THIS INSTRUMENT PREPARED BY:
GRAY C. RAMBAUR
1609 BARNETT BANK BUILDING
JACKSONVILLE, FLORIDA 32202

DECLARATION OF CONDOMINIUM

OF

OCEAN 14, A CONDOMINIUM

KNOW ALL MEN BY THESE PRESENTS, that A. W. HIRSHBERG, INC., a Florida corporation ("Developer"), does hereby submit to condominium ownership, pursuant to Chapter 711, Florida Statutes, as amended, the provisions of which are included herein, hereinafter referred to as "Condominium Act", the land and all improvements existing thereon, and all equipment, furnishings and fixtures located thereon, in Duval County, Florida, hereinafter referred to as the "Condominium Property", more particularly described as follows:

> That certain piece, parcel or tract of land situate, lying and being in the City of Jacksonville Beach, County of Duval and State of Florida, known and described as:
>
> Lots 1, 2, 3 and 4, Block 131, PABLO BEACH SOUTH, according to plat thereof recorded in Plat Book 3, page 28, together with that part of Ocean Boulevard lying Easterly of and between the Easterly projection of the Northerly and Southerly lines of said Block 131, to the existing and/or former concrete bulkhead on the Atlantic Ocean, together with that portion of 13th Avenue South lying Easterly of the East right-of-way line of First Street and Westerly of the existing and/or former bulkhead line of the Atlantic Ocean as closed by Ordinance 6831, City of Jacksonville Beach, excepting that portion of 13th Avenue South conveyed to the City of Jacksonville Beach by Deed recorded in Official Records Volume 3628, page 382.

The Condominium Property shall hereafter be subject to the provisions, restrictions, reservations, covenants, conditions and easements hereinafter set forth and as set forth in the "Condominium Act".

RECORD AND RETURN TO
RAMSAUR & BOLLMORE
1609 BARNETT NATIONAL BANK BUILDING
JACKSONVILLE, FLORIDA 32202

1. NAME. The name of this condominium shall be OCEAN 14, A CONDOMINIUM.

2. DEFINITIONS. The terms used in this Declaration and its exhibits shall have the meanings stated in the Condominium Act, which act, as it has been amended, is incorporated herein by this reference, and are as follows:

2.1 Unit means unit as defined by the Condominium Act. There are four types of units as follows:

(a) "Dwelling Unit" means any one of the dwelling units identified as a Dwelling Unit on Exhibit A attached hereto.

(b) "Garage Unit" means any one of the garage units identified as Garage Unit on Exhibit A attached hereto.

(c) "Storage Unit" means any one of the storage units identified as Storage Unit on Exhibit A attached hereto.

(d) "Office Unit" means the office unit identified as Office Unit on Exhibit attached hereto.

2.2 "Assessment" means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner.

2.3 "Association" means the OCEAN 14 ASSOCIATION, INC., a non-profit corporation, which is the entity responsible for the operation of this condominium.

2.4 "By-Laws" means the by-laws of OCEAN 14 ASSOCIATION, INC. for the government of this condominium as they exist from time to time.

2.5 "Common Elements" means the portions of the condominium property not included in the units.

2.6 "Common Expenses" means the expenses for which the unit owners are liable to the association.

2.7 "Common Surplus" means the excess of all receipts of the association, including but not limited to assessments, rents, profits and revenues on account of the common elements, over the amount of common expenses.

2.8 "Condominium Parcel" means a Dwelling Unit, together with a Storage Unit, if applicable and/or together with a Garage Unit, if applicable, together with an undivided interest in the Common Elements appurtenant thereto, with the exclusive right in common with the other Unit Owners to use the Common Elements and an undivided share in the Common Surplus. Any right, title or interest in a Unit shall automatically carry with it as an appurtenance thereto, and without the necessity of specific reference, its respective undivided share of the Common Elements, the Common Surplus, and the right to use the Common Elements in conjunction with the other Unit Owners. The Storage Units and the Garage Units are intended to comprise a portion of the various Condominium Parcels and therefore may be owned only by owners of a Dwelling Unit or the Office Unit. No Storage Unit or Garage Unit may be conveyed except to the owner of a Dwelling Unit or the Office Unit.

2.9 "Condominium Property" means and includes the lands that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the condominium.

2.10 "Developer" means a person who creates a condominium, or who offers condominium parcels owned by him for sale or lease in the ordinary course of business, except that the term "developer" shall not include the owners or lessees of units in condominiums who offer the units for sale or lease or their leasehold interests for assignment, when they have acquired or leased the units for their own occupancy.

2.11 "Operation", or "Operation of the Condominium" means and includes the administration and management of the condominium property.

2.12 "Unit" means a part of the condominium property which is to be subject to private ownership. A unit may be in improvements, land or land and improvements, together.

2.13 "Unit Owner" or owner of a unit means the owner of a condominium parcel.

3. SURVEY, PLOT PLAN AND DESCRIPTION OF IMPROVEMENTS. A survey of the land, a graphic description and plot plan locating the improvements thereof identifying and numbering each Unit, the Common Elements, and their relative locations and approximate dimensions are attached hereto as Exhibits. The Units are identified and have the percentage Ownership of Common Elements appurtenant thereto as described in an Exhibit.

4. MAINTENANCE, ALTERATION AND IMPROVEMENT. Responsibility for the maintenance of the Condominium Property and restrictions upon its alteration and its improvement shall be as follows:

4.1 Units.

(a) By the Association. The Association shall maintain, repair and replace promptly at the Association's expense:

(1) All boundary walls, ceilings and floors of a Unit, except the interior surfaces, and all portions of a Unit contributing to the support of the building, including but not limited to the outside walls of buildings; and all fixtures on the exterior; and load-bearing walls; and floor slabs of patios and Garage Units;

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of a Unit, and all such facilities

(2) Not to install any mechanical equipment which, when in use, will cause annoyance to the occupants of other Units.

(3) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Condominium building or the Common Elements which are appurtenant to the Unit of each respective Owner without the express written permission of the Association.

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

(c) Alteration and Improvement. Except as elsewhere reserved to Developer, neither an Owner nor the Association shall make any alteration in the portions of a Unit that are to be maintained by the Association, or remove any portion of such, or make any additions to them, or do anything that would jeopardize the safety or soundness of the Condominium buildings, or impair any easement.

(d) Assessments for Repairs. In the event a Unit Owner fails to properly maintain and repair his Unit, then the Association, at the discretion of the Board of Directors, may make such repairs as it may deem necessary and the cost thereof shall be assessed against such defaulting Owner. The Association shall have a lien against a Unit for the cost of any repairs it shall make thereto, to the same extent as is provided herein for failure to pay any other special assessments.

4.2 Common Elements, Common Expenses and Common Surplus. The maintenance and operation of the Common Elements shall be the responsibility of the Association and a Common Expense. The Unit Owners shall share the Common Expenses and the Common Surplus in proportion to each Unit Owner's percentage share of the Common Elements.

5. BUDGETS, ASSESSMENTS AND LIENS. The Board shall cause to be prepared and adopted an estimated annual budget for each fiscal year of the Association in the manner provided by Chapter 711, Florida Statutes. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll, taxes, supplies, materials, parts, services, utilities, maintenance, repairs, replacements, landscaping, insurance, fuel, power and other common expenses (as distinguished from individual mortgage payments, real estate taxes and individual telephone, electricity and other individual utility expenses billed or charged to the Unit Owners on an individual or separate basis rather than a common basis). The annual budget may also take into account the estimated net available cash income for the year and a reserve for replacements, and assessments for the betterment of the Condominium Property in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

5.1 In the event that there remains due and unpaid monies due the Association by a Unit Owner for which a statement for the same has been given the Unit Owner by the Association and the same remains unpaid for a period of fifteen (15) days from the date same became due, the Association shall have the privilege of charging a late charge in the amount of four cents for each dollar or fraction thereof of said amount and the same shall be due and payable in the same manner as all other assessments and liens.

5.2 The Association shall have a lien on each Condominium Parcel for any unpaid assessments and interest thereon and said lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessment or enforcement of such lien as provided by Chapter 711, Florida Statutes as amended. In the event of a foreclosure to collect said lien, the Unit Owner shall pay a reasonable rental for the Condominium Parcel.

6. THE ASSOCIATION, VOTING RIGHTS OF OWNER AND MANAGEMENT. The administration and operation of the condominium will be conducted by the OCEAN 14 ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida and as set forth in Chapter 711 Florida Statutes, as amended.

6.1 Membership. All persons owning a vested present interest of record in the fee title to any Condominium Parcel shall automatically be members of the Association and their respective memberships shall terminate as their vested interest in the fee title to the Condominium Parcel terminates. Membership in the Association cannot be transferred, assigned, or pledged in any manner except as an appurtenance to a Unit.

6.2 Voting Rights. Each Owner shall be entitled to one vote in the Association. In the event the Unit is owned by more than one person or by a corporation, trust or other entity, the person entitled to cast the vote for that Unit shall be designated by a certificate filed with the Secretary of the Association signed by the President of the corporation of the entity owning that Unit or by all joint owners of that Unit. The weight given to each vote shall be the total percentage of the Common Elements assigned to each Dwelling Unit plus each Garage Unit and each Storage Unit owned by the Unit Owner.

6.3 Management. All of the affairs and Condominium Property and of the Association shall be controlled and managed by the officers and Board of Directors. A copy of the Articles of Incorporation is attached hereto as an Exhibit and by this reference made a part hereof. The By-Laws governing the operation of the condominium and of the Association are attached hereto as an Exhibit and by this reference made a part hereof. The Association shall have all of the rights, powers and privileges provided by the Condominium Act, the laws governing Florida non-profit corporations, the Articles of Incorporation, the By-Laws and this Declaration.

6.4 Registry of Owners and Mortgagees. The Association shall at all times maintain a register setting forth the names of the Owners. In the event of the sale or transfer of any Condominium Parcel to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Condominium Parcel together with a certified copy of the recorded instrument by which such purchaser or transferee has acquired his interest in any Condominium Parcel. The Owner shall notify the Association of any mortgages encumbering any Condominium Parcel and any transfers thereof, the amount of such mortgage or mortgages, and the recording information for the mortgage or mortgages. The holder of any mortgage encumbering any Condominium Parcel may, if he so desires, notify the Association of the existence of any mortgage held by such party on any Condominium Parcel, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

7. TRANSFERS SUBJECT TO ASSOCIATION'S RIGHT OF FIRST REFUSAL. The transfer of Units by any Owner other than the Developer shall be subject to the right of first refusal of the Association,

which right as hereafter set forth, each Owner covenants to observe.

7.1 Notice. No Owner may sell his Unit without first giving the Association notice in writing of the intended sale, together with an executed copy of the proposed sales contract. The Notice shall be given by registered or certified mail addressed to the Association at 14th Avenue South on the Ocean, Jacksonville Beach, Florida 32250, or such other address as the Association from time to time may furnish to members in writing. Notice to the Owner by the Association shall be given by registered or certified mail at the address he designates in the Notice.

7.2 Options of Association. The Association shall have the right, at its option, to elect to purchase the Condominium Parcel upon the same terms as stated in the Notice, except that the purchase price shall be paid in cash, or to assign this right of first refusal to any persons selected by it including any member of the Association. This option shall be exercised at a special meeting of the Association called by the Board of Directors within 15 days of the receipt of notice.

(a) If the Unit Owners holding at least 50% of the voting rights agree in writing before or at the meeting to exercise the option to purchase, the Association shall exercise the option to purchase and the Association shall so notify the Owner. Such purchase by the Association shall be closed within 30 days thereafter upon the same terms as proposed in the Notice, except that payment shall be in cash. The Board of Directors shall have authority to make a mortgage or other financing arrangements in connection with the purchase, and to do all other acts as may be deemed necessary to close and consummate the purchase of the Condominium Parcel by the Association.

(b) If the Unit Owners holding at least 50% of the voting rights agree in writing either before or at the meeting to assign the right of first refusal to a third person and if that third person accepts the assignment, the Association shall promptly give written notice thereof to the selling Unit Owner stating the name of the person to whom the option to purchase has been assigned. The assignee shall close the transaction within 30 days thereafter on the same terms contained in the Notice, except that the purchase price shall be paid in cash. The Association shall deliver to the purchaser a certificate of approval which he may record in the public records of Duval County, Florida, at his expense. The Association shall have the right to cause the assignee to specifically perform the purchase of the Condominium Parcel.

(c) If the selling Unit Owner receives notice from the Association that it has elected not to exercise its options, or if the Association fails to give any written notice to the Unit Owner within 30 days after receipt of the Notice, then the Unit Owner may proceed to close the proposed sale with the named purchaser at any time within the next 90 days thereafter at the price and on the terms stated in the Notice. The Association shall within a reasonable time after the sale furnish to the purchaser a certificate of approval which the purchaser may record in the public records of Duval County, Florida, at his expense. If he fails to close the transaction within the 90 days, his Condominium Parcel shall again become subject to the Association's right of first refusal as herein provided.

7.3 Unauthorized Transactions. If any Owner shall attempt to sell his Condominium Parcel without complying with the foregoing provisions, the Association shall have each and all the remedies and actions available to the Association hereunder, or at law or in equity in connection with the proposed sale, including without limitation, the right to specific performance of the right to purchase from the new owner the Condominium Parcel upon the same terms and conditions as those by which the new purchaser acquired his interest except the purchase price shall be paid in cash. In addition to each and all the remedies and actions available to the Association hereunder, or at law or in equity, the Association shall have the right to require that the purchaser convey his interest in the Condominium Parcel to the Association or its duly selected assignee, upon the terms and conditions herein set forth.

7.4 Transfer by the Association. If the Association owns or leases a Condominium Parcel, the Board of Directors shall have the authority at any time thereafter to sell or sublease the Condominium Parcel on behalf of the Association upon such terms as the Board of Directors shall deem advisable, without the necessity of complying with the foregoing provisions relating to the Association's right of first refusal, and all the net proceeds or deficits therefrom shall be distributed to, or assessed to, the Owners in accordance with their ownership interest in the Common Elements.

7.5 Exceptions. The foregoing provisions of this section shall not apply to (a) A. W. HIRSHBERG, INC. or (b) a transfer to or purchase by an institutional mortgagee which acquires its title as the result of foreclosure of a mortgage, whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by that mortgagee. Neither shall such provisions require the approval of a purchaser who acquires the title to a Condominium Parcel at a duly advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

8. USE RESTRICTIONS. The use of the Condominium Property shall be in accordance with the following provisions so long as the condominium and the condominium buildings exist in a useful condition on the land described herein.

8.1 Units. Each of the Units shall be occupied by a single family only, and their guests, as a residence and for no other purpose. No transient occupants shall be allowed. Except as reserved to the Developer before sale, no Unit may be divided or subdivided into a smaller Unit, nor shall any portion thereof be sold or otherwise transferred, without first properly amending this Declaration to show the resulting changes in the Units.

8.2 Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Owners and occupants of the Units.

8.3 Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice which is the source of annoyance to residents or which interferes with residents. No loud or objectionable noises or odors shall be permitted to emanate from any Unit which may disturb adjacent Owners. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. No Owner shall permit any use of his Unit or make any use of the Common Elements which will increase the rate of insurance upon the Condominium Property.

8.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the specific property concerned.

8.5 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board of Directors, provided the regulations do not conflict with this Declaration or the By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Owners and residents of the Condominium upon request. All Owners agree to abide by the Regulations and By-Laws of this Condominium.

8.6 Rights of Association. The Board of Directors or its designated agent shall have the right to enter any Unit after reasonable advance notice at any reasonable time to determine compliance with the Condominium Act, this Declaration, and the By-Laws and regulations of the Association or to enter any Unit to maintain, alter or repair any portion of the Common Elements or to enter any Unit at any time in case of any emergency originating in or threatening any Condominium Parcel.

8.7 Signs. No signs shall be displayed from a Unit or the Common Elements except those which have the advance written approval from the Developer or the Association.

9. RIGHTS OF DEVELOPER. Until Developer has completed all of the contemplated improvements and closed the sales of all Units, neither the Owners nor the Association nor the use of the Condominium Property shall interfere with the completion of the contemplated improvements and the sale of the Units. Developer may make such use of the unsold Units and common areas without charge as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the Condominium Property and the display of signs. The Developer also hereby reserves unto itself, its successors and assigns, the right to manage all of the affairs of the Condominium and all of the affairs of the Association, including naming all directors and officers of the Association until the time set forth in Florida Statutes Chapter 711, as amended, for the Unit Owners to assume control of the Association. Until Developer's exclusive right to manage the affairs of the Association and the Condominium has terminated, the Developer shall have the sole and exclusive right to take all actions and do all things in behalf of the Association for the maintenance and operation of the Condominium Property, the determination, levy and collection of assessments, the enactment and enforcement of regulations respecting the use of the Condominium Property, and payment of all Common Expenses.

10. DEVELOPER'S GUARANTEE OF PAYMENT OF COMMON EXPENSES. Until the Unit Owners elect 50% of the members of the Board of Directors of the Association, hereinafter referred to as "said Period", the Developer guarantees that the assessments for Common Expenses of the Condominium, imposed upon the Unit Owners other than the Developer, shall not increase over the dollar amount stated in the budget set forth herein and Developer obligates itself to pay any amount of Common Expenses incurred during said Period which are in excess of the assessments at the guaranteed level receivable from other Unit Owners. During said Period the Developer shall be excused from the payment of its share of the Common Expenses in respect of those Units owned by it. The Developer's guarantee shall be in lieu of and in exchange for the payment of the share of Common Expenses attributable to Units owned by Developer during said Period. In the event of a casualty during the time in which the Developer guarantees the expenses of the Association, such guarantee shall not extend nor be applicable to casualty loss, but such loss shall be apportioned among all the Units.

11. TERMINATION. The Condominium may be terminated in the following manner in addition to the manner provided in the Condominium Act.

11.1 Destruction. In the event it is determined in the manner elsewhere provided that the Condominium buildings shall not be reconstructed because of major damage, the Condominium plan of ownership will be thereby terminated without agreement.

11.2 Agreement. The Condominium may be terminated by the approval in writing of all of the Unit Owners and mortgagees of record. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the Owners of not less than 2/3% of the votes of the entire membership, and of all mortgagees of record are obtained in writing not later than 30 days from the date of such meeting, then the approving Owners shall have an option to buy all of the Condominium Parcels of the other Owners for the period ending on the 60th day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approval shall be irrevocable. Such option shall be upon the following terms:

(a) Exercise of Option. The option shall be exercised by delivery or mailing by registered mail to each Owner of the Units to be purchased the following instruments:

(1) A certificate executed by the president and secretary of the Association certifying that the option to purchase Units owned by Owners not approving termination has been exercised as to all of such Units. Such certificate shall state the names of the Owners exercising the option, the Units owned by them and the Units being purchased by each of them.

(2) An agreement to purchase upon the terms herein stated the Unit of the Owner receiving the notice, which agreement shall be signed by the purchasing Owner.

(b) Price. The sale price for each Condominium Parcel shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement. In the absence of agreement as to price, it shall be determined by arbitration in accordance with Section 14 below, and 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 Condominium Parcel; 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.

(c) Payment. The purchase price shall be paid in cash, or upon terms approved by the seller and the Association.

(d) Closing. The sale shall be closed within ten days following the determination of the sale price.

(e) Termination. The closing of the purchase of all the Units subject to such option shall effect a termination of the Condominium without further act except the filing of the certificate hereafter required.

11.3 Certificate. The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by the president and secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Duval County, Florida.

11.4 Shares of Owners after Termination. After termination of the Condominium, Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the Owners. Such undivided shares of the Owners shall be the same as the undivided shares in the Common Elements appurtenant to the Owners' Units prior to the termination.

11.5 Amendment. This section concerning termination cannot be amended without consent of all Unit Owners and all mortgagees of record of Condominium Parcels.

12. NON-EXCLUSIVE EASEMENT IN COMMON ELEMENTS. Common Elements shall be, and the same are hereby declared to be subject to a non-exclusive easement of ingress and egress in favor of all of the Owners of Units in the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Owners of Units. Notwithstanding anything above provided in this Article, OCEAN 14 ASSOCIATION, INC. shall have the right to establish the rules and regulations pursuant to which the Owner or Owners of any Units may be entitled to the exclusive use of any parking space or spaces.

13. EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS. In the event that any Unit shall encroach upon any Common Elements for any reason not caused by the purposeful or negligent act of the Unit Owner or Owners, or agents of such Owner or Owners, then an easement appurtenant to such Dwelling shall exist for the continuance of such encroachment upon the Common Elements for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Elements shall encroach upon any Dwelling, then an easement shall exist for the continuance of such encroachment of the Common Elements into any Unit for so long as such encroachment shall naturally exist.

14. DEVELOPER TO CONVEY OFFICE UNIT WITHOUT CHARGE. The Developer has retained title to the Office Unit. Upon the sale by Developer of all of the Units, or before, at the Developer's sole discretion, Developer agrees to convey the Office Unit to the Association for TEN DOLLARS consideration and until said date, Developer agrees to make space available in said Office Unit to the Association with the Developer and the Association proportionately sharing the monthly assessments therefore.

15. SEVERABILITY. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Articles of Incorporation, By-Laws of Regulations of the Association shall not affect the validity of the remaining portions thereof.

16. DEVELOPER'S RIGHT TO AMEND DECLARATION. So long as the Developer controls the Association it may amend this Declaration without the consent or joinder of anyone, by executing an instrument to that affect in the same manner required for deeds and recording the same in the public records of Duval County, Florida; provided such amendment is required by a prospective holder of a first mortgage lien on any Condominium Parcel and provided further that such amendment does not materially adversely affect the rights of any Unit Owner.

17. CONSTRUCTION MORTGAGEES' RIGHTS SUPERIOR TO CONTRACT PURCHASERS. A Construction Loan (the "Loan") has been obtained from the FIRST NATIONAL BANK in ST. LOUIS (the "Bank"), for the purpose of constructing the condominium improvements, which Loan is secured by a Mortgage (the "Mortgage") recorded in Official Records Volume 3791, pages 228 through 306, in the Office of the Clerk of the Circuit Court of Duval County, Florida. The Mortgage shall be and remains a first lien on the real property and improvements described therein and included as a part of the Condominium Property, superior to the rights of contract purchasers of Condominium Units, until a valid release of the Mortgage has been executed and delivered pursuant to the closing of each Condominium Unit. If the Bank, its nominee, designee, or any purchaser acquires title to any portion of the Condominium Property by reason of foreclosure of the Mortgage or conveyance to the Bank, its nominee, designee, or any other purchaser by deed in lieu of foreclosure of the Mortgage, the Bank, its nominee, designee or such other purchaser shall have all of the rights set forth in the Mortgage as provided by law.

18. ANNUAL BUDGET, MONTHLY CONDOMINIUM CHARGES. There is attached hereto as an Exhibit the First Annual Budget, together with a schedule showing the Monthly Condominium Charges per Unit.

19. AMENDMENT TO DECLARATION. This Declaration may be amended as provided for in Chapter 711, Florida Statutes.

20. INSURANCE. The insurance, which may be carried on the Condominium Property and the property of the Owners, shall be governed by the following provisions:

20.1 Authority to Purchase. All insurance policies upon the Condominium Property shall be purchased by the Board of Direcotrs for the benefit of the Association and the Owners and their mortgagees as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners. The master policies and all endorsements shall be held by the Association.

20.2 Coverage. The Association shall obtain casualty insurance upon all buildings and improvements upon the land and all personal property included in the Common Elements in an amount equal to the maximum insurable replacement value, exclusing foundation and excavation costs, as determined annually by the Board of Directors, but subject to such standard deductible clauses as are required in order to obtain coverage at reasonable costs. Notwithstanding the foregoing, the amount of deductible clause shall not exceed an amount which would render the holders of first mortgages on the individual Units co-insurers. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall 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. The Board of Directors shall obtain such other insurance coverage for the Association as it deems desirable or required by law including but not limited to workmen's compensation and public liability insurance.

20.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the amount of increase in the premium occasioned by use for other than a residence, or by misuse, occupancy or abandonment of a Unit or its appurtenances or of the Common Elements by an Owner shall be assessed against that Owner. The Association shall furnish evidence of payment of premiums to each mortgagee listed in the register of mortgagees.

20.4 Insurance Trustee; Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses in excess of $10,000.00 shall be paid to such bank in Jacksonville Beach or Jacksonville, Florida, with trust powers as may be designated as Insurance Trustee by the Board of Directors. The Insurance Trustee shall 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 shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated in this Declaration and for the benefit of the Owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee.

(a) Owners. An undivided share for each Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(b) Mortgagee. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear; provided, however, that mo mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Owner and mortgagee pursuant to the provisions of this Declaration.

20.5 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expense of the Trustee. All expenses of the Insurance Trustee shall be first paid or provision for payment made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Owners and their mortgagees being payable jointly to them.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Owners and their mortgagees being payable jointly to them.

(d) Certificate. In making distribution to Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its president and secretary as to the names of the Owners and their respective shares of the distribution.

20.6 Association as Agent. The Association is irrevocably appointed agent for each Owner and for each mortgagee or other lien holder 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.

20.7 Benefit of Mortgagees. Certain provisions in this Section 7, entitled "Insurance" are for the benefit of mortgagees of Condominium Parcels, and all of such provisions are covenants for the benefits of any mortgagee of a Unit and may be enforced by such mortgagee.

21. RECONSTRUCTION OR REPAIR AFTER CASUALTY; EMINENT DOMAIN.

21.1 Determination to Reconstruct or Repair. If any part of the Condominium Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Lesser Damage. If Units to which 50% of the Common Elements are appurtenant are found by the Board of Directors to be tenantable after the casualty, the damaged property shall be reconstructed or repaired.

(b) Major Damage. If units to which more than 50% of the Common Elements are appurtenant are found by the Board of

Directors to be not tenantable after the casualty, whether the damaged property will be reconstructed and repaired or the condominium terminated shall be determined in the following manner:

(1) Immediately after the casualty the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

(2) Immediately after the determination of the amount of insurance proceeds the Association shall give to all Owners notice of the casualty, the extent of the damage, the estimated cost to rebuild or repair, the amount of insurance proceeds and the estimated amount of assessments required to pay the excess of the cost of reconstruction or repair over the amount of insurance proceeds. Such notice shall call a meeting of Owners to be held within 30 days from the mailing of such notice. If the reconstruction and repair is approved at such meeting by the Owners of two-thirds (2/3) of the votes of the Association, the damaged property will be reconstructed or repaired; but if not so approved, the condominium shall be terminated without agreement as elsewhere provided. Such approval may be expressed by vote or in writing filed with the Association at or prior to the meeting. The expense of such detmination shall be a Common Expense.

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

21.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements; or if not, then according to plans and specifications approved by the Board of Directors, institutional lenders holding first mortgages upon the Units affected, and by the Owners of not less than 2/3 of the Common Elements, including the Owners of all Units the plans for which are to be altered, which approvals shall not be unreasonably withheld.

21.3 Responsibility. The responsibility for reconstruction and repair after casualty shall be the same as for maintenance and repair of the Condominium Property, except that in the event of casualty during the time in which the Developer guarantees the expenses of the Association, such guarantee shall not extend nor be applicable to casualty loss, but such loss shall be apportioned among all the Units.

21.4 Assessments. If the proceeds of insurance are not sufficient to reconstruct and repair the damaged property, assessments shall be made against the Owners in sufficient amounts to provide funds for the payment of such costs. Assessments shall be made against all Owners in proportion to their shares in the Common Elements. Assessments for the repair of one or more Units shall be made against the Owners of those Units in such amounts as is necessary to repair those Units. Provided, however, the amount of such assessments provided for in this paragraph shall not be included in the assessments for Common Expenses guaranteed by the Developer as provided for herein.

21.5 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against the Owners, shall be disbursed in the following manner:

(a) Association - lesser damage. If the amount of the estimated costs of reconstruction and repair by the Association is less than $10,000.00 and does not involve material damage to structural parts of the building, the construction fund shall be disbursed in payment of such costs upon direction of the Board of Directors.

(b) Association - major damage. If the amount of the estimated costs of reconstruction and repair by the Association is more than $10,000.00 or involves material damage to the structural parts of the building, the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(c) Owner. The portion of insurance proceeds representing damage for which an Owner has the responsibility of reconstruction and repair shall be paid by the Insurance Trustee to the Owner, or if there is a mortgagee endorsement as to such Unit, then to the Owner and the mortgagee jointly, who may use such proceeds as they decide.

(d) Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall 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 and 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 shall not be made payable to any mortgagee.

(e) Other provisions of this Section 21 notwithstanding if the Developer is the owner at the time of casualty of Units comprising more than 50% ownership interest in the Condominium Property, then the Developer shall act as the Insurance Trustee and proceeds of insurance shall be taken in trust by the Developer and shall be distributed in accordance with the provisions of Paragraph 20.5 for the benefit of all beneficial owners.

21.6 Eminent domain. The taking of a portion of a Unit or of the Common Elements by eminent domain shall be deemed to be a casualty, and the awards for such taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to the Owners, the Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors, a special assessment shall be made against a defaulting Owner in the amount of his award, or the amount of such award shall be set off against the sums hereafter made payable to such Owner. The proceeds of the awards shall be distributed or used in the manner heretofore provided for insurance proceeds except that when the condominium is not to be terminated and one or more Units are taken in part, the taking shall have the following effects:

(a) Unit reduced but tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(1) The Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owner of that particular Unit.

(2) The balance of the award, if any, shall be distributed to the Owner and to each mortgagee of the Unit included in the mortgagee roster, the remittance being payable jointly to the Owner and mortgagees.

(b) Unit made untenantable. If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be paid to the Owner and to each mortgagee of the Unit included in the mortgagee roster, the remittance being payable jointly to the Owner and mortgagees. The remaining portion of the Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Owners in the manner approved by the Board of Directors and the cost of work shall be a Common Expense. The shares in the Common Elements appurtenant to the remaining Units of the condominium shall be equitably adjusted to distribute the ownership of the Common Elements among the reduced number of Owners by recomputing the shares of the remaining Owners in the Common Elements as percentages of the total of the shares of such Owners as they exist prior to the adjustment. The changes in Units, in the Common Elements and in the ownership of the Common Elements which are effected by eminent domain shall be evidenced by an amendment of this Declaration.

IN WITNESS WHEREOF, the Developer has executed this Declaration of Condominium as of the 15th day of June, 1976.

Signed, sealed and delivered in the presence of:

A. W. HIRSHBERG, INC.
BY:

(corporate seal)

A. Walter Hirshberg, President

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

PERSONALLY APPEARED before me, A. WALTER HIRSHBERG, as President of A. W. HIRSHBERG, INC., a Florida corporation, and he acknowledged to and before me that he executed the foregoing Declaration of Condominium as such officer of said corporation and that he affixed the official seal of the corporation thereto and the foregoing instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the County and State aforesaid this 15th day of June, 1976.

Notary Public, State of Florida at Large.

My commission expires: March 17, 1978