

(a) "Declaration" or "Declaration of Condominium" means this instrument as it may from time to time be amended.

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(b) "Articles of Incorporation" means that document, as it may from time to time be amended, which provides for the incorporation of "Marsh Cove Condominium Association, Inc." under Florida Statutes.

(c) "Association" means Marsh Cove Condominium Association, Inc., a Florida non-profit corporation.

(d) "Bylaws" means the bylaws of the Association as they exist and as may be amended from time to time.

(e) "Common Elements" means all portions of the Condominium Property not included within the units (as hereinafter defined).

(f) "Limited Common Elements" means and includes those Common Elements reserved for the use of less than all of the units as more particularly defined in Section 6 of Article II of this Declaration.

(g) "Condominium" means that form of ownership of the Condominium Property under which the Units and other improvements located upon the Land are subject and there is appurtenant to each Unit, as a part thereof, an undivided share of the Common Elements, and as used in this Declaration, "Condominium" shall mean and refer to Marsh Cove Condominium as created pursuant to this Declaration of Condominium.

(h) "Condominium Property" means and includes the Land of the Condominium, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

(i) "Assessment" means a share of the funds required for the payment of the common expenses which from time to time are assessed against the Unit Owners.

(j) "Unit Owner" or "Unit Owners" means the owner or owners of a Condominium Unit (as hereinafter defined) together with its undivided percentage interest in the Common Elements and all appurtenances thereto.

(k) "Condominium Unit" or "Unit" is a unit as defined in the Act and as more specifically defined and described in Section 2 of Article II of this Declaration.

ARTICLE II

THE CONDOMINIUM

Section 1. General Descriptions. The Condominium is located at Amelia Island Parkway, Amelia Island, Nassau County, Florida and consists of twenty-one (21) different buildings, containing one hundred twenty (120) two and three bedroom units. The Condominium Property consists of approximately 13.5+ acres of land together with all improvements located thereon. Such improvements include the above described twenty-one (21) buildings containing the 120 Units, Common Elements and the Limited Common Elements. The Common Elements include, in part, the outside parking areas, walks, landscaping, a laundromat, a clubhouse with dressing rooms and a work-out room, a tennis court, an outdoor swimming pool, and a sewer and water plant. The location of these items, and others, is shown on Exhibit B attached hereto.

Section 2. Description of Units. Four (4) Units are located within buildings D, F, G, H, J, K, L, M, N, S, U and V as shown on Exhibit B and all other buildings shown on Exhibit B contain 8 Units. The Unit number, undivided share of the

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Common Elements and floor plan are all shown on Exhibits B and C. Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundaries are as follows:

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(a) The upper and the lower boundaries extended to an intersection with the perimetrical boundaries, the upper boundaries of the Unit being the plane of the interior surface of the ceiling of the uppermost level of the Unit and the lower boundaries being the plane of the undecorated finished floor of the lower most level of the Unit. The interior surface of the upper and lower boundaries shall be part of the Unit, and the Unit Owner shall be responsible for maintenance and repair of same.

(b) The perimetrical boundaries of the Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(i) The exterior vertical boundaries are the vertical planes of the undecorated finished interior of the exterior walls of the building and the undecorated finished interior of the walls and partitions separating such Units from corridors, stairs, mechanical equipment spaces or other Units extended to intersection with each other and with upper and lower boundaries. The interior surface of the exterior boundary walls shall be part of the Unit, and the Unit Owner shall be responsible for the maintenance and repair of same.

(ii) The term "walls," "ceiling" and "floors" as used in this paragraph shall include vents, doors, gates, windows, screens and screen partitions and such other structural elements located therein which are regarded as enclosures of space.

(iii) For each Unit exterior windows, the frames, glass and screens thereof as well as exterior doors, gates, and glass-sliding doors and the frames and casings of same are part of the unit, and the Unit Owner shall have responsibility for maintenance and repair of same.

(iv) The Unit shall not include interior walls, floors, ceilings or ceiling joists which are load bearing or which enclose the common pipe chases or installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation, nor shall the Unit include roof rafters; provided, however, that the interior surface of all such interior walls, ceiling and floors shall be part of the Unit, and the Unit Owner shall have the responsibility for maintenance and repair of same. All Units shall be subject to easements through such Units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to Units and the Common Elements, and to an easement of support in every portion of the Unit which contributes to support of the buildings. All of these items and easements together with the Land, the property and the installation required for furnishing of services and utilities to more than one Unit or the Common Elements (excluding such property title to which is reserved by the particular company furnishing such utility service) and all other parts of the improvements not included within the Units shall be part of the Common Elements.

(v) If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction of the building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the building, a valid easement for the encroachment and for the maintenance of same, so long as the building stands, shall exist. In the event the building, a Unit, an adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

(c) Appurtenances to Units.

There shall be appurtenant, and pass with title, to each Unit, the rights, shares and interest provided by the Condominium Act which shall be deemed to include, without limitation, the following:

i. An undivided share in the Common Elements and in the "Common Surplus" (as that term is elsewhere herein defined). The undivided share in the Common Elements and the Common Surplus of the Condominium appurtenant to each Unit is that proportion of the total set forth, as a percentage, in Exhibit C;

ii. The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and/or granted elsewhere to a certain Unit or Units as Limited Common Elements;

iii. An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time;

iv. Non-exclusive easements, to be used and enjoyed in common with the owners of all Units in the Condominium, their guests and invitees, for use of those Common Elements not designated elsewhere herein as Limited Common Elements, including, without limitation, easements for:

(1) The furnishing and maintenance of utility services to all parts of the Condominium Property, over, across, in and through the Land, buildings and other improvements, as the fixtures and equipment therefor now exist and/or may be modified or relocated; and

(2) Vehicular and pedestrian access over, across, upon, in and through the drives, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and/or provided for pedestrian and vehicular traffic through the Condominium and for access to public ways;

v. An exclusive easement for the unintentional and non-negligent encroachment by any Unit upon any other Unit or Common Element, or vice versa, for any reason not caused by or resulting from the willful or negligent act of Developer or any Unit Owner(s), including without limitation, encroachments caused by or resulting from the original construction of improvements, which exclusive easement shall exist at all times

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during the continuance of such encroachment, as an easement appurtenant to the encroaching Unit or other improvement, to the extent of such encroachment;

vi. An exclusive easement for the use of the area of land and air space occupied by the air conditioning compressor, and the equipment and fixtures appurtenant thereto, situated in and/or on Common Elements of the Condominium but exclusively serving and individually owned by the Unit Owner, as the same exist in and on the Land, which exclusive easement shall be terminated automatically in any air space which is permanently vacated by such air conditioning compressor, and the equipment and fixtures appurtenant thereto: provided, that the removal of the same for repair and/or replacement shall not be construed to be a permanent vacation of the air space which it occupies; and

vii. The right to membership in the "Association" upon the terms and conditions set forth elsewhere herein.

Section 3. Descriptions of Common Elements. The Common Elements consist of all portions of the Condominium not included within the Units.

Section 4. Allocation of Undivided Interests in Common Elements. Pursuant to the provisions of 718.104(4)(f), undivided interests in the Common Elements in the percentages as set forth in Exhibit C attached hereto are hereby allocated to the Units. The undivided interests in the Common Elements hereby allocated shall not be altered except to the extent otherwise expressly provided by the Act. The rights of the Units Owners to use Common Elements shall be subject to such rules and regulation as may be adopted by the Association.

Section 5. Description of Limited Common Elements. Ownership of each Unit shall entitle the Unit Owner thereof to the exclusive use of those portions of the Common Elements consisting of (a) any utility boxes, water heaters, or heating and/or air conditioning compressors or components or other apparatus serving only such Unit which may be located beyond the boundaries of the Unit, and (b) any entrance ways, stairways, and appurtenant fixtures and facilities providing direct access to the Unit.

Section 6. Subsequent Assignment of Common Elements and Limited Common Elements. Subject to the provisions in Section 7, below, in the event that the Board of Directors of the Association should authorize or otherwise provide for the assignment of parking spaces as Limited Common Elements, an amendment to this Declaration making such an assignment shall be prepared, executed, and recorded pursuant to the provisions of 718.110 F.S. Any other assignment of Common Elements as Limited Common Elements shall be effective only by means of an amendment to this Declaration; provided, however, that the following Common Elements may not be assigned as Limited Common Elements without the express written consent of all of the unit owners, their successors or assigns: the areas identified as the Laundromat, swimming pool, tennis court, club house, locker rooms, work-out room and sewer and water plant.

Section 7. Upkeep of the Condominium. Each Unit and the fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same shall be maintained, kept in good repair and replaced by and at the expense of the Unit Owner. All powers and responsibilities with regard to maintenance, repair, renovation, restoration, and replacement of Common Elements shall appertain to the Association, providing, however, the cost of maintenance Limited Common Elements shall be borne by the owners of the Units benefiting from such Limited Common Elements.

Section 8. Undivided Shares in Common Elements and Ownership in the Association. Each of the Units shall have appurtenant thereto an undivided share in the Common Elements and percentage of ownership in the Association in accordance with Exhibit C subject, however, to the rights of Unit Owners to use the Common Elements in accordance with the provisions of this Declaration. The percentage interest of each Unit is based upon the square footage of each Unit.

ARTICLE III

THE CONDOMINIUM ASSOCIATION

Section 1. General. The Association has been incorporated as a nonprofit membership corporation under 718.111 Florida Statutes. The organization of the Association has been duly effectuated, including appointment of officers. The Declarant shall be and is authorized to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association provided, however, the Declarant's authority so to appoint and to remove members of the Board of Directors and officers shall in no event extend beyond, and shall in all cases expire upon, the first of the following to occur:

(1) When Unit Owners other than Declarant own 15 percent or more of the units in the Condominium, the Unit Owners other than Declarant shall be entitled to elect no less than one-third of the members of the Board of Directors of the Association. Unit Owners other than Declarant are entitled to elect not less than a majority of the members of the Board of Directors of the Association:

- (a) Three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers other than the Declarant;
- (b) Three months after 90 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers other than the Declarant;
- (c) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by Declarant in the ordinary course of business; or
- (d) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by Declarant in the ordinary course of business

whichever occurs first. Declarant is entitled to elect at least one member of the Board of Directors of the Association as long as Declarant holds for sale in the ordinary course of business at least 5 percent of the Units.

(2) Within 60 days after the Unit Owners other than Declarant are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call, and give not less than 30 days' or more than 40 days' notice of, a meeting of the Unit Owners to elect the members of the Board of Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so. Upon election of the first Unit Owner other than Declarant to the Board of Directors, Declarant shall forward to the Division the name and mailing address of the Unit Owner board member.

Section 2. Membership. The owner or owners of each Unit shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee simple title thereto from Declarant, or, in a conveyance by a grantee or remote grantee of Declarant, a deed which complies with the terms and conditions of this Declaration. The qualification of members of and manner of admission to membership in the Association and the termination of such membership shall be provided for in the Articles of Incorporation or Bylaws of the Association.

Section 3. Allocation of Votes in the Association. The number of votes in the Association hereby allocated to each Unit is one and may not be divided. Said votes shall be cast under, and subject to, such rules and procedures as may be prescribed in this Declaration or the Bylaws of the Association, as either of said instruments may be amended from time to time, or by law and, specifically, any limitation imposed in such instruments pursuant to the Act.

ARTICLE IV

ASSESSMENT OF COMMON EXPENSES

Section 1. General. To provide funds necessary for proper operation and management of the Condominium, the Association is hereby granted the right to make, levy and collect assessments against the Unit Owners and said Units. Each Unit Owner shall pay to the Association assessments regarding common expenses, such assessments to be fixed, established and collected from time to time as hereinafter provided. The assessments shall constitute a lien on the Unit or Units against which each such assessment is made pursuant to 718.116 F.S., which lien shall include interest and reasonable attorney's fees in accordance with and to the maximum extent permitted by law. The Association may, in its discretion, require payment of a fee not exceeding Ten Dollars (\$10.00) as a prerequisite to the issuance of each statement setting forth the amount of assessments past due and unpaid which the Association is obligated to provide pursuant to 718.116 F.S. Additionally, the Association shall collect a working capital fund for its initial operating period by collecting at the closing of the sale of each Unit hereunder an amount equal to two months assessments against such unit.

Section 2. Specially Assessed Common Expenses. Each Unit Owner shall be liable for and shall pay a share, on the basis of the allocation made as provided in Section 4 of this Article IV, for the Common Expenses incurred by the Association (a) which benefit less than all of the Units, (b) which are occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the licensees or invitees of any such Unit or Units, and (c) which significantly disproportionately benefit one or more of the Units.

Section 3. Other Common Expenses. Each Unit Owner shall be liable for and shall pay a share, on the basis of allocation made as provided in Section 4 of this Article IV, of the Common Expenses not specifically assessed which shall include, but not be limited to, all charges for taxes (except ad valorem taxes and other such taxes assessed separately on each Condominium Unit or on the property or any other interest of the Unit Owners), insurance (including fire and other casualty and liability insurance), wages, accounting fees, legal fees, management fees, and other expenses of upkeep, maintenance and management actually incurred by the Association, the costs of operation of the Common Elements and the costs of and reserve for maintenance, repair and replacement of the Common Elements, which reserve shall be replaced on a periodic basis payable in regular installments rather than by special assessments.

Section 4. Allocation of Liability for Common Expenses.

For the purpose of determining the assessments to be made as hereinabove provided, the Association shall determine for each year, as soon as practicable, the estimated aggregate amount of the common expenses for such year. For purposes of such determination, each year shall be the calendar year, except that the first year shall begin on the date upon which the Condominium is legally constituted and end on the 31st day of December of said year. The Association may, from time to time during each year, make reasonable adjustments in said estimated amounts on the basis of actual costs incurred. Notwithstanding the foregoing, the Association may not alter the amount of assessments charged to the unit owners during the period of time the Developer has guaranteed assessment pursuant to 718.116(8)(a)(2), F.S. Assessments for the estimated amount of Common Expenses for each year, as determined by the Association, shall be allocated and assessed by the Association as follows:

(a) The estimated expenses for Limited Common Elements to be specially assessed shall be allocated to and assessed equitably among the Units in proportion to the benefits of the related services provided to such Units as may be determined by the Association or such person or persons as may be selected by the Association for such purpose.

(b) The estimated Common Expenses not specially assessed shall be allocated to and assessed among the Units in accordance with their respective percentages of undivided interest in and to the Common Elements as set out in Exhibit C hereto.

Section 5. Payment of Assessments. The assessments provided for herein shall be established on a calendar year basis and, unless otherwise provided by the Association, shall be payable by the Unit Owners in equal monthly installments in advance on or before the first day of each month. Any omission or delay in determining and allocating said expense or in levying assessments thereof shall not relieve the Unit Owners therefrom. In such event, the Unit Owners, pending such determination, allocation, and levy, shall pay monthly installments of common expenses in accordance with the last determination and allocation of the estimated expense within ten days after notice thereof. At all times, the most recent determination in relation to the allocation of said expenses shall be effective and shall govern all allocation until another such determination shall be made. Amounts allocated and assessed to any Unit of which payment shall not have become due, shall be subject to reallocation and reassessment in accordance with the later determination in relation to such allocation and assessment.

Pursuant to 718.116(8)(a)(2) and as shown on Exhibit E, Declarant is excused from the payment of the share of the common expenses and assessments related to its units for a period of time beginning with recording of this Declaration of Condominium and terminating no later than 12 months following the month in which the closing of the purchase and sale of the first condominium unit occurs. However, the Declarant must pay that portion of common expenses incurred during that period which exceed the amount assessed against other unit owners in Exhibit E. In addition, Developer shall pay his prorata share of reserve accounts established for roof replacement, building repainting, and pavement resurfacing. Declarant shall not be obligated to fund other reserve accounts such as deferred maintenance and capitol expenditures.

Section 6. Non-Payment of Assessments. All sums lawfully assessed by the Association against any Unit Owner or Condominium Unit, whether for the share of the Common Expenses pertaining to that Condominium Unit, or otherwise, which from time to time become due and payable, shall constitute a lien in

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favor of the Association on the Condominium Unit, prior and superior to all other liens whatsoever except:

(a) liens for ad valorem taxes on the Condominium Unit;

(b) the lien for any first priority mortgage covering the Unit and lien of any mortgage recorded prior to the recording of this Declaration; and

(c) the lien of any secondary purchase money mortgage covering the Unit.

The recording of the Declaration constitutes record notice of the existence of this lien, and no further recordation of any claim of lien for assessments shall be required.

The lien for assessments shall also include: (i) a late or delinquent charge not in excess of the greater of \$10.00 or 10% of the amount of each assessment or installment thereof not paid when due; (ii) interest on each assessment or installment thereof and any delinquency or late charge pertaining thereto from the date the same was first due at a rate not in excess of 18% per annum; (iii) the cost of collection, including court costs, the expenses of sale, any expense required for the protection and preservation of the Unit and reasonable attorneys' fees actually incurred; and (iv) the fair rental value of the Condominium Unit from the time of the institution of an action until the sale of the Condominium Unit at foreclosure or until the judgment rendered in the action is otherwise satisfied.

If any mortgagee or other purchaser obtains title to a Condominium Unit at a foreclosure sale or sale conducted by exercise of a non-judicial power of sale under any recorded mortgage which is superior to the lien of the Association for unpaid assessments, such purchaser, its heirs, successors and assigns, shall not be liable for the assessment on the Condominium Unit accruing after the date of the recording of such mortgage up to the date of acquisition of title to the Condominium Unit by such purchaser. Such unpaid assessments shall be deemed a common expense to be assessed against all of the Unit Owners including such purchaser.

Section 7. Disposition of Surplus Common Profits. The Common Profits shall be applied to the payment of Common Expenses, and any surplus remaining shall appertain to the Condominium Units in proportion to the liability for Common Expenses appertaining to each Unit or, in the alternative, such surplus or any portion thereof may be added to a reserve for maintenance, repair and replacement of Common Elements or other reserve of the Association as may from time to time be determined by the Association in the exercise of its sole discretion.

Section 8. Financial Reports. Within 60 days following the end of the fiscal or calendar year or annually on such date as is otherwise provided in the Bylaws of the Association, the Board of Directors of the Association shall mail or furnish by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Costs for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;

- (d) Costs for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves and depreciation reserves.

ARTICLE V

USE RESTRICTIONS

Section 1. Residential Purposes. All Units shall be, and the same hereby are, restricted exclusively to residential use. Nothing herein shall be deemed to prevent the owner of a unit from renting or leasing the same; provided that the term of any rental or lease shall not be for less than one month, subject to all of the provisions of the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations, as the same may be amended from time to time. The provisions of this Section shall not apply to the Declarant, his agents or assigns in the marketing and other business activities pertaining to the Marsh Cove Condominium Association.

Section 2. Nuisances. No nuisance shall be permitted to exist or operate on any Unit, or any part of the Common Elements or Limited Common Elements so as to be detrimental to any other unit in the vicinity thereof, or to its occupants or to the Common Elements or Limited Common Elements.

Section 3. Animals and Pets. No pets, animals, livestock or poultry shall be kept, raised, or bred, on any part of the Condominium Property, except for those specific pets kept on the Condominium Property at the time of the recording of this Declaration.

Section 4. Clotheslines, Garbage Cans, Etc. No clothesline, or other clothes-drying facilities, other than those operated by the Association, shall be permitted in any of the Common Elements or Limited Common Elements, or any area of the Condominium wherein the same may be visible from the Common Elements, Limited Common Elements, or any other Unit. All garbage and trash containers must be placed and maintained in accordance with rules and regulations of the Association.

Section 5. Exterior Antennas. Without prior written approval of the Association, which may be arbitrarily withheld, no exterior television or radio antennas shall be placed, allowed or maintain upon any portion of the Condominium Property or improvements situated thereon.

Section 6. Vehicles and Boats. The parking of any automobile upon any portion of the property of the Condominium is prohibited except in areas of the Common Elements, or Limited Common Elements, expressly provided for the same or as may be approved in writing by the Board of Directors of the Association. Only automobiles bearing current license and registration tags and inspection certificates, as applicable, shall be permitted to be parked on any of the property of the Condominium. All parking within the property of the Condominium shall be in accordance with the rules and regulations adopted by the Association. No vehicles including, without limitation, boats or recreational vehicles, shall be

parked upon the Common Elements or Limited Common Elements without the prior written consent of the Association, which consent may be arbitrarily withheld.

Section 7. Compliance. It shall be the responsibility of each Unit Owner, family members of the Unit Owners, and their authorized guests and tenants to conform and abide by the rules and regulations in regard to the use of the Units, Common Elements, and Limited Common Elements which may be adopted in writing from time to time by the Board of Directors of the Association, and to see that all persons using the owner's Unit by, through and under him do likewise.

Section 8. Common Elements. All occupants of Units and their guests shall have a nonexclusive right to use the Common Elements, other than Limited Common Elements, for the purpose for which they are intended, subject however to the following provisions: (a) no such use shall enter or encroach upon the lawful rights of other persons; (b) the right of the Association to limit the number of guests that may use the Common Elements; (c) the right of the Association to limit the time within which the owners or guests may use the Common Elements; (d) the right of the Association to provide for the exclusive use of such recreational facilities by one or more persons during such times and on such terms and conditions as the Association may determine; (e) the right of the Association to issue regulations governing the use and the operation of the Common Elements.

ARTICLE VI

MAINTENANCE, REPAIRS AND ALTERATIONS

Section 1. Unit Owners.

(a) Except for those portions of the Unit to be maintained by the Association, as hereinafter described, each Unit Owner shall maintain in good condition and repair and replace at his expense when necessary all portions of his Apartment including any balcony or patio and all interior surfaces within or surrounding his Unit, such as the surfaces of the walls, ceilings and floors and the fixtures therein, including the air conditioning equipment and exhaust fans. Each Unit Owner shall pay for any utilities which are separately metered and charged to his Unit. Each Unit Owner must perform promptly all such maintenance and repairs which, if not performed, would affect a Unit belonging to any other Unit Owner or the Condominium Property. Each Unit Owner shall be liable for any damage that arises due to his failure to perform the above maintenance, repairs and replacement. Each Unit shall be maintained and repaired in accordance with the final building plans of the Condominium Property utilized at the time the Buildings were constructed and any changes or alterations made by Developer, copies of which shall be on file in the office of the Association, subject to any changes or alterations made pursuant to approval by the Board as provided in this Declaration.

(b) No Unit Owner shall make any alteration in or on the Common Elements or the portions of a Unit which are maintained by the Association, remove any portion thereof, make any additions thereto or do anything which shall or may jeopardize or impair the safety or soundness of the Condominium Property or which, in the sole opinion of the Board, would detrimentally affect the architectural design of the Condominium Property. Any alteration or addition to the Condominium Property by an Apartment Owner shall be deemed to detrimentally affect the architectural design of the Condominium Property, unless the Board consents thereto in writing.

(c) No Unit Owner shall paint, refurbish, stain, alter, decorate, repair, replace or change the Common Elements or any outside or exterior portion or surfaces of Condominium Property, including without limitation balconies, porches, doors and windows; place any awnings, screening or hurricane shutters on or in any Unit, or install on any portion of the Condominium Property any exterior lighting fixture, mailbox, screen or screen door or other similar item (except those improvements which exist as of the date this Declaration is recorded or except as thereafter installed by Declarant) without first obtaining written approval thereof by the Board, which approval the Board may withhold in its sole and absolute discretion. The Board shall not grant any approval contemplated by this Subparagraph if in its opinion the effect of any of the items mentioned herein will be unsightly as to the exterior or interior of any part of the Condominium Property.

(d) Each Unit Owner shall promptly report to the Association or its agents any defect or need for repair on the Condominium Property for which the Association is responsible to maintain and repair once the Unit Owner is aware of such defect or need for repair.

(e) Each Unit Owner shall repair, maintain and replace as necessary all piping, wiring, ducts, conduits, appliances and other facilities located within the Unit for the furnishing of utility services solely to said Unit; provided, however, that all such repairs, maintenance and replacements shall be done by licensed plumbers or electricians and such repairs shall be paid for by and be the financial obligation of such Unit Owner.

(f) Each Unit Owner acknowledges and recognizes that any officer of the Association or any agent of the Board shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for inspection, maintenance, repair or replacement of any part of the Common Elements therein or accessible therefrom, or at any time as may be necessary for emergency repairs to prevent damage to the Common Elements or to another Unit.

(g) Each Unit Owner shall be liable to the Association for any damage caused by such Unit Owner or by any family member or guest of such Unit Owner to the Common Elements or any part thereof (normal wear and tear excepted), and each Unit Owner shall be liable for all costs and expenses incurred by the Association in repairing or replacing Common Elements so damaged by such Unit Owner or his family members or guests.

Section 2. The Association.

(a) The Association shall repair, maintain and replace as necessary all of the Common Elements and all exterior surfaces of the Condominium Property, including exterior surfaces of Units, and shall maintain, repair and replace all piping, wiring, ducts, conduits, appliances and other facilities for furnishing of any and all utility services to the units as necessary located within the Common Elements, but excluding therefrom all piping, wiring, ducts, conduits, appliances and other facilities located within a Unit servicing only said unit.

(b) The Association shall have the right to make or cause to be made structural changes and improvements of the Common Elements which are approved by the Board and which do not prejudice the right of any Unit Owner or any Institutional Mortgagee; provided, however, if the cost of the same shall exceed Two Thousand Five Hundred Dollars (\$2,500), the affirmative vote of two-thirds (2/3) of the Unit Owners shall

be required in addition to such Board approval, and the cost of such alterations and improvements shall be assessed against the Unit Owners in the manner provided in the Bylaws. Further, the provisions hereof requiring a Unit Owner's vote shall be inapplicable prior to Declarant's surrender of Association control if Declarant pays for the full cost of such structural change or improvement.

ARTICLE VII

PROVISIONS FOR ALTERATIONS OF UNITS BY DECLARANT

Section 1. General. Notwithstanding anything contained herein, Declarant reserves the right to alter the interior design and arrangement of all Units, to alter the boundaries between Units and to combine two (2) or more Units into one (1) Unit or to sever any Unit comprised of two (2) or more Units into its component parts as long as Declarant owns the Units so altered (which alterations made by Declarant to Units it owns are hereinafter referred to as the "Alterations").

Section 2. Amendment Required. Any alteration which will alter the boundaries of the Common Elements (other than interior walls abutting Units owned by Declarant) will first require an amendment of this Declaration in the manner provided in Article XV hereof.

Section 3. Declarant's Amendment Sufficient. In the event the Alterations do not require an amendment in accordance with the provisions of Section 2 above, then an Amendment of this Declaration shall be filed by Declarant in accordance with the provisions of this Section 3. Such amendment ("Declarant's Amendment") need be signed and acknowledged only by the Declarant and shall not require approval of the Association through the Board, other Unit Owners or lienors or mortgagees of the Units, whether or not such approvals are elsewhere required for an amendment of this Declaration. This amendment shall adjust the share of Common Elements, Common Expenses and Common Surplus and the voting rights attributable to the Units being affected by the Alterations and may be made as a Declarant's Amendment as long as Declarant owns the Units for which the shares are being so adjusted.

ARTICLE VIII

CONVEYANCE AND SALES

In order to assure a community of congenial Unit Owners and to protect the value of the Units, the sale of Units shall be subject to the following provisions:

No Unit Owner other than a lending institution or declarant, as set forth in Article IX, may convey, transfer or dispose of his Unit or any interest therein by sale or otherwise (except to the spouse, children or parents of such Unit Owner or to an organization recognized as a charitable, non-profit organization under the Internal Revenue Code of the United States) without approval of the Board, which approval shall be obtained in the following manner:

Section 1. Notice to Association. Each and every time a Unit Owner intends to make a sale of his Unit or any interest therein, he ("Offeror") shall give written notice to the Association of such intention ("Notice") together with the name and address of the intended purchaser, the terms of such purchase and such other information as the Association may reasonably require on forms supplied by the Association ("Offering"). The giving of such Notice shall constitute a warranty and representation by the Offeror to the Association and any purchaser produced by the Association, as hereinafter provided, that the Offering is a bona fide offer in all

respects. The Notice shall be given by certified mail, return receipt requested, or delivered by hand to the Secretary of the Association who shall give a receipt therefor.

Section 2. Association's Election. Within fifteen (15) days after receipt of the Notice, the Association, by its Board, shall either approve the Offering ("Approval") or furnish to the Offeror by written notice ("Substitution Notice") the name and address of a purchaser approved by the Association to accept the terms of the Offering ("Substituted Purchaser").

(a) The Approval shall be in writing in recordable form signed by any two (2) members of the Board or the President of the Association (hereinafter referred to in this Declaration as the "Certificate of Approval") and it shall be delivered to the Offeror and the proposed purchaser named in the Offering. Failure of the Board to grant Approval or to furnish a Substituted Purchaser within fifteen (15) days after the Notice is given shall constitute Approval of the Offering, and the Association shall be required to prepare and deliver the Certificate of Approval to the Offeror and the purchaser of the Offeror named in the Offering.

(b) In the event the Association furnishes the Offeror the Substitution Notice, the Offeror shall be deemed to have made the Offering to the Substituted Purchaser; provided, however, that the Substituted Purchaser shall have not less than fifteen (15) days subsequent to the date of the Substitution Notice to consummate the sale of the Offeror's Unit. Offeror shall be obligated to consummate the Offering with the Substituted Purchaser upon terms no less favorable than the terms stated in the Offering, and the Offeror shall not be relieved of such obligation except upon the written consent of the Association and the Substituted Purchaser. Upon closing with the Substituted Purchaser, the Association shall deliver its Certificate of Approval.

(c) In the event the Substituted Purchaser furnished by the Association pursuant to this Section 2 shall default in his obligation to purchase such Apartment, as the case may be, then the Association shall be required to prepare and deliver the Certificate of Approval to the Offeror and the purchaser of the Offeror named in the Offering.

ARTICLE IX

RIGHT OF DECLARANT TO TRANSACT BUSINESS AND TO SELL OR LEASE UNITS OWNED BY IT FREE OF RESTRICTIONS SET FORTH IN ARTICLE VIII

Section 1. General. The provisions, restrictions, terms and conditions of Article VIII hereof shall not apply to Declarant as a Unit Owner, and in the event and so long as Declarant shall own any Unit, whether by reacquisition or otherwise, Declarant shall have the absolute right to lease, sell, convey, transfer, mortgage or encumber in any way any such Unit upon any terms and conditions as it shall deem to be in its own best interests.

Section 2. Right to Transact Business. Notwithstanding the other provisions of this Declaration, Declarant reserves and Declarant and its nominees shall have the right to enter into and transact on the Condominium Property any business necessary to consummate the sale, lease or encumbrance of Units or real property including, but not limited to, the right to maintain models, a sales office and an administrative office, to place signs, to employ sales personnel, to use the Common Elements and to show Units. Declarant reserves, and shall have, the right to make repairs to the Condominium Property, carry on construction activity and make structural changes and

improvements to the Condominium Property which do not prejudice the rights of any Unit Owner or Institutional Mortgagee. Declarant and its nominees may exercise the foregoing rights without notifying the Association. Any such models, sales office, signs and any other items pertaining to sales efforts such as furniture and equipment shall not be considered a part of the Common Elements and shall remain the property of Declarant. This Article may not be suspended, superseded or modified in any manner by any Amendment to the Declaration unless such Amendment is consent to in writing by Declarant. This right of use and transaction of business as set forth herein, the provisions of Section 1 of this Article and the other rights reserved by Declarant in the Condominium Documents may be assigned in writing by Declarant in whole or in part.

ARTICLE X

PROHIBITION OF FURTHER DIVISION

The provisions of Section 718.107 of the Act are specifically incorporated into this Declaration. Additionally, subject to Article VII there shall be no further division of Units and hence, any instrument, whether a deed, mortgage, or otherwise, which describes only a portion of any Unit shall be deemed to describe such entire Unit and the interest in the Common Elements appurtenant thereto.

ARTICLE XI

EASEMENTS

Section 1. Easement throughout the Condominium to Public Ways. Declarant declares that the Association, all Unit Owners, their family members, guests, licensees and invitees shall have the right to use and enjoy the driveways, walks and other rights-of-way comprising a portion of the Common Elements for ingress, egress, pedestrian and vehicular traffic to and from public ways and dedicated streets; for the furnishing of any and all utility services; and for the purpose of providing access for governmental services. The Association is duly authorized to execute such instruments as may be required to effectuate or further establish the easements described in this Section and shall have the right to establish the Rules and Regulations governing the use and enjoyment of the Common Elements and all easements over and upon same. The easements described herein are intended to comply with Section 718.104(4)(m) of the Act.

Section 2. Easements and Cross-Easements on Common Elements. Declarant hereby reserves unto itself, its successors, assigns, designees and nominees, and hereby grants to the Association, the right to impose upon the Common Elements henceforth and from time to time such easements and cross-easements for ingress and egress, and for installation, maintenance, construction and repair of facilities including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting, regular and cable television transmission, security, garbage and waste removal and the like as it deems to be in the best interests of and necessary and proper for the Condominium.

Section 3. Easement for Encroachments. All the Condominium Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon the Condominium Property or improvements contiguous thereto or caused by minor inaccuracies in building or rebuilding of such improvements. The above easements shall continue until such encroachments no longer exist.

Section 4. Easements for Adjacent Parcel. Declarant is the present owner of that certain real property (the "Adjacent Parcel") specifically described in Exhibit D attached hereto. Declarant hereby reserves unto itself, its successors, assigns, designees and nominees, for the benefit of the Adjacent Parcel and to run with title to the Adjacent Parcel, the following easements over, across, under and through the portions of the Condominium Property described below:

a. An ingress and egress easement, for vehicular traffic, pedestrian traffic and otherwise, across the southerly 30 feet of the Condominium Property as shown on the site plan attached hereto as Exhibit B.

b. A utility easement throughout the Common Elements for the purpose of (i) constructing, operating, maintaining and repairing utility lines and (ii) connecting to the water and sewer lines, treatment plants and related facilities of the Condominium (hereinafter, collectively referred to as the "Marsh Cove Utility Facilities (M.C.U.F.)"), as the same presently exist or are hereinafter constructed, subject to the following provisions:

(i) The Adjacent Parcel may be hooked up to or connected to the M.C.U.F. only in the event that the same have adequate capacity to fully, legally and satisfactorily service both the Condominium and the Adjacent Property.

(ii) In the event the Adjacent Property is connected to or hooked into the M.C.U.F., the owner of the Adjacent Property shall bear and be responsible for an equitable portion of the expenses and costs associated with the repair, maintenance or operation of the M.C.U.F.

(iii) In the event that the Adjacent Property constructs or installs its own sewer and water lines, treatment plants or related facilities over, under, across or through the Common Elements, then such construction and installation, and the costs associated with the repair, maintenance or operation thereof, shall be at the sole expense of the owner of the Adjacent Property and the same shall be conducted in a fashion so as not to unreasonably interfere with the appearance, use, enjoyment or occupancy of the Common Elements or Condominium Property by Unit Owners or the Association.

ARTICLE XII

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Board of Directors or its duly authorized agent shall obtain property and casualty insurance for all of the improvements on the Condominium Property (with the exception of improvements and betterments (other than the replacements of like kind and quality) made by the respective Unit Owners at their expense and further excluding title insurance, which shall be an expense of the Owner) against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief, in an amount sufficient to cover the full replacement value or cost of any repair or reconstruction in the event of damage or destruction for any such hazard. The Board shall also obtain officers and directors liability insurance in amounts as determined by the Board for the Officers of the Association, and, in addition, public liability insurance in an amount not less than \$500,000.00, Combined Single Limit, covering all Common

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Elements for property damage and personal injury caused by the negligence of the Association or its agents, and premiums for all such insurance shall be Common Expense. The Board shall also obtain flood insurance coverage to the limits which are available and/or deemed practicable by said Board. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for each Unit Owner in such amounts as the Board of Directors shall determine, which determination shall be based on the annual insurance review provided for in this Section. Such insurance shall be governed by the following provisions:

(a) Companies. All policies shall be written with a company licensed to do business in the State of Florida, and holding, if possible, a rating of "AAA" or better by Best's Insurance Reports.

(b) Beneficiaries. All policies shall be for the benefit of Unit Owners and their Mortgagees as their respective interests may appear.

(c) Certificates. Provisions shall be made for the issuance of a Certificate of Insurance to each Owner and his Mortgagee, if any, which shall specify the amounts of such insurance attributable to the building containing the particular Owner's Unit.

(d) Policies. The original of all policies and endorsements thereto shall be deposited with the Board of Directors or with the duly authorized agent appointed by the Board.

(e) Adjustments. Exclusive authority to adjust losses under policies hereafter in force on the Condominium Property shall be vested in the Board of Directors or its duly authorized agents, provided, however, that no Mortgagee having an interest in such losses shall be excluded from participating in the settlement negotiations, if any related thereto.

(f) Contributions. In no event shall any recovery of payment under the insurance coverage obtained and maintained by the Board of Directors hereunder be affected or diminished by insurance purchased by the individual Owners or their Mortgagees.

Section 2. Additional Insurance. It shall be the individual responsibility of each Owner, at his own expense, to provide, as he sees fit, title insurance on his individual Unit, premises liability insurance, comprehensive public and private liability insurance, theft or other insurance coverage covering improvements and betterments (other than replacements or original items of like kind and quality) made by him, and personal property damage and loss. Each Unit Owner may obtain additional insurance at his own expense; provided, however, that no owner shall be entitled to exercise his right to maintain additional insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of all of the Unit Owners and their Mortgagees, may realize under any insurance policy which the Board of Directors may have in force on the Condominium Property at any particular time.

Section 3. Individual Insurance Coverage. Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property, other than improvements and betterments made by such Owner at his own expense and other than personal property belonging to such Owner, shall file a copy of each such individual policy with the Board of Directors within ten (10) days after obtaining such insurance.

Section 4. Insurance Review. The Board of Directors shall cause to be conducted an annual insurance review which shall

include a replacement cost evaluation, without respect to depreciation, of all improvements on the Condominium Property (with the exception of improvements and betterments made by the respective Owners at their expense excluding, however, replacement of items of like kind and quality) by one or more qualified building cost estimators.

Section 5. Policy Provisions. The Board of Directors or its duly authorized agent shall be required to make every effort to secure insurance policies that will provide for the following: (i) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its duly authorized agent, the Owners and their respective servants, agents, employees and guests; (ii) that the policies on the Condominium Property cannot be cancelled, invalidated or suspended without sixty (60) days prior written notice by the insurance company to the Association Board of Directors; and (iii) that any "other insurance" clause in the master policy excludes individual Owner's policies from consideration.

Section 6. No Partition. There shall be no judicial partition of the Condominium Property or any part thereof, nor shall the owners or any person acquiring any interest in the Condominium Property or any part thereof, seek any such judicial partition until the happening of the conditions set forth in this Declaration in the case of damage or destruction or unless the Condominium Property has been removed from the provisions of the Act.

Section 7. Handling of Casualty Insurance Proceeds. All insurance policies purchased by and in the name of the Association shall provide that proceeds covering property losses shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold the same in trust for the benefit of the Unit Owners and their mortgagees in accordance with the respective undivided interests of the Unit Owners in and to the Common Elements. Such proceeds, or such portion thereof as may be required for such purpose, shall be disbursed by the Association in payment of repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying all costs of repairs or reconstruction shall be disbursed to the beneficial Unit Owners, remittance to Unit Owners and their mortgagees being payable jointly to them and being delivered to the mortgagee. Notwithstanding the foregoing, in the event of a determination that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as hereinafter provided.

Section 8. Damage and Destruction.

(a) Immediately after any damage or destruction by fire or other casualty to the property covered by insurance written in the name of the Association, the Association shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. "Repair" or "reconstruction", as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

(b) Immediately after substantial damage or destruction by fire or other casualty to any part of the property, the Association shall provide written notice of same to each mortgagee having an interest therein whose name and address has heretofore been furnished to the Association together with a written request for such notice.

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(c) Any damage or destruction shall be repaired or reconstructed unless (1) the Condominium is terminated pursuant to the provisions of 718.117 F.S., (2) the damaged or destroyed portion of the property is withdrawn from the Condominium pursuant to the provisions of 718.118 F.S., or (3) the Unit Owners of the damaged or destroyed Units, if any, together with the Unit Owners of other Units to which two-thirds of the votes in the Association appertain, exclusive of the votes appertaining to any damaged or destroyed Units, agree not to repair or reconstruct such damage or destruction. Any such determination shall be conclusively made within a period of time which shall in no event exceed 90 days after the casualty. No mortgagee shall have the right to participate in the determination as to whether the damage or destruction shall be repaired or reconstructed. Should a determination be made to terminate the Condominium, withdraw from the Condominium the damaged portion of the property, or not to repair or reconstruct the damage or destruction as provided above, then the insurance proceeds shall be disbursed by the Association to the beneficial Unit Owners, remittance to the Unit Owners and their mortgagees being payable jointly to them and being delivered to the mortgagee.

Section 9. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Association may levy a special assessment against the Unit Owner of the damaged or destroyed Units, and against all Unit Owners in the case of Damage to the Common Elements, in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. Such assessments, if any, against Unit Owners for damage to the Common Elements shall be levied in proportion to the Unit Owners' shares of liability for Common Expenses not specially assessed. The proceeds from insurance and assessment, if any, received by the Association hereunder when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for in Section 8 of this Article VI.

ARTICLE XIII

CONDEMNATION

Section 1. General. Whenever all or any part of the Condominium Property shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner and mortgagee shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association if such award amounts to less than Two Thousand Dollars (\$2,000.00) and to the Insurance Trustee if such award amounts to Two Thousand Dollars (\$2,000.00) or more. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association or the Insurance Trustee, as the case may be, as hereinafter provided in this Article XIII.

Section 2. Units. If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements, then the award shall be disbursed as provided by law. All related matters, including, without limitation, alteration of the percentages of undivided interest of the Owners in the Common Elements, shall be handled pursuant to and in accordance with the consent of all Unit Owners (or such lesser number of Unit Owners as may then be prescribed by the Condominium Act for the purpose of altering the percentages of undivided interest of

the Unit Owners in the Common Elements) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed, whereupon the development may be terminated in the manner herein prescribed.

Section 3. Common Elements. If part of the Common Elements is acquired by eminent domain, the award shall be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners in proportion to their respective Common Element interests before the taking, but the portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Unit Owners to which that Limited Common Element was allocated at the time of acquisition.

ARTICLE XIV

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

Section 1. General. In the event that any taxing authority having jurisdiction over this Condominium shall levy or assess any tax or special assessment against this Condominium as a whole rather than levying and assessing such tax or special assessment against each Unit (hereinafter referred to as a "New Tax"), then such New Tax shall be paid as a Common Expense by the Association. Any New Tax shall be included, if possible, in the estimated annual budget of the Association or, if not possible, shall be separately levied and collected as a Special Assessment by the Association against all of the Unit Owners. Each Unit Owner shall be assessed by, and shall pay to, the Association a percentage of the New Tax equal to that percentage by which such Unit Owner shares in the Common Elements. In the event any New Tax shall be levied, the Association shall separately specify and identify that portion of the annual budget or of the Special Assessment attributable to such New Tax, and the portions of such New Tax allocated to a Unit shall be and constitute a lien upon such Unit to the same extent as though such New Tax had been separately levied by the taxing authority upon each Unit at the time of the Annual Assessments following such budget or the levying of such Special Assessment.

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

ARTICLE XV

AMENDMENTS TO THE DECLARATION

Section 1. Procedure.

(a) Except as to matters described in Paragraphs b, c, d, e, and f of this Section 1 and Declarant's Amendment, this Declaration may be amended by the affirmative vote of not less than two-thirds (2/3) of the Unit Owners at any regular or special meeting of the Unit Owners called and held in accordance with the Bylaws; provided, however, that any such Amendment shall also be approved or ratified by a majority of the Board. Such Amendment shall be evidenced by a certificate executed by the Association in recordable form in accordance with the Act, and a true copy of such Amendment shall be mailed via certified mail by the Association to Declarant and to all

Institutional Mortgagees. The Amendment shall become effective upon the recording of such certificate in the Public Records of Nassau County, Florida; provided, however, such certificate shall not be so recorded until thirty (30) days after the mailing of a copy thereof to Declarant and to all Institutional Mortgagees, unless such thirty (30) day period is waived in writing by the same.

(b) Except for Declarant's Amendment referred to in Section 3 of Article VII, no amendment of the Declaration shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to such Unit, change the proportion or percentage by which any Unit Owner shares the Common Elements and Common Expenses or owns the Common Surplus, or change any Unit's voting rights in the Association unless all of the record owners of such Unit and all of the Institutional Mortgagees of record holding mortgages on such Unit shall consent in writing thereto. The provisions of Section 718.110 (5) of the Act are specifically incorporated herein.

(c) Whenever it shall appear to the Board that there is a defect, error or omission in this Declaration or any other documentation required by law to establish this Condominium, the Association, through its Board, shall immediately call a special meeting of the Unit Owners to consider amending the Declaration or such other documents. Upon the affirmative vote of at least one-fourth (1/4) of the Unit Owners with more such affirmative votes than negative votes, the Association shall amend the appropriate documents to correct such defect, error or omission, and a true copy of such amendment shall be mailed by the Association to Declarant and to all Institutional Mortgagees. Such amendment shall become effective upon the recording of the certificate in the Public Records of Nassau County, Florida, but such certificate shall not be recorded until thirty (30) days after the mailing of a copy thereof to Declarant and all Institutional Mortgagees, unless such thirty (30)-day period is waived in writing by the same.

(d) Prior to the Declarant's surrender of Association control, Declarant alone may amend this Declaration in order to correct a scrivener's error or other minor defect or omission without the consent of the Unit Owners or the Board, provided that such Amendment does not materially and adversely affect a Unit Owner's property rights. This amendment shall be signed by Declarant alone and a copy of the amendment shall be furnished to each Unit Owner, the Association, and all Institutional Mortgagees as soon after recording thereof in the Public Records of Nassau County, Florida as is practicable.

(e) This Declaration may be amended in the same manner as required for an amendment to the Bylaws when the Declaration is being amended solely for the purpose of setting forth or affixing an amendment of the Bylaws thereto.

(f) No Amendment of this Declaration or any Article or portion hereof shall be passed which shall impair or prejudice the rights or priorities of Declarant or Institutional Mortgagees without the specific written approval of Declarant or the Institutional Mortgagees, as the case may be.

(g) No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text and underlined; and words to be deleted shall be lined through with hyphens. If, however, the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed Amendment, it is not necessary to use underlining and hyphens as indicated for

words added or deleted, but, instead a notation shall be inserted immediately preceding the proposed Amendment in substantially the following language: "Substantial Rewording of Declaration. See provision for present text." Notwithstanding anything wherein contained to the contrary, however, failure to comply with the above format shall not be deemed a material error or omission in the Amendment process and shall not invalidate an otherwise properly promulgated Amendment.

ARTICLE XVI

ASSOCIATION AUTHORIZED TO ENTER INTO AGREEMENTS

The Association is authorized to enter into other agreements to acquire possessory or use interests in real property and to provide therein that the expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs, are Common Expenses.

ARTICLE XVII

GENERAL PROVISIONS

Section 1. Termination of the Condominium. The Condominium may be terminated pursuant to the provisions of 718.117 F.S.

Section 2. Rights of First Mortgagees. In addition to the rights of mortgagees elsewhere provided, each first mortgagee of a Unit shall (a) be entitled to a written notice from the Association of any default by a Unit Owner in the performance of his obligations under the Condominium instruments which is not cured within 60 days (b) be entitled to attend and observe all meetings as Unit Owners, but not meetings of the Association's Board of Directors; (c) be furnished copies of annual financial reports made to the Unit Owners; and (d) be furnished notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (e) be entitled to inspect the financial books and records of the Association upon reasonable notice during reasonable business hours; provided, however, that such mortgagee shall first file with the Association a written request that notices of default, notices of meeting and copies of financial reports be sent to a named agent or representative of the mortgagee at an address stated in such a notice.

Section 3. Consent of First Mortgagees. Unless at least two-thirds (2/3) of the mortgagees holding mortgages constituting first liens on Units subject to such mortgages (based upon one vote for each mortgage owned) have given their prior written approval, the Association shall not be entitled to: (a) by act or omission seek to abandon or terminate the Condominium; (b) change the pro rata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating disbursements of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each Unit in the Common Elements; (c) partition or subdivide any Unit, which shall require in addition the prior written approval of the holder of any first mortgage on such unit; (d) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements; provided that the granting of easements for public utilities or for public purposes consisting with the intended use of the Common Elements by the Condominium shall not be deemed a transfer within the meaning of this clause; or (e) use hazard insurance proceeds for losses to any of the property (whether to units or to Common Elements) for other than the repair, replacement, or reconstruction of such improvements or distribution to the Unit Owners and their respective mortgagees.

Section 4. Professional Management. Any agreement for professional management of the Condominium must provide for termination of same by the Association for cause upon 30 days written notice thereof. The term of any such agreement may not exceed one year, renewable by agreement of the parties for successive periods of one year each. Any such agreement shall, after transfer of control by the Declarant to the Association as herein set out, be terminable by the Association, without cause, without penalty, upon 90 days written notice to the other party thereto.

Section 5. Duration. So long as the laws of the State of Florida limit the period during which covenants restricting lands to certain uses may run, it shall be the duty of the Association to cause such covenants contained herein, as amended from time to time, to be extended when necessary by recording a document bearing the signatures of Unit Owners of Units to which a majority of the votes in the Association appertain reaffirming and newly adopting such covenants then existing in order that the same may continue to be covenants running with the land. Adoption of such majority shall be binding on all persons whomsoever, and each Unit Owner, by acceptance of a deed therefor or other evidence of title thereto, is deemed to agree that such covenants may be extended as provided herein.

Section 6. Enforcement. In order to enforce compliance with all lawful provisions of the Condominium instruments and the association's Articles of Incorporation, Bylaws, and rules and regulations by the Unit Owners and those persons entitled to occupy Units and in addition to other rights of and remedies available to the Association, the Association shall be empowered to impose and assess fines and suspend temporarily the right of use of certain of the Common Elements in such a manner and to such extent as the Association may from time to time determine; provided, however, that no such suspensions shall deny any Unit Owner or occupant access to the Unit owned or occupied nor cause any hazardous or unsanitary condition to exist. The Association shall not impose fines or suspend any rights of a Unit Owner or occupant unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation, and (ii) the action required to abate the violation, and (iii) a time period, not less than 10 days, during which the violation may be abated without further sanction if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(b) Notice. Within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Association shall serve the alleged violator with written notice of a hearing to be held by the Board of Directors in executive session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall not be less than ten days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf; and (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to the notice affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be adequate if

a copy of the notice together with a statement of the date and manner of the delivery is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Section 7. Registry of Owners. The Association shall at all times maintain a register setting forth the names of the owners of all of the Units, and in the event of the sale or transfer of any Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Unit together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Unit. Further the owner or owners of each Unit shall at all times notify the Association of the names and addresses of the parties holding any mortgage or mortgages on any Unit, the amount of such mortgage or mortgages, and the recording information which shall be pertinent to identify the mortgage or mortgages.

Section 8. Owners Association's Rights and Restrictions. The Association shall have reasonable right of entry upon any unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the project.

The Owners Association shall have the right to grant permits, licenses, and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

Section 9. Reserve and Working Capital Funds. The By-laws of the Association make provisions for the establishment and maintenance of an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements, which fund shall be maintained out of regular assessments for common expenses, and two (2) months Dues and Assessments shall be collected from each unit purchase upon the purchaser of a unit.

Section 10. Provisions of Declaration Controlling. The provisions of this Declaration shall be controlling over any conflicting provisions in any mortgage encumbering the Condominium Property pursuant to 718.104(3), Florida Statutes.

"DECLARANT"

ATLANTIC LAND & DEVELOPMENT
CORP.

By J. H. McLaughlin
Its President

O. Barry Richardson
Att. Counsel

ATTEST:

By [Signature]
Its Secretary

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STATE OF Georgia
COUNTY OF Spalding

The foregoing instrument was acknowledged before me
this 16th day of December, 1985,
by Joseph N. The Donoghue, the President and Secretary,
and L. B. Mc Donogh, respectively of Atlantic Land & Development Corp., on behalf of
the corporation.

Charlotte F. Darley
Notary Public. State of Georgia
at Large.

My Commission Expires:
Notary Public, Georgia, State at Large
My Commission Expires Jan. 13, 1989

0131a

CONSENT TO DECLARATION OF CONDOMINIUM
DATED THE 19TH DAY OF September, 1985
MARSH COVE CONDOMINIUM

Bankers First Federal Savings & Loan Association, 985 Broad Street, Augusta, Georgia 30913, hereby executes this Consent for the purpose of acknowledging, consenting to, and subordinating their mortgage dated December 14, 1984, recorded December 17, 1984 in Official Records Book 440, Pages 525-544, of the public records of Nassau County, Florida to the Declaration of Condominium for Marsh Cove Condominium, located in Fernandina Beach, Florida.

The effect of this Consent shall constitute the Undersigned as a First Mortgagee of each of the Condominium Units constituted pursuant to said Declaration and the Undersigned shall then possess, as a First Mortgagee of each Unit, the rights of a First Mortgagee as provided by Article XVII, Section 2, of said Declaration. As a First Mortgagee of each Condominium Unit the Undersigned shall be entitled to such rights, documents and notices as provided by sub-parts (a), (b), (c), (d), and (e) of said Section 2, said First Mortgagee hereby designating Mr. Paul Weber, III, Bankers First Mortgage Corporation, 6605 Abercorn Street, Suite 102, Savannah, Georgia 31406, as the agent or representative in its behalf to receive such notices and information.

Arthur J. Gay, Jr.
WITNESS

BANKERS FIRST FEDERAL SAVINGS & LOAN
ASSOCIATION

BY: Bob G. Taylor
Its President

James Hagan
WITNESS

ATTEST: Bob G. Taylor
Its Vice Pres.

STATE OF GEORGIA)
COUNTY OF)

The foregoing instrument was acknowledged before me this 19TH day of
SEPT, 1985 by Arthur J. Gay, Jr., the Senior Vice
President and Bob G. Taylor the President of Bankers
First Federal Savings & Loan Association, which is organized and existing under
the Laws of the United State of America.

Betta P. Harvett
Notary Public, State of Georgia, County
of Richmond

My commission expires:

Notary Public, State of Georgia
My Commission expires Aug. 31, 1986



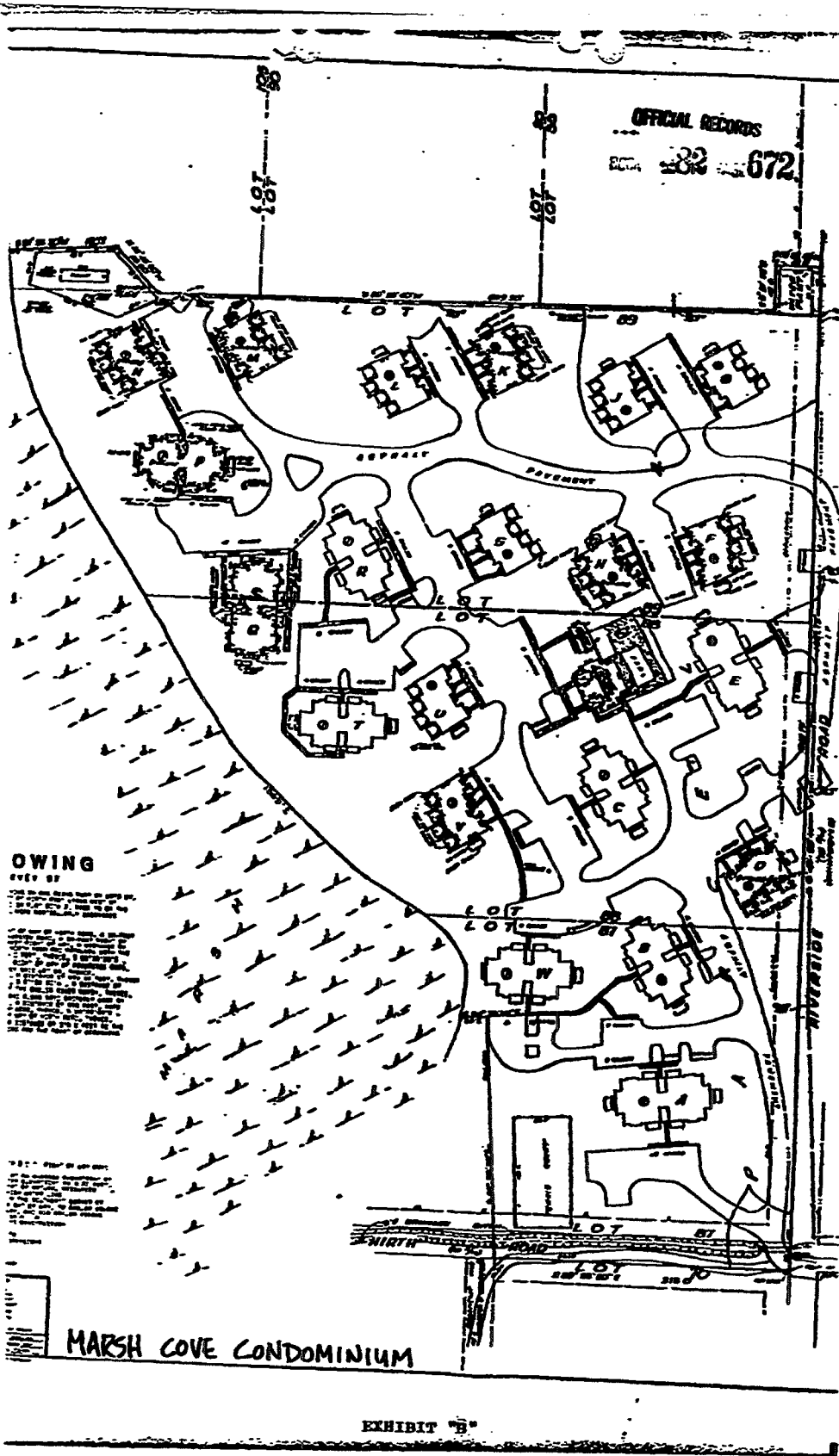
32 671

OFFICIAL RECORDS

THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND, LYING IN AND BEING PART OF LOTS 87, 88, 89, 90, 98 AND 105, TOGETHER WITH THAT PART OF HIRTH ROAD LYING WEST OF RIVERSIDE ROAD, OCEAN BREEZE FARMS, AS RECORDED IN PLAT BOOK 2, PAGE 19 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY OF HIRTH ROAD, A 30-FOOT RIGHT OF WAY, WITH THE WEST RIGHT OF WAY OF RIVERSIDE ROAD, A 30-FOOT RIGHT OF WAY; THENCE, N.00°31'20"W., BY AND ALONG SAID WEST RIGHT OF WAY, A DISTANCE OF 1072.73 FEET; THENCE, S.89°28'40"W., 48.6 FEET NORTH FROM AND PARALLEL WITH THE NORTH BOUNDARY OF SAID LOT 89, A DISTANCE OF 49.0 FEET; THENCE, S.00°31'20"E., 49.0 FEET WEST FROM AND PARALLEL WITH SAID WEST RIGHT OF WAY OF RIVERSIDE ROAD, A DISTANCE OF 48.6 FEET TO SAID NORTH BOUNDARY OF SAID LOT 89; THENCE, S.69°28'40"W., BY AND ALONG SAID NORTH BOUNDARY, A DISTANCE OF 659.30 FEET; THENCE, N.44°45'50"W., A DISTANCE OF 68.50 FEET; THENCE, S.87°26'20"W., A DISTANCE OF 120.0 FEET, MORE OR LESS TO THE EASTERLY EDGE OF THE AMELIA RIVER MARSH; THENCE, SOUTHEASTERLY, SOUTHERLY AND SOUTHWESTERLY, BY AND ALONG SAID EASTERLY EDGE OF SAID MARSH AND FOLLOWING THE HEADERINGS THEREOF, A DISTANCE OF 996 FEET, MORE OR LESS; THENCE, N.86°36'20"E., 30 FEET, MORE OR LESS; THENCE, S.04°23'40"E., 261.00 FEET TO THE AFOREMENTIONED SOUTH RIGHT OF WAY OF HIRTH ROAD; THENCE, N.89°35'20"E., BY AND ALONG SAID RIGHT OF WAY, A DISTANCE OF 315.0 FEET TO THE AFOREMENTIONED WEST RIGHT OF WAY OF RIVERSIDE ROAD AND THE POINT OF BEGINNING. CONTAINING 13.656 ACRES, MORE OR LESS.

EXHIBIT "A"



Building	Number	Floor	Bedrooms	Baths	Type
	1	1st	3	2	Garden
	2	1st	3	2	Garden
	3	2nd	3	2	Garden
	4	2nd	3	2	Garden
	5	1st	3	2	Garden
	6	1st	3	2	Garden
	7	2nd	3	2	Garden
	8	2nd	3	2	Garden
	9	1st	2	1	Garden
	10	1st	2	1	Garden
	11	2nd	2	1	Garden
	12	2nd	2	1	Garden
	13	1st	2	1	Garden
	14	1st	2	1	Garden
	15	2nd	2	1	Garden
	16	2nd	2	1	Garden
	17	1st	2	1	Garden
	18	1st	2	1	Garden
	19	2nd	2	1	Garden
	20	2nd	2	1	Garden
	21	1st	2	1	Garden
	22	1st	2	1	Garden
	23	2nd	2	1	Garden
	24	2nd	2	1	Garden
	25	1st & 2nd	2	1½	Townhome
	26	1st & 2nd	2	1½	Townhome
	27	1st & 2nd	2	1½	Townhome
	28	1st & 2nd	2	1½	Townhome
	29	1st	3	2	Garden
	30	1st	3	2	Garden
	31	2nd	3	2	Garden
	32	2nd	3	2	Garden
	33	1st	3	2	Garden
	34	1st	3	2	Garden
	35	2nd	3	2	Garden
	36	2nd	3	2	Garden
	37	1st & 2nd	2	1½	Townhome
	38	1st & 2nd	2	1½	Townhome
	39	1st & 2nd	2	1½	Townhome
	40	1st & 2nd	2	1½	Townhome
	41	1st & 2nd	2	1½	Townhome
	42	1st & 2nd	2	1½	Townhome
	43	1st & 2nd	2	1½	Townhome
	44	1st & 2nd	2	1½	Townhome
	45	1st & 2nd	2	1½	Townhome
	46	1st & 2nd	2	1½	Townhome
	47	1st & 2nd	2	1½	Townhome
	48	1st & 2nd	2	1½	Townhome
	49	1st & 2nd	2	1½	Townhome
	50	1st & 2nd	2	1½	Townhome
	51	1st & 2nd	2	1½	Townhome
	52	1st & 2nd	2	1½	Townhome
	53	1st & 2nd	2	1½	Townhome
	54	1st & 2nd	2	1½	Townhome
	55	1st & 2nd	2	1½	Townhome
	56	1st & 2nd	2	1½	Townhome
	57	1st & 2nd	2	1½	Townhome
	58	1st & 2nd	2	1½	Townhome
	59	1st & 2nd	2	1½	Townhome
	60	1st & 2nd	2	1½	Townhome

Building	Number	Floor	Bedroom	Baths	Type
	61	1st & 2nd	2	1½	Townhome
	62	1st & 2nd	2	1½	Townhome
	63	1st & 2nd	2	1½	Townhome
	64	1st & 2nd	2	1½	Townhome
	65	1st & 2nd	2	1½	Townhome
	66	1st & 2nd	2	1½	Townhome
	67	1st & 2nd	2	1½	Townhome
	68	1st & 2nd	2	1½	Townhome
	69	1st	2	1	Garden
	70	1st	2	1	Garden
	71	2nd	2	1	Garden
	72	2nd	2	1	Garden
	73	1st	2	1	Garden
	74	1st	2	1	Garden
	75	2nd	2	1	Garden
	76	2nd	2	1	Garden
	77	1st	3	2	Garden
	78	1st	3	2	Garden
	79	2nd	3	2	Garden
	80	2nd	3	2	Garden
	81	1st	3	2	Garden
	82	1st	3	2	Garden
	83	2nd	3	2	Garden
	84	2nd	3	2	Garden
	85	1st	2	1	Garden
	86	1st	2	1	Garden
	87	2nd	2	1	Garden
	88	2nd	2	1	Garden
	89	1st	2	1	Garden
	90	1st	2	1	Garden
	91	2nd	2	1	Garden
	92	2nd	2	1	Garden
	93	1st & 2nd	2	1½	Townhome
	94	1st & 2nd	2	1½	Townhome
	95	1st & 2nd	2	1½	Townhome
	96	1st & 2nd	2	1½	Townhome
	97	1st	2	1	Garden
	98	1st	2	1	Garden
	99	2nd	2	1	Garden
	100	2nd	2	1	Garden
	101	1st	2	1	Garden
	102	1st	2	1	Garden
	103	2nd	2	1	Garden
	104	2nd	2	1	Garden
	105	1st & 2nd	2	1½	Townhome
	106	1st & 2nd	2	1½	Townhome
	107	1st & 2nd	2	1½	Townhome
	108	1st & 2nd	2	1½	Townhome
	109	1st & 2nd	2	1½	Townhome
	110	1st & 2nd	2	1½	Townhome
	111	1st & 2nd	2	1½	Townhome
	112	1st & 2nd	2	1½	Townhome
	113	1st	2	1	Garden
	114	1st	2	1	Garden
	115	2nd	2	1	Garden
	116	2nd	2	1	Garden
	117	1st	2	1	Garden
	118	1st	2	1	Garden
	119	2nd	2	1	Garden
	120	2nd	2	1	Garden

2: The pool, tennis court, laundry, club-house, sidewalks, driveways, parking areas, landscaped areas are common areas.

3 of the above listed unit it's, building number, floor, number of bedrooms, number of baths and unit type are shown on the plaque of survey by _____

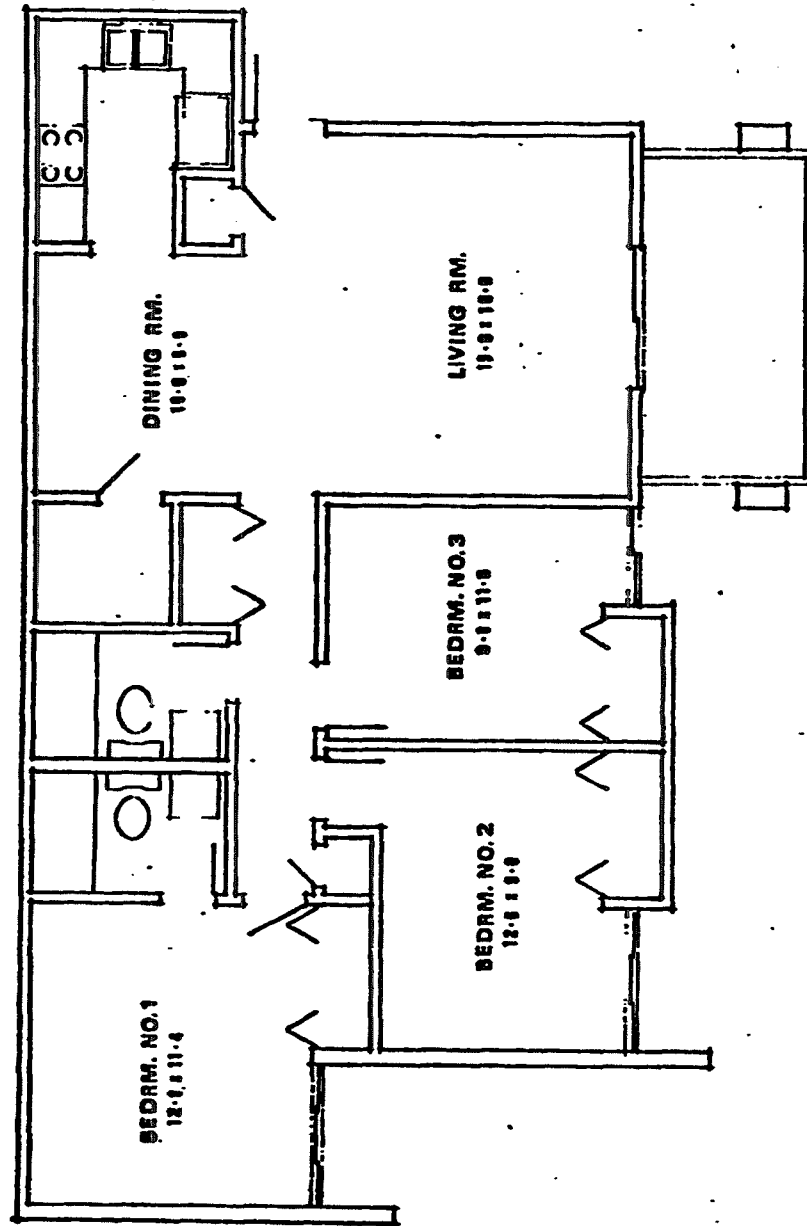
Exhibit B-1

OFFICIAL RECORDS
BOOK 282 PAGE 674

3 BEDROOM
FLAT (GARDEN)

OFFICIAL RECORDS

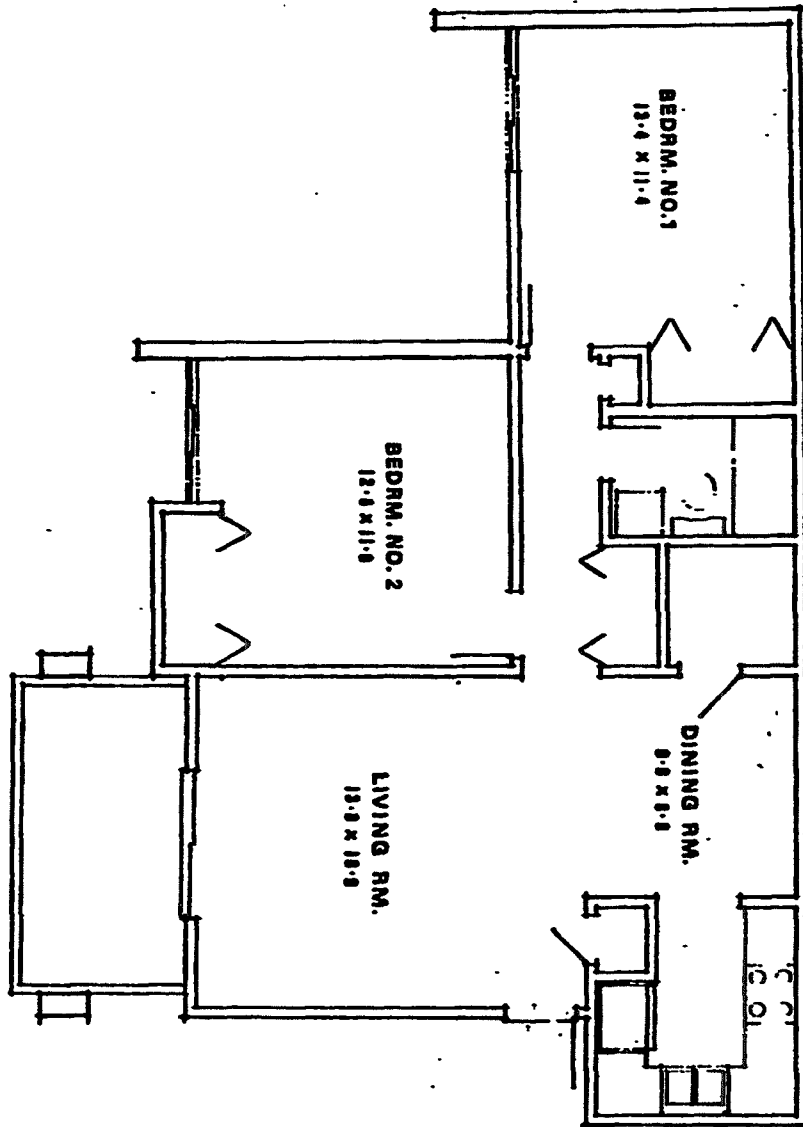
32 675



SCALE 3/16 = 1 foot

OFFICIAL RECORD

82 676



2 BEDROOM
FLAT (GARDEN)

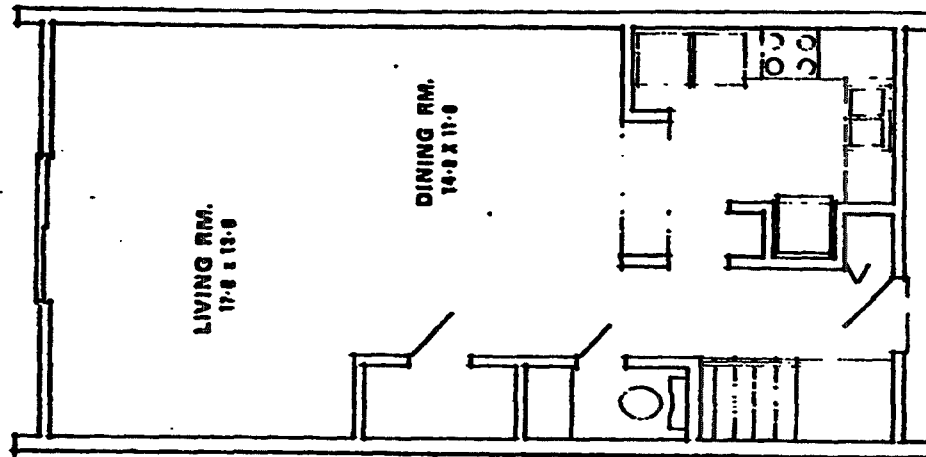
SCALE 3/16 = 1 foot

Exhibit B-2

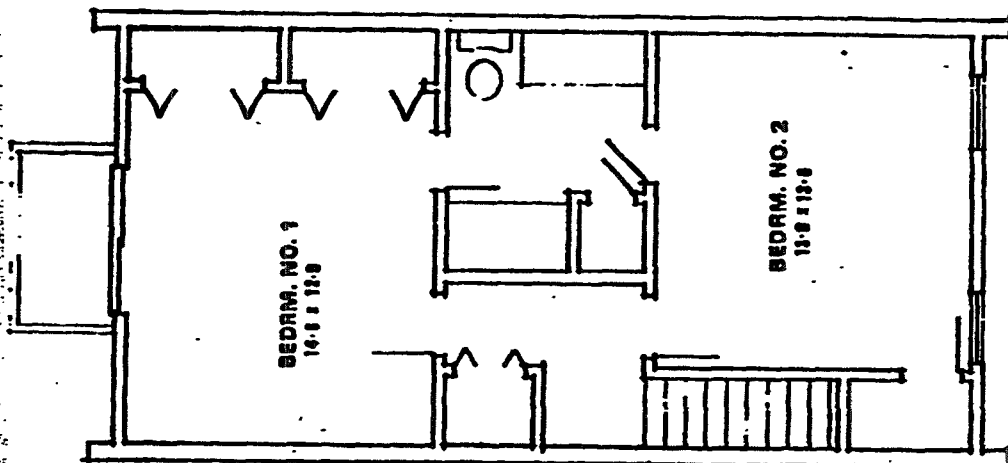
EXTERIOR
TOWNHOUSE

OFFICIAL RECORDS

32 677



1st FLOOR



2nd FLOOR

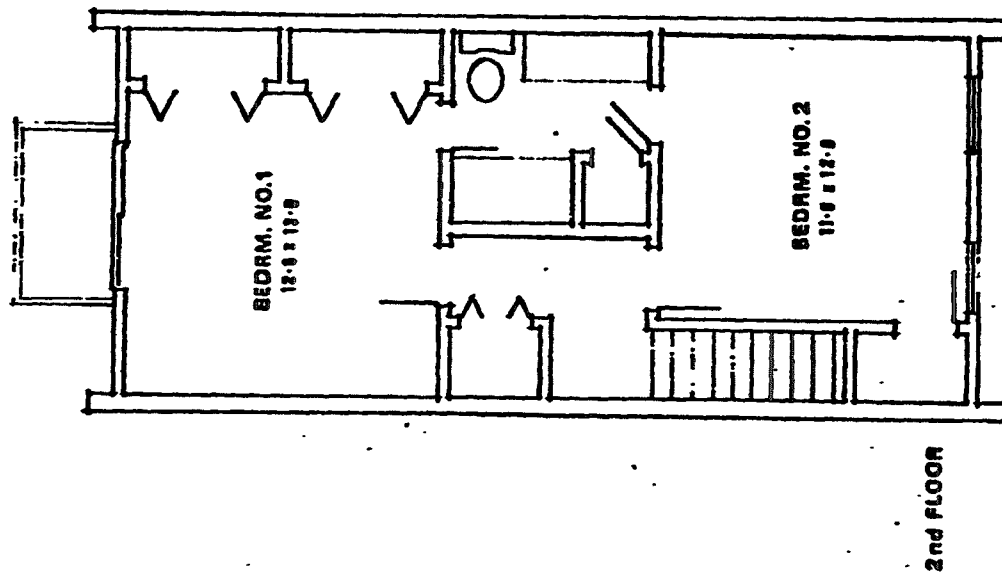
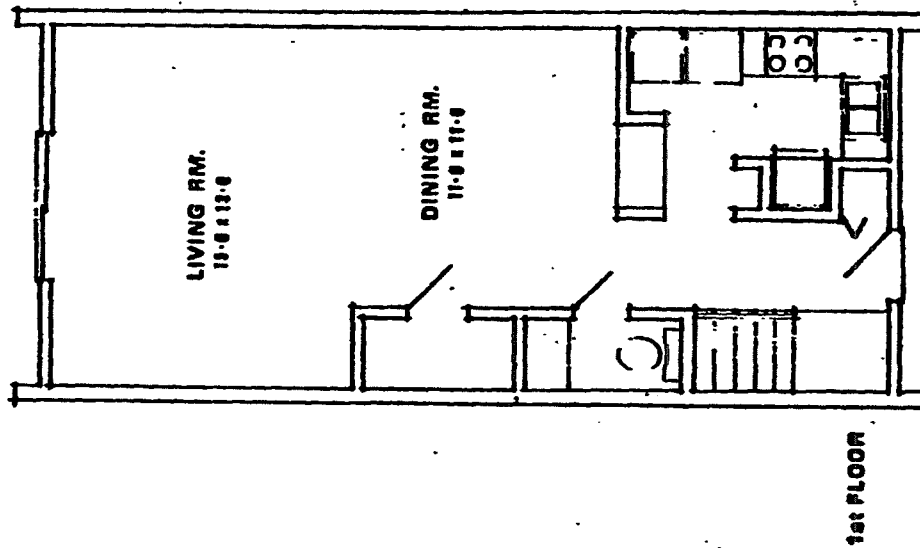
SCALE 3/16" = 1 foot

Exhibit B-2

INTERIOR
TOWNHOUSE

OFFICIAL RECORDS

82 678



SCALE 3/16" = 1 foot

Exhibit B-2

OFFICIAL RECORDS

Exhibit C

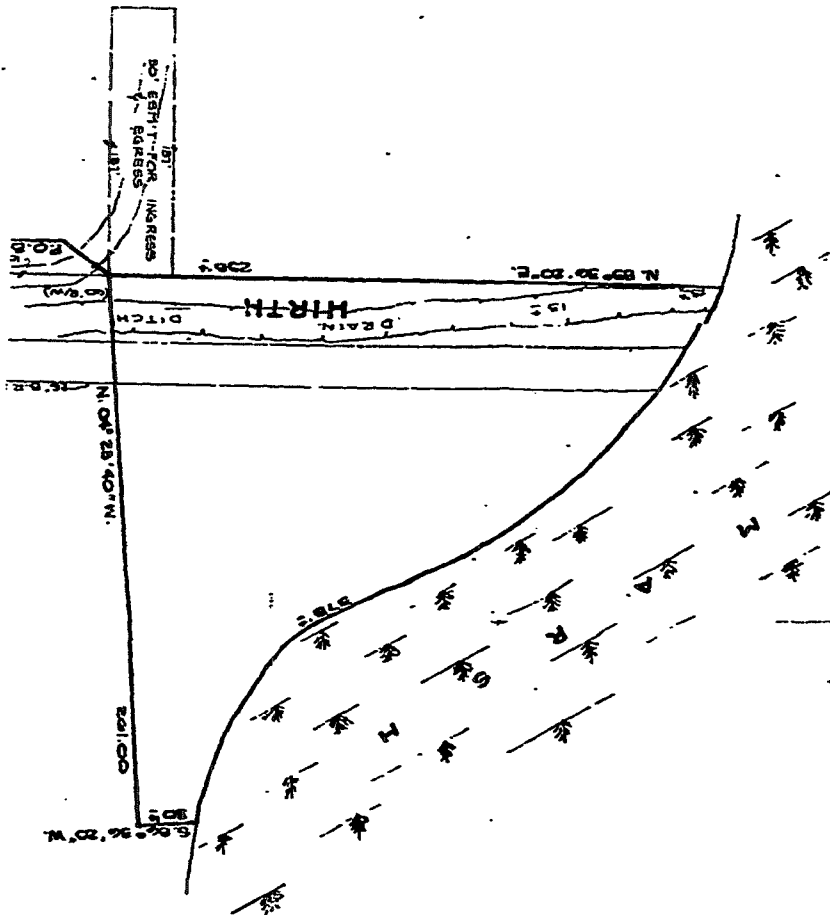
32 679

Building	Unit	Percent	Building	Unit	Percent
	1	.8805	M	61	.8615
	2	.8805	M	62	.8615
	3	.8805	M	63	.8615
	4	.8805	M	64	.8615
	5	.8805	N	65	.8615
	6	.8805	N	66	.8615
	7	.8805	N	67	.8615
	8	.8805	N	68	.8615
	9	.7815	P	69	.7815
	10	.7815	P	70	.7815
	11	.7815	P	71	.7815
	12	.7815	P	72	.7815
	13	.7815	P	73	.7815
	14	.7815	P	74	.7815
	15	.7815	P	75	.7815
	16	.7815	P	76	.7815
	17	.7815	Q	77	.8805
	18	.7815	Q	78	.8805
	19	.7815	Q	79	.8805
	20	.7815	Q	80	.8805
	21	.7815	Q	81	.8805
	22	.7815	Q	82	.8805
	23	.7815	Q	83	.8805
	24	.7815	Q	84	.8805
	25	.8615	R	85	.7815
	26	.8615	R	86	.7815
	27	.8615	R	87	.7815
	28	.8615	R	88	.7815
	29	.8805	R	89	.7815
	30	.8805	R	90	.7815
	31	.8805	R	91	.7815
	32	.8805	R	92	.7815
	33	.8805	S	93	.8615
	34	.8805	S	94	.8615
	35	.8805	S	95	.8615
	36	.8805	S	96	.8615
	37	.8615	T	97	.7815
	38	.8615	T	98	.7815
	39	.8615	T	99	.7815
	40	.8615	T	100	.7815
	41	.8615	T	101	.7815
	42	.8615	T	102	.7815
	43	.8615	T	103	.7815
	44	.8615	T	104	.7815
	45	.8615	U	105	.8615
	46	.8615	U	106	.8615
	47	.8615	U	107	.8615
	48	.8615	U	108	.8615
	49	.8615	V	109	.8615
	50	.8615	V	110	.8615
	51	.8615	V	111	.8615
	52	.8615	V	112	.8615
	53	.8615	W	113	.7815
	54	.8615	W	114	.7815
	55	.8615	W	115	.7815
	56	.8615	W	116	.7815
	57	.8615	W	117	.7815
	58	.8615	W	118	.7815
	59	.8615	W	119	.7815
	60	.8615	W	120	.7815

EXHIBIT "C"

FILED AND RECORDED
IN OFFICE
1886 FEB 25 AM 10:01
NASSAU COUNTY
CLERK OF COURT
J. J. GREENE-CLERK

8601870



682

OFFICIAL RECORDS

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