONSTRUCTION OR REPAIR AFTER CASUALTY

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

(a) Common Elements, etc. If the damaged improvement is a common element, limited common element, or additional facilities as defined in Article VII, the damaged property will be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium will be terminated.

(b) Apartments.

(1) Lesser Damage. If the damaged improvement is an apartment or apartments, and if apartments to which fifty (50%) percent of the common elements are appurtenant are found by the Association to be tenantable, the damaged property will be reconstructed or repaired unless within sixty (60) days after the casualty the owners of seventy-five (75%) percent of the common elements agree in writing that the condominium will be terminated.

(2) Major Damage. If the damaged improvement is an apartment or apartments and if apartments to which more than fifty (50%) percent of the common elements are appurtenant are found by the Association to be not tenantable, then the damaged property will not be reconstructed or repaired and the condominium will be terminated without agreement as elsewhere provided, unless within sixty (60) days after the casualty the owners of seventy-five (75%) percent of the common elements agree in writing to such reconstruction or repair.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association to determine whether or not the damaged property is to be reconstructed or repaired.

(B) Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building; or if not, then according to plans and specifications approved by the Board of Directors of the Association; and if the damaged property is an apartment or apartments, by the owners of not less than seventy-five (75%) percent of the common elements, including the owners of all damaged apartments, which approval will not be unreasonably withheld.

(C) Responsibility. If the damage is only to those parts of an apartment for which the responsibility of maintenance and repair is that of the apartment owner, then the apartment owner will be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty will be that of the Association.

(D) Estimate of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association will obtain reliable and detailed estimates of the cost to rebuild or repair.

(E) Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments will be made against the apartment owners who own the damaged apartments, and against all apartment owners in the case of damage to common elements, limited common elements or additional facilities, in sufficient

amounts to provide funds for the payment of such costs. Such assessments against apartment owners for damage to apartments will be in proportion to the cost of reconstruction and repair of their respective apartments; and such assessments on account of damage to common elements, limited common elements and additional facilities will be in proportion to the owner's share in the common elements.

(F) Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which will consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against apartment owners will be disbursed in payment of such costs in the following manner:

(a) Association. If the total of the assessments made by the Association in order to provide funds for the costs of reconstruction and repair that is the responsibility of the Association is more than \$10,000.00, then the sums paid will be deposited with the Insurance Trustee. In all other cases, the Association will hold the sums paid and disburse them in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - lesser damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than \$50,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee that is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - major damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than \$50,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Association and upon approval of an architect qualified to practice in the State of Florida and employed by the Association to supervise the work.

(3) Apartment Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an apartment owner shall be paid by the Insurance Trustee to the apartment owner, or if there is a mortgagee endorsement as to the apartment, then to the apartment owner and the mortgagee jointly, who shall use such proceeds as they may be advised, for said reconstruction and repair.

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

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether or not sums paid will be deposited with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association as to any or all of such matters and stating the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to an apartment owner; and further provided, that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

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

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

XIV

USE RESTRICTIONS

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

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

No individual under fourteen (14) years of age shall be permitted to reside in any of the apartments, except that such an individual may visit and temporarily reside for a period not to exceed thirty (30) days in any calendar year, which thirty (30) day period shall not be cumulative.

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

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

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

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

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

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

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

(E) Leasing. After approval by the Board of Directors of the Association elsewhere required, entire apartments may be rented, provided the occupancy is only by the Lessee, members of his family, and his social guests. No rooms may be rented and no transient tenants may be accommodated. All Leases must be for a minimum term of at least fourteen (14) days.

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

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

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

XV

MAINTENANCE OF COMMUNITY INTERESTS

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

(A) Transfer subject to approval.

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

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

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

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

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

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

(a) Notice to Association.

(1) Sale. An apartment owner intending to make a bona fide sale of his apartment or any interest in it shall give to the Board of Directors of the Association notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as said Board may reasonably require. Such notice, at the apartment owner's option, may include a demand by the apartment owner that said Board furnish a purchaser of the apartment if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(2) Lease. An apartment owner intending to make a bona fide lease of his apartment or any interest in it shall give to the Board of Directors of the Association notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as said Board may reasonably require, and an executed copy of the proposed lease.

(3) Gift, Devise or Inheritance; Other Transfers. An apartment 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 apartment owner as said Board may reasonably require and a certified copy of the instrument evidencing the owner's title.

(4) Failure to Give Notice. 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 an apartment said Board, at its election and without notice, may approve or disapprove the possession of ownership. If said Board disapproves the possession of ownership, it will proceed as if it had received the required notice on the date of such disapproval.

(b) Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then within sixty (60) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the proposed transaction. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association, and shall be recorded in the public records of Indian River County, Florida.

(2) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the proposed transaction. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association, and shall be recorded in the public records of Indian River County, Florida.

(3) Gift, Devise or Inheritance; Other Transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within sixty (60) days after receipt of such notice and information the Board of Directors of the Association must either approve or disapprove the continuance of the apartment owner's ownership of his apartment. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association, and shall be recorded in the public records of Indian River County, Florida.

(c) Approval of Corporate Owner or Purchaser. Inasmuch as the condominium may be used only for residential purposes and a corporation cannot occupy an apartment for such use, if the apartment owner or purchaser of an apartment is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the apartments be approved by the Board of Directors of the Association.

(C) Disapproval by Association. If the Board of Directors of the Association shall disapprove a transfer of ownership or possession of an apartment, the matter shall be disposed of in the following manner:

(a) Sale. If the proposed transaction is a sale and if the notice of sale given by the apartment owner shall so demand, then within sixty (60) days after receipt of such notice and information the Board of Directors of the Association will deliver or mail by registered mail to the apartment owner an agreement to purchase the apartment concerned by a purchaser approved by it who will purchase and to whom the apartment owner must sell the apartment upon the following terms:

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

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

(3) The sale shall be closed within forty-five (45) days after the delivery or mailing of the agreement to purchase or within fifteen (15) days after the determination of the sale price if such is by arbitration, whichever is the later.

(4) A certificate approving the purchaser will be executed by the President and Secretary of the Association, and shall be recorded in the public records of Indian River County, Florida.

(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 it 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, and shall have the same recorded in the public records of Indian River County, Florida.

(b) Lease. If the proposed transaction is a lease, the apartment owner shall be advised of the disapproval in writing, and the lease shall not be made.

(c) Gifts; Devise or Inheritance; Other Transfers. If an apartment owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within sixty (60) days after receipt from the apartment owner of the notice and information required to be furnished, the Board of Directors of the Association will deliver or mail by registered mail to the apartment owner, an agreement to purchase the apartment concerned by a purchaser approved by it, who shall purchase and to whom the apartment owner must sell the apartment under the following terms:

(1) The sale price shall be the fair market value determined by agreement between the seller and purchaser within forty-five (45) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

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

(3) The sale shall be closed within thirty (30) days following the determination of the sale price.

(4) A certificate approving the purchaser will be executed by the President and Secretary of the Association, and shall be recorded in the public records of Indian River County, Florida.

(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 have the same recorded in the public records of Indian River County, Florida.

(D) Mortgage. No apartment owner may mortgage his apartment nor any interest in it without the approval of the Board of Directors of the Association, unless it is an institutional mortgage or a mortgage to the Developer to secure a portion or all of the purchase price. The approval of any other mortgage may be upon conditions determined by said Board or may be arbitrarily withheld. VA and FHA mortgages are expressly prohibited.

(E) Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer to or a purchase by the holder of an institutional mortgage that acquires its title as the result of owning such mortgage or lien upon the apartment concerned; and this shall be so whether the title is acquired by deed from the apartment owner, his successors or assigns, or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by the holder of an institutional mortgage that so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to an apartment at a duly advertised public sale with open bidding provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale.

(F) Unauthorized Transactions. Any sale, mortgage or lease not authorized pursuant to the terms of this Declaration shall be void and invalid unless subsequently approved by the Board of Directors of the Association.

(G) Proviso. Provided, however, that Article XV, "Maintenance of Community Interests", shall be inapplicable to the Developer, the said Developer is irrevocably empowered to sell, lease, rent and/or mortgage condominium apartments, and any portion thereof, to any purchaser, lessee or mortgagee approved by Developer, upon such terms and conditions as Developer may deem desirable.

XVI

COMPLIANCE AND DEFAULT

Each apartment owner, every member of his family, or his, her or their guests, employees, agents and lessees, shall be governed by and will comply with the terms and provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and the rules and regulations adopted pursuant to those documents. The Association, its Board of Directors or apartment owners shall be entitled to the following relief, in addition to the remedies provided by the Condominium Act or otherwise in order to enforce compliance:

(A) Relief 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 the Association, or, if appropriate, by aggrieved owner of an apartment.

(B) Negligence. An apartment owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his, her or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. An apartment owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances, or of the common elements, limited common elements or additional facilities, by the apartment owner, any member of his family, or his, her or their guests, employees, agents or lessees.

(C) Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of an apartment owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation and Bylaws of the Association, and the rules and regulations adopted pursuant to those documents as they may be amended from time to time, the prevailing party will be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the Court.

(D) No Waiver of Rights. The failure of the Association or its Board of Directors, or of any apartment owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association and the rules and regulations adopted pursuant to those documents will not constitute a waiver of the right to do so thereafter.

(E) Failure to Maintain Apartment and Unlawful Alterations. In the event an apartment owner fails to maintain his apartment as required herein, or makes any alteration without the required written consent, or otherwise violates or threatens to violate any provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the apartment owner of an apartment and the apartment, for such necessary sums to remove any unauthorized addition or alteration, and to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other assessments. The Association shall have the further right to have its employees or agents, or any subcontractors appointed by it, enter an apartment at any reasonable time to do such work as is deemed necessary by the

Board of Directors of the Association, to enforce compliance with this provision.

(F) Remedies. All rights, remedies and privileges granted to the Association or the owner or owners of an apartment pursuant to any terms, provisions, covenants or conditions of this Declaration of Condominium or other above mentioned documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

XVII

NOTICE OF LIEN OR SUIT

(A) Notice of Lien. An apartment owner shall give notice to the Association of every lien upon his apartment other than for permitted mortgages, taxes and special assessments within five (5) days after the owner's receipt of notice thereof.

(B) Notice of Suit. An apartment owner shall give notice to the Association of every suit or other proceeding which may affect the title to his apartment, such notice to be given within five (5) days after the apartment owner receives knowledge thereof.

(C) Notice of Action. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Apartment Owners, the Association shall give notice of the exposure within a reasonable time to all Apartment Owners who may be exposed to the liability and they shall have the right to intervene and defend the said action.

(D) Compliance. Failure to comply with this subsection concerning liens and suits shall not affect the validity of any sale.

XVIII

PROPORTIONATE CHANGES IN
COMMON EXPENSES AND COMMON SURPLUS

In the event that any one or more of the apartments are not rebuilt by reason of the loss of lands as a result of destruction, condemnation or otherwise, and therefore, the number of apartments are reduced, or in the event the Association becomes the owner of an apartment, then the proportionate share of the common expenses and the common surplus of each apartment remaining which is not owned by the Association shall be increased from one-twenty-fifth (1/25) per apartment to the appropriate fraction having a denominator equal to the number of apartments then remaining and which are not owned by the Association. Upon the sale of an apartment by the Association, a similar adjustment will be made to appropriately reduce the share of the common expenses and common surplus of each apartment.

XIX

AMENDMENTS

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

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

(B) Resolution. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either:

(a) by not less than a majority of the entire membership of the Board of Directors and by not less than seventy-five (75%) percent of the votes of the entire membership of the Association; or,

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

(C) Recording. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be recorded in the public records of Indian River County, Florida.

(D) Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners of apartments in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the public records of Indian River County, Florida.

(E) Proviso. Provided, however, that no amendment will discriminate against any apartment owner nor against any apartment or class or group of apartments, unless the apartment owners so affected shall consent; and no amendment will change any apartment nor decrease its share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, (except as reserved to the Developer or as heretofore set forth), unless the record owner of the apartment concerned and all record owners of mortgages on such apartment shall join in the execution of the amendment; and no amendment will affect or impair the validity or priority of any mortgage covering any apartment, unless said mortgagee shall join in the execution of the amendment. Neither shall any amendment make any change in the sections hereof entitled "Insurance", "Reconstruction or Repair after Casualty", or "Amendments", or in Paragraph XV(E) of the section entitled "Maintenance of Community Interests", unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment, or in Paragraph V(D) and XV (G) of the section entitled "Maintenance of Community Interests", unless the Developer shall join in the execution of the amendment.

XX

TERMINATION

This condominium may be voluntarily terminated in the manner provided for in the Condominium Act at any time. In addition thereto, if it is determined in the manner elsewhere provided that the apartments will not be reconstructed because of major damage, the condominium plan of ownership shall be terminated without agreement.

XXI

EXCLUSION OF IMPLIED OR EXPRESSED WARRANTIES

The Developer specifically disclaims any intent to have made any expressed or implied warranty or representation in connection with the condominium property or the condominium documents, except as specifically set forth herein, the same being as is, and no person shall rely upon any expressed or implied warranty or representation not specifically made herein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended in this regard, nor may be relied upon, except where the same is specifically warranted or guaranteed.

XXII

SEVERABILITY

The invalidity in whole or in part of any covenant or restrictions, or any section, subsection, sentence, clause, phrase or word, or other provisions of this Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, and the regulations of the Association shall not affect the validity of the remaining portions.

XXIII

CAPTIONS

The paragraphs contained herein are for convenience only and do not define, limit or construe the contents of such paragraphs and are in no way to be construed as a part of this Declaration.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed in its name, by its proper representatives thereunto duly authorized, the day and year first above written.

WEBB BROTHERS CONSTRUCTION
COMPANY,
A Kentucky Corporation
Authorized to do Business in
the State of Florida

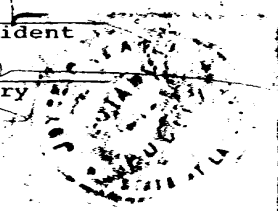
Jehnda Stone

BY: *[Signature]*
DONALD W. WEBB, President

Dudley A. Livingston

BY: *[Signature]*
DUDLEY WEBB, Secretary

As to Developer



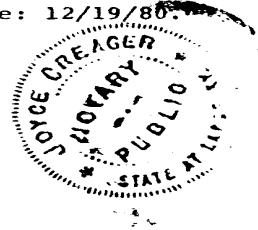
STATE OF KENTUCKY
COUNTY OF FAYETTE:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Donald W. Webb and Dudley Webb, President and Secretary, respectively, of Webb Brothers Construction Company, a Kentucky corporation authorized and qualified to do business in the State of Florida, same being named as Developer in the foregoing Declaration of Condominium, and that they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 1/14/ day of September, 1980.

James Creager Driffin
NOTARY PUBLIC, KENTUCKY AT LARGE

My Commission expire: 12/19/80.



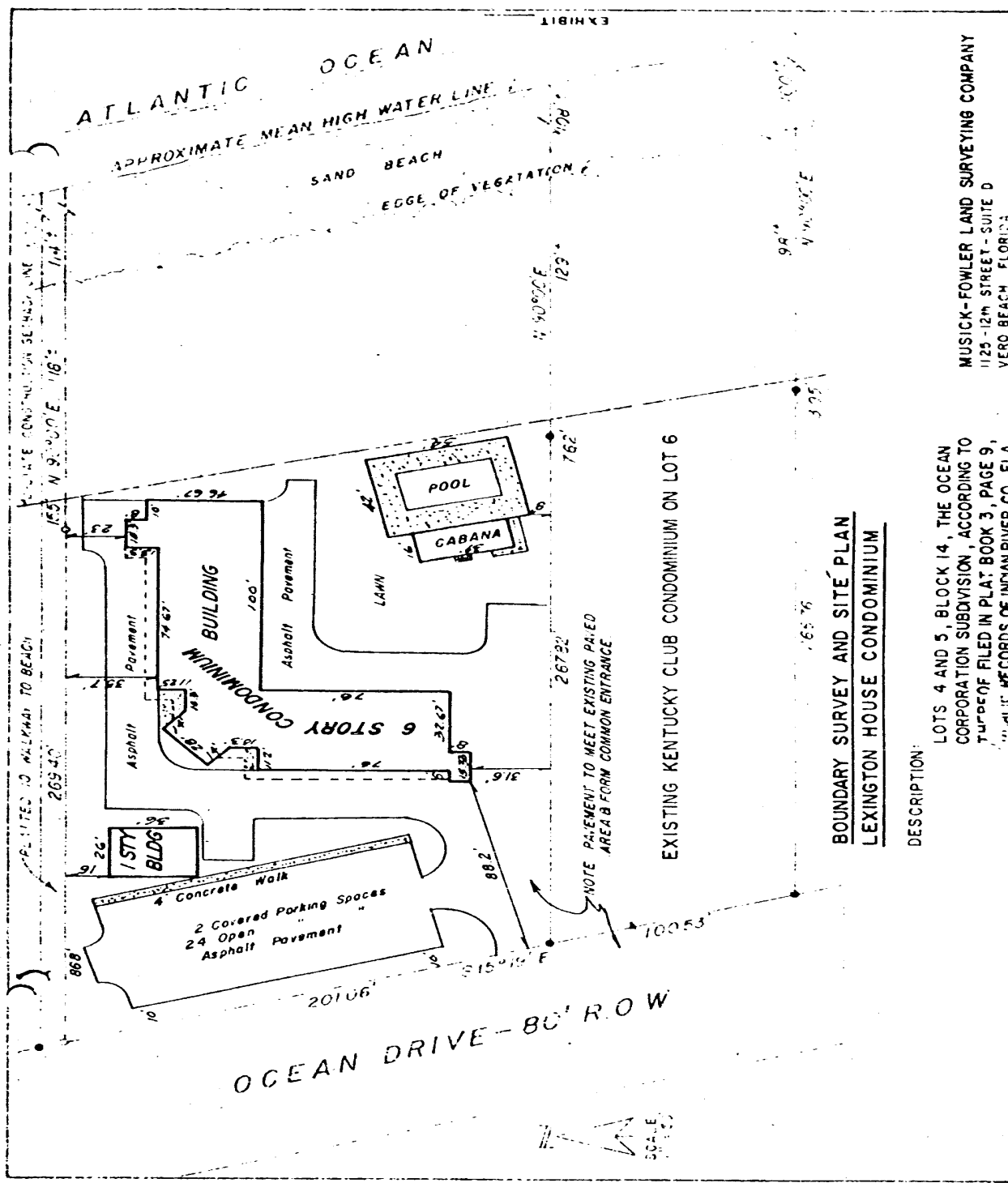


EXHIBIT A 0607 PAGE 2335

THIS INSTRUMENT IS NOT
SUITABLE FOR MICROFILMING

**BOUNDARY SURVEY AND SITE PLAN
LEXINGTON HOUSE CONDOMINIUM**

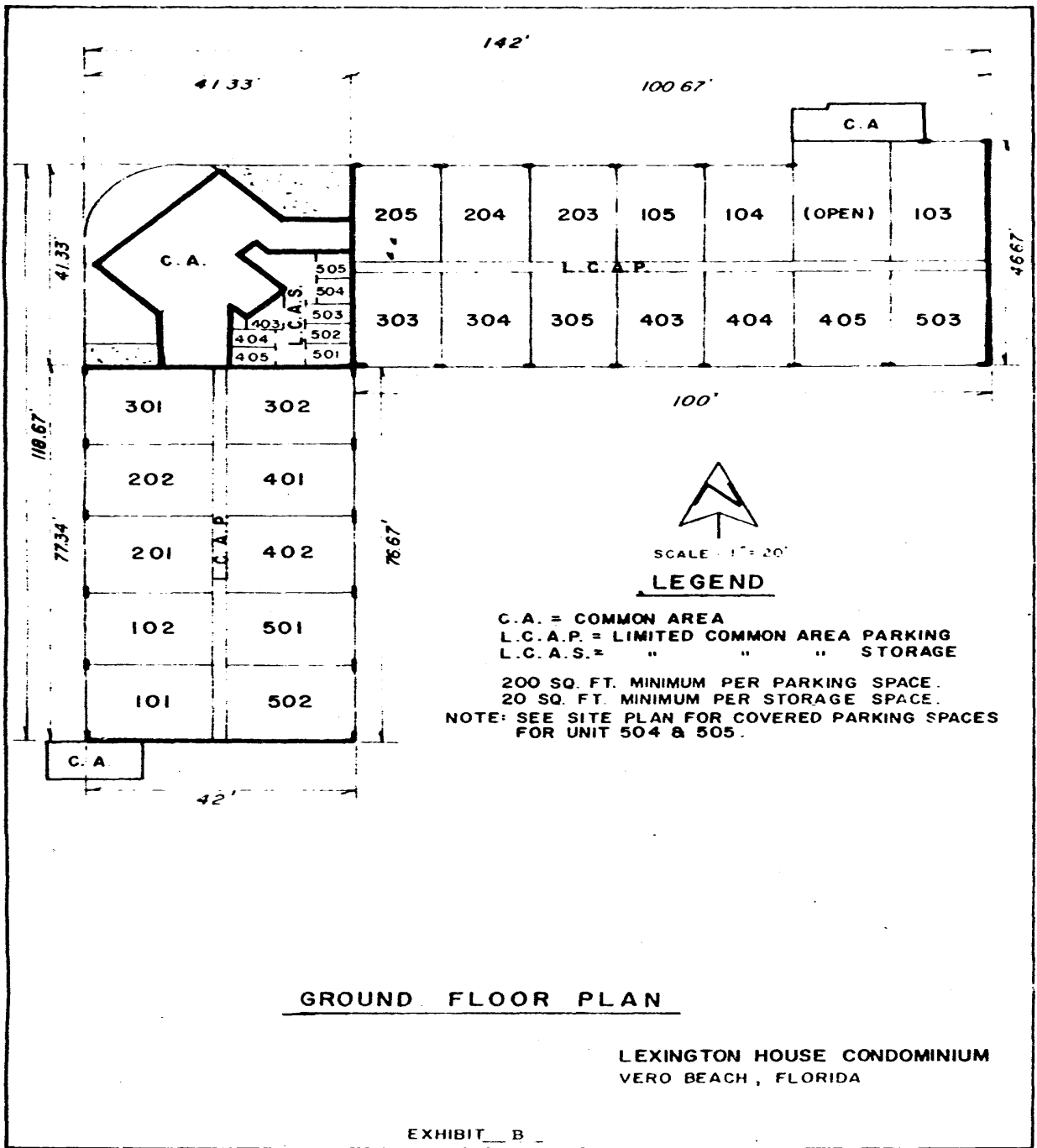
DESCRIPTION:

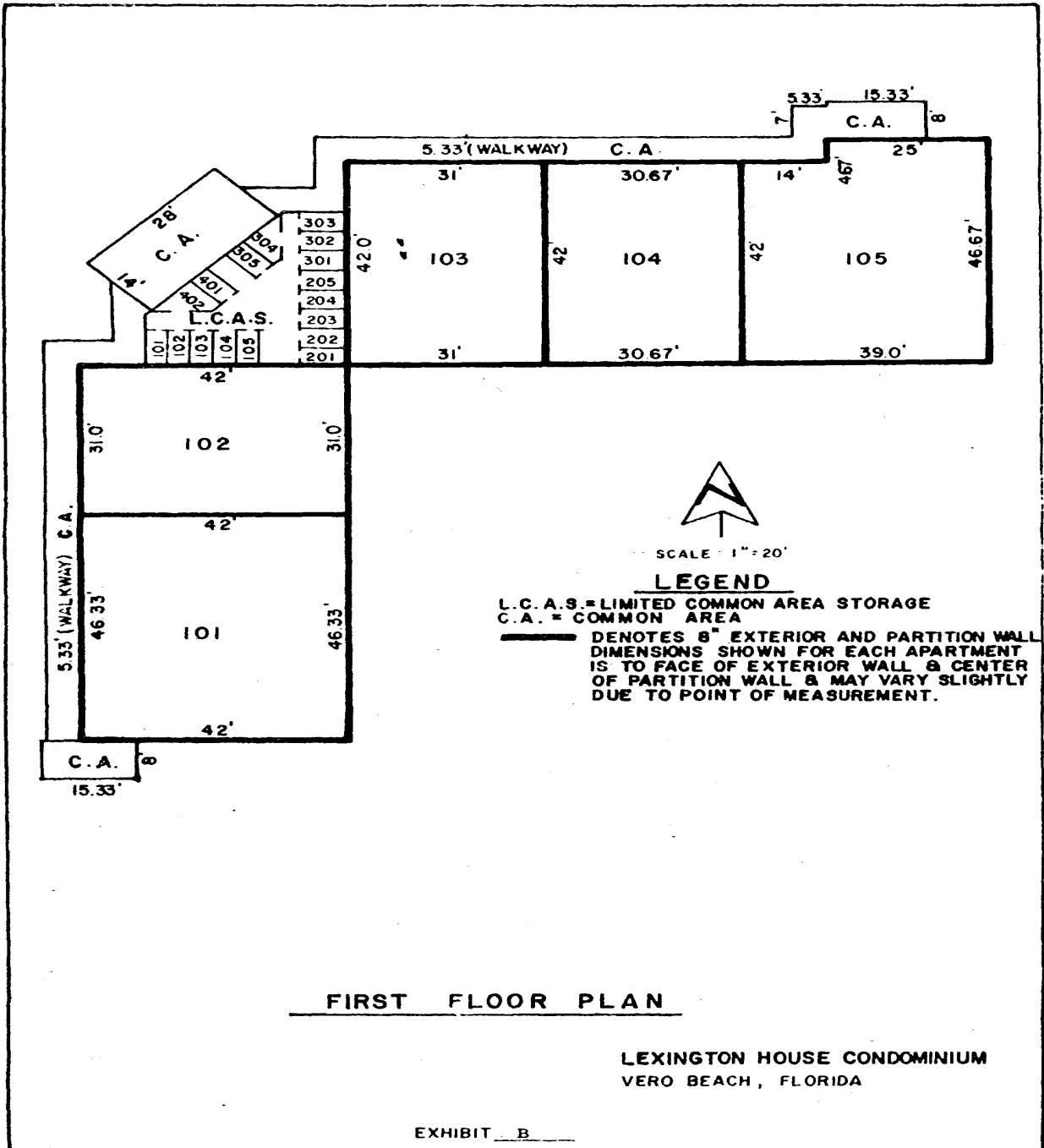
LOTS 4 AND 5, BLOCK 14, THE OCEAN
CORPORATION SUBDIVISION, ACCORDING TO
THE PLAN FILED IN PLAT BOOK 3, PAGE 9,
PUBLIC RECORDS OF INDIAN RIVER CO., FLA.

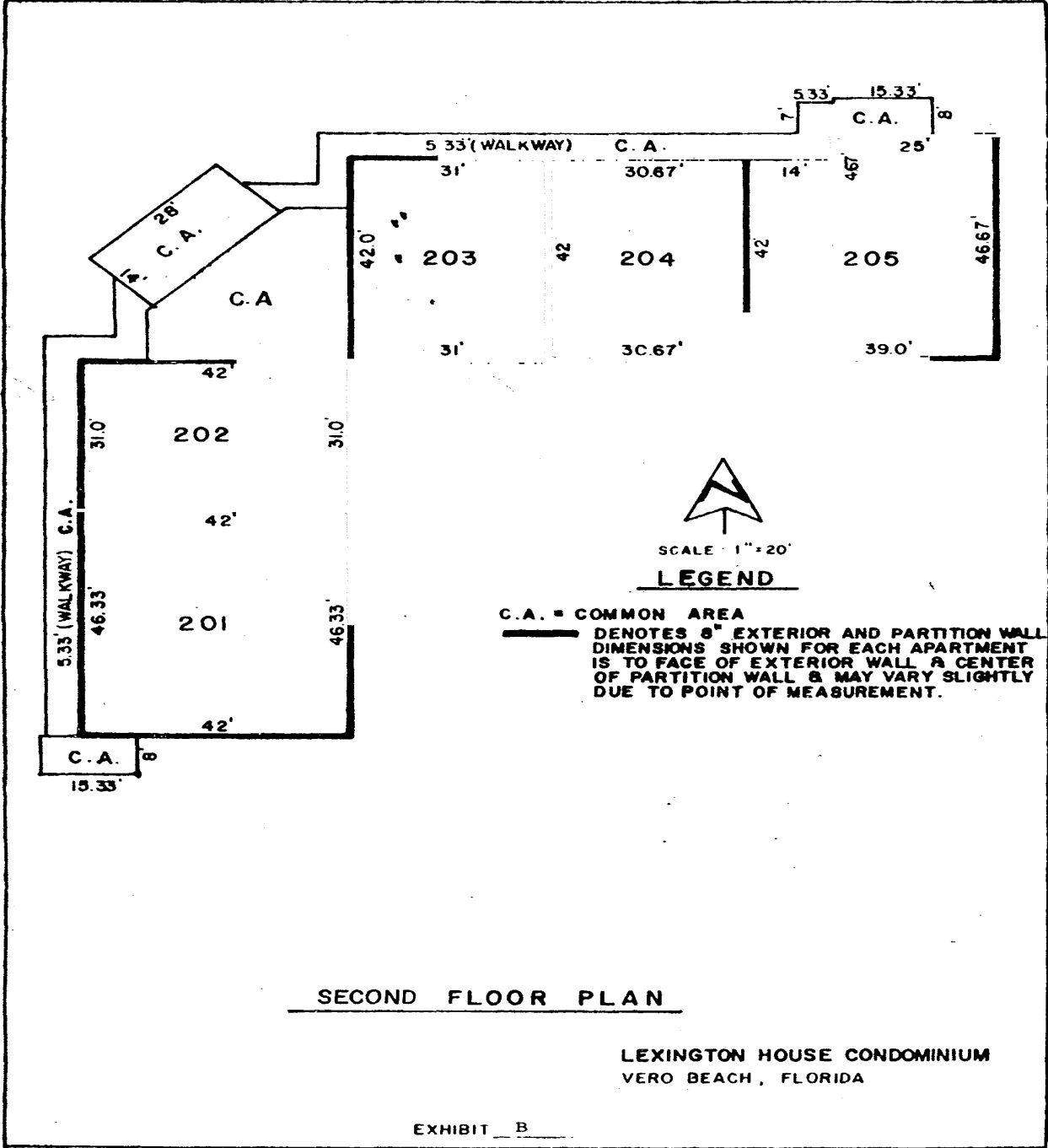
MUSICK-FOWLER LAND SURVEYING COMPANY
1125 - 12th STREET - SUITE D
VERO BEACH, FLORIDA

DISTANCE CONTINUATION FROM 56' 11/4" L.P.
 165' N 89° 00' E 116' 00"

EXISTING KENTUCKY CLUB CONDOMINIUM ON LOT 6



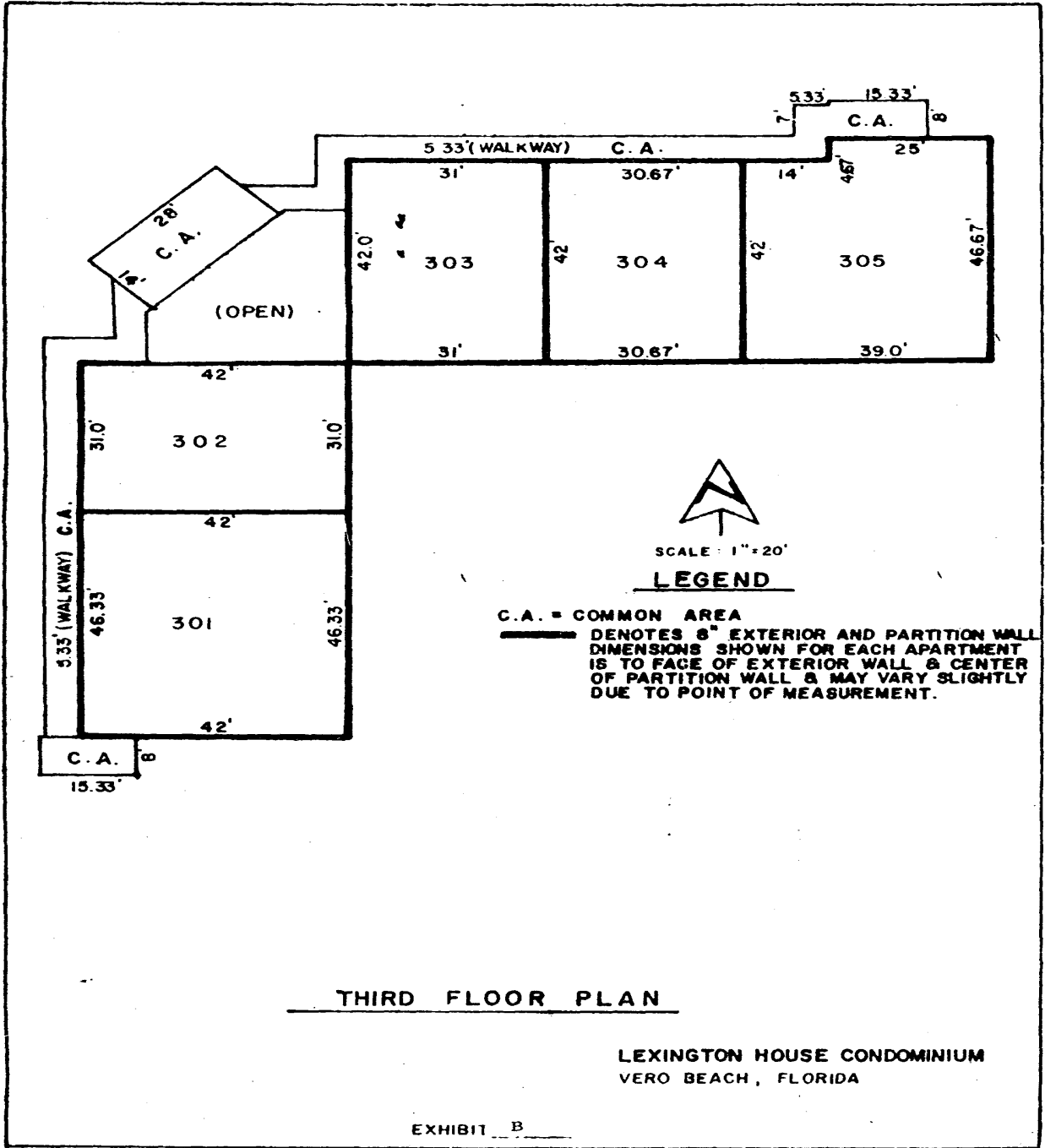


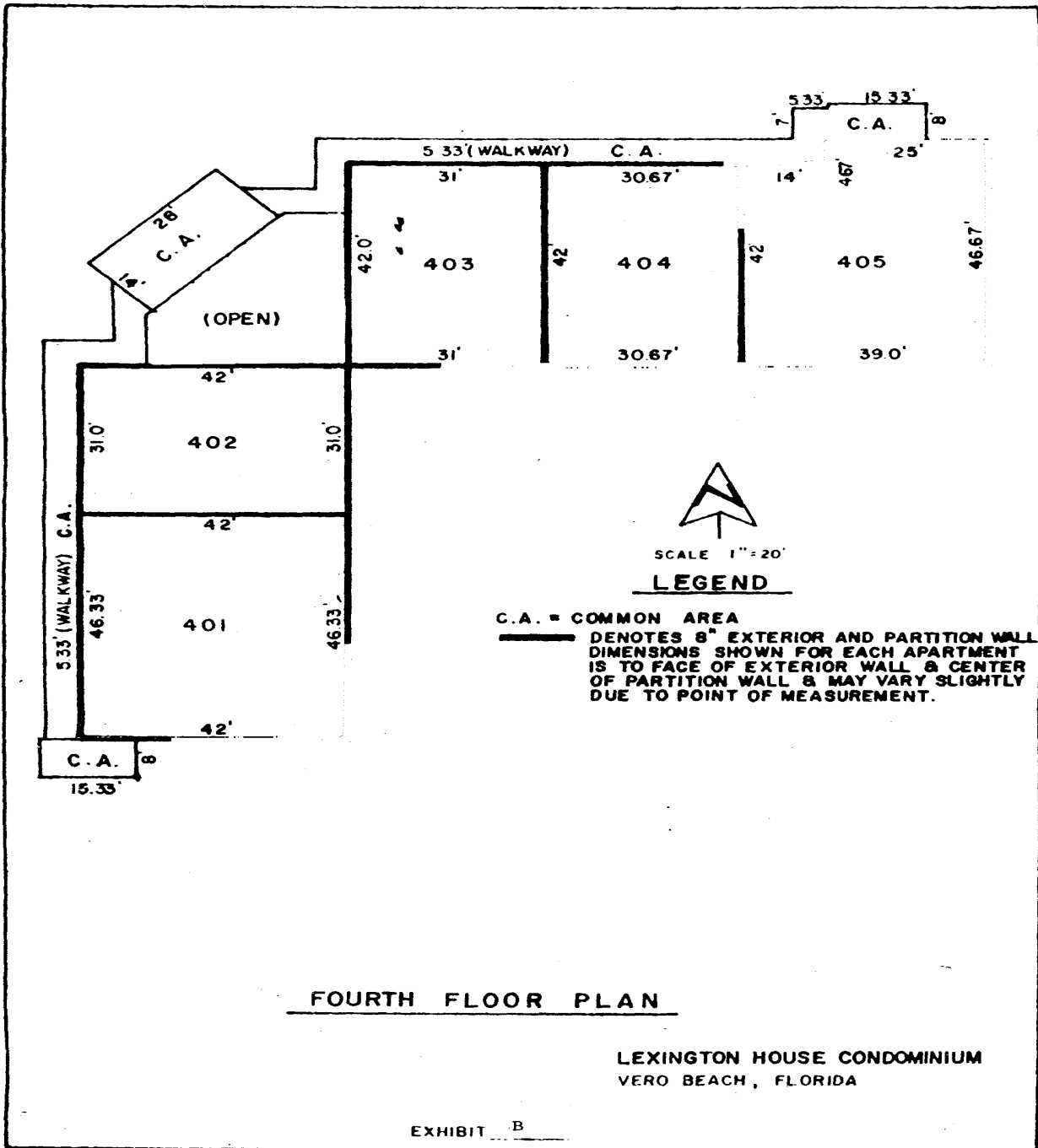


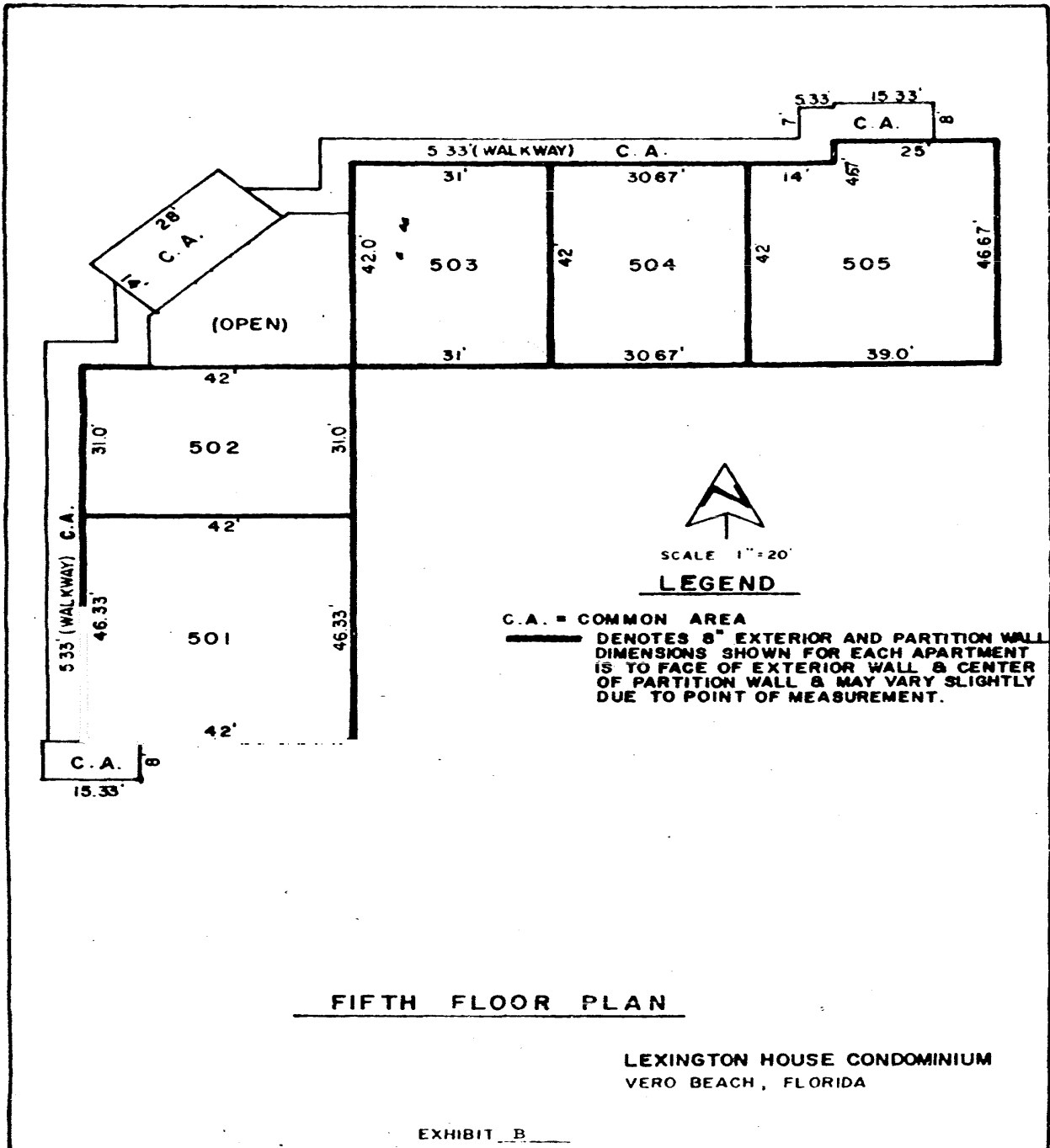
SECOND FLOOR PLAN

**LEXINGTON HOUSE CONDOMINIUM
VERO BEACH, FLORIDA**

EXHIBIT B







FINISH CEILING ELEV. 62.27		TOP OF PARAPET ELEV 63.81
" " " 53.69		TOP OF ROOF ELEV 63.27
" " " 45.11		FIFTH FLOOR ELEV 54.23
" " " 36.53		FOURTH FLOOR ELEV 45.65
" " " 27.95		THIRD FLOOR ELEV 37.07
" " " 19.37		SECOND FLOOR ELEV 28.49
		FIRST FLOOR ELEV 19.91
		GROUND FLOOR ELEV 11.33

NOTE: ELEVATIONS REFERENCE TO N.G.V.S. DATUM FOR MEAN SEA LEVEL.

ELEVATIONS
NO SCALE

LEXINGTON HOUSE CONDOMINIUM
VERO BEACH, FLORIDA

EXHIBIT B

D.R. BOOK 0607 PAGE 2342

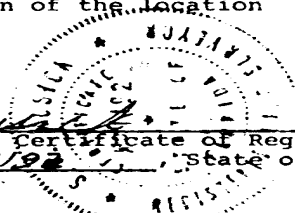
LEXINGTON HOUSE
A CONDOMINIUM,
Ocean Drive
Vero Beach, Florida 32960
Indian River County

I, S. P. MUSICK, of 1125 12th Street, Suite D, Vero Beach, Florida 32960, certify as follows:

1. That I am a land surveyor, duly authorized to practice in the State of Florida, having Certificate of Registration No. 1192 State of Florida.

2. That this certificate is made as to LEXINGTON HOUSE, a Condominium, located at 1556 Ocean Drive, Vero Beach, Indian River County, Florida 32960, and in compliance with Chapter 718, Florida Statutes.

3. That the construction of the improvements described in the foregoing Declaration of Condominium is sufficiently complete so that with the survey of the land as set forth in Exhibit A attached hereto, together with the plot plans as set forth in Exhibit B attached hereto, showing the apartment buildings and common elements, together with the wording of the foregoing Declaration of Condominium, there can be determined therefrom the identification, location and dimensions of each unit, the common elements and limited common elements, and that the aforementioned material is an accurate representation of the location and dimensions of the improvements.


S. P. Musick
Land Surveyor, Certificate of Registration No. 1192 State of Florida.

Sworn to, and subscribed before me,
this 8th day of October
1980.

Claudia E. Harper
Notary Public, State of Florida at
Large. My Commission Expires: 3-17-84



State of Florida

DEPARTMENT OF STATE • DIVISION OF CORPORATIONS

I certify that the following is a true and correct copy of Articles of Incorporation of THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on November 4, 1977, as shown by the records of this office.

The charter number for this corporation is 740696.

GIVEN under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 4th day of November, 1977.



Gene A. Smathers
SECRETARY OF STATE

CER 1081877

BOOK 502 PAGE 1537

28069-1PME 2344

ARTICLES OF INCORPORATION
OF
THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.

The undersigned by these Articles of Incorporation associate themselves for the purpose of forming a corporation not for profit, under the laws of the State of Florida, and certify as follows:

ARTICLE I

Name

The name of the corporation shall be THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC. For convenience, the corporation will be referred to in this instrument as the Association.

ARTICLE II

Purpose

2.1. The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act, Chapter 718, Florida Statutes, for the operation of a condominium that is to be erected upon the following lands in Indian River County, Florida:

Lot Six (6), Block Fourteen (14), THE OCEAN CORPORATION SUBDIVISION, according to the plat thereof as recorded in Plat Book 3, page 9, public records of Indian River County, Florida.

2.2. The Association will make no distribution of income to its members, directors or officers.

ARTICLE III

Powers

The powers of the Association will include and be governed by the following provisions:

3.1. The Association will have all of the common law and statutory powers of a corporation not for profit that are not in conflict with the terms of these Articles.

3.2. The Association will have all of the powers and duties set forth in the Condominium Act, except as limited by these Articles and the Declaration of Condominium for the Condominium to be operated by the Association; and it will have all of the powers and duties reasonably necessary to operate said condominium pursuant to its Declaration of Condominium, as it may be amended from time to time, including, but not limited to, the following:

a. To make and collect assessments against members to defray the costs, expenses and losses of the condominium.

b. To use the proceeds of assessments in the exercise of its powers and duties.

c. To maintain, repair, replace and operate the condominium properties.

d. To purchase insurance for the condominium properties; and insurance for the protection of the Association and its members as condominium unit owners.

e. To reconstruct improvements after casualty and to further improve the condominium properties.

f. To make and amend reasonable regulations respecting the use of the condominium properties.

g. To approve or disapprove the transferring, leasing, mortgaging and ownership of condominium units as may be provided by the separate Declaration of Condominium and the Bylaws of the Association.

h. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, these Articles, the Bylaws of the Association and the Regulations for the use of the condominium properties.

i. To maintain class actions on behalf of any or all of the condominium unit owners and to institute, maintain, settle or appeal actions or hearings in its name on behalf of all unit owners concerning matters of common interest.

j. To contract for the management and operation of the condominium, including its common elements; and to thereby delegate, as may be allowed by law, all powers and duties of the Association, except such as are specifically required to have approval of the Board of Directors or of the membership of the Association.

k. To employ personnel to perform the services required for the proper management and operation of the condominium.

3.3. All funds, except such portions thereof as are expended for the common expenses of the condominium, and the titles of all properties will be held in trust for the members of the Association, in accordance with their respective interests under the Declaration of Condominium, and in accordance with the provisions of these Articles of Incorporation and the Bylaws of the Association.

3.4. The powers of the Association will be subject to and will be exercised in accordance with the provisions of the Declaration of Condominium and the Bylaws of the Association.

ARTICLE IV

Members

4.1. The members of the Association will consist of all of the record owners of condominium units in the condominium, said condominium units being apartments of various types, and after termination of the condominium shall consist of those who are members at the time of such termination and their successors and assigns.

4.2. After receiving approval of the Association, change of membership will be established by recording in the public records of Indian River County, Florida, a deed or other instrument establishing a record title to a condominium unit and by the delivery to the Association of a copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

4.3. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his condominium unit.

4.4. The owner of each condominium unit will be entitled to at least one vote as a member of the Association. The exact number of votes to be cast by owners and the manner of exercising voting rights will be determined by the Bylaws of the Association.

ARTICLE V

Directors

5.1. The affairs of the Association will be managed by a board consisting of the number of directors determined by the Bylaws of the Association, but not less than three directors; and in the absence of such determination will consist of three directors. Directors need not be members of the Association.

5.2. Directors of the Association will be elected at the annual meeting of the members.

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

Within sixty (60) days after condominium unit owners, other than the Developer, are entitled, as set forth above, to elect a director or directors of the Association, or at such earlier date should the Developer elect to relinquish control of the Association at some earlier date, the Association shall call and give not less than thirty (30) days or more than forty (40) days notice of a meeting of the condominium unit owners for the purpose of such an election.

5.4. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
JAMES H. MOLLOY	Box 59 - Huffman Mill Road Lexington, Kentucky 40511
HAROLD H. MULLIS	706 Westland Drive Lexington, Kentucky 40504
DUDLEY WEBB	267 West Vine Street Lexington, Kentucky 40507
EDWIN J. NIGHBERT	1725 Harrodsburg Road Lexington, Kentucky 40504
DON WALLACE	326 South Broadway Lexington, Kentucky 40508

ARTICLE VI

The affairs of the Association will be administered by the officers designated in the Bylaws of the Association. Said officers will be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the officers who will serve until their successors are designated are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>OFFICE</u>
JAMES H. MOLLOY	Box 59 - Huffman Mill Road Lexington, Kentucky 40511	President
HAROLD H. MULLIS	706 Westland Drive Lexington, Kentucky 40504	Vice President
DONALD W. WEBB	267 West Vine Street Lexington, Kentucky 40507	Secretary
DUDLEY WEBB	267 West Vine Street Lexington, Kentucky 40507	Ass't. Secretary
WILLIAM CLANCY	American Bldg. - Suite 208 107 South Main Street Somerset, Kentucky 42501	Treasurer

ARTICLE VII

Indemnification

Every director and every officer of the Association will be indemnified by the Association against all expenses and liabilities including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. Provided that in the event of a settlement the indemnification will apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification will be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII

Bylaws

The first Bylaws of the Association will be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by said Bylaws.

ARTICLE IX

Amendments

Amendments to these Articles of Incorporation will be proposed and adopted in the following manner:

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

9.2. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association and except as elsewhere provided:

a. Such approvals must be by not less than a majority of the entire membership of the Board of Directors; and,

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

9.3. Provided, however, that no amendment will make any changes in the qualifications for membership nor the voting rights of members, without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium. No amendment will be made that is in conflict with the Condominium Act or the Declaration of Condominium.

9.4. A copy of each amendment will be certified by the Secretary of State, State of Florida, and will be recorded in the public records of Indian River County, Florida.

ARTICLE X

Term

The term of the Association will be perpetual.

ARTICLE XI

Subscribers

The name and addresses of the subscribers of these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
JAMES H. MOLLOY	Box 59 - Huffman Mill Road Lexington, Kentucky 40511
DONALD W. WEBB	267 West Vine Street Lexington, Kentucky 40507
DUDLEY WEBB	267 West Vince Street Lexington, Kentucky 40507

IN WITNESS WHEREOF, the subscribers have affixed their signatures, this 14th day of October, 1977.

Signed, Sealed and Delivered in the presence of:

Patricia A. Gray
Susan S. Lynch

[Signature] (SEAL)

[Signature] (SEAL)

James H. Molloy (SEAL)

STATE OF KENTUCKY

COUNTY OF Fayette

Before me, the undersigned authority, personally appeared JAMES H. MOLLOY, DONALD W. WEBB and DUDLEY WEBB, to me known and known to me to be the individuals described in, and who executed the foregoing Articles of Incorporation, and they acknowledged before me that they executed the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal at Springer, Ky, said County and State aforesaid, this 17th day of October, 1977.

Wm. Clark
Notary Public, State of Kentucky at
Large. My Commission Expires:

12/19/80

245878

CERTIFICATE

THIS IS TO CERTIFY THAT

1. The attached writing is a true copy of a resolution amending the Bylaws of The Kentucky Club Condominium Association, Inc., a condominium, according to the Declaration of Condominium recorded in Official Records Book 593 at Page 1404 of the Public Records of Indian River County, Florida, which resolution was unanimously adopted by all members of the Association and by the Directors of the Association at a meeting duly held on the 14th day of January, 1980, in accordance with the requirements of the Bylaws for its amendment.

2. The adoption of the resolution appears upon the minutes of the above-mentioned meetings and is unrevoked.

EXECUTED this 29th day of January, 1980.

THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.

By [Signature] President

Attest: [Signature] Secretary

Witnesses:

[Signature]
[Signature]

STATE OF KENTUCKY
COUNTY OF Wayne :

Before me, a notary public authorized to take acknowledgments in the state and county set forth above, personally appeared [Signature] and [Signature], the President and Secretary, respectively, known to me and known by me to be the persons who executed the foregoing Articles of Amendment, and they acknowledged before me that they executed those Articles of Amendment.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the state and county aforesaid, this 29th day of January, 1980.

[Signature]
Notary Public

My commission expires:

2/19/80

This Instrument Prepared By:
Charles R. McKinnon, Esq.
McKinnon & Stewart, Chartered
Post Office Box 3345
Vero Beach, Florida 32960

280596 PAGE 1355

ARTICLES OF AMENDMENT

OF

THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.

1. Articles II, III and IV of the Articles of Incorporation of The Kentucky Club Condominium Association, Inc., are hereby amended to read:

ARTICLE II

Purpose

2.1 The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act, Chapter 718, Florida Statutes, for the operation of condominiums totalling not more than two (2) in all that may be erected upon the following lands in Indian River County, Florida:

Lot 6, Block 14, THE OCEAN CORPORATION SUBDIVISION, according to the plat thereof recorded in Plat Book 3, Page 9, public records of Indian River County, Florida,

and

Lots 4 and 5, Block 14, THE OCEAN CORPORATION SUBDIVISION, according to the plat thereof recorded in Plat Book 2, Page 21, public records of Indian River County, Florida.

2.2 The Association will make no distribution of income to its members, directors or officers.

ARTICLE III

Powers

The powers of the Association will include and be governed by the following provisions:

3.1 The Association will have all of the common law and statutory powers of a corporation not for profit that are not in conflict with the terms of these Articles.

3.2 The Association will have all of the powers and duties set forth in the Condominium Act, except as limited by these Articles and the Declarations of Condominium for the Condominiums to be operated by the Association; and it will have all of the powers and duties reasonably necessary to operate said condominiums pursuant to its Declarations of Condominium, as they may be amended from time to time, including, but not limited to, the following:

- a. To make and collect assessments against members to defray the costs, expenses and losses of the condominiums.
- b. To use the proceeds of assessments in the exercise of its powers and duties.
- c. To maintain, repair, replace and operate the condominium properties.

This Instrument Prepared By:
Charles R. McKinnon, Esq.
McKinnon & Stewart, Chartered
Post Office Box 3345
Vero Beach, Florida 32960

FILED
FEB 19 1960
INDIAN RIVER COUNTY
FLORIDA

State of Florida



Department of State

I certify that the attached is a true and correct copy of Certificate of Amendment to the Articles of Incorporation of THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, filed on February 19, 1980, as shown by the records of this office.

The charter number of this corporation is 740696.



CER 101 Rev. 5-79

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
19th day of February, 1980

George Firestone
Secretary of State

9-8-80 5 9 8 PAGE 1 359

d. To purchase insurance for the condominium properties; and insurance for the protection of the Association and its members as condominium unit owners.

e. To reconstruct improvements after casualty and to further improve the condominium properties.

f. To make and amend reasonable regulations respecting the use of the condominium properties.

g. To approve or disapprove the transferring, leasing, mortgaging and ownership of condominium units as may be provided by the separate Declaration of Condominium and the Bylaws of the Association.

h. To enforce by legal means the provisions of the Condominium Act, the Declarations of Condominium, these Articles, the Bylaws of the Association and the Regulations for the use of the condominium properties.

i. To maintain class actions on behalf of any or all of the condominium unit owners and to institute, maintain, settle or appeal actions or hearings in its name on behalf of all unit owners concerning matters of common interest.

j. To contract for the management and operation of the condominiums, including its common elements; and to thereby delegate, as may be allowed by law, all powers and duties of the Association, except such as are specifically required to have approval of the Board of Directors or of the membership of the Association.

k. To employ personnel to perform the services required for the proper management and operation of the condominiums.

l. To own and hold fee simple title to lands, within reasonable proximity to the condominiums properties upon which recreational facilities, entranceways, walkways, parking areas, and like facilities are or may be constructed for the benefit of condominium unit owners, and to manage, control and maintain the same; provided, however, that such facilities shall and must be for the use and enjoyment of all apartment owners in any of the condominium apartment buildings to be established upon the real estate previously described herein. The Association shall assess each separate condominium apartment building when completely constructed for its prorata share of the cost and expense of operation and maintenance of said facilities based upon the number of condominium apartments in each condominium apartment building, as that number bears to the total number of apartments in all constructed condominium apartment buildings upon said land.

3.3 All funds, except such portions thereof as are expended for the common expenses of the condominiums, and the titles of all properties will be held in trust for the members of the Association, in accordance with their respective interests under the separate Declarations of Condominium, and in accordance with the provisions of these Articles of Incorporation and the Bylaws of the Association.

3.4 The powers of the Association will be subject to and will be exercised in accordance with the provisions of the separate Declarations of Condominium and the Bylaws of the Association.

ARTICLE IV

Members

4.1 The members of the Association will consist of all of the record owners of condominium units in the condominiums, said condominium units being apartments of various types, and after termination of the condominiums shall consist of those who are members at the time of such termination and their successors and assigns.

4.2 After receiving approval of the Association, change of membership will be established by recording in the public records of Indian River County, Florida, a deed or other instrument establishing a record title to a condominium unit and by the delivery to the Association of a copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

4.3 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his condominium unit.

4.4 The owner of each condominium unit will be entitled to at least one vote as a member of the Association. The exact number of votes to be cast by owners and the manner of exercising voting rights will be determined by the Bylaws of the Association.

2. The foregoing amendments were unanimously adopted by all members of the Association at a special members' meeting duly held and called on the 14th day of January, 1980.

IN WITNESS WHEREOF, the undersigned President and Secretary of this corporation have executed these Articles of Amendment, this 29th day of January, 1980.

John H. Dickler
President
Jammit Mulloy
Secretary

STATE OF KENTUCKY
COUNTY OF *Jay*

Before me, a notary public authorized to take acknowledgments in the state and county set forth above, personally appeared *John H. Dickler* and *Jammit Mulloy*, the President and Secretary, respectively, known to me and known by me to be the persons who executed the foregoing Articles of Amendment, and they acknowledged before me that they executed those Articles of Amendment.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the state and county aforesaid, this 29th day of *January*, 1980.

Joseph (Casper) Griffin
Notary Public

My commission expires:

12/19/80

1362

BYLAWS

OF

THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.1. IDENTITY.

These are the Bylaws of THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC., hereinafter called Association in these Bylaws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 4th day of November, 1977. The Association has been organized for the purpose of operating a condominium to be established upon the lands described in such Articles of Incorporation.

1.1. The office of the Association will be at

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

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

2. MEMBERS' MEETINGS.

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

2.1. The annual members' meeting will be held at 2:00 o'clock P. M., Eastern Standard Time on the second Tuesday in February of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting will be held at the same hour on the next day that is not a holiday.

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

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

2.4. A quorum at members' meetings will consist of persons

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

2.5. Voting.

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

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

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

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

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

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

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

3. DIRECTORS.

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

election.

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

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

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

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

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

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

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

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

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

3.5. Regular meetings of the Board of Directors may be held at such time and place as will be determined, from time to time, by a majority of the directors. Notice of regular meetings will be given to each director, personally or by mail, telephone or telegraph, at least forty-eight (48) hours prior to such meeting.

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

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

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

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

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

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

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

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

3.13. Directors' fees will not be paid.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the Association will be exercised exclusively by the Board of Directors, its agents, contrac-

tors or employees, subject only to approval by apartment owners when such is specifically herein or elsewhere required.

5. OFFICERS.

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

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

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

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

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

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

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

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

6. FISCAL MANAGEMENT.

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

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

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

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

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

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

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

a. Current expense.

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

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

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

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

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

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

6.3. Assessments. Assessments against the apartment owners for their shares of the items of the budget will be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments will be due in four equal installments on the first day of January,

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

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

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

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

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

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

7. PARLIAMENTARY RULES.

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

8. AMENDMENTS.

These Bylaws may be amended in the following manner:


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

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

- a. not less than a majority of the entire members of the Board of Directors; and
- b. not less than seventy-five percent (75%) of the entire membership of the Association; or
- c. until a majority of the Board of Directors are elected by the condominium unit owners, other than the Developer, by not less than a majority of the entire Board of Directors; provided the amendment does not increase the number of apartments or alter the boundaries of the common elements.

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

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


Secretary

Approved:


President

245878

CERTIFICATE

THIS IS TO CERTIFY THAT

1. The attached writing is a true copy of a resolution amending the Bylaws of The Kentucky Club Condominium Association, Inc., a condominium, according to the Declaration of Condominium recorded in Official Records Book 593 at Page 1404 of the Public Records of Indian River County, Florida, which resolution was unanimously adopted by all members of the Association and by the Directors of the Association at a meeting duly held on the 14th day of January, 1980, in accordance with the requirements of the Bylaws for its amendment and Articles of Incorporation

2. The adoption of the resolution appears upon the minutes of the above-mentioned meetings and is unrevoked.

EXECUTED this 29th day of January, 1980.

THE KENTUCKY CLUB CONDOMINIUM ASSOCIATION, INC.

By [Signature] President

Attest: [Signature] Secretary

Witnesses:
[Signature]
[Signature]

STATE OF KENTUCKY
COUNTY OF Wayne:

Before me, a notary public authorized to take acknowledgments in the state and county set forth above, personally appeared [Signature] and [Signature], the President and Secretary, respectively, known to me and known by me to be the persons who executed the foregoing Articles of Amendment, and they acknowledged before me that they executed those Articles of Amendment.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the state and county aforesaid, this 29th day of January, 1980.

[Signature]
Notary Public

My commission expires:

12/19/80

This Instrument Prepared By:
Charles R. McKinnon, Esq.
McKinnon & Stewart, Chartered
Post Office Box 3345
Vero Beach, Florida 32960

2080590 PAGE 1355

6. FISCAL MANAGEMENT.

The separate condominiums established by the Developer upon the lands described in the Articles of Incorporation will, in fiscal matters, be managed as separate entities and separate accounts shall be maintained for the separate condominiums. Such fiscal management will be governed by the terms and provisions of any agreements made by the Association for the management and operation of said condominiums. However, in the event such agreements are not made, or if they do not contain provisions for fiscal managements, or at the termination of any such agreements, fiscal management will be as set forth in the Declarations of Condominium, supplemented by the following:

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

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

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

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

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

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

a. Current expense.

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

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

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

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

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

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

6.3. Assessments. Assessments against the apartment owners for their shares of the items of the budget will be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments will be due in four equal installments on the first day of January, the first day of April, the first day of July and the first day of October of the year for which the assessments are made. If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment and quarterly installments on such assessment will be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that exceeds such limitation will be subject to the approval of the membership of the Association as previously required by these Bylaws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made will be due in equal installments on the first day of each month remaining in the year for which an assessment is due.

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

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

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

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

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

CONSENT OF MORTGAGEE

KENTUCKY CENTRAL LIFE INSURANCE COMPANY, herein-
after called "Mortgagee", the owner and holder of a real
estate mortgage upon the following described land in Indian
River County, Florida:

Lots 4 and 5, Block 14, of the Ocean
Corporation Subdivision, according to
the plat thereof recorded in Plat
Book 3, at Page 9, in the Public Records
of Indian River County, Florida.

which Mortgage is dated the 6th day of December, 1979, and was
recorded on the 11th day of December, 1979, in Official Record
Book 595, Page 206, of the Public Records of Indian River
County, Florida, does hereby and herewith, pursuant to the
Florida Condominium Act, Chapter 718, Florida Statutes, consent
to the creation of Lexington House Condominium, a condominium,
on the aforementioned land, and Mortgagee further agrees that
the lien of said Mortgagee's mortgage shall hereafter be
upon and encumber the following described condominium apart-
ments, together with all appurtenances thereto, including, but
not limited to, all of the undivided shares in the common
elements and all limited common elements appurtenant thereto,
now located on the above described land, to-wit:

Twenty-five (25) condominium apartments,
being apartments numbered 101 through 105,
201 through 205, 301 through 305, 401 through
405, and 501 through 505, Lexington House
Condominium, a condominium.

DATED this 5th day of September, 1980.

Signed, sealed and
delivered in the presence
of:

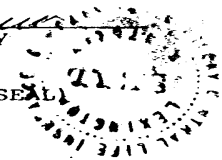
Jahmala Stone
Theresa Anglin

KENTUCKY CENTRAL LIFE INSURANCE
COMPANY

BY: W. E. Burnett, Jr.
W. E. BURNETT, JR., President

ATTEST: [Signature]
Secretary

(CORPORATE SEAL)



STATE OF KENTUCKY
COUNTY OF FAYETTE:

I hereby certify that on this day, before me,
personally appeared W. E. BURNETT, JR. and W. B. [Signature],
President and [Signature], respectively, of Kentucky
Central Life Insurance Company, a corporation organized
and existing under the laws of the State of Kentucky,
to me known to be the persons described in and who executed the
foregoing instrument and severally acknowledged the execution
thereof to be the free act and deed as such officers, for the
uses and purposes therein mentioned; that they affixed thereto
the official seal of said corporation, and the said instrument is the
act and deed of said corporation.

WITNESS my hand and official seal in the County and
State aforesaid, this 5th day of September, 1980.

[Signature]
NOTARY PUBLIC, KENTUCKY
STATE AT LARGE

My Commission expires: 12/19/80

(NOTARY SEAL)

