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DECLARATION OF CONDOMINIUM

FOR

VILLAS AT MARSH LANDING CONDOMINIUM

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DECLARATION OF CONDOMINIUM
FOR
VILLAS AT MARSH LANDING CONDOMINIUM

THIS DECLARATION is made on the date set forth below by VILLAS AT MARSH LANDING, LLC, a Florida limited liability company (hereinafter "Developer"), the owner of fee simple title to certain real property described in paragraph 3 of this Declaration.

1. SUBMISSION TO CONDOMINIUM OWNERSHIP.

The Developer hereby submits to the condominium form of ownership and use the Land described in paragraph 3 of this Declaration, together with all improvements now and hereafter erected or to be installed thereon and the easements and rights appurtenant thereto pursuant to the Florida Condominium Act as it exists on the date hereof.

2. NAME.

The name by which this condominium is to be identified is VILLAS AT MARSH LANDING CONDOMINIUM (hereafter the "Condominium").

3. THE LAND.

The Land submitted to the condominium is located in Duval County, Florida, being more particularly described in Exhibit "A", which exhibit is attached hereto and incorporated herein by this reference. A survey of the Land is attached as part of Exhibit "C", which exhibit is attached hereto and incorporated herein by this reference.

4. PROPERTY SUBJECT TO CERTAIN RESTRICTIONS AND EASEMENTS.

The Condominium Property (as described hereinafter) is subject to the covenants, restrictions, easements and reserved rights of the Developer contained in this Declaration. The Condominium Property is also subject to:

(a) Easement for Drainage dated November 29, 1954, granted to East Duval County Mosquito Control District recorded in Deed Book 1740, Page 202, of the current Public Records of Duval County, Florida.

(b) Declaration of Easement for ingress and egress in favor of Gene Branscome dated September 28, 1984, recorded in Official Records Volume 5864, Page 946, of the current Public Records of Duval County, Florida (as to Parcel Two described in Exhibit B of the 1990 Easement only).

(c) Grant of Easement for ingress and egress in favor of Multitech Corporation, a Florida corporation, dated December 22, 1986, recorded in Official Records

Volume 6275, Page 275, of the current Public Records of Duval County, Florida, a partial termination of which is recorded in Official Records Volume 6621, Page 482, of the current Public Records of Duval County, Florida (as to Parcel Two described in Exhibit B of the 1990 Easement only).

(d) Grant of Easement for ingress and egress in favor of Marsh Landing Venture, Ltd., a Florida limited partnership, dated October 10, 1988, recorded in Official Records Volume 6621, Page 475, of the current Public Records of Duval County, Florida (as to Parcel Two described in Exhibit B of the 1990 Easement only).

(e) Declaration recorded in Official Records Book 6662, Page 1517, as modified by Official Records Book 7021, Page 1971, Official Records Book 7947, Page 1191, and Official Records Book 8509, Page 991, all of the Public Records of Duval County, Florida (as to Parcels One and Two described in Exhibit B of the 1990 Easement only).

(f) Utility Easement dated November 22, 1991, recorded in Official Records Book 7496, Page 795, of the Public Records of Duval County, Florida.

(g) Terms and conditions of Easement dated December 27, 1990, recorded in Official Records Book 7021, Page 1978, of the Public Records of Duval County, Florida.

(h) such other easements as shown on the Survey, as contained in any future amendments to this Declaration, or as declared by the Developer pursuant to reserved rights contained herein.

5. DEFINITIONS.

Generally, terms used in the Bylaws and the Articles of Incorporation shall have their normal generally accepted meanings or the meanings given in the Act. Unless the context otherwise requires, certain terms used in the Declaration, the Bylaws, and the Articles of Incorporation shall be defined as follows:

(a) "Access Easement Agreement" shall mean that certain Easement Agreement for Ingress and Egress between Marsh Landing Business Park, Ltd., and Pacific Mutual Life Insurance Company, dated December 27, 1990, recorded in Official Records Book 7021, Page 1978 *et seq.*, of the Public Records of Duval County, Florida.

(b) "Act" or "Condominium Act" or "Florida Condominium Act" means the Florida Condominium Act (Chapter 718, Florida Statutes) as it exists on the date hereof and as amended from time to time.

(c) "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as may be amended from time to time. A certified copy of the original Articles of Incorporation are attached hereto as Exhibit "E".

(d) "Architectural Review Committee" or "ARC" shall mean the committee established to exercise the architectural review powers set forth in Paragraph 16 hereof.

(e) "Area of Common Responsibility" shall mean and refer to the Common Elements, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any other person or entity become the responsibility of the Association.

(f) "Assessment," as further described and defined in Paragraphs 18 and 19 hereof, shall mean a share of the funds required for the payment of Common Expenses as provided in this Declaration and which from time to time is assessed against the Unit Owner.

(g) "Association" or "Condominium Association" shall mean VILLAS AT MARSH LANDING CONDOMINIUM ASSOCIATION, INC., a Florida corporation not-for-profit, the sole entity responsible for the operation of the Condominium. Where utilized herein or in the exhibits attached hereto, the term "Corporation" shall be deemed to be synonymous with the term "Association."

(h) "Association Property" shall mean the property, real and personal, in which title or ownership is vested in, or which is dedicated on a recorded plat or leased to, the Association for the use and benefit of its members.

(i) "Building" shall mean the structure within which the Units and certain Common Elements are located on the Condominium Property.

(j) "Board of Directors," or "Board" shall mean the Board of Directors of the Association.

(k) "Bylaws" shall mean the Bylaws of the Association, as may be amended from time to time. A copy of the original Bylaws are attached hereto as Exhibit "F".

(l) "Commercial Unit" shall mean any space shown on the Floor Plans for the Condominium marked as "Commercial Unit" or "CU", which Floor Plans are attached hereto as Exhibit "D".

(m) "Common Elements" shall mean and include the portions of the Condominium Property which are not included within a Unit, as more particularly described in this Declaration.

(n) "Common Expenses" shall mean all expenses incurred or anticipated to be incurred by the Association for the general benefit of the Condominium, including but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements, including maintenance costs as required pursuant to the Access Easement Agreement. "Common Expenses" shall include the expense of installation, replacement, operation, repairs and maintenance of hurricane shutters in accordance with Section 718.115(1)(c) of the Act, and the cost of a master television antenna system or duly franchised cable television service obtained pursuant to a bulk contract or other provider of television

signals on a bulk basis. For all purposes of this Declaration, "Common Expenses" shall also include all reserves required by the Act or otherwise established by the Association, regardless of when reserve funds are expended.

(o) "Common Surplus" shall mean the excess of all receipts of the Association collected on behalf of the Association (including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements), over and above the amount of Common Expenses.

(p) "Condominium Instruments" shall mean this Declaration and all Exhibits to this Declaration, including but not limited to the Bylaws of the Association, the Articles of Incorporation, the Survey and Floor Plans, all as may be supplemented or amended from time to time.

(q) "Condominium Parcel" shall mean a Unit together with the undivided share in the Common Elements and the Common Surplus which is appurtenant to the Unit.

(r) "Condominium Property" shall mean the Land described in Exhibit "A" and the improvements constructed thereon which have been submitted to condominium ownership under this Declaration.

(s) "County" shall mean Duval County, State of Florida.

(t) "Declaration" or "Declaration of Condominium" shall mean this instrument, as it may be amended from time to time.

(u) "Developer" shall mean Villas at Marsh Landing, LLC, a Florida limited liability company, and its successors and its assigns or any other individual or entity that qualifies as a Developer pursuant to Florida Administration Code, Section 61B - 15.007.

(v) "Floor Plans" shall mean the floor plans for Villas at March Landing Condominium prepared by The Brown Group Architects, Inc., and required by Section 718.104 of the Act, which Floor Plans are attached hereto as Exhibit "D" and are incorporated herein by this reference.

(w) "Institutional First Mortgagee" shall mean a bank, savings and loan association, insurance company, credit union, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other lender generally recognized as an institutional lender, or the Developer, holding a first mortgage on a Unit or Units. A "Majority of Institutional First Mortgagees" shall mean and refer to Institutional First Mortgagee(s) of Units with regard to at least 51% of the voting interests which are appurtenant to Units subject to mortgages held by Institutional First Mortgagees.

(x) "Limited Common Elements" shall mean a portion of the Common Elements, the exclusive use of which is reserved to a certain Unit or Units to the exclusion of other Units, as same are shown on the Survey or are specified in this Declaration. References herein to Common Elements also shall include all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.

(y) "Management Firm" means and refers to Julian LeCraw & Company, Inc., a Georgia corporation, and its successors and assigns, or any person or entity contracted by the Association to perform management functions for and on behalf of the Association.

(z) "Occupant" means and refers to a person (be it an Owner or a tenant or lessee of an Owner) who resides in a Unit. Where the context dictates, an Occupant shall also be deemed to include the family members, occasional social guests, tenants, licensees and invitees.

(aa) "Residential Unit" shall mean all Units except for any Commercial Unit as defined above.

(bb) "Survey" shall mean the survey/plot plan for Villas at Marsh Landing Condominium, prepared by R. E. Holland Associates, Inc., required by Section 718.104 of the Act, which Survey is attached hereto as Exhibit "C" and is incorporated herein by this reference.

(cc) "Unit" shall mean and refers to that portion of the Condominium Property which is subject to exclusive ownership and use as more particularly described in this Declaration.

(dd) "Unit Owner" or "Owner of a Unit" or "Owner" shall mean the record owner of legal title to a Condominium Parcel.

(ee) "Voting Interest" shall mean the voting rights distributed to Association members pursuant to the Declaration.

6. DESCRIPTION OF CONDOMINIUM

(a) Identification of Units. The Condominium shall contain one hundred ninety-two (192) Residential Units and two (2) Commercial Units. A graphic description of the buildings in which Units are located, including an identification of each Unit by a separate numerical designation is shown on the Survey and/or Floor Plans attached as Exhibits "C" and "D", respectively. The Survey and Floor Plans, together with this Declaration, is sufficient in detail to identify the Common Elements and each Unit and their relative locations and dimensions. Time-share estates or interests will not be created with respect to any of the Units in the Condominium.

7. UNITS AND BOUNDARIES.

Each Unit consists of a residential dwelling or commercial space, as applicable, and its appurtenant percentage of undivided interest in the Common Elements and Common Surplus. Each Unit shall be subject to the Act and the Condominium Instruments. Each Unit is depicted on the Survey and Floor Plans. Each Unit includes that part of the structure which lies within the following boundaries:

(a) Vertical Boundaries. The perimetrical or vertical boundaries of each Unit shall be the vertical planes formed by the outermost, unexposed, unfinished surfaces of the walls of the Unit. The vertical boundaries include the wallboard or other material comprising the wall of the Unit as it extends to its intersections with the upper and lower horizontal boundaries of the Unit.

(b) Horizontal Boundaries.

(i) If the Unit is on the top floor of the building, the upper horizontal boundary of such Unit is the uppermost, unfinished, unexposed surface of the wallboard or other material comprising the ceiling of the Unit, with such material constituting part of the Unit. The lower horizontal boundary of such Unit is the lowermost surface of the wood floor truss structure comprising the subflooring of the Unit, with the flooring and subflooring constituting part of the Unit.

(ii) If the Unit is on the bottom floor of the building, the upper horizontal boundary of such Unit is the lowermost surface of the wood floor truss system comprising the subflooring of the Unit above, with the subflooring of the Unit above not constituting part of the Unit below. The lower horizontal boundary of such Unit is the uppermost surface of the concrete slab on which the Unit is constructed, with the flooring, if any, constituting part of the Unit and the concrete subflooring and building foundation not constituting part of the Unit.

(c) Additional Information to Interpret Unit Boundaries. Entry doors and exterior glass surfaces, including, but not limited to, windows and glass doors, serving the Unit shall be included within the boundaries of the Unit. Heating and air conditioning systems serving a single Unit (including any part of such system located outside the boundaries of the Unit), all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Unit shall be part of the Unit.

If any chutes, flues, ducts, conduits, wires, pipes or other apparatus lies within and partially outside of the designated boundaries of the Unit, any portion thereof which serves only that Unit shall be deemed to be a part of that Unit, while any portions thereof which serve more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements except that any chimney and fireplace flue shall not be deemed part of a Unit, but shall be considered a Limited Common Element assigned to such Unit as set forth below.

(d) Appurtenances to Units. The ownership of each Unit shall include and there shall pass with a Unit as appurtenances thereto: (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be the Limited Common Elements for such Unit; (c) an exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, provided that an easement in air space which is vacated shall be terminated automatically; (d) membership in the Association with the full voting rights appurtenant thereto; and (e) other appurtenances as may be provided by this Declaration or the Act.

8. COMMON ELEMENTS.

The Common Elements consist of all portions of the Condominium Property not located within the boundaries of a Unit. The Common Elements include all Limited Common Elements as described in Paragraph 9 herein and further, without limitation,

(a) Easements over, under, across, and through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to the Units and the Common Elements;

(b) An easement of support in every portion of a Unit which contributes to the support of any other Unit or the Building;

(c) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements;

(d) The appurtenant easement interest for ingress and egress as set forth in the Access Easement Agreement as defined herein and as more particularly described in Exhibit "A" to this Declaration;

(e) Certain utilities, fences and lighting for same, paving, walls, retaining walls, seawalls, the foundation, roofs, skylights and exterior walls of the buildings, clubhouse (not including the Commercial Units located within the clubhouse as depicted on the Survey and Floor Plans), including covered deck and porch, fitness center and business center, including all equipment and furniture for same, pool, spa, pool bathrooms, grill area, mail box structures, limited access gated entry system, fences, landscape areas, outside parking area and lighting for same, uncovered parking spaces, parking garage buildings, storm water management system (including but not limited to pumps, drain lines, drop inlets, and lift stations), mitigation areas, bulkheads, marsh areas, sprinkler system, driveways including bridges, sidewalks, lakes, directory signs, entry feature including signs, dumpsters, all other lighting, personal property, equipment and furniture in any Common Element of the Condominium buildings.

(f) Additions, Alterations or Improvements to the Common Elements by the Association. Whenever, in the judgment of the Board of Directors, the Common Elements, or any part thereof, shall require capital additions, alterations or improvements (as distinguished

from maintenance, repairs and replacements) costing in excess of \$25,000.00 in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by the Owners of a majority of the Units represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements, or any part thereof, costing in the aggregate \$25,000.00 or less in a calendar year may be made by the Board of Directors without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall be as a "Capital Improvement Assessment" of the Unit Owners as provided in Section 18 of this Declaration. For purposes of this Section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to perform the above-stated purposes, regardless of whether the repayment of any part of that debt is made beyond that year.

9. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS.

The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, and the exclusive right to use all appropriate appurtenant Limited Common Elements, shall not be separated from such Unit and shall pass with the title to the Unit, whether or not separately described. The appurtenant share in the Common Elements and Common Surplus, and the exclusive right to use all Limited Common Elements appurtenant to a Unit, cannot be conveyed or encumbered, except together with such Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements, the Condominium Property, or any part thereof, shall be undertaken, except as provided herein with respect to termination of the Condominium.

10. LIMITED COMMON ELEMENTS.

(a) The Limited Common Elements located on the Condominium and the Unit(s) to which they are assigned are:

(i) the portion of the Common Elements on which there is located any portion of the air conditioning or heating system exclusively serving a particular Unit or Units is assigned as Limited Common Element to the Unit or Units so served;

(ii) any utility meter not owned by the utility company, if any, which serves only one Unit is assigned as a Limited Common Element to the Unit so served;

(iii) any screen porch attached to and serving only one (1) Unit is assigned as a Limited Common Element to the Unit to which it is attached and which it serves;

(iv) any front porch and steps as shown on the Floor Plans attached to and serving only one (1) Unit is assigned as a Limited Common Element to the Unit to which it is attached and which it serves;

(v) any steps and/or front porch as shown on the Floor Plans serving more than one (1) but less than all Units, as shown on the Floor Plans, are assigned as Limited Common Elements to the Units which they serve;

(vi) any chimney and fireplace flue adjoined and connected to a Unit or Units are assigned as Limited Common Elements to the Unit or Units to which they are adjoined and connected;

(vii) each Unit is assigned one (1) mailbox or mail slot; and

(viii) any hurricane shutters affixed to the exterior of a building serving a particular Unit is assigned to the Unit so served.

(ix) any covered parking space within a garage building ("Garage Space") assigned by Developer for additional consideration, in its sole discretion, as a Limited Common Element, each of which is more particularly described and numbered in Exhibit "C" attached hereto. As long as the Developer owns any Unit primarily for the purpose of sale, Developer may assign to the Owner of a Unit Garage Spaces which have not been previously assigned to another Unit for additional consideration to Developer until Developer has assigned all Garage Spaces. All assignments of Garage Spaces shall be made by separate instrument or in the deed of conveyance of the Unit. Upon assignment, each Garage Space so assigned shall be deemed to be a Limited Common Element of the Unit and the Unit Owner's right to use of such Garage Space shall become an appurtenance to the Unit and may be encumbered or conveyed thereafter as an appurtenance to said Unit without specific reference to such Garage Space. After exclusive use of such Garage Space is assigned by Developer, it may not be assigned, conveyed or encumbered except as an appurtenance to the Unit to which it is assigned, except that it may be separately assigned to the Association, and thereafter assigned by the Association, in its sole discretion, to another Unit Owner. Notwithstanding the foregoing, a Unit Owner may convey or transfer the exclusive use of a Garage Space (i) to the purchaser of such Unit Owner's Unit, or (ii) to another Unit Owner. Provided that with respect to a conveyance or transfer of the exclusive use of the Garage Space under (ii) above, such conveyance or transfer shall be approved in writing by the Association, which approval shall not be unreasonably withheld. Any such conveyance or transfer shall be by written instrument executed with the formalities of a deed and recorded in the public records of Duval County, Florida. Failure to so record the conveyance or transfer of the exclusive right to use a Garage Space and the written consent of the Association thereto, if required, shall render the transfer or conveyance null and void. So long as unassigned, any Garage Space may be used by Developer and leased, pending assignment.

11. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES.

All Unit Owners, by virtue of their ownership of a fee or undivided fee interest in any Unit in the Condominium, excluding Persons holding such interest under a Mortgage, are members of the Villas at March Landing Condominium Association, Inc., and, except as otherwise provided herein or in the Bylaws, shall be entitled to vote on all matters upon which

members of the Association are entitled to vote pursuant to the Declaration and in accordance with the Bylaws. Subject to the provisions of the Condominium Instruments, the Owner or collective Owners of a Unit shall be entitled to one (1) equally weighted vote for such Unit ("Voting Interest"). The total number of votes shall at all times be equal to the number of Units submitted to the Condominium under this Declaration. Membership in the Association shall automatically terminate upon the termination of ownership of a Condominium Parcel, and the subsequent owner taking title shall automatically become entitled to membership.

12. OWNERSHIP OF COMMON ELEMENTS AND COMMON SURPLUS AND SHARE OF COMMON EXPENSES.

The proportion or percentage of and manner of sharing Common Expenses and owning the Common Surplus shall be the same as the undivided shares in the Common Elements. The undivided share in the Common Elements and Common Surplus appurtenant to each Unit, as well as the undivided share of the Common Expenses to be paid with respect to each Unit, shall be computed on the following basis:

(a) The allocation of percentage shares in the Common Elements and Common Surplus, and the percentage share of the Common Expenses, appurtenant to each Unit is set forth in Exhibit "B" as attached hereto and incorporated herein by this reference. The allocation of percentage shares has been established by the Developer in the following manner:

(i) The approximate area of each Unit has been measured in square feet based upon the interior surface of the walls bounding the Unit, but excluding balconies, terraces, patios and porches. Such area for each such Unit is hereafter referred to as its "Unit Area."

(ii) The total of the Unit Area of all Units has been computed and is hereinafter referred to as the "Total Unit Area."

(iii) The Total Unit Area has been divided into the Unit Area of each Unit to determine the allocation of percentage shares for each Unit as set forth on Exhibit "B" to this Declaration.

The foregoing methods of calculation were undertaken in order to establish a fair and equitable method of allocating assessment percentages to Units within the Condominium and every purchaser of a Unit, whether from the Developer or otherwise, hereby agrees to be bound by such calculations and hereby irrevocably waives the right to assert that the formula used or the measurements made were unfair, inequitable, or otherwise in error.

13. EASEMENTS.

The following easements are hereby created (in addition to any easements created under the Act and any other provisions of this Declaration):

(a) Support. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

(b) Utility and Other Services; Drainage. Non-exclusive easements are hereby reserved unto the Developer and also granted to the respective utility providers under, through and over the Condominium Property as may be required from time to time for the construction, use and maintenance of all utilities (whether public or private), cable television, communications and security systems, and other services which may serve the Condominium; provided, however, that these easements shall not permanently interfere with the residential use of the Units. A non-exclusive easement is also reserved unto the Developer and granted to all applicable governmental entities over and across the Common Elements for the purpose of providing drainage and for the installation, operation, use and maintenance of drainage facilities; provided, however, that the Association shall be responsible for the continuous maintenance of the easements and rights-of-way of the drainage system located on any and all portions of the Condominium Property. This obligation shall run with the land as do other provisions of the Declaration, and any Unit Owner may enforce this covenant and will be entitled to costs and fees, pursuant to Paragraph 25(c) of the Declaration (Costs and Attorneys Fees), which result from such enforcement.

(c) Encroachments. If: (a) any portion of the Common Elements encroaches upon any Unit; (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of the improvements; (ii) settling or shifting of the improvements; (iii) any alteration or repair to the Common Elements made by or with the consent of the Association or the Developer, as appropriate, or (iv) any repair or restoration of the improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

(d) Ingress and Egress. A non-exclusive easement for ingress and egress in favor of each Unit Owner and resident, their guests and invitees, shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this subsection shall be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any such lien encumbering such easements (other than those on Condominium Parcels) automatically shall be subordinate to the rights of Unit Owners and the Association with respect to such easements.

(e) Facilities and Services. Easements over, under, across and through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to the Units and the Common Elements (including, but not limited to, easements in

favor of the Owners for the purposes of permitting the installation, operation and continued usage of hurricane shutters affixed to the exterior of the Units).

(f) Survey. All easements described or shown on the Survey.

(g) Association Easement. A perpetual, non-exclusive easement is hereby granted to the Association and its successors and assigns over, across, under and through the Condominium Property for the purpose of permitting the Association to perform its obligations hereunder. Such easement shall permit access to the Units upon reasonable prior notice, except that no notice shall be required in the event of an emergency.

A Unit Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provision of such utility, cable television, communications and security systems, or other service or drainage facilities or the use of these easements. The Association shall have the irrevocable right of access to each Unit during reasonable hours, when necessary, to maintain, repair or replace those items and areas, as detailed in Paragraph 15 (Maintenance Responsibilities) herein or as otherwise contemplated herein, for which the Association is responsible, and to remove any improvements interfering with or impairing such facilities or easements herein reserved, pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.

Wherever in this Paragraph or elsewhere in this Declaration an easement is granted or reserved to any party, such easement shall also benefit such party's successors, grantees, assigns, agents, employees, licensees, invitees and guests. All easements referred to herein shall be non-exclusive easements.

(h) Developer Easements. For so long as Developer owns any Unit primarily for the purpose of sale, Developer and its duly authorized contractors, subcontractors, representatives, agents, associates, employees, tenants and successors and assigns shall have: (1) a non-exclusive easement for access and ingress to, egress from and use of the Common Elements for the placement and maintenance of signs, banners, balloons, decorations, marketing materials and tables, a sales office, a leasing office, a business office, promotional facilities and model Units on any portion of the Condominium, together with such other facilities as in the opinion of Developer may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, sale or lease of any Unit; and (2) a non-exclusive easement to use the Common Elements for special events and promotional activities. In addition, until such time as the Developer relinquishes control of the Association in accordance with Section 718.301(4) of the Act, the Developer shall have a transferable, non-exclusive easement on, over, through, under and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of constructing, installing, replacing, repairing, restoring and maintaining all utilities, buildings, driveways, landscaping and any other improvements on the Condominium Property or serving the Condominium, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

(i) Developer Activities. Until such time as the Developer completes and sells all of the Units in the Condominium, the Developer reserves, for the purpose of developing, renovating and constructing the Condemned Property, the right to prohibit access to any portion of the Common Elements of the Condominium Property or uncompleted Units to any of the Occupants of the Condominium, and to utilize various portions of the Common Elements or the Units in connection with such construction and development; provided that in no event shall the Developer prevent reasonable access by Owners and Occupants to Common Elements for the purpose of ingress and egress to and from the Units. No Unit Owner or such Owner's guests or invitees shall in any way interfere or hamper the Developer, its employees, successors or assigns, in connection with such construction. Thereafter, during such time as the Developer, its successors or assigns, own any Units within the Building and is carrying on any business in connection therewith, including the selling, renting or leasing of such Units, the Unit Owners, their guests and invitees shall in no way interfere with such activities or prevent access to such Units by the Developer, its employees, its successors or assigns.

(j) Sales and Management Activities. Until such time as the Developer has conveyed all Units to third parties, the Developer, its designees, successors and assigns, shall have the right to use any such Units and parts of the Common Elements (including the business center in the Clubhouse) for Unit models, sales, closings, management and construction offices; to show model Units and the Common Elements to prospective purchasers and, if applicable, tenants of Units; and to erect on the Condominium Property signs and other promotional material to advertise Units for sale or lease.

14. AMENDMENTS.

(a) Amendment by Unit Owners. Except as otherwise provided in this Paragraph or elsewhere in this Declaration or the exhibits attached hereto or the Act, this Declaration may be amended by affirmative vote of the Owners of 66% of all the Condominium Parcels at an Association meeting duly called for such purpose pursuant to the Bylaws; provided, however, that (1) no amendment to this Declaration shall be made which affects any of the rights and privileges provided to the Developer as defined herein without the written consent of such Developer, and (2) no amendment may change the configuration or size of a Unit without the written consent of the affected Unit Owner(s). All amendments under this Paragraph shall be recorded and certified as required by the Act.

(b) Amendment by Developer.

(i) Amendment to Condominium Plans and Declaration. The Developer reserves the right to make whatever changes it may deem necessary in the Survey, Plot Plan, Floor Plan or other documents required by Section 718.104 of the Act and this Declaration until such time as 51% of the Units have been conveyed to third parties not related to or affiliated with the Developer. The amendment reflecting such changes need only be executed by the Developer; provided, however, that no such amendment unilaterally approved by the Developer shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the proportion or percentage by which a Unit Owner shares the Common Expenses and owns the Common Surplus, unless such

amendment is also approved by the record Owner of the affected Unit, all record owners of liens on such affected Unit, and at least a majority of the total voting interests of the Association.

(ii) Special Amendment. Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends the Declaration and any provision therein (i) to comply with requirements of the FNMA, FHLMC, the Government National Mortgage Association, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units; and (iii) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Unit Owner and the Association. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on December 31, 2006.

(iii) This Declaration and all exhibits hereto, where applicable, may be amended unilaterally by the Developer for the purposes set forth and pursuant to Section 718.110(5), Florida Statutes, to correct scrivener's errors.

(c) Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed with the same formalities required for the execution of a deed. Amendments by the Developer must be evidenced by a similar certificate executed by the Developer alone. An amendment of the Declaration is effective when the applicable certificate is properly recorded in the public records of the County.

(d) Limitation. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer without the consent of said Developer in each instance. The provisions of this paragraph may not be amended in any manner.

(e) Procedure. 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 underlined, and words to be deleted shall be lined through with hyphens. However, if 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 indicators of words added or deleted, but, rather, a notation must be inserted

immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Section _____ of the Declaration. See provision _____ for present text." Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

15. MAINTENANCE RESPONSIBILITY.

(a) By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit, the screening of any Limited Common Element screened porches, Limited Common Element front porches and steps, interiors of Limited Common Element garages, and all improvements made by the Owner to the Limited Common Elements assigned to the Unit except any portion of a Unit which is expressly made the maintenance obligation of the Association as set forth in subparagraph (b) below. This maintenance responsibility shall include, but not be limited to the following: all glass surfaces (excluding exterior cleaning), windows, window frames (except for periodic painting, staining and/or cleaning of the exterior window frames), casings and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting, staining and/or cleaning of the exterior surface of entry doors and door frames facing the hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit). All maintenance, repair and/or replacements for which the Owner is responsible and obligated to perform which if not performed, would affect other Units or Common Elements, shall be performed promptly as the need arises.

In addition, each Unit Owner shall have the responsibility:

(i) To keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit.

(ii) To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units.

(iii) To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible.

(iv) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, tenants or guests, with the cost thereof to be billed to the Owner, which cost shall bear interest at the highest rate permitted by law from the date expended until paid in full.

(b) By the Association. The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes, but is not limited to, the following:

(i) all Common Elements, including any Limited Common Elements, but excluding all improvements made to such Limited Common Elements and including all portions of the roof(s) and the roof(s) support systems, including the roof(s) joists and cross braces, even if such roof(s) joists and cross braces are located within a Unit, and including all outdoor parking spaces, the exterior of garage buildings and the structures of the Limited Common Element screen porches (excluding the screening);

(ii) periodic painting, staining and/or cleaning of exterior surfaces of the Condominium buildings, exterior window frames and entry doors and door frames facing the hallway of the Condominium, on a schedule to be determined by the Board of Directors;

(iii) periodic cleaning of exterior window surfaces on a schedule to be determined by the Board of Directors;

(iv) all Limited Common Element hurricane shutters.

Except for the maintenance responsibilities provided in subparagraph (a) above, no maintenance or repair which is the responsibility of the Association shall be performed on or to the Common Elements by an Owner or Occupant (including, but not limited to landscaping of Common Elements). If any such maintenance or repair is performed by an Owner or Occupant in violation of these covenants, the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair and the Owner or Occupant shall be liable to the Association for any resulting damage to the Common Elements.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner of a Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Paragraph where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for

inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As finish levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready". Such repair and subsequent cleaning shall be performed based on a reasonableness standard. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

(c) Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors.

Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Owner does not complete the required maintenance, repair and/or replacement within the time allotted, and if the repair, replacement and/or maintenance is of an item which, if not performed would affect other Units or the Common Elements but which does not create an emergency, the Board may provide such maintenance, repair or replacement at a time agreed upon with the Owner and such cost shall be billed to the Owner. If the Board determines that an emergency exists by virtue of an Owner's failure to maintain, then the Board may enter the Unit and provide the necessary maintenance, repair and/or replacement and such cost shall be billed to the Unit Owner. Any cost billed to the Owner pursuant to this subsection shall bear interest at the highest rate permitted by law from the date expended until paid in full.

If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any Owner, or Occupant or their family, guests, lessees, or invitees, then the Association may bill the Owner for the cost of any such maintenance, repair, or replacement and any such amount billed shall bear interest at the highest rate permitted by law from the date expended until paid in full.

(d) Measures Related to Insurance Coverage.

(i) The Board of Directors, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Owners to

install and maintain smoke detectors at a mutually agreed upon time, requiring Owners to certify that they have checked the batteries for their smoke detectors, requiring Owners to allow the Association to inspect the smoke detectors and replace batteries if needed by the Board of Directors, requiring Owners to make improvements to the Owner's Unit, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed three hundred dollars (\$300.00) per Unit in any twelve (12) month period.

(ii) In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any requirement made by the Board of Directors pursuant to subparagraph (d)(i) above, the Association, upon fifteen (15) days' written notice (during which period the Unit Owner may perform the required act or work without further liability), may perform such required act or work at the Unit at a mutually agreed upon time. The cost of any such work performed by the Association shall be billed to the Owner and shall bear interest at the highest rate permitted by law from the date expended until full payment. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subparagraph (d)(i) of this Paragraph, including, but not limited to, a right of entry without notice in an emergency situation.

16. ARCHITECTURAL CONTROLS.

(a) During Developer Control. During the time in which the Developer has the right to appoint a majority of the directors and officers of the Association under Article IV of the Bylaws there shall be no Architectural Review Committee and all encroachments onto the Common Elements or Limited Common Elements, exterior change, alteration or construction (including painting and landscaping), and any erection, placement or posting of any object, sign, clothesline, speaker, playground equipment, light, fountain, flag (except that one (1) portable, removable United States flag may be displayed in a respectful way), or thing on the exterior or roofs of the buildings, in any windows (except window treatments as provided herein), or on any Limited Common Elements or any Common Elements, must receive the prior written approval of the Developer; however, a mezuzah or comparable religious symbol not longer than three inches (3") in width and nine inches (9") in height may be posted on the door frame of the Unit and reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15th. Granting or withholding such approval shall be within the sole discretion of the Developer. All references in the Condominium Instruments to the Architectural Review Committee or ARC shall refer to the Developer during the period the Developer has the right to appoint the officers and directors of the Association.

(b) After Developer Control. At the time the Unit Owners other than the Developer have the right to elect a majority of the officers and directors of the Association as provided in Article IV of the Bylaws, an Architectural Review Committee shall be appointed by the Board of Directors and except for the Developer, so long as the Developer shall own a Unit for sale, no Owner, Occupant, or any other person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, clothesline,

speaker, playground equipment, light, fountain, flag (except that one (1) portable, removable United States flag may be displayed in a respectful way), or thing on the exterior or roofs of the buildings, in any windows (except window treatments as provided herein), on any Limited Common Elements, or on any other Common Elements, without first obtaining the written approval of the ARC. However, a mezuzah or comparable religious symbol not longer than three inches (3") in width and nine inches (9") in height may be posted on the door frame of the Unit and reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15th. The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings, Units and structures, and the location in relation to surrounding structures and topography. Notwithstanding the above, Developer shall not be required to obtain any approvals under this Paragraph.

(c) Alteration of Units. Subject to the other provisions of this Declaration, alterations to the interiors of Units, relocation of the boundaries between adjoining Units, and subdivision of Units are subject to the following restrictions:

(i) Alterations to the Interiors of the Units. Except as provided herein, no Owner or Occupant may make any alteration within a Unit which involves connecting to Common Element pipes, lines, conduits and/or other apparatus for access to common utilities without prior written ARC approval (including, but not limited to installation of washers and dryers). Except as provided herein, no Owner or Occupant shall make any interior modifications to or place an excessive load on any structural or load bearing portions of a Unit without first obtaining the prior written approval of the ARC. Such approval shall not be granted by the ARC unless the Owner has presented to the ARC a report or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Unit and the Condominium. All building code requirements must be complied with and necessary permits and approvals secured for any modifications. Notwithstanding the above, all Owners desiring to make any interior modifications or alterations to a Unit affecting the Common Elements or structure or load bearing portions of a Unit must make application to the ARC as described below in order for the ARC to make the determination of whether the ARC's approval is required.

Notwithstanding the above, if any Owner acquires an adjoining Unit, such Owner shall have the right (subject to the prior written approval of the Mortgagees of the Units involved) to remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any structural or load bearing portions of the Unit(s) are materially weakened or removed and the ARC has approved the plans described above and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, ducts, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. Notwithstanding the above, Developer shall not be required to obtain any approvals under this Paragraph. The

alterations permitted in this section shall not be deemed an alteration or relocation of boundaries between adjoining Units.

(ii) Relocation of Boundaries. Boundaries between adjoining Units shall not be relocated unless such relocation is accomplished by an amendment to the Declaration, which amendment must be approved by a majority of total Voting Interests of the Association in accordance with Section 718.110(4) of the Act as it may be amended from time to time.

(iii) Subdivision of Units. No Unit shall be subdivided into a smaller Unit or Units.

(d) Applications. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ARC may reasonably require. The ARC shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The ARC may publish written architectural standards for exterior and Common Element alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography of the vicinity.

In the event that the ARC fails to approve or to disapprove such application within forty-five (45) days after the application and all information as the ARC may reasonably require have been submitted, its approval will not be required and this subparagraph will be deemed complied with; provided, however, even if the requirements of this subparagraph are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the Bylaws, or the rules and regulations.

(e) Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration, unless otherwise agreed to in writing by the ARC. It is the responsibility of every Owner of a condominium Unit to determine for himself or herself what architectural modifications have been made to his or her Unit by any predecessor-in-interest. In the discretion of the ARC, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

(f) Limitation of Liability. Review and approval of any application pursuant to this Paragraph is made on the basis of aesthetic considerations only, and neither the Developer, the Board of Directors or the ARC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. Neither the Developer, the Association, the Board of Directors, the ARC, or member of any of the foregoing shall be held liable for any

injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

(g) No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and ARC will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. Each Owner further acknowledges that the ARC may adopt different architectural standards for different parts of the condominium, based on street visibility and location of the proposed modification in the building. The approval of either the Board of Directors or the ARC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors, or the ARC shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(h) Enforcement. Any construction, alteration, or other work done in violation of this Paragraph shall be deemed to be nonconforming. Upon written request from the Board or the ARC, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property at a mutually agreed upon time, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof shall be billed to the Owner and shall bear interest at the highest rate permitted by law from the date expended until paid in full.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Paragraph and its decisions. Furthermore, the Board shall have the authority to record in the Duval County land records notices of violation of the provisions of this Paragraph.

If any Owner or Occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Elements or Limited Common Elements in violation of this Paragraph, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction be removed or that it remain on the Common Elements or Limited Common Elements without reimbursement to the Owner or Occupant for any expense he or she may have incurred in making the change, alteration or construction.

(i) Commencement of Construction. All changes, modifications and improvements approved by the ARC hereunder must be commenced within six (6) months from the date of approval. If not commenced within one (1) year from the date of such approval, then such approval shall be deemed revoked by the ARC, unless the ARC gives a written extension for commencing the work. All work approved by the ARC hereunder shall be completed in its entirety within ninety (90) days from the date of commencement, unless otherwise agreed in writing by the ARC. All approved changes, modifications, and improvements must be

completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

(j) Approval Under the Master Association. The provisions for architectural control contained in this Declaration shall be in addition to, and not in lieu of, any architectural control provisions which may be contained now or hereafter in the Master Declaration, or promulgated by the Master Association. Whenever approval of the ARC is required under this Declaration, the granting of such approval shall not dispense with the need to also comply with any approval procedures that may be set out in the Master Declaration or promulgated by the Master Association. All proposed construction, modifications, alterations and improvements shall be approved in accordance with this Declaration before being submitted for approval pursuant to the Master Declaration or rules promulgated by the Master Association.

17. OPERATION OF THE CONDOMINIUM BY THE ASSOCIATION; POWERS AND DUTIES.

(a) Powers and Duties. The Association shall be the entity responsible for the operation of the Condominium. The powers and duties of the Association shall include those set forth in the Bylaws and Articles of Incorporation as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

(1) The irrevocable right to have access to any portion of each Unit and the Limited Common Elements appurtenant thereto from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of such portions thereof as required by this Declaration or the Act, for performing extermination services, or at any time and by force, if necessary, for making emergency repairs necessary to prevent damage to the Building, the Common Elements or to the Unit or any other Unit or Units.

(2) The power to make and collect Assessments and other related expenses authorized under the Act against Unit Owners, to lease, maintain, repair and replace the Common Elements, and to grant, modify or cancel easements pertaining to the Common Elements.

(3) The duty to maintain accounting records, according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times upon prior request.

(4) The power to contract for the management and maintenance of the Condominium Property and to authorize a duly licensed management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and regulations, and perform the maintenance, repair and replacement required of the Association with such funds as shall be made available by the Association for such purposes. The Association also shall have the power to join with

other condominium associations and entities in contracting for the maintenance and repair of the properties of such other condominiums and other type properties, and may contract for or may join with other condominium associations in contracting for the management of the properties of such other condominiums and other type properties, as may be more specifically provided for by the Articles of Incorporation and Bylaws of the Association.

(5) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, if any. Any such action of an amount greater than \$100,000.00 must be approved by a majority of the entire Board of Directors and the Owners of all the Units or by such greater percentage of the Board or Unit Owners as may be specified in the Bylaws with respect to certain borrowing, and no such action shall be permitted while the Developer owns any Unit without the prior written consent of the Developer.

(6) The power to adopt, amend and enforce reasonable rules and regulations governing the use of the Condominium Property, including the Units, Limited Common Elements and Common Elements.

(7) The power to acquire, lease, mortgage and convey real and personal property and to grant, modify and cancel easements regarding such property, provided that such action may be done only (i) upon the approval of a majority of the Board of Directors and (ii) a finding by the Board that such action is for the benefit of the members of the Association. The requirements of Paragraph 8(e) (Additions, Alterations or Improvements to the Common Elements by the Association) pertaining to the Unit Owners' approval of costs in excess of the threshold amount stated therein (including the proviso as to the debt incurred) shall also apply to this acquisition and dealing with Association-owned property; provided, however, that the acquisition of a Unit as a result of a foreclosure of the lien for Assessments shall be exempt from these requirements.

(8) The power to acquire or enter into agreements acquiring leaseholds, memberships or other possessory or use interests in lands or facilities for recreational purposes as long as such arrangements are also approved by the Owners of a majority of the Units.

(9) All of the powers which a corporation not-for-profit in the State of Florida may exercise pursuant to this Declaration, the Articles of Incorporation and Bylaws, Chapter 617, Florida Statutes, and the Act, in all cases except as expressly limited or restricted in the Act or the documents of the Condominium.

(10) The power to pay the Condominium's share of maintenance costs to Marsh Landing Business Park, Ltd., or its successor in interest, as provided in the Access Easement Agreement.

(11) To hire, contract with, employ, manage, oversee and coordinate a concierge service that will assist all Owners and Occupants with personal services, including but not limited to obtaining tickets for events in the Jacksonville area, arranging limousine, taxi and airport transportation in the Jacksonville area, coordinating maintenance and repairs to the

interior of Units, arranging housekeeping for the interior of Units and accepting hand-delivered packages.

(b) Conflict. In the event of conflict among the powers and duties of the Association or the terms and provisions of this Declaration or the exhibits attached hereto, this Declaration shall take precedence over the Articles of Incorporation, Bylaws and applicable rules and regulations; the Articles of Incorporation shall take precedence over the Bylaws and applicable rules and regulations; and the Bylaws shall take precedence over applicable rules and regulations, all as amended from time to time. Notwithstanding anything in this Declaration or its exhibits to the contrary, the Association shall at all times be the entity having ultimate authority over the Condominium, consistent with the Act.

(c) Limitation of Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements done by or on behalf of any Unit Owners, regardless if whether or not same shall have been approved by the Association pursuant to the provisions hereof.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION, OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (THE "CONDOMINIUM INSTRUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER BE A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE CONDOMINIUM PROPERTY, INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(1) IT IS THE EXPRESS INTENT OF THE CONDOMINIUM INSTRUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE CONDOMINIUM PROPERTY HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE CONDOMINIUM PROPERTY AND THE VALUE THEREOF;

(2) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, DUVAL COUNTY, THE CITY OF JACKSONVILLE

AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(3) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION.

AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF THE DEVELOPER AND ITS AFFILIATES, AS WELL AS TO THE ASSOCIATION'S EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES) AND SUBCONTRACTORS, WHICH SHALL BE FULLY PROTECTED HEREBY.

(d) Restraint Upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to such Owner's Unit.

(e) Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of all record Owners of the Unit is specifically required by this Declaration or by law.

(f) Acts of the Association. Unless the approval or action of Unit Owners and/or a certain specific percentage of the Board of Directors is specifically required in this Declaration, the Articles of Incorporation, the Bylaws, applicable rules and regulations of the Association or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors without the consent of Unit Owners, and the Board may so approve and act through the proper officers of the

Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

(g) Amendment of Bylaws. No modification of or amendment to the Bylaws shall be valid unless set forth in or annexed to a duly recorded amendment to this Declaration. The Bylaws may be amended in the manner set forth in the Bylaws, but no amendment to the Bylaws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel(s), or which would change the provisions of the Bylaws with respect to institutional mortgages without the written approval of all Institutional First Mortgagees of record. No amendment shall change the rights and privileges of the Developer and Management Firm, if any, without their respective written consent. Any amendment to the Bylaws, shall be certified by the parties as required in Article X of the Bylaws, and said amendment shall be recorded in the public records of the County.

(h) Binding Effect of Condominium Documents. Every Owner, whether having acquired ownership of a Unit by gift, conveyance or transfer by operation of law, or otherwise, shall be bound by the Articles of Incorporation, the Bylaws, the provisions of this Declaration, and the Management Agreement, if any. Membership in the Association shall automatically terminate upon the termination of ownership of a Condominium Parcel, and the subsequent Owner(s) taking title shall automatically become entitled to membership.

18. DETERMINATION OF ASSESSMENTS.

(a) General Assessment. The Board of Directors shall from time to time, and at least annually, prepare and adopt a budget for the Condominium ("Budget for Common Expenses"), determine the amount payable by the Unit Owners to meet the Common Expenses of the Condominium, and allocate and assess such expenses among the Unit Owners in accordance with the provisions of this Declaration and the Bylaws ("General Assessment"). The Board of Directors shall advise all Unit Owners promptly in writing of the amount of the General Assessment payable by each of them as determined by the Board of Directors as aforesaid. The Budget for Common Expenses may include reserves, the costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles of Incorporation, the Bylaws or applicable rules and regulations of the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall determine from time to time, and need not be restricted or accumulated. Any adopted Budget for Common Expenses shall be subject to change by the Board of Directors, and the amount of the General Assessment shall be changed in accordance with such revised Budget for Common Expenses to cover actual expenses at any time.

(b) Reserve Fund. The Board, in establishing each annual budget for the Condominium, shall include therein a sum to be collected and maintained as a reserve fund for

the capital expenditures, deferred maintenance and replacement of the Common Elements and personal property held for the joint use and benefit of all Unit Owners. The amount to be reserved shall be computed by dividing the estimated replacement cost of an item by its estimated remaining useful life. No such reserve shall be included within the annual budget for the Condominium Property if the Unit Owners, by a majority of the votes at a duly called meeting of the Association, elect to provide no fiscal reserves or a lesser amount of fiscal reserves than as provided herein for any fiscal year, or if the Developer elects to provide no fiscal reserves on a lesser amount of fiscal reserves than as provided herein for any fiscal year as may be permitted by 718.112(2)(f)(2), Florida Statutes. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the Annual Budget, shall go into effect.

(c) General Operating Reserve. The Board, when establishing each annual budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by Unit Owners, as a result of delinquent payment of assessments by Unit Owners, as a result of emergencies or for other reason placing financial stress upon the Association.

(d) Converter Reserve Account. In accordance with Section 718.618 of the Act, the Developer shall establish converter reserve accounts for capital expenditures and deferred maintenance of air conditioning systems that serve more than one unit, plumbing systems and roofs within the Condominium, in lieu of the following:

(i) providing an implied warranty of fitness and merchantability as to the roof and structural components of the improvements, as to fire proofing and fire protection systems, and as to mechanical, electrical and plumbing elements serving the improvements, except mechanical elements serving only one Unit pursuant to Section 718.618(6) of the Act; or

(ii) posting a surety bond in accordance with Section 718.618(7) of the Act, issued by a company licensed to do business in Florida if readily available on the open market, in an amount which would be equal to the total amount of converter reserve account.

(e) Special Assessments, Capital Improvement Assessments. In addition to General Assessments, the Board of Directors may levy "Special Assessments," "Capital Improvement Assessments" upon the following terms and conditions:

(1) "Special Assessments" shall mean or refer to amounts levied against each Owner and such Owner's Unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

(2) "Capital Improvement Assessments" shall mean and refer to amounts levied against each Owner and such Owner's Unit, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from maintenance, repairs and replacement) of any capital improvements located or to be located within the Common Elements.

(3) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board; provided that, if such Special Assessments and Capital Improvement Assessments, in the aggregate in any year, exceed \$25,000.00, the Board must obtain approval of a majority of the Owner of Units represented at a meeting duly called, noticed and held in accordance with the Bylaws and the Act.

19. COLLECTION OF ASSESSMENTS.

The General Assessments, Special Assessments, Capital Improvement Assessments and Limited Common Element Assessments (collectively, the "Assessments") shall be collected as follows:

(a) Liability for Assessments. A Unit Owner, regardless of how title is acquired, including by purchase at a judicial sale or by deed in lieu of foreclosure, shall be liable for all Assessments coming due while such person (as defined by Section 1.01(3), Florida Statutes) is the Owner of the Unit. Additionally, a Unit Owner shall be jointly and severally liable with the previous owner for all unpaid Assessments that came due up to the time of the conveyance, without prejudice to any right such Unit Owner may have to recover from the previous owner the amounts paid by such Unit Owner. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

(b) Default in Payment of Assessments. Assessments and installments thereof not paid within 10 days from the date when they are due shall bear interest at the rate established from time to time by the Board of Directors from the due date until paid (provided, however, that no such rate shall exceed the maximum allowed by law). In the event the Board has not established such rate, the interest rate shall be 15%. Each delinquent payment shall be subject to an administrative late fee in an amount not to exceed the greater of \$25.00 or 5% of each delinquent installment. The Association has a lien on each Condominium Parcel for any unpaid Assessments on such Condominium Parcel, with interest thereon and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien shall be effective on the earliest date allowed by law, which shall be no later than as of the recording of the claim of lien. Such lien shall be evidenced by the recording of a claim of lien in the public records of the County, stating the description of the Condominium Parcel, the name of the record Owner, the name and address of the Association, the amounts due and the due dates. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid or until such claim of lien is barred by law. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, interest thereon, the

administrative late fee (if permitted under applicable law), and costs and attorneys' fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a final judgment of foreclosure thereof. A claim of lien shall be signed and acknowledged by an officer or authorized agent of the Association. Upon payment, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association or its assignee may bring an action to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed in Florida and may also bring an action at law to recover a money judgment for the unpaid Assessments and other amounts due without waiving any claim of lien. The Association is entitled to recover its costs and reasonable attorneys' fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid Assessments.

As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after 30 days' prior written notice to the applicable Unit Owner and the recording of a claim of lien, the Association may declare the balance of General Assessment installments due for the remainder of the fiscal year and payments of other known Assessments to be accelerated and shall thereupon be immediately due and payable. In the event that the amount of such accelerated installments or payments changes, the Unit Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within 10 days of same taking effect.

Any payments received by the Association from a delinquent Unit Owner shall be applied first to any interest accrued as provided above, then to any administrative late fee, then to any costs and reasonable attorneys' fees incurred in collection as aforesaid and then to the delinquent and any accelerated Assessments. The foregoing application of funds received shall be applicable despite any restrictive endorsement, designation or instruction placed on or accompanying a payment.

(c) Notice of Intention to Foreclose Lien. Unless otherwise required by the Act or other applicable law, no foreclosure judgment may be entered until at least 30 days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorneys' fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act.

(d) Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit after a foreclosure judgment has been entered, the court in its discretion may require the Unit Owner to pay a reasonable rental for the Unit. If the Unit is rented or

leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent, the expenses of such receiver to be paid by the party which does not prevail in the foreclosure action.

(e) First Mortgagee. In the event a first mortgagee or other purchaser shall obtain title to a Unit by foreclosure, or by deed in lieu of foreclosure, such first mortgagee or other purchaser, its successors and assigns, shall be liable for Assessments or other related expenses authorized under Section 718.116 (1) (b) of the Act secured by the claim of lien only to the extent provided by the Act. If, due to the applicable provisions of the Act, any unpaid share of the Assessments or other related expenses authorized under the Act are not required to be paid, then such unpaid share or other related expenses authorized under the Act shall be deemed to be a Common Expense collectible from all of the Unit Owners, including such acquirer and such acquirer's successors and assigns.

(f) Certificate of Unpaid Assessments. Within 15 days after request by a Unit Owner or mortgagee of a Unit, the Association shall provide a certificate stating all Assessments and other monies owed to the Association by the Unit Owner with respect to such Owner's Unit. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby.

(g) Installments. General Assessments shall be collected monthly or quarterly, in advance, as determined from time to time by the Board of Directors. Initially, General Assessments will be collected monthly.

(h) Developer's Guarantee. If, in the purchase agreement, prospectus, or by other means pursuant to the Act, Developer shall guarantee to each purchaser that the Assessment for a specific period of time will not exceed a certain dollar amount, then the Developer shall only be obligated to pay the amount of Common Expenses incurred during that period and not produced by the Assessments receivable from other Unit Owners.

(i) Initial Developer Assessments. The Developer shall not be obligated to pay assessments and its share of the Common Expenses for Units owned by the Developer for a period of four (4) months after the recording of this Declaration; provided, however, that in no event shall the Developer be excused from such payments for a period longer than the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first condominium unit except as provided in subparagraph (h) above; and provided further that during such period in which Developer is excused from payment of assessments and share of Common Expenses, the Developer shall pay any portion of the Common Expenses incurred which exceed the amount assessed against other Unit Owners.

20. INSURANCE.

Insurance covering the Condominium Property and the Association Property shall be governed by the following provisions:

(a) "Insurance Trustee". The Board of Directors of the Association shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails

or elects not to appoint such Insurance Trustee, the Board of Directors will perform directly all obligations imposed upon such Insurance Trustee by this Declaration. Fees and expenses of any Insurance Trustee are Common Expenses.

(b) Purchase, Custody and Payment.

(1) Purchase. All insurance policies purchased by the Association shall be issued by an insurance company authorized to do business in Florida meeting all criteria established by the Board or the Act and any rules promulgated thereunder.

(2) Named Insured. Under all insurance policies purchased by the Association, the named insured shall be the Association, individually, and as agent for Owners of Units covered by the policy, without naming them, and as agent for their mortgagees, without naming them. The Unit Owners and their mortgagees shall be deemed additional insureds.

(3) Custody of Policies and Payment of Proceeds. All insurance policies purchased by the Association shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee, and such policies and endorsements thereto shall be deposited with the Insurance Trustee.

(4) Copies to Mortgagees. One copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Unit covered by the policy. Copies or certificates shall be furnished not less than 10 days prior to the beginning of the term of the policy, or not less than 10 days prior to the expiration of each preceding policy that is being renewed or replaced, as appropriate.

(5) Exceptions from Association Responsibility; Unit Owner's Personal Coverage. Except as specifically provided herein or by the Act, the Association shall not be responsible to Unit Owners to obtain insurance coverage upon any and all property lying within the boundaries of their Unit, including, but not limited to, their personal property, and for their personal liability and living expense and for any other risks not otherwise insured in accordance herewith. Each Residential Unit Owner shall be required to obtain insurance coverage in a reasonable amount to be determined by the Board from time to time for any and all personal property and any fixtures and improvements not covered by the Association's insurance policy within the boundaries of their Residential Unit and Limited Common Elements assigned to their Unit.

Unit Owners may be required to purchase flood insurance for their respective Unit(s) if such insurance is required by their mortgagee(s). In the event flood insurance is required, such insurance shall not be for the lesser of 100% of the current replacement cost of the Unit, or the maximum amount of flood insurance available with regard to such property.

The Association shall have no obligation to purchase flood insurance or fire and casualty insurance on the Units.

Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against a Unit Owner due to accidents occurring within such Owner's Unit. It shall be the obligation of the individual Unit Owner, if such Unit Owner so desires, to purchase and pay for insurance as to all such and other risks not covered by insurance carried by the Association.

(c) Coverage Responsibilities of Association. The Association shall use its best efforts to obtain and maintain adequate insurance covering the following:

(1) Casualty. Insurance covering loss or damage to the Common Elements and all other portions of the Condominium Property which the Association is responsible to maintain under the terms of this Declaration, and all items for which the Association is required under applicable provisions of the Act to insure against loss or damage by fire and against loss or damage by risks now or hereafter embraced by standard extended coverage and vandalism and malicious mischief endorsements (collectively, the "Insured Property"). Such policies may contain reasonable deductible provisions as determined by the Board of Directors. Such coverage shall afford protection against such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

(2) Liability. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Directors, but with combined single limit liability of not less than \$1,000,000.00 per occurrence, and with a cross liability endorsement to cover liabilities of the Unit Owners as a group to any Unit Owner, and vice versa.

(3) Worker's Compensation and other mandatory insurance, when applicable.

(4) Fidelity Insurance, if required by the Act or FNMA/FHLMC, covering all persons who control or disburse Association funds, such insurance to be in the amount required by law.

(5) Association Property. Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available.

(6) Officers and Directors liability insurance in such amounts as the Board may determine.

(7) Such Other Insurance as the Board of Directors shall determine from time to time to be desirable.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association, its officers, members of the Board, the Developer, the Management Firm, if any, and its respective employees and agents, and against the Unit Owners individually and as a group; (ii) to pay only a fraction of any loss in the event of coinsurance or if other insurance carriers have issued coverage upon the same risk; and (iii) avoid liability for a loss that is caused by an act of the Board of Directors, a member of the Board of Directors, the Management Firm, if any, and its respective employees and agents, the Developer, one or more Unit Owners or as a result of contractual undertakings. Additionally, each policy shall provide that any insurance trust agreement will be recognized, that the insurance provided shall not be prejudiced by any act or omissions of the Management Firm, if any, or the individual Unit Owners that are not under the control of the Association, and that the policy shall be primary, even if a Unit Owner has other insurance that covers the same loss.

Every casualty insurance policy obtained by the Association shall have the agreed amount and inflation guard endorsement unless the Board finds such endorsement is unobtainable or economically infeasible.

(d) Additional Provisions. All policies of insurance shall provide that such policies may not be canceled or substantially modified without at least 30 days' prior written notice to all of the named insureds, including all mortgagees of Units. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Directors may wish to obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.

(e) Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the costs of fidelity bonding for the Management Firm employees, if any, may be paid by the Management Firm pursuant to the Management Agreement. Premiums may be financed in such manner as the Board of Directors deems appropriate.

(f) Insurance Trustee; Share of Proceeds. All insurance policies obtained by or on behalf of the Association shall be for the benefit of the Association, the Management Firm, if any, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering losses to the Insured Property shall be paid to the Insurance Trustee, which may be designated by the Board of Directors and which, if so appointed, shall be a bank or trust company in Florida with trust powers, with its principal place of business in the State of Florida. 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 to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees in the following shares, but shares need not be set forth on the records of the Insurance Trustee:

(1) Insured Property. Proceeds on account of damage to the Insured Property shall be held by the Association for each Unit Owner as tenants in common on the basis of the fair market value of each Unit, relative to the other Units in the Condominium, immediately prior to the event of casualty (such fair market value shall be determined by an MAI-certified appraiser selected by the Board of Directors in its sole discretion); provided, however, that prior to any distributions to the Unit Owners, such proceeds shall first be distributed in accordance with the provisions of Paragraph 20(g) of this Declaration herein.

(2) Mortgagees. No 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 for actual distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

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

(1) Expenses of the Trust. All expenses of the Insurance Trustee shall be first paid or provision shall be made therefor.

(2) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to each Unit Owner, by check made payable jointly to such Unit Owner and its respective mortgagee(s), in accordance with the provisions of Paragraph 20(f)(1) of this Declaration.

(3) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided in Paragraph 20(f)(1) herein, and distributed to each Unit Owner by check made payable jointly to such Unit Owner and its respective mortgagee(s). If there is no mortgage on the Unit, all distributions shall be made directly to the Unit Owner.

(4) Certificate. In making distributions to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their mortgagees and their respective shares of the distribution.

(h) Association as Agent. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner and for each owner of a mortgage or other lien upon a Unit 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.

(i) Presumption as to Damaged Property. In the event of a dispute or lack of certainty as to whether damaged property constitutes a Unit(s) or Common Elements, such property shall be presumed to be Common Elements.

21. RECONSTRUCTION OR REPAIR AFTER FIRE OR OTHER CASUALTY.

(a) Determination to Reconstruct or Repair. Subject to the immediately following subsection, in the event of damage to or destruction of the Insured Property as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the Insured Property, and the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

If 75% or more of the Insured Property is substantially damaged or destroyed and if Unit Owners owning 80% of the applicable interests in the Common Elements duly and promptly resolve not to proceed with the repair or restoration thereof and a Majority of Institutional First Mortgagees approve such resolution, the Condominium Property shall not be repaired and the net proceeds of insurance resulting from such damage or destruction shall be distributed to each Unit Owner, by check made payable to such Unit Owner and its respective mortgagee(s), in accordance with the provisions of Paragraph 20(f)(1) of this Declaration. Following such distribution of proceeds, the Condominium shall be terminated and the ownership of the Condominium Property shall be held by the formerly-titled Unit Owners in undivided interest as tenants-in-common, subject to and in accordance with the provisions of Paragraph 27 hereof.

Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin not more than 60 days from the date the Insurance Trustee (if appointed) notifies the Board of Directors and Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than 90 days after the Insurance Trustee (if appointed) notifies the Board of Directors and the Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) 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.

(b) Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original improvements and the then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the Board of Directors and the then-applicable building and other codes.

(c) Disbursement. The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$100,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors; provided, however, that upon request to the Insurance Trustee (if appointed) by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.

(2) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$100,000.00, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by subsection (a) above, but then only upon the further approval of an architect or engineer qualified to practice in Florida and employed by the Association to supervise the work.

(3) Unit Owners. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, this balance shall be distributed to each Unit Owner, by check made payable jointly to such Unit Owner and its respective mortgagee(s), in accordance with the provisions of Paragraph 20(f)(1) of this Declaration.

(4) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect, engineer or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by Unit Owners, nor to determine the payees nor the amounts to be paid. The Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.

(d) Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be levied against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the Insured Property shall be in proportion to all of the Owners' respective shares in the Common Elements, as determined by the Association.

(e) Responsibilities of Unit Owners. If damage occurs to the Units, the maintenance and responsibility of which lies solely upon the respective Unit Owners, then each Unit Owner shall be solely responsible for all necessary reconstruction and repair to its

respective Unit which reconstruction and repair shall be effected promptly and in accordance with guidelines established by the Board of Directors. Each Unit Owner shall have the absolute responsibility of applying insurance proceeds, arising as a result of flood, fire or other casualty damage to the Unit to the repair and/or reconstruction of such Unit; provided, however, that no Unit Owner shall have the responsibility of applying insurance proceeds to the repair and/or reconstruction of the respective Units if the Condominium is terminated in accordance with the provisions of Paragraph 27 of this Declaration.

(f) Benefit of Mortgagees. Certain provisions in this Section are for the benefit of mortgagees of Units and may be enforced by any of them.

22. CONDEMNATION.

Any condemnation of any portion(s) of the Condominium Property shall be governed by the following provisions:

(a) Deposit of Certain Condemnation Awards with Insurance Trustee. Condemnation awards pertaining to the taking of Common Elements shall be paid over by each Unit Owner to the Insurance Trustee for use as noted hereinafter in this Section. In the event the Unit Owner fails to turn over such award as required, the defaulting Unit Owner shall be charged the maximum interest which does not constitute usury under Florida law until such amount is fully paid.

Condemnation awards pertaining to the condemnation of Units shall not be the property of the Association.

(b) Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for in Paragraph 21 of this Declaration for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.

(c) Disbursement of Funds. If the Condominium is terminated following a condemnation, the proceeds of the awards pertaining to the condemnation of Common Elements will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of any such awards shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty, or as elsewhere in this Section specifically provided.

(d) Condemnation of Common Elements. Awards for the taking of portions of the Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided,

however, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed, after adjustments to these shares effected pursuant hereto by reason of the taking, to each Unit Owner by check made payable jointly to such Unit Owner and its respective mortgagee(s), in accordance with the provisions of Paragraph 20(f)(1) of this Declaration.

(e) Condemnation of a Unit. If there is a taking of a Unit, the respective Unit Owner shall not be required to utilize any portion of the condemnation award with regard to reconstruction of the Unit. Following such taking of a Unit and the recording of a deed to the condemning authority, (1) the affected Unit Owner shall no longer have an ownership interest in the Unit or an undivided ownership interest in the Common Elements, and (2) such Unit Owner shall no longer be responsible for the payment of Common Expenses.

The following changes shall be made in the Condominium following a taking as described in this Section:

(1) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Unit Owners in the manner approved by the Board of Directors.

(2) Adjustment of Shares. The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Unit Owners (and among reduced Units). This distribution shall be determined by taking the fractional share of each Unit Owner in proportion to the number of Units remaining in the Condominium.

(3) Assessments. In the event the Association does not have the funds necessary to alter the remaining portion of the condemned Unit for use as a part of the Common Elements, the additional funds for such purposes shall be raised by Assessments against all of the Unit Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

(f) Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are affected by the taking shall be evidenced by an amendment to this Declaration that is only required to be approved by, and executed upon the direction of, a majority of all members of the Board of Directors.

23. USE RESTRICTIONS.

Each Owner of a Unit shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or Occupants, as a result of such person's violation of the Condominium Instruments, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or Occupants.

In addition to the following use restrictions, the Board of Directors may adopt reasonable rules and regulations in accordance with the terms hereof and as specified in the Bylaws. To the extent permitted by law, neither Units owned by the Developer nor the Developer, its agents, employees, or contractors, shall be subject to the provisions of this Paragraph.

(a) Use of Residential Units. Each Residential Unit shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Residential Unit or any part of the Condominium other than the Commercial Units, except that the Owner or Occupant residing in a Residential Unit may conduct ancillary business activities within the Residential Unit so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Residential Unit;

(ii) the business activity does not involve visitation of the Residential Unit by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a Residential Unit without business activity;

(iii) the business activity is legal and conforms to all zoning requirements for the Condominium;

(iv) the business activity does not increase traffic in the Condominium in excess of what would normally be expected for Residential Units in the Condominium without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services which deliveries shall be allowed only between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday);

(v) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

(vi) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as determined in the Board's discretion; and

(vii) the business activity does not result in a materially greater use of common element facilities or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the use of a Unit by an on-site management agent operating on behalf of the Association shall not be considered a trade or business within the meaning of this subparagraph. The Board of Directors shall have the sole discretion to determine what, if anything, is unreasonable about a particular business activity.

(b) Use of the Commercial Units. Commercial Units shall be used only for sales/leasing office for sales and leases of Residential Units within the Condominium Property, for other Developer management activities, and such other accessory uses as are permitted by applicable zoning ordinance and use restrictions.

(c) Number of Occupants. The maximum number of occupants in a Unit shall be limited to two (2) people per bedroom in the Unit, (as such bedrooms are depicted on the original Survey and Floor Plans filed in the Duval County, Florida records). "Occupancy," for purposes hereof, shall be defined as staying overnight in a Unit for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a Unit on the Effective Date hereof. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

If an Owner of a Unit is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Unit. The designated person(s) to occupy the Unit may not be changed more frequently than once every six (6) months.

(d) Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or Occupant, other than the Developer, on any portion of the Condominium, at any time, either temporarily or permanently, without the prior written approval of the Board.

(e) Use of Common Elements. There shall be no obstruction of the Common Elements, including, without limitation, sidewalks, entrances, driveways, passages, steps,

stairways and halls, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. There shall be no use of the roofs of the Condominium buildings by the Owners, their family members, guests, tenants, invitees, agents or contractors except in case of emergency. The Association and its agents and contractors shall have access to the roofs for performing its maintenance and repair responsibility. There shall be no gardening or landscaping on the Common Elements by Owners or Occupants without the prior written consent of the Board. No pets are allowed in any of the Common Elements except for the designated dog walk area, if any, walking across the Common Elements to reach such walk area, if any, or to enter or exit the Condominium property, is permitted. This subparagraph shall not apply to the Developer, so long as the Developer shall own a Unit for sale.

(f) Use of Limited Common Elements, Screen Porches, Steps and Front Porches. Except as otherwise provided herein, the use of the Limited Common Elements assigned to the Units is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and said Owner's family members, guests, tenants and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

(i) Screen Porches, Front Porches and Steps. Screen porches, front porches and/or steps shall not be enclosed, either temporarily or permanently so as to incorporate them into the heated and cooled space of the Unit.

(ii) Hurricane Preparations. Each Unit Owner or Occupant who is absent from such Owner's Unit during hurricane season, shall prepare his/her Unit prior to departure by:

- (a) Removing all furniture and plants and any other item not permanently affixed from the steps, front porches and screen porches; and
- (b) Designating a responsible firm or individual to care for the Unit during his/her absence in the event that the Unit shall suffer hurricane damage. Each Unit Owner or Occupant shall furnish the Board, or manager, if any, with the name of such firm or individual.

(g) Hurricane Shutters. Owners shall not install hurricane or storm shutters without the prior approval of the ARC. Approved hurricane or storm shutters shall only be closed during a hurricane or severe storm warning and must be open at all other times. The Board of Directors shall adopt additional rules and regulations regarding design, color, location and use of hurricane shutters. The installation, replacement and maintenance of such hurricane shutters in accordance with this paragraph and with the rules and regulations shall not be deemed a material alteration to the Common Elements.

(h) Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

It is the nature of multi-family properties (of which this Condominium is a part) that dwelling Units are built in close proximity to one another (resulting in sharing of common walls, floors and ceilings) and noise is frequently audible from one Unit to the next no matter how much sound proofing is attempted. It is therefore mandatory, for the mutual interest and protection of all Owners, lessees and other Occupants within the Condominium, to recognize that acoustical privacy is achieved only through understanding and compliance with certain limitations and restrictions. It is also recognized that sound insulation from an adjacent occupancy in a manner comparable to a single-family residence is impossible to attain and Owners and Occupants hereby acknowledge and accept that limitation. Owners and Occupants acknowledge that there will usually be some audio awareness of one's neighbors, depending upon the situation. All modifications of design of the structures, or related components thereof, by Owners and Occupants could alter the insulation and therefore are regulated by this Declaration. Owners and Occupants should review the Declaration for further information with respect to sound attenuation. Additionally, all furniture parts in contact with the floor should have rubber castors or felt pads to minimize noise and vibration attributable to moving furniture as well as scratching of finishes.

Noxious, destructive or offensive activity shall not be carried on within the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. In addition, no Owner or Occupant of a Unit may use or allow the use of a Unit or the Common Elements in any manner which creates disturbing noises, including, without limitation, use of stereo speakers or equipment that will in the sole discretion of the Board of Directors interfere with the rights, comfort or convenience of the other Owners or Occupants. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

No Owner, Occupant or agent of such Owner or Occupant shall do any work which, in the reasonable opinion of the Association's Board of Directors or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their Mortgagees.

No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the

Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit.

(i) Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements or Limited Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements or Limited Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements or Limited Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

(j) Pets. No Owner or Occupant may keep any pets other than generally recognized household pets on any portion of the Condominium, and no Owner or Occupant may keep more than two (2) such generally recognized household pets per Unit.

No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including Limited Common Elements, without prior written ARC approval. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors, except that dogs need not be leashed within screen porch areas when attended by a person. Feces left upon the Common Elements by dogs must be removed by the owner of the dog or the person responsible for the dog.

No potbellied pigs, snakes, pit bulldogs, rotweillers, doberman pinchers, or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Condominium at any time. The Board may require that any pet which, in the Board's opinion, endangers the health of any Owner or Occupant or creates a nuisance or unreasonable disturbance, be permanently removed from the Condominium upon seven (7) days written notice. If the Owner or Occupant fails to do so, the Board may remove the pet. Any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any community member may be removed by the Board without prior notice to the pet's owner.

Any Owner or Occupant who keeps or maintains any pet upon the Condominium shall be deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

(k) Parking. Uncovered parking spaces shall be Common Elements and shall be available on a first-come, first-serve basis. Covered parking spaces within garage buildings ("Garage Spaces") which have been assigned as a Limited Common Element, exclusively serving a particular Unit in accordance with Paragraph 10(a)(ix) of this Declaration may only be used by the Owner or Occupants to whom the Garage Space(s) is assigned, and their guests and families.

Vehicles permitted under this subparagraph may be parked only in designated, lined parking spaces, or garages or other areas authorized in writing by the Board.

Disabled and stored vehicles are prohibited from being parked on the Condominium, except in garages. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium without being driven for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles), recreational vehicles (RV's and motor homes), all-terrain vehicles (ATV's), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium, except in garages or other areas designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements, but no such vehicle shall remain on the Common Elements overnight or for any purpose except serving a Unit or the Common Elements, without written Board consent.

If any vehicle is parked on any portion of the Condominium in violation of this Section or in violation of the Association's rules and regulations, the Board or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of the person or entity that will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or the agent of the Association may have the vehicle towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's Unit, parking space or garage, is obstructing the flow of traffic, is parked on any grassy area, is parked in a space or garage which has been assigned as exclusively serving another Unit, or otherwise creates a hazardous condition, no notice shall be required and the Board or the agent of the Association may have the vehicle towed immediately. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

(1) Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five (55°) degrees

Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two (32°) degrees Fahrenheit or below. Owners and Occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair.

(m) Signs. Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Developer related to the development and sale of Units, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six (6") inches by six (6") inches in size may be displayed from within a Unit, and one (1) portable, removable United States flag may be displayed in a respectful way. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

The Owner of the Commercial Units shall be permitted to erect signs identifying the business on the exterior of said Units or on or adjacent to the windows of said Units with the approval of the ACC; provided, however, such signs shall comply with all relevant zoning ordinances.

(n) Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, except in trash dumpsters or compactors. Rubbish, trash, and garbage shall be disposed of in sealed bags and either placed in the trash dumpsters or compactor, or proper receptacles designated by the Board for collection or removed from the Condominium.

(o) Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit.

(p) Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited.

(q) Garages. Garage doors shall remain closed at all times, except for necessary use, ingress, and egress.

(r) Window Treatments. All windows in Residential Units must have window treatments. The color of all window treatments visible from outside the Residential Unit must be white or off-white. Bed sheets shall not be used as window treatments.

(s) Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or

any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Condominium, including the Unit or Limited Common Elements; provided, however, that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Unit Owners:

(i) No transmission antenna, of any kind, may be erected anywhere on the Condominium, including the Units, without written approval of the Board of Directors or the Architectural Review Committee.

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed or maintained upon the Condominium, including the Units and the Limited Common Elements.

(iii) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time.

In the event of a transfer of the Unit which includes a satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

(t) Abandoned Personal Property. Personal property, other than vehicles as provided for in subparagraph (i) shall not be kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on a Limited Common Element, without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board

may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

(u) Replacing Carpet with Tile or Hardwood Floors. Other than the Developer, no Owner, Occupant, or any other person may replace carpeting with a tile, marble, vinyl, hardwood floor or other hard surfaced flooring material, on the interior of a Unit which is located above another Unit without first obtaining written approval of the Developer or the Architectural Review Committee, as applicable, as set forth in Paragraph 16. Among other factors, the Developer or the Architectural Review Committee, as applicable, may consider whether the change will cause noise to any Unit below which will exceed the average noise level in Units below Units with carpeted floors and that the weight of such proposed flooring is appropriate and will not cause problems to the structure or subflooring.

The Owner applying for such approval shall provide the Developer or the Architectural Review Committee, as applicable, with information regarding these factors, as well as other information requested by the Developer or the Architectural Review Committee regarding the proposed flooring and its effect; provided, however, the noise level requirements shall be considered to be met if the Owner provides a sound transmission test that the proposed flooring will create a noise level less than a standard level set by reasonable regulation of the Developer or the Architectural Review Committee, as applicable. Notwithstanding the above, at least seventy-five percent (75%) of the Unit (excluding the kitchen and bathrooms) shall be carpeted unless the flooring is sound proofed so as not to exceed the noise level in Units with carpeted floors.

(v) Moving. Occupants of Units shall be allowed to move-in or move-out only on the days and times pursuant to regulations adopted by the Board of Directors. Notwithstanding the above, there shall be no moving in or out of Units between the hours of 8:00 p.m. and 7:00 a.m.

(w) Sale Period. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Condominium Units it shall be expressly permissible for Developer, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Condominium as Developer may deem necessary, such facilities and activities as in the sole opinion of Developer may be reasonably required, convenient or incidental to the completion and sale of the Condominium Units, including, but without limitation, business offices, signs, model Units and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Condominium for such purposes and to use the Units owned by Developer as model Units and as offices for the sale of the Condominium Units and related activities.

(x) Marshes, Lake and Mitigation Areas. The Marshes, Lake and Mitigation Areas as depicted on the Survey are intended to be an undisturbed conservation area. All uses of these areas is prohibited, including but not limited to the following: fishing, swimming, boating, hiking, hunting, walking; provided that in accordance with paragraph 30(e) of this Declaration, the Developer has the right but not the obligation to construct one or more observation decks provided that the Developer obtains all necessary governmental permits and approvals.

Furthermore, the following activities are prohibited: (a) construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground; (b) dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials; (c) removal or destruction of trees, shrubs, or other vegetation; (d) excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface; (e) surface use except for purposes that permit the land or water area to remain predominantly in its natural condition; (f) activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation; (g) acts or uses detrimental to such retention of land or water areas; (h) acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance.

24. SELLING, LEASING AND MORTGAGING OF UNITS.

Units may be made subject to mortgages without restrictions, but sales and leases thereof shall be subject to the provisions of this Section:

(a) Sales. Each new Owner receiving a conveyance from any party except the Developer shall notify the Association and the Management Firm, if any, within seven (7) days after receiving title to the Unit by delivering a copy of his deed to the Unit to the Association and the Management Firm, if any. Any Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a certificate of unpaid assessments from the Association setting forth the amount of assessments and other monies owed to the Association as set forth in Paragraph 19(f) of this Declaration.

(b) Leases. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Paragraph. Leasing of all Residential Units shall be governed by the following provisions:

(i) Notice. At least seven (7) days prior to entering into the lease of a Residential Unit, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any rules and regulations adopted pursuant thereto.

(ii) General. Residential Units may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form which is deemed acceptable. There shall be no subleasing of Residential Units or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than twelve (12) months, except with

written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of a Residential Unit, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Residential Unit. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(iii) Liability for Assessments, Use of Common Elements, and Compliance with Declaration, Bylaws, and Rules and Regulations. Each Owner covenants and agrees that any lease of a Residential Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Residential Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(A) Compliance with Declaration, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Residential Unit in order to ensure such compliance. The Owner shall cause all Occupants of his or her Residential Unit to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants. If the lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation, notice of the violation shall be given to the Owner and the lessee, and a fine may be charged against the Residential Unit in accordance with Article VII of the Bylaws. Any such fine imposed against a Residential Unit in accordance with Article VII of the Bylaws shall not become a lien against the Residential Unit.

Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Florida law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including reasonable attorney's fees actually incurred and court costs, associated with the eviction shall be billed to the Owner and shall

bear interest at the highest rate permitted by law from the date expended until paid in full.

(B) Use of Common Elements. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements, including but not limited to, the use of any and all recreational facilities and other amenities.

(c) Continuing Liability. The liability of the Unit Owner under this Declaration shall continue, notwithstanding the fact that he may have leased, rented or sub-let said interest as provided herein. Every purchaser, tenant or lessee shall take subject to this Declaration, the Articles of Incorporation, the Bylaws, and the Management Agreement, if any, as well as the provisions of the Act.

(d) No Severance of Ownership. No part of the Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Unit in connection with a sale, conveyance or other disposition of the Unit to which such interest is appurtenant, and any sale, conveyance or other disposition of a Unit shall be deemed to include that Unit's appurtenant interest in the Common Elements.

(e) Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer such Owner's Unit by gift, to devise such Owner's Unit by will, or to have such Owner's Unit pass by intestacy, without restriction; provided, however, that each succeeding Unit Owner shall be bound by, and such Owner's Unit subject to, the provisions of this Section.

25. COMPLIANCE AND DEFAULT.

Each Occupant and the Association shall be governed by and shall comply with the terms of this Declaration of Condominium and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time. The Association (and Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:

(a) Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.

(b) Compliance. In the event a Unit Owner fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of the Declaration, the Bylaws, the Articles of Incorporation, applicable rules and regulations, or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines or to

sue in a court of law for damages. For purposes of this Declaration, the failure of an Occupant who is not a Unit Owner to comply with the terms and provisions of this Declaration shall not relieve the Unit Owner from liability and responsibility.

(c) Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the requirements of the Act, this Declaration, the Articles of Incorporation, the Bylaws or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees).

(d) No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the Articles of Incorporation, the Bylaws or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.

26. TERMINATION OF CONDOMINIUM.

The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided elsewhere in this Declaration, or (ii) such time as termination of the condominium form of ownership is authorized as provided in Section 718.117 of the Act.

27. ADDITIONAL RIGHTS OF MORTGAGEES AND OTHERS.

The following provisions are intended for the benefit of each holder of a first mortgage upon a Unit, and, to the extent that any other provisions of this Declaration conflicts with the following provisions, if at all, the following provisions shall control:

(a) Upon request in writing, the Association shall furnish to each Institutional First Mortgagee of a Unit and any holder, insurer or guarantor of a first mortgage a written notice of any default by the Unit Owner of such Unit in the performance of such Unit Owner's obligations under this Declaration that has not been cured within 30 days.

(b) Upon request in writing, each Institutional First Mortgagee of a Unit and any holder, insurer or guarantor of a first mortgage on a Unit shall have the right:

(1) to examine current copies of this Declaration, the Bylaws, rules and regulations and the books, records and financial statements of the Association during normal business hours;

(2) to receive, without any charge and within a reasonable time after such request, the annual audited financial statement which is prepared and distributed by the Association to the Unit Owners at the end of its fiscal year; provided, however, that in the event an audited financial statement is not available, the holders of 51% or more of the first

mortgages in the Units shall be entitled to have such an audited statement prepared at their expense;

(3) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(4) to receive written notice of any decision by the Unit Owners to make a material amendment to the Declaration, the Bylaws or the Articles of Incorporation;

(5) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(6) to receive written notice of any action which would require the consent of a specified number of Institutional First Mortgagees.

(c) No provision of this Declaration or the Articles of Incorporation or any similar instrument pertaining to the Condominium Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over any rights of the Institutional First Mortgagees of Units pursuant to their mortgages in the case of distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, or any portion thereof or interest therein. In such event, the holder of any first mortgage on a Unit shall be entitled, upon specific written request, to timely written notice of any such loss.

(d) If Mortgages subject to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation are involved, the consent of Owners holding at least sixty-seven percent (67%) of the total votes in the Association and the approval of the holders of first mortgages on Units which represent at least 51% of the votes of Units that are subject to first mortgages shall be required to add or amend any material provisions of this Declaration, which consent shall not be unreasonably withheld. Material changes are defined by the Federal National Mortgage Association and/or the Department of Housing and Urban Development to be as follows:

(1) Voting rights;

(2) Increases in Assessments that raise the previous Assessment by more than 25%, Assessment liens or the priority of Assessment liens;

(3) Reductions in reserves for maintenance, repair and replacement of the Common Elements;

(4) Hazard or fidelity insurance requirements;

(5) Rights to use of the Common Elements;

(6) Responsibility for maintenance and repair of the Condominium Property;

- (7) Boundaries of any Unit;
 - (8) The reallocation of interests in the Common Elements or Limited Common Elements or the rights to their use;
 - (9) Convertibility of Units into Common Elements or of Common Elements into Units;
 - (10) Leasing of Units;
 - (11) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit; and
 - (12) Any decision by the members of the Association to establish self-management and terminate the management responsibilities, duties and contractual obligations of the Management Firm, if any, to the extent not superseded by the provisions of Section 718.302(1), Florida Statutes, in the event of conflict between such statute and this subsection;
 - (13) The expansion or contraction of the Condominium Property, or the addition, annexation, or withdrawal of property to or from the Condominium;
 - (14) Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than as provided in this Declaration; or
 - (15) Any provisions which are for the express benefit of holders, insurers or guarantors of first mortgages on the Units.
- (e) If Mortgages subject to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation are involved, unless at least two-thirds (2/3) of the first Mortgagees or Unit Owners give their consent, which consent shall not be unreasonably withheld, the Association or the membership shall not:
- (i) by act or omission seek to abandon or terminate the Condominium;
 - (ii) change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements;
 - (iii) partition or subdivide any Unit in any manner inconsistent with the provisions of this Declaration;
 - (iv) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or

(v) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Condominium.

The provisions of this subparagraph shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Paragraph.

(f) Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any Institutional First Mortgagee will be entitled to timely written notice of:

(i) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held by such Institutional First Mortgagee;

(ii) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first Mortgage held by such Institutional First Mortgagee which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Unit Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;

(iii) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(iv) any proposed action which would require the consent of a specified percentage of Institutional First Mortgagee, as specified herein.

(g) If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder, insurer or guarantor of any first mortgage on a Unit will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of any document will entitle a Unit Owner or other party to priority over such holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(h) Any holder of a first mortgage on a Unit who receives a written request to approve additions or amendments and fails to deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(i) In the event professional management has been previously required by any holder, insurer or guarantor of a first mortgage on a Unit, any decision to establish self management by the Association shall require the prior consent of Unit Owners in accordance with Section 718.302(1), Florida Statutes.

(j) As required by Section 718.110, Florida Statutes, any mortgagee consent required under this Section shall not be unreasonably withheld and shall otherwise be deemed to apply to the extent applicable.

28. DISCLAIMER OF WARRANTIES

DEVELOPER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES AS TO DESIGN, CONSTRUCTION, FURNISHING AND EQUIPPING OF THE CONDOMINIUM PROPERTY, AND IN ACCORDANCE WITH SECTION 718.618(6) OF THE ACT DEVELOPER HEREBY MAKES NO IMPLIED WARRANTIES, HAVING ELECTED INSTEAD TO ESTABLISH CONVERTER RESERVE ACCOUNTS IN ACCORDANCE WITH SECTION 718.618(6) OF THE ACT AS SET FORTH IN THE INITIAL BUDGET FOR THE ASSOCIATION IN LIEU OF IMPLIED WARRANTIES OR POSTING OF A SURETY BOND. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

ALL UNIT OWNERS, BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE UNITS (WHETHER FROM THE DEVELOPER OR ANOTHER PARTY), SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

29. MEDIATION AND ARBITRATION

All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for mediation or arbitration shall be resolved through such alternative resolution procedures instead of civil litigation.

30. ADDITIONAL PROVISIONS

(a) Access Easement Agreement. Access to the Condominium from J. Turner Butler Boulevard is provided by two private roads, known as Greens Way and Marsh Landing Boulevard, over which the Condominium owns non-exclusive easement rights pursuant to the Access Easement Agreement. Pursuant to the Access Easement Agreement, the Grantor, Marsh Landing Business Park, Ltd., or its successor in interest, shall maintain the roads within the Easement Area, as that term is defined in the Access Easement Agreement. In accordance with Paragraph 5 of the Access Easement Agreement, the Condominium Property is required to pay a prorata share of such maintenance costs to the Grantee or its success in interest. Such maintenance costs shall be a Common Expense.

(b) Notices. All notices to the Association required or desired hereunder or under the Bylaws shall be sent by first class mail to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time

to time by notice in writing to all Unit Owners. Except as provided specifically in the Act, all notices to any Unit Owner shall be sent by first class mail to the address of such Unit Owner appearing in the Association's records at the time the notice is transmitted. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address which the Developer initially identifies for that purpose and thereafter as one or more of the Owners of the Unit shall so advise the Association in writing, or if no address is given or the Owners of the Unit do not agree, to the address provided in the deed of record.

All notices to mortgagees of Units shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time, in writing to the Association.

All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of a change of address, which shall be deemed to have been given when received, or 5 business days after proper mailing, whichever shall first occur.

(c) Interpretation. The Board of Directors shall be responsible for interpreting the provisions hereof and of any of the exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel to the Association, or the legal counsel having drafted this Declaration, that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

(d) Binding Effect of Section 718.303, Florida Statutes. The provisions of Section 718.303(1), Florida Statutes, shall be in full force and effect and are incorporated herein. The Management Firm, if any, for as long as the Management Agreement remains in effect, shall assist the Association in the prosecution of any action pursuant to the statute aforescribed.

(e) Right of Developer to Add Recreational Facilities and Common Elements. If the Developer elects to add or expand any recreational facilities or any other portion of the Common Elements, the Developer shall pay all the expenses relating to the construction or the providing of such addition or expansion and shall record an amendment to this Declaration describing such property. The amendment shall be executed with the formalities of a deed and recorded in the public records of the County. No approval or action of the Association, Unit Owners or mortgagees shall be necessary for adding such additional Common Elements to condominium ownership. All costs of maintenance, repair and replacement relating to the addition or expansion of the recreational facilities or any other portion of the Common Elements shall be a Common Expense.

(f) Use and Conveyance of Commercial Units by Declarant to Association.

(i) Declarant may, but is not required to, give the Unit Owners and/or the Association the right to use any Commercial Units. The duration, terms, and conditions of such usage are at the discretion of the Declarant and may be unilaterally changed by Declarant from time to time. If Unit Owners and/or Association are given the right by Declarant to use any

Commercial Units owned by Declarant, then the Association shall be responsible for paying for insurance, property taxes, and the cost of maintaining and repairing such Commercial Units.

(ii) The Declarant may, but shall not be obligated to, transfer or convey to the Association the Commercial Units which are subject to the terms of this Declaration. Any such conveyance shall be accepted by the Association, and the Commercial Units shall thereafter be maintained by the Association. Declarant shall not be required to make any improvements whatsoever to the Commercial Units to be conveyed and accepted pursuant to this subparagraph.

(g) Exhibits. There are hereby incorporated in this Declaration all materials contained in the exhibits annexed hereto, except that as to such exhibits, any conflicting provisions set forth therein as to their amendment, modification, enforcement and other matters shall control over those hereof.

(h) 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 exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

(i) Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.

(j) Ratification. Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each Occupant who is not a Unit Owner (by reason of such occupancy), shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and the Articles of Incorporation, the Bylaws and applicable rules and regulations, are fair and reasonable in all material respects.

(k) Gender; Plurality. For convenience and ease of reference, the third person singular impersonal form of pronoun "it" has been used herein without regard to the proper grammatical person or gender of the party being referred to. All such references shall be deemed to include the singular or plural person and the masculine, feminine or neuter gender, as required by the context.

(l) Captions. The captions herein and in the exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this _____ day of _____, _____.

DEVELOPER:
CONDOMINIUM PARCEL OWNER:

WITNESSES:

VILLAS AT MARSH LANDING, LLC,
a Florida limited liability company

Name: _____
Print Name: _____

By: GERE Suncoast, LLC, a Delaware limited Liability company, its sole member

Name: _____
Print Name: _____

By: LeCraw Suncoast Investors, LLC, a Georgia limited liability company, as its sole Manager

By: JLC Suncoast Realty, LLC, a Georgia limited liability company, as its sole Manager

By: _____ (SEAL)
Name: _____
Title: Manager

(Corporate Seal)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, as manager of JLC Suncoast Realty, LLC, sole Manager of LeCraw Suncoast Investors, LLC, sole Manager of GERE Suncoast, LLC, sole member of **VILLAS AT MARSH LANDING, LLC**, a Florida limited liability company. He/She is personally known to me or he/she has produced _____ as identification.

My Commission Expires:
(AFFIX NOTARY SEAL)

(Signature)
Name: _____
(Legibly Printed)
Notary Public, State of _____

(Commission Number, if any)

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Return to:
Buschman, Ahern, Persons & Bankston
2215 South Third Street, Suite 101
Jacksonville Beach, Florida 32250

Cross-reference to Mortgage: Official Records Book 10309
Page 1974

MORTGAGEE CONSENT, APPROVAL AND SUBORDINATION

Regions Bank, an Alabama banking corporation ("Mortgagee"), being the owner and holder of a mortgage and security agreement recorded in Official Records Book 10309, Pages 1974 *et seq.* of the Public Records of Duval County, Florida (the "Mortgage") approves that certain Declaration of Condominium for Villas at Marsh Landing Condominium (the "Declaration") which is to be recorded with this Consent; and

FURTHERMORE, Mortgagee does hereby expressly subordinate to the Declaration all right, title, interest and lien of the undersigned created under and by virtue of the Mortgage with respect to the property described in and subject to the Declaration or hereafter made subject to the Declaration in accordance with the terms thereof. Except as set forth herein, the Mortgage shall otherwise remain in full force and effect and shall not be subordinated to any other lien or encumbrance.

IN WITNESS WHEREOF, the undersigned has executed this Mortgagee Consent, Approval and Subordination this _____ day of _____, 200__.

MORTGAGEE: REGIONS BANK, an Alabama banking corporation

WITNESSES:

Name: _____
Print Name: _____

Name: _____
Print Name: _____

STATE OF _____
COUNTY OF _____

By: _____ [SEAL]

Name: _____
Title: _____

Attest: _____ [SEAL]
Title: _____

(SEAL)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____, as _____ of _____, an Alabama banking corporation. on behalf of such banking institution. He/she ☐ is personally known to me or ☐ has produced _____ as identification.

My Commission Expires: _____

(AFFIX NOTARY SEAL)

Notary Public, State of _____

(Signature)

Name: _____
(Legibly Printed)

(Commission Number, if any)