

11.1 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 By-Laws and Articles of Incorporation as may be 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:

(a) The irrevocable right to have access to any portion of each Unit and its Limited Common Elements 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 therein necessary to prevent damage to the Common Elements or to any other Unit or Units thereon.

(b) 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.

(c) 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.

(d) 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 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 to 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 shall also have the power to join with other condominium associations and entities in contracting for the maintenance and repair of the several condominium properties and other type properties, and may contract for or may join with other condominium associations in contracting for the management of the several condominium properties and other type properties, as may be more specifically provided for by the Articles of Incorporation and By-Laws of the Association.

(e) 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. Such actions must be approved by a majority of the entire Board of Directors and a majority of the Owners of all the Units, or by such greater percentage of the Board or Unit Owners as may be specified in the By-Laws with respect to certain borrowing, and no such action shall be permitted while Developer owns any Unit without the prior written consent of Developer.

(f) The power to adopt and amend rules and regulations concerning the details of the operation and use of the Condominium Property.

(g) 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 Section 8 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.

(h) 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.

(i) 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, the By-Laws, 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.

11.2 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, By-Laws, and applicable rules and regulations; the Articles of Incorporation shall take precedence over the By-Laws, and applicable rules and regulations; and the By-Laws shall take precedence over any 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.

11.3 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 of 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, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), 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:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS 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;

(b) 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, THE COUNTY, AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(c) 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, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DEVELOPER AND ITS AFFILIATES, WHICH SHALL BE FULLY PROTECTED HEREBY.

11.4 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 its Unit.

11.5 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.

11.6 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 or By-Laws of the Association, or any applicable rules and regulations, 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.

11.7 Amendment of By-Laws. No modification of or amendment to the By-Laws of said Association shall be valid unless set forth in or annexed to a duly recorded amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no amendment of said By-Laws 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 By-Laws with respect to institutional mortgages without the written approval of all Primary Mortgagees of record. No amendment shall change the rights and privileges of Developer without its respective written consent. Any amendment to the By-Laws, as provided herein, shall be executed by the parties as required in this Section 11 and in Section 6 above, and said amendment shall be recorded in the public records of the County.

11.8 Binding Effect of Condominium Documents. Every Unit Owner of a Condominium Parcel, whether having acquired such ownership by gift, conveyance or transfer by operation of law, or otherwise, shall be bound by the Articles of Incorporation and By-Laws of the Association, the provisions of this Declaration and any management agreement entered into by the Association for the management of the Condominium Property. Membership in the Association shall automatically terminate upon the termination of ownership of a Condominium Parcel in this Condominium, and the subsequent owner(s) taking title shall automatically become entitled to membership.

Section 12 MANAGEMENT AGREEMENT

The Association may enter into a management agreement for the management and maintenance of the Condominium Property. Pursuant to such management agreement, the Association may authorize a management agent to assist the Association in carrying out the Association's powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association, its directors and its officers shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the

Association. Each Unit Owner, his heirs, successors and assigns, shall be bound by any such management agreement for the purposes therein expressed, and, by virtue of said party's taking title to a Condominium Parcel in this Condominium, said owner hereby covenants and promises to perform each and every of the covenants, promises and undertakings to be performed by Unit Owners in the cases provided therefor in any such management agreement.

It is specifically recognized that some or all of the persons comprising the original Board of Directors and officers of the Association are or may be stockholders, officers and directors of any entity which contracts to provide management services for the Condominium, and that such circumstance shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate any such management agreement, in whole or in part.

Section 13 DETERMINATION OF ASSESSMENTS

13.1 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 By-Laws ("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 shall include the reserves required by law or determined appropriate by the Board, 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 or By-Laws of the Association, or other applicable rules and regulations, or by 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 of 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.

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

(a) "Special Assessments" shall mean or refer to amounts levied against each Unit Owner and his 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.

(b) "Capital Improvement Assessments" shall mean and refer to amounts levied against each Unit Owner and his 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.

(c) Payment. 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.

13.3 Capital Reserve. The Association shall maintain a reserve fund to be used solely for making capital expenditures in connection with the Common Elements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of the improvements to the Common Elements and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the annual Assessment which shall be added to the Capital Reserve, and each Unit Owner shall be deemed to make a capital contribution to the Association equal to such percentage multiplied by each installment of the annual Assessment paid by such Unit Owner. Such reserves may be waived or reduced on an annual basis as provided by the Act. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such portions of any contingency reserve or Capital Reserve, as applicable, which remains unallocated. If the "estimated cash requirement" proves inadequate for any reason or in the event a non-recurring common expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a separate Assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount.

Section 14

COLLECTION OF ASSESSMENTS

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

14.1 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 it is the Unit Owner. 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.

14.2 Special and Capital Improvement Assessment. In addition to Assessments levied by the Association to meet the Common Expenses of the Condominium and the Association, the Board

of Directors may levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

(a) "Special Assessments" shall mean and refer to a charge against each Owner and its 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.

(b) "Capital Improvement Assessments" shall mean and referred to a charge against each Owner and its Unit, representing a portion of the costs incurred by the Association for the acquisition, installation or construction (as distinguished from repairs, maintenance or replacement) of any capital improvements located or to be located within the Common Elements or Association Property.

(c) "Special Assessments and Capital Improvement Assessments" may be levied by the Board and shall be payable by Unit Owners in lump sums or installments, in the discretion of the Board; provided that, if such Special Assessments or Capital Improvement Assessments, in the aggregate in any year, exceed the Alterations Limit or cause the total Assessments levied to exceed 115% of Assessments for the preceding calendar year, the Board must obtain approval of Unit Owners holding a majority of the voting interests represented at a meeting of the Association at which a quorum is attained.

14.3 Default in Payment of Assessments. Assessments and installments thereof not paid within ten (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 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% per annum. 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 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 it is barred by law. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, interest thereon, the administrative late fee, 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 thirty (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 ten (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 Assessment. The foregoing application of funds received shall be applicable despite any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

14.4 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 thirty (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 thirty (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.

14.5 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.

14.6 Institutional First Mortgagee. In the event an Institutional First Mortgagee or other purchaser shall obtain title to a Unit by foreclosure, or by deed in lieu of foreclosure, such Institutional First Mortgagee or other purchaser, its successors and assigns, shall be liable for Assessments or other related expenses authorized under 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.

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

14.8 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.

14.9 Developer's Assessments. Notwithstanding anything herein to the contrary, Developers shall have the option, in its sole discretion, to (a) pay assessments on the Units owned by it, (b) pay assessments only on certain designated Units (e.g., those under construction or those containing a Unit for which a certificate of occupancy has been issued) or (c) not pay assessments on any Units and in lieu thereof find any resulting deficit in the Association's operating expenses not produced by assessments receivable from Owners other than Developer and any other income receivable by the Association. The deficit to be paid under option (c), above, shall be the difference between (i) actual operating expenses of the Association (exclusive of capital improvement costs and reserves) and (ii) the sum of all monies receivable by the Association (including, without limitation, assessments, interests, late charges, capital contributions, fines and incidental income) and any surplus carried forward from the preceding year(s). Developer may from time to time change the option under which Developer is making payments to the Association by written notice to such effect to the Association. If Developer at any time elects option (b), above, it shall not be deemed to have necessarily elected option (a) or (b) as to the Units which are not designated under option (b). When all Units within the Condominium are sold and conveyed to Purchasers, neither Developer nor its affiliates shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

Section 15

INSURANCE, RESTORATION OF IMPROVEMENTS AND EMINENT DOMAIN

15.1 "Insurance Trustee." The Board of Directors of the Association shall have the option, in its sole discretion, of appointing an Insurance Trustee hereunder. The term "Insurance Trustee" shall also include the Board of Directors if the Board of Directors fails or elects not to appoint such Trustee, in which case the Board of Directors will perform directly all obligations imposed upon such Trustee by this Declaration. If the Insurance Trustee shall fail or cease for any reason to act as the Insurance Trustee, then the Board shall have the option, in its sole discretion, of appointing a successor Insurance Trustee. Fees and expenses of any Insurance Trustee shall be Common.

Expenses.

15.2 Insurance.

(a) The Board of Directors shall have the authority to and shall obtain insurance for the Condominium Property as follows:

(1) Insurance on the Condominium Property, Units and Common Elements, all items under the terms of this Declaration for which the Association is responsible for the maintenance thereof, 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, in an amount sufficient to prevent the insured from being a co-insurer within the terms of the applicable policies, but in any event in an amount not less than 100 % of the full insurance replacement cost thereof. The "full insurance replacement cost" shall be determined from time to time by the Board, which determination may be based upon appropriate insurance appraisals. The cost of any and all such appraisals shall be Common Expenses;

(2) To the extent applicable, if any, insurance on the Condominium Property (exclusive of excavations, foundations and footings) against all loss or damage from explosion of heating apparatus, pressure vessels and pressure pipes, if any, installed in, on or about said Condominium Property, without co-insurance clause so long as available, in such amount as the Board shall deem desirable;

(3) To the extent applicable, if any, insurance on the Condominium Property against all loss or damage from floods or rising waters; provided, however, that such insurance shall not be required to cover the personal property contained within a Unit (including, without limitation, appliances installed in a Unit prior to conveyance by Developer);

(4) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Unit Owner occurring, in, on or about the Condominium Property or upon, in or about the streets and passageways and other areas adjoining the Condominium Property, such public liability and property damage insurance to afford protection to such limits as the Board shall deem desirable (but in no event not less than \$1,000,000.00 with respect to liability for personal injury or property damage arising out of a single accident), and such insurance coverage to include Unit Owners as additional insureds, but only with respect to that portion of the Condominium Property not reserved for the exclusive use of a single Unit Owner;

(5) Such workmen's compensation insurance as may be necessary to comply with applicable laws;

(6) Employer's liability insurance in such amount as the Board shall deem desirable;

(7) A fidelity bond indemnifying the Association, the Board, and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or its Manager or of any other person handling the funds of the Association, the Board, or the Unit Owners in such amounts as the Board shall deem necessary but not less than that mandated by applicable Florida law. The premium for such fidelity bond shall be a Common Expense. The Board shall use its best efforts to obtain a bond which contains waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "or similar expression;" and

(8) Such other insurance (including insurance with respect to officers' and directors' liability) as may be required by law or deemed necessary by the Board in such reasonable amounts as the Board shall deem desirable.

The premiums for the above described insurance and the cost arising from deductibles under any such policies in the event of a loss, except as otherwise provided in this Section 15, shall be Common Expenses.

(b) All insurance provided for in this Section 15 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Florida.

(c) All policies of insurance of the character described in subsections (a)(1) and (a)(2) of this Section 15.2: (1) shall name, as insured, Developer, so long as it has an insurable interest, and the Association individually and as trustee of the Unit Owners without naming them and their respective mortgagees, and shall also name as an insured the Insurance Trustee if appointed in accordance with Section 15.1 hereof, as the respective interests of all such insureds may appear; (2) shall be without contribution as respects other such policies of insurance carried individually by the Unit Owners whether such other insurance covers their respective Units and/or the additions and improvements made by such Unit Owners to their respective Units; (3) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Unit Owners elect to sell the Condominium Property or terminate the Condominium; and (4) shall contain an endorsement to the effect that such policy shall not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice to the mortgagee of each Unit. Policies of insurance of the character described in subsection (a)(1) of this Section 15.2 may contain an endorsement extending coverage so as to include the payment of Common Expenses with respect to damaged Units during the period of reconstruction thereof. Notwithstanding the issuance of standard mortgage clause endorsements under the policies of insurance of the character described in subsections (a)(1) and (a)(2) of this Section 15.2, any losses under such policies shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration.

(d) All policies of insurance of the character described in subsections (a)(3),

(a)(4), (a)(5), (a)(6) and (a)(7) of this Section 15.2 shall name as insureds the Association, the Board, its Manager, and the other agents and employees of such Association, Board and Manager and Developer in its capacity as a Unit Owner and Board member, and shall also provide coverage for each Unit Owner (but as to the insurance described in subsection (a)(3) of this Section 15.2, only with respect to those portions of the Condominium Property not reserved for his or her exclusive use). In addition, all policies of insurance of the character described in subsection (a)(3) of this Section 15.2 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, Developer, the Manager, their respective employees and agents, and the Unit Owners and occupants and shall cover claims of one or more insured parties against other insured parties.

(c) The Association, for the benefit of the Unit Owners and the mortgagees of each Unit, shall pay the premiums on the policies of insurance described in subsection (a) of this Section 15.2 at least thirty (30) days prior to the expiration dates of the respective policies.

(f) The loss, if any, under any policies of insurance of the character described in subsections (a)(1) and (a)(2) of this Section 15.2 shall be payable, and the insurance proceeds paid, on account of any such loss shall be applied and disbursed as follows:

(1) To the Association, as trustee for each of the Unit Owners in their respective percentages of ownership in the Common Elements as established in this Declaration, in the case of any one loss, of \$20,000.00 or less in the aggregate, which insurance proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the cost of restoring the Condominium Property to substantially the same condition in which it existed immediately prior to such damage or destruction, with each Unit and Common Element having the same vertical and horizontal boundaries as before, free from mechanic's, materialmen's and other similar liens; or

(2) In case of any one loss exceeding \$ 20,000.00 in the aggregate, then the insurance proceeds shall be paid to the Insurance Trustee for the purpose of collecting and disbursing the insurance proceeds described in this subparagraph (f)(2). The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds, nor for the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and distribute the same as herein provided for the purposes elsewhere stated. Such proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, and the fees of the Insurance Trustee, shall be applied by the Insurance Trustee to the payment of the cost of restoring the Condominium Property to substantially the same condition in which it existed immediately prior to such damage or destruction, with each Unit and Common Element having the same vertical and horizontal boundaries as before. Such proceeds shall be paid by the Insurance Trustee to or for the account of the Association, from time to time as work progresses, in such manner as shall be required to facilitate the restoration of the damaged property. The Association and the Insurance Trustee may, prior or subsequent to any such loss, enter into an insurance trust agreement further implementing the provisions of this Declaration with respect to the collection and disbursement of

proceeds of insurance by the Insurance Trustee.

(g) The Board, or, where applicable, the Insurance Trustee, shall have the exclusive authority to negotiate losses under any policy providing property or liability insurance as described in this Article and such other authority as may be necessary in connection with its purchase and maintenance of the insurance required under this Article.

(h) Each Unit Owner shall be responsible for his own insurance and deductibles on the furnishings and personal property located in his Unit and his personal property stored elsewhere on the Condominium Property, and his personal liability to the extent not covered by the policies of liability insurance obtained by the Board for the benefit of all of the Unit Owners as above provided. All policies of casualty insurance carried by each Unit Owner shall be without contribution as respects the policies of casualty insurance obtained by the Board for the benefit of all of the Unit Owners as above provided.

(i) Each Unit Owner shall be required to report all additions or alterations to his Unit promptly in writing to the Board, without prior request from the Board or the Manager, and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Board. The Board shall not be responsible for obtaining insurance on such additions, alterations or improvements unless and until such Unit Owner shall make such report and request the Board in writing to obtain such insurance, and shall make arrangements satisfactory to the Board for such additional premiums; and upon the failure of such Unit Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. "Additions" or "alterations" shall mean property attached to the Unit and not readily removable without damage to the Unit, including but not limited to, carpeting, special flooring, special wall covering, and paneling. The insurance coverage described in this Section 15.2(i) shall not be deemed to include personal property owned by the Unit Owner and not attached to the Unit.

(j) Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner if any, and their respective employees and agents, for damages to the Common Elements, the Units, or to any personal property located in the Unit or Common Elements caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance.

(k) No Unit Owner shall cause insurance premiums to be assessed on the basis of increased charges for coverage on certain Units.

15.3 Cancellation of Insurance. The Board shall be responsible, in the event any insurance required under subsections (a)(1), (a)(2) or (a)(3) of Section 15.2 is canceled, for serving notice of such cancellation upon any persons insured thereunder.

15.4 Repair, Restoration or Reconstruction of the Improvements.

(a) In the event the improvements forming a part of the Condominium Property, or any portion thereof, including any Units, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus Capital Reserves, shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and, if necessary, the Capital Reserves, shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event within 180 days after said damage or destruction, the Unit Owners shall elect either to sell the property or terminate the Condominium, then such repair, restoration, or reconstruction shall not be undertaken. In the event such repair, restoration, or reconstruction is not undertaken the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Section 5, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens. In the event repair, restoration or reconstruction are not undertaken, the Association shall not be required to pay the amount of any deductible under applicable insurance policies.

(b) If the insurance proceeds and Capital Reserves are insufficient to reconstruct the Unit and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Unit within 180 days from the date of damage or destruction, then the provisions of the Act shall apply.

(c) In the case of damage or other destruction in which fewer than one-half (1/2) of the Units are rendered uninhabitable, upon the affirmative vote of not fewer than 75% of the Unit Owners voting at a meeting called for the purpose, the Unit or other portion of the property shall be reconstructed. The meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any; otherwise, such meeting shall be held within ninety (90) days of the occurrence of the damage or other destruction. At such meeting the Board or its representatives, shall present to the members present, an estimate of the cost of repair or reconstruction, and the estimated amount of necessary Assessments against each Unit Owner.

(d) In the case of damage or other destruction in which more than one-half (1/2) of the Units are rendered uninhabitable, upon the affirmative vote of not fewer than 75% of the Unit Owners voting at a meeting called for that purpose, any portion of the property affected by such damage or destruction may be withdrawn from the Condominium. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The payment of just compensation, or the allocation of any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage interest therein. Any proceeds available from the withdrawal of any Limited Common Elements will be distributed in accordance with the interest of

those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of Assessments on such Unit or portion thereof by the Unit Owner shall cease.

(c) As used in this Article, "repair, restoration or reconstruction" of improvements means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and Common Element having the same vertical and horizontal boundaries as before unless, if allowed by the Act, other action is approved by holders of first mortgages on Units which have at least 51% of the votes in the Association.

15.5 Eminent Domain. In the event any portion of the Condominium Property is taken by condemnation or eminent domain proceedings, provision for withdrawal from the provisions of the Act of such portion so taken may be made by the Board. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be payable to the Association and shall be allocated on the basis of each Unit Owner's percentage interest therein. Proceeds available from the withdrawal of any Limited Common Element will be distributed in accordance with the interest of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of Assessments on such Unit or portion thereof by the Unit Owner shall cease. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Elements or any part thereof. In the event of the total taking of the property by eminent domain, the condemnation award available in that connection shall be divided by the Association among all Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Section 5, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Section 16 OCCUPANCY AND USE RESTRICTIONS

In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions which shall be applicable to Unit Owners, tenants or other occupants of a Unit:

→ 16.1 Professional Business Use. The Condominium Property shall be used exclusively for professional offices, and such commercial purposes as may be approved by Developer or the Board of Directors. Notwithstanding the foregoing, the Association shall have the right to provide or

authorize such services on the Common Elements as the Association deems appropriate for the use and enjoyment of the Common Elements and for the benefit of the Unit Owners. The provisions of this Section shall not apply to Developer during such period of time as Developer is selling Units in the ordinary course of business.

16.2 Antennae. No antenna, aerial, or satellite dish may be erected or installed on the exterior walls of a Unit or on the Limited Common Elements or Common Elements of the Condominium, which includes the roof, without the prior written consent of the Board of Directors. Any such antenna or aerial so installed without approval may be removed without notice and at the cost of the Unit Owner for whose benefit the installation was made.

16.3 Exterior Appearance. No action shall be taken which would alter the exterior appearance of a Unit or the Building, including, without limitation, painting of any exterior portion thereof, installation of any blinds, curtains or window treatments which would adversely affect the exterior appearance of the Building, any tinting of windows which would adversely affect the exterior appearance of the Building. Window treatments may be permitted on a uniform and non-discriminatory manner by the Board of Directors if they are found not to violate the foregoing prohibitions.

16.4 Specific Prohibited Uses.

(a) No sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, on or upon any part of the Unit, Limited Common Elements or Condominium Property by any Unit Owner or occupant without prior written consent of the Board of Directors. The foregoing includes signs within a Unit which are visible from outside the Unit. The provisions of this Section 16.4(a) shall not apply to Developer.

(b) No Unit or any part thereof, nor any part of the Limited Common Elements or Condominium Property may be used, assigned or sublet for residential purposes.

(c) No Unit or any part thereof, nor any part of the Limited Common Elements or Condominium Property may be used, assigned or sublet for any of the following uses: a restaurant or bar, or for any use in support of such prohibited uses (i.e., parking, signage, etc.) without the prior written consent of the Board of Directors; nude or semi-nude dancing; for the display or sale of pornographic materials; adult movie theater; so-called "head shops" selling or displaying drug paraphernalia; massage parlor; lingerie modeling; industrial purposes; warehouse; entertainment or recreation facilities; training or educational facilities; renting, leasing or selling or displaying for the purpose of renting, leasing or selling of any boat, motor vehicle or trailer; flea market; or on-site dry cleaning plant. "Entertainment or recreational facility," as used herein, shall include, without limitation, a theater, bowling alley, skating rink, dance hall, billiard or pool hall, game parlor, or video arcade (containing more than four (4) electronic games). "Training or educational facility," as used herein, shall include without limitation, a beauty school, barber college, reading room, place of instruction, or any operation catering primarily to students or trainees, as opposed to customers. For the purposes of this Section 16.4(c), "pornographic materials" shall be any books, magazines,

newspapers or videotapes which would be deemed obscene under prevailing laws.

16.5 Violation of Condominium Documents. No person shall use the Common Elements or any part thereof, or a Unit, or the Condominium Property, or any part thereof, in any manner contrary to or not in accordance with the rules and regulations set forth in the By-Laws or properly pertaining thereto and promulgated from time to time by the Association.

16.6 Insurance Risks. No person shall permit or suffer anything to be done or kept in his Unit which will increase the rate of insurance on the Condominium Property, or which will obstruct or interfere with the rights of other Unit Owners, or annoy them by unreasonable noises, or otherwise, nor shall the Unit Owners commit or permit any nuisance, immoral or illegal acts in or about the Condominium Property.

16.7 Rubbish. No person shall permit rubbish to accumulate on any portion of the Condominium Property other than in areas designated therefore.

16.8 Animals. No animals are permitted on the Condominium Property.

16.9 Nuisances. No nuisances (as reasonably determined by the Association) shall be allowed on the Condominium Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Units or which interferes with the peaceful possession or proper use of the Condominium Property by its residents or occupants. No activity specifically permitted by this Declaration shall be deemed a nuisance.

16.10 Guests and Invitees. Guests and Invitees of owners or occupants of Units shall comply with all of the provisions of this paragraph and reasonable rules and regulations adopted by the Association. Any guest who persistently violates such restrictions, rules or regulations, may, at the direction of the Association, be required to leave the Condominium Property and the Owner of such Unit being occupied or visited by such guest shall be responsible for any damage to the Common Elements or other Units committed by such guest, and shall see to it that such guest or invitee complies with such restrictions, rules and regulations.

16.11 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Condominium Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles of Incorporation or By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Section 16. No activity specifically permitted by this Declaration shall be deemed a violation of this Section 16.

Section 17

→ SELLING, LEASING AND MORTGAGING OF UNITS

A Unit Owner may encumber its Unit with mortgages without restrictions, but sales and leases thereof shall be subject to the provisions of this Section 17:

17.1 Association Approval Required. Except for sales by or to the Developer, no Unit Owner may sell, lease, give or otherwise transfer ownership of a Unit or any interest therein in any manner without the prior written approval of the Association. Such approval shall be evidenced by a written instrument in recordable form (except for leases) which shall include, without limitation, the nature of the transfer, the parties to the transaction (sellers, purchasers, etc.), the Unit number, the name of the Condominium and the Official Record Book (C.R. Book) and Page numbers in which this Declaration was originally recorded. For all Unit transfers of title other than from the Developer, the approval shall be recorded in the Public Records of the County with the deed or other instrument transferring title to the Unit. Each new Unit Owner receiving a conveyance from any party except the Developer shall notify the Association promptly after becoming a new Owner by delivering a copy of the deed to the Unit to the Association.

17.2 Leases. Leasing of Units or portions thereof shall be subject to the approval of the Association. The Association's approval of a lease need not be recorded. All leases must provide, and if they do not, shall be deemed to provide the agreement of the tenant(s) to abide by all of the Condominium documents as promulgated and amended from time-to-time. A violation of any of the terms of any of the foregoing documents shall constitute a material breach of the lease and shall constitute grounds for damages, termination and eviction. Every lease shall be in writing, shall require that a copy of the lease be submitted to the Association as a precondition of the tenant being permitted to occupy the Unit, and shall provide (and if not expressly in the written lease, if any, shall be deemed to provide) that the Association shall have the right (i) to terminate the lease in the event the tenant fails to observe any of the provisions of the Condominium documents, and (ii) to collect all rental payments due to the Owner and apply same against unpaid Assessments if, and to the extent that, the Unit Owner is in default in the payment of Assessments. Regardless of whether or not expressed in the applicable lease, if any, a Unit Owner shall be jointly and severally liable to the Association for the acts and omissions of its tenant(s) and occupant(s) which constitute a violation of, or non-compliance with, the provisions of this Declaration and of any and all rules and regulations of the Association. All leases are hereby made subordinate to any lien filed by the Association, whether prior to subsequent to such lease. If so required by the Association, Unit Owners wishing to lease their Units shall be required to place in escrow with the Association a reasonable sum, not to exceed the equivalent of two (2) months rental, which may be used by the Association to repair any damage to the Common Elements and/or Association Property resulting from acts or omissions of tenants (as determined in the sole discretion of the Association).

17.3 Continuing Liability. The liability of the Unit Owner under these covenants 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 and By-Laws of the Association, and the Management Agreement (if any), as well as the provisions of the Act.

17.4 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.

17.5 Devise or Inheritance. If any Unit Owner shall acquire title by devise or inheritance or in any other manner not heretofore considered, the continuance of its ownership shall be subject to the approval of the Association. Such Unit Owner shall give the Association notice of the acquisition of its title together with such additional information concerning the Unit Owner as the Association evidencing the Unit Owner's title. If such notice is not given, the Association at any time after receiving knowledge of such transfer, may approve or disapprove the transfer of ownership.

17.6 Approval Procedure. The approval of the Association shall be obtained as follows:

(a) Not later than thirty (30) days before the proposed transfer of ownership occurs, or fifteen (15) days before the first day of occupancy under a proposed lease, the Unit Owner shall give the Association written notice of its intention to sell, lease or transfer its interest in any fashion. The notice shall include the name and address of the proposed acquirer or tenant and a correct and complete copy of the proposed documents to be executed to effectuate the transaction. The Association may require such other and further information as it deems reasonably necessary and may impose a transfer fee not to exceed \$100.00 or as permitted by law from time to time.

(b) The Association must, within fifteen (15) days after receipt of all the information required by it, either approve or disapprove for cause the proposed transfer or ownership or the proposed lease. In the case of disapproval for cause of the proposed transfer of ownership, upon the written demand of the Unit Owner, the Association shall furnish an alternate purchaser it approves, or the Association may itself elect to purchase the Unit, and the Unit Owner shall be compelled to sell the Unit to such alternate purchaser or to the Association upon the same terms set forth in the proposal given the Association. In exercising its power of disapproval, the Association shall act in a manner that is neither arbitrary nor unlawfully discriminatory and shall withhold approval only for a reason or reasons rationally related to the protection, preservation use and enjoyment of other Unit Owners and tenants, and the proper operation of the Condominium. If the Association fails or refuses within the allotted time to notify the Unit Owner of either approval or disapproval in writing, or if it fails to provide an alternate purchaser or make an election to purchase the Unit itself when required to do so, then the Association shall conclusively be presumed to have approved the transaction, and the Association shall, upon demand, provide a recordable certificate of approval. In any such case, the Association shall have no responsibility for the Unit Owner's costs, brokerage fees, attorneys' fees and costs or any other claims related to a delay or failure in closing of the sale or lease of the respective Unit.

(c) If the Association provides an alternative purchaser, the sale shall be closed

within 60 days after an alternative purchaser has been furnished or the Association has elected to purchase.

(d) If the Association disapproves the proposed transaction (subject to the qualifications contained in Section 18.2(b)) notice of disapproval shall be promptly sent in writing to the Unit Owner or interest holder, and the transaction shall not be completed.

17.7 Unapproved Transactions. Any purported sale or lease of a Unit in violation of this Article 17 shall be voidable at any time at the election of the Association and if the Board of Directors shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Association to institute legal proceedings to void the conveyance. Said Unit Owner shall reimburse the Association for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

17.8 Financing of Purchase of Units by the Association. The purchase of any Unit by the Association shall be made on behalf of all Unit Owners. If the available funds of the Association are insufficient to effectuate any such purchase, the Board of Directors may levy an Assessment against each Unit Owner in proportion to its share of the Common Expenses, and/or the Board of Directors may, in its discretion, finance the acquisition of such Unit; provided, however that no such financing may be secured by an encumbrance or hypothecation of any portion of the Condominium Property other than the Unit to be purchased.

17.9 Exceptions. The provisions of Sections 17.1, 17.2, 17.5, and 17.6 shall not apply with respect to any lease, sale or conveyance of any Unit by (a) the Developer, (b) the Association, (c) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of foreclosure, or (d) an Institutional First Mortgagee (or its designee) deriving title by virtue of foreclosure of its mortgage or acceptance of a deed in lieu of foreclosure of its mortgage or acceptance of a deed in lieu of foreclosure or in satisfaction of debt; provided, however, that each succeeding Unit Owner shall be bound by, and its Unit subject to, the provisions of Article 17.

17.10 Mortgage of Units. Each Unit Owner shall have the right to mortgage its Unit without restriction.

Section 18 COMPLIANCE AND DEFAULT

The Association, each Unit Owner, occupant of a Unit, tenant and any other invitee of a Unit Owner shall be governed by and shall comply with the terms of this Declaration 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, and the provisions of all such documents shall be deemed incorporated into any lease of a Unit whether or not expressly stated in such lease. Each Unit Owner and every occupant of a Unit and the Association shall be governed by and shall comply with the terms of this Declaration 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.

18.1 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.

18.2 Compliance. In the event a Unit Owner or occupant 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 By-Laws, the Articles of Incorporation of the Association, or any 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 in accordance with the provisions of the Act, or to sue in a court of law for damages.

18.3 Fines. In the event a Unit Owner or occupant fails to observe and perform all of the provisions of the Declaration, the Articles, Bylaws, applicable rules and regulations, or any other Condominium Document or instrument affecting the Condominium Property in the manner required, the Association shall have the right to levy a fine against the Unit Owner. The amount of the proposed fine shall be determined by the Board of Directors of the Association, but in any event shall not exceed any maximum amount permitted by the Act, as such Act may be amended from time to time. No fine shall be levied prior to giving at least fourteen (14) days written notice to the Unit Owner or tenant, signed by an officer of the Association, which notice shall include: (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, Bylaws or rules and regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. A committee of Unit Owners that are not members of the Board of Directors ("the Committee") shall conduct the hearing. At the hearing, the Committee shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and that the proposed fine is appropriate. The Unit Owner or tenant shall have the right to attend the hearing and shall have the opportunity to respond, present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association or Committee. At the hearing, the Committee shall ratify, reduce or eliminate the fine and any fine imposed shall be due and payable within ten (10) days after written notice of the imposition of the fine. If any fine is levied against a tenant and is not paid within ten (10) days after the same is due, the Association shall have the right to evict the tenant as hereinafter provided.

18.4 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 or By-Laws of the Association, or any applicable 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' and paralegals' fees (including appellate attorneys' fees).

18.5 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 and By-Laws of the Association, or any 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.

Section 19
TERMINATION OF CONDOMINIUM

19.1 Termination. The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration, or (ii) such time as withdrawal of the Condominium Property from the provisions of the Act is authorized by Unit Owners holding not less than seventy-five (75%) percent of the voting interests present in person or by proxy at a duly called meeting of the Association and by the Primary Institutional First Mortgagee as the case may be at the time.

19.2 Process of Termination. Termination of the Condominium shall occur when a Certificate of Termination meeting the requirements of this Section and the Condominium Act is recorded in the Public Records of the County.

(a) The termination of the Condominium shall be evidenced by a Certificate of Termination, executed by the President or Vice-President with the formalities of a deed, and certifying as to the facts effecting the termination. The Certificate shall also include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, who is designated by the Association to act as the termination trustee (the "Termination Trustee"), shall grant the Termination Trustee all of the powers and authority of a trustee under Section 689.071, Florida Statutes (2006), and shall be signed by the Termination Trustee indicating willingness to serve in that capacity.

(b) The recording of a Certificate of Termination shall automatically divest the Association of title to all Association Property, and divest all Unit Owners of legal title to their respective Condominium Parcels, and shall vest legal title in the Termination Trustee named in the Certificate of Termination, as a trustee under Section 689.071, Florida Statutes, to all real and personal property which was formerly the Condominium Property or Association Property without need for further conveyance. Beneficial title to the former Condominium and Association Property shall be transferred to the former Unit Owners as tenants in common, in the same undivided shares as each Unit Owner previously owned in the Common Elements, without further conveyance. Each lien encumbering a Condominium Parcel shall be automatically transferred to the equitable interest in the former Condominium Property and Association Property attributable to the Unit encumbered by the lien, with the same priority.

19.3 Wind-up of Association Affairs. The termination of the Condominium shall not, by itself, terminate the Association. The former Unit Owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the

officers of the Association shall continue to have the powers granted in this Declaration, the Articles of Incorporation, the By-Laws and the Act, to the extent necessary to, and for the sole purpose of, winding up the affairs of the Association in accordance with this Section.

19.4 Trustee's Powers and Duties. The Termination Trustee shall hold legal title to the Condominium Property or Association Property or both, as a trustee under Section 689.071, Florida Statutes, for the benefit of the former Unit Owners and their successors, assigns, heirs, devisees, mortgagees and other lien holders, as their interests shall appear. If the former Unit Owners approve a sale of the Condominium Property or Association Property (or both) as provided in this Section, the Termination Trustee shall have the power and authority to convey title to the purchaser(s), and to distribute the proceeds in accordance with the provisions of this Section. The Termination Trustee may charge a reasonable fee for acting in such capacity, and such fee, as well as all costs and expenses incurred by the Termination Trustee in the performance of its duties, shall be paid by the Association or taken from the proceeds of the sale of the former Condominium Property and Association Property, and, in the event not paid, shall constitute a lien on the Condominium Property or Association Property (or both) superior to any other lien. The Termination Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting as Termination Trustee unless such liabilities are the result of gross negligence or willful misconduct.

19.5 Reliance. The Termination Trustee may rely upon the written instructions and information provided to it by the officers, directors and agents of the Association, and shall not be required to inquire beyond such information and instructions.

19.6 Partition; Sale. Following termination, the former Condominium Property and Association Property may be partitioned and sold upon the application of any Unit Owner. If following a termination, Unit Owners holding not less than seventy-five (75%) percent of the voting interests present in person or by proxy at a duly called meeting of the Association agree to accept an offer for the sale of the Condominium Property or Association Property or both, the Board of Directors shall notify the Termination Trustee, and the Termination Trustee shall complete the transaction. In such event, any action for partition of the Condominium or Association property shall be held in abeyance pending the sale, and upon the consummation of the sale shall be discontinued by all parties thereto. If the Unit Owners have not authorized a sale of the former Condominium Property and Association Property within one (1) year after the recording of the Certificate of Termination, the Trustee may proceed to sell the Condominium or Association Property. The net proceeds of the sale of any of the Condominium or Association Property or assets of the Condominium or the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear, provided, however, that no payment shall be made to a former Unit Owner until there has first been paid off out of its share of such net proceeds all liens on its beneficial interest in the order of their priority.

19.7 New Condominium. The termination of the Condominium shall not bar creation of another Condominium including all or any portion of the Condominium Property or Association Property.

19.8 Provisions Survive Termination. The provisions of this Section 19 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the By-Laws and Articles of Incorporation, and shall have the power to levy Assessments to pay the costs and expenses of the Termination Trustee and of maintaining the Condominium or Association Property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, as well as post-termination costs of maintaining the former Condominium Property, are Common Expenses, the payment of which shall be secured by a lien on the beneficial interest owned by each former Unit Owner, which to the maximum extent permitted by law, shall be superior to, and take priority over, all other liens.

19.9 Amendment to Section 19. This Section may not be amended without the consent of the Primary Institutional First Mortgagee and the Developer as long as it owns any Unit.

Section 20

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 conflict with the following provisions, if at all, the following provisions shall control:

20.1 Notice of Default. 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 thirty (30) days.

20.2 Additional Rights. 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:

(a) to examine current copies of this Declaration, the By-Laws, and any rules and regulations of the Association, and the books, records and financial statements of the Association during normal business hours;

(b) 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 fifty-one percent (51%) or more of the first mortgages in the Units shall be entitled to have such an audited statement prepared at their expense;

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

(d) to receive written notice of any decision by the Unit Owners to make a