


This instrument prepared by
and return to:

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**DECLARATION OF CONDOMINIUM OF
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE**

THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

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Exhibit A	Survey, Floor and Plot Plans
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Exhibit E	Management Contract
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**DECLARATION OF CONDOMINIUM
OF
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE**

Marina Condominiums, LLC, a Georgia limited liability company authorized to transact business within the State of Florida (hereinafter referred to as the "Developer"), being the owner of fee simple title of record to those certain lands designated herein as the condominium property, located and situated in Flagler County, Florida, being more particularly described in Article II hereof, does hereby submit the said lands and improvements thereon (as herein described below), to condominium ownership, pursuant to Chapter 718 of the *Florida Statutes* (2003) (hereinafter referred to as the "Condominium Act"), subject to the restrictions and reservations hereinafter set forth. This is a "Mixed-Use Condominium" as contemplated by Section 718.404 of the Condominium Act.

This Declaration and other documents attached hereto have been prepared in accordance with the Condominium Act. This Declaration is not effective until it is recorded in the public records of Flagler County, Florida.

The Articles and the Bylaws of THE CONDOMINIUMS AT YACHT HARBOR VILLAGE CONDOMINIUM ASSOCIATION, INC., both of which are attached hereto as Exhibits, shall create THE CONDOMINIUMS AT YACHT HARBOR VILLAGE CONDOMINIUM ASSOCIATION, INC.

All the restrictions, reservations, covenants, conditions, easements and limitations of record contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, shall run perpetually unless terminated as provided herein, and shall be binding upon all Owners (as hereinafter defined). In consideration of receiving, and by acceptance of a grant, devise or mortgage, all grantees, devisees or Mortgagees (as hereinafter defined), their heirs, personal representatives, successors and assigns and all parties claiming by, through or under such persons, agree to be bound by the provisions hereof and the Articles and Bylaws of the Condominium Association. Both the benefits provided and the burdens imposed shall run with each Unit and the interests in Common Elements and Limited Common Elements as defined herein.

ARTICLE I

1.1 NAME OF CONDOMINIUM.

The name by which this Condominium is to be identified is The Condominiums at Yacht Harbor Village Condominium (hereinafter referred to as the "Condominium").

1.2 DEFINED TERMS.

As used in this Declaration of Condominium, the Articles of Incorporation and the Bylaws, and in all amendments thereto, unless the context requires otherwise, the defined terms are as follows:

As used in this Declaration of Condominium, the Articles of Incorporation and the Bylaws, and in all amendments thereto, unless the context requires otherwise, the defined terms are as follows:

1.2.1 "Articles" or "Articles of Incorporation" and "Bylaws" mean the Articles of Incorporation and the Bylaws of the Condominium Association as they exist from time to time.

1.2.2 "Assessments" means a share of the funds required for the payment of Common Expenses which from time to time are assessed against any Unit Owner.

1.2.3 "Board" or "Board of Directors" means the Board of Directors or other representative body responsible for the administration of the Condominium Association.

1.2.4 "CDD" means the Dunes Community Development District.

1.2.5 "Commercial Unit" means a Unit whose designated use is for trade or commerce and not for use as a residential dwelling, including, but not limited to, use for restaurants, bars, lounges, nightclubs, fitness and spa facilities, conference room facilities, retail shops and any other commercial, resort or club facilities operated by such Owner. All Commercial Units shall be designated as Commercial Units on the Survey, Floor and Plot Plans attached hereto as **Exhibit "A"** as more particularly described in Article III.

1.2.6 "Common Elements" means those portions of the Condominium Property not included in the Units, including, but not limited to, those items described in Article III, Section 3.4 hereof. Common Elements shall include, without limitation, the tangible personal property required for the maintenance of the Common Elements and the tangible personal property which is owned or leased by the Condominium Association.

1.2.7 "Common Expenses" means the expenses of administration, maintenance, operation, utilities, repair and replacement of the Condominium Property, other expenses declared by the Condominium Association, this Declaration, the Articles and the Bylaws to be Common Expenses and any other valid expenses or debts of the Condominium as a whole or the Condominium Association which are assessed against the Unit Owners.

1.2.8 "Common Surplus" means the excess, if any, of all receipts of the Condominium Association (including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements) over the amount of the Common Expenses.

1.2.9 "Condominium" has the meaning ascribed to such term in Article I, Section 1.1.

1.2.10 "Condominium Association" or "Association" means The Condominiums at Yacht Harbor Village Condominium Association, Inc., a Florida not-for-profit corporation, responsible for Operating the Condominium.

1.2.11 "Condominium Building" means a structure which comprises a portion of the Condominium Property within which Units are located.

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

1.2.13 "Declaration" or "Declaration of Condominium" means this Declaration and any amendments hereto.

1.2.14 "Developer" means Marina Condominiums, LLC, a Georgia limited liability company and its successors, assigns, nominees and designees, the creator of the Condominium and which is offering Condominium Units in the Condominium for sale in its ordinary course of business pursuant to the Condominium Act. In the event the holder of any mortgage executed by Developer obtains title to all or any portion of the Condominium Property by foreclosure or deed in lieu thereof, such Mortgagee shall become the Developer only if it so elects, by written notice to the Board, but, in any event, such Mortgagee may assign its rights as the Developer to any third party or which acquires title to all or a portion of the Condominium Property from the Mortgagee.

1.2.15 "Ginn-LA Marina" shall mean Ginn-LA Marina, LLC, a Georgia limited liability company, its successors or assigns.

1.2.16 "Guests" shall include persons who are visitors to a Unit to whom the hospitality is extended by the Owner, tenants or invitees of a Unit, for monetary compensation or otherwise.

1.2.17 "Hammock Beach Club Owner" means Northshore Ocean Hammock Investment, Ltd., LLLP, a Georgia limited liability limited partnership, or one of its successors, assigns or affiliates doing business as The Club at Hammock Beach, which owns or operates the Hammock Beach Club Property.

1.2.18 "Hammock Beach Club Property" means all of the real property located in Flagler County, Florida, including any units in the Hammock Beach Club Condominium owned by the Hammock Beach Club Owner, its successors or assigns, and operated as part of the Club at Hammock Beach, including, but not limited to, Parcel C of Northshore Plat Five, together with all of the recreational and social facilities constructed thereon, if any, which will be operated by the Hammock Beach Club Owner, or its successors or assigns, and commonly known and referred to herein as The Club at Hammock Beach. **THE HAMMOCK BEACH CLUB PROPERTY IS NOT A COMMON ELEMENT OR LIMITED COMMON ELEMENT OF THE CONDOMINIUM.**

1.2.19 "Harbor Village Marina Property" means the lands described in the Master Declaration, including the Condominium Property.

1.2.20 "Limited Common Elements" means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, including, but not limited to, certain Limited Common Elements described in Article III, Section 3.5.

1.2.21 "Master Association" means the Harbor Village Marina Property Owners Association, Inc., a Florida not-for-profit corporation.

1.2.22 "Master Declaration" means the Master Declaration of Covenants and Restrictions for Harbor Village Marina recorded in Official Records Book 804, page 1931, as amended by the Supplemental Declaration of Covenants, Conditions, and Restrictions for Harbor Village Marina recorded in Official Records Book 1057, Page 975, as amended by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Harbor Village Marina dated 11/2, 2006 to be recorded, all of the public records of Flagler County, Florida, and as may be further modified and supplemented from time to time, which Master Declaration is an encumbrance on the Condominium Property as more fully set forth in Article XXI.

1.2.23 "Mortgagee" means a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional type lender or its loan correspondent, Federal National Mortgage Association (FNMA), an agency of the United States Government, Developer or Northshore Investment, if it owns or holds a mortgage encumbering a Unit.

1.2.24 "Operating Budget" means the allocation of costs and expenses for the operation, administration and management of the Condominium Property (including, without limitation, maintenance, repair and replacement costs and expenses).

1.2.25 "Operating" or "Operating of the Condominium" means the operation, administration and management of the Condominium Property (including, without limitation, maintenance, repair and replacement of the Condominium Property).

1.2.26 "Owner" means the record owner of legal title to a Unit.

1.2.27 "Residential Unit" means a Unit whose designated use is for residential dwelling and not for use as a Commercial Unit.

1.2.28 "Special Assessment" means any assessment levied against Unit Owners other than an assessment required by a budget adopted annually.

1.2.29 "The Condominium" or "This Condominium" means The Condominiums at Yacht Harbor Village.

1.2.30 "Turnover Meeting" refers to the meeting which shall take place at such time as the Unit Owners, other than the Developer, are entitled to elect a majority of the Board of Directors.

1.2.31 "Unit" means a part of the Condominium Property, both Commercial Unit and Residential Unit, which is to be subject to private ownership as designated in this Declaration of Condominium.

1.2.32 "Utility Service" or "Utility Services" as used in the Condominium Act, construed with reference to this Condominium and as used in this Declaration, the Articles and the Bylaws, shall include any utility or similar service provided to the Condominium, including, but not limited to, cable television, cellular, analog, wireless, digital and other types of telecommunication services, telephone and data transmission, gas, electric, water, trash and sewage disposal.

1.2.33 "Voting Interest" means the voting rights allocated to the Condominium Association members pursuant to the Articles and Bylaws.

1.3 DEVELOPMENT PLAN.

THE VILLAGE AT HARBOR VILLAGE MARINA CONDOMINIUM shall be developed as a mixed-used condominium as more fully set forth hereinafter and shall consist of the lands, building and improvements as more fully set forth hereinafter.

The construction of this Condominium is not substantially complete, and upon completion, this Declaration shall be amended to include those terms specified in Florida Statutes Section 718.104(4)(e).

ARTICLE II

2.1 LEGAL DESCRIPTION.

Developer is the owner in fee simple title of the Condominium Property lying in Flagler County, Florida, being submitted to this Declaration, as described and set forth in **Exhibit "A"** to this Declaration of Condominium.

2.2 SURVEY, GRAPHIC DESCRIPTIONS, FLOOR PLANS, AND PLOT PLAN.

A survey of the Condominium Property, the floor plans and graphic descriptions of the improvements in which Units will be located are depicted in the Survey, Floor and Plot Plans, attached to hereto as **Exhibit "A"**. These Survey, Floor and Plot Plans of the Condominium Property are prepared and certified by American Surveying & Mapping ("ASM").

2.3 ALTERATION OF BOUNDARIES.

Prior to recordation of this Declaration, Developer reserves the right to alter the boundaries between Units and the right to change interior design and arrangements of any or all Units and to alter the boundaries of the Common Elements and Limited Common Elements. Subject to approval by the Unit Owners, whose Units are being combined, contiguous Units may be combined as long as the number of Units and their appurtenant percentage of ownership in Common Elements and Limited Common Elements, as provided in this Declaration of Condominium as recorded, do not change.

Developer reserves the right to make nonmaterial changes in the legal description of the Condominium Property.

ARTICLE III

3.1 IDENTIFICATION OF BUILDING AND UNITS.

The Condominium will include 88 Residential Units and 30 Commercial Units for a total of 118 Units. Commercial Units shall be designated "CM (Unit Number)" and Residential Units shall be designated "(Unit Number)."

The floor plans and graphic description of the Condominium, as well as each Unit type, survey of the Property, plot plan and elevations of the improvements, and the certificate of surveyor or statement for the Condominium Property required by Section 718.104(4)(e) of the Act are all included in the Survey, Floor and Plot Plans, attached hereto as **Exhibit "A"**. This Exhibit, together with this Declaration, identify each Unit, Common Elements, Limited Common Elements, their relative locations and approximate dimensions.

3.2 BOUNDARIES OF INDIVIDUAL UNITS.

The respective Units shall not be deemed to include the undecorated and/or unfinished surfaces of the perimeter walls, floors and/or ceiling surrounding each Unit or space lying behind the undecorated or unfinished inner surface of any interior columns, floors, bearing walls and/or floor slabs or partitions, or any pipes, wires, conduits or other utility lines running through each Unit which are utilized for or serve any other Units, Common Elements or Limited Common Elements. Each Unit shall be bounded as to both horizontal and parametrical boundaries as below defined, whether the same exist now or are created by construction, settlement of the building or permissible repairs, reconstruction or movement of alterations. The boundaries shall be determined in the following manner: (1) Horizontal Boundaries: (a) Upper Boundary - the underside of the finished undecorated ceiling of the Unit, extended to meet the parametrical boundaries; (b) Lower Boundary - the upper side of the concrete slab upon which the Unit is affixed, extended to meet the parametrical boundaries and (2) Parametrical Boundaries - the parametrical boundaries shall be the interior surfaces of the perimeter walls of the Unit. Included in the Units are all glass material in the walls or windows of a Unit, the screen in windows and doors, and the materials covering other openings in the exterior of the Units. "Unit" shall be

deemed to include any utility room or storage room servicing just one Unit although access to the room may be off of an exterior hallway. All heating and cooling equipment, wiring, ducts, thermostats, conduits and related fixtures that exclusively serve a Unit shall be considered to be part of such Unit. Square footage of the Units, as may be represented in the sales brochures, is calculated as a result of including the width of the exterior walls and one-half the width of interior walls common to more than one Unit. Although this is a common architectural method of measuring square footage, for an accurate representation of the square footage, measurements should take into consideration the description of the boundaries of the individual Units as set forth above. All dimensions shown on the Survey, Floor and Plot Plans attached hereto as **Exhibit "A"** are taken at the greatest points of each given room. Actual inside dimensions of a Unit may vary as a result of construction.

3.3 EASEMENTS.

Each Unit shall have as an appurtenance thereto, and be subject to, nonexclusive easements in the Common Elements designated for such purposes as, including, but not limited to, ingress to, egress from, utilities services for, and support, maintenance and repair of each Unit and in any offsite easements benefiting the Condominium Property including, but not limited to, the easements established by that certain Declaration of Easements made by Ginn-LA Marina dated as of 11/2, 2006, as recorded in Official Records Book 1502 Page 249 of the Public Records of Flagler County, Florida (the "**Declaration of Easements**"), which provides certain non-exclusive parking easements, utility easements, access easements, and infrastructure easements over certain properties as more particularly described therein and the improvements thereon, which improvements may be used by other persons or entities that are not Unit Owners and which improvements are to be constructed and maintained by Ginn-LA Marina, at Ginn-LA Marina's cost and expense, unless and until such maintenance obligation is assigned by Ginn-LA Marina to the Master Association, a municipal or county authority or other governmental entity or public or private utility, or any other entity, as described in the Declaration of Easements. The location of the Declaration of Easements is shown on the plot plan, for the non-exclusive benefit of the Condominium Property Unit Owners.

In the event all or a portion of the Condominium is partially or totally destroyed, and then rebuilt, the owners of the Units agree that encroachments of parts of the Common Elements or Limited Common Elements or Units, due to construction, shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Developer shall, in perpetuity, have the right to grant easements to provide Utility Service, storm drainage and retention and ingress and egress to and over the Condominium Property.

Easements are reserved to the Declarant, its successors, and assigns, over, across, and under the Condominium Property as may be required for construction or maintenance of utility services in order to adequately serve the Condominium or properties located adjacent to the Condominium that are designated by Developer, including easements for the purpose of allowing such access rights as are necessary to use and service any lift station or utility transformer box located within the Condominium Property. The Association has an easement and a right of access to each Unit to maintain, repair, or replace the pipes, wires, ducts, vents, cables, conduits, and other utility services, hot water heaters, service and drainage facilities, and Common Elements contained in the Unit or elsewhere on the Condominium Property, and to remove any

improvements interfering with or impairing such facilities or easements reserved in this Declaration; provided that such right of access, except in the event of an emergency, will not unreasonably interfere with the Owner's permitted use of the Unit, and that except in the event of an emergency, entry may be made on not less than one (1) day's advance written or oral notice (which notice will not, however, be required if the Owner is absent when the giving of notice is attempted).

Developer is the owner of the Ship Store Parcel, as shown on Exhibit "F" of this Declaration. Developer reserves an easement and right for access to the Ship Store Parcel over and across the Condominium Property, and reserves an easement for construction of roads, utilities, and structures on the Ship Store Parcel, and maintenance of such improvements. No easements shall encroach up on the interior of any building on the Condominium Property.

Developer reserves an easement and the right to grant and assign to Ginn Lifestyles Group, LLC, certain easements on, over, under, across and through the Condominium Property for the right to (i) sell, market and provide certain services, including, without limitation, data, multi-channel video, voice, security, and such other telecommunications services as Developer may deem necessary in its sole discretion, and (ii) design, construct, install, operate, market, maintain, upgrade, repair, replace, access and remove certain infrastructure to provide such services to the Condominium Property and certain adjacent property.

The Condominium Property shall be subject to such other easements as may be determined by the Association or required to properly and adequately serve the Condominium Property as it exists from time to time. Each of said easements, whether heretofore or hereafter created, shall constitute covenants running with the land of the Condominium and, notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with its proper and intended use and purpose and shall survive the termination of the Condominium. To the extent that the creation of any such easements requires the joinder of Unit Owners, the Association, by its duly authorized officers, may, as the agent and/or the attorney-in-fact for the Unit Owners, execute, acknowledge and deliver such instruments; and the Unit Owners, by the acceptance of deeds to their Units, irrevocably nominate, constitute and appoint the Association, through its duly authorized officers, as their proper and legal agent and attorney-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Article shall recite that it is made pursuant to this Article.

Developer hereby reserves for itself, its successors, nominees and assigns an easement over the Condominium Property, exclusive of any Units not owned by it, for any activity that Developer determines, in its sole and absolute discretion, to be necessary or appropriate to consummate the marketing, sale, lease or rental of any Unit, including, but not limited to, the right to maintain models, post signs, use employees in the models, or use or permit the use of the Common Elements or Limited Common Elements and such activities are hereby expressly authorized and permitted.

Developer hereby reserves for itself, its successors, nominees and assigns, and grants to The Hammock Beach Club Owner, for the benefit of the Hammock Beach Club Property a perpetual non-exclusive ingress, egress and access easement over and across the Common

Elements and Limited Common Elements, excluding the Balcony portion of any Limited Common Elements. The Developer further reserves for itself and grants to The Hammock Beach Club Owner, and for the benefit of the Hammock Beach Club Property an easement for construction, support, utilities and any other necessary easement over the Common Elements and Limited Common Elements, excluding the Units and the Balcony portion of any Limited Common Elements, wherever located necessary to allow Developer to develop, construct, and maintain improvements or to provide utilities and Utility Services upon the Condominium Property. The foregoing easements shall include the right of the beneficiary of such easement to enter into license agreements, easement agreements, lease agreements or other agreements with Utility Service providers to construct, install, operate, maintain, repair and replace such Utility Service equipment and facilities associated with the provision of such Utility Services, including, but not limited to, any telecommunications transmission and receiving equipment, structures, cables and conduit within the portions of the Condominium Property, subject to such Utility Service easements or utility easements, including, but not limited to, the Common Elements and Limited Common Elements, excluding the Units and the Balcony portion of any Limited Common Elements. The foregoing easements may be utilized for all proper and normal purposes, including, but not limited to, the furnishing of any all services and facilities and the movement of construction materials and equipment (including, but not limited to, use of any tower cranes or related equipment within the air space above the Condominium buildings and improvements) in connection with the construction, operation and maintenance of any improvements on the Condominium Property. The easements granted by this paragraph are covenants running with the land as to Condominium Property. Such easements allow construction activities, which may cause noise, dust, interruption of Condominium operations and use of Condominium Property, Units and other related disturbances or inconvenience during such construction activities or easement use. Developer reserves the right to terminate any of the rights created by this paragraph, which termination shall not require the consent of any person(s) and shall automatically be exercised at such time as the Developer records a Notice of Termination regarding the rights created by this paragraph in the public records of Flagler County, Florida. As of the date hereof, Developer is the fee simple owner of all of the Condominium. However, it is Developer's intent that the right created by this paragraph not merge with Developer's fee simple interest in the Condominium; instead, Developer shall be entitled to exercise the rights created by this paragraph, until such rights are terminated by Developer as provided above.

Developer reserves for itself, the Master Association and their designees an easement and a right on, over and upon the ground within the Condominium Property to maintain and direct drainage of surface water and other erosion controls in order to maintain reasonable standards of safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, establish or alter any grading of soil and landscaping or take any other reasonably similar action. Developer, the Master Association or their designees shall give reasonable notice of their intent to take such action as to all directly affected Owners, if any, unless, in the opinion of Developer, the Master Association or their designees determine (i) an emergency exists which precludes such notice or (ii) there are no directly affected Owners. The rights granted hereunder may be exercised at the sole option of Developer, the Master Association or their designees and shall not be construed to obligate Developer, the Master Association or their designees to take any affirmative action in connection therewith.

The Association, through its Board, upon a majority vote, shall have the power to grant additional nonexclusive easements so long as they do not encroach upon a Unit. If any part of the Common Elements or Limited Common Elements encroach upon any Unit or any Unit encroaches upon a Common Element or a Limited Common Element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. The Association shall have the irrevocable right to enter into each Unit as provided in Article V, Section 5.2. Any and all easements described in this Section 3.3 may also, but are not required to, benefit other persons and entities that are not Unit Owners or the Condominium Association.

3.4 COMMON ELEMENTS.

The Common Elements shall include the land and all other parts or facilities of the Condominium, which are not within the above-described Units, and tangible personal property required for the Operating of the Condominium. Common Elements also includes, without limitation, the following:

3.4.1 All of the real property and improvements of the Condominium except the Units;

3.4.2 Easements through Units, Common Elements and Limited Common Elements for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of Utility Services, heating and cooling and/or ventilation to Units and Common Elements and Limited Common Elements;

3.4.3 Easements of support in every portion of a Unit which contribute to the support of other Units and/or Common Elements, and/or Limited Common Elements.

3.4.4 The property and the installations required for the furnishing of Utility Services to more than one (1) Unit or to the Common Elements, specifically excluding; however, any utility main lines, force mains or collection lines and meters owned and maintained by the utility company servicing the Condominium Property and excluding any Unit containing the installation;

3.4.5 The property and installations utilized for the furnishing of services to more than one (1) Unit or to the Common Elements and/or the Limited Common Elements;

3.4.6 The riparian and/or littoral rights, appertaining to the Condominium Property, if any;

3.4.7 Fixtures owned or held for the common use, benefit and enjoyment of all Unit Owners;

3.4.8 Walkways, driveways, covered entrances and verandas located within the Condominium Property;

3.4.9 Handicap parking spaces or parking areas located within the Condominium Property;

3.4.10 Any parking spaces or parking areas specifically designated by Developer as Common Elements; and

3.4.11 Any easements established by this Declaration or any other document, including, but not limited to, the Master Declaration and Declaration of Easements.

3.5 LIMITED COMMON ELEMENTS AND COMMERCIAL UNIT SIGNAGE.

3.5.1 Parking. The Condominium Property shall contain eighty-eight (88) assigned, covered parking spaces as Limited Common Elements for the exclusive use of the Residential Units Owners and their Guests located as shown on the Survey, Floor and Plot Plans attached as **Exhibit "A"**. The Condominium Property shall contain twenty-six (26) unassigned, covered parking spaces as Limited Common Elements for the exclusive use of the Commercial Unit Owners and their Guest, as shown on the Survey, Floor and Plot Plans attached as **Exhibit "A"**. All parking spaces shall be used in accordance with the rules and regulations promulgated from time to time by the Association.

3.5.2 Patios, Balconies, Decks and Porches. Any patio, balcony, deck, porch and related fixtures and equipment, if any, appurtenant to a particular Unit (collectively, the "Balcony") as shown on the Survey, Floor and Plot Plans attached hereto as **Exhibit "A"** shall be a Limited Common Element for the exclusive use of such Unit Owners or their guests.

3.5.3 Commercial Unit Signage. All Commercial Unit signage shall be personal property appurtenant to the Commercial Unit owning such signage. Commercial Unit signage may be located in the Common Elements or in the interior of any Commercial Unit. Any signage to be located in the Common Elements shall be approved by the Developer, or the Board after the Turnover Meeting has occurred, such consent not to be unreasonably withheld. Upon approval of such signage by the Developer or the Board, as applicable, such signage shall not be removed by the Developer, the Board or the Association without the written consent of the Commercial Unit Owner who owns such signage. A Commercial Unit Owner shall not require the consent of the Developer, the Board or the Association to maintain any signage within the interior of a Commercial Unit, whether or not visible from the Common Elements or the Condominium Property.

3.5.4 Use of Limited Common Elements and Commercial Unit Signage. The above facilities constitute Limited Common Elements and, as such, are reserved for the exclusive use of the designated Residential Unit Owners and their Guests, to the exclusion of the other Residential Unit Owners or Commercial Unit Owners and their Guests, as applicable, and there shall pass with title to each Residential Unit Owner and Commercial Unit Owner, such use rights with respect to such designated Limited Common Elements appurtenant to such Unit. Limited Common Elements reserved for the use of the Commercial Unit Owners are collectively referred to herein as the "Commercial Limited Common Elements" and Limited Common Elements reserved for the use of the Residential Unit Owners are collectively referred to as the

“Residential Limited Common Elements.” The Commercial Unit signage shall be maintained and repaired by the Commercial Unit Owner who owns such signage, at its sole cost and expense.

3.6 APPURTENANCES.

Each Unit shall have appurtenant thereto an undivided interest, as hereinafter set forth, in the Common Elements, the Common Expenses, the Common Surpluses and the Limited Common Elements appurtenant to the Unit as provided for in this Declaration. The fee title to each Unit shall include both the Unit and the undivided interest in the Common Elements, the Limited Common Elements and the Common Surpluses; and said undivided interest shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrances may refer only to the fee title of that Unit. The Unit Owners' memberships in the Condominium Association shall be appurtenant to the Unit and such membership shall be governed by the terms of this Declaration, the Articles, Bylaws and rules and regulations of the Condominium Association, as all of the same may be amended, modified or supplemented from time to time.

3.7 RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

The shares in the Common Elements and Limited Common Elements appurtenant to Units shall remain undivided, and no action for partition shall lie. A share in the Common Elements and Limited Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Unit. The undivided share in the Common Elements and the Limited Common Elements which is appurtenant to a Unit shall not be separated therefrom and shall pass with title to a Unit whether or not separately described. Any attempt to separate the fee title to a Unit from the undivided interest in the Common Elements, the Limited Common Elements and/or the Common Surpluses appurtenant to such Unit shall be null and void.

3.8 NO TIMESHARE ESTATES.

Timeshare estates may not be created in any Unit by any person or entity in the Condominium. Provided, however, the Units may be owned by a partnership, limited liability company or other joint ownership arrangement and all partners, members, managers or joint owners shall have the right to use the Unit on such basis as the partners, members, managers or joint owners may agree, subject to the requirements of the Declaration, including but not limited to the rules and regulations of the Condominium Association.

ARTICLE IV

4.1 ALLOCATION OF OWNERSHIP INTEREST.

The owner or owners of each Unit shall have an undivided interest in and to the Common Elements, Limited Common Elements, Common Expenses and Common Surpluses of the Condominium as set forth on **Exhibit "D"** attached hereto. The allocation of percentage of ownership in the Common Elements, Limited Common Elements, Common Expenses and Common Surpluses have been analyzed and assigned to each Unit based upon the total square footage of each Unit in uniform relationship to the total square footage of all Units in the Condominium.

ARTICLE V

5.1 MAINTENANCE, ALTERATION AND IMPROVEMENT.

Responsibility for Operating the Condominium Property, and restrictions upon the alteration and improvement thereof, shall be as follows:

5.1.1 Units – Condominium Association’s Responsibilities. The Condominium Association shall maintain, repair and replace the following at the Condominium Association’s expense with respect to the Units:

5.1.1.1 all exterior portions of a Unit, including, without limitation, the outside walls of the Condominium Building, all fixtures on its exterior, garage doors, boundary walls of Units, all load bearing walls, partitions, floors and columns which affect the structural integrity of the building, whether contained in a Unit or not;

5.1.1.2 all conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services, which are contained in the portions of a Unit, that service part or parts of the Condominium other than the Unit within which contained;

5.1.1.3 all Common Elements and Limited Common Elements, as provided in Section 5.4, except those Limited Common Elements which a Unit owner is expressly obligated to maintain, as set forth in this Declaration; and

5.1.1.4 all incidental damage caused to a Unit by such work specified in 5.1.1.1 and 5.1.1.3 of this subsection.

All repairs and maintenance shall be performed on a periodic schedule and to the standards as recommended by the manufacturer or supplier of the respective component and at such other times as determined to be necessary or appropriate by the Board. All repairs and maintenance shall be performed promptly upon ascertaining the need.

5.1.2 Units- Unit Owner’s Responsibilities. The responsibility of the Unit Owner with respect to the Units shall be as follows:

5.1.2.1 Maintain in good condition, repair and replace, at his/her expense all portions of such Unit Owner's Unit, except the portions to be maintained, repaired and replaced by the Association. The portions of a Unit to be maintained, repaired and replaced by the Unit Owner, at his/her expense, shall include, but not be limited to, the following items: appliances such as the cabinets, dishwasher, refrigerator, stove, water heater, air conditioner, heater, floor coverings (except floor slabs), interior fixtures such as electrical and plumbing fixtures, inside paint and other inside wall finishes. Replacement of all broken windows in a Unit shall be the responsibility of the Unit Owner. Operation of mechanical equipment and its installation shall be done in a manner that will not cause annoyance to the residents of other Units. Minimal, or lack of, use of air conditioning or dehumidifiers will likely cause separation or swelling of wood or laminated cabinets, doors, etc., and cause mold and/or mildew to form within the Unit and must be avoided by the Unit Owner. Proper maintenance, in accordance with the manufacturers' instructions, is the responsibility of the Owner of the Unit.

5.1.2.2 Keep in a good condition, maintain and repair the interior of the Balcony portions of the Limited Common Elements appurtenant to his or her Unit.

5.1.2.3 Not to make or cause to be made any structural addition or alteration, modification, penetration of, repair, replacement or change to the Common Elements and/or the Limited Common Elements or to any outside or exterior portion of the building or other structures located on the Condominium Property, whether part of a Unit, the Common Elements or the Limited Common Elements. Notwithstanding the obligation of Unit Owners for maintenance, repair and replacement of their Units, the proceeds of all insurance awards or payments actually received by the Condominium Association under insurance carried by the Condominium Association for loss or damage to or within Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

5.1.2.4 The Commercial signage shall be maintained in good condition and repair by the Commercial Unit Owner owning such signage, at its sole cost and expense.

5.1.3 Common Elements and Limited Common Elements – Condominium Association's Responsibilities. The Condominium Association shall maintain, repair and replace the following at the Condominium Association's expense with respect to the Common Elements and Limited Common Elements:

5.1.3.1 The maintenance, repair and replacement of the Common Elements and the Limited Common Elements shall be the responsibility of the Association; and there shall be no material alterations or substantial additions to the Common Elements and the Limited Common Elements, except upon an affirmative vote of eighty percent (80%) of the Voting Interests.

5.1.3.2 The Board may enter into a contract with any firm, person or corporation for the maintenance and repair of the Condominium Property.

5.1.3.3 No Unit Owner shall make any alterations in the portions of the improvements of the Condominium which are to be maintained by the Association, or remove any portion thereof or make any additions thereto or do any work which would jeopardize the safety or soundness of the Condominium Building containing his/her Unit, or impair any easements.

5.1.3.4 The Association shall be responsible to provide pest control within each Unit.

5.1.3.5 The Association shall be responsible for the maintenance, repair and replacement of all exterior surfaces of the Condominium Building, and no Unit Owner shall paint an exterior wall, door, window or any exterior surface without the written consent of the Board of Directors. The prior written consent of Developer shall be required or, in the alternative, an affirmative vote of eighty percent (80%) of the Voting Interests, to a change in the exterior color of the Condominium Buildings, Common Elements or Limited Common Elements, the interior color of the Common Elements or Limited Common Elements, the exterior appearance of the Condominium Buildings, Common Elements, Limited Common Elements or the interior appearance of the Common Elements or the Limited Common Elements. Although a change of color shall be a material alteration, a different tone or hue of paint (because of fading or weathering of original paint) shall not be a material alteration. Notwithstanding the foregoing provision, the prior written consent of the Association shall not be required for alterations, maintenance or painting done by a Commercial Unit Owner to its Unit or the Limited Common Elements appurtenant to such Commercial Unit. Nothing herein shall prevent a Commercial Unit Owner from installing, painting and repainting Commercial Unit Signage.

5.2 ENFORCEMENT OF MAINTENANCE.

In the event an Owner fails to maintain his/her Unit, Limited Common Elements or Commercial Signage, as required herein, or makes any alteration or addition without the required consent, or otherwise violates or threatens to violate the provisions of this Declaration relevant to maintenance, alteration and repair, the Association shall have the right to perform such maintenance, remove any unauthorized addition or alteration and restore the Condominium Property to good repair and condition and charge the Unit Owner therefor. In the event the Unit Owner fails to maintain his/her Unit or the Limited Common Elements, as required herein, or makes any structural addition or alteration, or change without the required consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall also have the right to immediately proceed in a court of competent jurisdiction for an injunction to seek compliance with the provisions hereof. The Association has the irrevocable right of access to each Unit during reasonable hours, when necessary or appropriate, for the maintenance, repair or replacement of any Common Elements, Limited Common Elements or for making emergency repairs which are necessary or appropriate to prevent damage to the Common Elements, Limited Common Elements or to another Unit or Units.

5.3 DEVELOPER'S RIGHT OF INSPECTION, MAINTENANCE AND REPAIR.

Notwithstanding anything contained in this Declaration to the contrary, for a period of ten (10) years following the recordation of this Declaration, Developer hereby reserves, for its own benefit and the benefit of its successors and assigns, an irrevocable, non-exclusive easement for access in and to all of the Condominium Property for the following purposes and on the following terms and conditions:

5.3.1 Absent emergency or exigent circumstances requiring immediate access to any portion of the Condominium Property, exercise of such right of access shall be preceded by reasonable advance notice to the Association.

5.3.2 Pursuant to the exercise of the access rights granted herein, Developer may inspect the wearing, maintenance, condition or weathering of the Condominium Property or any portion thereof.

5.3.3 Pursuant to the exercise of the access rights granted herein, Developer may but shall in no way be obligated to do so pursuant to the provisions of this Section 5.3.3 or otherwise, except as required by the Condominium Act or other applicable law to the contrary) elect to perform, at Developer's sole cost and expense (or as otherwise agreed between Developer and the Association or affected Unit Owners) cure or correct any wearing, condition or weathering of the Condominium Property or any portion thereof.

5.3.4 All persons performing inspections or work in and about the Condominium Property for and on behalf of Developer shall take reasonable precautions to minimize interference with the enjoyment, use and occupancy of the Condominium Property by the Unit Owners and other easement beneficiaries.

5.3.5 In the event Developer elects to exercise the right of access set forth herein, Developer may (but shall in no way be obligated to do so) provide the Association recommendations as to the maintenance, care and/or control of the Condominium Property or any portion thereof.

5.3.6 Developer hereby agrees to remove by bonding or otherwise all liens on the Condominium Property filed by contractors, materialmen or laborers performing work and tests for Developer, except to the extent the same are consented to by the Association in advance.

5.3.7 Nothing herein shall be deemed to impose any obligation of inspection, repair and/or maintenance upon Developer, its successors and assigns, nor shall the provisions of this Section 5.3 give rise to any rights or remedies in favor of the Association or any Unit Owner, except the right as expressly set forth herein.

ARTICLE VI

6.1 COMMON EXPENSES AND COMMON SURPLUSES.

6.1.1 Common Expenses shall include the expenses of the operation, maintenance, repair and/or replacement of the Common Elements and Limited Common Elements, without

limitation, costs of carrying out the powers, duties and obligations of the Association, costs of maintaining any facilities and property owned by the Condominium Association and any other expenses designated as Common Expenses by the Condominium Act, this Declaration, the Articles or the Bylaws. The Common Expenses shall also include the assessments due by the Unit Owners pursuant to the Master Declaration, and such assessments collected and assessed by the Association as part of the Common Expenses may be more or less than the amount of such assessments, which may be owed by the Unit Owner directly pursuant to such documentation. Common Expenses also include water and sewer services and pest control provided to the Units, Common Elements and Limited Common Elements, reasonable transportation services, insurance for directors and officers, road maintenance and operation expenses, charges related to any bulk services agreement entered into by the Board for providing data, video, voice, security or other telecommunication services to the Common Elements, Limited Common Elements, or Units, in-house communications and restricted access or roving patrol services, if any, all of which are reasonably related to the general benefit of the Unit Owners, even if such expenses do not attach to the Common Elements or Condominium Property.

6.1.2 Common Expenses shall be assessed against Unit Owners in the proportions or percentages of ownership of the Common Elements and Limited Common Elements provided in this Declaration, Article IV and the Articles and Bylaws of the Condominium Association attached hereto as **Exhibit "B"** and **Exhibit "C"** respectively.

6.1.3 The Common Surplus, if any, shall be owned by Unit Owners in the proportions or percentages of ownership of the Common Elements and Limited Common Elements and shall be applied as a credit towards future assessments.

6.2 DETERMINATION OF ASSESSMENTS.

6.2.1 Each Unit Owner shall pay an amount as specified in each year's operating budget to the Condominium Association for the operation, maintenance, repairs, replacement and restoration of the Condominium, its Common Elements and Limited Common Elements. Said sum or sums are hereinafter referred to as the "Assessments."

6.2.2 The Annual Assessments shall initially be payable monthly in advance by Unit Owners directly to the Condominium Association; however, the Board shall have the power to establish other collection procedures from time to time as provided in the Bylaws, provided such assessments shall not be collected in advance on more than a quarterly basis. Each Unit Owner shall be responsible for a share of the Common Expenses equal to his/her undivided interest in the Common Elements and Limited Common Elements of the Condominium as set forth in Article IV of this Declaration. Said share shall be paid to the Association in the manner provided in the Articles and Bylaws.

6.3 COLLECTION OF ASSESSMENTS – LIABILITY, INTERESTS AND LIENS.

The determination and collection of assessments against Unit Owners for Common Expenses and Limited Common Elements shall be pursuant to Article VIII of the Bylaws subject to the following provisions:

6.3.1 Assessments that are unpaid for over ten (10) days after due date shall bear interest at the highest rate allowed by law; all payments on account shall be first applied to interest, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent Assessment. After ten (10) days there shall also be, in addition to interest, an administrative late charge of the greater of five percent (5%) of each installment or Twenty Five and No/100 Dollars (\$25.00) to cover processing and collection charges.

6.3.2 The Association shall have a right to place a lien on each Unit for any unpaid assessments with interest thereon. Said lien shall also secure reasonable attorneys' fees and costs incurred (whether at trial, on appeal or in any bankruptcy proceedings) by the Association incident to the collection of such assessment or enforcement of such lien. Said lien shall be effective from and after the date of its recording in the manner provided in the Condominium Act, and shall have the priorities established by the Condominium Act and this Declaration.

6.3.3 Liens for assessments may be foreclosed in the manner provided in the Condominium Act. In any foreclosure of a lien for assessments, the Owner of the Unit subject to the lien may be required, by the court in its discretion, to pay a reasonable rental for the Unit, and the lienor may be entitled to the appointment of a receiver to collect the same. The Condominium Association shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same. Nothing herein, however, shall be construed to prevent maintenance of a suit to recover a money judgment for unpaid assessments, and the maintenance of such suit shall not be deemed a waiver of the lien securing same. The Condominium Association is entitled to recover its reasonable attorneys' fees and costs incurred (whether at trial, on appeal or in any bankruptcy proceedings) in any action to recover a money judgment for assessments.

6.3.4 The liability of a first Mortgagee, or its successors or assigns, who acquires title to the Unit by a purchase at the public sale resulting from the first Mortgagee's foreclosure or by deed given in lieu of foreclosure, for the unpaid assessments that became due prior to the Mortgagee's acquisition of title is limited to the lesser of:

6.3.4.1. the Unit's unpaid Common Expenses and regular periodic assessments which accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Condominium Association or

6.3.4.2. one percent (1%) of the original mortgage debt.

The provisions of this Section 6.3.4 shall only apply if the first Mortgagee joined the Condominium Association as a defendant in the foreclosure action. Joinder of the Association is

not required if, on the date the complaint is filed, the Condominium Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the Mortgagee.

6.3.5 The person acquiring title shall pay the amount owed to the Condominium Association within thirty (30) days after transfer of title. Failure to pay the full amount when due shall entitle the Condominium Association to record a claim of lien against the Unit and proceed in the same manner as provided in this Section for the collection of unpaid assessments.

6.3.6 A Unit Owner, regardless of how his/her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all Assessments which become due while he/she is the Unit Owner.

6.3.7 In accordance with *Florida Statute*, Section 718.116 (9)(a)(2), Developer shall be excused from the payment of Common Expenses and Assessments attributed to Developer owned Units due to Developer's guarantee that the Assessments for Common Expenses imposed upon the Unit Owners would not increase over the amount stated in this Section 6.3.7, and Developer has obligated itself to pay any amount of Common Expenses incurred during the periods stated in this Section 6.3.7, in excess of Assessments at the guaranteed level receivable from other Unit Owners, which shall be as follows:

Developer shall not be obligated to pay the share of Common Expenses and Assessments attributable to Units it owns until the earlier of the date (i) the Turnover Meeting (as defined in Article I) occurs; or (ii) twelve (12) months after the date of closing of the first Unit in the Condominium (the "Guarantee Expiration Date"). Provided, however, that the Assessments for the Common Expenses imposed on each Unit Owner, other than Developer, shall not increase during such period over \$621.00 per month for Type A Residential Units, \$415.00 per month for Type B Residential Units, \$475.00 per month for Type C Residential Units and \$510.00 per month for Commercial Units. The guaranty and guaranty amounts described above exclude the amount of any assessment due the Master Association pursuant to the Master Declaration, and such assessment may increase prior to the Guaranty Expiration Date, which may cause the Common Expense Assessments to increase above the guaranty amounts described above for each Unit type without any obligations of Developer with respect thereto. Developer shall be obligated to pay any amount of Common Expenses incurred during such period in excess of the guaranteed level receivable from other Unit Owners. Notwithstanding the foregoing, so long as Developer controls the Association and maintains all insurance coverage required by *Florida Statutes*, Section 718.111(11)(a), Common Expenses incurred prior to the Guarantee Expiration Date, as a result of a natural disaster or an act of God occurring prior to the Guarantee Expiration Date, which are not covered by the proceeds from such insurance, may be assessed against all Unit Owners owning Units on the date of such natural disaster or act of God, and their successors and assigns, including Developer with respect to Units owned by Developer. After the Guarantee Expiration Date, Developer shall be obligated to pay the share of Common Expenses and Assessments attributable to the Units it is then offering for sale, or Developer may, in its sole discretion, extend the Guarantee Expiration Date for up to three (3) additional twelve (12) month periods, provided that the Assessments levied against the Units, other than Developer owned Units, do not increase over the guaranteed amounts. Developer may also elect to waive its right

to not be subject to Assessments on the Units it owns, whereupon Developer shall thereafter be assessed as any other Unit Owner and the amount of such Unit Owners' Assessments shall be no longer guaranteed not to increase.

6.3.8 No Unit Owner may exempt himself/herself from liability for his/her contribution towards 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 Unit. A Unit Owner is jointly and severally liable with the previous Unit Owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the current Unit Owner may have to recover, from the previous Unit Owner, the amounts paid by the current Unit Owner. Within fifteen (15) days after request by a Unit Owner or Mortgagee, the Condominium Association shall provide a certificate stating all assessments and other moneys due the Condominium Association. Any person other than the Owner who relies upon such certificate shall be protected thereby.

6.4 WORKING CAPITAL ASSESSMENTS TO THE CONDOMINIUM ASSOCIATION.

There shall be paid to the Association for each Residential Unit a contribution to the working capital of the Condominium Association ("Working Capital Assessment") equal to two (2) months of annual assessments applicable to that Unit be paid to the Condominium Association by the purchaser at the closing of the sale of the Unit by the Developer to the first purchaser of each Unit and any subsequent purchaser of the Unit shall pay the Working Capital Assessment to the Condominium Association at the closing of such subsequent purchaser's purchase of the Unit. The Working Capital Assessments are not advance payments of annual assessments.

ARTICLE VII

7.1 ASSOCIATION POWERS, OPERATION AND MANAGEMENT.

7.1.1 The operation of the Condominium shall be by the Condominium Association. The Association shall operate pursuant to the provisions of this Declaration, the Articles, the Bylaws and the Condominium Act. The powers and duties of the Association are those as set forth in the Articles and the Bylaws and include the authority of the Board of Directors of the Association to adopt reasonable rules and regulations for the use, maintenance and conservation of the Condominium Property and for the benefit of the Unit Owners, all of whom shall be subject to such rules and regulations.

7.1.2 The Association shall administer and manage this Condominium (other than the rental management of the Units) and maintain and repair the Common Elements and the Limited Common Elements, except as provided in Section 5.3.

7.1.3 The Condominium Association has entered into a Management Contract in substantially the form attached as **Exhibit "E"** and made a part hereof (the "Management Contract"). Each Unit Owner, his/her heirs, successors and assigns, shall be bound by said Management Agreement for the purposes therein expressed, and he/she:

7.1.3.1 Adopts, ratifies, confirms and consents to the execution of said Management Contract by the Association.

7.1.3.2 Covenants and promises to perform each and every of the covenants, promises, and undertakings to be performed by Unit Owners in the cases provided therefor in said Management Contract.

7.1.3.3 Ratifies, confirms and approves each and every provision of said Management Contract.

7.1.3.4 Agrees that the persons acting as Directors and officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association and/or to the Unit Owners individually and/or severally.

7.1.3.5 Ratifies, approves, confirms and adopts the acts of the Board and officers of the Condominium Association in entering into the Management Contract.

7.1.3.6 Expressly recognizes that some or all of the persons comprising the original Board of the Condominium Association are, or may be, stockholders, officers and directors of the Manager thereunder, and such circumstances shall not and cannot be construed or considered a breach of their duties and obligations to the Condominium Association and/or the Unit Owner nor as possible proceeds to invalidate such management control in whole or in part.

7.1.3.7 Developer or the Association shall have the right to enter into license agreements, easement agreements, lease agreements or other agreements with Utility Service providers to install, operate, maintain, repair and replace such Utility Service equipment and facilities associated with the provision of such Utility Services, including, but not limited to any transmission and receiving equipment, structures, cables and conduit within the portions of the Condominium Property subject to such Utility Service easements, including, but not limited to, the Common Elements and Limited Common Elements. The Utility Service provided by such Utility Service providers pursuant to such licenses, easements, leases or other agreements may provide services to some, but not all, Units or may provide no services to any of the Units, depending on the terms of such licenses, easements, leases or other agreements between the Utility Service providers and the Developer or the Association. Any revenues received by Developer or the Association from such Utility Service providers pursuant to such agreements shall be applied against the Common Expenses and any excess received by Developer or the Association over and above the Common Expenses shall be treated as a Common Surplus as provided in this Declaration.

ARTICLE VIII

8.1 INSURANCE POLICIES.

8.1.1 The Condominium Association shall use its best efforts to obtain fire and extended coverage insurance, vandalism and malicious mischief insurance (or in the Board of Director's discretion equivalent or better coverages) insuring all of the insurable improvements within the Common Elements and Limited Common Elements, together with such other insurance as the Association deems necessary (if available at a reasonable price) with a company with a "B+" rating or better, in an amount which shall be equal to the full replacement value as determined annually if obtainable, but otherwise no less than a policy covering the actual cash value (an amount equal to the maximum insurable replacement cost). The premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Unit Owners as part of the Common Expenses. The named insured in all insurance policies upon the Condominium Property shall be the Association individually and as agent for the Unit Owners, without naming them, and first Mortgagees and other Mortgagees upon request.

8.1.2 Provision shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to Mortgagees. Such policies shall provide that payments for losses thereunder by the insurer shall be made to the Insurance Trustee hereinafter described, and all policies and endorsements thereon shall be deposited with the Insurance Trustee unless otherwise specified in Section 8.5 below.

8.2 LIABILITY INSURANCE.

The Association shall use its best efforts to obtain public liability insurance, including, but not limited to, hired automobile and non-owned automobile coverage, including cross-liability endorsements to cover liabilities of the Unit Owners as a group covering all the Common Elements and Limited Common Elements and insuring the Association and the Unit Owners as it and their interests appear, in such amounts as the Board may determine from time to time but in no event less than One Million and No/100 Dollars (\$1,000,000.00). Premiums for such insurance shall be chargeable as Common Expenses to be assessed against and paid by each of the Unit Owners in the proportions set forth above in Article IV. The Association shall not be responsible for purchasing liability insurance to cover accidents occurring within the individual Units.

8.3 CASUALTY INSURANCE.

8.3.1 The Association shall use its best efforts to obtain casualty insurance insuring against vandalism, malicious mischief, fire, windstorm, flood, and extended coverage insurance (or in the Board of Director's discretion equivalent or better coverages), insuring all of the insurable improvements upon the land and all personal property included in the Common Elements and Limited Common Elements, including those portions of any Condominium Buildings, as described in Section 8.10.1, for an insurable value in an amount equal to the maximum insurable replacement value as determined annually by the Board.

8.3.2 Premiums for such insurance shall be chargeable as a Common Expense to be assessed against and paid by each of the Unit Owners in the proportion set forth above in Article IV. The Board shall annually make an analysis to determine the maximum replacement costs for insurance purposes for all of the then existing improvements for the ensuing year.

8.4 ADDITIONAL INSURANCE.

The Association shall obtain such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable. Premiums for such insurance shall be chargeable as a Common Expense to be assessed against and paid by each of the Unit Owners in the proportions set forth above in Article IV. Other insurance shall include, if applicable: a) Worker's Compensation Insurance and b) Directors' and officers' liability insurance, if available.

8.5 ASSOCIATION- SHARES OF PROCEEDS.

Proceeds covering property losses which shall be in the amount of \$1,000,000.00 or less, shall be paid to the Condominium Association. The duty of the Association shall be to receive such proceeds as are paid and to hold them in trust for the benefit of the Unit Owners and Mortgagees in a like manner as the duty of the Insurance Trustee as set forth in Section 8.6 and 8.7.

8.6 INSURANCE TRUSTEE – SHARE OF PROCEEDS.

All insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners and their Mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses which exceed \$1,000,000.00, or such other amount as the Board determines from time to time, shall be paid to an Insurance Trustee which shall be designated by the Board and which shall be a bank or trust company in Florida with trust powers. Proceeds for property losses in amounts less than \$1,000,000.00 shall be paid to the Association in lieu of an Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, the renewal or the sufficiency of policies or the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their Mortgagees in the following shares, which shares need not be set forth on the records of the Insurance Trustee:

8.6.1 Common Elements and Limited Common Elements. Proceeds 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 and Limited Common Elements appurtenant to his/her Unit.

8.6.2 Units. Proceeds on account of insured damage to a Unit or Units shall be held in the following undivided shares:

8.6.2.1 When the Condominium Building is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the insured damage suffered by each Unit Owner, which cost shall be determined by the Association.

8.6.2.2 When the Condominium Building is not to be restored, an undivided share for each Unit Owner, such share being the same as the shares as determined upon termination of the condominium as set forth in Article XIII.

8.6.3 Mortgages. In the event a Mortgagee endorsement has been issued as to a Unit, the share of that Unit Owner shall be held in trust for the Mortgagee and the Unit Owner, as their interests 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 those proceeds paid to the Unit Owner and Mortgagee pursuant to the provisions of this Declaration.

8.7 DISTRIBUTION OF PROCEEDS.

In the event a loss occurs for which proceeds of insurance policies are received in excess of \$1,000,000.00, or such other amount as determined by the Board from time to time, proceeds under the policies shall be disbursed by the Insurance Trustee in the following manner:

8.7.1 Expenses of the Insurance Trustee. All expenses of the Insurance Trustee shall be paid first or provision made therefor, and the same shall be a Common Expense.

8.7.2 Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the Insurance Trustee shall pay the proceeds to cover the cost thereof as provided in Section 9.4.3. Any proceeds remaining after covering such costs shall be distributed to the Owners, each Owner's share being equal to the undivided interest in the Common Elements and Limited Common Elements appurtenant to his/her Unit, as provided in Article IV. Such proceeds shall be paid to Unit Owners and their Mortgagees jointly. This is a covenant for the benefit of any Mortgagee of any Unit and may be enforced by such Mortgagee.

8.7.3 Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided in this Declaration, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the Owners by the Insurance Trustee, each Owner's share being equal to the undivided interest in the Common Elements and the Limited Common Elements appurtenant to his/her Unit, as described in Article IV. Remittances shall be paid to Unit Owners and their Mortgagees jointly. This is a covenant for the benefit of any Mortgagee of any Unit and may be enforced by such Mortgagee.

8.7.4 Certificate. In making distributions to Unit Owners and their Mortgagees, the Insurance Trustee may rely upon a certificate of the Condominium Association, executed by its President or Vice President and Secretary or Assistant Secretary, as to the names of the Unit Owners and their respective shares of the distribution.

8.8 AGENT FOR ASSOCIATION.

The Board of the Condominium Association shall irrevocably act as agent for the Unit Owners and for the holders of mortgages upon the Units to adjust all claims arising under insurance policies purchased by the Condominium Association and to execute and deliver releases upon the payment of claims.

8.9 OWNERS' INDIVIDUAL INSURANCE POLICIES.

Each Unit Owner shall be obligated to obtain public liability insurance coverage at their own expense to protect against claims due to accidents within or on his/her Unit and casualty insurance on the contents within each Unit. Said policies shall provide that the coverage afforded is in excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association. In addition, each Unit Owner should review the coverage of the Condominium Association to determine any additional insurance that may be advisable for the Unit Owner to purchase.

At the Board's sole option, Unit Owners may be required to obtain a flood policy for their individual Unit in an amount set by the Board. Each of these policies shall name the Association as an additional insured.

8.10 EXTENT OF COVERAGE.

8.10.1 All casualty policies issued to protect Condominium Buildings shall provide that the word "building" wherever used in the policy shall include, but shall not necessarily be limited to, fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof, in accordance with the original plans and specifications. With respect to the coverage provided for by this Section 8.10.1, the Unit Owners shall be considered additional insureds under the policy. For purposes of this Declaration and the following Article, all buildings constituting the Condominium, as described in the Exhibits to this Declaration, shall collectively be deemed one building and shall include any additional buildings as a part thereof which may hereafter become a part of the Condominium.

8.10.2 Insurance maintained by the Association shall not insure against damage to Unit floor coverings, wall coverings or ceiling coverings, and does not include: electrical fixtures, appliances, air conditioning or heating equipment, water heaters, and built-in cabinets located within a Unit, or personal property contained within the Unit. All other property contained within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units shall be insured by the individual Unit Owners.

ARTICLE IX

9.1 RECONSTRUCTION OR REPAIR AFTER CASUALTY.

If any part of the Condominium Property shall be damaged by casualty, a decision as to whether or not it shall be reconstructed or repaired shall be determined in the following manner:

9.1.1 Damage to Common Elements and Limited Common Elements. If the damaged improvement is a Common Element or a Limited Common Element, the damaged property shall be reconstructed or repaired by the Condominium Association unless it is determined that the Condominium shall be terminated, as provided in Article XIII.

9.1.2 Condominium Building - Lesser Damage. If the damaged improvement is a Condominium Building and if the Units to which less than seventy percent (70%) of the Common Elements are appurtenant are found by the Board to be untenable, the damaged property shall be reconstructed or repaired unless, within sixty (60) days after the casualty, it is determined by agreement that the Condominium shall be terminated, as provided in Article XIII.

9.1.3 Condominium Building - Major Damage. If the damaged improvement is a Condominium Building and if the Units to which more than seventy percent (70%) of the Common Elements are appurtenant are found by the Board to be untenable after the casualty ("Major Damage"), a decision as to whether the damaged property will be reconstructed and repaired or the Condominium terminated shall be determined in the following manner:

9.1.3.2 Promptly after the casualty the Condominium Association shall obtain reliable and detailed estimates of the cost to rebuild and repair.

9.1.3.2 Promptly after the determination of the amount of insurance proceeds, the Association shall give notice to all Unit Owners of the casualty, the extent of the damage, the estimated cost to rebuild or repair, the amount of insurance proceeds and the estimated amount of assessments required to pay the excess of the cost of reconstruction or repair over the amount of insurance proceeds. Such notice shall announce a meeting of Unit Owners to be held within thirty (30) days from the mailing of such notice.

9.1.4 Determination to Reconstruct or Repair. If the insurance proceeds are sufficient to pay for the cost of reconstruction or repair, then approval by ten percent (10%) of the Voting Interest shall be sufficient for reconstruction or repair. If the insurance proceeds are not sufficient, then approval by twenty percent (20%) of the Voting Interests shall be required for reconstruction or repair. If the required approval is not obtained in either of the insurance proceeds scenarios described in the preceding two (2) sentences, the Condominium shall be terminated without agreement, and any proceeds from insurance or sale of Condominium Property shall be distributed as provided in Article XIII of this Declaration. Such approval may be expressed by vote or in writing filed with the Condominium Association at or prior to the meeting described in Section 9.1.3.2. The expense of such determination of whether or not to reconstruct or repair shall be assessed against all Unit Owners in proportion to their shares of the Common Elements and the Limited Common Elements, as provided in Article IV.

9.1.5 Certificate. The Insurance Trustee may rely upon a certificate of the Condominium Association executed by its President or Vice President and Secretary or Assistant Secretary in determining whether the damaged property is to be reconstructed or repaired.

9.2 PLANS AND SPECIFICATIONS.

Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements, modified as necessary to comply with current laws and regulations, portions of which are attached hereto as Exhibits or, if not, then according to plans and specifications approved by the Board of the Condominium Association and by not less than eighty percent (80%) of the Voting Interests.

9.3 RESPONSIBILITY.

If the damage is only to those parts of an individual Unit or Units for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty.

9.4 ASSESSMENTS TO RECONSTRUCT.

If the proceeds of insurance are not sufficient to cover the estimated costs of reconstruction and repair, 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 notwithstanding anything to the contrary contained herein, Assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to the Owner's share in the Common Elements and the Limited Common Elements, as provided in Article IV.

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

9.4.2 Condominium Association. If the total Assessments made by the Condominium Association, in order to provide funds for the payment of costs of reconstruction and repair which is the responsibility of the Association, exceed One Million and No/100 Dollars (\$1,000,000.00), or such other amounts as determined by the Board from time to time, the sum paid upon such Assessments shall be deposited by the Condominium Association with the Insurance Trustee. In all such cases, the Condominium Association or the Insurance Trustee, as applicable, shall hold the sums paid upon such Assessments and disburse the same in payment of the costs of reconstruction and repair.

9.4.3 Insurance Trustee. The proceeds of insurance collected on account of a casualty and deposited with the Insurance Trustee, as provided in Section 8.6, 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 reconstruction funding, which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

9.4.3.1 Association - Under One Million and No/100 Dollars (\$1,000,000.00).

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than One Million and No/100 Dollars (\$1,000,000.00), or such other amounts as determined by the Board from time to time, then the construction fund shall be disbursed in payment of such costs upon the order of the Condominium Association.

9.4.3.2 Association - Over One Million and No/100 Dollars (\$1,000,000.00).

If the amount of estimated costs of reconstruction and repair, which is the responsibility of the Association is One Million and No/100 Dollars (\$1,000,000.00) or more, or such other amounts as determined by the Board from time to time, then the construction fund shall be disbursed first to the payment of the expenses of the Insurance Trustee, as provided in Section 8.7.1, and then in payment of such costs in the manner required by the Board, upon approval of an architect or engineer qualified to practice in the State of Florida and employed by the Association to supervise the work.

9.4.4 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 Association or the Insurance Trustee, as applicable, to the Unit Owner, provided such Unit Owner shall be responsible to use such funds for repair of the Unit or such other area of the Condominium that the Unit Owner is responsible to repair, and, if there is a mortgage endorsement as to such Unit, then to the Unit Owner and the Mortgagee jointly.

9.4.5 Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund, after payment of all costs of reconstruction and repair, for which the funds are established, such balance shall be distributed to the Owners in the manner stated in Section 8.7; except, however, that the part of a distribution to an Owner, which represents Assessments paid by such Owner into the construction fund, shall not be made payable to any Mortgagee.

9.4.6 Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect, engineer or otherwise, whether a disbursement is to be made from the construction fund or whether surplus funds to be distributed are less than the Assessments paid Unit Owners. Instead, the Insurance Trustee may rely upon a certificate of the Condominium Association, executed by its President or Vice President and Secretary or Assistant Secretary, as to any or all of such matters stating that the sums to be paid are due and properly payable in the name of the designated payee and the amount to be paid; provided that, when a Mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the Mortgagee as payee of any distribution or 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 approval of an architect or engineer named by the Condominium Association shall be first obtained by the Condominium Association prior to disbursements in payment of costs of reconstruction and repair.

ARTICLE X

10.1 CONDEMNATION OR EMINENT DOMAIN.

In case at any time or times the Condominium Property or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all proceeds paid for or on account of such taking shall be payable to the Condominium Association as trustee for all Unit Owners and Mortgagees according to the loss or damage to their respective interests in the Condominium property, as follows:

10.1.1 All Units Remain Tenatable. If such taking does not reduce or make untenatable any of the Units, said proceeds shall be used promptly to replace or restore improvements taken upon the affirmative vote of owners of twenty percent (20%) of the Voting Interests. In the event twenty percent (20%) of the Voting Interests do not approve the replacement and restoration of the property so taken, the proceeds shall be distributed to the Unit Owners in proportion to their ownership in the Common Elements and the Limited Common Elements as provided in Article IV.

10.1.2 Some Units are Made Untenable. If such taking reduces or makes untenatable some, but not all, of the Units, the proceeds shall be distributed to each Unit Owner and Mortgagee affected by such taking jointly and in proportion to the impairment of their respective interests as determined by the final unappealable condemnation award. The shares in the Common Elements and Limited Common Elements appurtenant to the Units which continue as part of the Condominium shall be equitably adjusted to distribute the ownership of the Common Elements and Limited Common Elements among the reduced number of Owners.

10.1.3 All Units are Untenable. If such taking reduces or makes untenatable all of the Units, the proceeds shall be distributed by the Association in the same manner as insurance proceeds as provided in Section 8.7.

ARTICLE XI

11.1 USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

11.1.1. A Residential Unit shall be used only as a dwelling Unit in accordance with the rules and regulations as provided in Article X of the Bylaws, and for no other purposes. Rental of a Residential Unit as frequently as daily is permitted. Use of a Commercial Unit for trade or commerce is permitted. The Residential Unit Owner shall not permit or suffer anything to be done or kept in his/her Unit which will increase the rate of insurance on the Condominium Property or which will obstruct or interfere with the rights of the other Unit Owners or annoy them by unreasonable noise or otherwise; nor shall the Unit Owner commit or permit any nuisances, immoral or illegal acts in or about the Condominium Property. No clothes lines or similar devices shall be allowed on any portion of the Condominium Property by any person, firm or corporation without the written consent of the Board. No grilling or barbecuing is permitted on the Limited Common Elements appurtenant to a Residential Unit, including, without limitation, any Balcony. No signs shall be displayed from a Residential Unit or Balcony portion of the Limited Common Element appurtenant to a Residential Unit or on the Common Elements except those which have advance written approval from Developer or except as otherwise provided herein.

11.1.2 The Commercial Unit Owners shall not permit or suffer anything to be done or kept in a Commercial Unit which will cause the Condominium Property to be uninsurable. The Commercial Unit Owner shall not permit or suffer anything to be done or kept in a Commercial Unit which will cause an extraordinary increase in the Condominium Property insurance premium over that paid by the Association in the current budget year, unless the Commercial Unit Owner agrees to reimburse the Condominium Association for fifty percent (50%) of the extraordinary increase in the insurance premium for the year in question.

11.1.3 Reasonable regulations concerning the use of the Common Elements and Limited Common Elements may be made and amended from time to time by the Condominium Association in the manner provided by its Articles of Incorporation and Bylaws. Copies of such regulations and amendment thereto shall be furnished by the Condominium Association to all Unit Owners and residents of the Condominium upon request. Notwithstanding the above provision, no such rules and regulations shall interfere with, or restrict the operation of, the Commercial Units as contemplated by this Declaration, unless the written consents of the attached Commercial Unit Owners are obtained.

11.1.4 Mitigation of Dampness and Humidity. No Owner shall install, within the Owner's Unit or upon the Common Elements, non-breathable wall-coverings or low-permeance paints. Additionally, any and all built-in casework, furniture, and or shelving in a Unit must be installed over floor coverings to allow air space and air movement and shall not be installed with backboards flush against any gypsum board wall or dry wall. Additionally, all Owners, whether or not occupying the Unit, shall periodically run the air conditioning system to maintain the Unit temperature, whether or not occupied, at no warmer than 78° F, to minimize humidity in the Unit. While the foregoing are intended to minimize the potential development of molds, fungi, mildew, and other mycotoxins, each Owner understands and agrees that there is no method for

completely eliminating the development of molds or mycotoxins, and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and development of same. In furtherance of the rights of the Association as set forth in this Declaration, in the event that the Association reasonably believes that the provisions of this section are not being complied with, then, the Association shall have the right (but not the obligation) to enter the Unit (without requiring consent of the Owner or any other party) to turn on the air conditioning in an effort to cause the temperature of the Unit to be maintained as required by this section (with all utility consumption costs to be paid and assumed by the Owner of the affected Unit). To the extent that electric service is not then available to the Unit, the Association shall have the further right, but not the obligation (without requiring consent of the Owner or any other party) to connect electric service to the Unit (with the costs thereof to be borne by the Unit Owner, or if advanced by the Association, to be promptly reimbursed by the Owner to the Association). The restrictions of this section do not apply to Commercial Units. The Association may levy fines against Owners who fail to comply with this Section.

ARTICLE XII

12.1 DEVELOPER'S USE OF CONDOMINIUM PROPERTY IN CONNECTION WITH SALES ACTIVITIES.

Notwithstanding any of the provisions herein above contained, Developer shall have the right to transact any business necessary to market and/or consummate sales of Condominium Units, including, but not limited to, the right to maintain models, erect signs identifying the Condominium Property and advertising the sale of Condominium Units, maintain employees in offices, use the Common Elements and Limited Common Elements and show Units for sale. Any sales office, the furniture and furnishings in the model Units, signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer. So long as there are unsold Condominium Units, Developer retains the right to be the Owner of said unsold Units under the same terms and conditions as all other Unit Owners, provided that Developer shall have such additional rights granted to or reserved by Developer, and any persons occupying a Unit owned by Developer, with the consent of Developer, shall, for the purposes of determining their rights and obligations, be treated as the Owner of the Unit so occupied. No amendment of this Section shall be effective without the prior written consent of the Developer to any such amendment.

12.2 LEASING OF INDIVIDUAL UNITS.

Units may be leased or sublet on a basis as frequently as daily. Each Unit Owner and each Guest of a Unit shall be governed by, and shall comply with, the provisions of the Condominium Act, this Declaration, the Articles, Bylaws and rules and regulations of the Association and the provisions thereof shall be deemed expressly incorporated into any lease of a Unit. The Association may not require Association approval of leases and lessees, and may not charge a fee or security deposit with regard to the rental of Units.

Developer makes no representations as to whether any modifications to the Units or the Condominium Buildings are required before Units may be placed into a rental or whether other legal requirements apply to the renting of Units. Each Unit Owner should perform his/her own investigations in that regard.

ARTICLE XIII

13.1 TERMINATION OF CONDOMINIUM.

Unless provided otherwise in *Florida Statutes* 718.117, the following provisions related to termination of the Condominium shall apply:

13.1.1 If all Unit Owners and the holders of all recorded liens and mortgages upon all of the Condominium Parcels execute and duly record an instrument terminating the Condominium Property, or if "Major Damage" occurs as defined herein and subject to Article IX, the Condominium Property shall be removed from the provisions of the Condominium Act and thereafter owned in common by the Unit Owners. Upon such termination, the undivided interest in the Condominium Property owned in common by each Unit Owner shall be equal to the undivided interest in the Common Elements and the Limited Common Elements appurtenant to his/her Unit.

13.1.2 If the Condominium is terminated, the Owners of the Units shall continue to be responsible for their share of the Common Expenses attributable to the Condominium Property and all other Association expenses, as set forth in this Declaration, the Articles and the Bylaws, in proportion to their ownership interest as set forth in Section 13.1.1 above.

13.1.3 If the Owners of at least ninety percent (90%) of the Units elects to terminate, with the consent of all holders of all recorded liens and mortgages on the Units owned by such Unit Owners who are electing to terminate, the Unit Owners shall have the option to buy the Units of the other Unit Owners, who do not elect to terminate the Condominium, for a period of sixty (60) days from the date of the meeting wherein the election to terminate was taken. The purchase price shall be the fair market value of the Units as of the date of the meeting wherein the election to terminate was taken, as determined in the following manner: a majority of the owners desiring to purchase the Units of the Owners who do not elect to terminate the Condominium shall, as a group, choose one appraisal firm who does business in Duval County and/or Flagler County, Florida, and a majority of the owners who do not elect to terminate the Condominium shall, as a group, select one appraisal firm who does business in Duval County and/or Flagler County, Florida. Together these appraisal firms shall select a third appraiser who shall be an MAI appraiser who does business in Duval County and/or Flagler County, Florida. This third appraiser shall determine the fair market value of each of the Units being sold. The purchase price shall be paid in cash within sixty (60) days of the determination of the same, and good and insurable title to the applicable Units in an unoccupied condition shall be delivered in exchange for said payment to the applicable Unit Owner.

13.1.4 This Section concerning termination cannot be amended without the consent of eighty percent (80%) of the Unit Owners and eighty percent (80%) of the record owners of first mortgages upon the Units.

ARTICLE XIV

14.1 AD VALOREM TAXES.

14.1.1 The Unit Owners shall be responsible for the payment of ad valorem taxes and special assessments affecting their respective Units to the Property Appraiser of Flagler County, Florida, and assessments to the CDD or such other future legally authorized governmental officer of authority having jurisdiction over the same. Nothing herein contained shall be construed, however, as giving to any Unit Owner the right of contribution or any right of adjustment against any other Unit Owner an account of any deviation by the taxing authorities from the taxes and assessments herein prescribed, and each Unit Owner shall pay such ad valorem taxes, special assessments and CDD assessments as are separately assessed against his/her Condominium Unit.

14.1.2 For purposes of ad valorem taxation and CDD assessments, the interest of the Owner of a Condominium Unit in his Unit and in the Common Elements and Limited Common Elements shall be considered as a Unit. The value of said Unit shall be the fractional portion of the value of the entire Condominium, including land and improvements, as has been assigned to said Unit in Article IV hereof.

ARTICLE XV

15.1 MEMBERSHIP IN THE CONDOMINIUM ASSOCIATION AND VOTING RIGHTS IN THE ASSOCIATION.

Subject to the provisions and restrictions set forth in the Articles of Incorporation and Bylaws of the Association, each Unit Owner shall be a member of the Condominium Association and shall be entitled to one (1) vote for each Unit owned by him/her, to be exercised as provided in the Articles and Bylaws. As more fully set forth in the Articles and Bylaws, there are three (3) initial members of the Board of Directors. Pursuant to this Declaration, the Articles and Bylaws, Developer currently has the right to appoint all of the members of the Board. Upon certain occurrences, as set forth in the Articles of Incorporation and Bylaws and as provided by the Condominium Act, the Unit Owners will be entitled to elect some or all of the members of the Board of Directors, and the Board will be increased to five (5) members, a majority of which members will be elected solely by the Residential Unit Owners. The provisions addressing the right of the Unit Owners to elect members of the Board are contained in Article VIII of the Articles of Incorporation and Article IV of the Bylaws of the Condominium Association.

ARTICLE XVI

16.1 AMENDMENT OF DECLARATION.

This Declaration may be amended at any regular or special meeting of the Unit Owners of this Condominium called and convened in accordance with the Bylaws of the Association in the following manner:

16.1.1 Notice of the subject matter of the proposed amendment shall be included in the notice, if any, of the meeting at which the proposed amendment is considered.

16.1.2 No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of declaration. **See provisions... for present text.**" Nonmaterial errors or omissions in the Amendment shall not invalidate an otherwise properly promulgated amendment.

16.1.3 An amendment shall be approved by affirmative vote of eighty percent (80%) of the Voting Interests. Provided, however, that no amendment shall operate to unlawfully discriminate against any Unit Owner nor against any Unit or class or group of Units, unless the Unit Owners so affected shall consent, and no amendment shall change any Unit nor share of the Common Expenses, unless the record owner of the Unit concerned and all record owners of liens

on such Units shall join in the execution of the Amendment. No amendment shall be made affecting the rights, as expressed in this Declaration or any documents attached hereto, of Developer, as a Unit Owner or otherwise, unless the prior written consent of the Developer is given for such amendment. Likewise, should a proposed amendment materially affect the rights, as expressed in this Declaration or any documents attached hereto, of a first Mortgagee, then the prior written joinder of the first Mortgagee is required, which consent shall not be unreasonably withheld. An amendment properly adopted shall be evidenced by attaching a copy of the Amendment to a certificate certifying that the Amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The Amendment shall be effective when such certificate and copy of the Amendment are recorded in the public records of Flagler County, Florida.

16.2 DEVELOPER AMENDMENTS/PROHIBITED ACTIONS.

16.2.1 Notwithstanding the foregoing provisions of this Article, Developer may amend this Declaration at any time before recordation without a meeting or vote of the Board members or Unit purchasers. Other than matters provided for in *Florida Statutes* 718.110(4) and *Florida Statutes* 718.110 (8), the Developer reserves to itself the right, with the consent of the Commercial Unit Owners, as long as the Developer is in control of the Association or Developer owns at least one Unit, to amend this Declaration of Condominium after it has been recorded without the consent of any Board members or Residential Unit Owners. Any such amendment shall be evidenced in writing, including the recording data identifying this Declaration, and be executed in the form required for a deed, but no certificate, of the Association shall be required. Said amendment shall not require the consent of any Unit Owner or record owner of liens or mortgage holder.

16.2.2 As long as Developer is the owner of record title to any Unit and holds that Unit for sale in the ordinary course of business no action that would be detrimental to the sale of Units by Developer shall be taken without approval in writing from Developer.

ARTICLE XVII

17.1 ARTICLES, BYLAWS.

The operation of the Condominium Property shall be governed by the Articles and Bylaws of the Condominium Association, copies of which are attached to this Declaration and made a part hereof as **Exhibit "B"** and **Exhibit "C"** respectively. The Articles and Bylaws may be amended in the manner provided for therein, but no amendment to said Articles and Bylaws shall be adopted which would affect or impair the validity or priority of any first mortgage covering or encumbering any Condominium Unit or Units.

ARTICLE XVIII

18.1 USE OF COMMERCIAL UNITS.

All of the Commercial Units may be utilized as provided in Article I, Section 1.2.5 and this Article XVIII, including, but not limited to, use as bars, restaurants, lounges, nightclubs, fitness and spa facilities, conference room facilities, rental shops and any other commercial, resort, club or other facilities as operated by a Commercial Unit Owner. Refer to Article I, Section 1.2.5 and Article XVIII for more detail in regard to these Commercial Units.

18.2 THE CLUB AT HAMMOCK BEACH OPERATION.

Portions of the Condominium Property and the Commercial Units shall be used for the operation of the Hammock Beach Club Property, including, but not limited to, use as a spa, fitness facility, locker facility, conference room facility, restaurants, bars or nightclubs. The Club at Hammock Beach may also operate certain non-Condominium facilities, including, but not limited to, swimming pools, beach amenities, tennis courts, bars, restaurants and lounges (the "Club at Hammock Beach Non-Condominium Facilities"), which may be located immediately adjacent to the Condominium Property and enjoy certain easements over the Condominium Property, as provided in this Declaration.

18.3 ADVERSE AFFECTS OF COMMERCIAL UNITS.

By acceptance of title to or possession of their Units, all owners agree and acknowledge that (i) restaurants, bars, lounges, nightclubs and other Commercial Units, including, but not limited to, the Commercial Units operated by the Hammock Beach Club Owner, and the Club at Hammock Beach Non-Condominium Facilities will be open for operation during extended hours each day as may be standard for such facilities (which hours may be extended in the sole discretion of the Commercial Unit Owners) seven days a week, (ii) the Commercial Units Owners' restaurants may provide banquet facilities, room service and cater to parties held upon Limited Common Elements and Common Elements of the Condominium Property, (iii) subject only to compliance with any applicable noise ordinance(s), any music or noise resulting from the operations of Commercial Units, including but not limited to the Club at Hammock Beach Non-Condominium Facilities shall not be deemed a nuisance, and (iv) although the operators and owners of Commercial Units utilized as restaurants will attempt to minimize it, the preparation and disposal of food and beverage products produces odors which may, at times, be noticeable by Unit Owners and their Guests and these shall not be objectionable unless proved not to be in compliance with governmental regulations.

18.4 USE OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS BY OTHER DEVELOPMENTS AND THE HAMMOCK BEACH CLUB PROPERTY OWNERS.

Notwithstanding any provision contained herein or in the Bylaws, Articles, or rules and regulations of the Association, Developer (and its successors and assigns), on behalf of the Association, reserves to itself until the date of the Turn-over Meeting, the right to:

Grant nonexclusive easements across the Common Elements and Limited Common Elements and/or enter into cross-use agreements with other developments built or to be built in Flagler County, Florida. No fees or assessments are required to be paid to either the Association or any Unit Owner should Developer, on behalf of the Association, exercise this right. Neither the consent of the Association, any Unit Owner, or Mortgagee shall be required. Said instruments need only be executed by Developer and the Association and recorded in the public records of Flagler County, Florida. After the date of the Turn-over Meeting, so long as Developer shall own at least one Unit, neither easements across the Common Elements, the Limited Common Elements nor cross-use agreements with other developments built, or to be built, in Flagler County, Florida, shall be granted or entered into by the Association without the prior written consent of the Developer.

18.5 THE CLUB AT HAMMOCK BEACH MEMBERSHIP.

Notwithstanding anything to the contrary set forth in or which may otherwise be implied from this Declaration, the Articles, the Bylaws or the rules and regulations of the Association, neither membership in the Association nor ownership of any Unit shall grant or convey any interest in or right to use any of the Hammock Beach Club Property, or any of the Club Facilities, including, but not limited to, any swimming pools, spas, fitness facilities, restaurants, bars, lounges, conference room facilities, beach amenities, tennis courts and golf courses (the "Club Facilities"). Only the guests of the Hammock Beach Club Owner shall have the right to utilize the Club Facilities owned and operated by the Hammock Beach Club Owner. Developer is not constructing any recreational facilities on the Condominium Property for the use of the Unit Owners. This means that a Unit Owner will not have the use of any Club Facilities comprising the Hammock Beach Club Property, unless such Unit Owner becomes and remains a member of the Club at Hammock Beach. The Hammock Beach Club Property is privately owned and is not a part of the Common Elements or Limited Common Elements. The right or privilege to use the Hammock Beach Club Property and the Club Facilities shall be determined in the sole and absolute discretion of owner and/or operator of such Hammock Beach Club Property, subject to the terms, conditions and rules enacted from time to time by the owner and/or operator thereof, subject to the membership fees and charges imposed from time to time by such owner or operator, and subject to availability. Ownership of any Unit or membership in the Association does not create, grant or convey any vested right or easement, prescriptive or otherwise, to use or to continue to use the Hammock Beach Club Property, including, but not limited to, the Club Facilities or any other facilities comprising the Hammock Beach Club Property at this or any time, unless approved by the owner and/or operator as set forth above. The owner and/or operator of the Hammock Beach Club Property has the exclusive right to

determine from time to time, in its sole discretion, and without notice or approval of any change, how and by whom these Club Facilities shall be used, including, without limitation, making these Club Facilities available for use by members of the general public. By way of example, but not limitation, the owner and/or operator of the Hammock Beach Club Property shall have the right to approve users and determine eligibility for use, to reserve use rights, to terminate any or all use rights, to change, eliminate or cease operation of any or all of the Club Facilities, to transfer any or all of the Hammock Beach Club Property or the operation thereof to anyone, including, without limitation, a member owned or equity club and on any terms, to limit the availability of use privileges, and to require the payment of a purchase price, membership contribution, initiation fee, membership deposit, dues, use charges and other charges for use privileges. No Unit Owner shall have any right to enter on or over any part of the Hammock Beach Club Property or to use the Hammock Beach Club Property, including, but not limited to, the Club Facilities in any manner whatsoever unless the Unit Owner is a member, licensee or guest of the Club at Hammock Beach, and then only to the extent permitted by the rules and regulations governing such members or guests.

Developer is not constructing any recreational facilities on the Condominium Property for the use of the Unit Owners. Developer makes no representations that the Club Facilities will ever be constructed by the owner or operator of the Hammock Beach Club Property or as to when such Club Facilities will be available for use by the members of the Club at Hammock Beach. Developer makes no representations or warranties as to the type, amount, nature, quality or fitness for intended use of any of the Club Facilities constructed or to be constructed by the owner or operator of the Hammock Beach Club Property. Developer has no control over any property outside of the Condominium Property.

18.6 ASSUMPTION OF RISK AND INDEMNIFICATION.

Each Unit Owner, by its purchase of a Unit, expressly assumes the risks associated with the Hammock Beach Club Property (regardless of whether the Owner is using the Hammock Beach Club Property or a member of the Club at Hammock Beach) and agrees that neither Developer, the Hammock Beach Club Owner, the Condominium Association nor any of their affiliates or agents nor any other entity designing, constructing, owning or managing the Hammock Beach Club Property shall be liable to the Unit Owners or any other person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, loss of view, loss of value in a Unit, lack of ability to obtain or maintain membership in the Club at Hammock Beach, inability to use the Club Facilities, noise pollution, or other visual or audible offenses, or trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of the Owner's Unit, Limited Common Elements or Common Elements to the Hammock Beach Club Property or related to the operation of the Hammock Beach Club Property as a private club for the purposes set forth in this Declaration.

18.7 ENFORCEMENT.

Developer, the Hammock Beach Club Owner, the Commercial Unit Owners and the Association may enforce any of the provisions of this Article XVIII by injunction or other

equitable remedy or by an action at law for damages or both, and the prevailing party shall be entitled to recover its attorneys' fees and expenses.

18.8 AMENDMENT.

This Article XVIII cannot be amended without the consent of eighty percent (80%) of the Voting Interests of the Condominium.

ARTICLE XIX

19.1 EFFECTS OF RESTRICTIONS, EASEMENTS AND CONDITIONS.

All restrictions, reservations, covenants, conditions and easements contained in this Declaration shall constitute covenants running with the land and shall run perpetually unless terminated as provided herein and shall be binding upon all Unit Owners as defined in the Condominium Act and in consideration of receiving and by acceptance of a grant, devise or mortgage all grantees, devisees or Mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions hereof, and by the Articles, Bylaws and rules and regulations of the Condominium Association.

19.2 BONDING OF DIRECTORS AND OFFICERS.

Fidelity bonding of each person who controls or disburses funds of the Association in a principal amount of not less than Fifty Thousand and No/100 Dollars (\$50,000.00) is required and shall be increased as required by the Condominium Act and the Bylaws to match the maximum amount of funds that will be in possession of the Association. The Association shall pay all expenses arising out of the procurement and maintenance of said bonds, and such expenses shall be treated as a Common Expense.

19.3 NOTICE.

Whenever notices are required to be sent pursuant to this Declaration, the same shall be sent to the Unit Owners by first class mail, certified mail, return receipt requested, or by a nationally recognized overnight courier, at their place of residence in the Condominium Building unless the Unit Owner has, by prior written notice, duly receipted for by the Association, specified a different address. Notices to the Association shall be delivered by first class mail, certified mail, return receipt requested, or by a nationally recognized overnight courier to the principal office of the Association at the offices of 1 Hammock Beach Parkway, Palm Coast, Florida 32137.

Notice to Developer shall be mailed by first class mail, certified mail, return receipt requested, or by a nationally recognized overnight courier to the principal office of Developer at 1 Hammock Beach Parkway, Palm Coast, Florida 32137. All notices shall be deemed and considered sent when mailed.

Developer, the Association and any Unit Owner may change their, or its, mailing address by written notice. The change of the mailing address of any parties as specified within this Section shall not require an amendment to this Declaration.

19.4 GENERAL PROVISIONS.

19.4.1 If any provisions of this Declaration, or of the Articles and/or Bylaws attached hereto, or of the Condominium Act, or any Section, sentence, clause, phrase or word, or the application thereof in any circumstances, is held invalid, the validity of the remainder of this Declaration, the Articles and the Bylaws attached hereto, or the Condominium Act, and the application of any such provision, Section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

19.4.2 Each Unit Owner shall be governed by and shall comply with the terms of this Declaration, the Articles and the Bylaws and the Condominium Act. Should the Association find it necessary to bring court action to enforce compliance with the law, this Declaration and/or the Bylaws, the prevailing party in any such action shall be entitled to recover reasonable attorneys' fees incurred by it in bringing such action, as determined by the court, together with the court costs.

19.4.3 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 plural shall include the singular. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Condominium.

19.4.4 Captions and paragraph headings used in the Condominium Documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Condominium Documents.

19.4.5 Developer may assign part or all of the rights, privileges, and obligations set forth within this Declaration or the other condominium documents as long as said assignment is in writing and recorded in the Public Records of Flagler County, Florida.

19.4.6 This Declaration, the Bylaws and the Articles shall be interpreted by the Condominium Act and other applicable Florida law effective as of the date of recording of these Condominium Documents in the public records of Flagler County, Florida. Subsequent amendments to Florida Statutes, local ordinances, rules and regulations shall not govern or be incorporated into or used to interpret these Condominium Documents, unless specific reference is made by such amendments.

ARTICLE XX**20.1 EXECUTION DOCUMENTS REQUIRED BY THE GOVERNMENT.**

Developer's plan for the development of this Condominium may require, from time to time, the execution of certain documents required by a governmental or quasi-governmental agency having jurisdiction over this Condominium. To the extent that said documents require the joinder of Unit Owners, the Condominium Association, by its duly authorized officers may, as the agent and/or the attorney-in-fact for the Unit Owners, execute, acknowledge and deliver such documents, and the Unit Owners, by virtue of their acceptance of deeds to their Units, irrevocably nominate, constitute and appoint the Condominium Association, through its duly authorized officers, as their proper and legal agent and attorney-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable.

ARTICLE XXI**21.1 MASTER ASSOCIATION, CDD AND ADDITIONAL DISCLOSURES.**

21.1.1 The Master Association represents residents of the Harbor Village Marina Property, including the Units Owners. Its members are those persons or entities who own "units" in the Harbor Village Marina Property, including the Unit Owners pursuant to the membership provisions contained in the Master Declaration and the Articles and Bylaws of the Master Association. The Master Association, acting through its Board, shall have the powers, rights and duties with respect to the Condominium Property and with respect to the Harbor Village Marina Property as set forth in this Article and as more particularly described in the Master Declaration.

21.1.2 The Master Association shall be entitled to charge each Unit Owner an assessment for expenses incurred or to be incurred by the Master Association in fulfillment of its maintenance, operation and management responsibilities for the common facilities and common property within the Harbor Village Marina Property. The common facilities and common property may include, to the extent such facilities may be made available, common roads and roadways, lakes, sidewalks, pavilions and public squares, walking paths or trails, bicycle paths, transportation facilities or other common property maintained or owned by the Master Association, throughout Harbor Village Marina Property, including, but not limited to, the Master Declaration and Supplemental Declaration described in Article I, Section 1.2.22. The Master Association may provide certain services, including roving patrols, limited access gates, maintenance of lakes, common property, wildlife areas and other recreational facilities of any kind or nature serving the Harbor Village Marina community and for water irrigation and sewer facilities, lighting of roads, sidewalks, walking paths, garbage and trash collection and disposal, insect and pest control for common properties, legal, accounting and other administrative expenses, and such other costs and expenses and obligations as the Master Association may deem necessary or desirable to perform any of the functions or services to be provided for the common benefit of unit owners in the Harbor Village Marina community. The Master

Association is not obligated to provide any of the foregoing, but may, in its sole discretion, elect to do so from time to time. The enforcement and collection of such assessments is more fully set forth in the Master Declaration. The Master Association shall be entitled to collect such assessments through the Condominium Association and shall have a lien right upon an individual Unit to enforce collection of such assessments, which shall also be enforced as a personal obligation of each Unit Owner.

21.1.3 If, for any reason, the Condominium Association shall refuse to perform the obligations imposed on it under this Declaration or the Master Declaration, the Master Association shall be authorized to act for, and on behalf of, the Condominium Association in the respect that the Condominium Association has refused or failed to act. Any expenses thereby incurred by the Master Association shall be reimbursed by the Condominium Association.

21.1.4 Pursuant to the Master Declaration, the CDD may operate, maintain and/or own certain of the Master Association's common property or former common property and has the collection and enforcement rights against the Unit Owners in the Condominium Property as more fully described in the Master Declaration.

21.1.5 Hurricanes have occurred in Florida and, as property near the Atlantic Ocean, the Condominium Property is exposed to the potential damages of hurricanes and high winds, including, but not limited to, damage from storm surges and wind driven rain. Water or other damages from this or other extraordinary causes shall not be the responsibility of Developer. There are dangers associated with use of the adjacent waterways, canals, marine basins and other bodies of water, including but not limited to drowning from riptides and other causes, shark, fish, shellfish or other flora and fauna stings and bites, as well as cuts and abrasions from coquina and other rock formations.

IN WITNESS WHEREOF, Developer has caused these presents to be executed by its authorized agent, this 30 day of OCTOBER, 2006.

Signed, sealed and delivered
in the presence of:

"DEVELOPER"

MARINA CONDOMINIUMS, LLC, a
Georgia limited liability company

Deborah Smith
Print Name: Deborah Smith

By: Daniel Baxo
Print Name: Daniel Baxo
Its: Vice President

LARRY CRAIG
Print Name: LARRY CRAIG

STATE OF FLORIDA

COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 30 day of OCTOBER, 2006, by DAVID BAKER, as VICE PRESIDENT of Marina Condominiums, LLC, a Georgia limited liability company, on behalf of the limited liability company.



Joan M. Raby
Print Name: JOAN M. RABY
NOTARY PUBLIC
State of Florida at Large
Commission # DD 520633
My Commission Expires: 2-21-2010
Personally Known
Or Produced ID
[check one of the above]

Type of Identification Produced:

JOINDER AND CONSENT OF MORTGAGEE

THIS CONSENT made and entered into this 31 day of October, 2006, by National City Bank ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagee is the owner and holder of that certain Mortgage, dated April 13, 2004 and recorded in Official Records Book 1066, Page 945, of the Public Records of Flagler County, Florida ("Mortgage");

WHEREAS, the Mortgage encumbers the land and the improvements located thereon, as described in the Declaration of Condominium of The Condominiums at Yacht Harbor Village, and all amendments thereto ("Declaration"); and

WHEREAS, Mortgagee has agreed to consent to the Declaration to which this Consent is attached.

NOW, THEREFORE, Mortgagee agrees as follows:

1. Mortgagee does hereby consent to the recordation of the Declaration.
2. This Consent shall apply and be effective solely to the matters described in the Declaration and nothing herein contained shall otherwise affect, alter or modify in any manner whatsoever the terms and conditions, lien, operation, effect and priority of the Mortgage as to the land and improvements encumbered thereby.

IN WITNESS WHEREOF, Mortgagee has caused this instrument to be executed by its duly authorized officer the day and year first above written.

Witnesses:

Lexie A. Isaac
Witness Signature
Lexie A. Isaac

Print Name
Lori K. Ammerman
Witness Signature
Lori K. Ammerman

Print Name

"Mortgagee"

National City Bank

By: *Robin A. Carr*
Robin A. Carr

As Its: *Senior Vice President*

Exhibit A
Survey, Floor and Plot Plans

THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

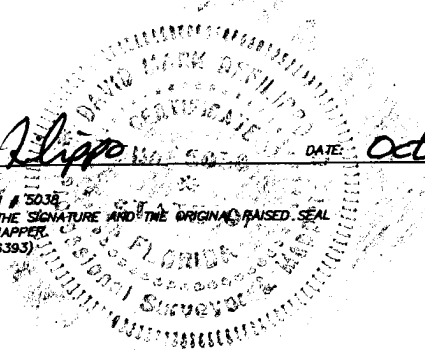
EXHIBIT "A" TO DECLARATION OF CONDOMINIUM FOR THE CONDOMINIUMS AT YACHT HARBOR VILLAGE SITE PLAN, SURVEY AND GRAPHIC DESCRIPTION

THE UNDERSIGNED BEING A PROFESSIONAL SURVEYOR AND MAPPER AUTHORIZED TO PRACTICE IN THE STATE OF FLORIDA, HEREBY CERTIFIES THAT THE CONSTRUCTION OF IMPROVEMENTS TO ADMIRALS COVE AT HARBOR VILLAGE MARINA, A CONDOMINIUM DESCRIBED IN THIS SURVEY, SITE PLAN AND GRAPHIC DESCRIPTION OF IMPROVEMENTS ON SHEETS 1 THROUGH 35, IS SUBSTANTIALLY COMPLETE SO THAT SUCH MATERIAL TOGETHER WITH THE PROVISIONS OF THE DECLARATION OF CONDOMINIUM OF , THE CONDOMINIUMS AT YACHT HARBOR VILLAGE AS RECORDED IN OFFICIAL RECORDS BOOK 33, PAGES 39-44, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA AND ANY AMENDMENTS THERETO, DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE IDENTIFICATION, LOCATION, AND DIMENSIONS OF THE IMPROVEMENTS, AND FURTHER THAT THE IDENTIFICATION, LOCATION, AND DIMENSIONS OF EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

THE UNDERSIGNED ALSO CERTIFIES THAT THIS MAP OF SURVEY, AS BUILT SURVEY AND GRAPHIC DESCRIPTION ARE IN COMPLIANCE WITH THE "MINIMUM TECHNICAL STANDARDS" PROMULGATED PURSUANT TO SECTION 472.027, FLORIDA STATUTES.

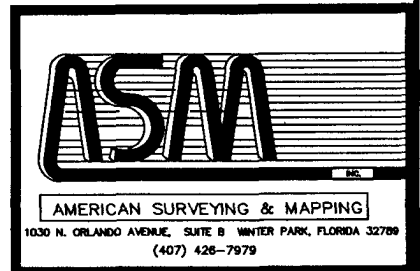
David M. DeFilippo _____ DATE *Oct 31, 2006*

DAVID M. DeFILIPPO,
PROFESSIONAL SURVEYOR & MAPPER, PSM # 5038
THESE EXHIBITS ARE NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL
OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
(CERTIFICATE OF AUTHORIZATION No. LB. 6393)



10/30/06

PAGE 1 OF 35



THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

NOTES TO SURVEY

1. The bearings shown hereon are based on the Southwesterly Right-of-way line of Yacht Harbor Drive, according to the plat of Yacht Harbor Marina, map book 33, pages 39 through 44, Flagler County, Florida being South 55°57'21" East

2. The Condominium Property is subject to that certain Easement Agreement recorded in Official Records Book 1502, Page 235, in the Public Records of Flagler County that provides for an exclusive easement to facilitate the design, construction, installation, operation, marketing, selling, occupancy, maintenance, upgrade, repair, replacement, access and removal of infrastructure provide telecommunication services to the Condominium Property.

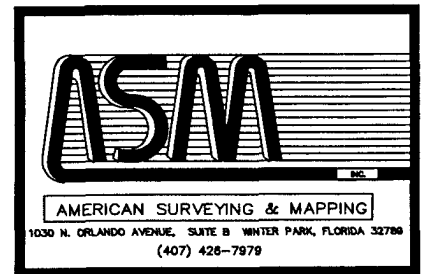
3. The Condominium is created pursuant to that certain Declaration of Condominium for The Condominiums at Yacht Harbor Village, recorded in Official Records Book , Pages of the Public Records of Flagler County, Florida.

4. Owners of Units in the Condominium have access over common property pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions, and Easements, The Condominiums at Yacht Harbor Village as recorded in Official Records Book 1502, Pages 249, Public Records of Flagler County, Florida, and all exhibits attached thereto, as amended from time to time.

5. Various easements have been granted and retained in Article IV of the Declaration of Condominium. The Developer has reserved the right to grant other easements over the Condominium Property from time to time.

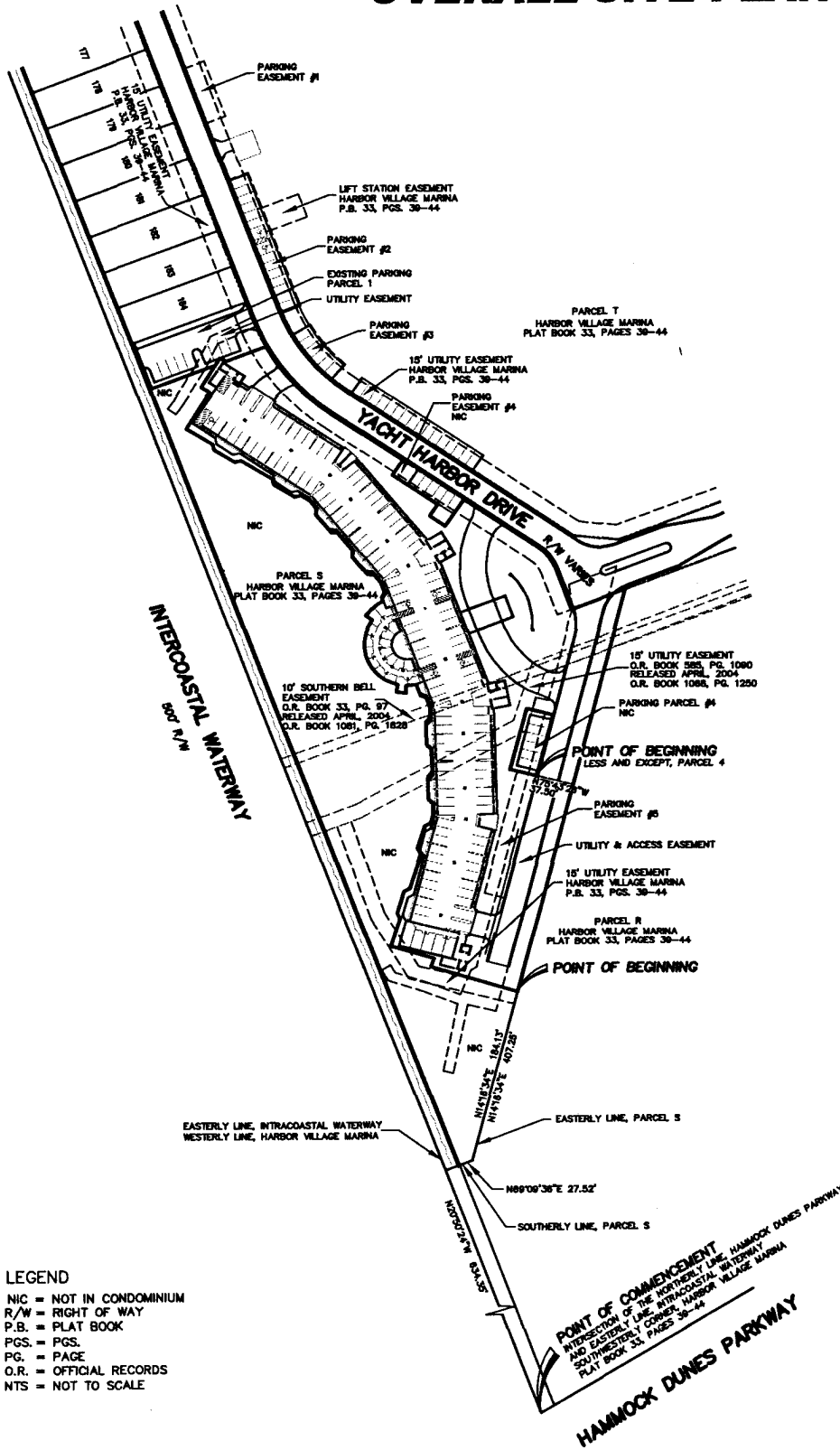
6. See Articles II and V of the Declaration of Condominium for the definition and/or description of "Unit", "Common Element," "Limited Common Element", and other terms.

7. A large size version of Exhibit "A" to the Declaration of Condominium has been recorded in Plat Book 1502, Pages 249, Public Records of Flagler County, Florida.



THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

OVERALL SITE PLAN



THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

DESCRIPTION

A portion of Parcel S, according to the plat of Harbor Village Marina, as record in Map Book 33, Pages 39 through 44 of the Public Records of Flagler County, Florida, being more particularly described as follows:

COMMENCE at the Intersection of the Northerly line of Hammock Dunes Parkway and the Easterly line of the Intracoastal Waterway, said point being the Southwesterly corner of aforesaid Harbor Village Marina; thence along said Easterly line of the Intracoastal Waterway and the Westerly line of said Harbor Village Marina run North 20°50'24" West a distance of 634.35 feet; thence departing said Easterly line of the Intracoastal Waterway and said Westerly line of Harbor Village Marina, run North 69°09'36" East a distance of 27.52 feet along the Southerly line of said Parcel S; thence North 14°16'34" East along the Easterly line of aforesaid Parcel S, a distance of 184.13 feet to the POINT OF BEGINNING; thence departing said Easterly line of said Parcel S run North 72°59'26" West, a distance of 89.80 feet; thence North 17°00'34" East, a distance of 9.17 feet; thence North 72°59'26" West, a distance of 44.58 feet; thence North 17°00'34" East, a distance of 30.81 feet; thence North 27°59'26" West, a distance of 6.36 feet; thence North 17°00'34" East, a distance of 24.21 feet; thence North 62°00'34" East, a distance of 6.36 feet; thence North 17°00'34" East, a distance of 36.79 feet; thence North 27°59'26" West, a distance of 6.36 feet; thence North 17°00'34" East, a distance of 24.21 feet; thence North 62°00'34" East, a distance of 6.36 feet; thence North 17°00'34" East, a distance of 10.35 feet; thence North 01°54'55" West, a distance of 10.35 feet; thence North 46°54'55" West, a distance of 6.36 feet; thence North 01°54'55" West, a distance of 24.21 feet; thence North 43°05'05" East, a distance of 6.36 feet; thence North 01°54'55" West, a distance of 23.79 feet; thence North 46°54'55" West, a distance of 6.36 feet; thence North 01°54'55" West, a distance of 24.21 feet; thence North 43°05'05" East, a distance of 10.47 feet; thence North 65°50'24" West, a distance of 6.36 feet; thence North 20°50'24" West, a distance of 12.31 feet to a point on a non-tangent curve concave Northerly, having a radius of 42.43 feet, a central angle of 13°47'08" and a chord of 10.18 feet that bears South 84°25'55" West; thence Southwesterly along the arc of said curve 10.21 feet; thence South 01°19'29" West, a distance of 8.00 feet to a point on a non-tangent curve concave Northerly, having a radius of 50.43 feet, a central angle of 10°49'12" and a chord of 9.51 feet that bears North 83°15'55" West; thence Northwesterly along the arc of said curve 9.52 feet; thence North 12°08'41" East a distance of 8.00 feet to a point on a non-tangent curve concave Easterly, having a radius of 42.43 feet, a central angle of 114°02'56" and a chord of 71.18 feet that bears North 20°49'51" West; thence Northwesterly along the arc of said curve 84.45 feet; thence North 53°48'23" West a distance of 8.00 feet to a point on a non-tangent curve concave Southeasterly, having a radius of 50.43 feet, a central angle of 25°55'28" and a chord of 22.62 feet that bears North 49°09'21" East; thence Northeasterly along the arc of said curve 22.82 feet; thence North 20°50'23" West a distance of 3.65 feet; thence North 24°09'37" East, a distance of 6.36 feet; thence North 20°50'23" West a distance of 10.47 feet; thence North 39°45'52" West a distance of 10.35 feet; thence North 84°45'52" West, a distance of 6.36 feet; thence North 39°45'52" West, a distance of 24.21 feet; thence North 05°14'08" East, a distance of 6.36 feet; thence North 39°45'52" West, a distance of 23.79 feet; thence North 84°45'52" West a distance of 6.36 feet; thence North 39°45'52" West a distance of 10.35 feet; thence North 05°14'08" East a distance of 6.36 feet; thence North 39°45'52" West a distance of 10.35 feet; thence South 76°18'39" West, a distance of 6.36 feet; thence North 58°41'21" West, a distance of 24.21 feet; thence North 13°41'21" West, a distance of 6.36 feet; thence North 58°41'21" West, a distance of 30.81 feet; thence North 31°18'39" East, a distance of 44.58 feet; thence North 58°41'21" West, a distance of 9.17 feet; thence North 31°18'39" East, a distance of 35.76 feet; thence South 58°41'21" East, a distance of 6.99 feet; thence North 69°09'36" East, a distance of 42.51 feet to a point on the Southerly Right of Way line of Yacht Harbor Drive, according to aforesaid plat of Harbor Village Marina and a point of curvature of a non-tangent curve concave northeasterly having a radius of 215.00 feet, a central angle of 26°13'12" and a chord distance of 97.53 feet which bears South 42°50'45" East; thence southeasterly along the arc of said curve a distance of 98.39 feet; thence South 55°57'21" East, a distance of 84.41; thence departing said Southerly Right of Way line of Yacht Harbor Drive run South 34°02'39" West a distance of 18.67 feet; thence South 55°57'21" East a distance of 54.50 feet; thence South 34°02'39" West a distance of 14.33 feet; thence South 55°57'21" East a distance of 18.67 feet; thence North 34°02'39" East a distance of 29.71 feet to a point of curvature of a non-tangent curve concave westerly having a radius of 4.50 feet, a central angle of 45°32'35" and a chord distance of 3.48 feet which bears North 53°12'52" East; thence southerly along the arc of said curve a distance of 3.58 feet to a point on said Southerly Right of Way line of Yacht Harbor Drive; thence South 55°57'21" East, a distance of 88.81 feet to a point of curvature of a curve concave southwesterly having a radius of 45.00 feet, a central angle of 35°06'57" and a chord distance of 27.15 feet which bears South 38°23'52" East; thence southeasterly along the arc of said curve a distance of 27.58 feet; thence South 20°50'24" East, a distance of 45.07 feet; thence departing said Southerly Right of Way line of Yacht Harbor Drive run North 69°09'36" East, a distance of 56.66 feet; South 14°16'34" West, a distance of 430.99 feet to the POINT OF BEGINNING.

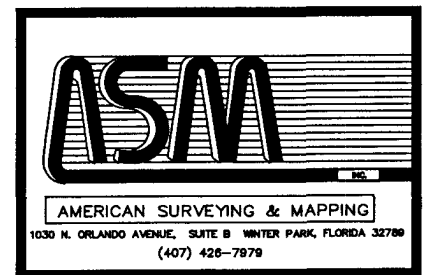
CONTAINING 2.311 acres, more or less.

LESS AND EXCEPT PARCEL 4:

A portion of Parcel S, according to the plat of Harbor Village Marina, as record in Map Book 33, Pages 39 through 44 of the Public Records of Flagler County, Florida, being more particularly described as follows:

COMMENCE at the Intersection of the Northerly line of Hammock Dunes Parkway and the Easterly line of the Intracoastal Waterway, said point being the Southwesterly corner of aforesaid Harbor Village Marina; thence along said Easterly line of the Intracoastal Waterway and the Westerly line of said Harbor Village Marina run North 20°50'24" West a distance of 634.35 feet; thence departing said Easterly line of the Intracoastal Waterway and said Westerly line of Harbor Village Marina, run North 69°09'36" East a distance of 27.52 feet along the Southerly line of said Parcel S; thence North 14°16'34" East along the Easterly line of aforesaid Parcel S a distance of 407.25 feet; thence departing said Easterly line run North 75°43'26" West a distance of 37.50 feet to the POINT OF BEGINNING; thence continue North 75°43'26" West a distance of 27.17 feet; thence North 14°16'34" East a distance of 65.34 feet; thence South 75°43'26" East a distance of 27.17 feet; thence South 14°16'34" West a distance of 65.34 feet to the POINT OF BEGINNING.

CONTAINING 1775 square feet more or less.

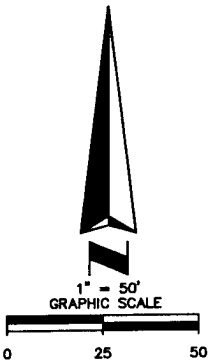
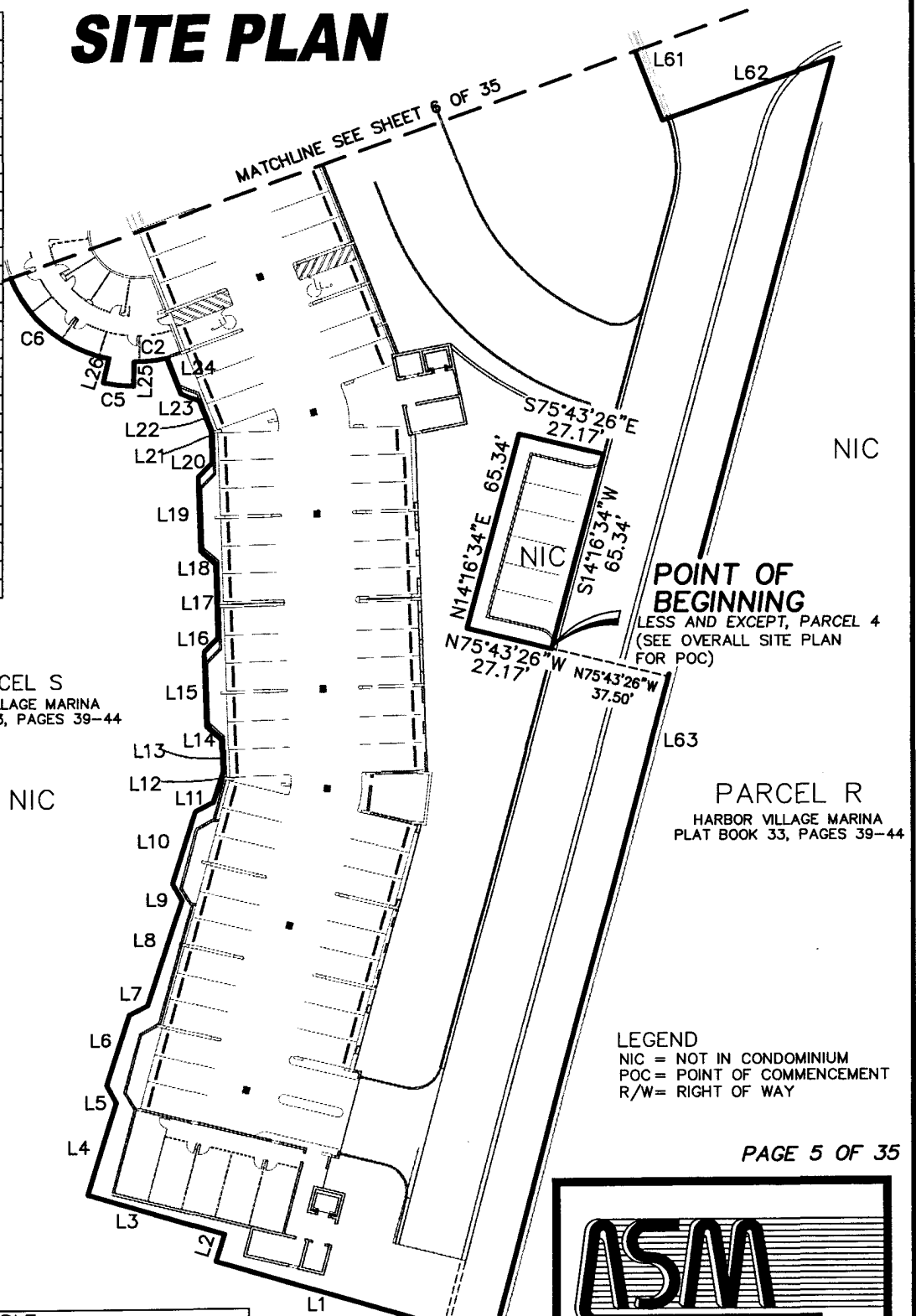


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THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

SITE PLAN

LINE TABLE		
LINE	BEARING	LENGTH
L1	N72°59'26"W	89.80
L2	N17°00'34"E	9.17
L3	N72°59'26"W	44.58
L4	N17°00'34"E	30.81
L5	N27°59'26"W	6.36
L6	N17°00'34"E	24.21
L7	N62°00'34"E	6.36
L8	N17°00'34"E	36.79
L9	N27°59'26"W	6.36
L10	N17°00'34"E	24.21
L11	N62°00'34"E	6.36
L12	N17°00'34"E	10.35
L13	N01°54'55"W	10.35
L14	N46°54'55"W	6.36
L15	N01°54'55"W	24.21
L16	N43°05'05"E	6.36
L17	N01°54'55"W	23.79
L18	N46°54'55"W	6.36
L19	N01°54'55"W	24.21
L20	N43°05'05"E	6.36
L21	N01°54'55"W	10.35
L22	N20°50'24"W	10.47
L23	N65°50'24"W	6.36
L24	N20°50'24"W	12.31
L25	S01°19'29"W	8.00
L26	N12°08'41"E	8.00
L61	S20°50'24"E	45.07
L62	N69°09'36"E	56.66
L63	S14°16'34"W	430.99



CURVE TABLE					
CURVE	LENGTH	RADIUS	CENTRAL ANGLE	CHORD BEARING	CHORD
C2	10.21	42.43	13°47'08"	S84°25'55"W	10.18
C5	9.52	50.43	10°49'12"	N83°15'55"W	9.51
C6	84.45	42.43	114°02'56"	N20°49'51"W	71.18

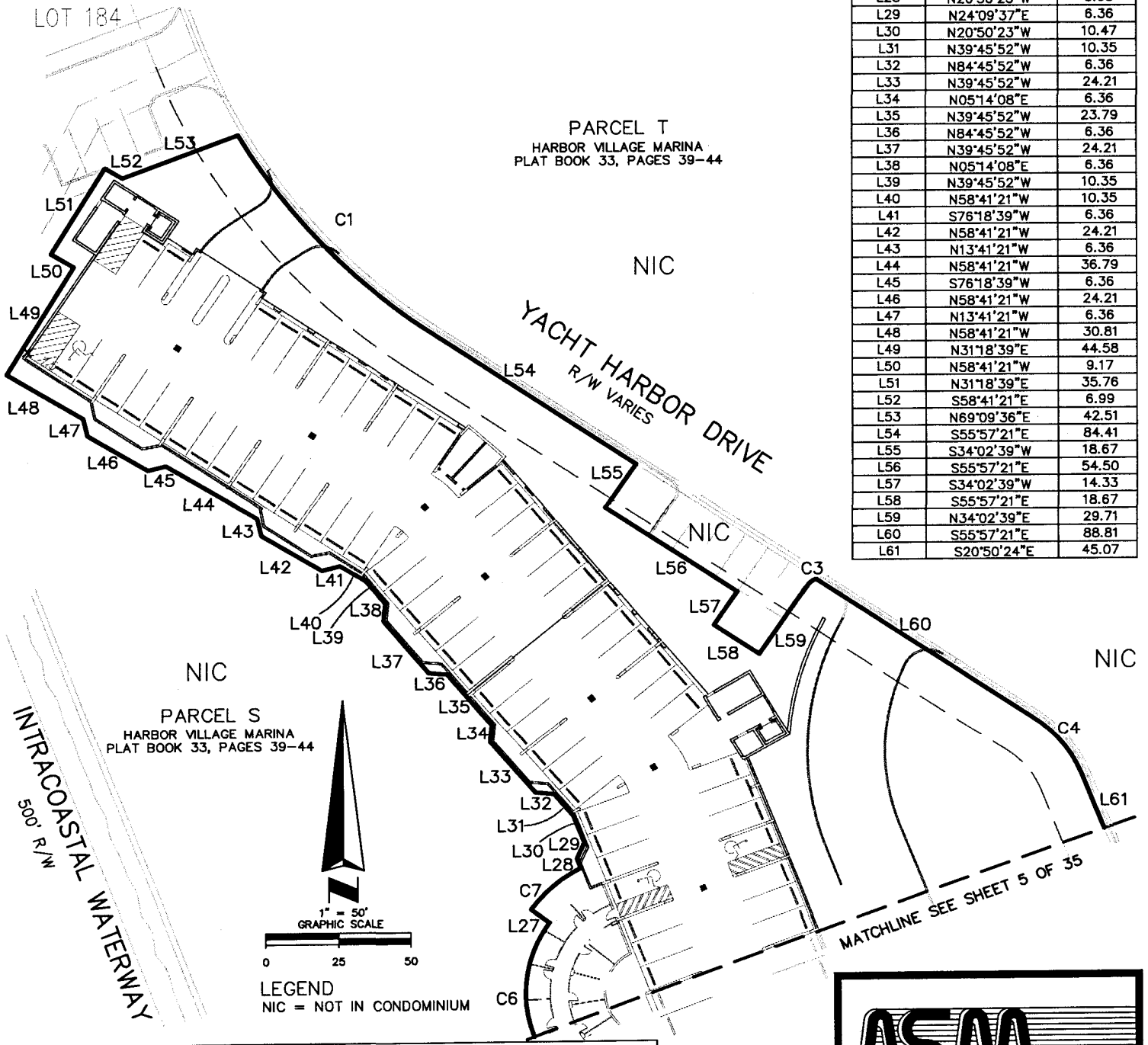
(SEE OVERALL SITE PLAN FOR POC)

ASMA
AMERICAN SURVEYING & MAPPING
1030 N. ORLANDO AVENUE, SUITE B WINTER PARK, FLORIDA 32789
(407) 428-7979

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THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

SITE PLAN



LINE TABLE		
LINE	BEARING	LENGTH
L27	N53°48'23"W	8.00
L28	N20°50'23"W	3.65
L29	N24°09'37"E	6.36
L30	N20°50'23"W	10.47
L31	N39°45'52"W	10.35
L32	N84°45'52"W	6.36
L33	N39°45'52"W	24.21
L34	N05°14'08"E	6.36
L35	N39°45'52"W	23.79
L36	N84°45'52"W	6.36
L37	N39°45'52"W	24.21
L38	N05°14'08"E	6.36
L39	N39°45'52"W	10.35
L40	N58°41'21"W	10.35
L41	S76°18'39"W	6.36
L42	N58°41'21"W	24.21
L43	N13°41'21"W	6.36
L44	N58°41'21"W	36.79
L45	S76°18'39"W	6.36
L46	N58°41'21"W	24.21
L47	N13°41'21"W	6.36
L48	N58°41'21"W	30.81
L49	N31°18'39"E	44.58
L50	N58°41'21"W	9.17
L51	N31°18'39"E	35.76
L52	S58°41'21"E	6.99
L53	N69°09'36"E	42.51
L54	S55°57'21"E	84.41
L55	S34°02'39"W	18.67
L56	S55°57'21"E	54.50
L57	S34°02'39"W	14.33
L58	S55°57'21"E	18.67
L59	N34°02'39"E	29.71
L60	S55°57'21"E	88.81
L61	S20°50'24"E	45.07

LEGEND
NIC = NOT IN CONDOMINIUM

CURVE TABLE					
CURVE	LENGTH	RADIUS	CENTRAL ANGLE	CHORD BEARING	CHORD
C1	98.39	215.00	26°13'12"	S42°50'45"E	97.53
C3	3.58	4.50	45°32'35"	N53°12'52"E	3.48
C4	27.58	45.00	35°06'57"	N38°23'53"W	27.15
C6	84.45	42.43	114°02'56"	N20°49'51"W	71.18
C7	22.82	50.43	25°55'28"	N49°09'21"E	22.62

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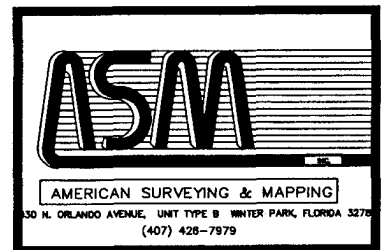
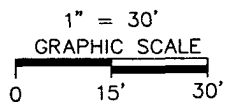
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

PARKING LEVEL



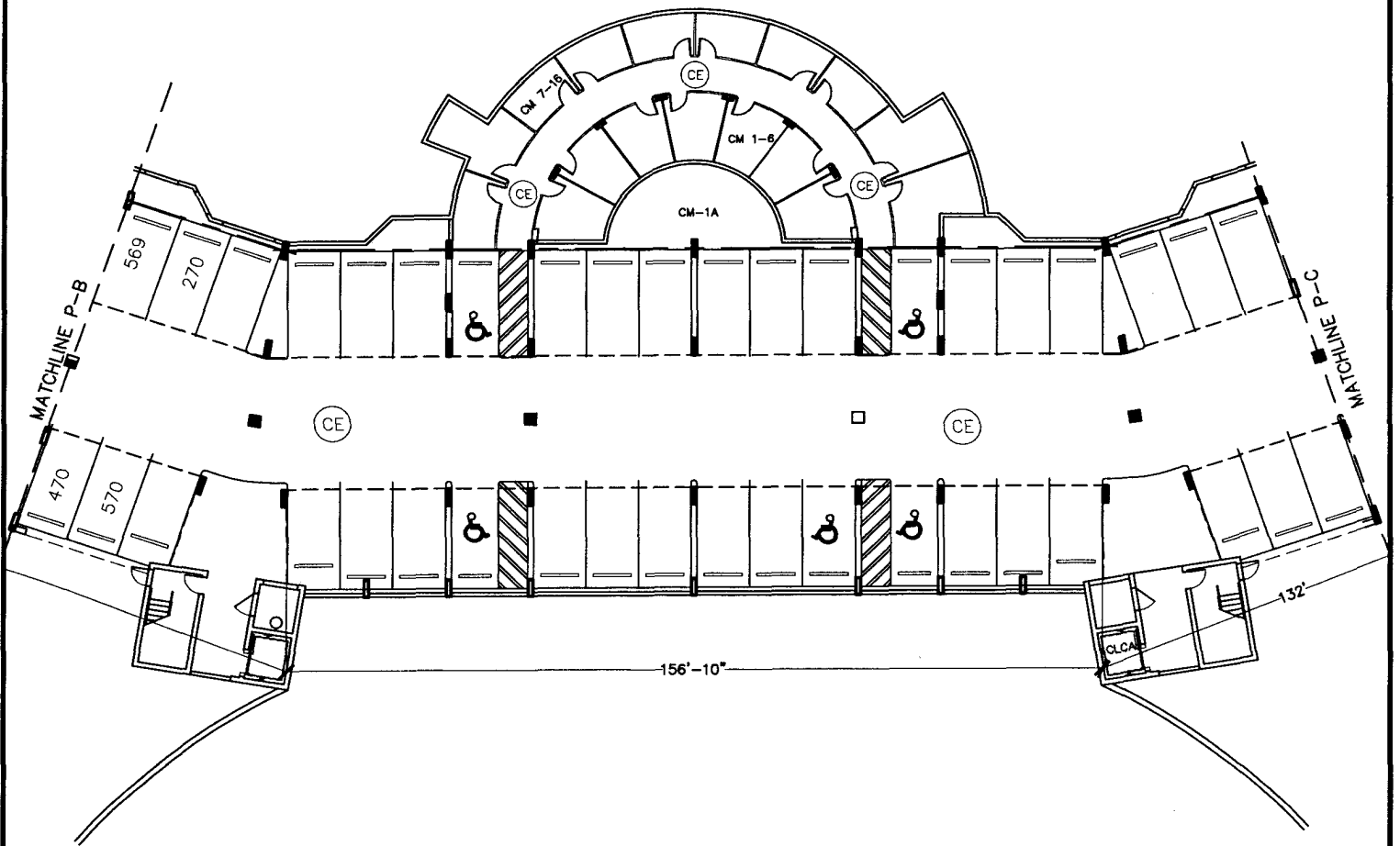
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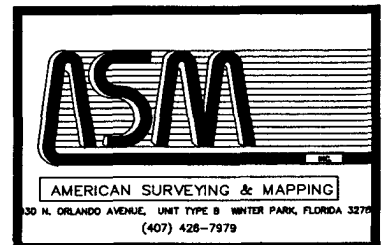
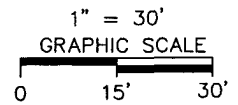
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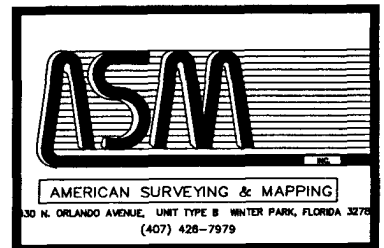
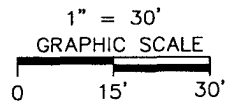
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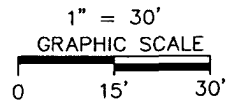
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

FIRST FLOOR FLOOR PLAN



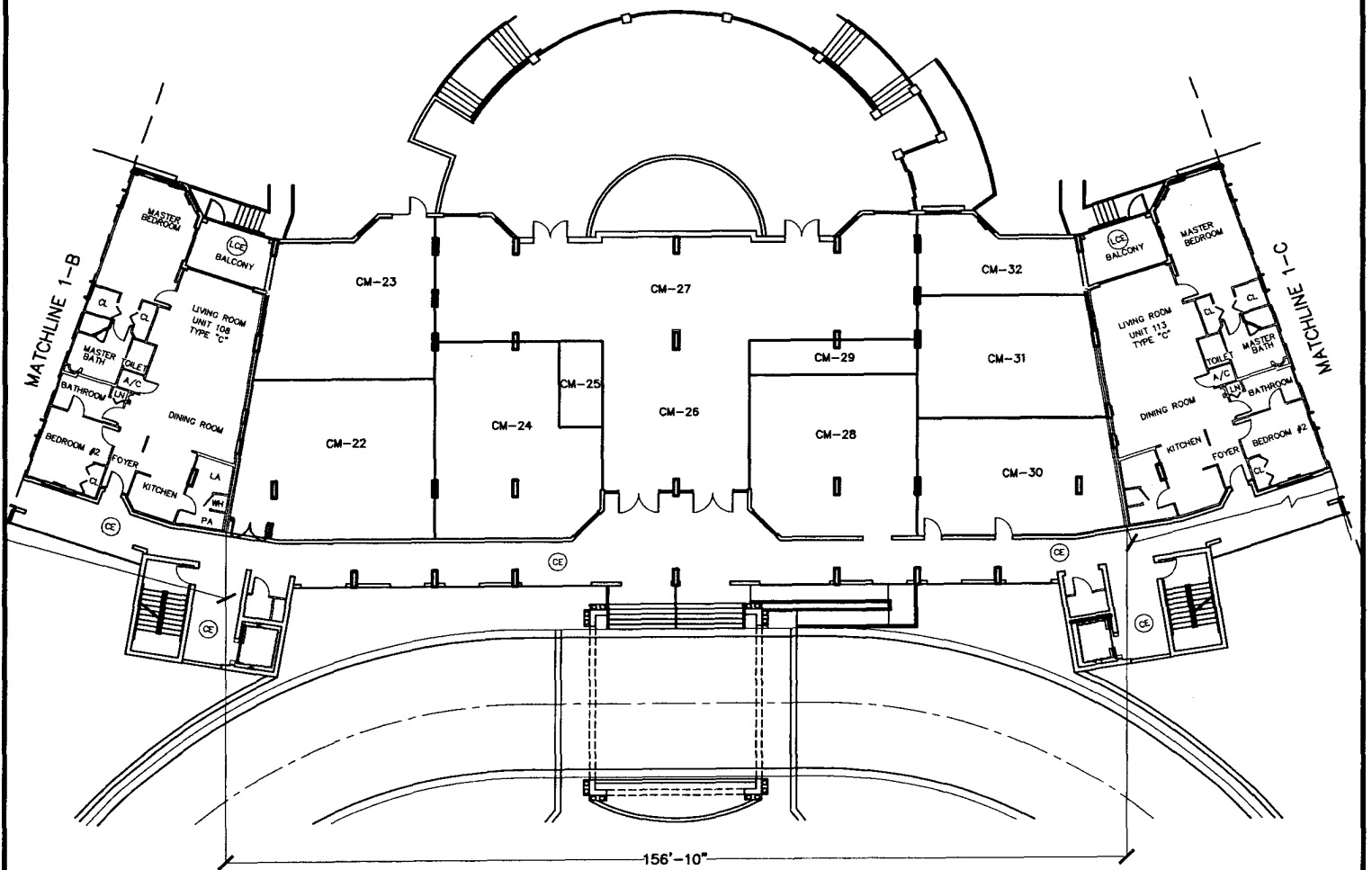
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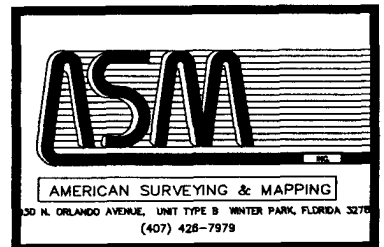
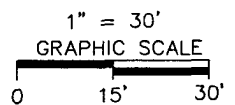
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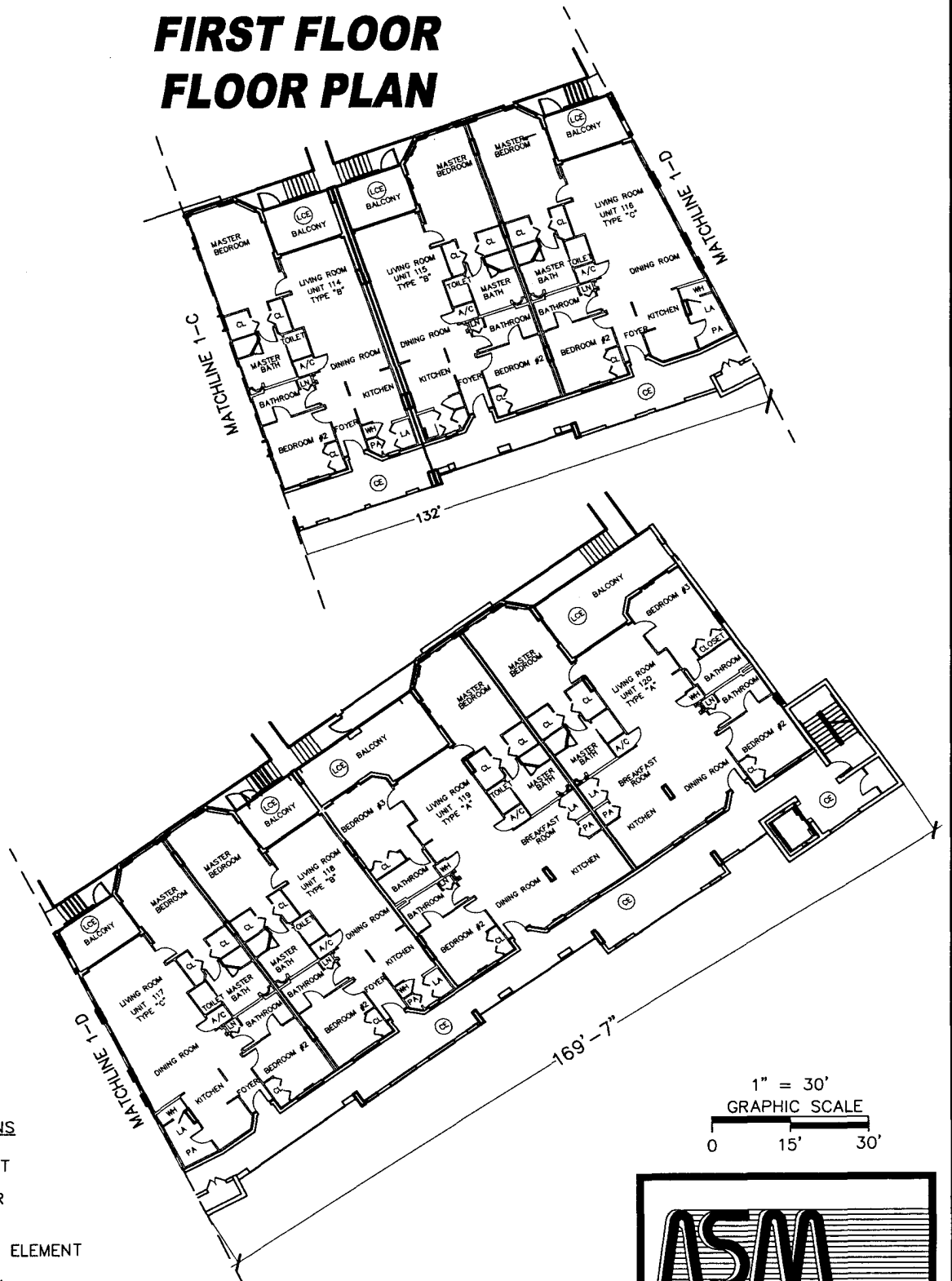
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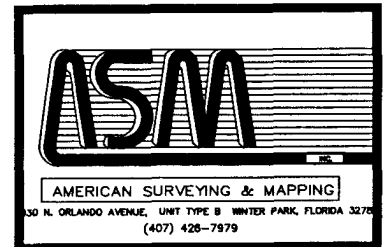
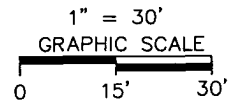
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

FIRST FLOOR FLOOR PLAN



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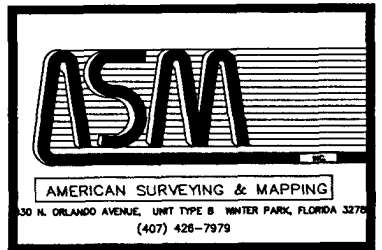
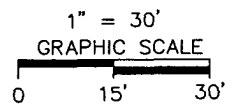
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

SECOND FLOOR FLOOR PLAN



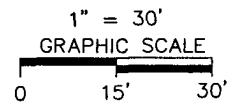
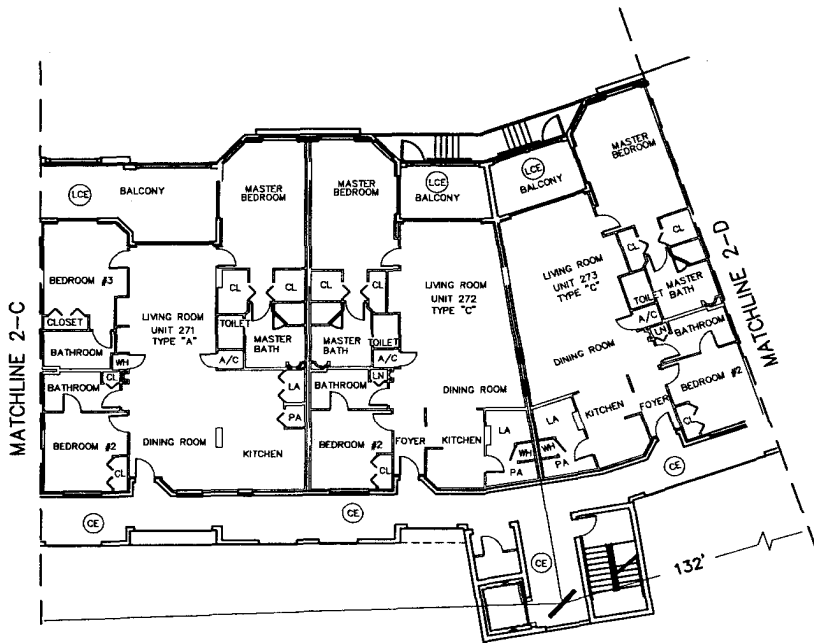
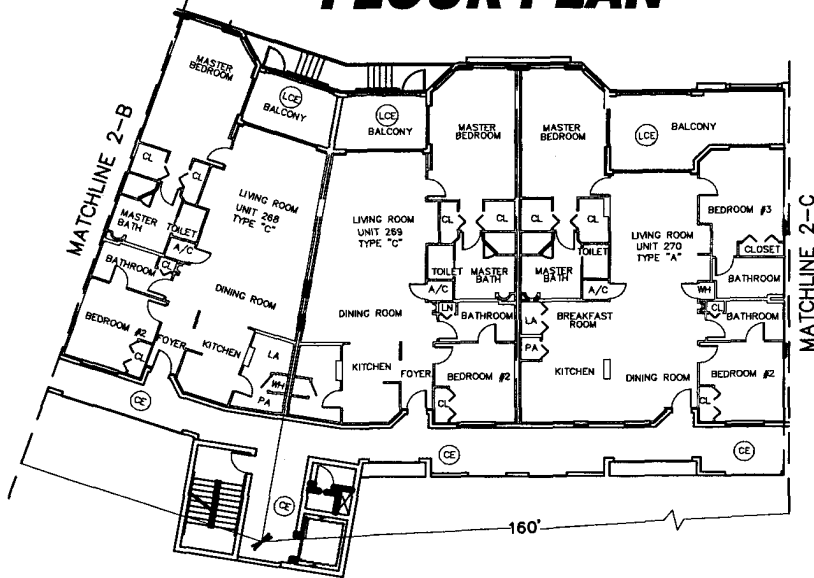
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THE CONDOMINIUMS AT YACHT HARBOR

SECOND FLOOR FLOOR PLAN



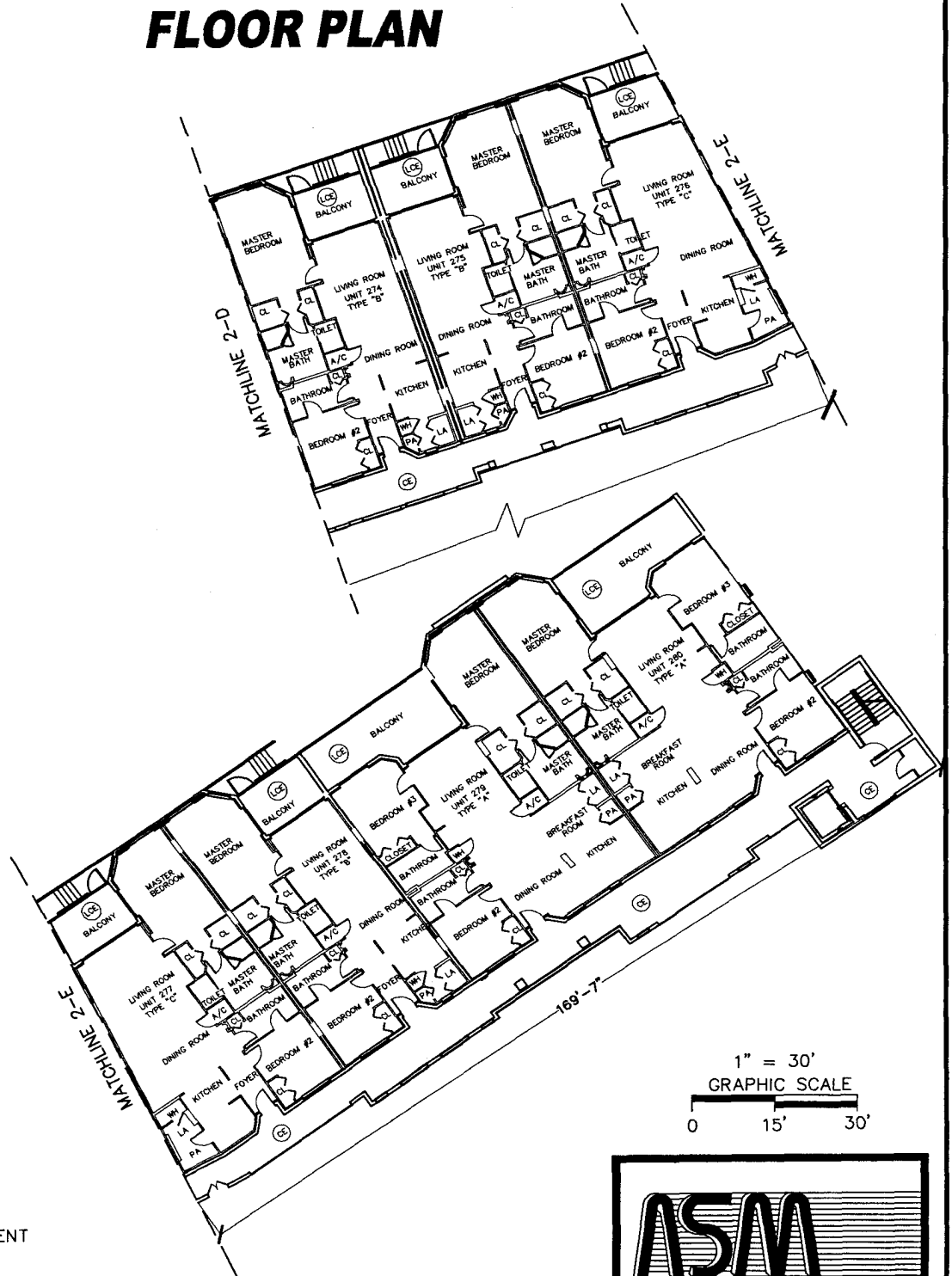
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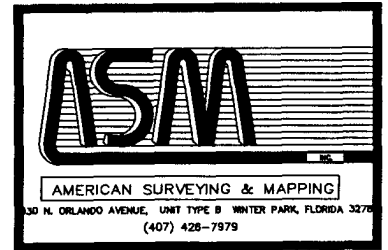
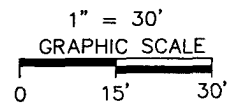
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

SECOND FLOOR FLOOR PLAN



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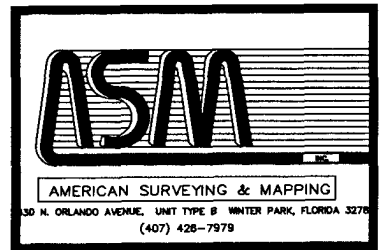
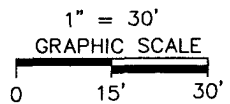
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

THIRD FLOOR FLOOR PLAN



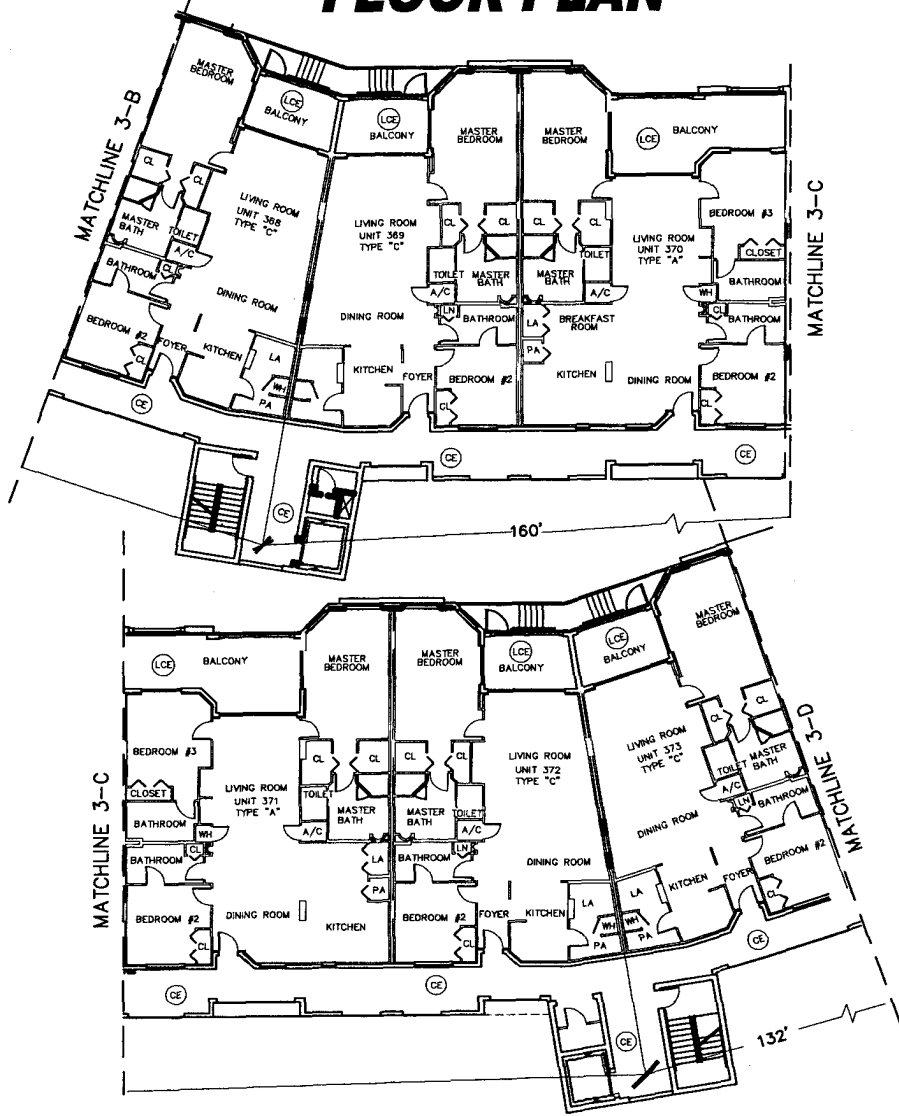
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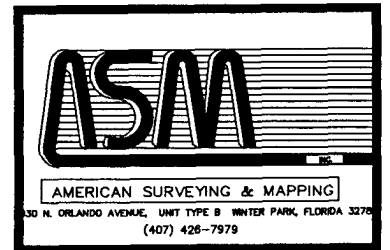
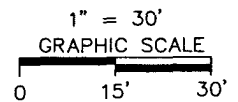
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THIRD FLOOR FLOOR PLAN



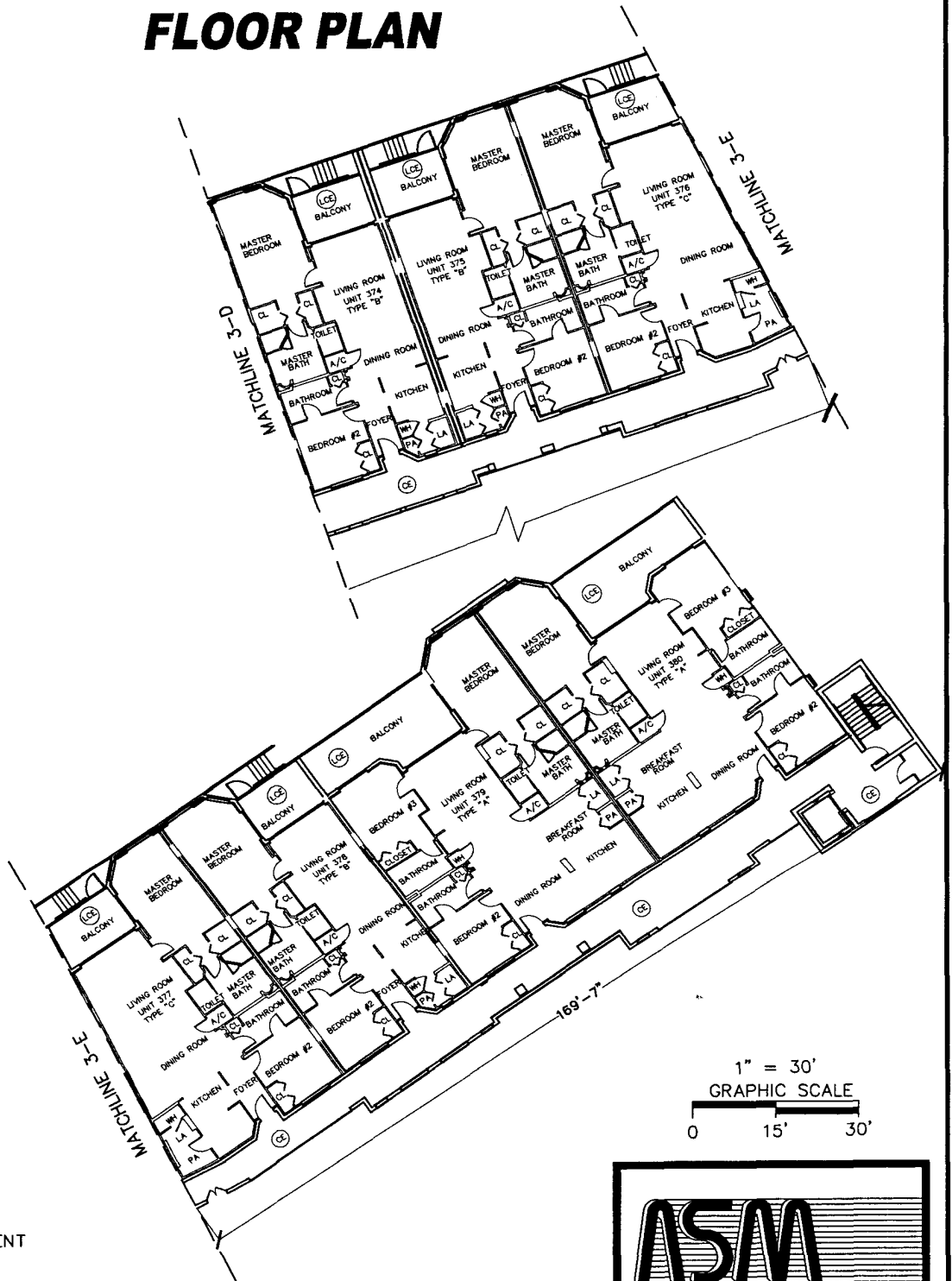
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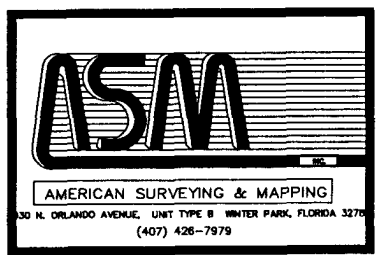
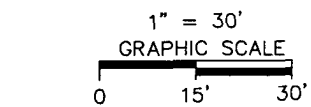
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THIRD FLOOR FLOOR PLAN



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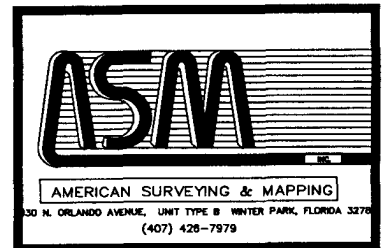
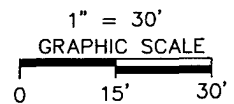
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FOURTH FLOOR FLOOR PLAN



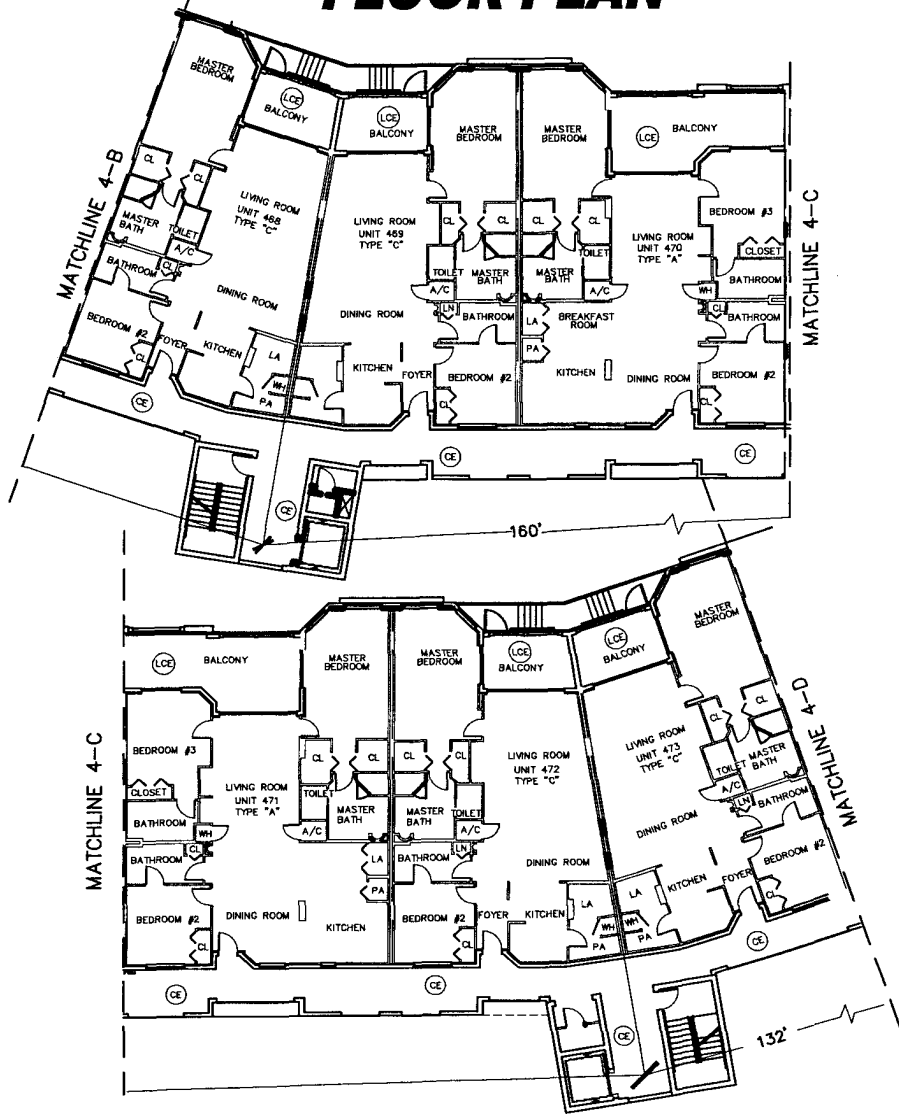
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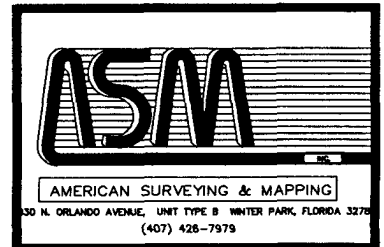
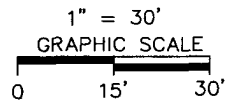
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FOURTH FLOOR FLOOR PLAN



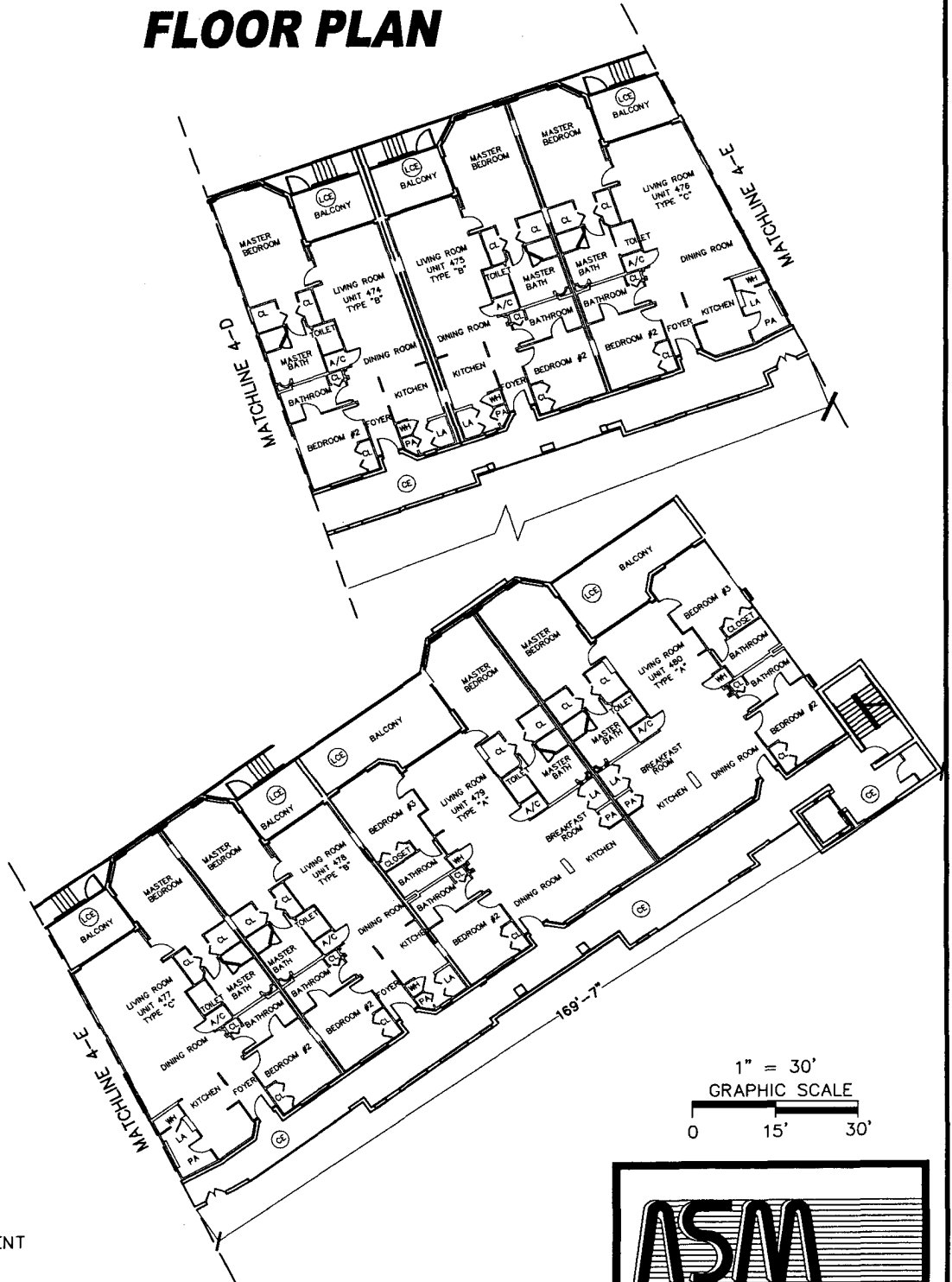
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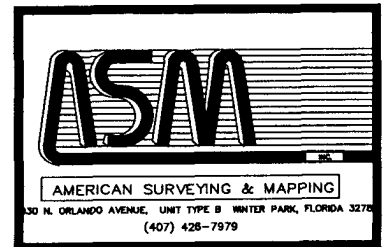
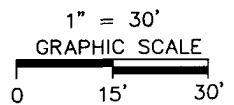
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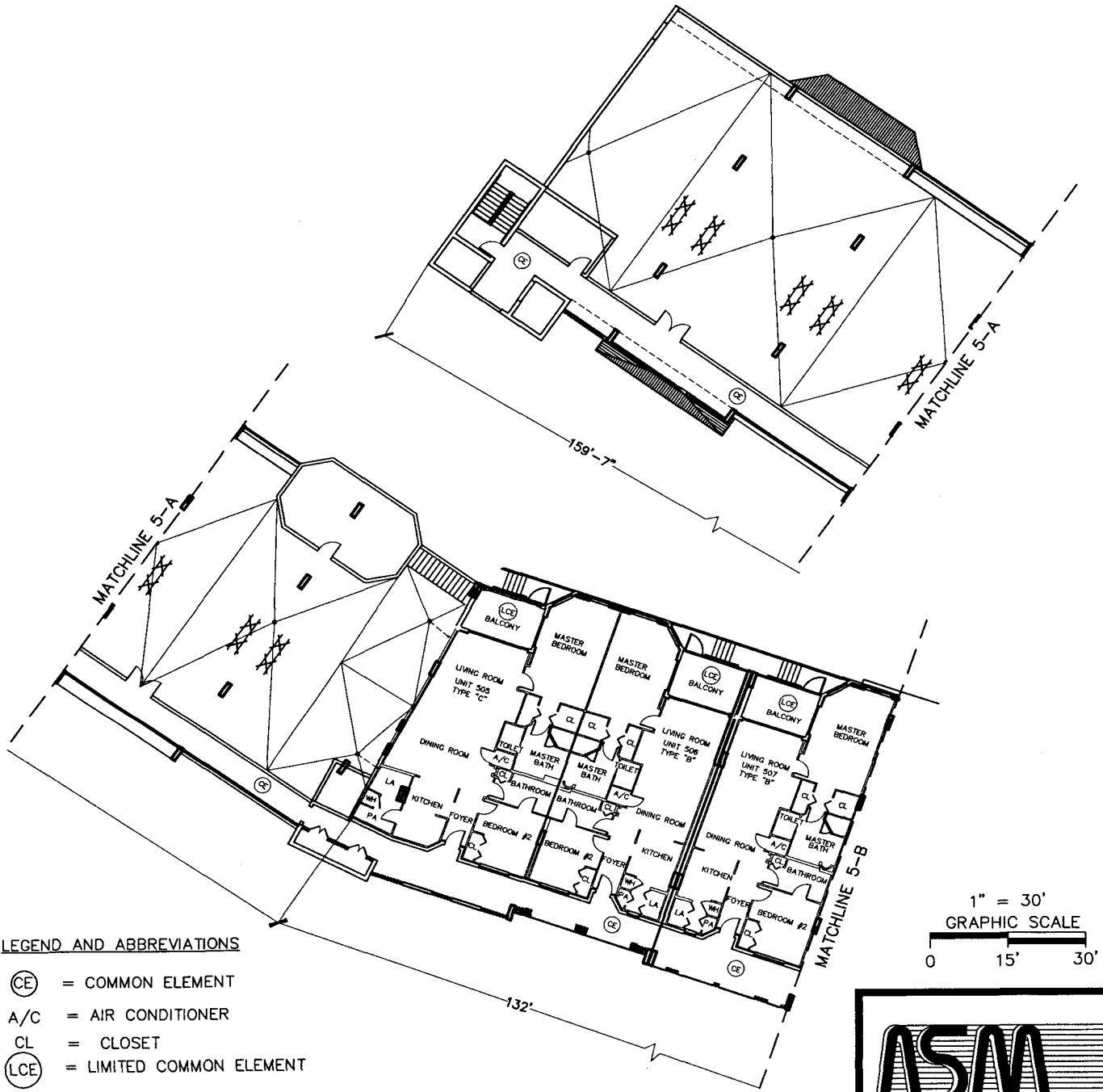
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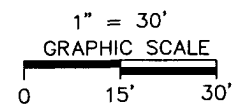
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FIFTH FLOOR FLOOR PLAN



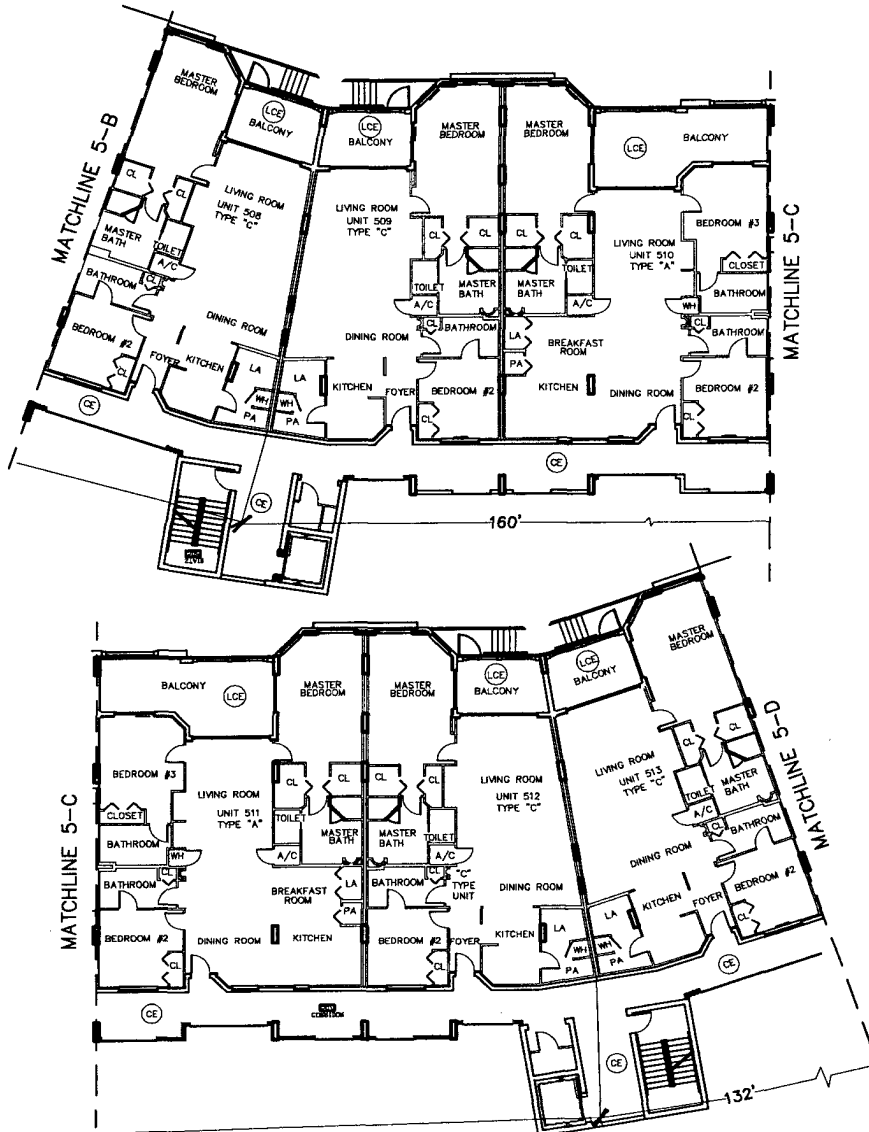
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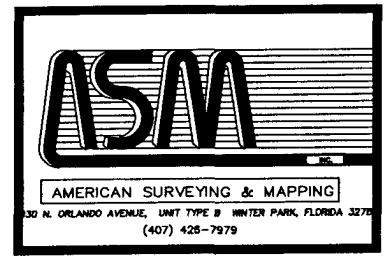
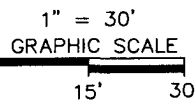
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FIFTH FLOOR FLOOR PLAN



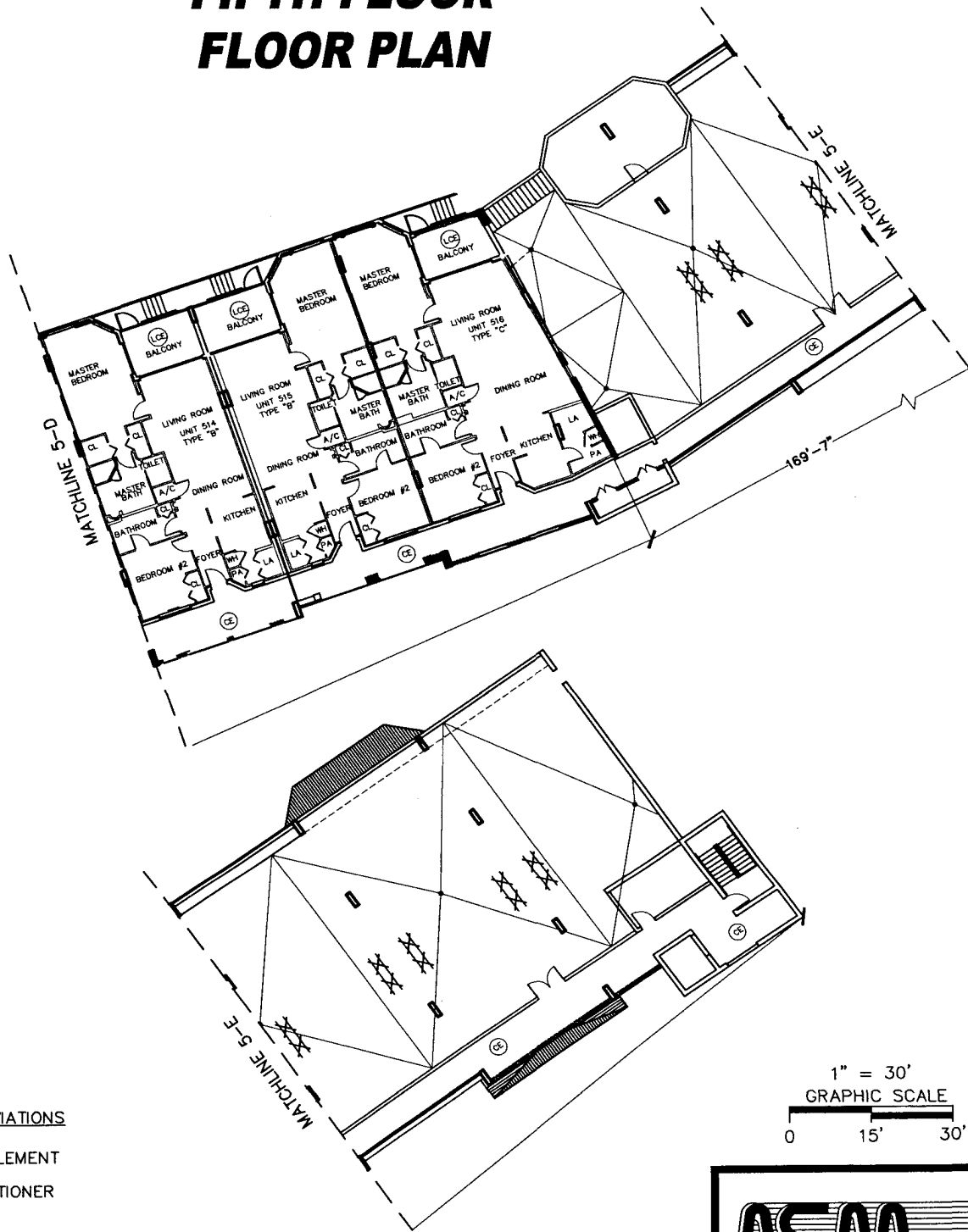
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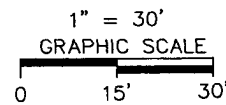
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FIFTH FLOOR FLOOR PLAN



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- WH = WATER HEATER

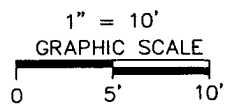
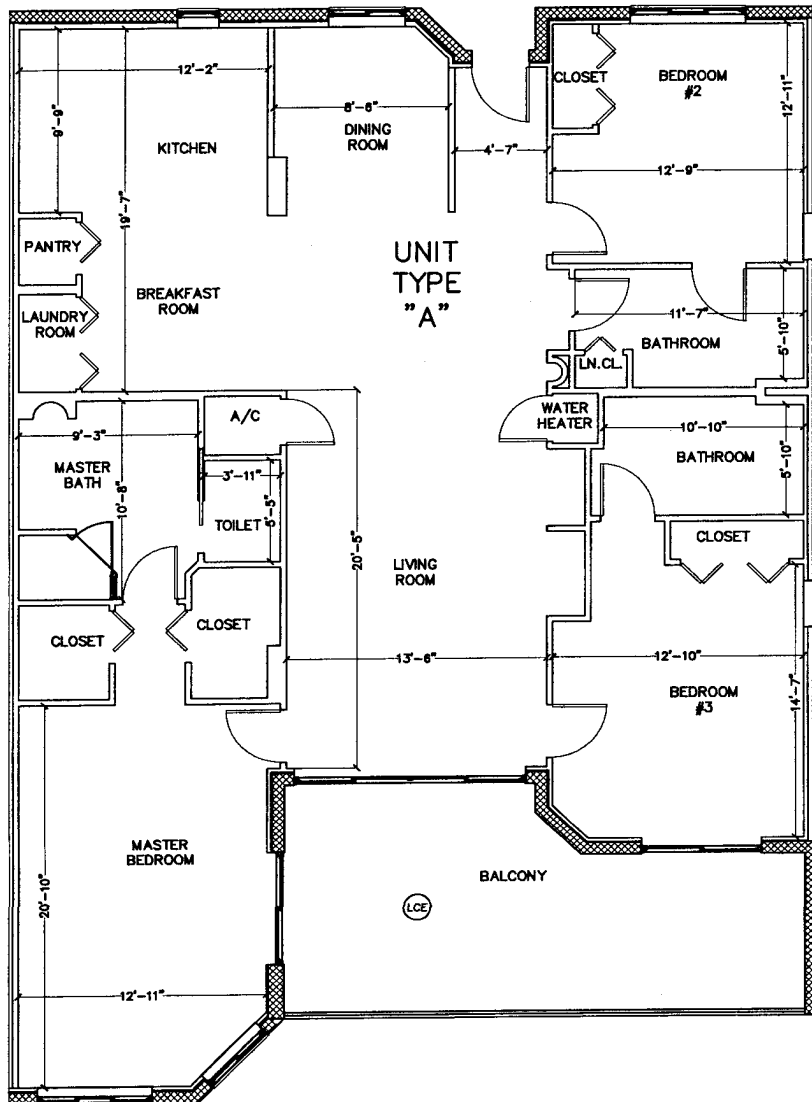


THE CONDOMINIUMS AT YACHT HARBOR VILLAGE



UNIT TYPE A

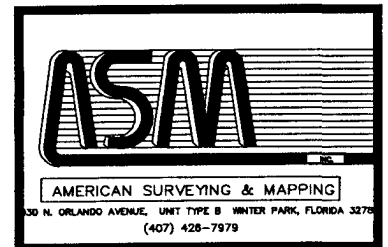
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LEGEND AND ABBREVIATIONS

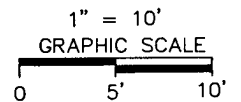
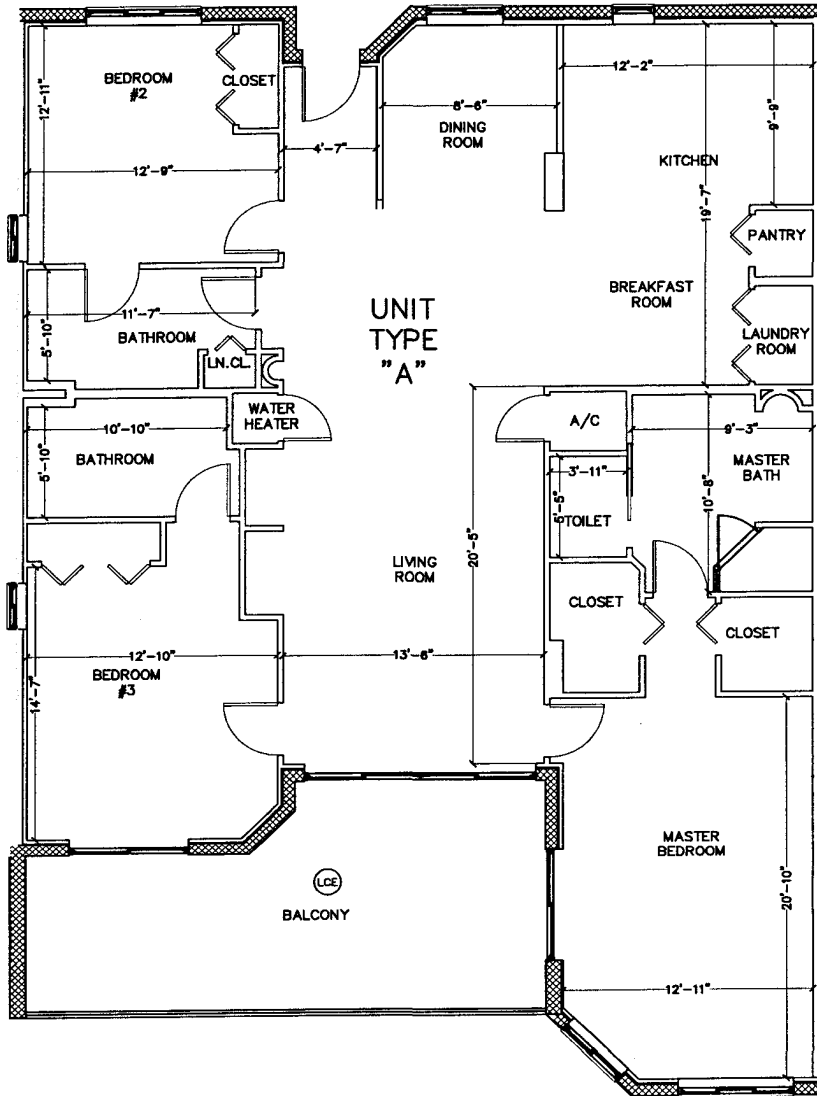
-  = COMMON ELEMENT
- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT





THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

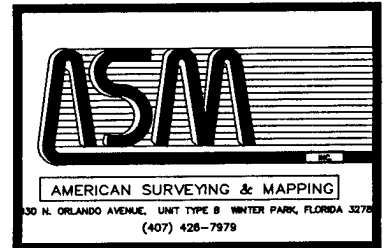
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LEGEND AND ABBREVIATIONS

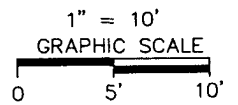
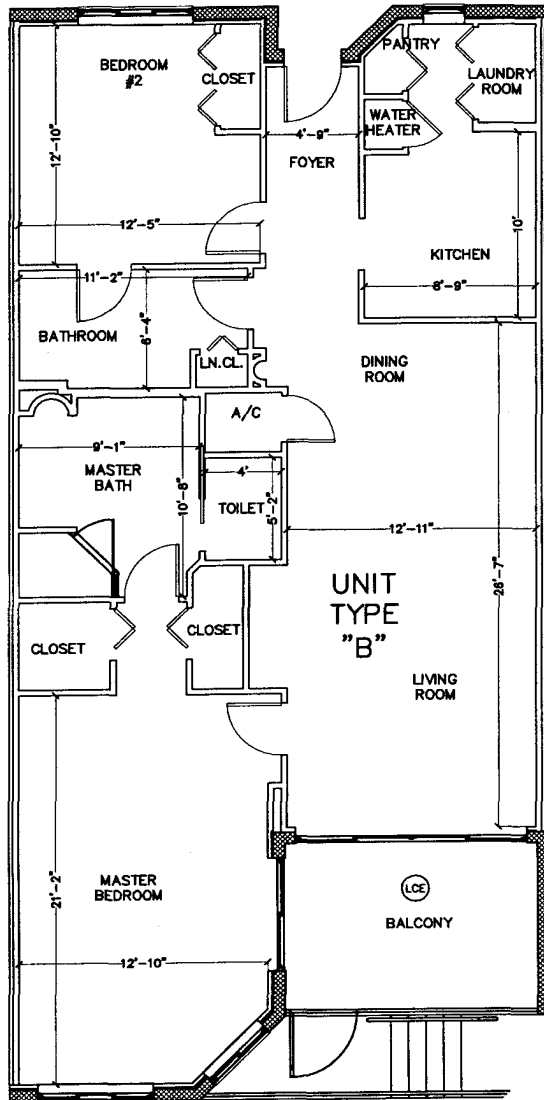
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- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT





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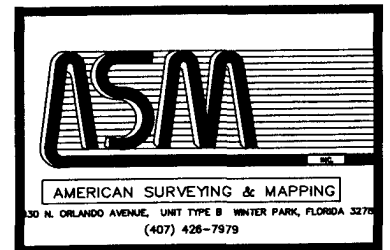
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LEGEND AND ABBREVIATIONS

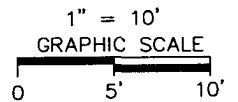
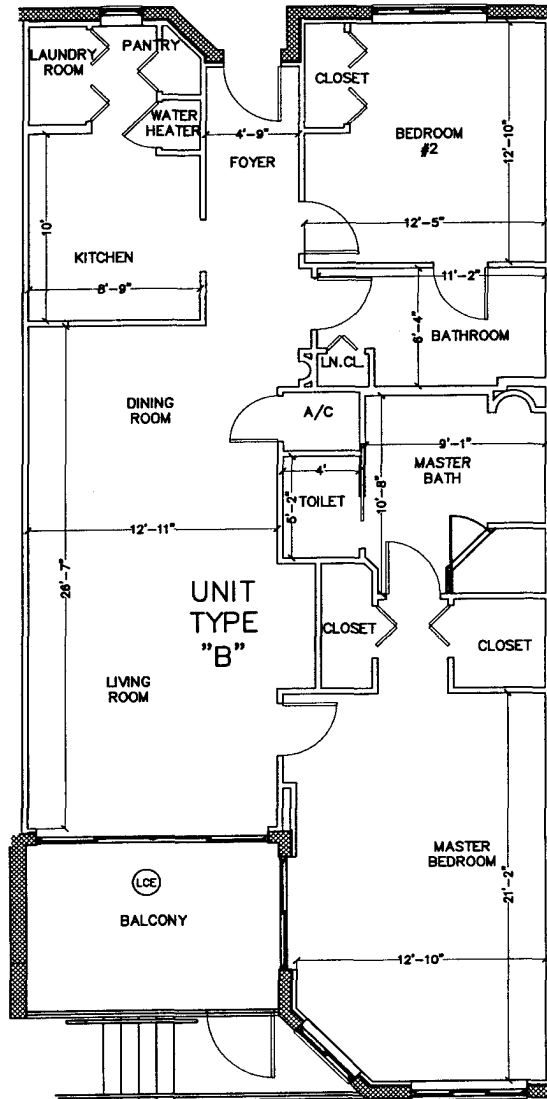
-  = COMMON ELEMENT
- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT





THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

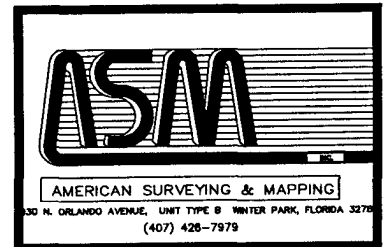
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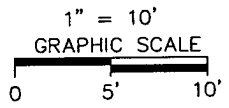
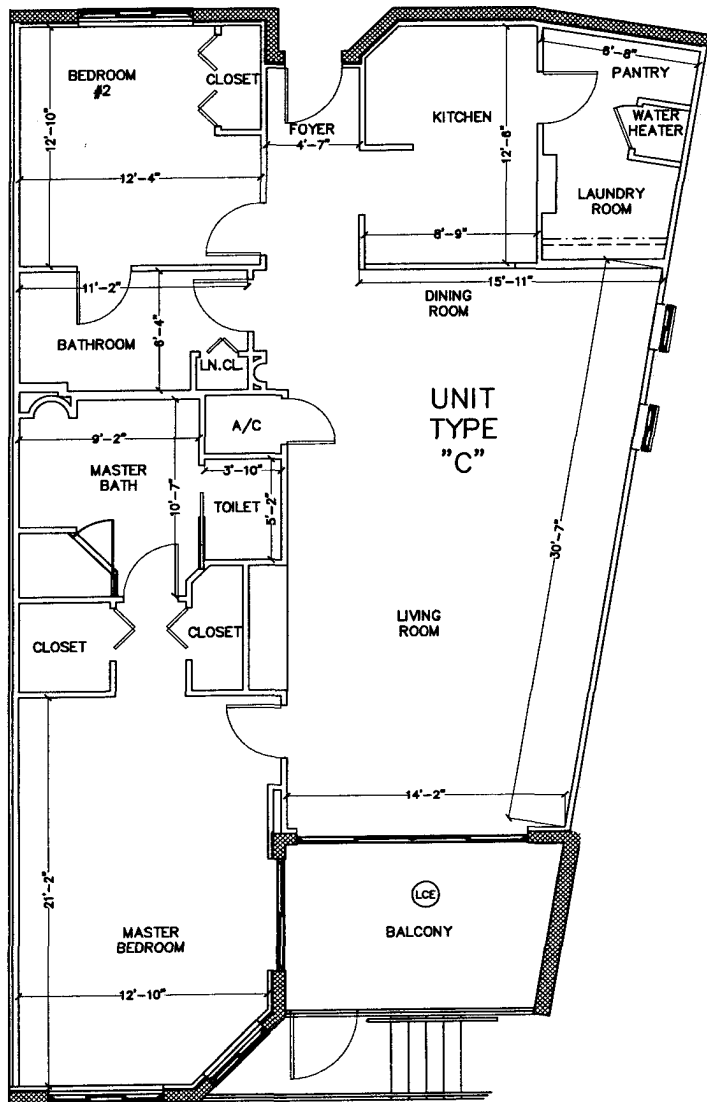
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-  = COMMON ELEMENT
- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT





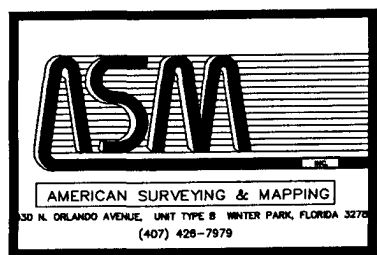
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

UNIT TYPE C
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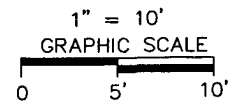
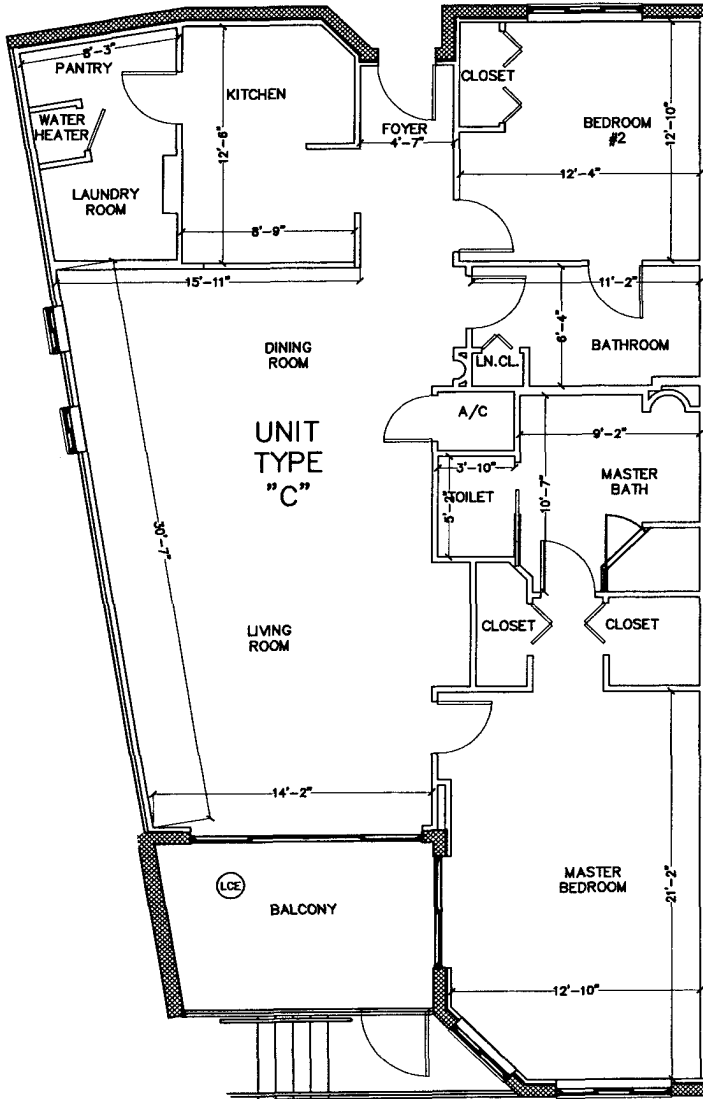
LEGEND AND ABBREVIATIONS

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- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT





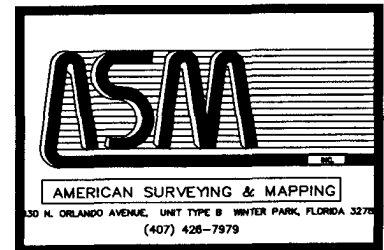
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

UNIT TYPE C OPP.
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LEGEND AND ABBREVIATIONS

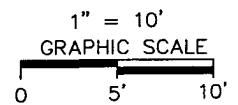
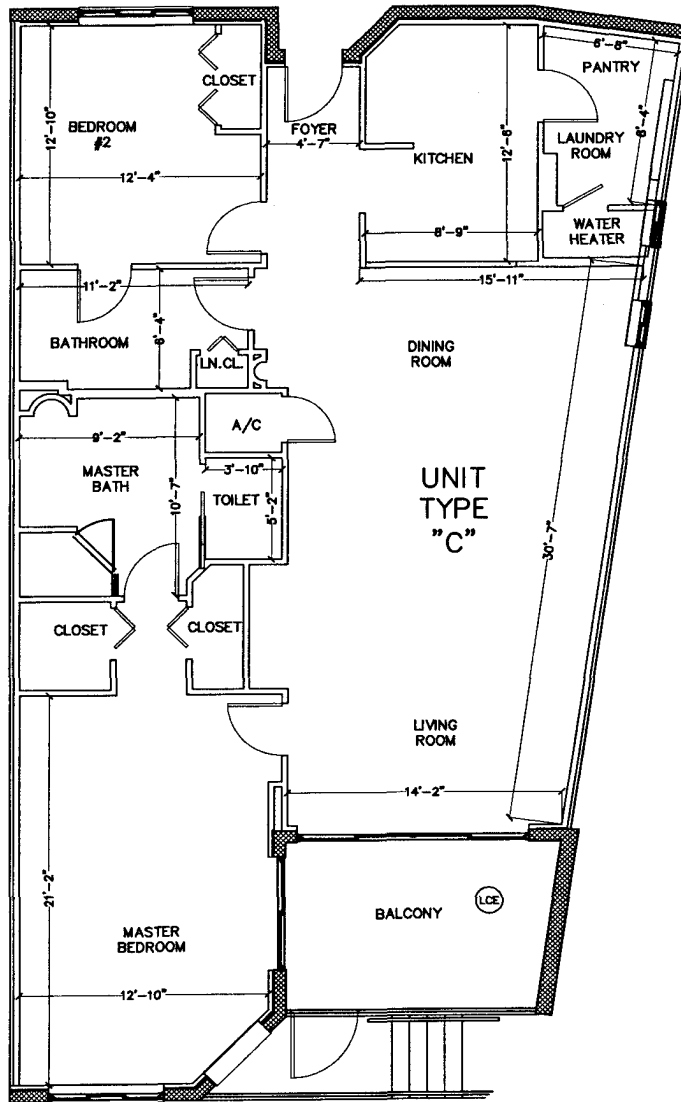
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- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT





THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

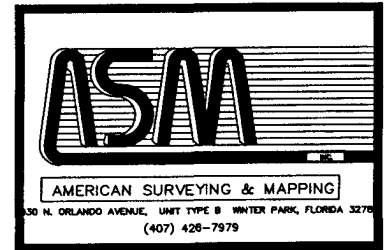
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LEGEND AND ABBREVIATIONS

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- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT

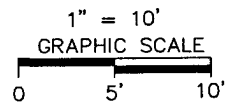
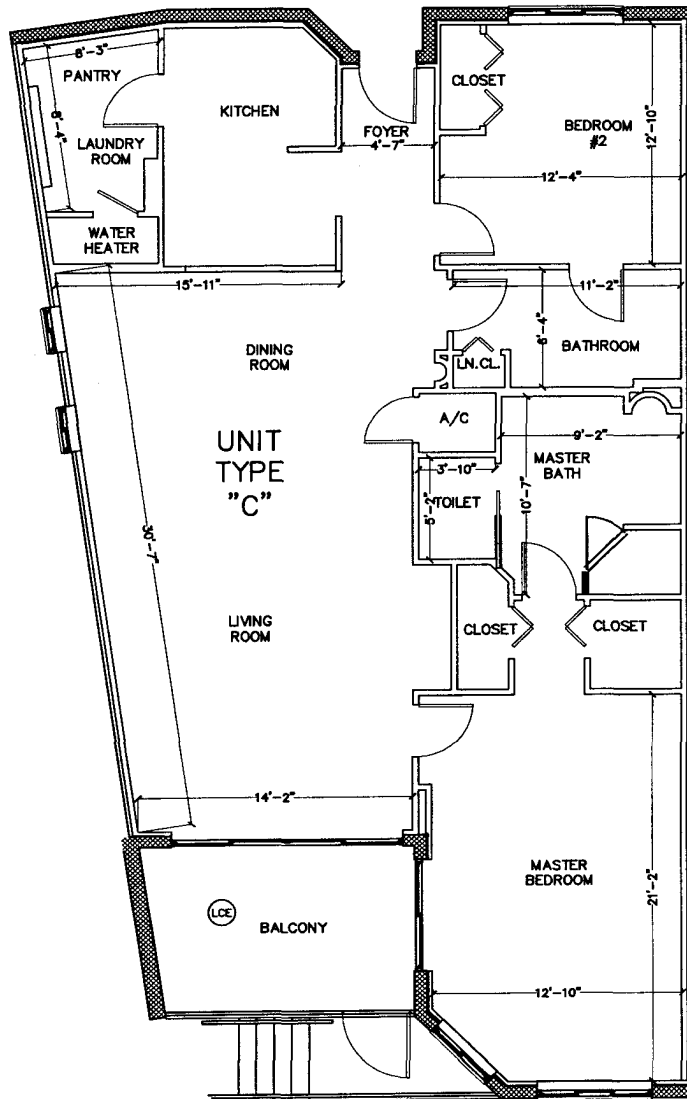


THE CONDOMINIUMS AT YACHT HARBOR VILLAGE



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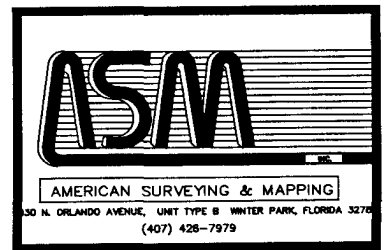
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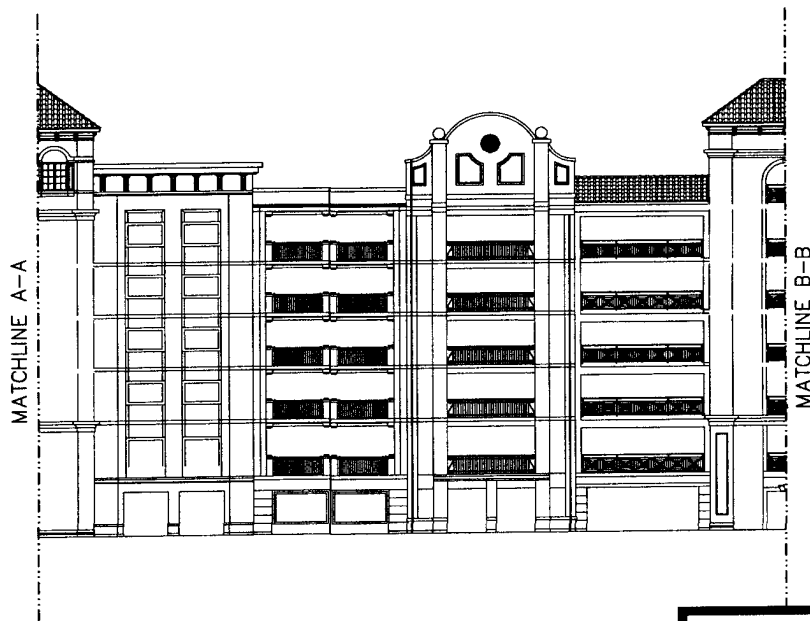
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- A/C = AIR CONDITIONER
- LN.CL. = LINEN CLOSET
-  = LIMITED COMMON ELEMENT

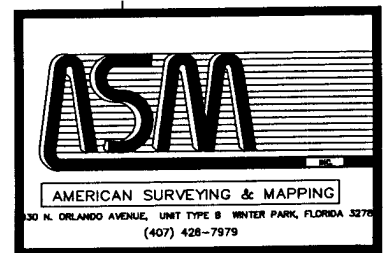


THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

ELEVATION PLAN

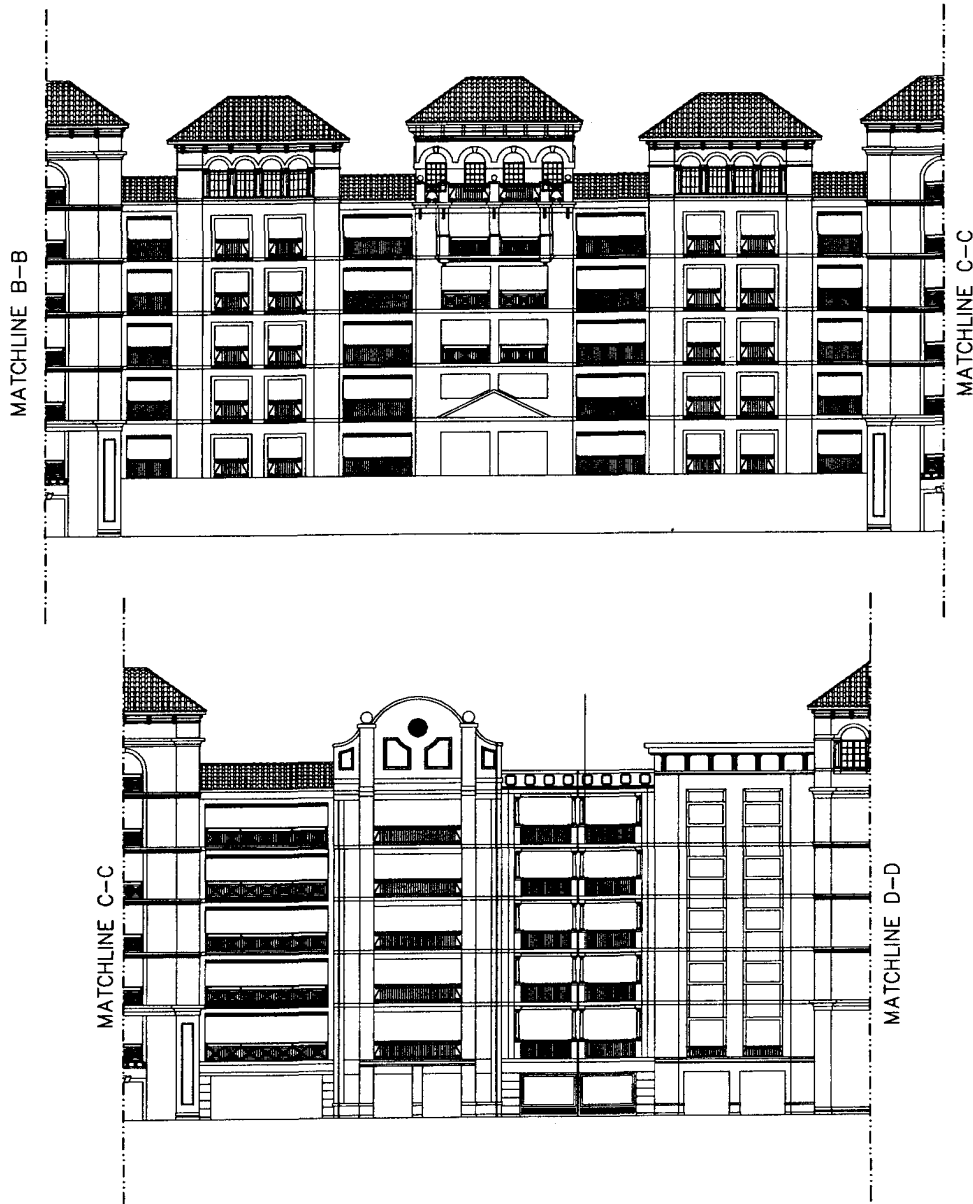


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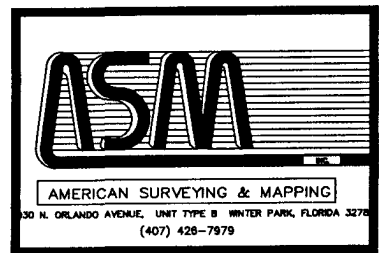


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ELEVATION PLAN

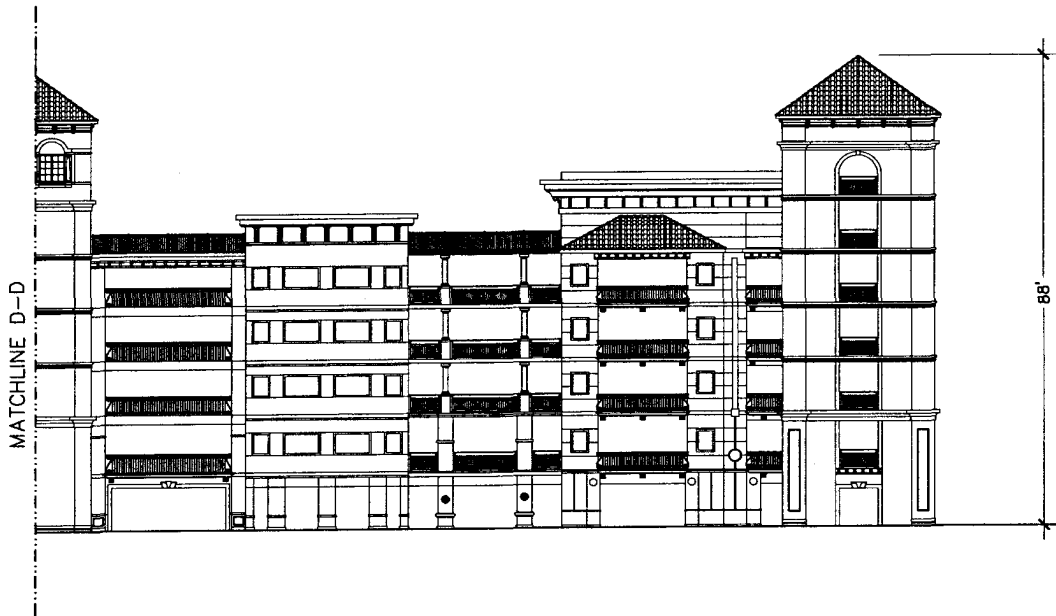


NOT TO SCALE



THE CONDOMINIUMS AT YACHT HARBOR VILLAGE

ELEVATION PLAN



NOT TO SCALE

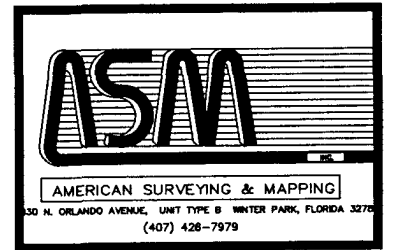


Exhibit B
Articles

ARTICLES OF INCORPORATION

OF

**THE CONDOMINIUMS AT YACHT HARBOR VILLAGE
CONDOMINIUM ASSOCIATION, INC.,
a Florida not-for-profit corporation**

In order to form a corporation under the laws of the State of Florida for the formation of corporations not-for-profit, the undersigned hereby forms a corporation for the purposes and with the powers herein specified, and to that end we do, by these Articles of Incorporation ("Articles"), set forth:

ARTICLE I

NAME

The name of the corporation shall be The Condominiums at Yacht Harbor Village Condominium Association, Inc. ("Association").

ARTICLE II

PURPOSE

The purpose of the Association is the administration, operation and management of a condominium known as The Condominiums at Yacht Harbor Village Condominium ("Condominium"), which may be established in accordance with Chapter 718, *Florida Statutes* (2005) ("Chapter 718"), upon that certain real property described in Exhibit A of the Declaration of Condominium of The Condominiums at Yacht Harbor Village, to be recorded in Flagler County, Florida (the "Declaration"), as such Declaration is amended, modified and supplemented from time to time. The Association shall undertake the performance of, and shall carry out, the acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions and authorizations contained herein, in the Bylaws established pursuant to the requirements of these Articles and in the Declaration, and further, may exercise all powers granted to a condominium association under Chapter 718. The Association may also acquire, own, operate, lease, sell, trade or otherwise deal with any property, real or personal, as may become part of the Condominium ("Condominium Property") and as may be necessary or convenient for the administration of the Condominium. All defined terms contained in these Articles shall have the

same meanings as such terms are defined by the Declaration unless specifically defined in these Articles or unless otherwise required by the context. The Association shall be conducted as a non-profit organization for the benefit of its members.

ARTICLE III

POWERS AND DUTIES

The Association shall have the following powers:

a) All of the powers and privileges granted to corporations not-for-profit under the law pursuant to which this Association is chartered.

b) All of the powers reasonably necessary to implement and effectuate the purposes of the Association including, without limitation, the power, authority and right to:

1. Make and establish Bylaws and reasonable rules and regulations governing use of the Units, Common Elements and Limited Common Elements in and of the Condominium, as such terms will be defined in the Declaration.

2. Levy and collect assessments against members of the Association to defray the Common Expenses of the Condominium, as provided in the Declaration and the Bylaws including, without limitation, the right to levy and collect assessments for the purposes of (i) acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Condominium Property, including Units, which may be necessary or convenient in the operation and management of the Condominium, and (ii) accomplishing the purposes set forth in the Declaration generally.

3. Maintain, repair, replace, operate and manage the Condominium Property, including the right to reconstruct improvements after casualty and to further improve and add to the Condominium Property.

4. Contract for the management of the Condominium and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration, the Articles, the Bylaws and Chapter 718.

5. Enforce the provisions of the Articles, the Declaration, the Bylaws and all rules and regulations governing use of the Condominium which may hereafter be established.

6. Exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association in the Declaration, the Articles, Bylaws and Chapter 718.

7. Employ personnel to perform the services required for proper operation of the Condominium.

8. Use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association Property, the Common Elements, the Limited Common Elements and the Condominium Property in accordance with the requirements set forth in the Declaration.

9. Grant permits, licenses and easements over the Common Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

10. Merge with other condominium associations, provided that such merger is approved by an eighty percent (80%) vote of the members of the Association and the majority of the votes of the members of the other associations to be merged.

11. Contract to sue or be sued with respect to its exercise or non-exercise of its powers.

12. Access to any Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Elements, Limited Common Elements or to prevent damage to such Common Elements or Limited Common Elements.

13. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and the Declaration, Bylaws and Chapter 718. In the event of a conflict between the terms of these Articles and the Declaration, the terms of the Declaration shall control.

14. To provide notice to Owners as required under these Bylaws. In those instances when these Bylaws or Florida law permits, notice may be provided via electronic transmission to those Owners who consent in writing to receipt of notice via electronic transmission, prior to the time that such notice is provided via electronic transmission. In this regard, the Board is required to maintain a complete list of the electronic mailing addresses and numbers of all Owners that consent to receive notices by electronic transmission, as permitted in these Bylaws. The Board shall remove the electronic mailing address and number provided by any Owner and maintained in

the books and records of the Association whenever such Owner revokes their consent to receive electronic transmission of notice.

ARTICLE IV

MEMBERSHIP

The qualifications of members, manner of their admission to and termination of membership and voting by members shall be as follows:

a) The owners of all Units in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership, except that, in the event the Association is merged with another condominium association, the owners of such other condominium shall also be members of the Association.

b) Membership shall be established by the acquisition of fee title to a Unit in the Condominium, or by acquisition of a fee ownership interest therein, by voluntary conveyance or operation of law, and the membership of any person or entity shall be automatically terminated when such person or entity is divested of all title or his or her entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two (2) or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any Unit.

c) The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Unit(s) owned by such member. The funds and assets of the Association shall be expended, held or used only for the benefit of the membership and for the purposes authorized herein, in the Declaration and in the Bylaws.

d) On all matters upon which the membership is entitled to vote as hereinafter provided, there shall be one (1), and only one (1), vote for each Unit in the Condominium, which vote may be exercised or cast by the owner(s) of each Unit as provided for in the Bylaws. Should any member own more than one (1) Unit, such member shall be entitled to exercise or cast one (1) vote for each such Unit, in the manner provided for in the Bylaws.

e) Until such time as the parcel of real property within the Condominium Property and the improvements now and/or to be constructed thereon are submitted to the Condominium form of ownership by recordation of a Declaration of Condominium therefor in the public records of Flagler

County, Florida, the membership of the Association shall be comprised of the members of the first Board of Directors as set forth in these Articles, each of whom shall be entitled to cast a vote on all matters upon which the membership would be entitled to vote.

f) As used in these Articles, the Bylaws and the Declaration, the term "Unit Owners" and "Owners" shall be synonymous with the term "Members" when referring to the members of the Association.

ARTICLE V

EXISTENCE

Existence of the Association shall commence with the filing of these Articles with the Florida Secretary of State. The Association shall have perpetual existence unless the Condominium is terminated pursuant to the provisions of its Declaration, in which event the Association shall be dissolved in accordance with law.

ARTICLE VI

PRINCIPAL OFFICE

The principal office of the Association shall be located at 1 Hammock Beach Parkway, Palm Coast, Flagler County, Florida 32137, but the Association may maintain offices and transact business in such places, within Flagler County, Florida, as may from time to time be designated by the Board of Directors.

ARTICLE VII

OFFICERS

The affairs of the Association shall be managed by the President of the Association assisted by the Vice President(s), Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of corporations in the State of Florida, subject to the directions of the Board of Directors.

The Board of Directors shall elect a President, Secretary, Treasurer and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall deem advisable from time to time. The President shall be elected from the membership of the Board of Directors, but no other officer needs to be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of the President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. Officers shall be elected annually.

The officers of the Association, who shall hold office until their successors are elected pursuant to these Articles and the Bylaws and have qualified, shall be the following:

President	Melissa Shane
Vice President	Shawn George
Secretary	Aiden Lynch
Treasurer	Aiden Lynch

Officers of the Association may be compensated in the manner to be provided in the Bylaws. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

ARTICLE VIII

DIRECTORS

The number of members of the Board of Directors shall be not less than three (3) persons. The initial members of the Board of Directors shall be appointed by the Developer and shall consist of not less than three (3) members for so long as the Developer is entitled to appoint any members of the Board of Directors and shall automatically increase to five Directors commencing at the first annual meeting after the Developer shall have lost or relinquished the right to appoint at least one Director. When Unit Owners other than the Developer own fifteen percent (15%) of the Units which may, pursuant to the Declaration, ultimately be operated by the Association, the Unit Owners, other than the Developer, shall be entitled to elect, in a manner to be provided in the Bylaws, not less than nor more than one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer shall be entitled to elect, in a manner to be provided in the Bylaws, not less than nor more than a majority of the members of the Board of Directors three (3) years after sales by the Developer have been closed on fifty percent (50%) but less than ninety percent (90%) of the Units which may, pursuant to the Declaration, ultimately be operated by the Association, or three (3) months after sales have been closed by the Developer of ninety percent (90%) of the Units which may, pursuant to the Declaration, ultimately be operated by the Association or when all of the Units which may, pursuant to the Declaration, ultimately be operated by the Association have been completed, and some have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, or when some of the Units have been sold and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or seven (7) years after recordation of the Declaration, whichever shall first occur. The Developer shall have the right to elect, in the manner to be provided in the Bylaws, all members of the Board of Directors which Unit Owners other than the Developer are not entitled to elect as long as the Developer holds for sale in the ordinary course of business any Units in the Condominium which may, pursuant to the Declaration, ultimately be operated by the Association; and the Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units which may, pursuant to the

Declaration, ultimately be operated by the Association. Commencing after the Developer shall have lost or relinquished the right to appoint at least (1) Director, the Directors shall be elected at large solely by the Residential Unit Owners by a plurality of the votes cast by the Residential Unit Owners at the annual membership meeting (the "Residential Unit Appointed Directors") and the remaining Directors shall be elected at large by the Commercial Unit Owners by a plurality vote of the votes cast by the Commercial Unit Owners at the annual membership meeting (the "Commercial Unit Appointed Directors"). Notwithstanding the foregoing, the Developer shall be entitled at any time to waive in writing its rights hereunder, and thereafter to vote in elections for members of the Board of Directors in the same manner as any other member of the Association. After Unit Owners, other than the Developer, elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner as provided in the Bylaws and Chapter 718, relinquish control of the Association and shall deliver to the Association all property of the Unit Owners and the Association held or controlled by the Developer. Meetings for the election of members of the Board of Directors shall be held annually in a manner to be provided in the Bylaws.

The names and addresses of the members of the first Board of Directors who, subject to the provisions of the laws of Florida, these Articles and the Bylaws, shall hold office for the first year of the Association's corporate existence, and thereafter until their successors are elected and have qualified, are as follows:

Melissa Shane
1 Hammock Beach Parkway
Palm Coast, Florida 32137

Shawn George
1 Hammock Beach Parkway
Palm Coast, Florida 32137

Aiden Lynch
1 Hammock Beach Parkway
Palm Coast, Florida 32137

ARTICLE IX

INCORPORATOR

The Incorporator under these Articles and its respective address, is set forth below:

A.G.C. Co.
200 South Orange Avenue
Suite 2300
Orlando, Florida 32801

ARTICLE X

BYLAWS

The original Bylaws of the Association shall be adopted by a majority vote of the Board of Directors of the Association at a meeting at which a majority of the Board of Directors is present, and, thereafter, the Bylaws may be amended, altered or rescinded only in the manner provided in the Bylaws, except that no portion of the Bylaws may be amended, altered or rescinded in such a manner as will prejudice the rights of the Developer without the Developer's written consent.

ARTICLE XI

INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including, without limitation, reasonable attorney's fees and costs, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be a party, or in which he/she may become involved, by reason of his/her being or having been a Director or officer of the Association, whether or not he/she is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided, that in the event any claim for reimbursement or indemnification hereunder is based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XII

AMENDMENT TO ARTICLES

Until membership of the Association consists of members in addition to the Developer, these Articles may be altered or amended at any regular or special meeting of the Board of Directors and a copy of such adopted amendment of the Articles shall be certified and transcribed in such form as necessary to file with the office of the Florida Secretary of State and a certified copy of such amendment shall be recorded in the public records of Flagler County, Florida, within thirty (30) days of the date on which the same is accepted for filing by the office of the Secretary of State.

After such time as the membership of the Association includes members in addition to the Developer, an amendment or amendments to these Articles may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the members of the Association owning sixty-six percent (66%) of the Voting Interests of the Units in the Condominium, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles being proposed by the Board of Directors or members, such proposed amendment or amendments shall be adopted by a Resolution of the Board of Directors setting forth the proposed amendment and directing that it be submitted to a vote at an annual or special meeting of the members. Such resolution shall be transmitted to the President of the Association or the acting chief-executive officer in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from the receipt by him/her of the Resolution containing the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than fourteen (14) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting the amendment or amendments proposed must be approved by a vote of the members owning not less than sixty-six percent (66%) of the Voting Interests of the Units in the Condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these Articles shall be transcribed and certified in such form as may be necessary to file the same in the office of

the Secretary of State of the State of Florida. A certified copy of each such amendment of these Articles shall be recorded in the public records of Flagler County, Florida, within thirty (30) days from the date on which the same is filed in the office of the Secretary of State. Notwithstanding the foregoing provisions of this Article XII, no amendment to these Articles, which shall abridge, amend or alter the right of Developer to designate and select members of the Board of Directors of the Association, as provided in Article VIII hereof, or any other right of the Developer, may be adopted or become effective without the prior written consent of Developer.

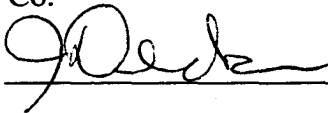
ARTICLE XIII

DISSOLUTION OF THE ASSOCIATION

The Association may be dissolved in accordance with the provisions of the Declaration and in accordance with law.

31st IN WITNESS WHEREOF, the Incorporator hereof has hereunto set his hand and seal this day of October, 2006.

A.G.C. Co.


By: 

Print Name: JEFFREY E. DECKER

As its: Vice President

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this 31st day of October, 2006, by Jeffrey E. Decker, as Vice President of A.G.C. Co, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

 Laurie L. Bergstresser
My Commission DD165029
Expires December 14, 2008

Laurie Bergstresser
(Notary Signature)

(NOTARY SEAL)

(Notary Name Printed)
NOTARY PUBLIC
Commission No. _____

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

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING IS
SUBMITTED:

THE CONDOMINIUMS AT YACHT HARBOR VILLAGE CONDOMINIUM
ASSOCIATION, INC., DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE
STATE OF FLORIDA WITH ITS PRINCIPAL PLACE OF BUSINESS AT ONE HAMMOCK
BEACH PARKWAY, PALM COAST, COUNTY OF FLAGLER, STATE OF FLORIDA HAS
NAMED ROBERT F. MASTERS, II, AS ITS AGENT TO ACCEPT SERVICE OF PROCESS
WITHIN FLORIDA.

THE CONDOMINIUMS AT YACHT
HARBOR VILLAGE CONDOMINIUM
ASSOCIATION, INC., a Florida corporation
not-for-profit

By: William Guthrie
William Guthrie
Incorporator

DATED: October, 2006

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE
STATED CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY
AGREE TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY WITH THE
PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE
PERFORMANCE OF MY DUTIES.

Robert F. Masters
Print Name: Robert F. Masters, II
Its Resident Agent

DATED: 10/30, 2006

Exhibit C
Bylaws

BYLAWS
OF
THE CONDOMINIUMS AT YACHT HARBOR VILLAGE
CONDOMINIUM ASSOCIATION, INC.
a Florida not-for-profit corporation

I. IDENTITY

A. These are the Bylaws of The Condominiums at Yacht Harbor Village Condominium Association, Inc., a Florida corporation not-for-profit ("Association"). The purpose of the Association is the administration, operation and management of The Condominiums at Yacht Harbor Village (the "Condominium"), which is established in accordance with Chapter 718, *Florida Statutes* (2006) ("Chapter 718") and for which the Declaration of Condominium of The Condominiums at Yacht Harbor Village specifies that the Association shall be the entity responsible for the operation and maintenance of the Condominium. The Association shall undertake the performance of and shall carry out the acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions and authorizations contained herein, in the Articles of Incorporation of the Association ("Articles") and in the Declaration of Condominium of the Condominium which will be recorded in the public records of Flagler County, Florida (the "Declaration"). In addition, the Association may own, operate, lease, sell, trade or otherwise deal with any property, real or personal, as may become part of the Condominium (the "Condominium Property") and as may be necessary or convenient for the administration of the Condominium.

B. The provisions of these Bylaws are applicable to the Condominium and are subject to the provisions of the Articles. A copy of the Articles and a copy of these Bylaws will be included as Exhibits to the Declaration. The terms and provisions of the Articles and Declaration shall control wherever the same may conflict herewith. The defined terms used in these Bylaws shall be as defined in the Declaration and the Articles, unless specifically defined in these Bylaws or unless otherwise required by the context.

C. All members of the Association, as defined in the Articles, and their invitees, including, without limitation, all present or future owners and tenants of Units in the Condominium ("Units") and other persons using the Condominium or any of the facilities thereof in any manner,

are subject to these Bylaws, the Rules and Regulations of the Association, the Articles and the Declaration.

D. The office of the Association shall be at 5 Blue Heron Lane, Palm Coast, Florida 32137, or at such other place as may be established by resolution of the Board of Directors.

E. The fiscal year of the Association shall be the calendar year.

F. The seal of the Association shall bear the name of the Association, the word "Florida" and the year of incorporation.

II. MEMBERSHIP, VOTING, QUORUM, PROXIES

A. Membership. The qualification of members of the Association ("Members"), the manner of their admission to the membership and termination of such membership and voting rights of Members ("Voting Interests") shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

B. Quorum. A quorum at meetings of Members shall consist of at least thirty-three percent (33%) of the Voting Interests represented either in person or by proxy and such quorum shall be necessary at all meetings of the Members for the transaction of business, except as otherwise provided by statute, the Articles or these Bylaws.

C. Voting.

1. Voting by Multiple Unit Owners. The vote of the owner(s) of a Unit owned by more than one natural person, as tenants in common, joint tenants, or by a partnership, limited liability company or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person, or by a partnership, limited liability company or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association ("Voting Certificate"), designate one natural person as the Primary Occupant. The Voting Certificate shall be filed with the Association and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

2. Ownership by Husband and Wife. Notwithstanding the provisions of Paragraph C.1 above, whenever any Unit is owned solely by a husband and wife, they may, but shall not be required to, designate a Primary Occupant. In the event a Voting Certificate designating a Primary Occupant is not filed by the husband and wife, the following provisions shall govern their right to vote:

- (i) Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy for the other for purposes of casting the Voting Interest for each Unit owned solely by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to exercise their Voting Interest on that subject at that meeting.
- (ii) Where only one (1) spouse is present at a meeting, the spouse present may exercise the Voting Interest of the Unit without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse,

the vote of said Unit shall not be considered in determining the requirement for a quorum or for any other purpose unless such prior notice to the contrary has been withdrawn by a subsequent written notice executed by both husband and wife.

- (iii) Where neither spouse is present, the person designated in a proxy signed by either spouse may exercise the Voting Interest of the Unit, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different proxy by the other spouse, the vote of said Unit shall not be considered in determining the requirement for a quorum or for any other purpose.

D. Approval. Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such owner if in an Association meeting.

E. Votes Required. Except as otherwise required under the provisions of the Articles, these Bylaws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, which is duly called and at which time a quorum is present, the affirmative vote of a majority of the Voting Interests present in person or by proxy, shall be binding upon the Members.

F. Proxies. Except as otherwise required under the provisions of these Bylaws, at any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by general or limited proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Member executing it.

G. Limited or General Proxies. Limited or general proxies may be used to establish a quorum. Limited proxies shall be used for (a) votes taken to waive or reduce reserves; (b) votes taken to amend the Declaration; and (c) votes taken to amend the Articles or the Bylaws. No proxy, limited or general, may be used in connection with the election of Directors, unless, pursuant to Florida Statutes Section 718.112(d)(8), the Association by the affirmative vote of a majority of the Voting Interests provide for different voting and election procedures, including but not limited to, providing for elections of Directors by limited or general proxy. General proxies may be used for

other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given.

H. Consent to Action. Unless a duly called meeting of the Association shall be specifically required for action to be taken by the Members in these Bylaws, the Articles, the Declaration, Chapter 718, or other *Florida Statutes*, any action to be taken by the Association may be taken by written consent setting forth the action so taken, approved by Members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voting.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERS

A. Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in Flagler County, Florida, and at such time as may be specified in the notice of the meeting, for the purposes of electing Directors and of transacting any other business authorized to be transacted by the Members.

B. Special Meetings. Except as elsewhere provided in these Bylaws to the contrary, special meetings of the entire membership of the Association shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors. A special meeting must be called by the officers upon receipt of a written request from Members of the Association owning a majority of the Voting Interests in the Condominium.

C. Notice of Meetings. Notice of all meetings of Members, if any, shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member, if any (unless waived in writing). Each notice shall be written or printed and shall incorporate an identification of agenda items and shall state the time, place of and purpose for which the meeting is called. Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed to each Member. Such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his/her post office address as it appears on the records of the Association, with postage thereon prepaid. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed in accordance with this provision, to each Unit Owner at the address last furnished to the Association. Each notice shall, in addition, be posted at a conspicuous place in the Condominium at least fourteen (14) continuous days prior to said meeting. Upon notice to all Unit Owners, the Board of Directors shall, from time to time, by duly adopted rule, designate a specific

location on the Condominium Property, upon which all notices of Unit Owner meetings shall be posted. If any meeting of the Members cannot be held because a quorum is not present, or because a greater percentage of the Voting Interests required to constitute a quorum for a particular purpose is not present, wherever the latter percentage may be required as set forth in the Articles, the Bylaws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. Presiding Officer and Minutes. At meetings of Members the President shall preside, or in his/her absence, the Vice President, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Members Participation at Meetings. Any Unit Owner may tape record or videotape meetings of the Board of Directors and meetings of Members, unless the Board designates a portion of the Board Meeting as being subject to attorney client privilege or another legal privilege. Unit Owners have the right to speak at meetings of the Board of Directors and meetings of Members with reference to all designated agenda items.

F. Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

1. Collection of election ballots not yet cast, if any.
2. Calling of the roll and certifying of proxies;
3. Proof of notice of meeting or waiver of notice;
4. Reading or waiver of reading of minutes of previous meeting of Members;
5. Reports of officers;
6. Reports of committees;
7. Appointment by Chairman of inspectors of election;

8. Election of directors;
9. Unfinished business;
10. New business; and
11. Adjournment.

IV. BOARD OF DIRECTORS

A. **Members of the Board of Directors.** The initial members of the Board of Directors shall be appointed by the Developer and shall consist of not less than three (3) members for so long as the Developer is entitled to appoint any members of the Board of Directors and shall automatically increase to five (5) Directors commencing at the first annual meeting after the Developer shall have lost or relinquished the right to appoint at least one (1) Director. When Unit Owners, other than Developer, own fifteen percent (15%) of the Units of the Condominium that will ultimately be operated by the Association, the Unit Owners, other than the Developer, shall be entitled to elect, in the manner provided in Article IV, Paragraph B, of these Bylaws, not less than nor more than one third (1/3) of the Members of the Board of Directors. Unit Owners, other than the Developer, shall be entitled to elect, in the manner provided in Articles IV, Paragraph B, of these Bylaws, not less than nor more than a majority of the Members of the Board of Directors, three (3) years after the sales by the Developer have been closed on fifty percent (50%), but less than ninety percent (90%) of the Units that will ultimately be operated by the Association, or three (3) months after sales have been closed by the Developer of ninety percent (90%) of the Units which may, pursuant to the Declaration, ultimately be operated by the Association, or when all of the Units that will ultimately be operated by the Association have been completed, and some have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, or when some of the Units have been sold and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or seven (7) years after recordation of the Declaration, whichever shall first occur. The Developer shall have the right to elect in the same manner provided in Article IV, Paragraph B, of these Bylaws the Members of the Board of Directors which other Unit Owners are not entitled to elect as long as the Developer holds for sale in the ordinary course of business any Units in the Condominium which may, pursuant to the Declaration, ultimately be operated by the Association. The Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium, which may, pursuant to the Declaration, ultimately to be operated by the Association. Commencing after the Developer shall have lost or

relinquished the right to appoint at least (1) Director, the Directors shall be elected at large solely by the Unit Owners by a plurality of the votes cast by the Unit Owners at the annual membership meeting (the "Unit Appointed Directors"). Notwithstanding the foregoing, the Developer shall be entitled at any time to waive its rights hereunder, by execution and delivery to the Association of written waivers, and thereafter to vote in elections for Members of the Board of Directors in the same manner as any other Unit Owner. After Unit Owners, other than the Developer, elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner as provided in these Bylaws and Chapter 718, relinquish control of the Association and shall deliver to the Association all property of the Unit Owners and the Association held or controlled by the Developer. Meetings for the election of members of the Board of Directors shall be held annually in a manner to be provided in these Bylaws.

B. Election of Directors. Directors shall be elected in the following manner:

1. Commencing with the election of the first Board of Directors to succeed the Board of Directors comprised of the persons named in the Articles, Developer shall designate that number and the identity of the Members of the Board of Directors which it shall be entitled to designate in accordance with the Articles and these Bylaws, and, upon such designation by Developer, by written instrument presented to the meeting at which such election is held, the persons so designated by Developer shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or designated, as the case may be, and qualified in accordance with the provisions of these Bylaws.

2. For so long as the Developer shall retain the right to appoint at least one (1) member of the Board of Directors, the remaining Members of the Board of Directors, whom Developer shall not be entitled to designate under these Bylaws, shall be elected at large by the Unit Owners, other than the Developer, by a plurality of the Unit Owners' votes cast at the annual meeting of the general membership immediately following designation of the Members of the Board of Directors whom Developer shall be entitled to designate. Commencing after the Developer shall have lost or relinquished the right to appoint at least one (1) Director, a majority of the Directors shall be elected at large, solely by the Residential Unit Owners, by a plurality of the votes cast by the Residential Unit Owners at the annual membership meeting (the "Residential Unit Appointed Directors"), and the remaining Directors shall be elected at large by the Commercial Unit Owners at the annual membership meeting (the "Commercial Unit Appointed Directors").

3. Not less than sixty (60) days before scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newspaper, to each Unit Owner entitled to a vote, the first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the Association not less than forty (40) days before scheduled election. Together with the written notice and agenda required pursuant to Section 718.112(2)(d), subparagraph 2, of Chapter 718, the Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the candidate, the Association shall include an information sheet, no larger than 8½" X 11", which must be furnished by the candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. The Association has no liability for the contents of the information sheets prepared by the candidate. No Unit Owner shall permit any other person to vote his/her ballot, and any such ballot improperly cast shall be invalid. The regular election shall occur on the date of the annual meeting.

4. There shall be no quorum requirements for the election of Directors; however, at least twenty (20%) percent of the Voting Interest must cast a ballot in order to have a valid election of members of the Board.

5. Vacancies on the Board with respect to a Residential Unit Appointed Director may be filled to expire on the date of the next annual meeting by the remaining Residential Unit Appointed Directors, and with respect to Commercial Unit Appointed Directors, Directors, by the remaining Commercial Unit Appointed Directors or, if no such Directors exists, by a vote of the general membership at a special meeting of the membership called for such purpose and conducted in the manner called for in Section B(2) above, with respect to the Commercial Unit Appointed Directors and the Residential Appointed Directors, as applicable, and except that, should any vacancy in the Board be created in a directorship previously filled by any person designated by Developer, such vacancy should be filled by Developer designating by written instrument delivered to any office of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof.

6. If, at the time of the first annual meeting of Members, Unit Owners, other than the Developer, are entitled to elect all of the Directors, the terms of office of one (1) of the Residential Unit Appointed Directors and one (1) of the Commercial Unit Appointed Directors shall be two (2) years, and the terms of office of the remaining Director or Directors shall be one (1) year. If, at the time of the first annual meeting of Members, Developer is entitled to designate some or all

of the Directors, Developer shall have the right to designate for two (2) year terms that number of Directors which the Director is entitled to designate. The remaining Director or Directors designated by the Developer or elected by the Unit Owners, other than the Developer, as applicable, if any, shall have terms of office of one (1) year; the intention being that terms of office of Directors be staggered. Thereafter, as many Directors shall be elected, or designated by Developer or the Unit Owners, as applicable, for two (2) year terms, as there are regular terms of office for Directors expiring at such times. Directors shall hold office for the terms to which elected or designated, and thereafter until their successors are duly elected, or designated by the Developer, and qualified, or until removed in the manner elsewhere herein provided or provided by law.

7. In the election of Directors, there shall be, appurtenant to each Residential Unit, one (1) vote for each Residential Unit Appointed Director, which is to be filled at that meeting and there shall be appurtenant to each Commercial Unit, one (1) vote for each Commercial Unit Appointed Director's position, which is to be filled at that meeting; provided, however, that no Member or owner of any Voting Interest may cast more than one (1) vote per Unit or Voting Interest owned for any person nominated as a Director it being the intent hereof that the voting of Directors, shall be non-cumulative.

8. The election of Directors shall be by written ballot or voting machine. Proxies shall not be used in electing Directors either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless authorized by the Association as privileged in Article II G.

9. Within seventy-five (75) days after Unit Owners other than the Developer are entitled to elect a member or Members of the Board of Directors of the Association, the Association shall, as otherwise provided in accordance with the provisions of these Bylaws, call and give not less than sixty (60) days notice of an election for Members of the Board of Directors. Such election may be called and the notice given by any Unit Owner if the Association fails to do so within the time prescribed herein. Election of such Directors by the Unit Owners shall be conducted in the manner provided in these Bylaws. Upon election of the first Unit Owner other than the Developer's representative to the Board of Directors, the Developer shall forward to the Division of Florida Land Sales, Condominiums and Mobile Homes the name and mailing address of such Unit Owner member.

10. In the event that Developer selects any person or persons to serve on any Board of Directors, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board of

Directors. Replacement of any person or persons designated by Developer to serve on any Board of Directors shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. Organizational Meetings. The organizational meeting of a newly elected or designated Board of Directors shall be held within thirty (30) days of their election or designation, and shall be noticed as required by this Article IV.

D. Regular Board of Directors Meetings. Regular meetings of the Board of Directors 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, telegram or overnight courier, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

E. Special Meetings. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one (1) of the Directors. Not less than three (3) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Notices and Open Meetings. Adequate notice to the Members of all meetings (regular and special) of the Board of Directors, or any committee thereof at which a quorum of the Members of that committee are present, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours in advance of the meeting, except in an emergency. The notice shall specifically incorporate an identification of agenda items. Upon prior notice to all Unit Owners, the Board of Directors shall, from time to time, by duly adopted rule, designate a specific location on the Condominium Property upon which notices of all Board of Directors meetings shall be posted. All meetings of the Board of Directors shall be open to all Unit Owners. Notice of any meeting of the Board of Directors or any committee thereof where the Association's budget or where regular assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Written notice of any meeting of the Board of Directors or any committee thereof at which non-emergency special assessments, or at which amendment to rules regarding Unit use will be proposed, discussed, or approved, shall be mailed or delivered to the Members and posted conspicuously on the Condominium Property not less than fourteen (14) continuous days prior to the meeting. The

Secretary of the Association shall provide an Affidavit, to be included in the official records of the Association, confirming that notice of such meeting was provided in accordance with this provision, to each Unit Owner.

G. Board of Directors Meetings. Minutes of all meetings of the Board of Directors shall be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

H. Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting by signing a waiver of notice and placing it in the minute book, and such waiver shall be deemed equivalent to the giving of notice.

I. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a Board or committee meeting by means of telephone or other electronic means, through which all persons participating in the meeting can hear each other at the same time. Participation in this manner shall constitute presence at the meeting for all such purposes. Participants attending by electronic means may vote by electronic transmission.

J. Quorum, Voting and Approval. A quorum at meetings of the Board of Directors shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board of Directors approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. A Director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the Action taken, unless he/she votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. If any meeting of the Board of Directors cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice to the Directors, however notice of the adjourned meeting must be given in accordance with Paragraph F, Article IV hereof. All meetings of the Board of Directors shall be open to all Unit Owners, unless otherwise provided by law, provided the Board

shall have the right to exclude Unit Owners from portions of a Board Meeting which the Board deems to be subject to attorney client privilege or other legal privilege of the Board.

K. Presiding Officer. The presiding officer of meetings of the Board of Directors shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

L. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to:

1. Make, levy and collect assessments, including without limitation, assessments for reserves and for improvements to Condominium Property assessments imposed against the Units pursuant to the Master Declaration as described in the Declaration, against Members and Members' Units to defray the costs of the Condominium, and use the proceeds of assessments in the exercise of the powers and duties of the Association, including, but not limited to, payment of such assessments due to the Master Association pursuant to the Master Declaration.

2. Maintain, repair, replace, operate and manage the Condominium whenever the same is required to be done and accomplished by the Association for the benefit of Members;

3. Repair and reconstruct improvements after casualty as set forth in the Declaration;

4. Make and amend regulations governing the use of the property, real and personal, in the Condominium, provided that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;

5. Acquire, own, hold, operate, lease, encumber, convey, exchange, manage and otherwise trade and deal with property, real and personal, including Units of and in the Condominium as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration;

6. Contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers and duties including, but not limited to, the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements and Limited Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium documents and Chapter 718, including, but not limited to, the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;

7. Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration and all regulations governing use or property of and in the Condominium hereafter adopted;

8. Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens;

9. Carry insurance for the protection of Members and the Association against casualty and liability;

10. Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units; and

11. Employ personnel to perform the services required for proper administration of the purposes of the Association.

12. Accept a certificate of compliance from a licensed electrical contractor or electrician as evidence of compliance of the Units to the applicable fire and life safety code.

13. To approve any and all replats of the property included in the Condominium.

M. First Board of Directors. The first Board of Directors of the Association shall be comprised of those Members of the Board of Directors as described in the Articles, who shall serve until their successors are designated by Developer or elected at the first annual meeting of the Members as described in Article IV, Paragraph B(8). Should any member of the First Board of

Directors be unable to serve for any reason, the Developer shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

N. Removal and Recall. Any Unit Owner elected member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Voting Interests. A special meeting of the Members to recall a member or members of the Board of Directors may be called by ten percent (10%) of the Voting Interests giving notice of the meeting in the same manner as notice of the call of a special meeting of the Members is required as set forth in Article III, Paragraph C, and the notice shall state the purpose of the meeting. Such special meeting to recall a member or Members of the Board of Directors is subject, however to the right of Developer to elect Directors as provided herein. Members of the Board of Directors appointed by the Developer may only be removed by the Developer.

1. If the recall is approved by a majority of all Voting Interests by a vote at a meeting, the recall will be effective as provided herein. The Board of Directors shall duly notice and hold a Board of Directors meeting within five (5) full business days of the adjournment of the Unit Owner meeting to recall one or more Board of Directors Members. At the meeting, the Board of Directors shall either certify the recall, in which case such member or Members shall be recalled effective immediately and shall turn over to the Board of Directors, within five (5) full business days, any and all records and property of the Association in their possession or shall proceed as set forth below.

2. If the proposed recall is by an agreement in writing by a majority of all Voting Interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 47, *Florida Statutes*, and the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board of Directors within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board of Directors shall either certify the written agreement to recall a member or members of the Board of Directors, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors, within five (5) full business days, any and all records and property of the Association in their possession or proceed as described below.

3. If the Board of Directors determines not to certify the written agreement to recall a member or members of the Board of Directors or does not certify the recall by a vote at a meeting, the Board of Directors shall, within five (5) full business days after the meeting, file with the Division of Florida Land Sales, Condominiums and Mobile Homes ("Division") a petition for

arbitration pursuant to the procedures in Section 718.1255, *Florida Statutes*. For the purposes of this provision, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board of Directors, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Section 718.501, *Florida Statutes*. Any member or members of the Board of Directors so recalled shall deliver to the Board of Directors any and all records of the Association in their possession within five (5) full business days of the effective date of the recall.

4. If the Board of Directors fails to duly notice and hold a Board of Directors meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Unit Owner recall meeting, the recall shall be deemed effective and the Board of Directors Members so recalled shall immediately turn over to the Board of Directors any and all records and property of the Association.

5. If a vacancy occurs on the Board of Directors as a result of a recall and less than a majority of the Board of Directors Members are removed, a vacancy may be filled by the affirmative vote of a majority of the remaining Board of Directors, notwithstanding any provision to the contrary contained in this Paragraph M. If vacancies occur on the Board of Directors as a result of a recall and a majority or more of the Board of Directors Members are removed, the vacancies shall be filled in accordance with the procedural rules of the Division, as set forth in Fla. Admin. Code Rule 61B-23.0027. Developer shall be entitled to fill any vacancy on the Board resulting from such recall with respect to any Developer appointed Board of Directors vacancies.

O. Place of Board of Directors Meetings. Notwithstanding anything contained in these Bylaws to the contrary, any meeting of Members of the Board of Directors may be held at any place, within or without the State of Florida designated in the notice of any such meeting, or notice of which is waived.

V. **OFFICERS**

A. **Generally.** The Board of Directors shall elect a President, Secretary, Treasurer and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall deem advisable from time to time. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board of Directors may from time to time elect such other officers, and designate their powers and duties, as the Board of Directors may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board of Directors.

B. **President.** The President shall be the chief executive officer of the Association. He/she shall have all of the powers and duties which are usually vested in the office of President of a corporation not-for-profit including, but not limited to, the power to appoint committees from among the Members from time to time, as he/she may in his/her discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board of Directors may designate.

C. **Vice President.** The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He/she shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

D. **Secretary.** The Secretary shall keep, or cause to be kept, the minutes of all proceedings of the Board of Directors and the Members. He/she shall attend to the giving and serving of all notices to the Members and the Board of Directors, and such other notices as may be required by law. He/she shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He/she shall keep, or cause to be kept, the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation not-for-profit and as may be required by the Board of Directors and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. **Treasurer.** The Treasurer shall have custody of all of the Property of the Association including funds, securities and evidences of indebtedness. He/she shall keep the assessment roll and

accounts of the Members; he/she shall keep the books of the Association in accordance with good accounting practices, and he/she shall perform all other duties incident to the office of Treasurer.

F. Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Developer shall receive any compensation for his/her services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any Director or officer as an employee of the Association at such compensation as the Board of Directors shall determine, nor shall anything herein be construed so as to preclude the Board of Directors from contracting with a Director or officer or with any corporation in which a Director or officer or with any corporation in which a Director or officer of the Association may be a stockholder, officer, Director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board of Directors and such officer, Director or corporation, or from contracting with a Director or officer or corporation in which a director or officer of the Association may be a stockholder, officer, director or employee for the purpose of making available to the Unit Owners of Condominium Units such services as are contemplated by these Bylaws, the Articles and the Declaration. An officer, Director or manager may not solicit, offer to accept or accept anything of service or value for which consideration has not been provided for his or her own benefit or that his or her immediate family, from any person providing or proposing to provide goods or services to the Association.

VI. FIDELITY BONDING OF OFFICERS AND DIRECTORS

The Association shall obtain and maintain adequate insurance or fidelity bonds for all persons who control or disburse funds for the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its managing agent at any one time. The Association shall bear the cost of bonding.

VII. OFFICIAL RECORDS

A. From the inception of the Association, the Association shall maintain a copy of each of the following where applicable, which shall constitute the official records of the Association;

1. The plans, permits, warranties and other items provided by the Developer applicable to the Condominium;
2. A photocopy of the recorded Declaration and all amendments thereto;

3. A photocopy of these Bylaws as recorded and all amendments thereto;
4. A certified copy of the Articles and amendments thereto;
5. A copy of the current rules and regulations of the Association;
6. The Association minute book containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven (7) years;
7. A current roster of all Unit Owners, their mailing addresses, Unit identifications, Voting Certificates, and if known, telephone numbers;
8. All current insurance policies of the Association and the Condominium;
9. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility;
10. Bills of sale or transfer for all property owned by the Association;
11. Accounting records for the Association maintained according to good accounting practices. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:
 - (a) Accurate, itemized, and detailed records of all receipts and expenditures.
 - (b) A current account and a monthly, bimonthly or quarterly statement of the account for each Unit designating the name of the Unit owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.
 - (c) All audits, reviews, accounting statements and financial reports of the Association or Condominium.

(d) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year after completion of the applicable work..

12. Voting proxies, which shall be maintained for a period of one (1) year from the date of the meeting for which the proxy was given.

13. All rental records where the Association is acting as agent for the rental of Condominium Units.

B. The official records of the Association shall be maintained in Flagler County, Florida.

C. The official records of the Association shall be open to inspection by any Association member or the authorized representative of such member at all reasonable times.

VIII. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

A. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the owner(s) of each Unit, the amount of each assessment against the owner(s) of each Unit, the amount paid, and the balance due upon each assessment.

B. Annual Budget. The Board of Directors shall adopt for, and in advance of, each fiscal year, a budget for the Condominium showing the estimated costs of performing all of the functions of the Association as such Condominium for the year. The budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements and Limited Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and reserve accounts for capital expenditures and deferred maintenance and any other reserves and/or funds which may be established from time to time by the Board of Directors. Such reserve accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. All such reserve funds and interest thereon shall remain in such accounts for

authorized reserve expenditures, unless their use for other purposes is approved in advance by a majority of the Members. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the owner(s) of each Unit and due date(s) and amount of installments thereof. Copies of the proposed budget and proposed assessments shall be mailed or hand delivered to each Member on or before January 1 of the year for which the budget is made at the address last furnished to the Association and not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of the time and place of that meeting. The Secretary of the Association shall provide an Affidavit, to be included in the official records of the Association, confirming that notice of such meeting was provided in accordance with this provision to each Unit Owner. Such meeting of the Board of Directors shall be open to Members. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management or in the event of emergencies.

C. Increased Budget(s). If a budget is adopted by the Board of Directors which requires assessment of the Members in any budget year exceeding one hundred fifteen percent (115%) of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Voting Interests, a special meeting of the Members shall be held upon not less than ten (10) days written notice to each Member, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting Members shall consider and adopt a budget or recall any and all Members of the Board of Directors and elect their successors in accordance with Article IV, Section M, subject, however, to the right of the Developer to appoint Directors as provided in Article IV. Any such budget shall require a vote of not less than a majority of the whole number of all Voting Interests. The Board of Directors may, in any event, first propose a budget to the Members at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of the whole number of all Voting Interests, either at such meeting or by writing, such budget shall be adopted and shall not thereafter be reexamined by the Members in the manner hereinabove set forth, nor shall any or all members of the Board of Directors be recalled on account of the adoption of such budget by the Board of Directors and the approval of the Budget by the Members as provided herein. If a meeting of the Unit Owners has been called pursuant to this provision and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled. In

determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in the prior budget year, there shall be excluded from the computation reasonable reserves made by the Board of Directors for repair and replacement of Condominium Property; anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and assessments for improvements to the Condominium Property. Notwithstanding anything to the contrary herein, so long as Developer is in control of the Board of Directors, the Board of Directors shall not impose an assessment for a budget year greater than one hundred fifteen (115%) of the prior budget year's assessment without approval of a majority of all Voting Interests.

D. Notice of Adopted Budget. Upon adoption of budgets, the Board of Directors shall cause written copy thereof to be delivered to all Members. Assessments shall be made against the Units pursuant to procedures established by the Board of Directors, and in accordance with terms of the Declaration and Articles. Members shall be liable to pay assessments not less often than quarterly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

E. Assessments. To provide funds necessary for proper operation and management of the Condominium, the Association shall have the right to make, levy and collect assessments against the Members and their respective Units to pay their share of Common Expenses. Assessments by the Association against each Member and his/her Unit shall be the fractional share of the total assessments to be made against all Members and their Units as set forth in the Declaration. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. 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 installments on such assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors subject to the limitations of Article VIII, Section C. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

F. Special Assessments. Special assessments shall be levied and paid as determined by the Board of Directors and shall be those chargeable to all Members of a Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements or Association property (including fixtures and

personal property related thereto) and for such other purposes as shall have been approved by the Board of Directors. The specific purpose or purposes of any special assessment imposed by the Board of Directors shall be set forth in a written notice of such assessment sent or delivered to each Unit owner in the manner prescribed for giving notice of meetings to the Unit Owners as described in these Bylaws. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Unit Owners. However, upon completion of such specific purpose or purposes, any excess funds shall be considered Common Surplus.

G. The Depository and Commingling of Funds. All sums collected by the Association from all assessments against all Units in the Condominium may be commingled in a single fund, or divided into more than one fund, as determined from time to time by the Board of Directors; provided, however, that reserve and operating funds of the Association shall not be commingled but shall be maintained in separate accounts at all times. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized. Any contract for the management and maintenance of the Condominium Property entered into by the Board of Directors with a management agent may include in its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

H. Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors or as may be required by Florida Statutes.

IX. PARLIAMENTARY RULES AND ARBITRATION

A. Roberts' Rules of Order (latest edition) shall govern the conduct of corporation proceedings when not in conflict with the Articles, these Bylaws or the laws of Florida.

B. Internal disputes arising from the operation of the Condominium among Unit Owners, the Association, their agents and assigns shall be subject to mandatory non-binding arbitration as provided in Florida Statutes, Section 718.1255.

X. RULES AND REGULATIONS

A. The Initial Rules and Regulations as set forth as an Exhibit to the Prospectus for the Condominium shall apply to the Condominium Property, the Common Elements, the Limited Common Elements and the Condominium Units and shall be deemed in effect until amended by the Board of Directors of the Association, and shall apply to and be binding upon all Unit Owners. The Unit Owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, Guests, invitees, servants, lessees, customers, patrons, employees, and persons over whom they exercise control and supervision.

B. The Board of Directors shall have the power as set forth in the Bylaws to promulgate additional rules and regulations as they see fit for the operation and management of the Condominium subject to the restrictions set forth in Paragraph D below.

C. The Board of Directors may, pursuant to *Florida Statutes* 718.303(3) impose fines in such reasonable sums as they deem appropriate, not to exceed \$100.00 per violation, \$1,000.00 in the aggregate, against Unit Owners for violations of the Condominium documents including the Rules and Regulations, by Owners or their Guests. Each day of violation shall be a separate violation. No fine may be levied except after giving reasonable notice and an opportunity for a hearing to the Unit Owner and, if applicable, to licensee or invitee. The procedure for the hearing shall be established by the Board of Directors and be included in the Rules and Regulations of the Association. The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

D. The Board of Directors may not promulgate rules or regulations pertaining to restrictions on the term of leases for Units. The Board of Directors may also not narrow the definition of Guests in order to restrict the use of any Unit. Restrictions on these areas are permissible only by complying with the amendment procedures of these Bylaws or the Declaration, whichever is applicable.

XI. AMENDMENTS TO BYLAWS

Amendments to these Bylaws may be proposed and amended by a majority of the first Board of Directors until the first annual meeting of the Members and thereafter by the Unit Owners only in the following manner:

A. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors, action upon vote of a majority of the Directors, or by Members owning sixty-six percent (66%) of the Voting Interests in the Condominium, whether meeting as Members or by instrument in writing signed by them.

B. Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

C. Content of Amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicator of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw for present text." Nonmaterial errors or omissions in the bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

D. Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members owning not less than sixty-six percent (66%) of the Voting Interests in the Condominium. Thereupon, such amendment or amendments to these Bylaws shall be transcribed and shall include on the first page thereof a reference to the book and page of the public records where the Declaration is recorded, and shall be certified by the President and Secretary of the Association. A copy thereof shall be recorded in the public records of Flagler County, Florida, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

E. Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at

such meeting in person or by limited proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

F. Developer's Reservations. Notwithstanding the foregoing provisions of this Article IX, no amendment to these Bylaws which shall abridge, amend or alter the rights of Developer may be adopted to become effective without the prior written consent of Developer. Notwithstanding the provisions contained herein for amendment to the Bylaws, no amendment to these Bylaws shall:

1. Change any "Condominium parcel" (as defined in Chapter 718) unless the record owner thereof and all record owners of liens thereon shall join in the execution and acknowledgment of the amendment;

2. Conflict with the Declaration, the Articles or Chapter 718;

3. Discriminate against any Unit Owner or against any Unit or building or class of buildings comprising part of the Condominium Property, unless the record owners of all affected Units and record owners of all liens thereon shall join in the execution and acknowledgment of the amendment;

4. Change the share of Common Elements or Limited Common Elements appurtenant to any Unit or Units or the share of any Unit Owner in the Common Surplus, or increase the share of any Unit Owner(s) in the Common Expenses, unless the record owner of all Units and record owners of all liens thereon shall join in the execution and acknowledgment of such amendments;

5. Adversely affect the lien or priority or materially and adversely affect the rights and remedies of any first mortgagee of any Unit or of a Mortgagee as defined in the Declaration holding by a previously recorded mortgage on a Unit, unless the record owner of all liens on the Units affected shall join in the execution and acknowledgment of the amendment; and

6. Anything herein to the contrary notwithstanding, until the first regular election of the Directors by the membership, and so long as the Developer shall have the right to fill vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of Directors, and no meeting of the Members nor any approval thereof need be had.

The foregoing were adopted as the Bylaws of The Condominiums at Yacht Harbor Village Condominium Association, Inc., a corporation not-for-profit under the laws of the State of Florida, at the organizational meeting of the Board of Directors on the 30 day of October, 2006.

Print Name: _____
Its Secretary

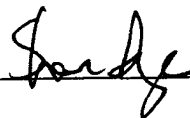
A handwritten signature in black ink, appearing to read "J. R. [unclear]", written over a horizontal line.

Exhibit D
Allocation of Unit Owners ownership in Common Elements,
Limited Common Elements, Common Expenses and Common Surpluses

SCHEDULE OF UNITS AND PERCENTAGE OWNERSHIP

UNIT TYPE	UNIT SQ. FEET	% OWNERSHIP	# OF THAT TYPE UNIT	TOTAL OWNERSHIP FOR DESIGNATION
A	2206	1.33215%	24	31.97159%
B	1468	0.88649%	28	24.82171%
C	1692	1.02176%	36	36.78328%
CM 1	128	0.07730%	1	0.07730%
CM 2	128	0.07730%	1	0.07730%
CM 3	128	0.07730%	1	0.07730%
CM 4	128	0.07730%	1	0.07730%
CM 5	128	0.07730%	1	0.07730%
CM 6	128	0.07730%	1	0.07730%
CM 7	102	0.06160%	1	0.06160%
CM 8	102	0.06160%	1	0.06160%
CM 9	102	0.06160%	1	0.06160%
CM 10	102	0.06160%	1	0.06160%
CM 11	102	0.06160%	1	0.06160%
CM 12	102	0.06160%	1	0.06160%
CM 13	102	0.06160%	1	0.06160%
CM 14	102	0.06160%	1	0.06160%
CM 15	102	0.06160%	1	0.06160%
CM 16	102	0.06160%	1	0.06160%
CM 17	924	0.55798%	1	0.55798%
CM 18	241	0.14553%	1	0.14553%
CM 19	241	0.14553%	1	0.14553%
CM 20	241	0.14553%	1	0.14553%
CM 21	241	0.14553%	1	0.14553%
CM 22	1042	0.62924%	1	0.62924%
CM 23	1214	0.73311%	1	0.73311%
CM 24	745	0.44989%	1	0.44989%
CM 25	108	0.06522%	1	0.06522%
CM 26	559	0.33757%	1	0.33757%
CM 27	1805	1.09000%	1	1.09000%
CM 28	571	0.34481%	1	0.34481%
CM 29	303	0.18297%	1	0.18297%
CM 30	307	0.18539%	1	0.18539%
CM 31	307	0.18539%	1	0.18539%
			TOTAL PERCENTAGE	100.00%
			TOTAL SQUARE FEET	165597

Exhibit E
Management Contract

ASSOCIATION MANAGEMENT AGREEMENT

THIS ASSOCIATION MANAGEMENT AGREEMENT ("Agreement") is made and entered into this 1 day of November, 2006, by and between The Condominiums at Yacht Harbor Village Condominium Association Inc., a Florida nonprofit corporation whose address is 1 Hammock Beach Parkway, Palm Coast, FL 32137 ("Association"), and Ginn Property Management, LLC, a Georgia limited liability company, whose address is 215 Celebration Place, Suite 200, Celebration, Florida 34747 ("Manager") and the legal representatives, successors and assigns of the parties hereto.

WITNESSETH:

WHEREAS, the Association is the entity responsible for operation of The Condominiums at Yacht Harbor Village Condominium Association, Inc ("Condominium") created pursuant to that certain Declaration of Condominium of The Condominiums at Yacht Harbor Village, as the same may be amended from time to time ("Declaration"); and

WHEREAS, the Association is desirous of entering into this Agreement for the purpose of engaging Manager to furnish management services to the Condominium for the Association; and

WHEREAS, the Manager is desirous of furnishing such management services to the Condominium for the Association.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein and Ten and No/100 dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and between the parties as follows:

1. **Recitals and Terms.** The above recitals are true and correct. The terms used in this Agreement shall be defined in accordance with the Declaration, unless the context otherwise requires.

2. **Engagement.** The Association does hereby employ the Manager as the manager of the Condominium and the Manager hereby accepts such engagement.

3. **Term.** The term of this Agreement shall commence as of the date hereof and have effect for a period of five (5) years from the date of execution hereof (hereinafter referred to as "initial term"). The Association shall have the right to terminate this Agreement as provided in Chapter 718. The Manager shall have the unequivocal right, at any time either during the initial term or thereafter, to cancel this Agreement upon not less than sixty (60) days' written notice to the Association. Provided, however, if the Association cancels any portion of this Agreement or if a court declares any portion hereof invalid or unenforceable, which in the reasonable discretion of the Manager makes the performance of the balance hereof impractical, or in the event budget constraints prevent Manager from managing, operating, and maintaining the Association and Condominium property in conformity with a first class standard as defined below the Manager may cancel the Agreement upon not less than thirty (30) days' notice to the Association and it shall be understood that, for the purposes of this Agreement, cancellation was made by the Association.

The parties acknowledge that all of the Manager's personal and intellectual property related to its operation of the Condominium, including, but not limited to, Manager's trade name, trademarks, service marks, and software programs and the trade names, trademarks, service marks, and software programs of Manager's affiliates or subsidiaries ("Materials"), is and always shall be the personal property of the Manager. The parties expressly agree that upon termination of this Agreement due to the expiration of its term, due to cancellation or due to default (as set forth in paragraphs 30 and 31 below) the Association shall abstain from using the Materials and shall return any Materials in its possession to the Manager within fifteen (15) days after termination of this Agreement. Within fifteen (15) days of such termination, all interior and exterior signs and graphics bearing any of the Materials, shall be physically removed from the premises or otherwise covered or obliterated so as not to be visible to the public, all

at the Association's expense. After termination of this Agreement, under no circumstances shall the Association, or any person acting in the name of the Association, directly or indirectly hold itself or the Condominium out to the public as being or remaining affiliated with the Manager.

4. **Renewal.** This Agreement shall automatically renew itself for successive periods of five (5) years each, unless sooner terminated in accordance with its terms.

5. **Manager's Responsibilities.** The Manager shall be responsible for the efficient and satisfactory management, operation and maintenance of the Association and Condominium Property. In this regard, all responsibilities held by the Manager and every act performed by the Manager as further authorized or delineated in this Agreement shall be as agent for the Association. The Association hereby acknowledges and agrees that pursuant to the terms of this Agreement and in consideration of the management fee described in paragraph 14 below, the Manager shall perform itself, hire personnel to perform or procure providers to perform all services necessary for the operation and the maintenance of the Condominium in a reasonable and professional manner, and shall supervise the performance of all services provided to, or on behalf of, the Association pursuant to this Agreement. Notwithstanding any provision in this Agreement to the contrary, the Association agrees to reimburse the Manager for any and all costs incurred by the Manager in connection with the performance of its duties hereunder including the salaries, benefits, fees, taxes and other costs incurred in connection with all persons employed at the Condominium on behalf of the Association, whether employees of the Manager, the Association, or any other providers of services.

a. **Employees.** The Manager shall hire, pay and supervise the necessary employees to properly, adequately, safely and economically perform the duties and responsibilities of the Manager set forth herein, subject to budgetary limitations established by the Association; and the Manager shall hire, pay and supervise employees to provide for services not obtained by a separate provider pursuant to paragraph 5.b. below. Any persons actually hired by the Manager shall be the employees of the Manager rather than of the Association, unless the Manager specifically hires the employees to be employees of the Association. The Manager, in its absolute discretion, may determine to discharge and cause to be discharged any employee or subcontractor so hired. Pursuant to Section 718.3025(1) (d) *Florida Statutes*, the Manager shall employ a minimum of one person to perform its duties pursuant to this Agreement, and shall hire and supervise such additional employees as may be required from time to time in its sole discretion. All matters pertaining to the employment, interviewing and screening process, supervision, compensation, promotion and discharge of employees of the Manager and the Association are the responsibility of the Manager. The Manager shall carry workers compensation insurance for its employees as required by law. Where legally permitted to do so, Manager or its affiliate may elect to self-insure its worker's compensation coverage and to charge the Association (and reimburse itself) for a reasonable reserve for such coverage. Any worker's compensation claims made for any period in which Manager self insures coverage shall be the sole cost and expense of Manager and no such claims or awards shall be charged to the Association, except to the extent of any deductible which may be part of Manager's self-insurance program. Notwithstanding any provision in this Agreement to the contrary, the Association agrees to reimburse Manager for any and all costs incurred by the Manager in connection with the performance of its duties hereunder including the salaries, benefits, fees, taxes and other costs incurred in connection with all persons employed on behalf of the Association, whether employees of Manager, the Association, or any other providers of services.

The Association acknowledges that with respect to employees who are needed only on a part-time basis in connection with the management, operation and maintenance of the Association and the Condominium Property, such employees may also be used by Manager, or a corporation or person controlled by, under common control or affiliated with Manager at other projects managed by Manager, or a corporation or person controlled by, under common control or affiliated with Manager.

b. **Procurement of Separate Providers of Services.** The parties expressly agree that the Manager may procure necessary services for the Condominium from third parties, from the Developer, or may provide such services itself. The Manager shall deal at arm's length with all third parties and shall serve Association's interests at all times; provided, however, that nothing contained herein shall prevent Manager from procuring necessary services from an affiliate on terms and conditions no less favorable to Association than those that would be generally demanded by unaffiliated persons or entities for comparable services, if applicable, or for the sale or lease of comparable goods. All services procured by the Manager, regardless of source, shall be provided

on a flat fee per service basis; provided, however, those services which cannot practicably be provided on a flat fee per service basis, as determined by the Manager in its sole discretion, will be provided directly by the Manager on a cost basis.

In procuring providers of specific services from any source pursuant to its authority hereunder, the Manager shall enter into service agreements on behalf of the Association based upon the following factors:

- (1) the quality of work obtainable for the desired level of service, and
- (2) a reasonable practicable price for the service obtainable in the local market.

The Manager shall use its best judgment in evaluating these factors with respect to each proposed service; provided, however, nothing contained herein shall require the Manager to obtain the lowest price available as to any service, material or purchase or in instances where bids are obtained, to accept the lowest bid.

The Manager shall have the authority to enter into any service agreements contemplated pursuant to this section in the Manager's name, as determined by the Manager in its sole discretion. The Manager may also propose to the Board that the Association enter into such contract directly. In the event of such proposal, the Manager and Association hereby agree to use commercially reasonable discretion in determining whether to execute on their own behalf such service agreements as are deemed necessary by the Manager from time to time to effectuate the obligations set forth in this Agreement. Any agreements entered into pursuant to this section shall be a Common Expense of the Association.

6. **Power and Duties.** To meet its obligations set forth in paragraph 5 above, the Manager, to the exclusion of all persons, including the Association and its members, shall have all the powers and duties of the Association as set forth in the Condominium Documents (except such thereof as are specifically required to be exercised by the Association's directors or members under Florida law). By way of illustration and not of limitation, the Manager's powers and duties hereunder shall include the following:

a. **Condominium Operations.** The Manager shall be responsible for: (i) the general operation of the physical properties that constitute the Association Property and the Condominium Property, including buildings, improvements, and the operation of any surface water management system, wetland mitigation and any other similar obligations set forth in the Condominium Documents; (ii) provide asset monitoring, community access control, and other related services for the reporting of any losses or damages to the extent applicable to any Association and/or Condominium Property; and (iii) any other Condominium operational matters. Manager, and persons designated by Manager, are authorized to enter into Units for the purposes set forth in this subparagraph. The Manager shall ensure that Condominium operation services are performed as required.

b. **Maintenance and Repair.** The Manager shall be responsible for the maintenance and repair of the Condominium Property and the Association Property, including the Common Elements of the Condominium to the extent that the Association is required to maintain and repair same, as provided in the Condominium Documents and to the extent directed to do so by the Board. Manager, and persons designated by Manager, are authorized to enter into Units for the purposes set forth in this subparagraph. Maintenance and repair services shall be performed as required.

c. **Accounting and Financial Reporting.** The Manager shall have the following powers and shall be responsible for the following duties concerning accounting and financial reporting services for the Condominium:

(1) **Establishment and Administration of Association Bank Accounts.** The Manager shall ensure that all funds collected from the assessment of Owners or otherwise accruing to the Association are deposited in accounts with a bank or other institution as permitted by applicable Florida law, in the

name of the Association with suitable designations indicating the source of the funds. In the alternative, the Manager is authorized to invest collected funds on behalf of the Association; provided, however, that such investments are permitted by Florida law. Reserves and operating funds of the Association shall not be commingled unless combined for investment purposes. The Manager shall ensure that all funds collected are kept separately, and not commingled with similar funds collected on behalf of other condominium or timeshare associations, or other clients. The Manager shall not be liable for any loss resulting from the insolvency of any depository or the loss from any investment.

The Manager is authorized to draw on the Association accounts for any payments to be made by the Manager to discharge any liabilities or obligations incurred pursuant to this Agreement, for the payment of the Management Fee (as defined herein) or any other disbursements properly incurred on the Association's behalf. Services to be performed pursuant to this paragraph shall be performed as required.

(2) Maintenance of Books and Records. The Manager shall ensure that the Association's financial records, books, accounts and other official records are maintained as provided by Chapter 718 and the Condominium Documents, and that certificates of account are issued to members of the Association, their mortgagees and lienors upon request without liability for errors unless made as a result of gross negligence or willful misconduct. Such records shall be kept at the Condominium and shall be available for inspection by Association members or their authorized representatives at reasonable times. Upon reasonable notice, the Manager shall produce copies of any such records at the Association's expense for members of the Board. All books and financial records of the Association shall be made available by the Manager to the Division of Florida Land Sales, Condominiums and Mobile Homes ("**Division**") for inspection upon request at the Association's expense. Storage of records shall be at the Association's expense. Services to be performed pursuant to this paragraph shall be performed quarterly or more often if necessary, with the exception of the issuance of certificates of account which shall be performed as required.

(3) Annual Financial Reporting. The Manager shall ensure that, within ninety (90) days of the end of the fiscal year, or annually on a date as provided in the Association's Bylaws, a financial report for the preceding fiscal year of the Association is prepared in accordance with generally accepted accounting principles, Section 718.111(13), *Florida Statutes*, and Chapter 61B-22, *Florida Administrative Code*. Within twenty-one (21) days after the financial report is received by the Association, the Manager shall mail or hand deliver to each Owner at the address last furnished to the Association by the Owner, either, a copy of the financial report, or a notice that a copy of the financial report will be mailed or hand delivered to the Owner upon receipt by the Association of a written request from the Owner. Services to be performed pursuant to this paragraph shall be performed annually.

(4) Preparation of Annual Tax Returns. The Manager shall ensure that competent, professional assistance, at Association's expense, is engaged, as necessary, for the preparation of any tax returns or forms or other filings required by any local, state or federal agency, and the Manager will provide any assistance necessary or requested in the compilation of financial data from the books and records of the Association required for the completion of these filings and returns. Services to be performed pursuant to this paragraph shall be performed annually.

(5) Maintenance of Owners' List. The Manager shall maintain among its records and provide to the Division upon request a complete list of the names and addresses of all Owners of Units in the Condominium.

(6) Pay Bills and Costs. The Manager shall check for accuracy all bills or invoices received by the Association for services, work and supplies in connection with maintaining and operating the Association; provide the day-to-day bookkeeping services and procedures necessary to pay the proper bills and costs of the Association, the payroll of its employees, and any other debts incurred by the Association. This service shall include, but not be limited to; keeping all accounts payable records for the Association and performing all services in connection with the payment of bills, payroll, and other such items as may be provided for in the budget. Services to be performed pursuant to this paragraph shall be performed as required.

d. Annual Budget. Annual budget services shall include the preparation of a recommended annual budget for review by the Board, which shall in turn either adopt a final annual budget or refer such adoption to a meeting of the Association in compliance with Chapter 718 and the Condominium Documents. Should a special assessment be required during the year, it shall be recommended and presented to the Board or the Association for adoption in compliance with Chapter 718 and the members of the Association shall be advised thereof and the share of any such special assessment shall be payable by each of the members pursuant to the Condominium Documents. The Manager shall use its best efforts to ensure that annual and special assessments are collected from the members for each Unit based upon the foregoing. Services to be performed pursuant to this paragraph shall be performed annually or as needed.

e. Compliance with Laws. The Manager is authorized to and shall be responsible for taking such action as may be necessary to comply with all laws, statutes, ordinances, and rules of all appropriate governmental authorities and with the rules and regulations of the National Board of Fire Underwriters (or in the event it shall terminate its present functions, those of any other body exercising similar functions). The Manager shall be responsible for complying with all community association management license requirements applicable to condominiums. Services to be performed pursuant to this paragraph shall be performed as required.

f. Coordination of Owner Meetings.

(1) The Manager shall ensure that a representative of the Manager attends all official meetings of all Owners and that notices of all such meetings are delivered via U.S. mail or personal delivery to all Owners at the last address shown in the Association's official records and in accordance with the Association's Bylaws.

(2) The Manager shall be responsible for providing assistance to the Board in preparing an agenda for all such meetings and in preparing any reports, charts or other materials for presentation at such meetings that are requested by the Board. The Manager shall also be responsible for preparing a draft of the minutes of all such meetings for review and approval by the Association's secretary.

(3) Services to be performed pursuant to this subsection f. shall be performed as required.

g. Coordination of All Board Meetings.

(1) The Manager shall ensure that a representative of the Manager attends all meetings of the Board and that notices of all such meetings are delivered via U.S. mail or personal delivery to all members of the Board.

(2) The Manager shall be responsible for providing assistance to the Board in preparing an agenda for all such meetings and any reports, charts or other material for presentation at such meetings that are requested by the Board. The Manager shall also be responsible for preparing a draft of the minutes of all such meetings for review and approval by the Association's secretary.

(3) Services to be performed pursuant to this subsection g. shall be performed as required. If meetings of the Board are held more frequently than monthly, the Association shall compensate the Manager for additional costs, including, but not limited to, additional management fees and expenses incurred by the Manager.

h. Rules and Regulations. The Manager shall be responsible for the proposal to the Board of rules and regulations as it deems advisable for the use and occupancy of the Condominium Property all subject to the approval of the Board at a meeting of the Board in accordance with Florida law. The Manager shall be responsible for enforcing the Condominium Rules and Regulations. The Manager shall be responsible for determining, in its sole discretion, all activities and programs to be carried on as to same and shall employ the personnel or contract for the service required therefor as it determines in its sole discretion. Manager, and persons designated by Manager, are authorized to enter into Units on behalf of the Association in accordance with the

Association's rights set forth in the Condominium Documents. Services to be performed pursuant to this paragraph shall be performed as required.

i. Alterations and Additions. The Manager shall be responsible for ensuring that alterations or additions to the Common Elements or Limited Common Elements of the Condominium Property are made as authorized by the Board and the Association's members where required, pursuant to and in accordance with the Condominium Documents. Services to be performed pursuant to this paragraph shall be performed as required.

j. Employment of Professionals. The Manager shall retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder and shall employ same on such basis as it deems most beneficial at the Association's expense. Services to be performed pursuant to this paragraph shall be performed as required.

k. Damage to Property. If repair or restoration of the Condominium Property or any portion thereof, including any Unit, Units or the Common Elements, is required due to loss by act of God, or by other cause, which is other than normal wear and tear, and which loss is less than "major damage," as defined in the Condominium Documents, then in such event the Manager shall be authorized and empowered to determine, and recommend to the Board to make assessments for the costs of repairing and restoring such loss among the Owners in such proportions as required by the Condominium Documents, notwithstanding the fact that said loss or damage was, or was not, covered by insurance, and said total assessment shall be equal to the cost of said repair which shall include the costs of the Manager's personnel, and overhead, materials and equipment, and any and all other contractors, subcontractors or materialmen as are required. The Manager shall collect assessments adopted by the Board on behalf of the Association. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration in such proportions as hereinbefore set forth in this paragraph. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from insurance proceeds, where such are received, and then from assessments collected and, should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the Owners, as provided in the Condominium Documents. Services to be performed pursuant to this paragraph shall be performed as required.

l. Insurance. The Manager shall be responsible for obtaining and maintaining all insurance policies in the name of the Association required to be obtained and maintained by the Association pursuant to Chapter 718 and the Condominium Documents. The Manager is hereby authorized to act as agent for the Association, each Owner, and for each owner of any other insured interest and, further, to adjust all claims arising under the insurance policies subject to the provisions of the Condominium Documents. The Manager is also authorized to file lawsuits in the name of the Association as directed by the Board and deliver releases upon payments of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties, and if the Association is acting as Insurance Trustee, to receive on behalf of the Association and all insured parties, all insurance proceeds, subject to the provisions of the Condominium Documents. The cost of all insurance obtained hereunder shall be a Common Expense of the Association. Services to be performed pursuant to this paragraph shall be performed as required.

m. Liens for Assessments. As directed by the Board, the Manager will cause to be prepared and filed, liens on behalf of the Association against the Units/Condominium Parcels of any Owner who fails to pay his assessments or maintenance fee as required and provided in the Condominium Documents. The Association also authorizes the Manager to assign the collection of any such liens to a third party as it deems advisable in the Association's best interest. The Manager is further authorized to utilize the services of a collection agency and/or attorney for collection of delinquent accounts and to charge the delinquent Owner for such costs as permitted by applicable law. The Association shall pay the Manager a processing and recording fee for each lien filed. Services to be performed pursuant to this paragraph shall be performed as required.

7. Fiduciary Duty. The Manager shall act in a fiduciary capacity with respect to the proper protection of and the accounting for the Association's assets. In this capacity, the Manager shall deal at arm's length with all third parties and shall serve the Association's interests at all times; provided, however, that nothing contained herein shall prevent the Manager from procuring necessary services from an affiliate on terms and conditions no less favorable to Association than those that would be generally demanded by unaffiliated persons or entities for comparable services, if applicable, or for the sale or lease of comparable goods.

This Agreement shall not be construed as prohibiting the Manager, or any firm or corporation or any related person or entity controlled by the Manager, from conducting or possessing an interest in any other business or activity, including, but not limited to, the ownership, financing, leasing, operation, development, management and brokerage of real property.

8. **Authority to Purchase Materials and Supplies.** The Manager shall have the authority to purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary to perform its duties and responsibilities pursuant to this Agreement. Purchases shall be in the name of the Association and shall be a Common Expense of the Association. All purchases made pursuant to this paragraph shall be made on an as required basis. The Manager may purchase such materials from an affiliate on terms and conditions no less favorable to Association than those that would be generally demanded by unaffiliated persons or entities for comparable services, if applicable, or for the sale or lease of comparable goods. Notwithstanding anything contained herein to the contrary, all personal property of the Manager, including property acquired by the Manager with its own funds, during the term of this Agreement, shall remain the property of the Manager regardless of the use of such property in carrying out the Manager's duties and obligations under this Agreement.

9. **Independent Contractor.** The parties hereby agree and acknowledge that the Manager is an independent contractor of the Association.

10. **Common Expenses.** All assessments, including the Manager's fee, overhead and expenses, made by the Manager pursuant to this Agreement shall be Common Expenses of the Condominium.

11. **Application of Assessments.** The Manager shall, in its sole discretion, apply assessments collected in such a manner as to properly discharge its obligations under this Agreement. Reserves and operating funds of the Association shall not be commingled unless combined for investment purposes.

12. **Aid and Assistance.** The Association shall aid and assist the Manager, in any reasonable manner requested by the Manager, in collecting assessments and effectuating the purposes of this Agreement.

13. **Deficits.** Notwithstanding any provision contained in this Agreement or the Condominium Documents to the contrary, the Manager shall not be required to undertake to pay any costs or expenses for the benefit of the Association or its members from its own funds, and shall only be required to perform its services and make disbursements to the extent that, and as long as, the payments of assessments received from the Association or its members are sufficient to pay said costs and expenses in full. If it shall appear to the Manager that said assessments are insufficient to pay the same, and to adequately provide full reserves, the Manager shall forthwith determine, assess and collect from the Association or its members such additional assessments as are required.

14. **Management Fee.**

a. **Management Fee.** The Manager shall provide the services required of it hereunder, for which services the Association shall pay to the Manager an annual management fee equal to \$30,954.00. Effective on each anniversary date throughout the Term, the Management Fee (including without limitation, the minimum Management Fee payable hereunder) shall be increased by a percentage increase in the National Consumer Price Index published by the United States Bureau of Labor Statistics (all items) ("CPI") for such year over the level of the CPI in the prior calendar year. Monthly payment of the annual management fee shall be in addition to any other reimbursable expenses paid to the Manager by the Association pursuant to the terms of this Agreement including, but not limited to, expenses reimbursed pursuant to paragraph 14(b.) below. Notwithstanding the provisions of the foregoing, the parties understand and agree that the provisions of this paragraph which, subject to its terms, fix the fees hereunder for a specified time, are made in recognition of the fact that all of the active functions of the Association have been delegated to the Manager hereunder. However, if the Association undertakes any action or incurs any expense in addition to those actions or expenses incurred by the Manager, or as set forth in the budget prepared by the Manager, the same shall be paid by the Association.

b. **Separate Cost Items.** To the extent not included in the Association's Estimated Budget and in addition to the fees described in Section 6 (c), the Association will pay or reimburse Manager separately for the following services or costs as further referenced in Exhibit "A", (subject to the annual increases set forth thereon), attached to and made a part of this Agreement:

(1) **On-Site Employee Expense.** The Manager shall select, employ and supervise any and all on-site employees, for the Association's benefit. All expenses incident to employment of such personnel, including salary, vacation, holiday and sick leave pay, payroll taxes, worker's compensation, unemployment compensation and any other employer taxes or fees, will be borne by the Manager and charged back to the Association.

(2) **Association Employee Expense.** The Association may elect to have the Manager handle the payroll and personnel services of any current Association employees, for which the Association will pay the Manager a monthly amount equal to ten percent (10%) of the employee's monthly total gross payroll.

(3) **Postage, Printing and Duplication.** Postage, printing and duplication costs for individual assessment statements, delinquent notices, distribution of membership rosters, minutes, Association documents, newsletters and any other reports, forms, letters, and correspondence, having to do with Association business.

(4) **Telephone and Facsimile.** Telephone and facsimile costs incurred in performing Association business.

(5) **Materials, Supplies and Services.** All costs expended by Manager for materials, supplies and services other than Manager's overhead expense of office operation.

(6) **Sales Tax.** All applicable sales tax, if any.

(7) **Lien Fee.** Association will pay Manager a fee for any lien action taken by Manager at the direction of the Association.

Notwithstanding the provisions of the foregoing, the parties understand and agree that the provisions of this paragraph which, subject to its terms, fix the fees hereunder for a specified time are made in recognition of the fact that all of the active functions of the Association have been delegated to the Manager hereunder. However, if the Association undertakes any action or incurs any expense in addition to those actions or expenses incurred by the Manager, or as set forth in the budget prepared by the Manager, the same shall be paid by the Association.

15. **Special Services.** The Manager is authorized to assess a special assessment against an Owner to recover the cost of providing special services on behalf of and at the request of that Owner in a reasonable amount determined by the Manager.

16. **Interference.** For so long as this Agreement remains in effect and is not properly terminated by the Association as herein provided, the Association shall not unlawfully interfere nor permit, allow or cause any of its officers, directors or members to unlawfully interfere with the Manager in the performance of its duties or the exercise of any of its powers hereunder.

17. **Indemnification.**

a. **Indemnification of Association.** To the extent the Association is not fully recompensed by insurance, the Manager agrees it will indemnify, defend, save, and hold the Association harmless from and against any liability for any loss, damages, liabilities, claims, costs, and expenses, including, without limitation, reasonable attorneys' and other professionals' fees and expenses, arising out of or in any way related to (i) Manager's operations or business other than in connection with the administration nor performance of its duties under this Agreement; or (ii) the gross negligence, willful misconduct or fraud committed by the Manager, its

officers or directors. Manager shall have no liability hereunder to the extent the Association is reimbursed for its loss from the proceeds of insurance, and, with respect to such coverage, the Association agrees that it will, in good faith, pursue its available insurance recoveries prior to making demand on Manager for indemnity.

b. Indemnification of Manager. To the extent the Manager is not fully recompensed by insurance, the Association, its members and employees will, and do hereby indemnify, defend, save, and hold the Manager (and its officers, directors, shareholders, agents, employees, and affiliates) free and harmless from and against any liability for any and all loss, damages, liabilities, claims, costs and expenses, including, without limitation, reasonable attorneys' and other professionals' fees and expenses, arising out of or in any way related to administration and performance of (i) Manager's duties under this Agreement; or (ii) any other matter related to, or in connection with the Condominium from any cause whatsoever, unless, in each case, such loss, damages, liabilities, claims, costs and expenses shall be solely attributable or caused by the gross negligence, willful misconduct or fraud committed by the Manager, its officers, directors or the senior manager for the Condominium. The acts or omissions (including grossly negligent, willful, or fraudulent acts or omissions) of Manager employees or agents, other than officers, directors or the senior manager for the Condominium, shall not be imputed to the Manager's officers, directors, or senior manager for the Condominium, or be deemed to be Manager's gross negligence, willful misconduct or fraud, unless such acts or omissions result directly from the gross negligence or willful misconduct of the Manager's officers, directors or senior manager for the Condominium in supervising such employees or agents. The Association shall have no liability hereunder to the extent the Manager is reimbursed for its loss from the proceeds of insurance, and, with respect to such coverage, the Manager agrees that it will, in good faith, pursue its available insurance recoveries prior to making demand on the Association for indemnity. The Manager shall be designated as an additional insured in the comprehensive public liability policy obtained by or for the benefit of the Association, and any additional premium therefor shall be the responsibility of the Association.

Without in any way limiting the generality of the foregoing, upon expiration or earlier termination of this Agreement, Association will indemnify, defend, and hold Manager (and its officers, directors, shareholders, employees and affiliates) free and harmless of from and against any liability for any loss, damages, liabilities, claims, costs and expenses arising out of or relating to any of the provisions of the Employee Retirement Income Security Act of 1974, the Multi-Employer Pension Plan Amendments Act of 1980 ("MEPPA"), the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), and the Workers Adjustment Retraining and Notification Act ("WARN"), all as amended, with respect to (i) any withdrawal liability (as described in Section 4201 of MEPPA) incurred in connection with the discontinuance of contributions to any Multi-Employer Pension Plan to which Manager may make contributions on behalf of persons employed at the Condominium but only to the extent such withdrawal liability is attributable to benefits accrued by employees of Manager in respect of services performed pursuant to this Agreement; (ii) any other funding obligations arising under the foregoing except to the extent resulting from Manager's gross negligence or willful misconduct; (iii) any costs, expenses, liabilities, or losses incurred by Manager in connection with compliance, after the date of expiration or earlier termination of this Agreement, with COBRA obligations in respect of the Condominium in excess of employee premiums; (iv) any fines, interest, excise taxes or penalties which may be assessed against Manager in respect to the operation and administration of any employee benefit plan to the extent attributable to such plans having been made available to employees of management company for the Condominium unless such fines, interest, excise taxes or penalties are due to the gross negligence, willful misconduct or fraud committed by the Manager; or (v) liabilities, costs, expenses, claims, or damages payable under WARN with respect to the termination of employment of employees by Manager in connection with the expiration or earlier termination of this Agreement.

18. **Assignment.** The Manager may assign this Agreement, upon the consent of the Board, which consent will not be unreasonably withheld, to (a) an affiliate; or (b) to any assignee who also acquires all, or substantially all, of the assets of Manager, including the right to use the Materials and agrees in writing to personally assume, perform and be bound by all the terms, covenants, conditions and agreements in this Agreement. Manager's liability hereunder shall terminate upon such assignment except for those that have accrued before the effective date of the assignment. Except as otherwise provided in this paragraph, the Manager may not assign its rights and duties under this Agreement without the prior written consent of the Association, which may give or withhold its consent in its sole discretion; however, nothing herein shall restrict the right of the Manager to subcontract for or otherwise procure the services of third parties pursuant to subparagraph 5.b. above. Upon such assignment and assumption, the party named as the Manager herein shall be released from any and all obligations

hereunder except those which have accrued before the effective date of the assignment. Thirty (30) days' advance notice of the assignment shall be delivered to the Association.

19. **Amendments of Documents.** If the Board shall make any amendments to the Condominium Documents that impair or prejudice the rights of the Manager, as determined by Manager in Manager's commercially reasonable discretion, such amendments shall be considered a default under this Agreement.

20. **Ownership of Manager.** The principals in the Manager are also affiliated with (NAME OF GINN ENTITIES), the developer of the Condominium.

21. **Vehicular Parking and Storage.** The Manager shall have the power to regulate all vehicular parking in accordance with the Condominium Documents. The Manager shall regulate the use of the storage areas on the Condominium property, if any, in accordance with the Condominium Documents.

22. **Governing Law; Waiver of Jury Trial; Venue of Actions.** This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Florida. The parties hereby waive any right they may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against the other concerning the interpretation, construction, validity, enforcement or performance of this Agreement or any other agreement or instrument executed in connection with this Agreement. In the event any such suit or legal action is commenced by either party, the other party hereby agrees, consents and submits to the personal jurisdiction of the Circuit and County Courts of the Seventh Judicial Circuit, in and for Flagler County Florida ("**Flagler Courts**"), with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said Flagler Courts, and each party hereby waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said Flagler Courts. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

23. **Waiver.** No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

24. **Time of the Essence.** Except as otherwise specifically set forth herein, time is of the essence for all terms of this Agreement.

25. **Modification.** No modification, release, discharge or waiver of any provision hereof shall be of any force, effect or value unless in writing and signed by the parties to this Agreement.

26. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto, and neither party has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein that are not expressly contained herein or in the Condominium Documents.

27. **Partial Invalidation.** The invalidity in whole or in part of any covenant, promise or undertaking, or any section, subsection, sentence, clause, phrase or words, or of any provision of this Agreement shall not affect the validity of the remaining portions hereof.

28. **Gender and Number.** Whenever the context hereof so permits, the use of plural will include the singular, the singular the plural, and the use of any gender will be deemed to include all genders.

29. **Notices.** Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) three days after being deposited, postage prepaid, in the U.S. mail, certified or registered mail with a return receipt requested, addressed to the party at the address shown above; (ii) when delivered personally to the party at the address specified above; (iii) when delivered by a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above; or (iv) when delivered by facsimile

transmission with confirmed receipt of transmission. A party may designate a different address for receiving notices hereunder by notice to the other parties.

30. **Default by Association.** If the Association or its members shall interfere with the Manager in the performance of its duties or exercise of its powers hereunder, or if the Association shall fail to promptly do any of the things required of it hereunder and such failure or interference continues for fifteen (15) days after the Manager has given written notice of such failure or interference to any officer or director of the Association, the Manager may thereupon declare this Agreement in default. Upon default, the Manager may, in addition to any other remedy given it by agreement or in law or equity, (i) bring an action against the Association for damages or injunctive relief, and (ii) the Association shall be liable for the Manager's reasonable attorneys' and other professionals' fees and costs incurred thereby. All rights of the Manager, upon default, shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other additional remedy.

31. **Default by Manager.** In addition to the rights of the Association under Section 718.3025(2), *Florida Statutes*, failure of the Manager to substantially perform its duties and obligations under this Agreement shall be grounds for the Association to cancel this Agreement as its only other remedy, provided said termination is accomplished pursuant to Chapter 718. In no event shall the Manager be liable to the Association or Owners for damages, except as heretofore provided.

32. **Excusable Delays.** In the event that the Manager shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, Act of God, or any other reason beyond the Manager's control, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

33. **Termination of Condominium.** If the Condominium shall be terminated as set forth in the Declaration, then this Agreement shall automatically terminate.

34. **Employment Matters upon Termination.** Association acknowledges that the termination of this Agreement will result in the termination of the employment of any employees hired by Manager to perform the duties and responsibilities of the Manager set forth herein; provided, however, that Association acknowledges that Manager shall have the right to make offers of employment to any management personnel then employed for employment at other resorts managed by Manager. Association agrees that it shall indemnify, defend and hold Manager, and each of Manager's shareholders, officers, directors, employees and agents, completely free and harmless from any and all manner of liability, claim, loss, damage or expense of any employees of Manager (notwithstanding the continuation of their employment at the Condominium as employees of Association or a successor manager), including, without limitation, accrued payroll, accrued benefits such as vacation pay and sick days and other employment liabilities (including severance obligations) up to the date of such termination, any multi-employer withdrawal liability, obligations under then existing or subsequently negotiated collective bargaining agreements, and any liabilities or obligations under WARN and other requirements applicable to severance or termination of employment.

The Association may not hire, or contract for management services, any current, future and/or former employee of Manager during the term of this Agreement and for a period of two (2) years after termination of this Agreement, unless agreed upon in writing by the Manager. The Association and the Manager hereby stipulate that, as between them, this provision is important and material, and if breached by the Association, will gravely impact upon the business of the Manager and shall entitle the Manager to all remedies available to it in equity and/or at law. This provision shall survive termination of this Agreement for a period of two (2) years.

35. **Reasonableness Standard for Consents.** Under any circumstance in which this Agreement requires one party to consent to the actions of the other party, the party whose consent is required shall not withhold such consent unreasonably.

36. **Attorney's Fees.** In the event any party initiates action to enforce its rights hereunder, the prevailing party shall recover from the non-prevailing party or parties its reasonable expenses, court costs and reasonable attorneys' and paralegal fees, whether suit be brought or not. As used herein, expenses, court costs and attorneys' and paralegal fees include expenses, court costs and attorneys' fees incurred in any appellate proceeding. All such expenses shall bear interest at the highest rate allowable under the laws of the State of Florida from the date the prevailing party pays such expenses until the date the non-prevailing party repays such expenses. Expenses incurred in enforcing this paragraph shall be covered by this paragraph.

37. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and date first above written.

ASSOCIATION:

THE CONDOMINIUMS AT YACHT HARBOR VILLAGE
CONDOMINIUM ASSOCIATION, INC., a Florida nonprofit
corporation

By: A. Shawn George
Name (Printed): A. Shawn George
Title: Director

MANAGEMENT COMPANY:

GINN PROPERTY MANAGEMENT, LLC, a Georgia
limited liability company

By: Alton E. Jones
Name (Printed): Alton E. Jones
Title: President

Exhibit F
Ship Store Easement

Exhibit "F"

DESCRIPTION:

A PORTION OF PARCEL S, HARBOR VILLAGE MARINA, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN MAP BOOK 33, PAGES 39 THROUGH 44, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHERN MOST CORNER OF YACHT HARBOR DRIVE, HARBOR VILLAGE MARINA, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 33, PAGES 39 THROUGH 44, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE NORTH 69°09'36" EAST, ALONG THE SOUTHEASTERN RIGHT-OF-WAY LINE OF SAID YACHT HARBOR DRIVE, A DISTANCE OF 42.05 FEET; THENCE DEPARTING SAID SOUTHEASTERN RIGHT-OF-WAY LINE, SOUTH 14°29'12" WEST, A DISTANCE OF 476.82 FEET; THENCE NORTH 75°43'26" WEST, A DISTANCE OF 28.88 FEET; THENCE SOUTH 11°06'11" WEST, A DISTANCE OF 73.77 FEET; THENCE NORTH 75°43'26" WEST, A DISTANCE OF 10.03 FEET; THENCE NORTH 11°08'51" EAST, A DISTANCE OF 72.04 FEET; THENCE NORTH 68°47'08" WEST, A DISTANCE OF 35.28 FEET; THENCE NORTH 71°42'40" WEST, A DISTANCE OF 37.83 FEET; THENCE NORTH 30°52'47" WEST, A DISTANCE OF 12.81 FEET; THENCE NORTH 59°16'12" EAST, A DISTANCE OF 10.00 FEET; THENCE SOUTH 30°52'47" EAST, A DISTANCE OF 9.06 FEET; THENCE SOUTH 71°42'40" EAST, A DISTANCE OF 34.36 FEET; THENCE SOUTH 68°47'08" EAST, A DISTANCE OF 34.79 FEET; THENCE NORTH 22°07'51" EAST, A DISTANCE OF 27.83 FEET; THENCE NORTH 59°16'34" EAST, A DISTANCE OF 6.31 FEET; THENCE NORTH 14°16'34" EAST, A DISTANCE OF 272.33 FEET; THENCE NORTH 75°43'26" WEST, A DISTANCE OF 13.01 FEET; THENCE NORTH 14°16'34" EAST, A DISTANCE OF 14.32 FEET; THENCE SOUTH 75°43'26" EAST, A DISTANCE OF 13.01 FEET; THENCE NORTH 14°16'34" EAST, A DISTANCE OF 98.16 FEET; THENCE NORTH 07°44'06" WEST, A DISTANCE OF 24.63 FEET; THENCE NORTH 69°09'36" EAST, A DISTANCE OF 8.10 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.378 ACRES MORE OR LESS.

PREPARED FOR:
The Ginn Company.

CH. 61G17-6, Florida Administrative Code requires that a legal description drawing bear the notation that
THIS IS NOT A SURVEY.

SHEET 1 OF 2
SEE SHEET 2 OF 2 FOR
SKETCH OF DESCRIPTION

BEARINGS SHOWN HEREON ARE BASED ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF YACHT HARBOR DRIVE AS BEING SOUTH 69°09'36" WEST.

SKETCH OF DESCRIPTION

OF
UTILITY EASEMENT AT ADMIRALS COVE

FLAGLER COUNTY, FLORIDA SECTION 37-11-31

DATE: 06/14/2006	REVISED:
SCALE: NOT TO SCALE	SKETCH & DESC.
APPROVED BY: SMP	06/27/06
JOB NO. ASM 45907	SKETCH & DESC.
DRAWN BY: JLS	06/29/06

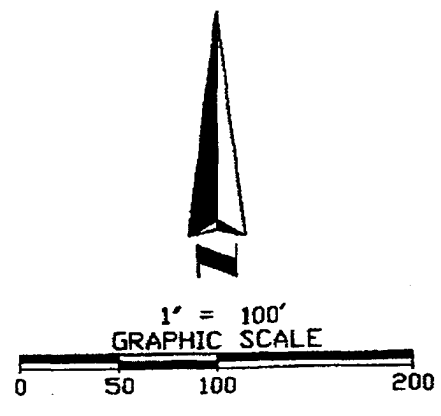
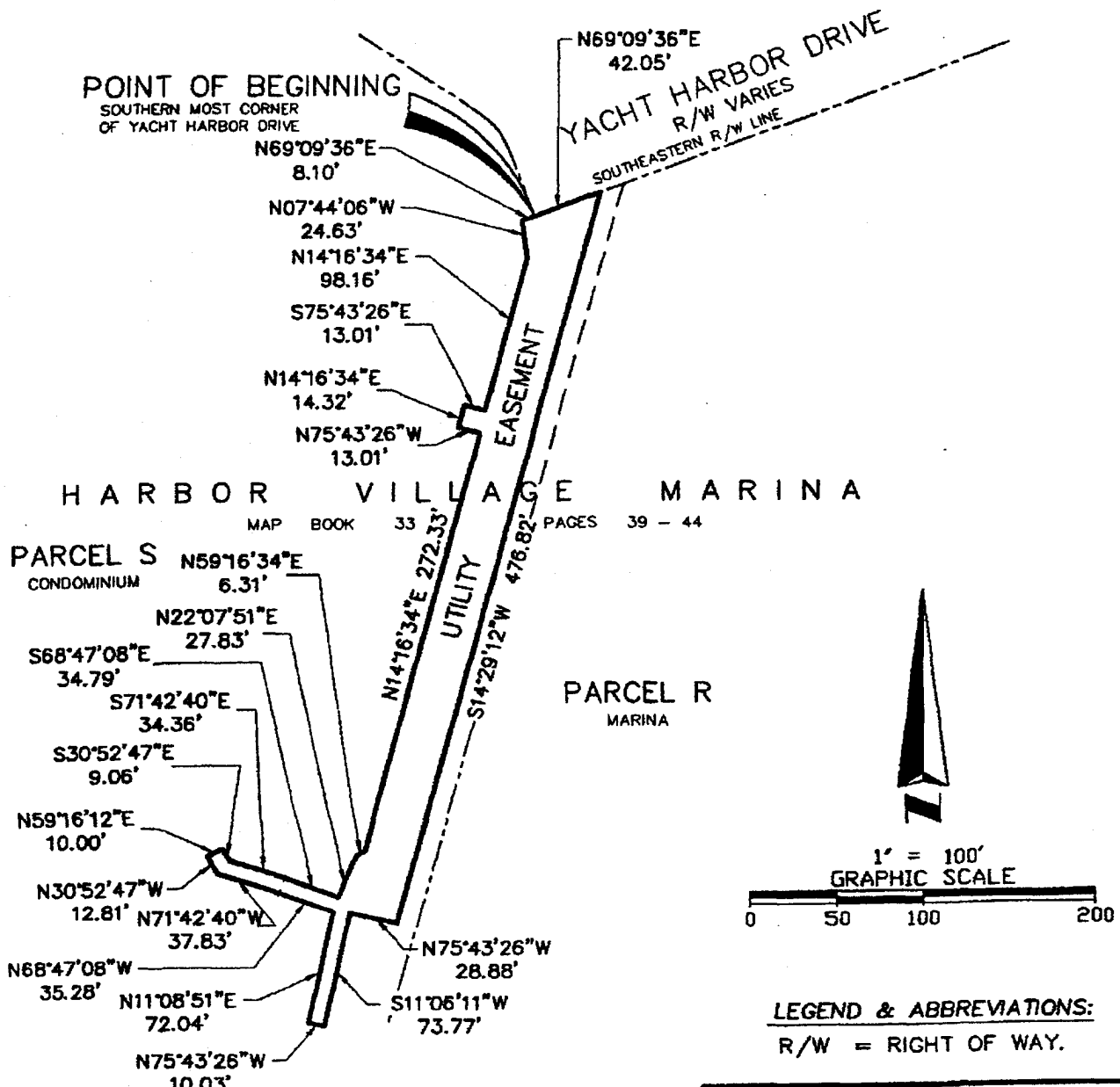


AMERICAN SURVEYING & MAPPING
CERTIFICATION OF AUTHORIZATION NUMBER LB#6393
1030 N. ORLANDO AVENUE, SUITE B
WINTER PARK, FLORIDA 32789
(407) 426-7979

1. THE SURVEYOR HAS NOT ABSTRACTED THE LAND SHOWN HEREON FOR EASEMENTS, RIGHT OF WAY, RESTRICTIONS OF RECORD WHICH MAY AFFECT THE TITLE OR USE OF THE LAND
2. NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
3. THIS DESCRIPTION IS NOT COMPLETE WITHOUT SHEET 2.

David M. DeFilippo June 29, 2006
DAVID M. DeFILIPPO, PSM 5038 DATE

SKETCH OF DESCRIPTION



LEGEND & ABBREVIATIONS:
R/W = RIGHT OF WAY.

SHEET 2 OF 2
SEE SHEET 1 OF 2 FOR DESCRIPTION

PREPARED FOR:
The Ginn Company.

DATE: 06/14/2006	REVISED:
SCALE: 1"=100'	SKETCH & DESC.
APPROVED BY: SMP	06/27/06
JOB NO. ASM45907	
DRAWN BY: JLS	

AMERICAN SURVEYING & MAPPING
CERTIFICATION OF AUTHORIZATION NUMBER LB#6393
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