

DECLARATION OF CONDOMINIUM  
OF  
THE NAUTILUS CONDOMINIUM

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**DECLARATION OF CONDOMINIUM  
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1. Name. The name by which this Condominium is identified, is The Nautilus Condominium.
  
2. Definitions. The following words and terms used in this Declaration and in its exhibits, including but not limited to the Articles of Incorporation and By-Laws of The Nautilus Management Corporation, Inc., shall be defined as follows, unless the context otherwise requires:
  - 2.1 Association. Association means The Nautilus Management Corporation, Inc., a non-profit Florida Corporation.
  
  - 2.2 Building. Building means the building that contains the Units and certain of the Common Elements.
  
  - 2.3 Common Elements. Common Elements means the portions of the Condominium Property not included in the Units, including but not limited to the following:
    - a. The Condominium Property which is not included within the Units,
    - b. Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services to Units or the Common Elements.
    - c. An easement of support in every portion of a Unit which contributes to the support of the Building.
    - d. The property and installations required for furnishing of Utility Services or other services to more than one Unit or to the Common Elements.
    - e. Tangible personal property required for the maintenance and operation of the Common Elements even though owned by the Association.
  
  - 2.4 Common Expenses. Except for special assessments pursuant to Paragraph 9.2(d) (1) and Paragraph 9.2 (e) (3) (ii) hereof, Common Expenses means all expenses and assessments properly incurred by the Association for the Condominium including but not limited to the following:
    - a. Expenses of administration and management of the Condominium Property.
    - b. Expenses of maintenance, operation, repair or replacement of the Common Elements, Limited Common Elements, and of the parts of the Units to be maintained by the Association.
    - c. Costs and expenses of capital improvements and betterment's and/or additions to the Common Elements.
    - d. That portion of the expenses of administration and management of the Association attributable to the Condominium, as hereinafter set forth and as set forth in the Articles of Incorporation and By-Laws of the Association.

- e. Expenses declared Common Expenses by the provisions of the Condominium Act, this Declaration, and the Articles of Incorporation and By-Laws of the Association.
  - f. Any valid charge against the Condominium Property as a whole.
- 2 5 Condominium. Condominium means that form of ownership of real property which is created pursuant to the provisions of the Condominium Act, and which is comprised of Units that may be owned by one or more persons and there is appurtenant to each Unit an undivided share in Common Elements.
- 2 6 Condominium Parcel. Condominium Parcel means a Unit together with the undivided share in the Common Elements that is appurtenant to the Unit.
- 2 7 Condominium Property. Condominium Property means the land, leaseholds and personal property that are subject to Condominium ownership, whether or not contiguous, all improvement thereon, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.
- 2 8 Developer. Developer was Hansa Development, Ltd., a Florida limited partnership.
- 2 9 Limited Common Elements. Limited Common Elements means those Common Elements that are reserved for the use of a certain Unit to the exclusion of other Units. Any reference made to Common Elements in the provisions of this Declaration or in the Articles of Incorporation or By-Laws of the Association is meant to include Limited Common Elements unless the latter is made an exception or dealt with separately.
- 2 10 Person. Person means an individual, trust, estate partnership, association, company, corporation, joint venture or any legal entity of combination thereof.
- 2 11 Unit. Unit means a part of the Condominium Property that is subject to exclusive ownership.
- 2 12 Unit Owner. Unit Owner means the record owner of a Condominium Parcel and includes Developer so long as it shall own any Condominium Parcel.
- 2 13 Utility Services. Utility Services shall include but not be limited to electric power, gas, water, heating and air conditioning, garbage and sewage disposal, storm drainage and telephone.
- 2 14 Very Substantial Loss or Damage. Very Substantial Loss or Damage means loss or damage whereby two-thirds or more of the total Unit space in the building is rendered not tenantable and/or loss or damage whereby two-thirds or more of casualty insurance coverage becomes payable.

3. Description, Boundaries and Related Items.

3.1 Survey, Graphic Description, Plot Plan And Certificate Of Surveyor.

Attached hereto and made a part thereof as Exhibit A to this Declaration is a survey of the land, a graphic description of the improvements in which units are located and a plot plan thereof

3.2 Easements. Each of the following easements is reserved and shall exist under, through and over the Condominium Property as applicable.

- a. Utilities The Association reserves the right to grant such easements as may be required for the furnishing of Utility Services or other services to service the Condominium Property.
- b. Encroachments. In the event that any unit shall encroach upon any of the Common Elements or upon any other Unit for any reason other than the intentional or negligent act of the Unit Owner or in the event any Common Element shall encroach upon any unit, then an easement shall exist to the extent of such encroachment so long as the same shall exist.
- c. Access. A non-exclusive easement for ingress and egress over the streets, walks, and other rights of way serving the Units as necessary to provide access to public rights of way.

3.3 Improvements – General Description.

- a. Units. There are eighty-nine Units in the Building. Each Unit is identified by the use of a number or a letter, or a combination thereof.
- b. Other Improvements. The Condominium Property contains other improvements, including but not limited to, landscaping, surface and underground automobile parking areas, a swimming pool, walkways and driveways, storage areas and a tennis court.

3.4 Unit Boundaries. The boundaries of each Unit are shown on Exhibit A and a narrative description of such boundaries is as follows:

- a. Upper Boundary. The upper boundary of each Unit shall be the horizontal plane of each part of the unfinished concrete surface of the underside of the structural slab located between the exterior and interior parametrical boundaries, extending to intersections with each part of the exterior and interior perimetrical boundaries.
- b. Lower Boundary. The lower boundary of each Unit shall be the horizontal plane of each part of the unfinished concrete surface of the top side of the structural slab located between the exterior and interior parametrical

boundaries, extending to intersections with each part of the exterior and interior perimetrical boundaries.

- c. Perimetrical Boundary. The perimetrical boundary of each Unit shall be the vertical plane of each part of the unfinished interior concrete or masonry surface of the walls enclosing the Unit, extending to an intersection with each part of each other and extending to an intersection with each part of the upper and lower boundaries, except that on those walls abutting a balcony, the boundary extends to the interior side of the vertical element surrounding the balcony. Where the vertical elements do not exist to physically intersect with each part of each other and with each part of the upper boundary, such boundary shall be an imaginary vertical plane located between each part of each physically existing perimetrical boundary and each part of the upper boundary, extending to an intersection with each part of each other. Where the vertical elements do not exist to physically intersect with each part of each other and with each part of the upper and lower boundaries, such boundary shall be an imaginary vertical plane located between each part of each physically existing perimetrical boundary, extending to an intersection with each part of the upper boundary and extending to an intersection with each part of the lower boundary.

3.5 Common Elements. The Common Elements shall include the portions of the Condominium Property not included in the Units, as defined in Paragraph 2.3 and as shown on Exhibit A.

4.0 Appurtenances To Units. Appurtenances to each Unit shall include but not be limited to the following, and all appurtenances shall pass with the title to each Unit, whether or not separately described.

4.1 Common Elements. Each Unit Owner shall own an undivided share in the Common Elements, which share shall be an appurtenance to each Unit. The undivided share in the Common Elements appurtenant to each Unit is designated and set forth in Exhibit B of this Declaration, which is attached hereto and made a part hereof.

4.2 Limited Common Elements. Except as otherwise provided in Paragraph 4.3, the Limited Common Elements shall consist of 89 underground parking spaces located in the basement of the Building, and 96 storage bins located in the basement as shown on Exhibit A hereto. The extent of the right of each Unit Owner to use the Limited Common Elements shall be as follows:

- a. Parking Spaces. Except as otherwise provided herein and in Paragraph 4.3, each Unit Owner shall have the exclusive right of use of one underground parking space, which right shall be an appurtenance to the Unit of each Unit Owner. The underground parking space appurtenant to each Unit are shown and identified by number on Exhibit A, which number corresponds to the number of each Unit.

b. Storage Bin. Each Unit shall have as an appurtenance thereto a Storage Bin, which is located in the basement as shown on Exhibit A. The storage bins are numbered; with each storage bin bearing the same number as the Unit to which it is appurtenant. Storage Bins 1001 through 1007 are extra, and may be leased to Owners on a first-come, first-served basis at a rate determined by the Board of Directors of the Association. The Association manager shall maintain a list of Owners requesting an extra bin and make a bin available to the Owner at the top of said list when vacated by the previous leasing Owner.

4.3 Association Unit 101. Unit 101, being a residence but owned by the Association, is Condominium Property as defined by paragraph 2.7. The Board of Directors of the Association, at their discretion, may make it available to an Association employee as part of his compensation, or lease it to said employee, or any other person at a prevailing rate to provide income for the benefit of the Association. The parking space and/or storage bin associated with Unit 101 may be leased as part of the Unit, or leased separately at the discretion of the Board of Directors. The Association may not sell Unit 101 unless and until membership approval of three-fourths (3/4ths) of the total number of Association members is obtained, whether by way of vote at a membership meeting or by way of written consent in lieu of a membership meeting.

5.0 Liability For Common Expenses And Interest In Common Surplus. Each Unit Owner shall be liable for a proportionate share of the Common Expenses, such share being identical to the undivided share of each Unit Owner in the Common Elements. Each Unit Owner shall have an interest in the common surplus of the Association, such interest being identical to the undivided share of each Unit Owner in the Common Elements. Such interest in the common surplus does not, however, include the right to withdraw, require payment or distribution of the common surplus.

6.0 Maintenance, Repair And Replacement; Changes, Improvements And Additions; Condominium Property. Responsibility for the maintenance, repair and replacement of the Condominium Property and restrictions upon changes, improvements and additions thereto shall be as follows:

6.1 Maintenance, Repair And Replacement, Association The Association shall be responsible for the maintenance, repair and replacement of the Common Elements provided that any maintenance, repair or replacement to the exposed Common Elements shall not result in a change to the appearance of the Building different from its appearance as originally constructed. The Association shall also be responsible for the maintenance, repair and replacement of conduits, ducts, plumbing lines, wiring and other equipment located within a Unit, provided each of the preceding items are utilized for the purpose of furnishing Utility Services to part or parts of the Building other than the Unit within which located or are utilized for the purpose of furnishing Utility Services to more than one Unit. The Association shall be further be responsible for, and Unit Owners shall not undertake, the maintenance, repair or replacement, except for routine maintenance, minor repairs or minor replacements which shall be the responsibility and cost of each Unit Owner, of certain exterior exposed parts of each Unit, such exposed parts being the exterior glass windows, the

exterior glass doors, the exterior panels and the exterior surfaces which vertically and horizontally face the balcony areas of each Unit, provided that any routine maintenance, minor replacements by Unit Owners and any maintenance, repair or replacement of such exterior glass doors, exterior glass windows, exterior panels, parapet walls and exterior surfaces by Association shall not result in a change to the appearance of the Building different from its appearance as originally constructed and, further, provided that, where such exterior surfaces cannot be maintained, repaired or replaced, except by maintenance, repair or replacement of the surface beneath such exterior surfaces, then the Association shall be responsible for the maintenance, repair or replacement of the surface beneath such exterior surfaces. The Association shall further be responsible for all incidental damage to a Unit by reason of any maintenance, repair or replacement undertaken by it pursuant to all of the preceding. All costs associated with the Nautilus Association responsibilities of maintenance, repair and replacement shall be a Common Expense. If a dispute should occur as to whether maintenance is routine or a repair or a replacement is minor, the Board of Directors of the Association shall decide the question and their decision shall be binding and conclusive upon all Unit Owners.

- 6.2 Maintenance, Repair And Replacement, Unit Owners. Each Unit Owner shall at his cost be responsible for the maintenance, repair and replacement of all parts of his Unit, including routine maintenance, minor repairs and minor replacements as provided in paragraph 6.1, and including but not limited to maintenance, repair and replacement of all fixtures, mechanical and electrical equipment such as heating and air conditioning systems and any other item of equipment, furnishings and any other item contained with each Unit, except as otherwise provided in paragraph 6.1. Whenever maintenance, repair or replacement, for which the Unit Owner is responsible, results from loss or damage that is covered by insurance maintained by the Association, the proceeds of such insurance received by the Association shall be used for the purpose of any such maintenance, repair or replacement except that the Unit Owner shall be required to pay such part of the cost of such maintenance, repair or replacement that, by reason of the applicability of any deductibility provision of such insurance, exceeds the amount of the insurance proceeds applicable to such maintenance, repair or replacement.
- 6.3 Changes, Improvements And Additions, Association. The Association shall have the right to make or cause to be made changes, improvements or additions to the Common Elements provided any such changes, improvements or additions are approved by the Board of Directors of the Association. The cost of any such changes, improvements or additions shall be a Common Expense. The Association shall not, however, make or cause to be made any changes, improvements or additions to the Common Elements which would result in the partial or total enclosure of any part or all of any balcony, or which would result in a change to the appearance of the Building different from its appearance as originally constructed.
- 6.4 Changes, Improvements And Additions, Unit Owners. Except as otherwise provided herein, a Unit Owner may at his cost make such changes, improvements or additions to his Unit as he may desire, except that a Unit Owner shall not make any changes, improvements or additions to the exterior exposed to the elements parts of his Unit which the Association is required to maintain, repair or replace pursuant to the provisions of Paragraph 6.1 nor may he make any changes, improvements or



additions to his Unit that would result in the partial or total enclosure of any part or all of his balconies.

7. Assessments. The Board of Directors of the Association shall fix and determine from time to time the sum or sums of money necessary and adequate to provide for the Common Expenses and shall assess the Unit Owners for said sums. The procedure for the making and collection of such assessments shall be set forth in the By-Laws of the Association. All assessments, including special assessments pursuant to Paragraph 9.2 (d) (1) and 9.2 (e) (3) (ii) hereof, shall be the personal obligation of each Unit Owner, and each Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the Unit Owner, including interest thereon, as hereinafter provided, and all costs incident to the collection thereof including attorney's fees at trial or on appeal. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for his share of all assessments up to the time of conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee.
  - 7.1 Interest, Application Of Payments. All assessments, including special assessments pursuant to paragraphs 9.2 (d) (1) and 9.2 (e) (3) (ii) hereof, and installments thereon not paid when due shall bear interest at the rate of 12 percent per annum from the date when due until paid. All payments on account shall be first applied to interest, and then to the assessment payment first due.
  - 7.2 Lien For Assessments. The Association shall have lien against each Condominium Parcel for any unpaid assessments, including special assessments pursuant to paragraph paragraphs 9.2 (d) (1) and 9.2 (e) (3) (ii) hereof, and for interest accruing thereon which lien shall also be secure reasonable attorney's fees incurred by the Association incident to the collection of any such assessment, or enforcement of such lien, whether or not legal proceedings are initiated. The lien is effective from and after recording of a claim of lien in the Public Records of Flagler County, Florida, stating the description of the Condominium Parcel, the name of the Unit Owner, the amount due and the due dates. The lien shall continue in effect until all sums secured by it, together with all costs incurred in recording and enforcing said lien, shall have been paid. Such claim of lien shall be signed and acknowledged by an officer of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien, to be prepared and recorded at his expense. The assessment lien provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Condominium Parcel subject to assessments, provided that such mortgage or mortgages are recorded prior to the Association's claim of lien. The Association's lien may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property, and the Association may also, at its option, sue to recover money judgments for any unpaid assessments without thereby waiving the lien securing the same. When the mortgagee of a first mortgage of record or other purchaser of a Condominium Parcel obtains title to the Condominium Parcel as a result of foreclosure of the first mortgage or as a result of a deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the full share of the common expenses or assessments by the Association pertaining to the Condominium Parcel or chargeable to the former Unit Owner of the Condominium Parcel which became due prior to acquisition of title as a result of the foreclosure or

as a result of a deed given in lieu of foreclosure unless the share is secured by a claim of lien for assessment that is recorded prior to the recording of the foreclosed mortgage. The unpaid share of Common Expenses or any special assessments are collectible from all of the Unit Owners including such acquirer, his successors and assigns. A first mortgagee acquiring title to a Condominium Parcel as a result of foreclosure, or a deed in lieu of foreclosure, may not during the period of its ownership of such Condominium Parcel, whether or not such Condominium Parcel is unoccupied, be excused from the payment of some or all of the Common Expenses or any special assessments coming due during the period of such ownership.

8. Association. The operation of the Condominium shall be by the Nautilus Management Corporation, Inc., a non-profit corporation under the laws of the State of Florida. Each Unit Owner shall hold membership in the Association and an interest in the funds and assets held by the Association. Membership of each Unit Owner in the Association shall be acquired pursuant to the provisions of the Articles of Incorporation and By-Laws of the Association. The interest of each Unit Owner in the funds and assets of the Association shall be in the same proportion as the liability of each Unit Owner for Common Expenses. The Association shall fulfill its functions pursuant to the following item:

- 8.1 The Condominium Act. The Condominium Act.
- 8.2 Declaration of Condominium. This Declaration of Condominium.
- 8.3 Articles of Incorporation. The Articles of Incorporation of the Association, a copy of which is attached hereto and made a part hereof as Exhibit C.
- 8.4 By-Laws. The By-Laws of the Association, a copy of which is attached hereto and made a part hereof as Exhibit D.
- 8.5 Restraint Upon Assignment of Shares and Assets. The share of a member in the funds and assets of the Association cannot and shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Condominium Parcel.

9. Insurance.

9.1 Liability Insurance. The Board of Directors of the Association shall obtain public liability and property damage insurance covering all the Condominium Property, and insuring the Association, the Unit Owners, as its and their interests appear, in such amount and providing such coverage as the Board of Directors of the Association may determine from time to time. Premiums for the payment of such insurance shall be paid by the Association, and such premiums shall be a Common Expense.

9.2 Casualty Insurance.

- (a.) Purchase of Insurance. The Association shall obtain fire and extended coverage insurance with other perils endorsement and vandalism and malicious mischief insurance, insuring all of the improvements on the Condominium Property, and all property owned by the Association, in and for the interests of the Association, all Unit Owners and their first mortgagees of record, as their interests may appear, in a company acceptable to the Board

of Directors of the Association, in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association, and such premiums and other expenses shall be a Common Expense.

- (b) Loss Payable Provisions. All policies purchased by the Association, shall be for the benefit of and made payable to the Association and all Unit Owners, and their first mortgagees of record, as their interests may appear.

Such policies shall be deposited with the Association, and the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Association. Mortgagee endorsements for first mortgages of record shall be issued as to said policies. It shall be the duty of the Association to receive such proceeds as are paid, and hold the same in trust for the purposes elsewhere stated herein, for the benefit of the Association and the Unit Owners and their respective first mortgage of record in the following shares:

(1) Common Elements. Proceeds on account of loss or damage to Common Elements, an undivided share for each Unit Owner, such share being the same as his undivided share in the Common Elements appurtenant to his Unit.

(2) Units. Proceeds on account of loss or damage to Units shall be in the following undivided shares:

(i) Loss or Damage Less Than Very Substantial Loss or Damage, or Very Substantial Loss or Damage When the Building is to be Repaired or Reconstructed Loss or damage less than Very Substantial Loss or Damage, or Very Substantial Loss or Damage when the Building is to be repaired or reconstructed, as hereinafter provided, for the Unit Owners of the damaged Units in proportion to the cost of repairing or reconstructing the loss or damages suffered by each Unit Owner.

(ii) Very Substantial Loss or Damage When Building is not to be Repaired or Reconstructed. Very Substantial Loss or Damage when the Building is not to be repaired or reconstructed, as hereinafter provided, for all Unit Owners, each Unit Owner's share being in proportion to his share in the Common Elements appurtenant to his unit .

(3) Mortgagees. In the event a mortgagee endorsement has been issued to a Unit, the share of the Unit Owner shall be held in trust for the first mortgagee of record and the unit Owner, as their interests may appear. However, no first mortgagee of record or any other mortgage shall have any right to determine or participate in the

determination as to whether or not any damaged property shall be reconstructed or repaired.

- (c) Distribution of Proceeds. Insurance Policy proceeds received by the Association shall be distributed to or for the benefit of the beneficial owners, and expended or disbursed in the following manner:
- (1) Reconstruction or Repair. If the loss or damage for which the proceeds were paid is to be repaired or reconstructed, as hereinafter provided, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to Unit Owners and their first mortgagees of record being payable jointly to them and distributed, as between them, pursuant to the terms of the mortgage. This is a covenant for the benefit of any first mortgagee of record of a Unit and may be enforced by such first mortgagee.
  - (2) Failure to Reconstruct or Repair. If it is determined in the manner hereinafter provided that the loss or damage for which the proceeds are paid shall not be repaired or reconstructed, the proceeds shall be disbursed to the beneficial owners, remittances to Unit Owners and their first mortgagees of record being payable jointly to them and, as between them, distributed pursuant to the terms of the mortgage. This is a covenant for the benefit of any first mortgagee of record of a Unit and may be enforced by such first mortgagee. In the event of loss or damage to personal property belonging to the Association, and should the Board of Directors of the Association determine not to repair or replace such personal property, the proceeds shall be disbursed to the beneficial owners as surplus, in the manner elsewhere stated herein.
  - (3) Certificate. Prior to making any distribution to Unit Owners and their first mortgagees, the Association shall prepare or cause to be prepared a certificate with the names of the Unit Owners and their first mortgagees of record, such certificate is to be approved in writing by an attorney authorized to practice law in the State of Florida, or a title insurance company or abstract company authorized to do business in the State of Florida, prior to any distributions being made.
- (d) Loss or Damages Less Than Very Substantial Loss or Damage. Where loss or damage occurs with a Unit or Units, or to the Common Elements, or to any Unit or Units and the Common Elements, but said loss or damage is less than Very Substantial Loss or Damage, it shall be obligatory upon the Association and the Unit Owners to repair or reconstruct the damage caused by said loss. Where said loss or damage is less than Very Substantial Loss or Damage, the Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the costs of repairing or reconstruction, and

after obtaining the same the Association shall promptly contract for the repair or reconstruction of such loss or damage. No first mortgagee of record or any other mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan except as to remaining proceeds as provided in paragraph 9.2 (c) (1) hereof.

- (1) Assessments for Repair and Reconstruction. If the proceeds of insurance are not sufficient to defray the estimated cost of repair or reconstruction, or if at any time during repair or reconstruction, the funds for payment of the cost of repair or reconstruction are insufficient, a special assessment shall be made by the Board of Directors of the Association against Unit Owners who own the damaged Units, and against all Unit Owners in the case of damage to Common Elements, in sufficient amount to provide funds for the payment of such costs. Such assessment against Unit Owners for damage to Units shall be in proportion to the cost of repair or reconstruction of their respective Units. Such assessment on account of damage to Common Elements shall be in proportion to each Unit Owner's share of Common Elements.
- (e) Very Substantial Loss or Damages. Should Very Substantial Loss or Damage occur, then:
- (1) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repair or reconstruction.
  - (2) The Board of Directors of the Association shall ascertain as promptly as possible the net amount of insurance proceeds available for repair or reconstruction. No first mortgagee of record or any other mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan except as to remaining proceeds, as provided in paragraph 9.2 (c) (1) hereof and except as provided in paragraph 9.2 (c) (2) hereof.
  - (3) Thereupon, a special meeting of members shall be called by the Board of Directors of the Association to be held not later than sixty days after the casualty, to effect the termination of the Condominium, subject to the following:
    - (i) If the net insurance proceeds available for repair or reconstruction are sufficient to cover the cost thereof, so that no special assessment is required, then the Building shall be repaired or reconstructed, unless three-fourths of the total number of members of the Association entitled to vote shall vote to terminate this Condominium in which case the Condominium Property shall be removed from the provisions of the law by the recording, in the Public Records of Flagler County, Florida, of an instrument terminating this Condominium, which instrument shall further set forth the facts effecting the termination, certified by the Association

and executed by its president and secretary. The termination of the Condominium shall become effective upon the recording of said instrument in the Public Records of Flagler County, Florida and the Unit Owners shall thereupon become owners as tenants in common of the Condominium Property, and their undivided interests in the Condominium Property as tenants in common shall be the same as their undivided interest in the Common Elements prior to termination. Upon termination, all mortgages and other liens upon Condominium Parcels shall become mortgages and liens upon the undivided interest of such tenants in common, with the same priority as existed prior to the termination of the Condominium.

( ii ) If the net insurance proceeds available for repair or reconstruction are not sufficient to cover the cost thereof, so that a special assessment will be required, the Board of Directors shall determine the amount of such assessment. If after discussion of such assessment, three-fourths of the total number of members of the Association entitled to vote shall vote to terminate this Condominium, then it shall be so terminated and the Condominium Proper shall be removed from the provisions of the law in accordance with the procedures set forth in paragraph 9.2 (e) (3) ( i ) hereof, and the Unit Owners shall thereupon become owners as tenant in common of the Condominium Property in such undivided interest, and all mortgages and other liens upon the Condominium Parcels shall encumber the undivided interest of such tenants in common, as provided in paragraph 9.2 (e) (3) ( i ) hereof. If the Condominium is not terminated as above provided, the Board of Directors of the Association shall immediately levy such assessment, such assessment to be made in the manner and as provided in paragraph 9.2 (d) (1) hereof, and thereupon , the Association shall proceed to negotiate and contract for such repairs and reconstruction.

- (4) If a dispute should occur as to whether Very Substantial Loss or Damage has occurred, the Association Board of Directors of the Association shall decide the question and their decision shall be binding and conclusive upon all Unit Owners.
- (f) Surplus. It shall be presumed that the first monies disbursed in payment of costs of repair or reconstruction shall be from the insurance proceeds, and if there is a balance in the funds after the payment of all costs of repair or reconstruction, such balance shall be distributed to the beneficial owners of the fund in the manner heretofore provided.
- (g) Plans and Specifications. Any repair or reconstruction must be substantially in accordance with the plans and specifications for the original Building, or as the Building was last repaired or reconstructed.

- (h) Association's Power to Compromise Claim. The association is hereby irrevocably appointed agent for each Unit Owner for the purpose of compromising and settling claims arising under insurance policies purchased by the Association and to execute and deliver releases therefor upon the payment of claims.
- 9.3 Workman's Compensation Policy. Policies of Workmen's Compensation insurance shall be obtained to meet the requirements of law.
- 9.4 Other Insurance. The Association is authorized to obtain such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable. The Board of Directors of the Association may obtain insurance policies, as provided under this paragraph 9, which contain such deductible clauses as the Board of Directors determines.
- 9.5 Unit Owner's Insurance. Each Unit Owner shall be responsible for purchasing, at his own expense, liability insurance upon his own personal property and such other insurance as he shall desire.
- 9.6 Insurance Companies. Insurance companies authorized to do business in the State of Florida shall be affirmatively presumed to be good and responsible companies, and the Board of Directors of the Association shall not be responsible for the quality of financial responsibility of the insurance companies provided same are licensed to do business in the State of Florida.
- 10. Use Restrictions. The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists.
  - 10.1 Units. Each of the Units shall be occupied only as a single family residential dwelling by the Unit Owner, member of his family, his guests, invitees, and lessees, and in the case of lessees, their families, guests and invitees. No Unit may be divided or subdivided into a smaller Unit.
  - 10.2 Common Elements and Limited Common Elements. The Common Elements and Limited Common Elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities to the Units and the Unit Owners.
  - 10.3 Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium Property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or make any use of the Common Elements that will increase the cost of insurance upon the Condominium Property.
  - 10.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part of it, and all valid laws, zoning ordinances and regulations of the governmental bodies having jurisdiction shall be observed.

- 10.5 Leasing of Units. There are none nor shall there be any restrictions or limitations upon the leasing of Units, and each Unit Owner may lease his Unit upon such terms and conditions as he may desire, provided that the lease of a Unit shall not discharge the Unit Owner from compliance with any of his obligations and duties as a Unit Owner. All of the terms and provisions of the Condominium Act, the Declaration, Articles of Incorporation, the By-Laws, and the rules and regulations of the Association pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Unit as a tenant to the same extent as against a Unit Owner, and a covenant upon the part of each such tenant to abide by the rules and regulations of the Association, and the terms and provisions of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association.
- 10.6 Signs. No "For Sale" or "For Rent" signs or any other type of sign or other displays or advertising shall be maintained on any part of the Common Elements, Limited Common Elements or the Units, except for identification signs located on the exterior of the Building which are part of the original construction of the Building or signs which are located within the interior of the Building not visible to view from the exterior of the Building.
- 10.7 Parking Spaces. No trucks or other commercial vehicles, boats, house trailers, motorcycle trailers, boat trailers, mobile homes, campers or trailers of any description shall be parked in any surface parking space except with the written consent of the Board of Directors of the Association. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery, and such other services as may be necessary.
- 10.8 Rules And Regulations. Rules and regulations concerning use of the Condominium Property shall be made by and may be amended from time to time by the Board of Directors of the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Building upon request.
- 10.9 Clothes Drying. All outdoor drying of clothes by line, rack or otherwise shall be prohibited.
- 10.10 Antennae. Except as expressly allowed by the *Telecommunication Act of 1996*, no radio or television antennae or towers servicing individual units shall be erected on any part of the Condominium Property. A master antenna for providing cable or satellite service to the building may be erected on the building roof as are those commercial antennae or towers under income producing contract for leased roof space. Such installations of antennae and entering into contract for said leased space shall require only the approval of a majority of a quorum of the Board of Directors of the Association.
- 10.11 Cooking. No cooking of any nature whatsoever shall take place or be permitted on Unit balconies.



11. Transfers of Condominium Parcels. There are none nor shall there be any restrictions or limitations upon the sale, transfer, conveyance or other disposition of a Condominium Parcel.
12. Compliance and Default. Each Unit Owner shall be governed by and shall comply with the terms and provisions of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association, and the rules and regulations adopted pursuant thereto, as they all may be amended from time to time. Failure of a Unit Owner to comply shall entitle the Association or any aggrieved party to the following relief in addition to the remedies provided by the Condominium Act.
  - 12.1 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act or neglect; or the act or neglect of any member of his family, his guests, employees, agents, invitees or lessees, but only to the extent that such expenses is not met by the proceeds of insurance carried by the Association. A Unit Owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of his unit, its appurtenances or the Common Elements.
  - 12.2 No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association, or the rules and regulations of the Association shall not constitute a waiver of the right to do so thereafter.
13. Amendments. Amendments to this Declaration shall be proposed and adopted in the following manner.
  - 13.1 Notice. Notice of the Subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.
  - 13.2 Resolution.

A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors of the Association or by the members of the Association entitled to vote at an Association meeting. Such members may propose such an amendment by instrument in writing directed to the president or secretary of the Association signed by a majority of such members. Amendments may be proposed by the Board of Directors by action of a majority of the Board of Directors at any regular or special meeting thereof. Upon an amendment being proposed as herein provided, the secretary of the Association shall call a special meeting of the members of the Association to be held not sooner than twenty days nor later than sixty days thereafter for the purpose of considering said amendment. Such amendment must be approved by the affirmative vote of three-fourths of the total number of Association members entitled to vote.
  - 13.3 Limitations. No amendment to this Declaration amending paragraph 9, entitled Insurance, or any part thereof, including sub-paragraphs, shall be effective unless all first mortgagees of record shall join in the execution of any such amendment, nor shall any amendment to paragraph 10.5, entitled Leasing of Units, or any part hereof, be

effective unless Unit Owners of all Condominium Parcels join in the execution of any such amendment. Further, no amendment shall make any changes which would in any way affect any of the rights, privileges, or powers herein provided in favor or reserved to the Developer, unless the Developer shall join in the execution of any such amendment. Further, no amendment to paragraph 14, entitled Termination, or any part thereof, including sub-paragraphs, shall be effective unless the Unit Owners of all Condominium Parcels and the owners of all first mortgages of record on Condominium Parcels join in the execution of any such amendment. Further, no amendment to paragraph 6, entitled Maintenance, Repair and Replacement; Changes, Improvements and Additions; Condominium Property, or any part thereof, including sub-paragraphs, shall be effective unless the Unit Owners of all Condominium Parcels join in the execution of any such amendment.

- 13.4 Execution and Recording. Except as otherwise provided in this Declaration or in the Condominium Act, a copy of each amendment shall be attached to a certificate that shall include the recording date identifying this Declaration, certifying that the amendment was duly adopted, and said certification shall be executed by the president of the Association and attested to by the secretary with the formalities of a deed and shall be effective upon recording thereof in the Public Records of Flagler County, Florida.
14. Termination. The Condominium may be terminated as provided in paragraph 9.2 (e) (3) ( i ) and 9.2 (e) (3) ( ii ) hereof, and in the following manner.
- 14.1 Agreement. The Condominium may be terminated at any time by the approval in writing of all Unit Owners together with the approval in writing of all owners of first mortgages of record on Condominium Parcels. Upon approval as aforesaid, the Condominium Property shall be removed from the provisions of law by the recording, in the Public Records of Flagler County, Florida, of an instrument terminating this Condominium, which instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its president and secretary. The termination of the Condominium shall become effective upon the recording of said instrument in the Public Records of Flagler County, Florida, and the Unit Owners shall thereupon become owners as tenants in common of the Condominium Property, and their undivided interests in the Condominium Property as tenants in common shall be the same as their undivided interests in the Common Elements prior to termination. Upon termination, all mortgages and other liens upon Condominium Parcels shall become mortgages and liens upon the undivided interest of such tenants in common, with the same priority as existed prior to the termination of the Condominium.
15. Severability. Invalidation of any of the provisions of this Declaration, the Articles of Incorporation or By-Laws of the Association shall not affect any of the remaining provisions, which shall remain in full force and effect.
16. Title And Captions. Title or other captions contained in this Declaration, the Articles of Incorporation or By-Laws of the Association are inserted only as a matter of convenience and for reference purposes and in no way define, limit, extend, or describe the scope of this Declaration, the Articles of Incorporation or the By-Laws of the Association, or the intent of any provision.

17. Person And Gender. Whenever the singular number is used in this Declaration, the Articles of Incorporation or the By-Laws of the Association, and when required by the context, the same shall include the plural, and masculine gender shall include the feminine and neuter genders.

IN WITNESS WHEREOF, the Nautilus Condominium Association has caused this amended Declaration of Condominium to be executed, this 24TH day of NOVEMBER A.D., 2006.

WITNESSES:

NAUTILUS CONDOMINIUM ASSOCIATION  
3580 South Ocean Shore Boulevard,  
Flagler Beach, Florida 32136

[Signature]  
[Signature]

By: [Signature]  
President

STATE OF FLORIDA )

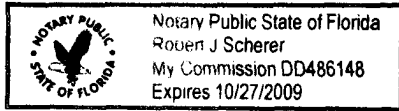
SS:

COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 24TH day of NOVEMBER, 2006, by FRANCIS F ELLIOTT, President of the Nautilus Condominium Association, on behalf of the Nautilus Management Corporation, Inc., a Florida Corporation.

[Signature]  
ROBERT J SCHERER

Notary Public, State of Florida at Large



My Commission Expires: 10/27/09