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DECLARATION OF CONDOMINIUM OWNERSHIP

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MARINER'S WATCH CONDOMINIUM

WHEREAS, MARINER'S WATCH CONDOMINIUM, INC., a Florida corporation, having its offices at Room 1012, 21 West Church Street, Jacksonville, Florida, (herein called "Developer"), owns in fee simple certain real property described in Exhibit "A", attached hereto, hereafter referred to as "Property", and incorporated herein by reference; and desires to submit Property to the condominium form of ownership;

NOW, THEREFORE, in order to create a Condominium consisting of the Property and the improvements constructed and to be constructed thereon, to be known as "MARINER'S WATCH CONDOMINIUM", the Developer hereby submits the Property and all of its interest therein to the Florida Condominium Act, (Chapter 711, Florida Statutes, as amended), and in furtherance thereof makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and hereby declares and agrees that the Property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to this Declaration (which Declaration is intended to create covenants running with the land and shall be binding upon and be for the benefit of the owners and lessees of all or any part of the Condominium Property and their respective successors, heirs, executors, administrators and assigns).

I N D E X  
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 Declaration of Condominium Ownership  
 o f  
Mariner's Watch Condominium

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SECTION 1. CONDOMINIUM PROPERTY

1.01 The Property, and all improvements constructed and to be constructed thereon and all easements and rights appurtenant thereto intended for and granted for use in connection with the Property, is hereby submitted to condominium ownership.

SECTION 2. NAME OF CONDOMINIUM

2.01 The Condominium shall be known as "MARINER'S WATCH CONDOMINIUM", or by such other name as may from time to time be selected by the Association.

SECTION 3. DEFINITIONS

3.01 Assessment: a proportionate share of the funds required for the payment of Common Expenses which from time to time is levied against each Unit Owner by the Association.

3.02 Association: the Florida Corporation Not for Profit whose name appears at the end of this Declaration, said Association being the legal entity responsible for the operation of the Condominium.

3.03 By-Laws: the rules governing the conduct of the affairs of the Association specified above, as they exist from time to time.

3.04 Common Elements: the common elements and limited common elements as defined in Section 7 hereof.

3.05 Common Expenses: The expenses incurred in the maintenance, administration, improvement and repair of the Common Elements and Limited Common Elements as set forth in Section 12.01.

3.06 Common Surplus: the excess of all receipts of the Association over its expenses, as set forth in Section 12.03.

3.07 Condominium: that system of ownership of Condominium Property under which individual Units of improvements are subject to the ownership by one or more owners, and there is appurtenant to each Unit, as a part thereof, an undivided share in the Common Elements.

3.08 Condominium Act: the Condominium Act of the State of Florida (F. S. 711, et seq.) and as the same may be amended from time to time.

3.09 Condominium Documents: the Declaration, By-Laws, Articles of Incorporation of the Association, Maintenance Agreement, and all Exhibits annexed thereto, as the same may be amended from time to time.

3.10 Condominium Parcel, or Parcel: A Unit, together with the undivided share in the Common Elements which is appurtenant to the Unit.

3.11 Condominium Property: Means and includes the land in a Condominium, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

3.12 Condominium Unit, or Unit: That part of the Condominium Property which is to be subject to private ownership, provided, however, that no structural components of the building, and no pipes, wires, conduits, ducts, flues, shafts or other public utility lines situated within a Unit and forming part of any system serving one or more Units or the Common Elements and Limited Common Elements shall be deemed to be part of the respective Unit.

3.13 Declaration, or Declaration of Condominium, or Declaration of Condominium Ownership: The instrument which submits the property to Condominium Ownership and as it may be from time to time amended.

3.14 Developer: Mariner's Watch Condominium, Inc., a Florida corporation, and its successors or assigns.

3.15 Institutional Mortgagee: 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 investment trust, mortgage company, title insurance company, or other lender generally recognized in the community as an institutional type lender.

3.16 Limited Common Elements: that portion of the Common Elements which are reserved for the use of Owners of a designated Unit or Units to the exclusion of all other Unit Owners.

3.17 Maintenance Agreement: the agreement attached to this Declaration as Exhibit "D", which provides for the management of the Condominium Property, and any similar type agreements made after the expiration of term of the initial agreement.

3.18 Management Company: the person, corporation or entity identified as the Management Company in the Maintenance Agreement.

3.19 Member, or Association Member: Owner of a Condominium Parcel.

3.20 Occupant: the person or persons, other than the Unit Owner, in possession of a Unit.

3.21 Unit Owner: the Owner of a Condominium Parcel.

3.22 Voting Member: that Unit Owner designated by the Owner or Owners of a majority interest in a single Condominium Parcel to cast one vote appurtenant to such Parcel. A Voting Member must be designated by a statement filed with the Secretary of the Association, in writing, signed under oath, by the owners of a majority interest in a Condominium Parcel as the person entitled to cast the vote for all of such owners. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If such statement is not filed with the Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).

The Owner of more than one Unit shall have the right to one vote for each Unit. In the event of Joint Ownership of a Unit, the vote may be apportioned among the owners as their interest may appear, or one joint owner by written agreement of the remaining joint owners may exercise such voting right.

3.23 Unless the context otherwise requires, all other terms used in this Declaration shall have the meaning attributed to said term by Section 711.03 of the Condominium Act.

SECTION 4. IDENTIFICATION.

4.01 The Condominium consists of thirty-two (32) two-story Condominium Units and the Condominium Property as described in Exhibit "A" attached hereto and made a part hereof, and the same as shown on survey attached hereto as Exhibit "H".

4.02 Each Condominium Unit is described in Exhibits "B", "C<sub>1</sub>", "C<sub>2</sub>", "C<sub>3</sub>" and "C<sub>4</sub>", in such manner that there can be determined therefrom the identification, location, dimensions and size of each Unit as well as the Common Elements and Limited Common Elements appurtenant thereto.

4.03 Each Condominium Unit is identified by a number as shown on the Site Plans in Exhibit "B", so that no Unit bears the same designation as does any other Unit.

4.04 The legal description of a Condominium Parcel shall consist of the Unit designation together with reference to this Declaration of Condominium, such as:

Unit of MARINER'S WATCH CONDOMINIUM, according to the Declaration of Condominium of Mariner's Watch Condominium recorded in the public records of St. Johns County, Florida, in Volume , page , Official Records.

SECTION 5. CHANGES IN PLANS AND SPECIFICATIONS AND AMENDMENT OF DECLARATION BY DEVELOPER.

5.01 Amendment of Condominium Plans. Developer reserves the right to change the interior and exterior design and arrangement of all Units, and to alter the boundaries between Units so long as Developer owns the Units so altered. If Developer makes any changes in the Units, such changes shall be reflected by an amendment of this Declaration executed by the president and secretary of the Developer and recorded in the public records of St. Johns County. Association approval of an amendment to the Declaration by Developer shall not be required.

5.02 Amendment of Declaration by Owners.

This Declaration may be amended at any regular or special meeting duly held of the Association called or convened in accordance with the By-Laws, by the majority vote of the Voting Members casting not less than three-fourths (3/4) of the total vote of the Members of the Association. Each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the public records of St. Johns County, Florida. No such amendment shall change the proportionate ownership of the

Common Elements appurtenant to any Unit, nor the proportionate share of the Common Expenses or Common Surplus, nor the voting rights appurtenant to any Unit, unless the record owner(s) thereof, and all record owners of mortgages or other liens which have been voluntarily placed on a Unit, shall join in the execution of the amendment. No amendment shall be effective which shall impair or prejudice the rights or priorities of any mortgages, or change the provisions of this Declaration with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record. Section 6.01 shall not be subject to amendment without the approval of Developer.

SECTION 6. PARCELS OWNED BY DEVELOPER.

6.01 The Developer is irrevocably empowered to sell, lease or rent Condominium Parcels to any persons without restriction. Developer shall have the right to transact on the Condominium Property any business necessary to consummate sale of Condominium Parcels, including, but not limited to, the right to maintain models, have signs, employees in the office, use the Common Elements and to show Units to prospective purchasers and lessors. The sales office, signs and other items used in connection with the sale or leasing of Condominium Parcels shall not be considered a part of the Common Elements and shall remain the property of Developer. Except as provided in this Section, the Developer shall be subject to the same restrictions and entitled to enjoy the same privileges as any other Unit Owner with respect to each Parcel owned by Developer.



6.02 Developer hereby establishes for its own benefit, and for the benefit of its successors and assigns the following:

(a) An easement in common with others for ingress and egress, by vehicle or on foot, in, to, upon, over and through the Condominium Property.

(b) The right to locate utilities including sewer, gas, electricity and telephone, under, upon, over, in and through the Condominium Property.

(c) The right to grant such easements and to designate the beneficiaries thereof without approval of the Association. Developer shall have this right so long as it owns any portion of the Condominium Property or until January 1, 1984, whichever is the longer. Easements granted by the Developer may be perpetual or for a term of years. The easements granted by Developer shall not structurally weaken the building improvements nor unreasonably interfere with the enjoyment of the Condominium Property by the Unit Owners.

SECTION 7.

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

7.01 Common Elements. The Common Elements shall include and mean, in addition to the items listed in the Florida Condominium Act, Section 711.06, the following items:

- (a) the real Property described in Exhibit "A", attached hereto and made a part hereof; and
- (b) the foundations, bearing walls, ceilings, floors, perimeter walls, posts and members within the Unit, main walls, roofs, girders, beams, supports and common entrance and exit or communication ways; and

(c) Easements through the Units for conduits, ducts, plumbing, wiring and other facilities for furnishing the utility services to the various Units and Common Elements; and

(d) Yards, drives, streets, roads, parking areas not designated as Limited Common Elements, and gardens, except as otherwise provided; and

(e) The compartments or installations of central services such as power, light, gas, hot and cold water, central heating and air conditioning designed to serve the Common Elements or serve more than one Unit, water storage tanks, pumps, and the like, including, but not limited to, all pipes, ducts, flues, chutes, conduits, cables and wire outlets and other utility lines; and

(f) The recreational facilities, if any, and in general, all devices or installations existing for common use; and

(g) The premises designated for the lodging of custodial or managerial personnel, if any; and

(h) All improvements and parts of the Property not included within the respective Units which do not serve a particular Unit and all other elements of the Condominium Property designed for common use or necessary to its existence, upkeep and safety.

7.02 Limited Common Elements. Each Unit shall have reserved to it those Common Elements set forth below which are reserved for the use of a certain Unit to the exclusion of other Units:

(a) Garages or carports located underneath the Units as shown in Exhibit "C<sub>3</sub>" and "C<sub>4</sub>";

(b) The two balconies connected to each Unit and described in paragraph 9.05 hereof;

(c) The Limited Common Elements shall also include such others as are agreed upon by the Association.

SECTION 8. OWNERSHIP OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

8.01 Stated in percentages, each of the Unit owners shall own a 3.125% undivided interest in the Common Elements and Limited Common Elements. Unit Owners shall be entitled to equal and full use and enjoyment of all the Common Elements except as they may be restricted by regulations duly adopted by the directors of the Association, which usage shall always be in recognition of the mutual rights and responsibilities of each of the Unit Owners.

8.02 Any attempt to separate the title to a Condominium Unit from the Common Elements appurtenant to such Unit shall be null and void.

SECTION 9. UNIT BOUNDARIES.

9.01 Each Unit shall include that part of the particular building within boundaries designated for that particular Unit shown on Exhibits "B" and "C<sub>1</sub>", "C<sub>2</sub>", "C<sub>3</sub>" and "C<sub>4</sub>".

9.02 FIRST FLOOR. The first floor is described as follows and as shown in Exhibits "C<sub>1</sub>" and "C<sub>3</sub>".

(a) The upper and lower boundaries - of the first floor shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the horizontal plane of the undecorated finished ceiling.

(2) Lower boundary - the horizontal plane of the undecorated floor of the living unit.

(b) Perimeter boundaries - shall be the vertical planes of the undecorated finished interior of the

walls bounding the first floor extending to intersections with each other and with the upper and lower boundaries.

9.03 Second Floor. The second floor is described as follows and as shown in Exhibit "C<sub>2</sub>" and "C<sub>3</sub>".

(a) The upper and lower boundaries: of the second floor shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the horizontal plane of the undecorated finished ceiling.

(2) Lower boundary - the horizontal plane of the undecorated floor of the living unit.

(b) Perimeter boundaries - shall be the vertical planes of the undecorated finished interior of the walls bounding the second floor extending to intersections with each other and with the upper and lower boundaries.

9.04 Stairway and Storage Area. All stairways and storage areas located on the garage floor and shall be part of the unit. It is shown on Exhibits "C<sub>3</sub>" and "C<sub>4</sub>" and more fully described as follows:

(a) The upper and lower boundaries - shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the horizontal plane of the undecorated finished ceiling.

(2) Lower boundary - the horizontal plane of the undecorated finished floor.

(b) Perimeter boundaries - shall be the vertical planes of the undecorated finished interior of the walls bounding the stairway and storage area extending to intersections with each other and with the upper and lower boundaries.

9.05 Balconies. Each unit in the condominium shall have two balconies on the first floor, one on either

end. The balconies are Limited Common Elements and are shown on Exhibits "C<sub>1</sub>" and "C<sub>3</sub>" more particularly described as follows:

(a) Upper and Lower Boundaries - the upper and lower boundaries of the Balconies shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the horizontal plane of the undecorated finished ceiling of the balcony.

(2) Lower boundary - the horizontal finished, undecorated floor of the balcony.

(b) Perimeter Boundary - the perimetrical boundaries of the balconies shall consist of vertical planes extended to an intersection with the upper and lower boundaries and to each other.

(1) Side boundaries - the vertical plane of the undecorated finished side bounding walls.

(2) Interior boundary - the vertical plane of the outside undecorated finished wall separating the interior of the unit with the balcony.

(3) Outside boundary - an imaginary vertical plane formed by the inside of the balcony railing extending from the ceiling to the floor.

9.06 Garages. Each unit in the Condominium shall have a garage on the ground floor, underneath the living unit. The garages are classified as Limited Common Elements, are shown on Exhibits "C<sub>3</sub>" and "C<sub>4</sub>" and shaded on said Exhibit "C<sub>4</sub>", and more particularly described as follows:

(a) Upper and Lower Boundaries - the upper and lower boundaries of the garages shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the horizontal plane of the undecorated finished ceiling.

(2) Lower boundary - the horizontal plane of the finished floor.

(b) Perimeter Boundary - the perimetrical boundaries of the unit shall consist of the following:

(1) Side boundaries - the vertical planes of the undecorated finished bounding walls extending to intersections with the upper and lower boundaries.

(2) End boundaries - the vertical imaginary plane extending from the floor to the inside edge of the balconies and then perpendicular with and extending to an intersection with the side boundaries.

9.07 Architect's Certificate. Attached hereto as Exhibit "G" is the Certificate of Architect.

SECTION 10. THE OPERATING ENTITY.

10.01 The Association shall be responsible for the operation of the Condominium Property. The Association shall have all the powers and duties set forth in the Condominium Act, as well as all the powers and duties granted to or imposed upon it by this Declaration, the By-Laws of the Association (which are attached hereto as Exhibit "E" and made a part hereof) and its Articles of Incorporation (which are attached hereto as Exhibit "F" and made a part hereof), and as they may be amended from time to time.

No modification of or amendment to the By-Laws of the Articles of Incorporation of said Association, shall be valid unless set forth in or annexed to a duly recorded amendment to this Declaration. The By-Laws and the Articles of Incorporation may be amended in the manner provided for therein, but no amendment thereto shall be adopted which would affect or impair the validity or priority of any mortgagee covering any Condominium Parcel(s), or which would change the provisions thereof with respect to institutional mortgages, without written approval of all Institutional Mortgagees of record. No such amendment shall change the rights and privileges of the Developer without the Developer's written approval.

10.02 Every Unit Owner, whether he has acquired his ownership by purchase, gift, conveyance or transfer by operation of law, or otherwise, shall be bound by the Condominium Documents.

SECTION 11. ASSESSMENTS.

11.01 The Association has the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses and such other sums as are specifically provided for in the Condominium Documents. The Association shall have the power to fix and determine from time to time Assessments as provided for in the Condominium Documents and to delegate such power to a Management Company. The procedures for the determination of Assessments shall be as set forth in the Condominium Documents.

11.02 The Common Expenses shall be assessed against each Unit Owner and Condominium Parcel as provided

for in Section 12 of this Declaration.

11.03 Assessments that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten percent (10%) per annum from due date until paid. At the sole discretion of the Association, a late charge penalty of Twenty-five (\$25.00) Dollars may be assessed for each payment which is delinquent for ten days or more.

11.04 The Association shall have a lien on each Condominium Parcel for unpaid Assessments and late charges, together with interest thereon, and shall also have a lien on all tangible personal property located within said Unit, except that such lien shall be subordinate to prior bona fide recorded liens of record. Reasonable attorneys' fees incurred by the Association incident 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 Association may take such action as it deems necessary to collect Assessments either by personal action against the record owner of the Condominium Parcel against which such Assessment has been made, or by enforcing and foreclosing said lien, or by exercising both of such remedies. The Association may settle and compromise any Assessment if it is deemed to be in its best interest to do so. The lien of an Assessment 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 in connection with the foreclosure of an Assessment lien, and may apply as a cash credit against its bid all sums secured by the lien enforced.

11.05 If the holder of an Institutional First Mortgage, or a purchaser of a Condominium Parcel at foreclosure sale, obtains title to a Condominium Parcel as a result of foreclosure of the Institutional First Mortgage, or if the holder of an Institutional First Mortgage accepts a deed to said Condominium Parcel in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for any Assessments levied prior to its Acquisition of title and such unpaid Assessment shall be deemed to be a Common Expense and shall be collectible from all of the Unit Owners, including such acquirer, its successors and assigns.

11.06 Except as provided in Section 11.05 above, no person who acquires an interest in a Unit, including persons acquiring title by operation of law and purchasers at judicial sales, shall be entitled to occupy the Unit, use the Common Elements or Limited Common Elements until all unpaid Assessments due and owing by the former Unit Owner(s) have been paid. The Association shall have the right to assign its claim and lien rights for the recovery of any unpaid Assessments to the Developer, Management Company, Unit Owner(s), or any third party.

SECTION 12. COMMON EXPENSES AND COMMON SURPLUS.

12.01 Common Expenses. The Common Expenses of the Condominium shall be shared by the Unit Owners with each Unit Owner having a 3.125% undivided interest in the Common Expenses as specified and set forth below.

(a) The cost of operation, maintenance, repair and replacement of the Common Elements;

(b) Premiums for fire and other casualty insurance, liability insurance, workmen's compensation, and such other insurance as may be purchased by the Association as set forth herein;

(c) Costs of management of the Condominium and administrative costs of the Association including professional fees and expenses;

(d) Costs of water, gas, electricity, garbage collection, and other utilities which are not metered or charged to the individual Unit Owners;

(e) Labor, material and supplies used in conjunction with the Common Elements;

(f) All real and personal property taxes assessed against the Common Elements;

(g) The cost of additions, alterations or improvements, the purchase or lease of a Condominium Parcel, including the purchase of ad valorem tax certificates and deeds for taxes assessed against a Condominium Parcel, additional lands, leasehold or other possessory or use rights in lands or facilities, or memberships or other interests in recreational facilities, purchased as part of the Common Elements for the benefit of all the members upon a vote of the Association; provided, however, that any Institutional Mortgagee holding title to a Unit through foreclosure or conveyance in lieu of foreclosure shall not have to participate in such costs set out in this sub-paragraph which are incurred without its written consent;

(h) The cost of repairing, reconstructing, or replacing property in excess of insurance coverage including the Insurance Trustee's fee;

(i) Salary of a manager and such assistance and agents as the Association may deem necessary and expenses duly incurred in the management of the Property;

(j) Common reserve funds for the replacement or repair of the Property;

(k) All other costs and expenses that may be duly incurred by the Association through its Board of Directors from time to time in operating, protecting, managing and conserving the Property and in carrying out its duties and responsibilities as provided by the Condominium Act, this Declaration, the Articles of Incorporation or the By-Laws. It is understood that Common Expenses shall include all taxes, Assessments, insurance, and all other expenditures for which the Association shall be responsible, including those expenditures contracted for in any Maintenance Agreement.

12.02 All maintenance and repair of the Limited Common Elements caused by ordinary wear and tear shall be the responsibility of the Association and a Common Expense. Expense for improvements to or the repair of damage to Limited Common Elements caused by something other than ordinary wear and tear shall be assessed against the Unit served by such Limited Common Elements.

12.03 Common Surplus. Any Common Surplus shall be owned by each of the Unit Owners in the same proportion as their percentage of ownership interest in the Common Elements. The Common Surplus is the excess of all receipts of the Association including, but not limited to, Assessments, rents, profits and revenue on account of the Common Elements of this Condominium, over the Common Expenses.

SECTION 13. MAINTENANCE AND ALTERATIONS.

13.01 The Association may enter into a contract with any firm, person or corporation, or may join with

other Condominium Associations and entities in contracting for the maintenance and repair of the Condominium Property or Properties and other type properties, and may contract for or may join with other Condominium Associations in contracting for the management of the Condominium Property or Properties and other type properties, and may delegate to the contractor or manage all of the powers and duties of the Association, except such as are specifically required by this Declaration, or by the By-Laws to have the approval of the membership of the Association. The Association has entered into a Maintenance Agreement, a copy of which is attached to this Declaration of Condominium as Exhibit "D".

13.02 Each Unit Owner agrees as follows:

(a) To maintain his Unit and the entire interior thereof in good and tenantable condition, to maintain, repair and, if necessary, replace the fixtures and equipment therein including, but not limited to, the following when applicable: air conditioning and heating units, any and all appurtenances thereto wherever situated including, but not limited to, any exterior parts thereof; refrigerator, stove, fans, dishwasher, and all other appliances; drains, plumbing fixtures and connections, sinks, plumbing within the Unit; electric panels, wiring, outlets, and electric fixtures within the Unit; interior doors, windows, screening and glass; all exterior doors, except the painting of the exterior faces of exterior doors which shall be a responsibility of the Association; and pay for all of his utilities, including electricity, water, gas, sewage and telephone. The cost of maintaining and replacing the appliances and carpeting in a Unit shall be borne by its Owner.

(b) To pay for all of his utilities, including electricity, gas, and telephone used within

his Unit and all property taxes and special assessments levied and assessed by municipalities, counties and other taxing authorities against his Unit;

(c) Not to make, or cause to be made, any repairs to any plumbing or electrical wiring unit within a Unit except by licensed plumbers or electricians authorized to do such work by the Association or its delegate. Plumbing and electrical repairs within a Unit shall be paid for by the Owner(s) of the Unit.

(d) Not to make, or cause to be made, any addition or alteration to his Unit, to the Limited Common Elements, or Common Elements specifically including, but not limited to, screening or enclosing balconies or affixing outside shutters to windows, to remove any additions, improvements, or fixtures from the building, or do any act that would impair the structural soundness of the building. Structural alterations within a Unit may be made with the prior written consent of the Association and any Institutional First Mortgagee holding a mortgage on said Unit.

(e) To make no alterations, decoration, repair, replacement or change of the Common Elements, Limited Common Elements, or to any outside or exterior portion of the building, without the prior written consent of the Association. If consent is granted, the Unit Owner shall use only a contractor or subcontractor approved by the Association, who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association. The Unit Owner shall be liable for all damages to another Unit and to the Common Elements and Limited Common Elements caused by any contractor employed by such Unit Owner or by the subcontractor or employees of such contractor, whether said damages are caused by negligence, accident or otherwise.

(f) To allow the Association, its delegates, agents, or employees at all reasonable times to enter into any Unit for the purpose of maintaining, inspecting, repairing, or replacing the improvements within the Unit(s), Limited Common Elements, or the Common Elements; to determine in case of emergency, circumstances threatening Units, Limited Common Elements or the Common Elements and to correct the same; or, to determine compliance with the provisions of the Condominium Documents.

(g) To promptly report to the Association any defects or needed repairs for which the Association is responsible.

(h) The end vertical wall on the first floor separating the interior from the balcony shall not be demolished or physically altered in any way except that alteration in any way of the interior of the wall must have prior written consent of the Association.

13.03 In the event the Unit Owner fails to maintain the Unit as required herein, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a Court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof, or in addition thereto, the Association shall have the right to levy an Assessment which Assessment may include legal fees incurred by the Association to bring such action in a Court of equity against the Unit Owner, and the Unit, for such necessary sums to remove any unauthorized addition or alteration, and to restore the property to good condition and repair.

13.04 The Association shall determine the exterior color scheme of the buildings, and shall be responsible for the maintenance thereof, and no Owner shall paint any exterior surface, or add or replace anything thereon or affixed thereto, without prior written consent of the Association.

13.05 The Association shall be responsible for the maintenance, repair and replacement of the Common Elements and Limited Common Elements, provided that if any repairs or replacements are made necessary because of abuse or negligent use thereof by a Unit Owner the cost of such repair or replacement may be assessed against such Unit Owner. Any assessment made pursuant to this Section or pursuant to Section 13.03 shall be enforceable in the same manner as provided for the enforcement of Assessments in Section 11 hereof.

SECTION 14. INSURANCE PROVISIONS.

14.01 Liability Insurance. The Association shall maintain comprehensive public liability and property damage insurance covering all of the Common Elements and Limited Common Elements and insuring the Association, the Unit Owners (and, as long as a Maintenance Agreement is in effect, the Management Company), in such amounts as the Association determines necessary, provided that the minimum amount of coverage shall be \$500,000 for bodily injury or death of any one person, \$1,000,000 for bodily injury to or death of any number of persons arising out of any one occurrence, and \$50,000 for any instance of property damage. Premiums for such insurance shall be paid for by the Association.

14.02 Casualty Insurance.

(a) Purchase of Insurance. The Association shall obtain and maintain fire, windstorm and extended coverage, including vandalism, and malicious mischief insurance covering all the insurable Condominium Property, including personal property owned by the Association, as their interests may appear, with a company selected by the Association having a policyholder's rating of not less than "A" in the most recent edition of Best's Insurance Guide, in an amount equal to the Replacement Cost of the Condominium

Property as determined annually by the Association. The Company or companies with whom such insurance coverage is placed, as provided in this Declaration, must be authorized to do business in the State of Florida.

(b) Loss Payable Provisions - Insurance Trustee

All policies purchased by the Association shall be for the benefit of all Unit Owners and their mortgagees, and the Association, as their interests may appear. However, an insurance Trustee shall be the named insured and it shall not be necessary to name the Association or the Unit Owners or any mortgagees, although mortgagee endorsements may be issued. The policies shall be deposited with the Insurance Trustee and shall provide that all insurance proceeds payable on account of loss or damage shall be payable to said Insurance Trustee. The Insurance Trustee may be any bank maintaining offices and holding trust powers in Florida selected by the Association. The Insurance Trustee shall not be liable for the payment of premiums, for the renewal or the sufficiency of policies, for the failure to collect any insurance proceeds, nor for the form or content of the policies. The sole duty of the Insurance Trustee shall be to hold the Insurance policies and to receive the proceeds paid pursuant to the policies in trust for the purposes stated herein, for the benefit of the Association and the Unit Owners and their respective mortgagees, in the following shares:

(1) Proceeds Paid on Account of Damage to Common Elements and Limited Common Elements: An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(2) Proceeds Paid on Account of Damages to any Units: Proceeds on account of damage to Units shall be



held for the Owners of damaged Units in the proportion that the cost of repairing the damage suffered by each Unit Owner bears to the total cost of restoring all damaged Units, which cost shall be determined by the Association.

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

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

(1) Expense of the Trust: All expenses of the Insurance Trustee shall be first paid or provisions made therefor, including reasonable compensation for services rendered by the Trustee.

(2) Reconstruction and Repair: The remaining proceeds of any insurance policy shall be utilized to pay the cost of reconstructing or repairing any damage. Any proceeds remaining after paying such costs shall be distributed to the beneficial owners, provided that, if a mortgagee endorsement has been issued with respect to a Unit, the shares of the Unit Owner will be paid to the Unit Owner and mortgagee jointly.

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

(d) Association as Agent. The Association is hereby irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien encumbering a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(e) Benefit of Mortgagees. Certain provisions in this Section 14.02 are for the benefit of mortgagees of Condominium Parcels, and may be enforced by such mortgagee.

14.03 Reconstruction or Repair After Casualty.

(a) Reconstruction or Repair Required. In the event the Common Elements and Limited Common Elements or the Units are damaged by any casualty, whether such damage is insured against or not, the same shall be repaired or reconstructed by the Association or the Unit Owner, as the case may be.

(b) Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and by not less than 75% of the Unit Owners, including the owners of all damaged Units, which approval shall not be unreasonably withheld.

(c) Responsibility. If the damage is only to those parts of one Unit, including Limited Common Elements, for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for the reconstruction and repair of any damage caused by casualty. In all other instances the responsibility of reconstruction

and repair or damage caused by casualty shall be that of the Association.

(d) Estimate of Costs. Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

(e) Assessments. If the proceeds of insurance are not sufficient to pay the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Unit Owners who own the damaged Units and the Limited Common Elements reserved for the exclusive use of said Unit, and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. The assessment against a Unit Owner for damage to Units shall be in the same proportion as the cost of reconstruction and repair of his Unit bears to the cost of reconstruction and repair of all damaged Units. Such assessments on account of damage to Common Elements shall be in proportion to the Unit Owner's share in the Common Elements. Any assessment made pursuant to this Section may be enforced in the manner provided in Section 11 hereof.

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

(a) Association. If the total of the assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is

the responsibility of the Association, is more than \$5,000.00 then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid on account of such assessments and disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - Minor Damage.

If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association, provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(2) Association - Major Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an Architect qualified to practice in Florida and employed by the Association to supervise the work.

(3) Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner

shall be paid by the Insurance Trustee to the Unit Owner, or if there is a mortgagee endorsement as to such Unit, then to the Unit Owner and the mortgagee jointly, promptly upon completion of all required repairs and reconstruction.

(4) Surplus. The first moneys disbursed in payment of costs of reconstruction and repair shall be deemed to be the proceeds of insurance. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated, except, that the part of a distribution to a beneficial owner which is in excess of assessments paid by such owner into the construction fund shall be payable to any mortgagee.

(5) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners on account of assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether to disbursements from the construction fund are to be upon the order of the Association or upon approval of an Architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgage is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a Unit Owner; and further provided, that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included

in the construction fund, so requires, the Insurance Trustee shall require as a condition precedent to any disbursement, a certificate of Architect named by the Association certifying that the work has progressed to the point indicated in the contractor's application for payment, that to the best of the Architect's knowledge, information and belief, the quality of work is in accordance with the contract documents, and that the contractor is entitled to payment in the amount certified.

(6) Institutional Mortgagee's Right to Advance Premium. Should the Association fail to pay any insurance premiums when due or should the Association fail to comply with other insurance requirements of the Condominium Documents, any Institutional Mortgagee shall have the right, at its option, after ten (10) days' written notice to the Association, to obtain the insurance policies required hereby and to advance such sums as are required to maintain or procure such insurance and, to the extent of the money so advanced, said mortgagee shall be subrogated to the assessment and lien rights of the Association against the Unit Owners. All of such policies shall be promptly deposited with the Insurance Trustee.

14.05 Restoration Not Required. In the event more than ninety percent (90%) in value of the Condominium Property is substantially damaged or destroyed by fire or other casualty and the extent of such damage is certified in writing by the Association to each Unit Owner, then three-fourths (3/4) of the Voting Members may signify their desire to terminate the Condominium within sixty (60) days after the casualty by filing in the public records a Notice of Election to Terminate accompanied by the certification of extent of damage by the Association, and the Condominium shall thereupon terminate. Thereafter, the Unit Owners will become tenants

in common of the Condominium Property and the insurance proceeds, the share of each Unit Owner being the ratio that the value of his Condominium Parcel bears to the value of the Condominium Property immediately preceding the casualty. Any mortgage or other lien which encumbers a Condominium Parcel shall continue as a lien of equal dignity against the undivided interest of the Unit Owner in the Condominium Property and proceeds of insurance. If any Unit Owner requests a partition of the Property, the Condominium Property shall be sold and each Unit Owner, or each Unit Owner and his respective mortgagee, will be entitled to recover from the fund composed of insurance proceeds and sale proceeds, a sum equal to the fair market value of his Condominium Parcel immediately preceding the casualty. In the event the fund does not contain sufficient sums to fully compensate every Unit Owner, the sum payable to each Unit Owner will be proportionately reduced. In the event the remaining Condominium Property is not sold, each Unit Owner will be compensated for his loss by receiving:

- (1) the net proceeds of any insurance paid to the Insurance Trustee on account of the casualty to his individual Condominium Parcel, the amount of which payment will be determined by the insurance carrier; and
- (2) an undivided interest in the land and Undestroyed Common Elements. Each Unit Owner's interest shall be in the ratio that his uncompensated loss bears to the uncompensated loss of the remaining Unit Owners. The "uncompensated loss" is the difference between the gross insurance proceeds recovered on behalf of an individual Unit Owner and the value of that Unit Owner's Parcel immediately preceding the casualty.

Before distribution to the Unit Owner of insurance or sale proceeds, all liens against a Condominium

Parcel will be paid to the extent the proceeds allocated to said Parcel are sufficient to do so.

14.06 Other Insurance. The Association shall maintain Workmen's Compensation Insurance to meet requirements of law and such other insurance as the Association shall determine from time to time to be desirable.

14.07 Unit Owner's Insurance. Each individual Unit Owner may purchase, at his own expense, liability insurance to cover accidents occurring within his Unit and insurance on his own personal property. No Unit Owner shall purchase any casualty insurance covering his Unit without approval of the Association.

14.08 Waiver of Subrogation. If available without additional cost, and where applicable, the Association and each Unit Owner shall endeavor to obtain policies which provide that the insurer waives the right of subrogation as to any claim against Unit Owners, the Association, their respective servants, agents and guests, and the Management Company.

SECTION 15. CONVEYANCE, SALE, RENTAL, LEASE AND TRANSFER.

In order to insure a community of congenial residents and thus protect the value of each Condominium Parcel, the sale, leasing, rental and transfer of Condominium Parcels by any Owner other than Developer shall be subject to the following provisions:

15.01 Right of First Refusal. In the event the Owner of any Condominium Parcel wishes to sell the same (and as a condition precedent to each and every such sale) and shall have received a bona fide offer to purchase same, such Owner (Seller) shall notify the Association in writing that the Condominium Parcel is for sale and shall supply the Association with an executed copy of such offer and the terms thereof, including the name of the prospective purchaser and such other



information as the Association, in the reasonable exercise of its discretion, may request. The Association shall have the option for fifteen (15) days following receipt of such offer to purchase the Parcel on the terms and conditions set forth in the offer, which option shall be exercised if at all by notice in writing given to the Seller within said 15-day period. The Association shall have the right to assign the option herein granted to any Unit Owner or to any purchaser approved by the Association. If the Association or its assignee does not exercise the option herein granted, the Seller shall have the right for a period of sixty (60) days after the receipt by the Association of the original offer within which to complete the transaction described in the offer to the purchaser named therein. If for any reason such transaction is not concluded and notice of such fact given to the Association within said 60-day period, the offer shall be deemed to have been abandoned and the provisions of this Section shall be reimposed on the Parcel in question.

For the purpose of this Section, the term "bona fide offer" shall mean an offer made by a prospective purchaser, in good faith, to purchase the Condominium Parcel.

15.02 Application. The right of first refusal provided for in Section 15.01 shall not apply to transfers made by the Developer, or any affiliate or subsidiary of the Developer, or to transfers made solely for the purpose of securing the performance of an obligation, transfers involving a foreclosure sale or other judicial sale or any transfer to a mortgagee in lieu of foreclosure, any transfer by a mortgagee following foreclosure or any proceeding or arrangement in lieu thereof, the transfer of one joint tenant's interest to another, by operation of law or otherwise, or transfers by will or intestate distribution, or to transfer by gift to direct descendants or ascendants of the transferor.

15.03 Certificate of Termination. The Association shall upon request at any time furnish to any Member, or other party legitimately interested in the same, a certificate in writing executed by an officer of the Association in recordable form stating that the requirements of Section 15.01 have been complied with, or duly waived by the Association, and that the rights of the Association thereunder have terminated. Such certificate shall be conclusive evidence of compliance with the requirements of Section 15.01, for all persons who rely thereon in good faith.

15.04 Rental or Lease. A Condominium Parcel shall not be leased or rented without the prior written approval of the Association, and the terms and conditions of said lease are subject to the approval of the Association. The Association shall have the right to require that a substantially uniform form of lease be used. In the event the Association approves a rental or lease, such approval of a lease or rental shall not release the Member from any obligation under this Declaration.

15.05 Occupants. The Association shall have the right to prohibit occupancy of any Unit by any person other than a Unit Owner, or a purchaser or lessee who has acquired his interest after compliance with Section 15.01 or 15.04, as the case may be.

15.06 Voidability. Any purported sale or lease of a Unit where the Unit Owner or lessor has failed to comply with the provisions of this Section, shall be voidable at the election of the Association, provided, however, that such voidability shall exist for a period no longer than ninety (90) days from the consummation of such transaction, such consummation to be evidenced by occupancy of the Unit or by furnishing the Association with a true copy of the recorded deed of conveyance thereto; and, provided, further, that the Association commence an action within such ninety (90) day

period to have the same declared void.

15.07 Exception. Any Institutional First Mortgagee making a mortgage loan for the purpose of financing the purchase of a Unit shall not be required to inquire whether or not its mortgagor's grantor complied with the provisions of this Section, and any failure of such mortgagor's grantor to so comply will not operate to affect the validity or priority of such mortgage.

SECTION 16. OBLIGATIONS OF UNIT OWNERS.

16.01 In addition to the other obligations and duties heretofore set out in this Declaration, no Unit Owner shall:

- (a) Use or permit the use of his Unit for any purpose other than as a single family residence or fail to maintain his Unit in a clean and sanitary manner;
- (b) Permit or suffer anything to be done or kept in his Unit which will increase the insurance rates on his Unit, the Common Elements or Limited Common Elements, or which will obstruct or interfere with the rights of other Members, or commit, permit or suffer any nuisance or illegal act in his Unit, Common Elements or Limited Common Elements;
- (c) Fail to conform to and abide by the By-Laws and non-discriminatory rules and regulations in regard to the use of the Condominium Property which may be adopted in writing from time to time by the Association, and to see that all persons using Unit Owner's property by, through or under him do likewise;
- (d) Park vehicles other than passenger automobiles or passenger station wagons in any carports. No signs or markings of a commercial nature shall appear on such vehicles unless approved by the Association. Small pleasure water craft may be parked in carports.

(e) Allow or permit to be displayed laundry or clothing on the porch or balcony of his Unit or anywhere within said Unit in such manner as to be visible from the outside of said Unit;

(f) Be permitted to make any adjustments whatsoever to any of the equipment located on the Common Elements or Limited Common Elements without first obtaining the permission of the Association;

(g) Attempt to exempt himself from liability for his contribution toward the Common Expenses by waiver of the use and enjoyment of any of the Common Elements, Limited Common Elements, or by the abandonment of his Condominium Unit.

(h) No Unit may be divided or subdivided into a smaller unit. The Owner of two adjacent units may combine the two units to be occupied as one Unit.

SECTION 17. MAINTENANCE AGREEMENT.

17.01 Simultaneously with the execution of the Declaration and the adoption of the By-Laws, the Association by and through its original Board of Directors and Officers has entered into an agreement with the Management Company entitled "Maintenance Agreement", attached hereto as Exhibit "D". Amendment or revision of such Maintenance Agreement shall not require the procedures for an amendment or change to the Declaration or to the By-Laws and may be accomplished by agreement in writing between the Association with the approval of its Board of Directors and the Manager executed with the formality required of a deed and duly filed among the Public Records of St. Johns County, Florida.

17.02 Each Unit Owner, his heirs, successors and assigns, shall be bound by said Maintenance Agreement to the same extent and effect as if he had executed said Maintenance Agreement for the purposes herein expressed, including, but not limited to:

(a) adopting, ratifying, confirming and consenting to the execution of said Maintenance Agreement by the Association;

(b) covenanting and promising to perform pro tanto each and every of the covenants, promises and undertakings to be performed by Unit Owners in the cases provided therefor in said Maintenance Agreement;

(c) ratifying, confirming and approving each and every provision of said Maintenance Agreement and acknowledging that all of the terms and provisions thereof are reasonable; and

(d) agreeing that the persons acting as Directors and Officers of the Association entering into such agreement have not breached any of their duties or obligations to the Association.

17.03 It is specifically recognized that some or all of the persons comprising the original Board of Directors and the Officers of the Association are owners of some or all of the stock of the Management Company and that such circumstances shall not be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate the Maintenance Agreement in whole or in part. Each and every provision of the Maintenance Agreement and the act of the Board of Directors and Officers of the Association entering into such agreement is hereby ratified, confirmed, approved and adopted.

SECTION 18. RESERVE FUND.

18.01 The Developer does hereby establish and create for the benefit of the Association a reserve account (hereafter the "Fund"). The purpose of the Fund shall be to accumulate sums in a separate account for working capital of the Association and for the replacement, acquisition, and repair of capital improvements which are, or will be, a part

of the Common Elements or Limited Common Elements. The initial Assessment per month shall be \$3.00 for each Condominium Parcel, which Assessment may be changed from time to time by the Association. The Association shall determine those capital improvements to be replaced, acquired or repaired with the deposits in the Fund. The proportionate interest of any Owner in any reserve for replacements shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

18.02 The Assessment provided for in this Section may be enforced in the same manner as provided in Section 11 for the enforcement of Assessments.

SECTION 19. NOTICES.

19.01 Unit Owners. Whenever notices are required to be sent hereunder to Unit Owners, such notices may be delivered either personally or by mail, addressed to such Unit Owner's Unit address, unless the Unit Owner has, by written notice duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association or Management Company shall be given by the affidavit of the person mailing or personally delivering said notices.

19.02 Association. Notices to the Association shall be delivered by mail to the Secretary of the Association at the Secretary's Unit or, in the event of the Secretary's absence, then to the President of the Association at his Unit, and, in his absence, any member of the Board of Directors of the Association.

19.03 Developer. Notices to the Developer shall be delivered by registered or certified mail at:

MARINE WATCH CONDOMINIUM  
Room 1012  
21 West Church Street  
Jacksonville, Florida

19.04 Management Company. Notices to the Management Company shall be delivered by registered or certified mail at:

The address shown on the Maintenance Agreement.

19.05 All notices shall be deemed and considered to have been given when deposited in the United States mail, postage prepaid, and addressed as aforesaid. Any party may change his or its mailing address by written notice duly receipted for. Notices required to be given the personal representatives of a deceased Owner or devisee, when there is no personal representative, may be delivered either personally or by mail, to such party at his or its address appearing in the records of the Court wherein the estate of such deceased Owner is being administered.

SECTION 20. ESCROW ACCOUNT.

20.01 The Association shall have the right to establish and maintain in a national or state bank or a Federal savings and loan association, interest bearing savings accounts for such purposes as it may see fit to establish from time to time.

SECTION 21. MISCELLANEOUS PROVISIONS.

21.01 Provisions of Declaration - Binding Effect. All provisions of the Condominium Documents are intended to be and shall be construed as covenants running with the land and of every part thereof and therein, including, but not limited to, every Unit and the appurtenances thereto, and every Unit Owner and claimant of the property, or any part thereof, or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the

provisions of the Condominium Documents.

21.02 Combining Units. Nothing set forth in this Declaration shall be construed to prohibit the Developer or the Association from authorizing the removal of or removing any party wall between any Condominium Units in order that the said Units might be used together as one integral Unit. If the joinder of two or more Units into a single Unit is permitted, all Assessments, voting rights, and the share of the Common Elements shall be calculated as if such Units were maintained as originally designated on the Exhibits attached to this Declaration, notwithstanding the fact that several Units are used as one. The Unit Owner of such combined Units shall be treated as the Unit Owner of as many Units as have been so combined.

21.03 Attorney's Fees. In addition to the remedies provided in Section 711.23, Florida Statutes, should the Association or the Management Company, on behalf of the Association, or on its own behalf, find it necessary to employ an attorney at law to enforce any obligation of a Unit Owner under the Condominium Documents, the offending Unit Owner shall reimburse the Management Company or the Association, or both of them as the case may be, for reasonable attorneys' fees incurred by it in connection with such default. This section shall be enforced in the same manner as provided for the enforcement of Assessments in Section 11 hereof.

21.04 Agreements for Recreational Facilities. Subsequent to the filing of this Declaration of Condominium, the Association may, either alone or in concert with other Condominium Associations, purchase and/or acquire and enter into agreements, from time to time, whereby it acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, including, but not limited to, country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation and other



use or benefit of the Unit Owners. No such purchase or agreement shall be valid, however, unless approved by 3/4 of the Unit Owners which are not owned by the Developer and by the holders of a majority of the indebtedness secured by mortgages held by Institutional Mortgagees. The expense of ownership, rental membership fees, operations, replacements, and other undertakings in connection therewith shall be Common Expenses, together with all other expenses and costs herein or by law defined as Common Expenses.

21.05 Gender. 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. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a Condominium.

21.06 Captions. The captions used in the Condominium Documents are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of the Condominium Documents.

21.07 Institutional First Mortgages. Where an Institutional First Mortgage, by some circumstance, fails to be a first mortgage but it is evident that it is intended to be a first mortgage, it shall nevertheless, for the purpose of the Condominium Documents, be deemed to be an Institutional First Mortgage.

21.08 Severability of Provisions. If any term, covenant, provision, phrase or other element of the Condominium Documents is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of said Documents or of the Condominium Act.

21.09 Warranties. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the Condominium Documents except as specifically set forth therein, and no person shall have the right to rely upon any warranty or representation not so specifically made therein. Any estimates of Common Expenses, taxes or other charges are made in good faith and Developer believes the same to be accurate, but no warranty or guaranty as to their accuracy is made or intended, nor may one be relied upon except where the same is specifically warranted or guaranteed. The Developer has constructed or will construct the buildings and improvements substantially as described in Exhibits "B" and "C" attached hereto, and it is hereby agreed that this is the full extent of the Developer's liability and responsibility.

The Developer shall not be responsible for conditions resulting from condensation or an expansion or contraction of materials, paint over walls, either interior or exterior, loss or injury caused in any way by the elements; the water tightness of windows and doors, defects which are the result of characteristics common to the materials used, and damage due to ordinary wear and tear or abusive use, collection of water within the buildings or on any other portion of the Condominium Property, nor anything of any type or nature except such items as are specifically delineated and agreed to in writing between the Developer and the individual Unit Owner, and it is understood and agreed that the Developer shall have no responsibility whatsoever as to the matters provided in this Section 21.09 to the Association. Guaranties or warranties given by Developer's contractor and by any subcontractors, and warranties obtained from the manufacturers of appliances

and equipment as specified by said manufacturers, contractors and subcontractors, will be assigned by Developer to the Association and may be enforced by either the Association or the Unit Owner. The foregoing warranty is expressly in lieu of all other warranties, express or implied by law or otherwise, and no warranty of merchantability or fitness of any fixtures, equipment, appliances, personal property, and real property and improvements thereon is made by Developer.

21.10 Acceptance by Association and Unit Owners.

The Association, by its execution of this Declaration of Condominium, approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and Exhibits attached hereto. The Unit Owners, by virtue of their acceptance of the Deed of Conveyance as to their Condominium Parcel, and other parties, by virtue of their occupancy of Units, hereby approve the foregoing and all of the terms and conditions, duties and obligations set forth in the Condominium Documents.

21.11 Partition. No Unit Owner shall bring, or have any right to bring, any action for partition or division of the Condominium Property, except as provided in Section 14.05.

21.12 Resident Manager's Unit. The Association if desired shall be owner of the Parcel, if any, reserved for the use of the Resident Manager. The number of Parcels owned by the Association for use by the Resident Manager will be not more than one. The mortgage payments, insurance premiums, property taxes, and all other expenses relating to said Parcel will be treated as an expense of the Association so long as used for this purpose.

21.13 Pets. The Association shall have the right to establish the terms and conditions upon which pets may be kept or maintained by Unit Owners in their Units or on the Common Elements or Limited Common Elements.

21.14 Condemnation Award. In the event all or any part of the Condominium Property is taken by eminent domain proceedings or conveyed to any governmental body in lieu thereof, the board of directors of the Association shall have the right and obligation of collecting all monies payable as a result of such taking, including taking any legal action necessary to collect the monies.

In the event the condemnation award or sales price exceeds \$10,000.00, the board of directors of the Association shall pay all funds over to the Insurance Trustee and institutional first mortgagees owning mortgages encumbering any Unit taken or damaged to repair, reconstruct and replace any damaged or destroyed improvements or to terminate the Condominiums.

SECTION 22. TERMINATION OF THE CONDOMINIUM.

22.01 Condominium may be terminated in the manner provided in the Condominium Act. The Condominium may also be terminated if the proposed termination is submitted to a meeting of the members of the Association, the notice of the meeting giving notice of the proposed termination, and if the approval of the Unit Owners of not less than 75% of the Units, and of the record owners of all mortgages upon the Units, are obtained in writing not later than 30 days from the date of such meeting, then the approving owners shall have an option to buy all of the Units of the other owners for the period ending on the 60th day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. The option shall be upon the following terms:

- (a) The option shall be exercised by delivery or mailing by registered mail to each of the record owners of the Units to be purchased an agreement to purchase

signed by the record owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating owner and shall require the purchase of all Units owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(b) The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement, and in the absence of agreement as to price it shall be determined by arbitration in accordance with the Florida Arbitration Code. Each seller and each purchaser shall appoint one appraiser as an arbitrator. A judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(c) The purchase price shall be paid in cash.

(d) The sale shall be closed within ten (10) days following the determination of the sale price.

22.02 The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of St. Johns County, Florida.

22.03 After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Association 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 prior to the termination.

22.04 This section concerning termination cannot be amended without consent of all Unit Owners and of all record owners of mortgages upon the Units.

22.05 Termination of Easements. In the event the Condominium is terminated for any reason, all easements provided for herein shall terminate.

22.06 Amendment or revision of the By-Laws shall not require the procedures for an amendment or change to this Declaration.

IN WITNESS WHEREOF, Developer has executed this Declaration of Condominium Ownership this 7th day of December, 1973.

Signed, sealed and delivered in the presence of:

Stephen P. Smith  
Carolyn J. Laurie

MARINER'S WATCH CONDOMINIUM, INC.

BY: [Signature]  
President

ATTEST:  
[Signature]  
Secretary  
(Corporate Seal)

"Developer"

STATE OF FLORIDA  
COUNTY OF DUVAL

I HEREBY CERTIFY that on this 7th day of December, 1973, before me personally appeared GAVIN W. LAURIE, JR. and CAROLYN J. LAURIE, the President and Secretary respectively of MARINER'S WATCH CONDOMINIUM, INC., to me well known to be the persons described in and who executed the foregoing instrument, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal at Jacksonville, in the State and County aforesaid, the day and year above written.

Stephen P. Smith  
Notary Public State of Florida at Large.

My Commission expires:  
Notary Public, State of Florida at Large  
My commission expires Oct. 17, 1975  
Bonded by Transamerica Insurance Co.



For good and valuable considerations, the receipt whereof is hereby acknowledged, MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC., a Florida membership corporation, not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed on it by the provisions of the Declaration.

IN WITNESS WHEREOF, MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC., has caused these presents to be signed in its name by the President and its corporate seal affixed, attested to by its Secretary, this 7th day of December, 1973.

Signed, Sealed and Delivered in the presence of:

MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC.

Stephen P. Laurie, Jr.  
Caroline J. Laurie

BY: Stephen P. Laurie, Jr.  
President

ATTEST:  
Caroline J. Laurie  
Secretary  
(Corporate Seal)

STATE OF FLORIDA  
COUNTY OF DUVAL

I HEREBY CERTIFY that on this 7th day of December, 1973, before me personally appeared GAVIN W. LAURIE, JR. and CAROLYN J. LAURIE, President and Secretary respectively, of MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC., a Florida membership corporation, not for profit, to me known to be the persons described in and who executed the foregoing instrument, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned; that they affixed thereto the official seal of said corporation and said instrument is the act and deed of said corporation.

WITNESS my official hand and seal at Jacksonville, in the State and County aforesaid, the day and year above written.



Stephen P. Laurie, Jr.  
Notary Public State of Florida at Large.

My Commission expires:  
Notary Public, State of Florida at Large  
My commission expires Oct 17, 1975  
Bonded by Transamerica Insurance Co.

PARCEL ONE

A tract of land in Government Lot 1, Section 5, Township 7 South, Range 30 East, commencing at the Southeast corner of said Government Lot 1 marked by a concrete monument shown as PRM on Plat of SURFSIDE recorded in Plat Book 4, page 32, of the public records of St. Johns County, Florida; thence North along the East line of said Lot 1, 318 feet to a concrete monument at its intersection with the West line of Coastal Highway also known as State Road No. 140; thence Northwesterly along a line which is 33 feet from and parallel to the center line of said State Road 107.5 feet, to the point of beginning of tract herein conveyed; thence Southwesterly perpendicular to said State Road 300 feet to the East line of First Street of SURFSIDE produced Northerly; thence Northwesterly along the East line of said First Street produced 150 feet; thence Northeasterly parallel to the South line 300 feet to the West right-of-way line of said State Road No. 140 being 33 feet from the center line thereof; thence Southeasterly along West right-of-way line of said Road No. 140, 33 feet from and parallel to the center line thereof 150 feet to the point of beginning.

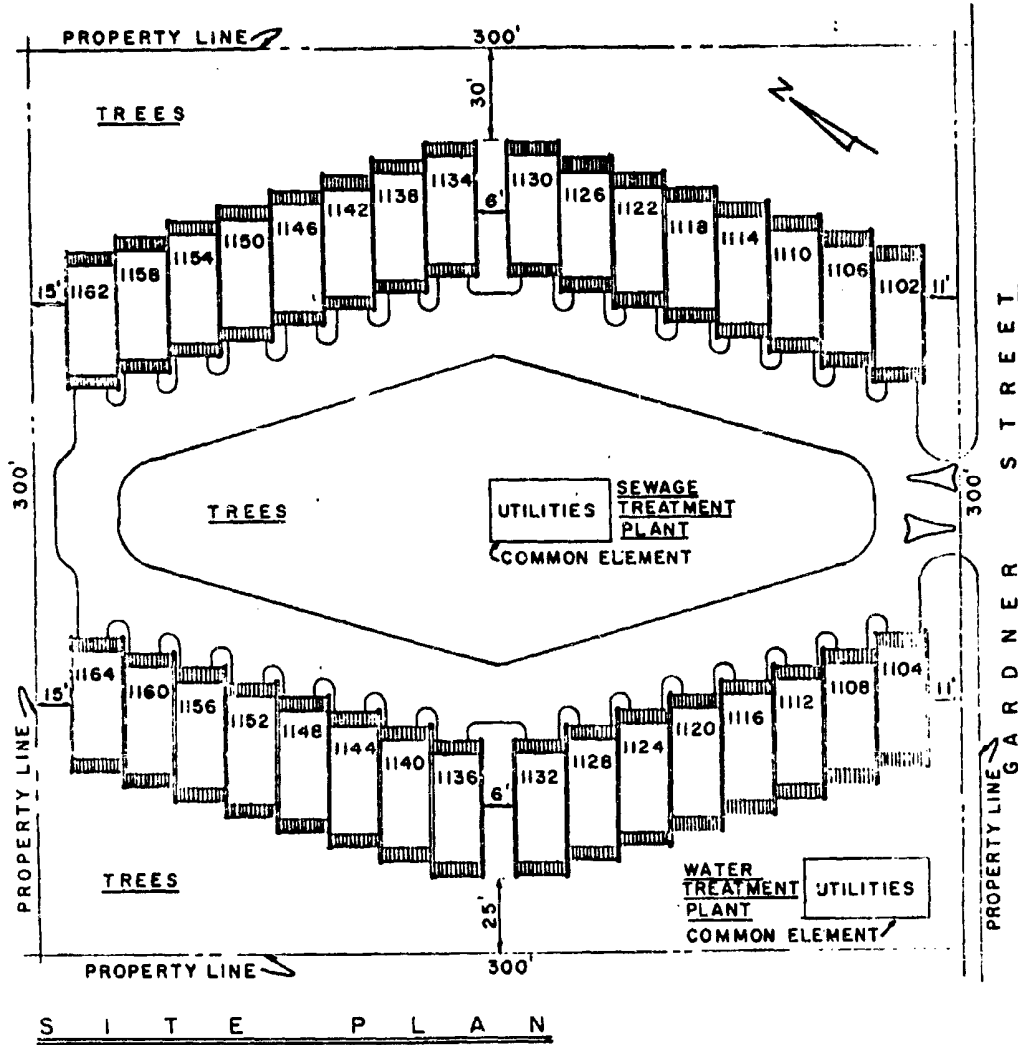
PARCEL TWO

BEGINNING at the Southeast corner of Lot 1, Section 5, Township 7 South, Range 30 East, and run Northerly along the East line of said Lot 1, 318 feet to its intersection with the West right-of-way line of Road No. 140; run thence Northerly along the West right-of-way line of State Road No. 140 and 33 feet from the center line thereof, 257.5 feet to the point of beginning, said point of beginning being the Northeast corner of property contracted to Hubbard; thence run West at right angles to said Road, along Hubbard's North line 300 feet to a point; run thence Northerly parallel to said road right-of-way 150 feet to a point; run thence Easterly parallel to Hubbard's North line 300 feet to the West right-of-way line of said road; run thence Southerly along the West right-of-way line of said road 150 feet to the point of beginning.

EXHIBIT "A"



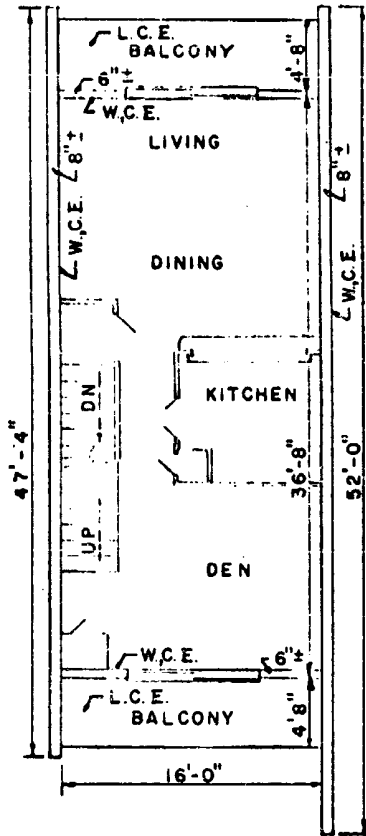
STATE ROAD NO. A-1-A



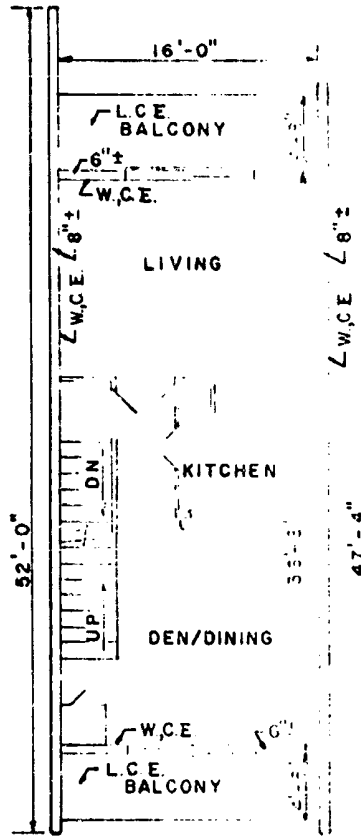
MARINER S  
WATCH  
EXHIBIT "B"

LEGEND  
 W.C.E. - WALL, COMMON ELEMENT  
 L.C.E. - LIMITED COMMON ELEMENT

REF. 244 PAGE 492



PLAN "A" OPTION



PLAN "B" OPTION

**FIRST FLOOR**  
 (TYPICAL)

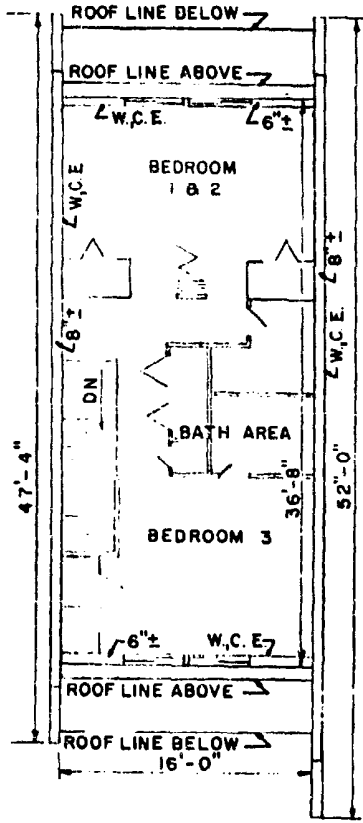
NOTE

VERTICAL ELEVATION FROM  
 UNFINISHED FLOOR TO  
 UNFINISHED CEILING IS  
 8'-3 3/4" ±

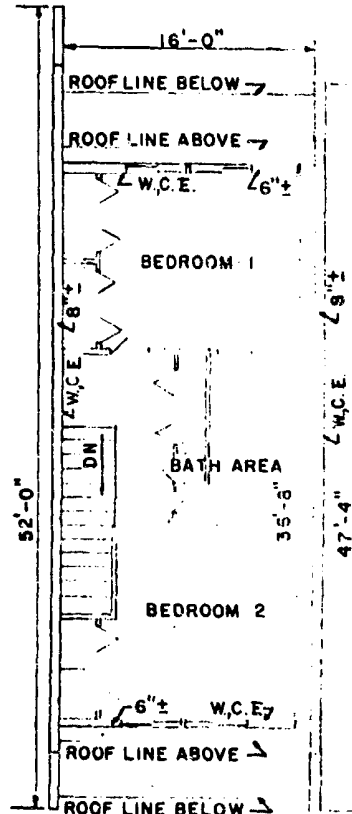
MARINER'S  
 WATCH  
 EXHIBIT C-1

**LEGEND**  
 W.C.E. — WALL, COMMON ELEMENT

REF 244 PAGE 493



**PLAN "A" OPTION**



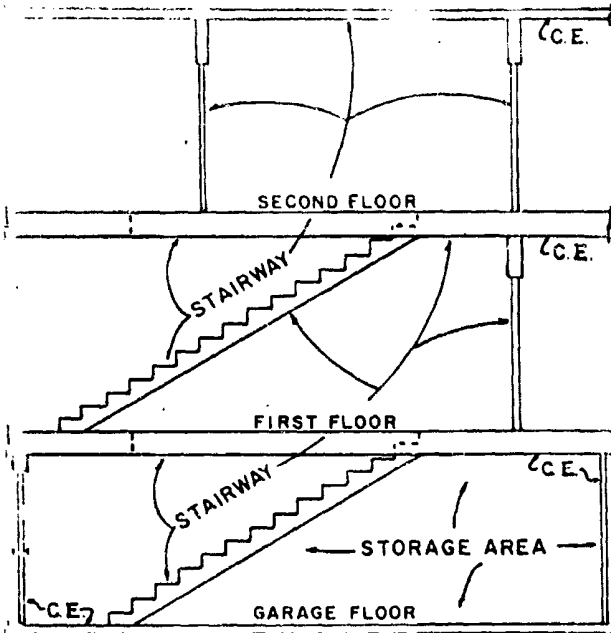
**PLAN "B" OPTION**

**SECOND FLOOR**  
 (TYPICAL)

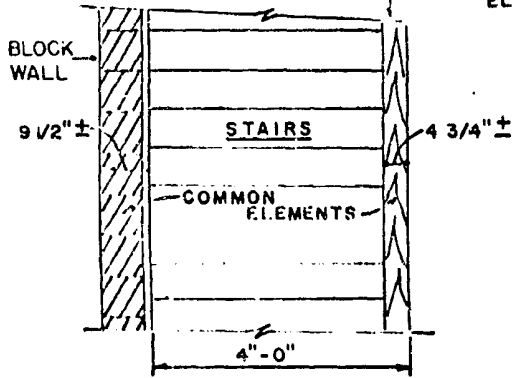
**NOTE**  
 VERTICAL ELEVATION FROM  
 UNFINISHED FLOOR TO  
 UNFINISHED CEILING IS  
 8'- 3 3/4".

MARINER'S  
 WATCH  
 EXHIBIT C-2

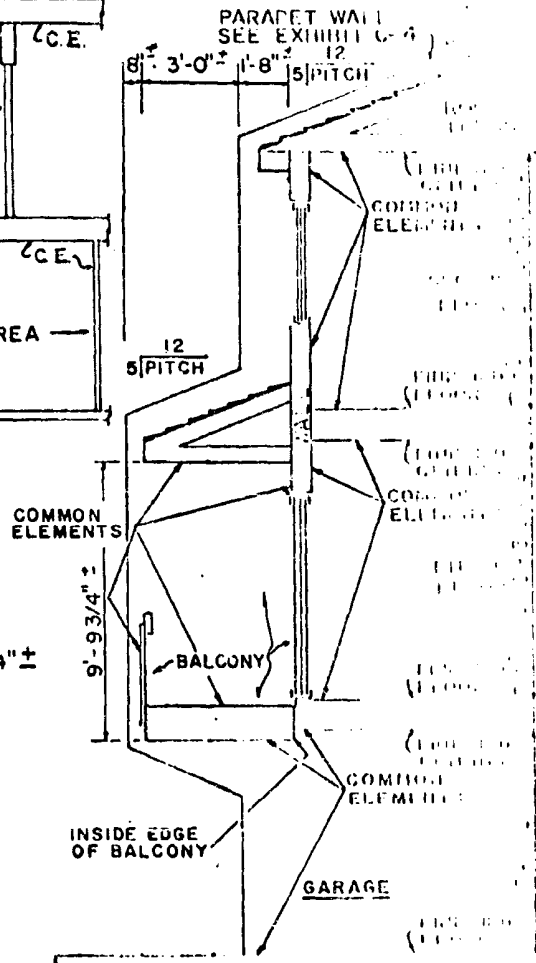
LEGEND  
 C.I. - COMMON ELEMENT



STAIR ELEVATION  
 (TYPICAL)  
 PARTITION WALL



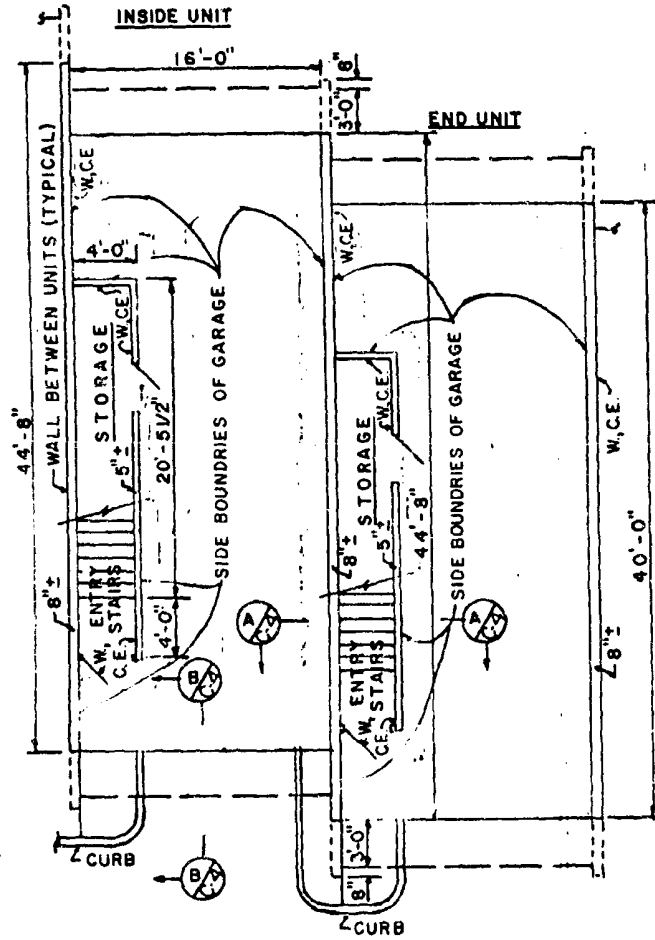
SECTION A/A  
 STAIR DETAIL



SECTION U/G

MARINE WATER  
 LEVEL "C3"

EXHIBIT "C3"



NOTE:  
 VERTICAL ELEVATION  
 FROM FINISHED FLOOR TO  
 UNFINISHED CEILING IS 7'-4"

LEGEND

GARAGE AREA   
 BALCONY EDGE   
 W.C.E. - WALL, COMMON ELEMENT

**GARAGE**  
 (TYPICAL)

MARINER'S  
 WATCH  
 EXHIBIT C-4

MARINER'S WATCH CONDOMINIUM  
MAINTENANCE AGREEMENT

THIS AGREEMENT, made and entered into this 7th day of December, 1973, by and between MARINER'S WATCH CONDOMINIUM, INC., a Florida corporation (hereinafter referred to as "Management Company"), and MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC., a Florida corporation Not for Profit (hereinafter referred to as "Association");

W I T N E S S E T H:

WHEREAS, the parties hereto desire to enter into an agreement for the performance of maintenance services as hereinafter described on the property subjected to condominium ownership of MARINER'S WATCH CONDOMINIUM, hereinafter referred to as the "Declaration", which has been or will be recorded in the public records of St. Johns County, Florida:

NOW, THEREFORE, for good and valuable, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

SECTION 1. EMPLOYMENT OF MANAGEMENT COMPANY. The Association appoints the Management Company as manager of MARINER'S WATCH CONDOMINIUM and delegates to the Management Company those duties, powers, and rights set forth in this agreement. The Management Company accepts the appointment as manager under the terms and conditions of this agreement.

SECTION 2. DEFINITIONS. All words used herein shall have the same meanings attributed to them in the Declaration.

SECTION 3. TERM. The term of this agreement shall be two (2) years from the date of filing the Declaration.

SECTION 4. DUTIES AND RIGHTS. The Management Company shall

EXHIBIT "D"

have the rights, powers, duties and obligations of the Association set forth in Sections 11, 13, 14, 15, 16, 20 and 21 of the Declaration, including but not limited to:

(a) Procuring and maintaining in companies selected by the Management Company (i) the insurance coverage required by the Declaration and (ii) such other insurance as the Association may direct the Management Company to obtain for the Association from time to time. Provided that, the Association shall pay to Management Company any premiums for insurance purchased pursuant to this subdivision (ii).

(b) Paying sewer and water charges, if any, of each Unit and the Common Elements to the entity furnishing such services.

(c) Cutting, watering, seeding and fertilizing the grass, and trimming, watering and fertilizing the shrubbery. Management Company shall not be required to replace any part of the lawn or shrubbery, or be responsible for any damage caused to any part of the lawn or shrubbery by the elements or by an act of God, except to the extent that the Association provides funds to pay the cost of such work.

(d) Keeping the parking areas, roadways and sidewalks on the Condominium Property neat and presentable. This is the only service with reference to the parking areas, roadways and sidewalks for which the Management Company is responsible.

(e) Servicing and maintaining lighting for the exterior of the condominium buildings.

(f) Maintaining the exterior of the condominium buildings. The Management Company shall have the right to determine all exterior color schemes and shall have the duty to furnish the necessary repairs to preserve the exterior

appearance of the buildings. The Management Company shall not be responsible for the washing of windows or replacement of same, and shall not be responsible for the maintenance of any screens.

(g) Providing garbage and trash collections at reasonable intervals for all Unit Owners and for Common Elements.

(h) Maintaining, servicing and repairing the water and sewer lines and appurtenances thereto located on the Condominium Property and lying outside the buildings; except that the Management Company shall not be responsible for the repair of water and sewer lines lying beneath the roadways located on the Condominium Property.

(i) Purchasing on behalf of the Association all equipment, tools, materials, supplies necessary for maintenance of the Condominium Property.

(j) Establishing escrow accounts for insurance, taxes and such other purposes as it may from time to time determine necessary.

(k) Hiring, discharging and compensating in its own name any personnel necessary for the efficient discharge of its duties hereunder; and

(l) Levying and collecting Assessments from the Unit Owners for payment of Common Expenses. The Management Company may levy a late charge of Twenty-five Dollars (\$25.00) on any Unit Owner whose Assessment is unpaid for over ten (10) days and recover reasonable attorneys fees incurred incident to the collection of such Assessment together with interest thereon at the rate of ten percent (10%) per annum. The Management Company may assign its claim and lien rights, or either of them, for the recovery of unpaid Assessments.

**SECTION 5. LIABILITY OF MANAGEMENT COMPANY. The Management**



Company shall not be liable and the Association agrees to indemnify Management Company against liability for any accident, injury, breakage or damage of any machinery or appliances not attributable solely to the action or inaction of the Management Company or any of its employees, agents or services. Management Company shall not be liable to the Association or any Unit Owner for any loss, damage, or delay in furnishing materials or failure to perform duties hereunder when such is caused by acts of God, fire, flood, strike, acts of civil or military authorities, by insurrection or riot, or by any other cause which is not within the reasonable control of Management Company.

SECTION 6. OPERATING EXPENSES IN INITIAL YEAR. The monthly charges to be assessed for maintenance of the Condominium Property pursuant to this agreement for the initial year of operation are set forth in Exhibit (1) hereto. No charge in excess of the sum provided in Exhibit (1) shall be assessed against any Unit Owner except as provided for in this agreement or in the Declaration.

SECTION 7. OPERATING EXPENSES IN SUCCESSIVE YEARS. If, at the commencement of any year after the first year of this agreement, the Consumer Price Index for "All Items" (United States City Average Index) as compiled and published by the Bureau of Labor Statistics, United States Department of Labor, should be higher than the latest compiled index figure published as of the date of this agreement (which index figures are now 120, computed upon the basis of a 1967 average of 100), the amounts specified to be paid for maintenance will each be increased by an amount proportionate to the amount of such increase in the said price index. Notice of the increase in the monthly maintenance payments as reflected by said Price Index shall be given in writing to each Unit Owner by the Management Company,

and upon receiving said notice each Unit Owner shall be obligated to make said payments as reflected in said notice, which will thereafter be the monthly payment of such Unit Owner in lieu of the payments provided for in Exhibit (1) hereto. Any increased Assessment, computed in accordance with the provisions above shall commence on the first day of each twelve-month period after the first twelve-month period. If such Price Index in the future should be compiled upon a different basis, a proper adjustment will be made there, for the purposes of this paragraph to reflect the change in the cost of living that has occurred since the date of this agreement based upon the 1967 average of 100. If at the time of any such computation the United States Department of Labor should no longer compile and publish such price indexes, the index for "All Items" compiled and published by any other branch or department of the federal government shall be used for the purpose of this Section, and if no such index is compiled and published by any branch or department of the federal government, the statistics reflecting cost of living increases as compiled by any institution, organization, or individual generally recognized as an authority by financial and insurance institutions shall be used as a basis for such adjustments.

SECTION 8. OBLIGATIONS OF UNIT OWNERS. Each Unit Owner shall be personally liable for payment to the Management Company for his monthly Assessment, commencing on the date of closing or occupancy of his Unit, whichever shall first occur. The Management Company shall be entitled to retain as a fee for management the sum of \$5.00 per Unit per month. Said fee may be increased in accordance with the provisions of Section 7 hereof. In the event that Unit Owner fails to pay the specified amount on or before the tenth day of each month, the Management Company is authorized to discontinue and terminate water services provided

to such Unit until said Unit Owner shall have made full payment in accordance with the terms and conditions of this agreement.

SECTION 9. LIMITATION OF MAINTENANCE DUTIES. Notwithstanding any provisions of the Declaration, By-Laws of the Association, or this agreement to the contrary, the duties of the Management Company consist of furnishing only the services, maintenance and repairs of existing improvements on the Condominium Property as herein set forth and Management Company shall not be responsible for the replacement of such improvements or any portion of them.

SECTION 10. RETENTION OF FUNDS. Any portion of the payments made pursuant to this agreement which are not expended for the performance of the Management Company's duties hereunder in the year collected (except Management Company's compensation), shall be retained by the Management Company and expended for such purpose in any subsequent year, or used to repay Management Company for any loss incurred by it on account of such duties for any preceding year. No funds retained by Management Company for expenses in any subsequent year shall be considered in determining the amount of payments to be assessed for such subsequent years. At the end of the term of this Maintenance Agreement, any funds so retained which have not been expended for the performance of Management Company's duties hereunder will be paid over to the Reserve Fund provided for by Section 18 of the Declaration and used for the purpose stated therein.

SECTION 11. LIEN FOR UNPAID ASSESSMENTS. The Management Company shall have a lien against each Condominium Parcel for any Assessments charged against that Parcel, costs incurred in collecting the Assessment, late charges assessed, attorneys' fees, and any accumulated interest thereon. Such lien shall

relate back to the date of recording of this agreement and shall be prior and superior to any subsequent lien or encumbrance, except that this lien shall be subordinate and inferior to the lien of any Institutional First Mortgagee.

SECTION 12. NOTICES TO THE MANAGEMENT COMPANY. Notices to the Management Company shall be delivered by registered or certified mail at:

MARINER'S WATCH CONDOMINIUM, INC.  
Room 1012  
21 West Church Street  
Jacksonville, Florida 32202

All notices shall be deemed and considered sent when deposited in the United States Mail, postage prepaid, and addressed as aforesaid.

SECTION 13. ADDITIONAL COMPENSATION. Upon an affirmative vote of three fourths (3/4) of the Members of the Association the Management Company may install upon the Common Elements coin operated laundry and vending machines and pay telephones for the use of the Unit Owners. This right is an exclusive right and the net proceeds from the operation of the laundry and vending machines and telephones shall be additional compensation for the Management Company. All utilities required for the operation of the vending or laundry machines shall be the cost of the Management Company.

SECTION 14. BINDING EFFECT. This agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

SECTION 15. ASSIGNABILITY. This agreement may be assigned by the Management Company without the consent of the Association.

SECTION 16. CAPTIONS. The captions used in this agreement are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any

text of this agreement.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

Signed, Sealed and Delivered in the presence of:

MARINER'S WATCH CONDOMINIUM, INC.

Stephen P. Smith  
As to Management Company

By [Signature]  
President

ATTEST: [Signature]  
Secretary

(Corporate Seal)

MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC.

Stephen P. Smith  
As to the Association

By [Signature]  
President

ATTEST: [Signature]  
Secretary

(Corporate Seal)

MARINER'S WATCH CONDOMINIUM  
Projected Operating Budget

	<u>Monthly</u>
1. Off-Site Management Fee.....	\$ 160.00
2. Accounting.....	50.00
3. Salary and Wages, Management Co. Personnel, On-Site (For Manager, Gardener, Maint.).....	400.00
4. Payroll Taxes.....	40.00
5. Electricity, Limited Common Elements, and Common Elements.....	40.00
6. Trash Collection, Units and Common Elements.....	112.00
7. Janitorial Supplies for Common Areas.....	10.00
8. Office Supplies for Association.....	10.00
9. Repairs and Maintenance of Small Equipment, Lawnmowers, Tools, etc.....	10.00
10. Pest Control, Common Elements.....	29.00
11. Water and Sewer, Units and Common Elements.....	228.00
12. Maintenance and exteriors of condominium buildings..	64.00
13. Maintenance Grounds, Entranceways, Landscaping, Parking Areas, Limited Common Elements and Common Elements.....	118.00
14. Casualty and Liability Insurance.....	153.00
15. Reserve Fund to be escrowed.....	<u>96.00</u>
	\$1,520.00
	<u>X 12</u>
	<u>\$18,240.00</u>

Per Unit cost \$1,520.00 for 32 Units = \$47.50 per month per Unit

EXHIBIT "1"

B Y - L A W S  
O F  
MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC.  
A Corporation not for Profit  
under the Laws of the State of Florida

These are the By-Laws of MARINER'S WATCH CONDOMINIUM ASSOCIATION, INC., (hereinafter called "Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium created pursuant to Chapter 711, Florida Statutes, as amended, (hereinafter called "Condominium Act"). The name of the Condominium is MARINER'S WATCH CONDOMINIUM, which is located upon the lands situate and lying in St. Johns County, Florida.

SECTION 1. ASSOCIATION.

1.1 Office. The office of the Association shall be at Room 1012, 21 West Church Street, Jacksonville, Florida, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name of the Association, 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 otherwise.

EXHIBIT "E"

1.4 Terms. All terms used herein shall have the same definitions as attributed to them in the Declaration of Condominium Ownership of MARINER'S WATCH CONDOMINIUM.

SECTION 2. MEMBERS.

2.1 Qualification. The members of the Association shall consist of all Unit Owners of Condominium Parcels in MARINER'S WATCH CONDOMINIUM.

2.2 Membership. Membership in the Association shall be established by recording in the Public Records of St. Johns County, Florida, a deed or other instrument establishing a record title to a Condominium Parcel, and delivery to the Association of a certified copy of such instrument. The grantee in such instrument shall immediately become a member of the Association. The membership of any prior owner of the same Condominium Parcel shall be terminated upon delivery to the Association of a certified copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. If a Condominium Parcel is owned by more than one person, the Unit Owner entitled to cast the vote appurtenant to said Parcel shall be designated by the Owners of a majority interest in the Parcel. A Voting Member must be designated by a statement filed with the Secretary of the Association, in writing, signed under oath by the owners of a majority interest in a Condominium Parcel as the person entitled to cast the vote for all such owners. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If a designation of a Voting Member is not filed with the Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).



2.4 Restraint Upon Alienation of Assets. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Parcel.

SECTION 3. MEMBER'S MEETINGS.

3.1 Place. All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

3.2 Membership List. At least ten (10) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by Unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member at any such time.

3.3 Regular Meetings. Regular meetings of the members of the Association shall be held on the first business day in March of each year.

3.4 Special Meetings.

3.4.1 Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, of either a majority of the Board of Directors or of ten (10) Voting Members. Such request shall state the purpose of the proposed meeting.

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

3.5 Notice. Written notice of every meeting, special or regular, of the members of the Association, stating the time, place and object thereof, shall be delivered or mailed to each Voting Member at such member's address as shown in the books of the Association at least ten (10) days prior to such meeting.

3.6 Participation. All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting.

3.7 Unit Owners Initial Meeting. The Secretary of the Association shall call a meeting of the Association when the Developer has conveyed all of the Condominium Parcels, or two years after the date of the recordation of the Declaration of Condominium, whichever shall first occur, and the persons who have purchased Condominium Parcels and have thereby become members of the Association shall at that time assume control of the Association and the responsibilities appurtenant thereto.

3.8 Proxies. At any meeting of the members of the Association, the Voting Member shall be entitled to vote in person or by proxy. Provided, that no proxy shall be valid unless it is filed with the Secretary at least three (3) days prior to a meeting, nor shall any proxy be valid unless it is granted to a person who is a Unit Owner. No person may cast more than one proxy vote. No proxy vote may be cast on behalf of a Voting Member who is present at a meeting.

3.9 Vote Required to Transact Business. When a quorum is present at any meeting, the majority of Voting Members shall decide any question brought before the meeting. If the question is one which requires more than a majority vote by express provision of the Condominium Act or the Declaration of Condominium Ownership, Articles of Incorporation or these By-Laws (hereinafter "Condominium Documents"), the express provision shall govern and control the number of votes required.

3.10 Quorum. Fifty-one percent (51%) of the total number of Voting Members of the Association present in person or represented by proxy, shall constitute a quorum at

all meetings of the members for the transaction of business, except as otherwise provided by statute, or the Condominium Documents. If a quorum is not present at any meeting, the Voting Members may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Any business may be transacted at any adjourned meeting which could have been transacted at the meeting called.

SECTION 4. DIRECTORS.

4.1 Number. The affairs of the Association shall be managed by a Board of Directors, consisting of three or more members of the corporation. The number of directors shall be determined from time to time by the Voting Members.

4.2 Term. Each director shall be elected to serve for a term of one (1) year or until his successors shall be elected and shall qualify, except that the first Board of Directors shall serve until the Unit Owners' Initial Meeting.

4.3 First Board of Directors. The first Board of Directors shall consist of Gavin W. Laurie, Jr., Harold E. Haglund and Carolyn J. Laurie, who shall hold office and exercise all powers of the Board until the Unit Owners' Initial Meeting; provided, any or all of said directors shall be subject to replacement in the event of resignation or incapacity as provided in paragraph 4.4 herein.

4.4 Vacancy and Replacement. If the office of any director 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 such vacancy occurred.

4.5 Election of Directors. Election of directors shall be conducted in the following manner:

4.5.1 Directors shall be elected at the annual meeting of the members.

4.5.2 A nominating committee of three (3) members shall be appointed by the President with the approval of the Board of Directors not less than thirty (30) days prior to the members' meeting. The Committee shall nominate one (1) person for each director's seat. Additional nominations may be made from the floor.

4.5.3 The election shall be by secret ballot (unless dispensed with by unanimous consent). The nominees receiving the greatest number of votes cast shall be elected to the Board.

4.6 Removal. Directors may be removed for cause by an affirmative vote of three-fourths (3/4) of the members. No director shall continue to serve on the Board if, during his term of office, his membership in the Association shall be terminated for any reason whatsoever.

4.7 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, subject only to approval by Unit Owners and institutional mortgagees when such approval is specifically required. The powers and duties of the directors shall include but are not limited to the following:

4.7.1 Assess. To make and collect assessments against members to pay the Common Expenses and the expenses incurred by the Association including the power to make and assess members for capital improvements and replacements.

4.7.2 Disburse. To use the proceeds of assessments in the exercise of its powers and duties.

4.7.3 Maintain. To maintain, repair, replace and operate the Condominium Property.

4.7.4 Purchase. To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.

4.7.5 Insure. To insure and keep insured the Condominium Property in the manner set forth in the Declaration of Condominium Ownership and to purchase such other insurance as the Board may deem advisable.

4.7.6 Enforce. To enjoin or seek damages from the Unit Owners for violation of these By-Laws and the terms and conditions of the Declaration of Condominium Ownership.

4.7.7 Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Common Elements and to delegate to such contractor and manager, or either of them, any of the powers it possesses.

4.7.8 Regulate. To make reasonable rules and regulations concerning the occupancy of the Condominium Parcels consistent with the Condominium Documents.

4.8 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

4.9 Compensation. The directors shall not be entitled to any compensation for service as directors.

SECTION 5. DIRECTORS MEETINGS.

5.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were

elected or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members' meeting.

5.2 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.3 Special Meetings. Special meetings of the Board may be called by the President on five (5) days' notice to each director. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of three (3) directors.

5.4 Waiver of Notice. No notice of a Board meeting shall be required if the directors meet by unanimous written consent. The directors may, by resolution duly adopted, establish regular monthly, quarter-annual or semi-annual meetings. If such resolution is adopted, no notice of such regular meetings of the Board shall be required.

5.5 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called, may be transacted without further notice.

5.6 Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of the Board, except when approval by a greater number of directors is required by the Condominium Documents.

5.7 Joinder in Meeting by Approval of Minutes.

The joinder of a director in any action taken at a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

5.8 Presiding Officer.

The presiding officer of a directors' meeting shall be chairman of the Board if such an officer has been elected; and if none, the President of the Association shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

SECTION 6. OFFICERS.

6.1 Officers.

The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two of said offices may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may elect more than one Vice President. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

6.2 Qualification.

No person shall be entitled to hold office except a Unit Owner. No officer except the President need be a member of the Board.

6.3 Term.

The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of three-fourths (3/4) of the Voting Members of the Association.

6.4 The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

6.5 The Secretary.

6.5.1 The Secretary shall keep the minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose.

6.5.2 He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

6.5.3 He shall be custodian of the corporate records and of the seal of the corporation.

6.5.4 He shall keep a register of the post office address of each member, which shall be furnished to the Secretary by such member.

6.5.5 In general, he shall perform all duties incident to the office of the Secretary and such other duties as may be assigned to him by the President or by the Board of Directors.

6.6 The Vice President. The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

6.7 The Treasurer.

6.7.1 The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors or these By-Laws.



6.7.2 He shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, an account of all his transactions as Treasurer, and of the financial condition of the corporation.

6.8 Vacancies. If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

6.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be made in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

SECTION 7. APPROVAL BY VOTING MEMBERS.

7.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association:

<u>Matter to be Approved</u>	<u>Approval Required</u>
(1) Alteration, improvements or additions to the Common Elements	3/4 of the Voting Members
(2) Restoration of the Project when 90% of the value of the Condominium Property is destroyed	3/4 of the Voting Members
(3) Approval of changes in building plans for reconstruction after casualty	3/4 of all Voting Members; and all the Voting Members in the affected Units
(4) Amendment of Declaration, By-Laws and Articles of Incorporation	3/4 of the Voting Members
(5) Termination of Condominium	100% of the Voting Members except as provided in item (2) of this Section 7.1

- (6) Enactment or repeal of Rules and Regulations other than initial Rules and Regulations Majority of the Voting Members
- (7) Repeal of any Initial Rules and Regulations 3/4 of the Voting Members
- (8) Election of Directors and Officers Plurality of Voting Members
- (9) Removal of Directors and Officers 3/4 of the Voting Members
- (10) Making Agreements for Use of Off-Site Recreational Facilities Majority of the Voting Members

SECTION 8. CONDUCT OF MEETING.

All meetings of the members and of the Board shall be governed by Robert's Rules of Order.

SECTION 9. FISCAL MANAGEMENT.

The provisions for fiscal management of MARINER'S WATCH CONDOMINIUM, set forth in the Declaration of Condominium Ownership, are supplemented by the following provisions:

9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

9.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements and the operation of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

9.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements, and for working capital of the Association shall be held in the Reserve Fund Account.

9.2 Budget. The Board of Directors shall adopt a projected operating budget for each calendar year, which shall include the estimated funds required to defray the current expenses and may estimate the funds necessary to repair or replace capital improvements.

9.3 Assessments. Assessments against individual Unit Owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. The budget and assessments therefor may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the Board.

9.4 Depository. The funds of the Association will be deposited in such banks or savings and loan associations as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons as authorized by the Board.

9.5 Fidelity Bonds. Fidelity Bonds shall be required for all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board. The premiums for such bonds shall be paid by the Association.

SECTION 10. RULES AND REGULATIONS.

10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements. The Board shall from time to time post in a conspicuous place on the Condominium Property, a copy of the rules and regulations adopted by the Board. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Condominium Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, copies thereof shall be posted in a conspicuous place on the Condominium Property. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.3 Initial Rules and Regulations. The initial rules and regulations hereinafter enumerated shall apply to and be binding upon all Unit Owners. The Unit Owners shall at all times observe said rules and regulations and shall have the responsibility of seeing that they are faithfully observed by their families, guests, invitees, servants, lessees and other persons over whom they exercise control and supervision. Said initial rules and regulations are as follows:

10.3.1 The Units shall be used only for residential purposes;

10.3.2 Unit Owners shall not use or permit the use of their premises in any manner which will disturb or be a nuisance to other Owners, or in such a way as to be in-

jurious to the reputation of the property, nor for any unlawful purpose.

10.3.3 Children who are the guests of residents shall not be permitted to play in the walks, corridors, hallways or stairways of any buildings other than in places designed for recreation and play. Children may use any recreational facility provided so long as such child is supervised by an adult.

10.3.4 Common Elements shall not be obstructed, littered, defaced or misused in any manner.

10.3.5 No structural changes or alterations shall be made in any Unit, or to any of the Common Elements, except as provided in the Declaration of Condominium.

10.3.6 All of the restrictions, limitations and obligations of members as provided in the Declaration of Condominium are incorporated herein by reference.

10.3.7 Nothing shall be hung or displayed on the outside of windows or placed on the outside of walls of a building, and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof, or any part thereof except with the approval of the Board of Directors.

10.3.8 There shall be no storage or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Elements except that such personal property may be stored in a common storage area designated for that purpose, and recreational areas may be used for their intended purpose.

10.3.9 No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploration or otherwise, shall be conducted, maintained, or

permitted on any part of the property or in or on any Condominium Parcel except as provided in the Declaration.

10.3.10 Complaints regarding maintenance shall be made in writing to the Board of Directors.

10.3.11 Laundry and drying rooms, if any, shall be used in such manner and at such times as the Board of Directors may from time to time direct.

10.3.12 Unit Owners, residents, their families, guests, servants, employees, agents, visitors, shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof, equipment rooms, or power rooms of any building.

10.3.13 There shall not be kept in any Unit any inflammable, combustible or explosive fluid, material, chemical or substance except for normal household use.

10.3.14 The use of any recreational facilities shall at all times be subject to such rules and regulations as the Board of Directors may establish.

10.3.15 No Unit Owner or occupant of a Unit shall direct, supervise or in any manner attempt to assert any control over any of the employees of the Association, nor shall he attempt to send any of such employees upon private business of such Unit Owner or occupant.

10.3.16 In case of any emergency originating in or threatening any of the Units, the Board of Directors of the Association, or any other person authorized by it, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry in the event of any such emergency shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit under control of the Association a key to such Unit.

## SECTION 11. DEFAULT.

11.1 Foreclosure. In the event a Unit Owner does not pay any sums, charges or Assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting in its own behalf or through its Board of Directors or the Manager acting on behalf of the Association, may foreclose the lien encumbering said Unit Owner's Parcel created by non-payment of the required monies in the same manner as mortgage liens are foreclosed. The Association shall be entitled to the appointment of a receiver if it so requires. The Association shall have the right to bid on the Condominium Parcel at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, or in addition thereto, the Association may bring suit to recover a money judgment for sums, charges or assessments required to be paid to the Association without waiving its lien securing same. In any action either to foreclose its lien or to recover a money judgment brought by or on behalf of the Association against a Unit Owner, the Association shall be entitled to recover the costs thereof, together with a reasonable attorney's fee.

11.2 Association Expenses. If the Association becomes the owner of a Condominium Parcel by reason of foreclosure, it may offer said Parcel for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Condominium Parcel, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be returned to the former Unit Owner.

11.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Documents, to sue for damages, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

11.4 Consent to Foregoing Provisions. Each Unit Owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner's right to enjoy his Condominium Parcel free from unreasonable restraint and nuisance.

SECTION 12. MORTGAGE OF UNIT

12.1 The Association shall maintain a suitable register for the recording of mortgaged Condominium Parcels. Any mortgagee of a Condominium Parcel may, but is not obligated to, notify the Association in writing, of the mortgage. In the event notice of default is given any member, under an applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the registered mortgagee.

SECTION 13. RECREATIONAL FACILITIES.

13.1 Recreational Facilities. The President or such other officer as may be designated by the Board of Directors may execute and deliver on behalf of the Association, agreements under which recreational or other facilities are



provided for the use or benefit of Unit Owners and for which charges are assessed by the Association to Unit Owners as a part of the Common Expenses of the Association. The terms of such agreements shall be subject to the approval of the Board of Directors and of the Voting Members, as well as by the institutional mortgagees holding a majority of the indebtedness secured by mortgages.

SECTION 14. AMENDMENT OF BY-LAWS.

14.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a three-fourths (3/4) vote of the Voting Members of the Association. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Condominium Ownership.