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DECLARATION OF CONDOMINIUM FOR  
ANASTASIA ISLAND TOWNHOUSES,  
a CONDOMINIUM

THE DECLARATION OF CONDOMINIUM made by YAO-TYNG (TIM) CHIU as the general partner of the CHIU FAMILY MOTEL LIMITED PARTNERSHIP, hereinafter referred to as "Developer," for itself, its successors, grantees and assigns.

ARTICLE I  
SUBMISSION STATEMENT

YAO-TYNG (TIM) CHIU and the CHIU FAMILY MOTEL LIMITED PARTNERSHIP, being the owner of record of the fee simple title to the real property situate, lying and being in St. Johns County, Florida, as more particularly described in Exhibit B, which is made a part hereof as though fully set forth herein, hereby states and declares that said real property is submitted to Condominium ownership, pursuant to Chapter 718, Florida Statutes (hereinafter referred to as the "Condominium Act") upon the terms, conditions, easements, restrictions, reservations and limitations hereinafter set forth, and the provisions of said Condominium Act, as presently constituted, are hereby incorporated by reference and included thereby, and herewith files for record this Declaration of Condominium.

DEFINITIONS. As used in this Declaration of Condominium and By-Laws and Exhibits attached hereto, and all Amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

A. ASSESSMENT means a share of the funds required for the payment of Common Expenses which from time to time are assessed against the Unit owner.

B. ASSOCIATION means THE ANASTASIA ISLAND TOWNHOUSES OWNERS' CONDOMINIUM ASSOCIATION, INC., a non-profit corporation (hereinafter referred to as ("Association")), said Association being the entity responsible for the operation of the Condominium.

C. ARTICLES OF INCORPORATION OR ARTICLES means the Articles of Incorporation of the Association as they exist from time to time.

D. BY-LAWS means the By-laws of the Association as they exist from time to time.

E. CONDOMINIUM means that form of ownership of real property under which Units are subject to ownership by one or more owners, and under which exists appurtenant to each Unit, as part thereof, an undivided share in the Common elements.

F. CONDOMINIUM ACT means and refers to the Condominium Act of the State of Florida (Chapter 718, F.S. et seq.) in effect as of the Date of Recordation of this Declaration.

G. CONDOMINIUM DOCUMENTS means this Declaration, the Articles of Incorporation and By-Laws of the Association and all other Exhibits attached hereto, as amended.

H. CONDOMINIUM UNIT or UNIT is a portion of the Condominium Property owned by the individual owners as described as in the Exhibit attached to the Declaration as Exhibit B and when the context permits, the Condominium Parcel includes such Unit, including its share of the Common elements appurtenant thereto. The physical boundaries of each Unit are as delineated in the Exhibit aforescribed and are as more particularly described in Article III of this Declaration.

I. CONDOMINIUM PARCEL or PARCEL means a Unit, together with the undivided share in the Common elements which is appurtenant to the Unit.

J. CONDOMINIUM PROPERTY means and includes the lands and personal property which are subject to Condominium ownership whether or not contiguous, all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium Parcel.

K. COMMON ELEMENTS means the portion of the Condominium property not included in the Units.

L. COMMON EXPENSES means the expenses and assessments incurred by the Association for the Condominium.

M. COMMON SURPLUS means the excess of all receipts of the Association, including, but not limited to, assessments, rents, profits and revenues on account of the Common elements over the Common expenses.

N. DECLARATION OF CONDOMINIUM or DECLARATION means this instrument and any amendments thereto that may be recorded from time to time.

O. DEVELOPER means the CHIU FAMILY LIMITED PARTNERSHIP, its successors and assigns.

P. INSTITUTIONAL MORTGAGEE means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an Agency of the United States Government, a real estate or mortgage investment trust, or a lender generally recognized in the community as an institutional type lender. An individual mortgage on a Unit may be placed through an institutional mortgagee.

Q. LIMITED COMMON ELEMENTS means and includes those Common elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units as specified in this Declaration.

R. OCCUPANT means the person or person in possession of a Unit, including the Unit Owner, her tenants and guests.

S. OWNER OF A UNIT means the owner or group of owners of Condominium Parcel.

T. REGULATIONS means rules or regulations respecting the use of the Condominium Property which have been adopted by the Association from time to time in accordance with its Articles of Incorporation and By-Laws.

Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said terms by F. S. 718.103 of the Condominium Act as of the date of this Declaration.

## ARTICLE II

The name by which this Condominium is to be identified shall be THE ANASTASIA ISLAND TOWNHOUSES, A CONDOMINIUM.

## ARTICLE III

### SURVEY, PLOT PLAN, GRAPHIC DESCRIPTION AND IDENTIFICATION OF UNITS

A. Survey Exhibits. The Survey Exhibits attached hereto and made a part of this Declaration consist of the following:

Exhibit A: Building and Floor Plans.

Exhibit B: Plot Plan, Legal Description and Survey.

These Exhibits delineate and identify the location, dimensions and size of each unit and the location of the Common Elements and Limited Common Elements.

B. Unit Identification. The Condominium property consists of the land described in Exhibit B together with the buildings and other improvements constructed thereon, which include the Units, Common Elements and Limited Common Elements. Exhibit A to this Declaration sets forth the floor plans for the Units. Each Unit, together with all appurtenances thereto, shall for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred or encumbered in the same manner as any other parcel of real property, subject only to the provisions of the Condominium documents and easements, restrictions, reservations and limitations of record.

C. Unit Boundaries. Each Unit shall consist of the space bounded on the perimeter by the vertical projections of the Unit boundary lines as shown on the drawings included in Exhibit A hereto and bounded at the bottom and top by the horizontal planes at the floor and ceiling elevations as set forth in Exhibit A. The said boundaries are more particularly described as follows:

(1) Upper Boundary: the upper boundary of each Unit shall be the plane or planes of the unfinished ceiling extended to the intersection of such plane or planes with the parimetrical boundary of the Unit as hereinafter described.

(2) Lower Boundary: the lower boundary of each Unit shall be the horizontal plane of the unfinished floor extended to the intersection of such plane with the parimetrical boundary of the Unit as hereinafter described.

(3) Parimetrical Boundaries: the parimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior of the walls bounding the Unit, extended to intersections with each other and with the upper and lower boundaries.

(4) Additional Boundaries: In addition, the Unit boundaries shall include all exterior doors and door frames, including sliding doors, and all exterior windows and window frames.

The space within each of the Units shall not be further subdivided. Interior partitions and walls shall be part of the Unit.

#### ARTICLE IV VOTING RIGHTS

One person representing each Unit shall be entitled to vote at any meeting of the Unit owners. Such person shall be known as a "Voting Member." If a Unit is owned by more than one person, the owners of said Unit shall designate one of them as the Voting Member, or in the case of a corporate Unit owner, the corporate owner shall designate an officer or employee thereof the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Association. The total number of votes shall be equal to the total number of Units in the Condominium, and each Condominium Unit shall have no more and no less than one (1) vote in the Association. If a Unit owner owns more than one Condominium Unit, he or she shall be entitled to one (1) vote for each Unit owned.

#### ARTICLE V OWNERSHIP OF COMMON ELEMENTS

Upon completion of all units, each of the Unit owners of the Condominium shall own a one twenty-fifth (1/25th) undivided interest in the Common Elements and Limited Common Elements. Prior to the completion of all units, each owner shall own a fractural interest proportionate to the number of Units completed.



The fee title to each Condominium parcel shall include both the Condominium Unit and the above respective undivided interest in the Common Elements, said undivided interest in the Common Elements to be deemed to be conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee title to a Condominium Unit from the undivided interest in the Common Elements appurtenant to each Unit shall be null and void. The term "Common Elements," when used throughout this Declaration, shall mean both Common Elements and Limited Common Elements, unless the context specifically requires otherwise.

ARTICLE VI  
COMMON EXPENSES AND SURPLUS

Upon completion of all phases, the Common Expense and Common Surplus of the Condominium shall be shared by the Unit owners with each owner obligated to pay one twenty-fifth (1/25th) of the Common Expenses and entitled to receive one twenty-fifth (1/25th) of the Common Surplus. The share of Common Expenses and assessments shall remain one twenty-fifth (1/25th) regardless of the purchase price of the Condominium Parcels, their locations, or the building square footage included in each Condominium Unit.

Any common surplus of the Association shall be owned by each of the Unit owners in the same proportion as their fractional ownership interest in the Common Elements, any Common Surplus being the excess of all receipts of the Association from this Condominium including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements of this Condominium over the amount of the Common Expenses of this Condominium.

The Developer shall be excused from the payment of Assessments for Common Expenses for Condominium Units offered for sale for a time subsequent to the recording of the Declaration of Condominium. This time of exemption will terminate no later than the first day of the fourth calendar month following the month in which the closing and sale of the first Condominium Unit occurs. During the exemption period, the Developer must pay the portion of the Common Expenses incurred during that period which exceed the amount assessed against the Unit owners.

The Developer shall be excused from the payment of Common Expenses which would have been assessed against Units owned by the Developer after the end of the exemption period above provided that the Assessment for Common Expenses shall not increase over \$77.00 per month per unit and further provided that the Developer will pay any amount of Common Expenses incurred during that period and not produced by Assessments at the guaranteed level receivable from other Unit owners.

The guarantee period shall run for an initial period of two (2) years and may be extended for two (2) additional periods of two (2) years each.

In the first two (2) years of the operation of the Condominium but prior to turnover of control of the Association to the owners, the Developer may vote to waive or reduce funding of the reserves

required by Section 716.112(2)(f)(2), Florida Statutes.

ARTICLE VII  
METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the Unit owners of this Condominium, called or convened in accordance with the By-Laws, by the affirmative vote of not fewer than sixty-seven (67%) percent of the owners present either in person or by proxy at a duly called owners' meeting and by a vote of a majority of the Board of Directors at a duly called Board meeting. Any amendment which affects any of the rights, privileges, powers or options of the Developer shall require the written approval of the Developer.

The Developer may unilaterally amend the Declaration to correct errors or admissions not materially affecting the property rights of the Unit Owners or to add phases to the Condominium as described herein.

All Amendments shall be recorded and certified as required by the Condominium Act. Except as otherwise provided for in this Article VII, no Amendment shall change any Condominium Parcel, the proportionate share of the Common Expenses or Common Surplus, the voting rights appurtenant to any Unit unless the record owner or owners thereof and all record owners of mortgages or other voluntarily placed liens thereon shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any Mortgagees or change the provisions of this Declaration with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record. The provisions of Article XII of this Declaration shall not be changed without the written approval of all Unit owners and of all record owners of mortgages. The approvals or consents of Mortgagees provided under this Articles shall not be unreasonably withheld.

Notwithstanding the provisions of this Article VII, the Declaration and Exhibits thereto, where applicable, may be amended for the purposes set forth in and pursuant to F.S. 718.110(5), subject only to the unanimous approval of the full Board of Directors.

ARTICLE VIII  
ASSOCIATION

The operating entity of the Condominium shall be THE ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, which is responsible for the operation of the Condominium. The Association shall have all of the powers and duties set forth in the Condominium Act and all of the powers and duties granted to or imposed upon it by this Declaration, and the Articles of Incorporation and By-laws as amended from time to time. Copies of the Articles of Incorporation and By-Laws are incorporated herein as Exhibits "D" and "F," respectively.

Every owner of a Condominium Parcel, whether he or she has acquired his or her ownership by purchase, by inheritance, conveyance by transfer by operation of law, or otherwise, shall be bound by the By-Laws and Articles of Incorporation of said Association, the provisions of this Declaration and all Exhibits attached hereto. Membership in the Association shall terminate upon the termination of ownership of a Condominium Parcel in this Condominium.

#### ARTICLE IX BY-LAWS

The operation of the Condominium Property shall be governed by the By-Laws of the Association which are set forth in Exhibit "F."

The By-Laws may be amended in the manner provided for therein, but no amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel or which would change the provisions of the By-Laws with respect to Institutional Mortgagees of record.

#### ARTICLE X ASSESSMENTS

The Association, through its Board of Directors, shall fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Condominium Property and such other assessments as are specifically provided for in this Declaration and Exhibits attached hereto. The procedure for the determination of all such assessments shall be as set forth in the By-Laws of the Association, this Declaration and the Exhibits attached hereto.

The Common Expenses shall be assessed against each Condominium Parcel owner as provided for in Article VI of this Declaration. Assessments and installments that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) percent per annum from due date until paid. The Board of Directors, at their discretion, may impose a late charge of the greater of Twenty-Five and no/100 Dollars (\$25.00) or five (5%) percent of each installment of the assessment for each delinquent assessment. Any payment received shall be first applied to any interest, then to any administrative or late fee, then to any costs and legal fees incurred in collection and then to the delinquent assessment.

Assessments shall be determined and levied annually for the calendar year by December 15th preceding the year for which assessments are made. Such assessments shall constitute a lien for the total amount of all such annual assessments against the Unit for which assessment is made. Such assessments shall be due in four (4) quarterly installments on January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup> of the year for which the assessments are made. Upon default by any Unit owner in the payment of such quarterly installments, within thirty (30) days after the due date thereof, the Association, at its option and without notice, shall be entitled to accelerate the payment of the balance of the quarterly installments for the then current assessment year. In the event that such annual

assessment proves to be insufficient, it may be amended at any time, in writing, by resolution of the Board of Directors of the Association, and the unpaid assessment for the remaining portion of the year shall be apportioned over the remaining quarterly installments for that year. If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

The Association shall have a lien on each Condominium Parcel for unpaid assessments, together with interest thereon, a claim against the Unit owner of such Condominium Parcel. Reasonable attorney's fees, including fees on appeal, incurred by the Association incidental to the collection of such assessments or the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its Lien, shall be payable by the Unit owner and secured by such lien. The aforesaid lien shall also include those sums advanced on behalf of Unit owner in payment of his obligation under any Management Agreement, and the Board of Directors may take such action as they deem necessary to collect assessments by personal action or by enforcing said lien and may settle and compromise same if deemed in the Association's best interest. Said lien shall be effective as and in the manner provided for by the Condominium Act and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the Unit owner shall, if so ordered by a Court of competent jurisdiction, shall be required to pay a reasonable rental for the Condominium parcel for the period of time said parcel is occupied by the Unit owner or anyone by, through, or under said Unit owner, and Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the Unit owner and/or occupant. Where the Institutional Mortgagee of a first mortgage of record, or other purchaser of a Condominium Unit, obtains title to a Condominium parcel as a result of foreclosure or the Institutional first mortgagee of record accepts a deed to said Condominium parcel in lieu of foreclosure, such acquirer of title, its successors and assigns, shall be liable for the shares of Common expenses of assessments by the Association pertaining to such Condominium parcel, or chargeable to the former Unit owner of such parcel, which became due prior to acquisition of title as a result of foreclosure or the acceptance of such deed in lieu of foreclosure unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. The liability of a first mortgagee or its successors or assignees who acquire title by foreclosure or by deed in lieu of foreclosure for unpaid assessments that become due prior to the mortgagees, acquisition of title is limited by the provisions of Section 718.116(1)(b), Florida Statutes. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Unit owners, including such acquirer, his successors and assigns. Board of Directors, shall have the right to assign its claim of lien rights for the recovery of any unpaid assessments or to any Unit owner or group of Unit owners, or to any Third party.

ARTICLE XI  
INSURANCE

A. CASUALTY AND FLOOD. The Board of Directors of the Association shall keep the Condominium Property insured. The Condominium Property shall include all the buildings erected upon the land and all fixtures and personal property appurtenant thereto owned or used by the Association or constituting part of the Common Elements or Limited Common Elements. The insurance shall cover the interest of the Association and all Unit owners and their mortgagees as their interests may appear against loss or damage by fire and hazards covered by a standard coverage endorsement and such other risks of a similar or dissimilar nature as are customarily covered with respect to the location and use of the buildings erected upon the Condominium Property, in an amount which shall be equal to the maximum insurable replacement value as determined no less than every two (2) years by the insurance carrier if such insurance is reasonably available. In addition to the aforesaid fire and hazards insurance, the Association shall purchase flood insurance on the said improvements in the maximum amount obtainable if the Condominium Property is located in an area designated as being in a flood zone or flood hazards area. If necessary, the Association is authorized to obtain and accept a policy or policies with a deductible clause if the Association cannot reasonably obtain coverage without such a clause. The Directors shall have no liability to the Association, the members or any other person for the failure to obtain insurance without the deductible clause and/or for the failure to obtain insurance in the full amount of the coverage required hereunder if, in good faith, a majority of their whole number shall have determined that such insurance is not reasonably available.

B. LIABILITY INSURANCE. The Board of Directors of the Association shall obtain liability insurance in such amounts as the Board of Directors may determine from time to time for the purpose of providing general liability insurance coverage for the Common Elements and Limited Common Elements of this Condominium. Each individual Unit owner shall be responsible for the purchasing of liability insurance for accidents occurring in his own Unit. In accordance with the provisions of the Condominium Act, the liability of a Unit owner for Common Expenses shall be limited to amounts for which he is assessed from time to time in accordance with the Condominium Act, this Declaration and the By-Laws. The owner of a Unit shall have no personal liability for any damages caused by the Association on or in connection with the use of the Common Elements except to the extent that and only if the law mandates such personal liability.

A Unit owner shall be liable for injuries or damages resulting from an accident in his own Unit to the same extent and degree that the owner of a house would be liable for an accident occurring within the house. If there shall become available to Condominium Association a program of insurance which will not only insure the Association's liability and the liability of Unit owners with respect to the Common Elements and Limited Common Elements, but also the liability of individual Unit owners with respect to the interior of their Units, then the Association may obtain such liability insurance coverage protecting both the Condominium Association and the Unit owner against such liabilities for damage to persons and property whether occurring within or without a Unit, and the premium therefor shall be a Common Expense. If it shall appear that Condominium unit owners in such a

program of insurance are entitled to elect additional coverage or excess coverage above those coverage elected by the Association for all Unit owners, then the Association shall inform the individual Unit owners of the opportunity to select the excess coverage and the amount of the premium for such additional or excess coverage.

C. ASSURED AND LOSS PAYABLE. All casualty insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all Unit owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses shall be paid to the Association.

D. PAYMENT OF PREMIUMS. The Board of Directors shall collect and pay the premiums for insurance as a part of the Common Expenses for which assessments are levied.

E. MANDATORY REPAIR. Unless there occurs substantial damage or destruction to all or a substantial part of the Condominium Property, as hereinafter defined, and subject to the provisions hereinafter provided, the Association and the Unit owners shall repair, replace and rebuild the damage caused by casualty loss, the cost of which shall be borne by the Unit owners in proportion to the shares of the Common Elements as set forth in Article V of this Declaration. The costs shared by the Unit owners shall include only the costs due after the payment of any insurance coverage for the damage or the payment of damages from those persons negligently or deliberately causing the damage.

F. ASSOCIATION AS AGENT. The Association is hereby irrevocably appointed agent for each Unit owner to adjust all claims arising under insurance policies purchased by the Association, and to execute releases thereof.

G. OWNERS' INSURANCE. Each individual Unit owner shall be responsible for purchasing, at his own expense, hazard, flood and liability insurance to cover casualty occurring within his or her own Unit and for purchasing insurance for protection of his or her personal property.

## ARTICLE XII RECONSTRUCTION OR REPAIR AFTER CASUALTY

If any part of the Condominium property shall be damaged by casualty, the decision to reconstruct or repair the property shall be determined in the following manner:

A. If the only damage to the Condominium property consists of damage to improvements and betterments of a single Unit which were made by the Unit owner thereof, other than the Developer, then such damage shall be reconstructed or repaired by the owner at the owner's expense.

B. If the damaged improvement is a Common Element, other than a building, then the damaged property shall be reconstructed or repaired by the Association unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

1.) If the damaged improvements consist of one or more buildings, and if the Units to which fifty percent (50%) of the Common Elements are appurtenant are found by the Board of Directors of the Association to be tenatable, the damaged property shall be reconstructed or repaired by the Association, unless, within sixty (60) days after the casualty, it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated it being understood that the fifty (50%) percent figure applies to all of the Units in the Condominium, notwithstanding the fact that there are multiple buildings.

2.) If the damaged improvements consist of one or more buildings, and if the Units to which more than fifty (50%) percent of the Common Elements are appurtenant are found by the Board of Directors to be not tenatable, then the damaged property will be reconstructed or repaired, unless within sixty (60) days after the casualty the record owners of seventy-five (75%) percent of the Common Elements and the mortgagee holding the greatest number of the recorded mortgages on all Units consent in writing to terminate the Condominium; it being understood that the fifty (50) percent figure applies to all of the units in the Condominium, notwithstanding the fact that there are multiple buildings.

C. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements. If such original plans and specifications are not available, then plans and specifications shall be prepared to permit the reconstructed improvements to be as similar to the improvements prior to such damage or destruction as possible; provided, however, that alterations may be made as hereinafter provided.

D. Immediately after a determination is made to reconstruct or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain bids for, or negotiate, a fixed price contract or contracts for the necessary reconstruction or repairs.

E. If the proceeds of insurance are not sufficient to defray the full cost of reconstruction and repair by the Association, then prior to executing contracts for the reconstruction and repair, the following assessments shall be made. Assessments shall be made against all Unit owners on account of damage to the buildings and improvements on the Condominium property in an aggregate amount, which, when added to the insurance proceeds available for such purpose, will be sufficient to pay the total cost of the reconstruction and repair of the same; such aggregate amount shall be apportioned among the owners of Units in proportion to each Unit owner's appurtenant undivided share in the Common Elements. All amounts so assessed against the Unit owners shall be collected by the Association and deposited in the Association's operating account unless the Association shall have advanced from reserves on hand against collection of such assessments, prior to the execution of any contract for such reconstruction and repair. All such contractors shall be required to furnish to the Association a performance and payment bond in the full amount of the contract unless such requirement is waived in writing by the mortgagee holding the greatest number of recorded mortgages on the Units in the Condominium. Notwithstanding the foregoing, the Association shall not be prohibited from entering into contracts for repairs having an aggregate cost of less than \$10,000.00, nor from entering into contracts providing for work which is essential to preserve the

property from further deterioration or damage pending collection of assessments.

F. The funds held by the Association for payment of the costs of reconstruction and repair after casualty, shall be disbursed in the following manner:

(1) The proceeds held in each of the aforesaid separate construction funds shall be disbursed only for reconstructing and repairing the property with respect to which such proceeds were collected.

(2) If there is a balance in any such separate contraction funds after payment of all costs of the reconstruction and repair for which such fund is established, such balance shall be distributed to the beneficial owner or owners thereof.

(3) If the costs of reconstruction and repair that are the responsibility of the Association is more than \$25,000.00, then the Association shall pay the cost thereof upon the approval of an architect, licensed to practice in Florida, who has been employed by the Association to supervise the work.

(4) The Association shall keep records of all construction costs and the amount thereof to be charged to each separate construction fund.

### ARTICLE XIII

#### MAINTENANCE, ALTERATION AND IMPROVEMENT

##### A. By the Unit Owner.

1. The owner of each Unit must keep and maintain his or her Unit, its equipment and appurtenances in good order, condition and repair and must perform promptly all maintenance and repair work within his Unit which, if omitted, would adversely affect the Condominium, the other Unit owners or the Association and its members. The owner of each Unit shall be responsible for any damages caused by a failure to maintain said Unit. Maintenance, repair and replacement shall include, but not be limited to, the following: air-conditioning and heating equipment, including those portions of the equipment located on the Common Elements; all windows and sliding glass doors, including operating mechanisms, screening and glass; service equipment, such as dishwashers, refrigerators, stoves, ovens, hot water heaters, disposals and all other appliances; plumbing fixtures and connections, sinks, drains and all pipes within the Unit or located on the Common Elements but servicing only the Unit; electrical fixtures, outlets, wiring and panels within the Unit or located on the Common Elements but servicing only the Unit; exterior doors, excluding the painting of the exterior which shall be a Common Expense of the Association; floor coverings, excluding the undecorated floor surface or slab; and inside paint and other inside wall and ceiling finishes. The owner of a Unit further agrees to pay for all utilities, such as telephones, electric and cable television which may be separately billed or charged to each Unit. The owner or owners of each Unit shall be responsible for insect and pest control within the same and within any Limited Common Elements appurtenant



thereto unless separately contracted for by the Association. Wherever the maintenance repair and replacement of any items which the owner of a Unit is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association herein designated shall be used for the purpose of making such maintenance, repair or replacement, except that the owner of such Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The interior and the interior surfaces of any Limited Common Element appurtenant to the Unit must be maintained by the owner of such Unit and kept in a neat, clean, and trim condition; provided, however, that if any portion of the interior of any such Limited Common Element is visible from outside the Unit and the Limited Common Elements appurtenant thereto, then, the Unit owner shall first obtain the consent of the Association before altering the appearance thereof.

B. By the Association.

1. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Elements, including those portions of a Unit contributing to the support of the buildings; provided, however, that its obligation to maintain the interior and interior surfaces of the Limited Common Elements shall exclude maintenance that the owners of the Units to which the same are appurtenant are required to perform as above provided. Should any incidental damage be caused to any Unit by virtue of the Association's failure to maintain the Common Elements as herein required or by virtue of any work which may be done or caused to be done by Association in the maintenance, repair or replacement of any Common elements, the Association shall, at its expense, repair such incidental damage.

2. The Association, by action of its Board of Directors, may make minor alterations and improvements to the Common Elements, including recreational facilities, having a cost not in excess of Five Thousand (\$5,000.00) Dollars. All other alterations and improvements must first be approved by the owners of seventy five percent (75%) of the Units and by the mortgagee holding the greatest number of mortgages on the mortgaged Units. No alteration or improvement may be made to the Common Elements which adversely affects the rights of the owner of any Unit to the enjoyment of his or her Unit or the Common elements unless the owner and all mortgagees holding recorded mortgages on such Unit consent thereto in writing.

3. In order to preserve the architectural appearance of the Condominium as the same was originally designed and constructed, no Unit owner shall change, modify or alter the Common Elements, except the interior portion of the Limited Common Elements appurtenant to his Unit which portion is not visible from the exterior thereof, in any way or manner whatsoever. Without intending to limit the generality of the foregoing, no Unit owner shall change, modify or alter the design and appearance of any of the exterior surfaces, facades and elevations, landscaping and planting, windows, or exterior doors; nor shall any Unit owner change the design or color of any exterior lights

or doors, nor install, erect or attach to any part of the exterior of his Unit any sign of any kind whatsoever, nor shall he install, erect or attach to any part of the exterior or roof of any Unit or any part of the Common elements any sort of radio or television aerial, whether for sending or receiving; nor shall any owner erect or construct any original construction; provided, however, that if the Board of Directors of the Association finds that is not detrimental to the interest of the Association and its members, it may authorize a Unit owner to make such change, modification or alteration, provided that: (a) the alteration does not adversely affect the Association, or any member thereof; (b) a copy of plans for any such alteration prepared by a licensed architect and a copy of the construction contract shall be filed with the Association and approved by its Board of Directors prior to commencement of the work; and (c) the full cost of the same is first placed in escrow with the Association.

#### ARTICLE XIV USE RESTRICTIONS

The use of the Condominium property shall be in accordance with the following provisions as long as the Condominium exists:

A. Units shall be used for single family residential purposes only and no business or commercial activity of any nature shall be maintained or conducted in any of said Units. Except as otherwise provided herein, Units may be occupied only as follows: If the owner is an individual or individuals, other than individuals constituting a business partnership, limited partnership or joint venture, the Unit may be occupied by such owner's family, servants and guests.

(1) If the owner is a corporation, partnership, limited partnership, joint venture or other business entity, the Unit may be occupied its partners, joint venturers, employees, officers, and directors, and by members of the families, servants and guests of the foregoing. No more than a single family may reside in a Unit at any one time.

(2) If a Unit has been leased, as hereafter provided, the Lessee shall be deemed to be the "owner" for purposes of this section during the term of said lease.

B. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the benefit and enjoyment of the residents of the Units in the Condominium.

C. No immoral, improper, offensive or unlawful use shall be made of the Units, the Condominium property or any part of it.

D. No Unit owner shall make or permit any use of his Unit or the Common elements which will increase the cost of insurance on the Condominium property.

E. No nuisances shall be allowed in the Units or upon the Condominium property, nor any use

or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium property by its residents.

F. No rooms may be rented separately from the Unit. Entire Units may be leased for periods of not fewer than six (6) consecutive months. Units which are leased may be occupied only by the lessee and his family, servants and guests.

G. Reasonable rules and regulations concerning the use of Condominium Property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all Unit owners and residents of the Condominium upon request. Any such regulations shall not be required to be incorporated in an amendment to this Declaration or otherwise filed of record.

H. The Condominium Association, whether acting through its Board of Directors or otherwise, shall not impose prohibitions on the keeping of pets in the Condominium units providing that the pets so kept are the kind of animals, fish or birds usually kept as household pets. With respect to pets which require access to the outside, such as dogs and cats, the Condominium Association may prohibit the keeping of more than two of such pets or more than one of each species thereof in any individual Unit. The Association may also impose reasonable restrictions on when, where and how such pets may be permitted upon the Common Elements of the Condominium Property. The limitation on the prohibition of pets contained in this Paragraph H shall not restrict nor prevent the Condominium Association from prohibiting or requiring the removal of pets in individual cases where such pets are or become legal nuisances and unreasonably disturb the quiet enjoyment of the Condominium Property or Units by the Unit owners. Furthermore, the condominium Association may require the Unit owners who either do not abide by the reasonable rules and regulations as to when, where and how such pets may be permitted upon the Common Elements, or who allow a pet to be or become a legal nuisance, to dispose of or remove their pet or pets from the Unit and the Condominium Property. Amendments or modifications to this Paragraph H shall require approval of a vote of the membership equal to three-quarters (3/4) or more of the total number of votes attributable to Units owned by any legal person other than the Condominium Association.

I. A Unit owner shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls of the buildings, including awnings doors or windows; nor shall they grow any type of plant, shrubbery, flower, vine or grass outside their Unit; nor shall they place any furniture or equipment such as bicycles and other sports gears outside their Unit or on the Limited Common Elements appurtenant to their Unit except with prior written consent of the Board of Directors, and further, when approved, subject to the Rules and Regulations adopted by the Board of Directors.

J. No clothes lines or similar devices shall be allowed on any portion of the Condominium Property except in areas that may be designated by the Association. No towels, clothing or garments may be hung so that said items may be seen from the outside of a unit or Common Element. An

antenna, except for a small satellite dish, may not be installed or affixed to any exterior part of a Unit, the Limited Common Elements or the Common elements of the Condominium. The small satellite dishes may be placed on a Unit or a Limited Common Element appurtenant by a Unit subject to reasonable rules and regulations established by the Board of Administrators which do not unreasonably interfere with the reception of the satellite signal. Notwithstanding the provisions of this Section, any unit owner may display one portable, removable United State flag in a respectful way.

K. The overnight parking of vehicles of any kind upon any of the Condominium property used for roadway purposes is prohibited, and the overnight parking of automobiles without a current license tag and inspection certificate, or trucks over one ton capacity or in commercial use is prohibited anywhere on the Condominium property.

L. No "for sale" or "for rent" signs or other signs, advertisements or notices of any type shall be displayed by any individual Unit owner on his Condominium Parcel or any part of the Condominium Property except with the prior written consent of the Board of Directors.

#### ARTICLE XV LIMITED COMMON ELEMENTS

Those portions of the Common Elements reserved for the use of certain Unit owners or a certain Unit owner, to the exclusion of other Unit owners, are deemed Limited Common Elements. Any expense for the maintenance, repair or replacement relating to Limited Common Elements shall be treated as a paid for as a part of the Common Expenses of the Association, unless otherwise specifically provided in this Declaration and Exhibits attached hereto. Should said maintenance, repair or replacement be caused by the negligence or misuse by a Unit owner, his family, guests, servants and invitees, he shall be responsible therefore, and the Association shall have the right to levy a non-assessment charge against the owner of said Unit. The Limited Common Elements include the following:

A. Balconies: A Unit owner shall have the right to the exclusive use of his or her balcony and shall be responsible for the maintenance, care and preservation of the paint and surface of the walls, including floor and ceiling, within said exterior of balcony, and the maintenance, care, preservation and replacement of the screening or enclosure on the said balcony, if applicable, and fixed and/or sliding glass doors in the entrance way to said balcony. A Unit owner may not modify or enclose his balcony except with the prior written approval of the Board of Directors of the Association, and said Directors may designate a type or design of modification or enclosure that they will approve, or they may refuse to approve any type of modification or enclosure in their sole discretion.

B. Parking: The use of Common Element parking spaces shall be determined by the Developer and, after control of the Association is given to the Association, by the Board of Directors of the Association.

ARTICLE XVI  
EASEMENTS

A. The Common Elements shall be, and the same are hereby declared to be, subject to the perpetual non-exclusive, easement, which easement is hereby created for owner use and for the use of their immediate families, guests, invitees or licensees for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended. The Association shall have the right to establish rules and regulations governing the use and enjoyment of the described easements.

B. All of the Condominium Property shall be subject to easements for encroachments which now exist or hereafter exist caused by settlement or movement of the improvements constructed on the Units, or caused by minor inaccuracies in building or re-building said improvements, which encroachments shall be permitted to remain undisturbed, and such easements shall continue until such encroachments no longer exist.

C. If there shall be located within the boundaries of any Unit, any conduits, plumbing, wiring or other facilities for the furnishing of public or private utility services to other Units, or to the Common Elements, an easement in favor of the Association and the other Unit owners shall exist therefor, and an easement of access to and through such Unit for the repair and maintenance of the foregoing shall exist in favor of the Association. Said access to the Unit shall only be during reasonable hours, except that access may be had at any time in case of emergency.

D. Every portion of a Unit contributing to the support of the building shall be burdened with an easement of support for the benefit of all other Units and Common Elements in the building and vice versa.

E. The appurtenances shall include 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 be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

F. Easements are reserved through the Condominium property as may be required for utility services in order to serve this Condominium and any subsequent phase or phases adequately. As used herein, the term "Utility Services" shall include, but not be limited to, water, sewer, telephone, power, electric, natural gas, cable television, irrigation, and other utility services. The Association herein described, reserves the right to impose upon the Common elements henceforth and from time to time, such easements and cross-easements for any of the foregoing purposes as it deems to be in the best interest of, and necessary and proper for, the Condominium.

G. Should the intended creation of any easement fail by reason of the fact that at the time of creation, there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Association for the purpose of allowing the original party or parties to

whom the easements were originally granted the benefit of such easement and the Unit owners designate the Association as their lawful attorney in fact to execute any instrument on their behalf as may hereafter be required or deemed necessary for the purpose of creating such easement.

ARTICLE XVII  
TERMINATION

A. The Condominium may be terminated in the manner provided by the Act; it may also be terminated as hereafter set forth.

B. In the event of major damage to the Condominium property as set forth in Article XII(B)(2), the Condominium may be terminated as provided in and subject to the provisions of this Article.

C. The Condominium may be terminated at any time by the written consent of the record owners of all Units and with the written consent of the mortgagee holding the greatest number of recorded mortgages on the Units.

D. The termination of the Condominium in any manner shall be evidenced by a certificate of the Association executed by its president and secretary certifying under oath as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of St. Johns County, Florida. In the event the Condominium shall be terminated, then upon termination the then Unit owners shall own all of the Condominium property as tenants in common in undivided shares that shall be the same as the undivided shares in the Common elements appurtenant to the owners' Units immediately prior to the termination

E. This Article concerning termination cannot be amended without the consent of all Unit owners and of all record owners of mortgages upon the Units.

F. Upon the event of the termination of the Condominium, the Division of Florida Land Sales, Condominium and Mobile Homes shall be notified of the termination and the date of recordation of the documents effecting the termination.

ARTICLE XVIII  
COMPLIANCE AND ENFORCEMENT

Each Unit owner shall be governed by and shall comply with the terms of this Declaration of Condominium, the Articles of Incorporation, the By-Laws and the Regulations and Rules of the Association. Failure of a Unit owner so to comply shall entitle the Association and/or the other Unit owners to the relief set forth in the following sections of this Article in addition to the remedies provided by the Condominium Act.

A Unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or willful act or that of any member of his family, guest, employee, agent, lessee, invitees or pets, but only to the extent that such expense is not met by the

proceeds of insurance carried by the Association. A Unit owner shall pay the Association the amount of any damages occasioned by use, misuse, occupancy or abandonment of Unit or its appurtenances, or of the Common elements, by the Unit owner.

In any proceeding arising because of an alleged failure of a Unit owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation, By-Laws, Regulations or Rules of the Association, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, including fees on appeal, as may be awarded by the Court.

The failure of the Association, or any Unit owner to enforce any covenant, restriction, or other provisions of the Condominium Act, this Declaration, the Articles of Incorporation, By-Laws, or the Regulations or the Rules of the Association, shall not constitute a waiver of the right to do so thereafter.

The Association may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee or invitee, to comply with any provision of this Declaration, the By-laws of the Association or reasonable rules and regulations imposed by the Association. No fine will become a lien against a unit. No fine may exceed \$100.00 per violation. A fine, however, may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the unit owner, and, if applicable, its licensee or invitee. A hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied. The provisions of this Section do not apply to unoccupied units.

#### ARTICLE XIX RECREATIONAL FACILITIES WITHIN THE CONDOMINIUM

The recreational facilities within this Condominium are described and shown in Exhibit "B" attached hereto.

Any person who is the owner of a Condominium parcel in this Condominium, together with spouse and other members of said parcel owner's immediate family who are in residence in the Condominium parcel, as provided herein, may use the recreation facilities of this Condominium. Where a corporation is a condominium parcel owner, the use of said facilities shall be limited at any one time to such officer, director or employee of said corporation who is in actual residence and such individual shall be deemed to be the Condominium parcel owner for the purposes of this paragraph. All Unit owners children and children of guests or invitees who are under such age as determined by the Association must be accompanied by an adult to such portions of the recreation facilities as the Association determines. Guests and invitees of a Unit owner, whether in temporary residence in the Condominium or not, may only be permitted to use said recreation facilities or portions thereof with permission of the Association, and subject to the terms and conditions as the Association may determine in its sole discretion, including the payment of additional compensation therefor, it being understood and agreed that said recreation facilities are primarily designed for the use and enjoyment

of said Unit owners and the use by others may be required to be limited or not permitted at all during certain times of a day, certain weeks or months of a year, and the Association shall determine the foregoing in its sole discretion, including the manner and method in which said recreation facilities are to be used and under what circumstances. Notwithstanding the foregoing, where children in residence in a Condominium are the sons or daughters of the parcel owner, such parent shall not be required to pay additional compensation for use by said children of said recreation facilities. Where a Unit owner owns more than one unit, the family in residence in each unit shall be entitled to the use of the recreation facilities, whether said family in residence be a lessee of said Condominium unit or otherwise. Where a party owns one Condominium unit and leases same, the lessee shall be entitled to the use of said recreation facilities and said lessee's rights thereto shall be the same as though said lessee were the Unit owner and during the terms of said lease, the Unit owner and his family shall not be entitled to the use of said facilities.

ARTICLE XX  
MISCELLANEOUS PROVISIONS

A. Notices. Whenever notice is required under the terms of this Declaration, such shall be given in writing to the Association, to the Unit owner, or to any mortgagee, as the case may be, by personal delivery to such party, or by depositing with postage prepaid in the United States mails, registered or certified with return receipt requested, addressed as follows:

ASSOCIATION: As the Association's address appears on record at the office of the Secretary of State of Florida.

UNIT OWNER: As the address of the Unit owner appears on the books of the Association.

MORTGAGEE: As the address of the mortgagee appears on the books of the Association.

Notice served on the Secretary of the Association in the aforesaid manner shall constitute notice to the Association.

B. Covenants. All the provisions of this Declaration and the Exhibits attached hereto shall be construed as covenants running with the land and with every part thereof or interest therein and their heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of said documents.

C. Invalidity. The invalidity in whole or in part of any covenant or restriction, or any section, paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration or any Exhibit thereto, shall not affect the validity of the remaining portions thereof.

D. Heading. The headings of the sections, subsections, paragraphs and subparagraphs of this Declaration are for the purpose of convenience only and shall not be deemed to expand or limit the provisions contained in such sections and subsection.



E. Interpretation. The interpretation, construction, and effect of this Declaration shall be in accordance with and be governed by the laws of the State of Florida.

F. Easements. The Developer and its successors as Developer retain the right and shall at all times have the right to declare and create, modify and amend, from time to time, without joinder and consent of any unit owner or of the Condominium Association, easements upon the Condominium Property for public utility purposes and for peaceful ingress and egress to prevent abutting properties from being landlocked otherwise denied reasonable access to and from the driveways; providing, however, that at the time of the creation of such easements and at the time of the modification or amendment of any such easements, such easements and such modifications and amendments shall not be inconsistent with the peaceful and lawful use and enjoyment of the Condominium Property by the owners thereof. The Developer may, by an instrument in writing, relinquish the power and authority herein reserved to create, modify and amend easements, by the recordation among the Public Records of St. Johns County, Florida, a written instrument to that effect, from and after the recording of which the Developer and its successors and assigns as Developer shall no longer have the powers and authorities reserved or granted in this Paragraph F.

G. Master Television Antenna and Cable Television. The Association, by action of its Board of Directors, is authorized to enter into agreements to provide or allow master television service, whether or not in association with cable television service, to be given to the owners or occupants of improvements to real property in the vicinity of the Condominium, upon such terms and conditions as the Board of Directors shall approve, including but not limited to the authority of the Association to enter into a master television service contract in which the cost shall be treated as a common expense. This authority is granted in realization of the fact that a master television antenna may be able to serve the Condominium unit owners as well as persons residing on other improved property in the vicinity of the Condominium on a more economical basis. This authority shall be liberally construed to allow the placement of cables, equipment and all necessary mechanical, electro-mechanical, electrical and electronic devices upon the Condominium Property as the Board of Directors shall approve to effectuate the intentions of this Paragraph. Unit owners shall have the right to have cable television service extended and provided within their Units without action of the Board of Directors and such services may be brought to the Unit owners requiring or desiring such service over the common elements of the Condominium and as other utility services may be extended to the Condominium Units, providing that such installation shall not be unsightly and that such installation shall not interfere with the reasonable, lawful and peaceful use of the Common elements and the Limited common elements by the persons entitled to use them. Nothing in this Paragraph G shall be construed to impose upon the Developer or any other person, either real or corporate, the obligation to provide or install either a master television antenna or cable television facilities in this Condominium, nor to prohibit such installation.

H. Satellite Dish Receivers. The Association, through its Board of Directors, shall establish rules and regulations which govern the installation and use of small dish satellite receivers of paid programming. Such rules and regulations shall govern the location of such dishes and limit same to the boundaries of the residential Units and the Limited Common Elements controlled exclusively by the Unit owner. Such rules and regulations shall not unreasonably restrict the location of the dish to

allow the receipt of the programming signal. The fact that the location of a Unit owner's Unit or the Limited Common Elements exclusively controlled by that Unit owner does not allow reception of the programming signal does not authorize the Unit owner to install the dish at a location other than within the boundaries of his Unit or the Limited Common Elements controlled by the Unit owner. Such dishes may not be installed on any portion of the dock, boathouse or boat slip, however.

I. Abandonment by Unit Owner. No owner of a Condominium parcel may exempt himself or herself from liability for his or her contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements or by the abandonment of his Condominium Unit.

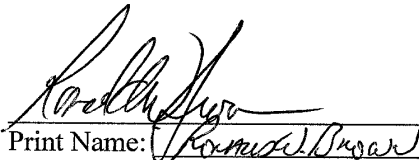
J. Acceptance. The Condominium Unit owners, by virtue of their acceptance of the Deed of Conveyance as to their Condominium Unit, and other parties by virtue of their occupancy of Units, hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration of Condominium and Exhibits attached thereto.

K. Partition. No Condominium parcel owner shall bring, or have any right to bring, any action for partition or division of the Condominium property.

L. Singular/Plural. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular.

IN WITNESS WHEREOF, the Developer, by its appropriate officers, has executed this Declaration, this 27th day of November, 2002, and caused its seal to be affixed.

Signed, sealed and delivered  
in our presence as witnesses:

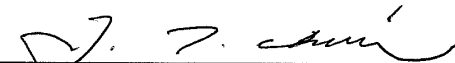
  
Print Name: Pamela Brown

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

BEFORE ME, the undersigned officer duly authorized to take oaths and acknowledgments in the County and State aforesaid, personally appeared YAO-TYNG (TIM) CHIU, as General Partner

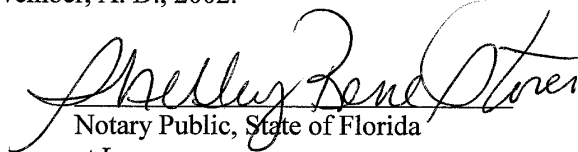
CHIU FAMILY MOTEL LIMITED  
PARTNERSHIP

By:   
Yao-Tyng (Tim) Chiu  
Its General Partner

0R1855PG1479

of the CHIU FAMILY MOTEL LIMITED PARTNERSHIP, who is personally known to me or who produced \_\_\_\_\_ as identification, and who, after being by me first duly sworn and cautioned, acknowledged to and before me that they executed the above and foregoing Declaration of Condominium for ANASTASIA ISLAND TOWNHOUSES for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in St. Augustine, St. Johns County, Florida this 27<sup>th</sup> day of November, A. D., 2002.

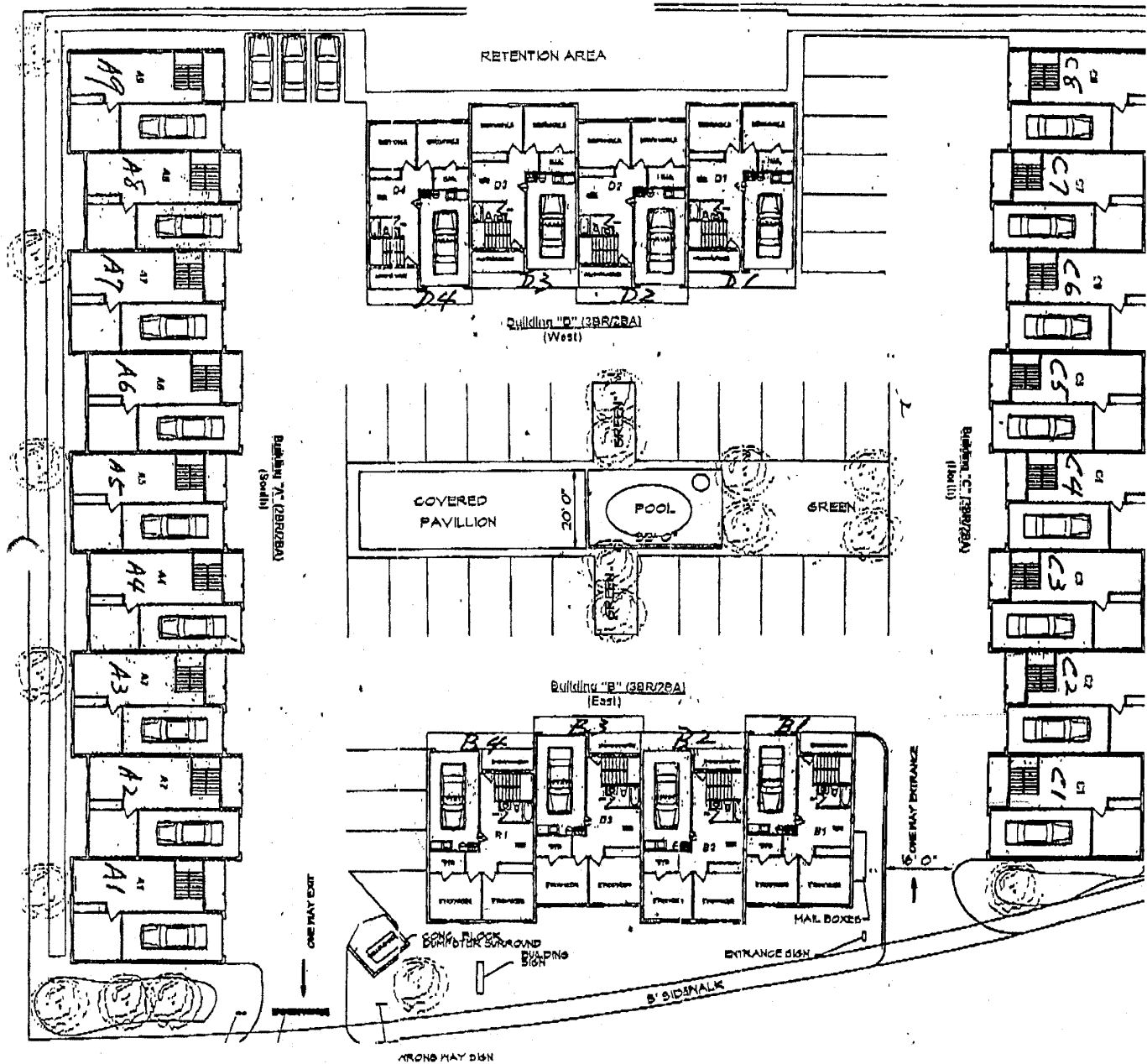
  
Notary Public, State of Florida  
at Large

SHELLEY RENE STOVER  
Notary Public, State of Florida  
My Comm. expires April 27, 2004  
Comm. No. CC 931871

0R1855PG1480

Exhibit "A"  
to the  
Declaration of Condominium  
for  
Anastasia Island Townhouses, a Condominium  
  
UNIT FLOOR PLANS

ANASTASIA ISLAND TOWNHOUSES, A CONDOMINIUM  
ST. AUGUSTINE, FLORIDA



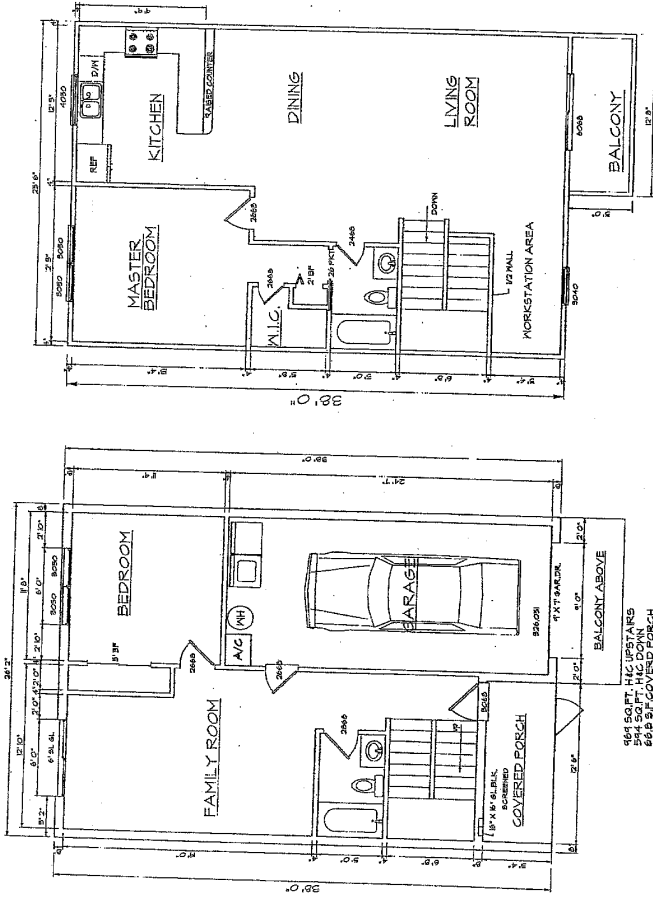
KEYNOTES  
1/6/02

KELLER AND STRATTON  
CIVIL AND CONSULTING ENGINEERS  
DESIGN AND LAND PLANNING  
441 OCEAN AVENUE  
CLAY STATION  
SAINT AUGUSTINE, FLORIDA 32080  
904-444-0001  
904-444-0002

ANASTASIA ISLAND TOWNHOUSES  
FOR DR. AND MRS. TIM CHIU

DESIGNED BY  
CLAY STATION  
SEAL  
A-2

813 Hawthorne  
1750 1st South  
St. Augustine, FL 32084  
Tel: (904) 471-9665



2 BEDROOM APT.

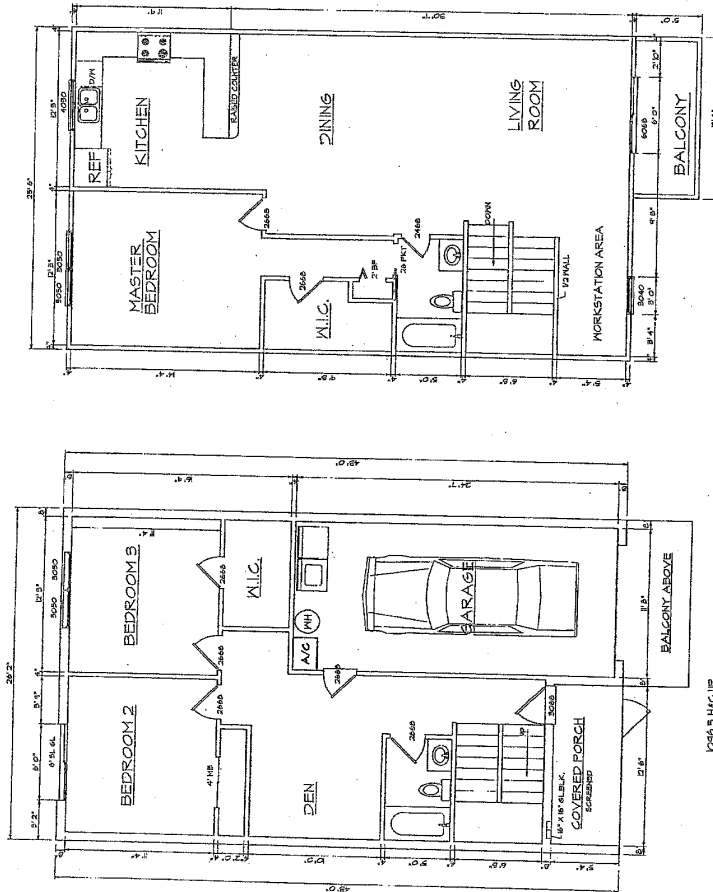
SAINT AUGUSTINE, FLORIDA 32080  
 904-428-2281  
 441 OCEAN VIEW AVE.  
 HOLLYWOOD, FL 33021  
 KELLER AND STRATTON  
 CIVIL AND CONSULTING ENGINEERS  
 DESIGN AND LAND PLANNING

ANASTASIA ISLAND TOWNHOUSES  
 FOR DR. AND MRS. TIM CHIU

SEAL  
 CLAYTON  
 CLAYTON

A-3

111 Henderson  
 1721 11th South  
 St. Augustine, FL 32084  
 Tel: (904) 471-5685



**THREE BEDROOM APT.**

1/18/02

KELLER AND STRATTON  
CIVIL AND LAND PLANNING  
DESIGN AND PLANNING  
CLAY STRATTON  
441 OCEAN VIEW AVE  
SUITE 200  
SAINT AUGUSTINE, FLORIDA 32080

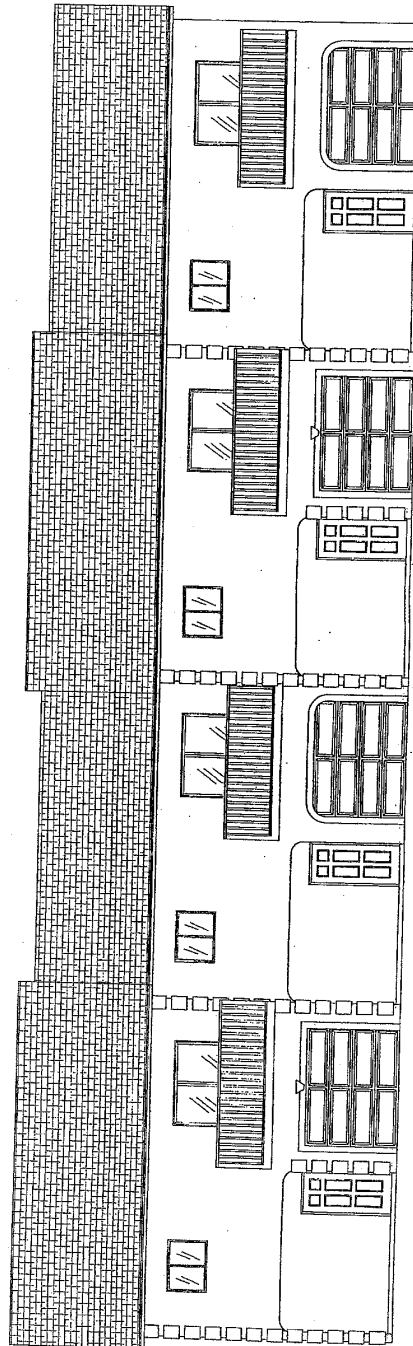
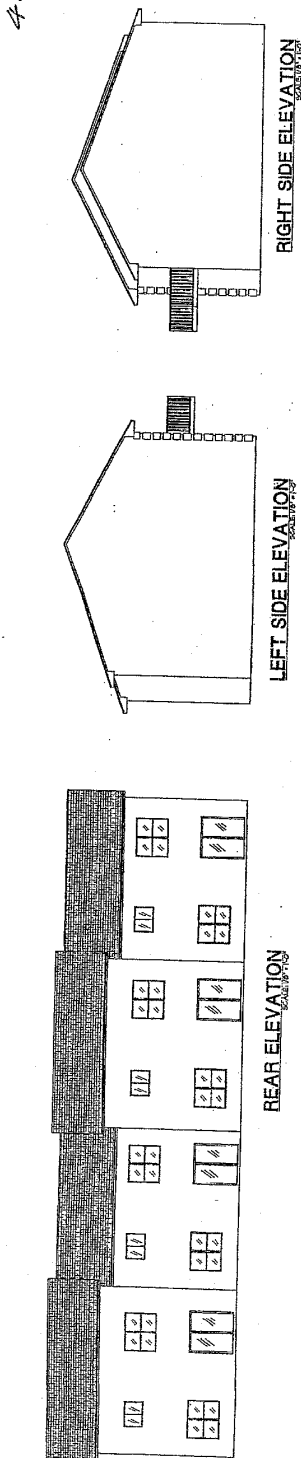
ANASTASIA ISLAND TOWNHOUSES

FOR DR. AND MRS. TIM CHIU

SEAL

CLAY STRATTON

A-1



FRONT ELEVATION

TYPICAL BLDGS. "A", "B", AND "D"

ATP Architects  
1750 113 South  
St. Augustine, FL 32084  
Tel: (904) 471-9665



Exhibit "B"

LEGAL DESCRIPTION OF REAL  
PROPERTY SUBMITTED TO  
CONDOMINIUM OWNERSHIP,  
BOUNDARY SURVEY AND PLOT PLAN.

REC 616 PAGE 333

0R1855P61486

ALSO all that portion of West Avenue a vacated street, which abuts the above described property on the East thereof between the North line of said Lot 5 and the South line of said Lot 1, extended Easterly; ALSO that portion of Fourth Street a vacated street to the center thereof, which abuts the above described property.

TOGETHER with all those portions of Lots 5, 6 and 7 of Block 53, DAVIS SHORES SUBDIVISION, as shown on replat of said Block 53, recorded in Plat Book 3, page 132, public records of St. Johns County, Florida, which lie within the boundaries of the above described property.

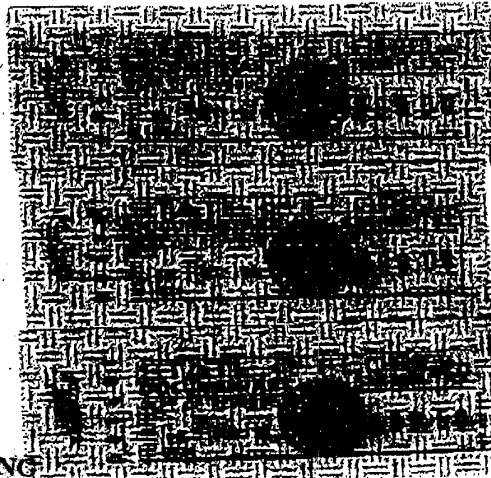
**PARCEL TWO:** Commence at the Southeast corner of Block 36 of Map of ANASTASIA on Anastasia Island, Florida according to Map recorded in Deed Book "GG", page 92 and also in Map Book 1, page 58 of the public records of St. Johns County, Florida, run thence Easterly to the West right of way line of State Road A1A, run thence Northerly along the West right of way line of State Road A1A to its intersection with the center line of Fourth Avenue (now vacated), run thence Westerly along the center line of Fourth Avenue (now vacated) to the intersection of the Center line of West Avenue (now vacated) run thence Southerly along the center line of West Avenue (now vacated) to the North line of Third Avenue, and run thence Easterly along the North side of Third Avenue to the point of beginning. Being all of Block 36, part of Sanchez Avenue (now vacated) lying between State Road A1A and said Block 36, part of S 1/2 of Fourth Avenue (now vacated) abutting said Block 36 and extending to the center line of Fourth Avenue (now vacated) part of E 1/2 of West Avenue (now vacated) abutting said Block 36 and extending to the center line of Fourth Avenue (now vacated) and alley (now vacated) running North and South through the center of said Block 36, especially including all the portions of Lots 4 and 5 of Block 53, DAVIS SHORES, according to Map thereof recorded in Map Book 3, page 132 of the public records of St. Johns County, Florida which encroach or may encroach on said lands.

EXCEPTING from the above described lands any part thereof lying within the right of way of State Road A1A.

FILED AND RECORDED IN  
PUBLIC RECORDS OF  
ST. JOHNS COUNTY, FLA.

1983 DEC -1 PM 1:07

Paul "Bud" Mantel  
CLERK OF CIRCUIT COURT



IMAGING MEMO -  
THE WRITING/TYPING & PRINTING  
WAS UNSATISFACTORY FOR  
REPRODUCTION AT THE TIME  
OF IMAGING



HEREBY CERTIFY THAT THIS DOCUMENT  
IS A TRUE AND CORRECT COPY AS APPEARS  
IN RECORD IN ST. JOHNS COUNTY, FLORIDA  
WITNESS MY HAND AND OFFICIAL SEAL  
THIS 11th DAY OF July 2002  
CHERYL STRICKLAND CLERK

BY *Cheryl Strickland* DC

OR1855PG1487

Exhibit "C"

Identification of Units

Identification of Units

Phase I

<u>Building A</u>	<u>Building B</u>	<u>Building C</u>	<u>Building D</u>
A - 1	B - 2	C - 1	D - 1
A - 2	B - 2	C - 2	D - 2
A - 3	B - 3	C - 3	D - 3
A - 4	B - 4	C - 4	D - 4
A - 5		C - 5	
A - 6		C - 6	
A - 7		C - 7	
A - 8		C - 8	

0R1855PG1489

Exhibit "D"

Articles of Incorporation

of

The Anastasia Island Townhouses Condominium

Association, Inc.

ARTICLES OF INCORPORATIONOFANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.

The undersigned, for the purpose of forming a corporation pursuant to the Florida Not-for-Profit Corporation Act, do hereby adopt the following Articles of Incorporation.

ARTICLE IANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.

The name of the Corporation is ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.

ARTICLE IITERM OF EXISTENCE

Existence of the Corporation shall be perpetual. Corporate existence shall commence upon the filing of these Articles of Incorporation.

ARTICLE IIINATURE OF BUSINESS

The purposes for which the Corporation is initially organized are the transaction of any and all business related to the management, operation and control of a owners' association for a condominium and performance of the duties assigned to the Corporation by the Declaration of Condominium for the ANASTASIA ISLAND TOWNHOUSES , a Condominium, located in St. Johns County, Florida.

ARTICLE IVPRINCIPAL PLACE OF BUSINESS AND REGISTERED AGENT

The street address and mailing address of the initial principal office shall be 1730 A1A South, St. Augustine, Florida 32080, and the name of its initial registered agent at such address is Yao-Tyng (Tim) Chiu.

ARTICLE VBOARD OF DIRECTORS

The initial Board of Directors shall consist of three (3) members, but such number may be increased or decreased as provided in the By-Laws of the Corporation, provided that the number of Directors shall not be fewer than three (3). The names and addresses of the initial members of the Board of Directors are as follows:

Yao-Tyng (Tim) Chiu  
1730 A1A South  
St. Augustine, Florida 32080

Jolande Chiu  
1730 A1A South  
St. Augustine, Florida 32080

Ray Chiu  
1730 A1A South  
St. Augustine, Florida 32080

ARTICLE VIINCORPORATORS

The name and address of each of the incorporators are as follows:

Yao-Tyng (Tim) Chiu  
1730 A1A South  
St. Augustine, Florida 32080

Jolande Chiu  
1730 A1A South  
St. Augustine, Florida 32080

ARTICLE VII

SURFACE WATER MANAGEMENT SYSTEM

A. Duties. The Association shall operate, maintain the surface water or stormwater management system(s) in a manner consistent with the St. Johns River Water Management District permit no. \_\_\_\_\_ requirements and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained herein.

B. Powers. The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

C. Assessments. The assessments shall be used for the maintenance and repair of the surface water or storm water management systems including but not limited to work within retention areas, drainage structures and drainage easements.

D. Dissolution Language. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

E. Existence and Duration. Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.



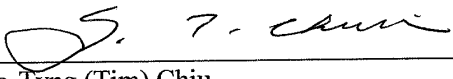
ARTICLE VIII

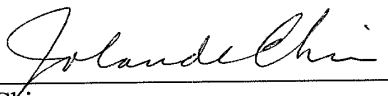
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AMENDMENTS

These Articles of Incorporation may be amended in the manner provided below. Every amendment shall be approved initially by the majority of the Board of Directors, presented to the members for approval at a duly noticed meeting of the membership and adopted by the vote of two-thirds (2/3) the members entitled to vote thereon.

IN WITNESS WHEREOF, the Incorporators have hereunto set their hands and seals this 27th day of November, A. D., 2002.

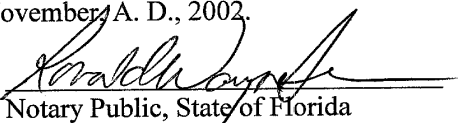
  
Yao-Tyng (Tim) Chiu

  
Jolande Chiu

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

BEFORE ME, the undersigned officer duly authorized to take oaths and acknowledgments in the County and State aforesaid, personally appeared YAO-TYNG (TIM) CHIU and JOLANDE CHIU, who are personally known to me or who produced \_\_\_\_\_ as identification, and who, after being by me first duly sworn and cautioned, acknowledged to and before me that they executed the above and foregoing First Amended Articles of Incorporation of ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC. for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in St. Augustine, St. Johns County, Florida this 27th day of November, A. D., 2002.

  
Notary Public, State of Florida  
at Large  
My Commission Expires: \_\_\_\_\_

4

RONALD WAYNE BROWN  
Notary Public, State of Florida  
My Comm. expires Aug. 28, 2004  
Comm. No. CC 944849

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

In pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

Anastasia Island Townhouses Condominium Association, Inc. desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Articles of Incorporation, at City of St. Augustine, State of Florida, has named Yao-Tyng (Tim) Chiu, 1730 A1A South, St. Augustine, Florida 32080 as its agent to accept service of process within the state.

ACKNOWLEDGMENT:

I, Yao-Tyng (Tim) Chiu, having been named to accept service of process for the above stated corporation at the place designated in this certificate, hereby accept to act in this capacity and agree to comply with the provisions of the Florida Not-for-Profit Corporation Act relative to maintaining said office.

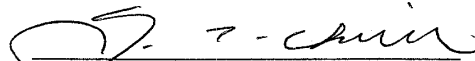
  
Yao-Tyng (Tim) Chiu

Exhibit "E"

OR1855PG1495

Certificate of Incorporation

0R1855PG1496

The Certificate of Incorporation  
will be provided upon filing of the  
Articles of Incorporation

Exhibit "F"

0R1855P61497

By-Laws

of

Anastasia Island Townhouses

Condominium Association, Inc.

BY-LAWS

OR1855PG1498

OF

ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

General

Section 1. Identity: The name of the corporation shall be ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC., which is a corporation not for profit organized for the purpose of managing, operating and administering the ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM to be established on the real property more fully described in the Declaration of Condominium to which a copy of these By-Laws are attached and which Declaration is to be recorded in the Public Records of St. Johns County, Florida.

Section 2. The Principal Office: The principal office the corporation shall be at the condominium property or at such other place as may be subsequently designated by the Board of Administration.

Section 3. Definitions: As used herein, the term "corporation" shall be equivalent of "association" as defined in the Condominium Declaration, and the words "property", "unit owner," and "condominium" are defined as set forth in the Condominium Declaration and the Articles of Incorporation of the corporation, to which these By- Laws are attached. The "Board of Directors" may also be referred to as the "Board of Administration," and such designation shall be interchangeable.

ARTICLE II

Directors

Section 1. Number and Term: The number of Directors which shall constitute the whole Board of Administration shall not be fewer than three (3) persons nor more than seven (7) and may be increased or decreased from time to time by the members of the Board.

The Directors shall be elected at the Annual Meeting of the members. For the first Annual Meeting at which elections are held, there shall be three classes of Directors elected for one, two and three year terms in as nearly equal numbers for each class as is possible. Beginning with the subsequent Annual Meeting and thereafter, Directors shall be elected to serve for three year terms. Directors shall serve for their designated term of office or until a successor shall be elected and shall qualify. All Directors shall be members of the Association.

Section 2. Removal: A Director elected or appointed as provided in the Declaration may be removed from office in accordance with the recall procedures as provided in Section 718.112 (2)(j), Florida Statutes.

Section 3. Vacancy and Replacement: If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum at a special meeting of Directors duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term in respect to which vacancy occurred.

Section 4. First Board of Administration: The first Board of Administration shall consist of:

Yao-Tyng (Tim) Chiu  
Jolande Chiu  
Ray Chiu

who shall hold office and exercise all powers of the Board of Directors until the first membership meeting as set forth in ARTICLE V of these By-Laws; provided, any or all of said Directors shall be subject to replacement in the event of resignation, recall or death as above provided except as follows:

At such time as unit owners other than the Developer own fifteen (15%) percent or more of the condominium units that will be operated ultimately by the Condominium Association, the unit owners other than the Developer shall be entitled to elect not fewer than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Administration upon the earliest occurrence of any of the following:

A. Three (3) years after sales by the Developer have been closed on fifty (50%) percent of the condominium units that will be operated ultimately by the Association; or

B. Three (3) months after sales have been closed by the Developer on ninety (90%) percent of the units that will be operated ultimately by the Association; or,

C. When all of the units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business.

D. When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or

E. Seven (7) years after recordation of the declaration of condominium. The Developer is entitled to elect at least one member of the Board of Directors of an Association as long

as the Developer holds for sale in the ordinary course of business at least 5 percent of the units in the condominium operated by the Association. Following the time the Developer relinquished control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

Section 5. Powers: The property and business of the corporation shall be managed by the Board of Administration which may exercise all corporate powers not specifically prohibited by the Florida Condominium Act, the Declaration of Condominium, the Articles of Incorporation, or by these By-Laws directed or required to be exercised or done by the members. These powers shall specifically include, but not omitted to the following:

A. to levy upon the members regular periodic and other assessments as are necessary for anticipated current operating expenses of the Association. The Board of Administration may increase the regular assessments or vote a special assessment in excess of that amount, if required, to meet any necessary additional expenses, but said increase can only be made in the proportion established in Article VII, Section 3 (C) of these By-Laws;

B. to use and to expend the assessments collected to maintain, repair and preserve the condominium units, the common elements, the limited common elements, and the condominium property (other than those portions of the limited common elements and the units, including the interiors of the condominium units, which are to be maintained, repair and preserved by the individual condominium unit owners);

C. to pay taxes and assessments levied and assessed against any real property the corporation might own and to pay for such equipment and tools, supplies and other personal property purchased for use in such maintenance, care and preservation;

D. to enter into and upon the condominium units when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation. For the purpose of preservation, care and restoration of condominium property, each owner of a condominium unit grants a perpetual easement in the event of an emergency to the then existing Board of Administration or its duly authorized agents to enter into his condominium unit at any reasonable time or at any time if the necessities of the situation should require;

F. to insure and keep insured the Association against loss from public liability and to carry such other insurance as the Board of Administration may deem advisable; and in the event of damage or destruction of condominium property, real or personal, covered by such insurance, to use the proceeds for repairs and replacement, all in accordance with the provisions of the Declaration of Condominium.

G. to collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoy or seek damages from unit owners for violations of the Declaration of Condominium, these



By-Laws or Rules and Regulations adopted by the Board of Directors.

H. to employ such personnel, make such purchases and enter into such contracts as may be necessary or desirable in carrying out the operation and management of the condominium.

I. to make, amend and repeal Rules and Regulations governing the operating, maintenance and management of the condominium, including without limitation, the use and occupancy of the units by the members, the use of the common elements, the use of the recreational facilities and to establish and levy monetary fines against unit owners in accordance with the provisions of Chapter 718, Florida Statutes, for the violation of Rules and Regulations.

J. to enter into contracts for the management, maintenance and operation of the condominium property, provided however, the Association shall retain at all times the powers and duties to be exercised by or under the direction of the Board of Directors as provided in the enabling condominium documents and the applicable Florida Statutes.

Section 6. Compensation: Directors and officers shall serve without compensation.

Section 7. Meetings:

A. The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Administration shall be held at the same place as the general members' meeting, and immediately after the adjournment of same, to elect officers for the following year.

B. Regular meetings of the Board shall be held quarterly at such time and place as the Board shall fix from time to time.

C. Special meetings of the Board may be called by the president on five (5) days notice to each Director either personally or by mail, facsimile transmission or electronic mail. Special meetings shall be called by the president or secretary in a like manner and on like notice on the written request of three (3) Directors.

D. Meetings of the Board of Administration shall be open to all unit owners. Notice of all meetings shall be posted on the official bulletin board of the Association at least forty-eight (48) hours in advance of each scheduled meeting and directed to the attention of all unit owners. In case of an emergency, a meeting of the Board of Administration may be held without notice. Written notice of any Board meeting at which non-emergency special assessments or amendments to rules regarding unit use will be considered shall be mailed or delivered to unit owners and posted not fewer than fourteen (14) days prior to the meeting date. Special notice of a special meeting convened for the purpose of recalling one or more members of the Board of Directors shall be noticed and held within five (5) full business days after the adjournment of the unit owner meeting held for recall of

one or more members of the board of directors.

E. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Administration, except as may be otherwise specifically provided by statute, by the Declaration of Condominium or by the Articles of Incorporation or by these By-Laws. If a quorum shall not be present in any meeting of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Annual Statement. The Board shall present at the annual meeting of members, and when called for by a vote of the members at any special meeting of the members, a full and clear statement of the business and financial condition of the corporation.

Section 9. Accounting Records. The Association shall maintain accounting records according to good accounting practices which shall be open to inspection by unit owners or their authorized representatives at reasonable times, and written summaries of which shall be supplied at least annually to unit owners or their authorized representatives. Such records shall include. A record of all receipts and expenditures and an account for each unit which shall designate the name and address of the unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

### ARTICLE III

#### Officers

Section 1. Elective Offices: The Officers of the corporation shall be unit owners chosen by the Directors and shall include a president, a vice president, a secretary and a treasurer. The Board of Administration may also choose one or more additional vice presidents, assistant secretaries, assistant treasurers, or other Officers. No more than one owner of a condominium unit may be an Officer at any one time.

Section 2. Election: The Board of Administration at its first meeting after each annual meeting of general members shall elect officers, none of whom excepting the president, need be a director.

Section 3. Appointive Offices: The Board may appoint such officers and agents as it shall deem necessary. These offices and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term: The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Administration shall serve at the pleasure of the Board of Administration and may be removed at any time by the affirmative vote of a majority of the entire Board of Administration. If the office of any officer

becomes vacant for any reason, the vacancy shall be filled by the Board of Administration.

Section 5. The President:

A. The President shall be the chief executive officer of the corporation; she shall preside at all meetings of the members and directors, unless she designates otherwise. The President shall be an ex-officio member of all standing committees, shall participate in the general and active management of the business of the corporation, and shall assure that all orders and resolutions of the Board are carried into effect.

B. She shall execute bonds, mortgages, and other contracts requiring a seal under the seal of the corporation, except where the same are required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Administration to another officer or agent of the corporation.

Section 7. The Vice-President. In the absence of the President, the Vice President shall perform the duties of the President.

Section 8. The Secretary and Assistant Secretaries:

A. The Secretary shall attend all sessions of the Board and all meetings of members and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The minutes book shall be kept in a businesslike manner and shall be available for inspection by unit owners and Board of Administration. He shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he shall serve. He shall keep in safe custody the seal of the corporation, and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary. Alternately, the seal of the corporation may be held in the office of the property manager to be used as heretofore stated.

B. Assistant secretaries in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the power of the Secretary and shall perform such other duties as the Board of Administration shall prescribe.

Section 9. The Treasurer and Assistant Treasurers:

A. The Treasurer shall maintain the custody of the corporation funds and securities and shall keep full and accurate accounts of the receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Administration.

B. He shall disburse the funds of the corporation as may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meeting of the Board or wherever they may require it, an account of all transactions as

Treasurer and of the financial condition of the corporation.

C. Assistant treasurers in the order of their seniority in the absence or disability of the Treasurer, shall perform the duties, exercise the powers and assume the obligations of the Treasurer and shall perform such other duties as the Board of Administration shall prescribe.

D. In the event a management company is employed to handle the business and finances of the association, the Treasurer, Assistant Treasurer or an auditing committee designated by the President, shall review and oversee the receipts and disbursements made by and for the association. Review of all disbursements shall occur at least monthly.

Section 10. Bonding of Corporate Officers: All officers and persons employed or appointed by the Directors who control or disburse funds of the Association shall be bonded in an amount sufficient to cover the maximum funds for which the Association or its management agent shall exercise custody at any one time with a fiduciary bonding company licensed and authorized to transact business in the State of Florida. The cost of the premium for this bond shall be paid by the Association.

Section 11. Indemnification of Corporate Officers: Every director and officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including legal counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement thereof to which he may be a party, or in which he may become involved, by reason of his being or having been an officer or director of the Corporation, whether or not he is a director or officer at the time such expenses are incurred except in such cases wherein the director or officer acts in willful misfeasance or malfeasance in the performance of his duties, provided that in the event of a settlement the indemnification herein shall apply only when the Board of Administration approved such settlement and reimbursement as being for the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such officer or director may be entitled.

#### ARTICLE IV

##### Membership and Voting Provisions

Section 1. Membership: Membership in the Association shall be limited to owners of the Condominium units in the Condominium. Transfer of unit ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership becomes vested in the transferee. If unit ownership is vested in more than one person, then all of the persons so owning said unit shall be members eligible to hold office, attend meetings, and exercise the rights of ownership as established herein. A corporate owner may designate an individual officer or employee of the corporation as its voting member.

## Section 2. Voting:

(a) The owner(s) of each Condominium unit shall be entitled to one (1) vote. If a Condominium unit owner owns more than one unit, he shall be entitled to vote for each unit owned except where said units have been combined to a single unit pursuant to Article VII of the Declaration of Condominium. In that case such unit owners shall have a number of votes equal to the number of units so combined. The vote of a Condominium unit shall not be divisible.

(b) A majority of the votes cast in person or by proxy shall decide any questions unless the Declaration of Condominium, Articles of Incorporation or By-laws of the Association provides otherwise. Notice of the annual meeting at which Directors are elected shall conform to the requirements of Article V, Section 2 of these By-Laws.

Section 3. Proxies: Except for the election of Directors, votes on issues before the membership may be cast in person or by limited or general proxy in accordance with the provisions of Section 718.112 (2) (b) (2), Florida Statutes. Limited proxies must be used for votes to waive or reduce reserves, votes to waive financial statement requirements; votes to amend the Declaration, Articles of Incorporation or By-Laws; and for any other matters for which a vote of the Unit Owners is required. General proxies may be used for other matters for which limited proxies are not required, in voting for nonsubstantive changes and for establishing a quorum. All proxies shall be in writing and signed by the person entitled to vote as set forth below in Section 5 and shall be filed with the Secretary prior to the meeting in which they are to be used. Proxies shall be valid only for the particular meeting designated therein. Proxies also shall designate the person to vote the proxy and such person must be a "voting member" as such term is hereinafter defined. When a unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both where a third person is designated.

Section 4. Ballots: Members of the Board of Administration shall be elected by written ballot. Elections shall be conducted in accordance with the provisions of the Florida Condominium Statute. Proxies shall in no event be used in electing the Board of Administration.

Section 5. Designation of Voting Member: If a Condominium unit is owned by one person, his right to vote shall be established by the recorded title to the unit. If a Condominium unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated in a certificate signed by all of the recorded title owners of the unit and filed with the Secretary of the Association. If a Condominium unit is owned by a corporation, the officer or employee thereof entitled to cast the vote of the unit for the Corporation shall be designated in a certificate for this purpose signed by the President or Vice President of the corporation, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a unit shall be known as the "voting member." If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a Corporation, the vote of the unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person

entitled to cast the vote for the unit, unless said unit is owned by a husband and wife. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. If a Condominium unit is owned jointly by a husband and wife, the following three provisions are applicable:

- (a) They shall not be required to, but may designate a voting member.
- (b) If they do not designate a voting member and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. As previously provided, the vote of a unit is not divisible.
- (c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the vote of the unit individually and without establishing the concurrence of the absent person.

## ARTICLE V

### Meetings of Membership

Section 1. Place: All meetings of the corporation membership shall be held at the office of the corporation or may be held at such place and time as shall be stated in the notice thereof.

#### Section 2. Annual Meeting:

A. The first annual meeting shall occur on the first day of the month one year after the Declaration of Condominium to which these By-Laws are attached is recorded in the Public Records of St. Johns County, Florida, provided, however, elections for the Board shall not be held until the time when unit owners, other than the developer, are entitled to elect not less than one-third (1/3) of the members of the Board, of Administration as provided for in The Declaration of Condominium and Article VII, Section 4 of these By-Laws.

B. Regular annual meetings shall be held in the first full week of October.

C. All annual meetings shall be held at such hour as the Board of Administrators may determine.

D. At the annual meeting, the members shall elect by plurality vote, a Board of Administration and shall transact such other business as may properly be brought before the meeting.

E. Written notice of the Annual Meeting shall be served upon or mailed via an appropriate mail classification to each member entitled to vote at such address as appears on the books of the Corporation at least sixty (60) days prior to the meeting. Notice of the Annual Meeting

shall be posted on the official bulletin board of the Association at least sixty (60) days prior to the meeting. An agenda for the meeting must be included with mailed and posted notices. In addition, the requirements for notification as provided in Section 718.112 (2)(d)(3), Florida Statutes, for the election of directors at the annual meeting shall be served as part of the written notice of the annual meeting.

Section 3. Membership List: At least fourteen (14) days before every election of Directors, a complete list of the members entitled to vote at said election, arranged numerically by "condominium units," with the residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for said fourteen (14) days and throughout the election at the principal office of the corporation and shall be open to examination by any member throughout such time.

#### Section 4. Special Meetings of Members:

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President or shall be called by the President or Secretary at the request in writing of not less than one-fourth (1/4) of the membership entitled to vote. More specifically, for meetings of the Unit owners at which the Association's budget will be considered, the Board of Directors shall mail or hand deliver to each Unit owner at the address last furnished to the Association a meeting notice and copies of the proposed annual budget of common expense at least fourteen (14) days prior to the date of the meeting. Evidence of this fourteen (14) day notice must be made by affidavit executed by an officer of the Association, manager or other person providing notice of the meeting and filed among the official records of the Association. A meeting to recall a member or members of the Board of Directors may be called by ten (10) percent of the voting interests giving notice as required for a meeting of Unit owners. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a special meeting of members, stating the time, place and object thereof, shall be served upon or mailed, via regular mail, to each member entitled to vote at such address as appears on the books of the corporation at least fourteen (14) days before such meeting.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum: Fifty (50%) percent plus one (1) of the total number of members entitled to vote of the corporation present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation, the Declaration of Condominium or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote present in person or represented by written proxy shall have the power to adjourn the meeting until a quorum shall be present or represented. If, when the meeting has been resumed and a quorum is not present or represented by proxy, the members entitled

to vote thereat may declare a quorum that shall constitute forty (40%) percent of the total number of members entitled to vote. If a quorum shall not be present or represented at the resumed meeting as provided herein, then the members entitled to vote shall have the power to adjourn the meeting and declare that a quorum is present. Any business may be transacted at the resumed meeting that could have been transacted at the meeting as originally called.

Section 6. Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast in person or represented by written proxy shall decide any question brought before such meeting unless the question is one upon which by express provision of the Florida Statutes or the Articles of Incorporation, the Declaration of Condominium or of these By-Laws, a different vote is required, in which case express provision shall govern and control the decision of such question.

Section 7. Right to Vote: At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or adjournments thereof and must be in writing, signed by the member appointing the proxy, and filed with the Secretary prior to the meeting for which the proxy is given.

Section 8. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of the Florida Statutes, of the Declaration of Condominium, of the Articles of Incorporation or of these By-laws to be taken in connection with any action of the corporation, the meeting and vote of members may be dispensed with if all the members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

Section 9. Rules of Procedure: Roberts Rules of Order, latest edition shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, By-Laws, Florida Statutes or Declaration of Condominium.

## ARTICLE VI

### Notices

Section 1. Definition: Whenever, under the provisions of the Florida Statutes or the Articles of Incorporation, or of these By-Laws, or of the Declaration of Condominium, notice is required to be given to any director or member, it shall not be construed to mean personal notice. Such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a post-paid, sealed envelope, addressed to such director or member at such address as appears on the books of the corporation.

Section 2. Service of Notice Waiver: Whenever any such notice is required to be given, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed the equivalent thereof.



ARTICLE VIIFinances

Section 1. Fiscal Year: The fiscal year shall begin on the first day of January in each year.

Section 2. Corporate Checks: All checks of the Corporation shall be signed by one (1) of the following officers: President, Vice President, Secretary or Treasurer and by such other person in property management as the Board of Administration may from time to time designate. Withdrawal drafts of the corporation shall be signed by two (2) of the above named officers of the corporation.

Section 3. Assessments:

A. The Board of Administration of the Corporation, from time to time, at regular meetings or special meetings called for this purpose, shall fix and determine the sum or sums necessary and adequate for the continued operation of the condominium. The Board shall determine the total amount required, including the operational items such as taxes on corporation property, insurance, repairs, maintenance, security, operating capital, reserve for deferred maintenance, other reserves, and other operating expenses, and expenses designated as common expenses from time to time by the Board of Administration of the Association or under the provisions of the Declaration of Condominium to which these By-Laws are attached. The total annual requirements shall be assessed as a single sum against all condominium units and prorated to each of said condominium units. This ratio of assessment shall be in amounts as set forth in the Declaration of Condominium. Said assessments shall be payable quarterly in advance as ordered by the Board of Administration. Special assessments, should such be required, shall be levied in the same manner as hereinbefore provided for regular assessments and shall be paid in a manner established by the Board of Directors. The owner agrees to pay promptly when due the quarterly and all special assessments assessed against his own condominium unit. Delinquent assessments will bear interest and late charges as set forth in the Declaration of Condominium to which these By-Laws are an Exhibit. No member shall be personally liable for any debts of the corporation whatsoever.

B. A copy of a proposed annual budget of common expenses shall be mailed, regular mail, to the unit owners not fewer than thirty (30) days prior to the meeting of the Board of Administration at which the budget will be considered, together with a notice of that meeting. Such meeting shall be open to the unit owners.

C. So long as the developer is in control of the Board of Administration, the Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the unit owners. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Administration in respect to repair or replacement of the condominium property or in respect to anticipated expenses by the condominium association which are will not occur on a regular or annual basis. There shall be excluded from such

computation assessment for betterments to the condominium property or reserves and assessments for betterments to be imposed by the Board of Administration.

Section 4. Accounts: There shall be established and maintained such bank account or accounts as the Board of Administration shall deem advisable into which shall be deposited all monthly and special assessments as fixed and determined for all condominium units. Disbursements from said accounts shall be for the general needs of the corporation, including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the property of the corporation.

Section 5. Condominium Expenses: The condominium expenses for which the members shall be liable as set forth in the Declaration of Condominium shall be those costs and expenses deemed necessary or desirable by the corporation for the operation and maintenance of the condominium property, other than maintenance of the interior of a unit and of such other items for whose maintenance and repair a unit owner is responsible although the same are located in the common elements. Such operating and maintenance expenses shall include, but not be limited to, maintenance of all recreational areas, roads, parking areas, lawns, shrubbery and landscaping, water and electricity, irrigation systems, electricity for lighting common elements, painting the exterior of all buildings, maintenance and repair of roofs of all buildings, removal of garbage and trash, costs of the fee under any Management Agreement, and expenses declared common expenses pursuant to the Declaration of Condominium to which these By-Laws are attached.

#### ARTICLE VIII

##### Seal

The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization, and the words "Not for Profit." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, or in any other form evidencing the intent of the signing officer or officers to have the effect of the corporate seal.

#### ARTICLE IX

##### Leasing and Subleasing

The primary object of the corporation is to operate and maintain the property on a mutual and cooperative bases for the housing needs of its members, coupled with the right of occupancy. The right of occupancy, nevertheless, is a matter of discretionary decision by the Board of Directors and every lease or sublease of a condominium unit is subject to the approval of the Board of Administration, as set forth in the Declaration of Condominium. The Board of Administration shall have the right to require that a uniform form of lease shall be used.

ARTICLE XAmendment

Prior to the first annual meeting of the membership of the Association, said first Board of Administration shall have full power to amend, alter or rescind these By-Laws by majority vote. Thereafter, these By-Laws may be amended in the following manner, as well as in the manner elsewhere provided:

Section 1. Notice: Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2. Resolution: A resolution adopting a proposed amendment may be proposed by either the Board of Administration or by the members entitled to vote. Directors and members not present at the meeting considering the amendment may express their approval in writing. Except as elsewhere provided, such approval requires the vote of not less than a majority of Directors and not less than fifty percent (50 %) plus one (1) of the owners present either in person or by proxy at a duly called owners meeting.

Section 3. Agreement: In the alternative, an amendment may be made by an agreement executed by all members and mortgagees in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of St. Johns County, Florida.

Section 4. Provision: No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights of the development of any institutional mortgagee as defined in the Declaration of Condominium. No amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners so affected shall consent. No amendment shall change any unit nor the share in the common elements appurtenant to it nor increase the owner's share of the common expenses unless the record owner of the unit concerned and all record owners of mortgages thereon shall join in the execution of the amendment.

ARTICLE XIMiscellaneous

Section 1. Definitions: The definitions of particular words and phrases contained in the Florida Condominium Act, now Chapter 718, Florida Statutes, or in the Declaration of Condominium shall apply to such words and phrases when used in these By-Laws.

Section 2. Severability: Should any provision of these By-Laws be void or unenforceable in law or in equity, the remaining provisions shall remain in full force and effect.

Section 3. Lien Priority: Any lien or other encumbrance upon or against a condominium unit or parcel in favor of the Corporation is hereby declared to be, and shall be, subject, subordinate and inferior to the lien of any mortgage encumbering such unit or parcel where such mortgage is made to a bank, savings and loan association or life insurance company or any institutional lender, as defined in the Declaration of Condominium to which these bylaws are attached, and regardless of whether such mortgage was made or recorded before or after the aforesaid lien or encumbrance of the Corporation.

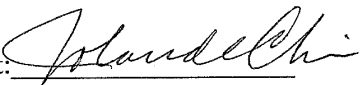
Section 4. Rules and Regulations: The Board of Administration shall have the power to promulgate rules and regulations which shall govern the use of the condominium property and such rules and regulations may be amended, altered, or changed by the Association from time to time any may enforce the rules and regulations by either the imposition of fines as provided in Chapter 718, Florida Statutes, or by proceedings in law or equity prosecuted in the courts of St. Johns County, Florida. In the event the Association must initiate legal proceedings to enforce either the fines levied or the rules and regulations, the Association shall be entitled to recover the costs of the legal action, including a reasonable attorney's fee.

Section 5 : Owner Inquiries. When a unit owner files an inquiry by certified mail with the Board of Directors, the Board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the division. If the Board requests advice from the division, the Board, within 10 days of its receipt of the advice shall, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board, within 60 days after the receipt of the inquiry shall, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The Association may through its Board of Directors adopt reasonable rules and regulations regarding the frequency and manner of responding to unit owner inquiries, one of which may be that the Association is only obligated to respond to one written inquiry per unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

#### ARTICLE XII

The foregoing were adopted as the By-Laws of ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC., this 27th day of November, 2002.

Attest:

  
Secretary  
(Seal)

  
President

0R1855PG1513

Exhibit "G"  
Anastasia Island Townhouses

ESTIMATED OPERATING BUDGET

**ESTIMATED INITIAL OPERATING BUDGET  
FOR  
ANASTASIA ISLAND TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.**

**One Year from the Date of Filing the Condominium Documents**

<u>EXPENSES FOR ASSOCIATION</u>	<u>ANNUAL</u>	<u>MONTHLY</u>
<u>Administration of Association</u>		
Office Supplies	N/A	N/A
Legal	\$200.00	\$16.67
Accounting	\$300.00	\$25.00
Management	N/A	N/A
Maintenance/Repair	\$1,500.00	\$125.00
Equipment	\$500.00	\$41.67
<u>Other Maintenance</u>		
Salaries/Payroll Taxes	N/A	N/A
Health Insurance	N/A	N/A
Workers Comp Insurance	N/A	N/A
Rent for Recreational & Other Commonly Used Facilities	N/A	N/A
Taxes on Personal Property	N/A	N/A
Licenses and Permits	N/A	N/A
Taxes on Leased Areas	N/A	N/A
Insurance/Property Replacement, Liability and Flood Policies	\$10,000.00	\$833.33
Security	N/A	N/A
<u>Other Expenses</u>		
Water/Sewer	\$1,700.00	\$141.67
Electricity	\$1,000.00	\$83.33
Telephone	N/A	N/A
Trash Removal	\$672.00	\$56.00

Operating Capital/Outside Services

Lawn Mowing/Landscape Maintenance	\$1,800.00	\$150.00
Pool Chemicals and Supplies	N/A	N/A
Termite Control/Bond	\$250.00	\$20.83
Pest Control	\$750.00	\$62.50
Cable TV	N/A	N/A

Annual Fee for Condominium  
Association Payable to the  
Division of Land Sales,  
Condominium and Mobile Homes

\$100.00

\$8.33

EXPENSES FOR ASSOCIATIONANNUALMONTHLY

Contingency Miscellaneous: Potential Income  
Taxes and Additional Potential  
Common Expenses

\$500.00

\$41.67

Depreciation

\$500.00

\$41.67

Subtotal Operating Expenses

\$19,772.00

\$1,647.67

Schedule of Reserves for Capital  
Expenditures & Deferred Maintenance

<u>Component</u>	<u>Estimated Total Useful Life</u>	<u>Estimated Remaining Useful Life</u>	<u>Estimated Balance</u>
Roof	30 yrs.	30 yrs.	\$0
Painting	20 yrs.	20 yrs.	\$0
Paving	8 yrs.	8 yrs.	\$0
Pool	30 yrs.	30 yrs.	\$0
<u>Component</u>	<u>Estimated Replacement Cost</u>	<u>2001 Budget</u>	<u>Total Monthly</u>
Roof	\$33,800.00	\$1,126.67	\$93.89
Painting	\$10,000.00	\$500.00	\$41.67
Paving	\$3,500.00	\$437.50	\$36.46
Pool	\$34,000.00	\$1,133.33	\$94.44

ESTIMATED TOTAL OPERATING  
& RESERVE BUDGET

ANNUAL  
\$22,969.50

MONTHLY  
\$1,914.13

MAINTENANCE FEE PER UNIT

\$76.57

II. EXPENSES FOR A UNIT OWNER PAYABLE TO  
PERSONS OTHER THAN THE ASSOCIATION:

RENT FOR THE UNIT

NOT APPLICABLE

RENT PAYABLE UNDER A RECREATIONAL  
LEASE OR LEASE FOR USE OF COMMONLY  
USED FACILITIES

NOT APPLICABLE

NOTES:

The Developer will fund reserves in an amount equal to the Estimated Balance described in the Schedule of Reserves for Capital Expenditures and Deferred Maintenance.

The Developer shall be excused from the payment of Assessments for Common Expenses for Condominium Units offered for sale for a time subsequent to the recording of the Declaration of Condominium. This time of exemption will terminate no later than the first day of the fourth calendar month following the month in which the closing and sale of the first Condominium Unit occurs. During the exemption period, the Developer must pay the portion of the Common Expenses incurred during that period which exceed the amount assessed against the Unit owners.



4  
This instrument prepared by:  
Dobson & Brown, P.A.  
Ronald W. Brown, Esquire  
66 Cuna Street, Suite A  
St. Augustine, Florida 32084

Space reserved for Clerk pursuant to Sec. 695.26, F.S., and/or Rule  
2.055(c), Florida Rules of Judicial Administration

Certificate of Amendment  
Third Amendment to  
The Declaration of Condominium  
for  
Anastasia Island Townhouses, a Condominium

Public Records of  
St. Johns County, FL  
Clerk# 04-027430  
O.R. 2177 PG 912  
12:04PM 04/15/2004  
REC \$17.00 SUR \$2.50

COMES NOW the undersigned General  
Partner of the Chiu Family Motel Limited  
Partnership and hereby certifies the following:

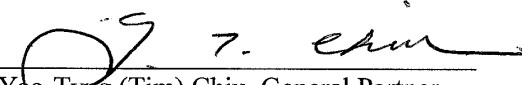
1. That the attached writing is a true copy  
of the Third Amendment to the Declaration of  
Condominium for Anastasia Island Townhouses,  
a Condominium.

2. That the Third Amendment was approved in accordance with the requirements of the  
Declaration of Condominium for Anastasia Island Townhouses, a Condominium, and in accordance  
with the Articles of Incorporation and By-Laws for the Anastasia Island Townhouses Condominium  
Association, Inc. and the provisions of Chapter 718, Florida Statutes.

3. The adopted third amendment is attached hereto and is unrevoked.

EXECUTED this 14 day of April, 2004 at St. Augustine, St. Johns County, Florida.

CHIU FAMILY MOTEL  
LIMITED PARTNERSHIP

By:   
Yao-Tyng (Tim) Chiu, General Partner

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

The foregoing Certificate of Amendment was sworn to, subscribed and acknowledged before  
me this 14 day of April, 2004, by Yao-Tyng (Tim) Chiu, as General Partner of the Chiu Family  
Motel Limited Partnership, on behalf of said entity. Yao-Tyng (Tim) Chiu produced a Florida  
Driver's license as identification and did take an oath.

  
Notary Public, State of Florida  
(Seal)

RONALD WAYNE BROWN  
Notary Public, State of Florida  
My Comm. expires Aug. 28, 2004  
Comm. No. CC 944849

This instrument was prepared by  
and after recording return to:  
Ronald W. Brown, Esquire  
Dobson & Brown, P.A.  
6 Cuna Street, Suite A  
St. Augustine, Florida 32084

---

**THIRD AMENDMENT TO THE DECLARATION OF CONDOMINIUM  
OF  
ANASTASIA ISLAND TOWNHOUSES, A CONDOMINIUM**

THIS AMENDMENT is dated this 14 day of April, 2004 and made by YAO-TYNG (TIM) CHIU as the general partner of the CHIU FAMILY MOTEL LIMITED PARTNERSHIP (the "Developer").

WHEREAS, the Developer recorded a Declaration of Condominium for Anastasia Island Townhouses, a Condominium (the "Condominium"), in Official Records Book 1855, Pages 1457 through 1516, inclusive, of the Public Records of St. Johns County, Florida, as amended (the "Declaration"). The First Amendment to the Declaration is recorded at Official Records Book 1809, Page 1548 of the Public Records of St. Johns County, Florida. The Second Amendment to the Declaration is recorded at Official Records Book 1995, Page 1419 of the Public Records of St. Johns County, Florida.

WHEREAS, the Developer wishes to amend said Declaration for the purpose of correcting the Plot Plan for the Condominium Property to reflect the drainage system installed on the Property as required by the regulatory agencies exercising jurisdiction over the Property;

NOW, THEREFORE, pursuant to Chapter 718, Florida Statutes, and the rights reserved in the Declaration, the Developer hereby amends the Declaration as follows:

1. Exhibit "B" of the Amended Declaration is hereby amended to add to Exhibit "B" the Grading and Drainage Plan attached hereto.

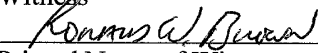
IN WITNESS WHEREOF, the Developer has executed this Amendment as of the day and year first written above.

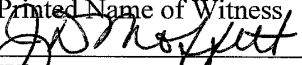
[SIGNATURES ON THE FOLLOWING PAGE]

Signed, sealed and delivered  
in the presence of:

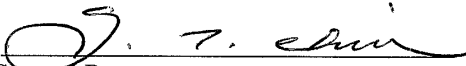
CHIU FAMILY MOTEL  
LIMITED PARTNERSHIP

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Printed Name of Witness

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Printed Name of Witness

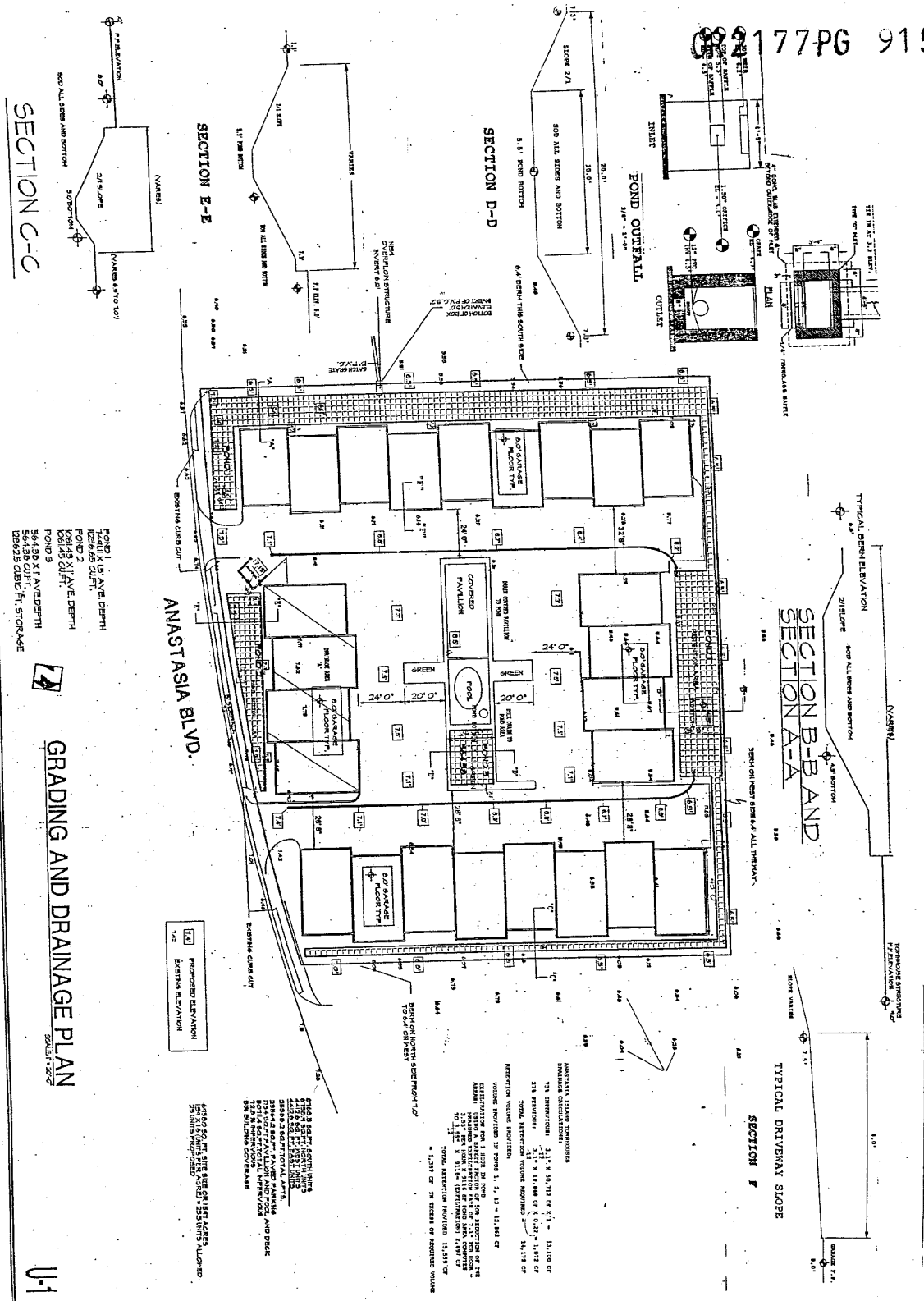
By:   
\_\_\_\_\_  
Its General Partner

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

The foregoing Amendment was sworn to, subscribed and acknowledged before me this 14<sup>th</sup> day of April, 2004, by Yao-Tyng (Tim) Chiu, as General Partner of Chiu Family Motel Limited Partnership, on behalf of said entity. Yao-Tyng (Tim) Chiu produced a Florida Driver's license as identification and did take an oath.

  
\_\_\_\_\_  
Notary Public, State of Florida  
(Seal)

RONALD WAYNE BROWN  
Notary Public, State of Florida  
My Comm. expires Aug. 28, 2004  
Comm. No. CC 944849



**ANASTASIA ISLAND TOWNHOUSES**  
FOR DR. AND MRS. TIM CHIU

**KELLER AND STRATTON**  
CIVIL AND CONSULTING ENGINEERS  
DESIGN AND LAND PLANNING  
TOD KELLER, P.E.  
441 OCEAN WALK, SUITE 200  
SAINT AUGUSTINE, FLORIDA 32080  
904-828-9333

**REVISIONS**

NO.	DATE	DESCRIPTION
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**SEAL**

Fidelity

Public Records of  
St. Johns County, FL  
Clerk# 03-033912  
O.R. 1955 PG 1409  
12:58PM 05/19/2003  
REC \$73.00 SUR \$9.50  
Doc Stamps \$659.75  
Int Tax \$377.00

4 Prepared by, or under the supervision of:

18 Kim Thurber  
[Name of Natural Person]

[Street Address]

[City, State Zip Code]

After recording please return to:

→ First Alliance Bank, a Federal Savings  
Bank  
[Company Name]

Attn: Post Closing  
[Name of Natural Person]

8201 Cypress Plaza Drive, Suite 100  
[Street Address]

→ Jacksonville, FL 32256  
[City, State Zip Code]

[Space Above This Line For Recording Data]

## MORTGAGE

MIN 100063415401006053

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated May 2, 2003, together with all Riders to this document.

(B) "Borrower" is Bruce E. Busby and Michelle D. Busby, husband and wife

. Borrower is the mortgagor under this Security Instrument.

Loan No: 1540100605

Florida Mortgage-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
—THE COMPLIANCE SOURCE, INC.—  
www.compliancesource.com

Page 1 of 15

MERS Modified Form 3010 01/01  
14301FL 04/02  
© 2000, The Compliance Source, Inc.



03-13573

0R1955PG1410

(C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the mortgagee under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(D) "Lender" is First Alliance Bank, a Federal Savings Bank

Lender is a corporation organized and existing under the laws of  
United States of America Lender's address is 8100 Nations Way,  
Jacksonville, FL 32256

(E) "Note" means the promissory note signed by Borrower and dated May 2, 2003  
The Note states that Borrower owes Lender one hundred eighty eight thousand five  
hundred and NO/100ths Dollars (U.S. \$ 188,500.00 )  
plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not  
later than May 1, 2023

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider                         | <input type="checkbox"/> Second Home Rider      |
| <input type="checkbox"/> Balloon Rider         | <input checked="" type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> 1-4 Family Rider      | <input type="checkbox"/> Revocable Trust Rider                     |   |
| <input type="checkbox"/> Other(s) [specify]    |  |   |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

Loan No: 1540100605

Florida Mortgage-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
—THE COMPLIANCE SOURCE, INC.—  
www.compliance-source.com

Page 2 of 15

MERS Modified Form 3010 01/01  
14301FL 04/02  
© 2000, The Compliance Source, Inc.



(M) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) **"Mortgage Insurance"** means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) **"Periodic Payment"** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) **"RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

#### TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, the following described property located in the

County

[Type of Recording Jurisdiction]

of SAINT JOHNS :

[Name of Recording Jurisdiction]

Lot 34, Julington Creek Plantation Parcel 21, Phase 1, according to plat thereof as recorded in Map Book 30, Pages 40, 41, 42, 43 and 44 of the public records of St. Johns County, Florida.

which currently has the address of

260 Sweetbriar Branch Lane

[Street]

Jacksonville

, Florida

32259

("Property Address"):

[City]

[Zip Code]

Loan No: 1540100605

Florida Mortgage-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
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TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.**

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the

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repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

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Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any

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insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security

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Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or

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might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

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Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given

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to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's

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check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary,

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Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

**22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**23. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

**24. Attorneys' Fees.** As used in this Security Instrument and the Note, attorneys' fees shall include those awarded by an appellate court and any attorneys' fees incurred in a bankruptcy proceeding.

**25. Jury Trial Waiver.** The Borrower hereby waives any right to a trial by jury in any action, proceeding, claim, or counterclaim, whether in contract or tort, at law or in equity, arising out of or in any way related to this Security Instrument or the Note.

\_\_\_\_\_[Signatures on Following Page]\_\_\_\_\_

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

*Spence R. Salas*

*Bruce E Busby*

(Seal)

Bruce E. Busby

-Borrower

[Printed Name]

*LORANNE R. SABATO*

Printed Name:

[Please Complete]

Mailing Address: 260 Sweetbriar Branch Lane,  
Jacksonville, FL 32259

*Dominique Robert*

*Michelle D Busby by Bruce E Busby*

*atty in fact*

(Seal)

Michelle D. Busby by Bruce E Busby,  
attorney in fact.

-Borrower

[Printed Name]

*Dominique Roberts*

Printed Name:

[Please Complete]

Mailing Address: 260 Sweetbriar Branch Lane,  
Jacksonville, FL 32259

(Seal)

-Borrower

[Printed Name]

Mailing Address:

(Seal)

-Borrower

[Printed Name]

Mailing Address:

[Acknowledgment on Following Page]

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State of Florida §  
 County of Duval §

The foregoing instrument was acknowledged before me this May 2, 2003,  
 [date] by Bruce E. Busby, individually and as attorney in fact for Michelle D busby, his wife

who is personally known to me or who has produced drivers license [name of person acknowledging],  
 [type of identification] as identification.

*Loranne R. Sabato*  
 Signature of Person Taking Acknowledgment

\_\_\_\_\_  
 Name Typed, Printed or Stamped

\_\_\_\_\_  
 Title or Rank

\_\_\_\_\_  
 Serial Number, if any

LORANNE R. SABATO  
 NOTARY PUBLIC, STATE OF FLORIDA  
 My commission expires Aug. 10, 2004  
 Commission No. GC960187

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## PLANNED UNIT DEVELOPMENT RIDER

MIN: 100063415401006053

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 2nd day of May, 2003, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to First Alliance Bank, a Federal Savings Bank (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

260 Sweetbriar Branch Lane, Jacksonville, FL 32259  
[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in Declaration of Covenants, Conditions, and Restrictions of Record (the "Declaration"). The Property is a part of a planned unit development known as

Julington Creek Plantation

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

**PUD COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. PUD Obligations.** Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Property Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire,

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Initials: BB MB

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hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then:

(i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

**C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

**E. Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

**F. Remedies.** If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

Bruce E Busby (Seal)  
Bruce E. Busby -Borrower

Michelle D Busby by Bruce E Busby (Seal) *attly in fact*  
Michelle D. Busby by Bruce E Busby, -Borrower  
attorney in fact.

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

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Cdell

This instrument prepared by:  
Dobson & Brown, P.A.  
Ronald W. Brown, Esquire  
66 Cuna Street, Suite A  
St. Augustine, Florida 32084

Space reserved for Clerk pursuant to Sec. 695.26, F.S., and/or Rule 2.055(c), Florida Rules of Judicial Administration

Certificate of Amendment  
Fourth Amendment to  
The Declaration of Condominium  
for  
Anastasia Island Townhouses, a  
Condominium

Public Records of  
St. Johns County, FL  
Clerk# 04-082792  
O.R. 2314 PG 916  
04:43PM 11/05/2004  
REC \$9.00 SUR \$9.50

COME NOW the undersigned General  
Partner of the Chiu Family Motel Limited  
Partnership and hereby certifies the following:

1. That the attached writing is a true copy  
of the Fourth Amendment to the Declaration of  
Condominium for Anastasia Island Townhouses  
Condominium Association, Inc.

2. That the Amendment was approved in accordance with the requirements of the  
Declaration of Condominium for Anastasia Island Townhouses a Condominium and the Articles of  
Incorporation and By-Laws for the Anastasia Island Townhouses Condominium Association, Inc.  
and the provisions of Chapter 718, Florida Statutes.

3. The adopted amendment is attached hereto and is unrevoked.

EXECUTED this 5th day of November, 2004 at St. Augustine, St. Johns  
County, Florida.

[Signature]  
Witness

CHIU FAMILY MOTEL LIMITED  
PARTNERSHIP

Shirley A. Welker  
Printed Name of Witness

[Signature]  
Witness

By [Signature]

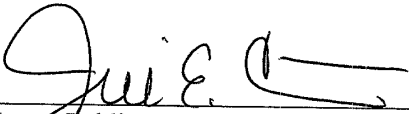
Yao-Tyng (Tim) Chiu  
Its General Partner

Jill E. Croter  
Printed Name of Witness

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

OR2314PG0917

The foregoing Amendment was sworn to, subscribed and acknowledged before me this 5th  
day of November, 2004, by Yao-Tyng (Tim) Chiu, as General Partner of Chiu Family Motel  
Limited Partnership on behalf of said entity. Yao-Tyng (Tim) Chiu has produced a Florida Driver's  
license as identification and did take an oath.

  
\_\_\_\_\_  
Notary Public, State of Florida  
(Seal)



JILL E. CRETER  
Notary Public, State of Florida  
My comm. expires Nov. 30, 2005  
Comm. No. DD 070326