

DECLARATION OF CONDOMINIUM

OF

SHADY DELL RIVERVIEW SOUTH CONDOMINIUM NO. TWO

Made by Shady Dell Riverview South Developers, a Florida General Partnership, the undersigned Developer, for itself, its successors, grantees and assigns.

The undersigned Developer, being the owner of fee simple title of record to those certain lands located and situate in Brevard County, Florida, being more particularly described in Exhibit "B" attached hereto does hereby submit the said lands and improvements thereon to condominium ownership pursuant to the presently existing provisions of Chapter 718 of the Florida Statutes, as amended to the date hereof, hereinafter called the "Condominium Act", subject to that certain Declaration of Non-Exclusive Easement which provides for ingress to and egress from the subject real property to a dedicated public road, as recorded in the Public Records of Brevard County, Florida.

1. The Name by which this condominium is to be identified is SHADY DELL RIVERVIEW SOUTH CONDOMINIUM NO. TWO.

2. Definitions. The terms used in this Declaration and in its exhibits, including the Articles of Incorporation and By-Laws of SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC. shall be defined in accordance with the provisions of the Condominium Act, (as said Act exists as of the date hereof) and as follows, unless the context otherwise requires:

2.1 Apartment means unit as defined by the Condominium Act.

2.2 Apartment Owner means unit owner as defined by the Condominium Act.

2.3 Association means SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC., and its successors, as said corporation was incorporated under the laws existing at the time of incorporation.

2.4 Condominium Unit Owner means the owner of a condominium apartment.

2.5 Common Elements shall include:

(a) All of those items stated in the Condominium Act.

(b) Tangible personal property required for the maintenance and operation of the Condominium even though owned by the Association.

(c) All Condominium property not included in the apartments or in the Recreation Area.

(d) Easements for ingress and egress as set forth herein.

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2.7 Recreation Area means those lands which are subject to and more particularly described in the Recreation Area Purchase Agreement attached hereto as Exhibit "F".

2.8 Common Expenses include:

(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, Recreation Area, and of the portions of the units, if any, to be maintained by the Association.

(c) Costs and expenses of capital improvements and betterments 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 this Declaration or by the By-Laws of the Association.

(f) Any valid charge against the Condominium property as a whole.

2.9 Utility Services shall include, but not be limited to, electric power, gas, water, air conditioning, and garbage and sewerage disposal.

2.10 Recreation Area Purchase Agreement means that certain Agreement attached hereto as Exhibit "F".

2.11 Recreation Area Mortgage means that certain Recreation Area Mortgage attached hereto as Exhibit "G".

2.12 Recreation Area Deed means that certain Recreation Area Deed attached hereto as Exhibit "H".

2.13 Management Agreement means that certain Management Agreement attached hereto as Exhibit "E".

2.14 Institutional Mortgagee means a bank, savings and loan association, insurance company, mortgage company or individual business entity authorized to do business in the State of Florida.

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3.1 A survey of the land and a graphic description of the improvements in which units are located which identifies each unit by letter, name or number, so that no unit bears the same designation as any other unit, and a plot plan thereof, all in sufficient detail to identify the common elements and each unit and their relative locations and approximate dimensions, are attached hereto as Exhibit "B".

3.2 Amendments of Plans. Developer reserves the right to change the interior design and arrangement of all units so long as Developer owns the units so changed and altered, provided such change shall be reflected by an amendment of this Declaration, and provided, further, that an amendment for such purpose need be signed and acknowledged only by the Developer and need not be approved by the Association or apartment owners, whether or not elsewhere required for an amendment.

(a) Alteration of Boundaries and Apartment Dimensions. Developer reserves the right to alter the boundaries between units so long as Developer owns the unit so altered; to increase or decrease the number of apartments and to alter the boundaries of the common elements so long as the Developer owns the apartments abutting the common elements where the boundaries are being altered, provided that any such alterations shall only affect the percentage of common elements of the units being altered and that no such change shall be made without amendment of this Declaration, and provided, further, that an amendment for such purpose need be signed and acknowledged only by the Developer and approved by the Institutional Mortgagee of apartments affected, where the said apartments are encumbered by individual mortgages or where they are included in an overall construction mortgage on the Condominium building, and such amendment shall not require the approval of apartment owners or of the Association.

3.3 Easements are expressly provided for and reserved in favor of the owners and occupants of the Condominium building, their guests and invitees, and public utility companies and/or municipalities or other governmental agencies providing utility services of every kind and nature, as follows:

(a) Utilities. Easements are reserved through the Condominium property as may be required for utility services in order to serve the Condominium and the Recreation Area adequately, provided, however, such easements shall be only according to the plans and specifications for the building, as the building is constructed, or as recorded in the Public Records of Brevard County, Florida.

(b) Encroachments. In the event that any apartment or the Recreation Area shall encroach upon any of the common elements or upon any other apartment for any reason other than the intentional or negligent act of the apartment owner, or owner of the Recreation Area, or in the event any common element shall encroach upon any apartment, then an easement shall exist to the extent of such an encroachment so long as the same shall exist.

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from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the common elements as may, from time to time be paved and intended for such purpose, and such easement shall be for the use and benefit of the apartment owners, Developer, the owner of the Recreation Area, and all those claiming by, through or under the aforesaid; provided however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium property except to the extent that space may be specifically designated and assigned for parking purposes.

In addition to the above easement, easements are hereby reserved and shall exist under, through and over the Condominium property as may be required for utility services to serve other SHADY DELL RIVERVIEW SOUTH CONDOMINIUMS heretofore or hereafter created, and for pedestrian traffic over, through and across such portions of the common elements as may, from time to time, be paved and intended for such purposes, and such easement shall be for the use and benefit of Developer, its successors and assigns, invitees, licensees, agents, employees, and guests, the owners and occupants of other SHADY DELL RIVERVIEW SOUTH CONDOMINIUMS heretofore or hereafter created; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium property except to the extent that space may be specifically designated and assigned for parking purposes.

Finally, a Declaration of Non-Exclusive Easement has been granted by the Developer in favor of SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC., the owners and occupants of any condominium unit in any one of the SHADY DELL RIVERVIEW SOUTH CONDOMINIUM buildings, their successors and assigns, and other parties therein mentioned, for ingress and egress to a publicly dedicated road; said easement having been already recorded in the Public Records of Brevard County, Florida.

3.4 Apartment Boundaries. Each apartment shall include that part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

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(a) The Upper and Lower Boundaries of the apartment shall be the following boundaries extended to an intersection with the perimetrical boundaries:

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

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

(b) The Perimetrical Boundaries of the apartment shall be the vertical planes of the undecorated finished interior of the walls bounding the apartment extending to intersections with each other and with the upper and lower boundaries, and where there is attached to the building balcony, loggia, terrace or canopy, the perimetrical boundaries shall be extended to include the same.

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OWNERS IN SHADY DELL RIVERVIEW SOUTH CONDOMINIUM NO. ONE and TWO, all pursuant to the provisions of the Recreation Area Purchase Agreement attached hereto as Exhibit "F". The Recreation Area shall be administered by the Association, and shall be available for the use of the Unit Owners without discrimination and without charge except that the Association may adopt regulations providing for charging for exclusive use of the facilities by a Unit Owner, from time to time, if such exclusive use is made available to all Unit Owners, and a surcharge for the use of such facilities by guests of the owners. Additional recreational facilities may be purchased by the Association from time to time, and such additional facilities shall be administered by the Association. Notwithstanding the foregoing, the Recreation Area shall be operated and managed by a management company, as provided for in the Recreation Area Purchase Agreement, and the use of the Recreation Area facilities shall be pursuant and subject to the rules and regulations promulgated by said management company which rules and regulations shall be fair and equitable to all Unit Owners and the Developer at the SHADY DELL RIVERVIEW SOUTH development.

3.6 Apartments. There are thirty (30) apartments in the apartment building, each apartment being identified by the use of a number, the first numeral of which shall designate the floor upon which the apartment is located, and the last two numerals of which shall identify the location of the apartment on the floor, as graphically described in Exhibit "B" attached hereto.

4. Appurtenances to Apartments. The owner of each apartment shall own an undivided share and certain interest in the Condominium property, which share and interest shall be appurtenant to the apartment, said undivided interest in the Condominium property and common elements being as designated and set forth in Exhibit "A" attached hereto.

4.1 Limited Common Elements.

Automobile Parking Space. Limited common elements include exterior parking spaces. Parking spaces shall be assigned pursuant to the rules and regulations of the Association so as to provide one parking space for each apartment, provided, however, in the event a specific parking space is assigned in connection with the sale of an apartment unit by the Developer, the right to the use of the said designated parking space shall pass as an appurtenance to the Condominium apartment unit owned by the apartment owner to whom such space is initially assigned, and the Association shall not thereafter reassign or change the said apartment owner's parking space without his written consent, provided, further, said apartment owner shall not transfer or assign use of the said parking space except in connection with sale of the Condominium apartment unit or with the consent of the Association. Designation of a parking space assigned to an apartment owner may be made in the Deed of Conveyance, or by a separate instrument, and nothing herein shall be interpreted as to prohibit the Developer from assigning more than one

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...maintaining the building, the developer may make an additional charge or increase the purchase price of a condominium unit in consideration for designating one or more parking spaces as a limited common element appurtenant to said unit. No truck or other commercial vehicle shall be parked in any parking space which is assigned as a limited common element of an apartment unit, except with the written consent of the Developer or the Board of Directors. Guest parking spaces shall constitute a portion of the common elements.

5. Liability for Common Expenses. Each apartment unit owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements appurtenant to his apartment (see Exhibit "A" attached hereto). Such common expenses shall include the expenses of maintenance, operation, repair or replacement of the Recreation Area.

6. Membership in Association. Membership of each apartment 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 apartment unit owner in the funds and assets of the Condominium held by the Association shall be in the same proportion as the liability of each such owner for common expenses.

7. Maintenance, Alteration and Improvement. Responsibility for the maintenance of the Condominium property, and restrictions upon its alteration and improvement shall be as follows:

7.1 Apartments.

(a) By the Association. The Association shall maintain, repair and replace at the Association's expense:

(1) All common elements and limited common elements.

(2) All portions of an apartment, except interior surfaces, contributing to the support of the apartment building, which portions shall include, but not be limited to, load-bearing columns and load-bearing walls.

(3) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services contained in the portions of an apartment that service part or parts of the Condominium other than the apartment within which contained.

(4) All incidental damage caused to an apartment by reason of maintenance, repair and replacement accomplished pursuant to the provisions of 7.1 (a), (2) and (3) above.

(b) By the Apartment Owner. The responsibility of the apartment owner for maintenance repair and replacement, shall be as follows:

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ment owner shall be windows, screens and doors opening into or onto his apartment. All such maintenance, repairs and replacement shall be done without disturbing the rights of other apartment owners.

(2) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

(3) An apartment owner shall not paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building or any exterior surface of any entry doors to his condominium unit or enclose his terrace in any fashion without the prior approval, in writing, of the Association.

7.2 Parking Spaces. The Association shall maintain and repair at the Association's expense all parking spaces, including those which have been assigned as an appurtenance to an apartment.

7.3 Recreation Area. Maintenance, repair, replacement, alteration and improvement of the Recreation Area shall be by the Association at the Association's expense.

7.4 Alteration and Improvement. After completion of the improvements included in the common elements which are contemplated in the Declaration, there shall be no alteration or further improvements of common elements without the prior approval, in writing, by record owners of sixty-six and two-thirds (66 2/3%) percent of all apartment unit owners in the Condominium, together with the approval of the Association. The cost of such alteration or improvement shall be a common expense and so assessed. Any such alteration or improvement shall not interfere with the rights of any apartment owner without his consent. This paragraph shall have no application to the rights vested in the Developer pursuant to the provisions of paragraph 3.2 and 3.2 (a) hereof.

8. Assessments. 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 Members for said sums. The procedure for the determination of such assessments shall be set forth in the by-laws of the Association. The Association, from time to time, shall be obligated to assess Unit Owners and/or Units in amounts no less than are required to provide funds in advance for the payment of all common expenses and other expenses of the Association and the Condominium, as and when due, and to enforce collection of same so that at all times the solvency of the Association, under any definition, is maintained and assured.

8.1 Interest; Application of Payments. Assessments and installments on such assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of ten (10%) per cent per annum from the date when due until paid.

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shall have a lien against each apartment unit for any unpaid assessments against the owner thereof, and for interest accruing thereon, which lien shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien, whether or not legal proceedings are initiated, provided, however, that no lien for assessments shall become effective until recorded in the Public Records of Brevard County, Florida. The said lien shall be recorded among the Public Records of Brevard County, Florida, by filing a claim therein which states the legal description of the apartment unit, and the amount claimed to be due, and said lien shall continue in effect until all sums secured by the lien, together with all costs incurred in recording and enforcing said lien, shall have been paid. Such Claims of Lien may be signed and verified by an officer of the Association, or by a managing agent 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. All such liens shall be subordinate to the lien of institutional first mortgages recorded prior to the date of recording the Claim of Lien, and all such liens may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of mortgage on real property. In any such foreclosure the owner of the apartment unit subject to the lien shall be required to pay a reasonable rental for the apartment unit, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association may also, at its option, sue to recover a money judgment for unpaid assessments without thereby waiving the lien securing the same. In the event a mortgagee of a first mortgage of record shall obtain title to the apartment unit as a result of the foreclosure of a first mortgage, or in the event an institutional mortgagee as to a first mortgage of record shall obtain title to an apartment unit as the result of a conveyance in lieu of foreclosure of such first mortgage, such acquirer of title, its successors and assigns, shall not be liable for that share of the common expenses or assessments by the Association chargeable to the apartment, or the owner thereof, which became due prior to the acquisition of title by such institutional mortgagee or purchaser at foreclosure sale except as provided in Paragraph 8.7 below with regard to the assessment for the purchase of the Recreation Area by the Association.

8.3 Notification to Mortgage Holder. The Association shall notify, in writing, the holder of a first mortgage encumbering a condominium apartment of any default in the payment of any assessments against said apartment where said default shall continue for a period of fifteen (15) days after the date upon which it was due and payable; provided, however, notice of such default need only be given where the holder of a first mortgage has notified the Association, in writing, of the existence thereof, such notice to include the name and address of the mortgagee.

8.4 The Assessments provided for in this Article shall commence no earlier than the first (1st) day of the month next succeeding the date of conveyance by deed of the first apartment in the Condominium building, and no later

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Developer or the first Board of Directors, provided, that no such assessment shall be applicable to a condominium unit owned by the Developer until the first (1st) day of the fourth (4th) calendar month following the month in which the closing of the purchase and sale of the first condominium unit occurs, and provided further that the Developer shall pay that portion of the common expenses incurred during said period which exceeds the amount assessed against other condominium unit owners.

8.5 The funds represented by the payment of an amount equal to three-fourths of one (.75%) percent of the purchase price of the unit paid by the purchaser of each apartment at the time of conveyance of the apartment by the Developer shall be a working capital fund of the Association and may be utilized for startup expenses, common expenses paid or accrued prior to and subsequent to the commencement date of regular monthly installments for the payment of assessments, deficiencies, and for any purpose for which the Association could levy an assessment pursuant to this Article, and said funds shall not be set up as a reserve by the Association, and are not expected to create a surplus. Notwithstanding the foregoing, an amount equal to twenty-five (25%) percent of said initial contribution to the working capital fund of the Association payable by each purchaser upon closing shall be applicable to and expended for the maintenance and operation of the Recreation Area.

8.6 Where an Institutional First Mortgagee of record or other purchaser of a Condominium parcel obtains title thereto as a result of the foreclosure of an Institutional First Mortgage or a Recreation Area Mortgage, or where said Institutional First Mortgagee or a Recreation Area Mortgagee accepts a deed to said Condominium Parcel in lieu of foreclosure, such acquirer of the title, his heirs, legal representatives and assigns, shall not be liable for the share of common expenses or assessments by the Association pertaining to such Condominium Parcel or chargeable to the former Owner of such Parcel which became due prior to acquisition of title thereto as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure, except as provided in Paragraph 8.7 below with regard to the assessment for the purchase of an undivided interest in the Recreation Area by the Association. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Unit Owners including such acquirer, his heirs, legal representatives, successors and assigns.

8.7 In addition to all other assessments, each unit owner is hereby assessed the sum of TWO THOUSAND AND NO/100 (\$2,000.00) DOLLARS, as a contribution to the capital of the Association. The proceeds of such assessments shall be utilized by the Association for a capital acquisition, i.e., to purchase the Recreation Area pursuant to the provisions of the Recreation Area Purchase Agreement attached hereto as Exhibit "F". The said assessment shall bear interest at a rate of eight and one-half (8 1/2%) percent per annum on the unpaid balance thereof, shall be payable in three hundred

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... in the Recreation Area Mortgage and Note. If any Unit Owner shall fail to pay the said special assessment, or any installment thereon, the Grantor under said Recreation Area Purchase Agreement and the Mortgagee under the Recreation Area Mortgage, in addition to all other remedies provided by law and the Recreation Area Purchase Agreement and Recreation Area Mortgage shall have a mortgage lien against the condominium unit of such defaulting owner for the remaining unpaid balance of the assessments which may be thereupon accelerated and be due and payable in full, together with all interest thereon, court costs and attorneys' fees incurred in enforcing said lien and payment of said assessments. The foreclosure of said lien against a condominium unit owner for his proportionate share of monies shall not be considered or construed as a termination or cancellation of the Recreation Area Purchase Agreement or Recreation Area Mortgage or operate as an extinguishment of any other lien rights or remedies provided by said Recreation Area Purchase Agreement or Recreation Area Mortgage or by law. The mortgage lien herein provided shall be subordinate to the lien of any institutional first mortgage encumbering a condominium unit. Notwithstanding anything contained herein to the contrary, in the event an institutional first mortgagee of record or other purchaser of a condominium parcel (unit) obtains title thereto as a result of the foreclosure, of an institutional first mortgage or where such institutional first mortgagee accepts a deed to such condominium parcel in lieu of foreclosure, such acquirer of title, its heirs, legal representatives and assigns shall remain obligated for that portion of the assessment attributable to such condominium unit as provided for herein remaining unpaid as of such date and interest thereon in accordance with the terms contained herein accruing subsequent to but not prior to the date such acquirer of title obtains title thereto to be paid in full in cash or in equal monthly payments of principal and interest as provided above; provided, however, that payments of such assessment attributable to or upon a unit shall be deferred and no interest shall accrue on such assessment for so long as such institutional first mortgagee shall continue to hold title to such unit, and the same shall not be occupied by a tenant or lessee holding under, by or through the said institutional first mortgagee; provided, further, that such deferral of payment shall continue only for such time as the institutional first mortgagee shall remain the title holder of the unit and the same shall not be occupied by a tenant or lessee holding by, through or under the said institutional first mortgagee. It is the intention of the Association and the unit owners that the provisions of Florida Statute 718.116(6) or any amendment, revision or addition thereto or any similar provision heretofore or hereafter adopted pertaining to the termination or extinguishment of the obligation of a unit owner for prior assessments in the event of foreclosure or conveyance in lieu of foreclosure of an institutional first mortgage shall not be applicable to the assessment provided for in this subparagraph, other than for interest thereon accruing prior to the date such mortgagee acquires title thereto, and, if so applicable, the Association shall and does hereby agree and each unit owner by acceptance of title to such unit in foreclosure or acceptance of such deed in lieu of foreclosure agrees that upon such conveyance to such acquirer of title,

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paid in full in cash or in equal monthly payments of principal and interest as provided herein, and each such acquirer of title shall and does hereby consent to the imposition of such assessment. In the event of prepayment in full of said assessment, the Association shall deliver to the unit owner making such prepayment a receipt therefore in recordable form, joined in by the Recreation Area Mortgagee, reflecting that no further assessments on account of the purchase price of the Recreation Area shall be made against the said unit. A copy of such release is attached hereto as Exhibit "I" and made a part hereof.

9. Association. The operation of the Condominium shall be by SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, Inc., a corporation not for profit under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

9.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association, which sets forth its powers and duties, is attached as Exhibit "C".

9.2 By-Laws. A copy of the By-Laws of the Association is attached as Exhibit "D".

9.3 Management Agreement. A copy of the Management Agreement is attached as Exhibit "E".

9.4 Limitation upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair portions of the Condominium property, the Association shall not be liable to apartment owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

9.5 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 apartment unit.

9.6 Approval or Disapproval of Matters. Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

9.7 The Association has been or may in the future be designated as the entity to administer and operate other SHADY DELL RIVERVIEW SOUTH CONDOMINIUMS, and shall maintain a separate budget for each Condominium operated and administered by it. It shall be the Association's sole responsibility and discretion to determine which items of cost, expense and income are attributable in their entirety to the Condominium, and which are to be apportioned amongst more

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such attribution shall be conclusive and binding, and all costs and expenses attributable to the Condominium, whether in their entirety or as an apportionment of an expense shared by more than one Condominium, shall constitute common expenses of the Condominium.

10. The insurance other than Title Insurance that shall be carried upon the Condominium property and the property of the apartment owners shall be governed by the following provisions:

10.1 Authority to Purchase; Name Insured. All insurance policies upon the Condominium property shall be purchased by the Association. The name insured shall be the Association individually and as agent for the apartment unit owners, without naming them, and as agent for their mortgagees. Provisions shall be made for the issuance of the mortgagee endorsements and memoranda of insurance to the mortgagees of apartment owners. Such policies shall provide that payments by the insurer for losses shall be made to the insurance trustee designated below, and all policies and their endorsements shall be deposited with the insurance trustee. Unit owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expense.

10.2 Coverage.

(a) Casualty. All buildings and improvements upon the condominium property shall be insured in an amount equal to the maximum insurable replacement value, excluding the foundation and excavation costs, as determined annually by the Board of Directors. All personal property included in the common elements shall be insured for its value, all as shall be determined annually by the Board of Directors of the Association. In the event any steam boiler is utilized or maintained on Condominium property, boiler-explosion insurance, including the amount thereof and the insurance company issuing same, shall be subject to the approval of the institutional mortgagee holding the greatest dollar amount of first mortgages against apartments in the Condominium. Coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to, vandalism and malicious mischief.

(b) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to, hired automobile and nonowned automobile coverage, and with cross liability endorsements to cover liabilities of the apartment owners as a group to an apartment owner.

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(d) Insurance on the Recreation Area pursuant to the provisions of the Recreation Area Purchase Agreement.

(e) Such other insurance that the Board of Directors of the Association shall determine, from time to time, to be desirable.

(f) The Casualty Insurance Company and the agent must be approved by the institutional mortgagee holding the highest dollar volume of mortgages in all of the condominiums operated by the Owners Association. In addition, the casualty insurance company must be authorized to do business in the State of Florida; and the agent located in either Brevard County, Palm Beach County or Dade County in the State of Florida.

10.3 premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense attributable to the Condominium.

10.4 Insurance Policies shall be available for inspection by apartment owners or their authorized representatives at reasonable times at the offices of the Association.

10.5 Insurance Trustee, Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the apartment owners and their mortgagees, co-tenants of the Recreation Area, (beneficial owners), as their interest may appear, and except as provided in the Recreation Area Mortgages, which shall provide that all proceeds covering property losses shall be paid to a Brevard County bank, as Trustee, or to such other bank in Florida with trust powers as may be designated as Insurance Trustee from time to time by the Board of Directors of the Association, the Trustee being referred to herein as the Insurance Trustee, provided, that no Insurance Trustee shall be designated whose accounts are not government insured or guaranteed. In addition, the Insurance Trustee must be approved by the institutional mortgagee holding the highest dollar volume of mortgages in all of the condominiums operated by the Owners Association; said Insurance Trustee to be a bank having trust powers or a trust company located in Brevard County, Dade County or Palm Beach County; said counties being located in the State of Florida. The Insurance Trustee shall not be liable for payment of premiums nor the failure to collect an insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to and to hold the proceeds in trust for the purpose elsewhere stated in this instrument and for the benefit of the apartment owners and their mortgagees in the following shares, provided, however, such shares need not be set forth on the records of the Insurance Trustee:

(a) Proceeds on Account of Damage to Common Elements and Limited Common Elements. An undivided share for each apartment owner, such share being the same as the undivided share in the common elements and limited common elements appurtenant to his apartment.

(1) When the building is to be restored: For the owners of damaged apartments in proportion to the cost of repairing the damage suffered by each apartment owner, said cost to be determined by the Association.

(2) When the building is not to be restored: An undivided share for each apartment unit owner, in the common elements appurtenant to his apartment unit.

(c) Cost of Restoration and Repair of the Recreation Area after casualty shall be paid out of the proceeds from insurance, and the said Recreation Area shall, in all events, be repaired and restored unless there shall be not only a total destruction of the Recreation Area and appurtenances thereto, but, in addition a destruction of a majority of the apartment units in the Condominium. In the event additional monies are required over and above the amount available from insurance proceeds to restore, reconstruct or repair the Recreation Area, such monies shall be considered a common expense, to be paid by the condominium unit owners and to be chargeable to and collectable from them in the same manner as elsewhere provided herein for the assessment and collection of assessments and common expenses, all pursuant to the provisions, if any, of the Recreation Area Purchase Agreement and Recreation Area Mortgage.

(d) Mortgages. In the event a mortgagee endorsement has been issued as to an apartment unit, the share of the 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 any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the apartment owner and mortgagee pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the mortgagee shall have the right to apply or have applied to the reduction of its mortgage debt any or all sums of insurance proceeds applicable to its mortgaged unit if insurance proceeds are insufficient to restore or repair the building to the condition existing prior to the loss and additional monies are not available for such purpose.

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

(a) All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any mortgagee of an apartment.

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elsewhere provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, the mortgagee of an apartment.

(d) In making distribution to apartment owners and their mortgagees, the Insurance Trustee may rely upon a Certificate of the Association made by its President and Secretary as to the names of the apartment owners and their respective shares of the distribution.

10.7 Association as Agent. The Association is hereby irrevocably appointed Agent for each apartment owner and for each owner of any other interest in the Condominium property to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of a claim.

10.8 Recreation Area. Notwithstanding any other provision hereof, the terms of the Recreation Area Purchase Agreement and Recreation Area Mortgages shall govern the distribution of proceeds of insurance on or attributable to such area, provided, however, that no distribution of proceeds shall be made to the Mortgagee unless it shall have been determined pursuant to the terms and provisions thereof not to reconstruct or repair damage to the property demised hereunder.

11. Reconstruction or Repair After Casualty.

11.1 Determination to Reconstruct or Repair. If any part of the Condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Element. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(b) (1) Lesser Damage. If the damaged improvement is the apartment building, and if apartments to which fifty (50%) per cent of the common elements are appurtenant are found by the Board of Directors of the Association to be tenatable, the damaged property shall be reconstructed or repaired, unless within sixty (60) days after the casualty, it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.

(2) Major Damage. If the damaged improvement is the apartment building, and if apartments to which more than fifty (50%) percent of the common elements are appurtenant are found by the Board of Directors to be not tenatable, then the damaged property will not be reconstructed or repaired, and the Condominium will be terminated without agreement as elsewhere provided, unless within sixty (60) days after the casualty, the owners of eighty (80%) percent of the common elements agree in writing to such reconstruction or repair.

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(c) Certificate. The Insurance Trustee may rely upon a Certificate of the Association made by its President and attested by its Secretary as to whether or not the damaged property is to be reconstructed or repaired.

11.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specified for the original building, or, in lieu thereof, according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is in the apartment building, by the owners of not less than eighty (80%) percent of the common elements, including the owners of all damaged apartments, together with the approval of the institutional mortgagees holding first mortgages upon all damaged apartments which approval shall not be unreasonably withheld.

11.3 Responsibility. If the damage is only to those parts of one apartment for which the responsibility of maintenance and repair is that of the apartment owner, then the said owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

11.4 Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain a reliable and detailed estimate of the cost to rebuild or repair.

11.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the apartment owners who own the damaged apartments, and against all apartment owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against apartment owners for damage to apartments shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the owner's obligation for common expenses.

11.6 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against apartment owners shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of assessments made by the Association in order to provide funds for the payment of costs of reconstruction and repair that is the responsibility of the Association is more than TEN THOUSAND DOLLARS (\$10,000.00), then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction and repair.

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insurance collected on account of casualty and the sums deposited with the Insurance Trustee by the Association from collections of assessments against apartment owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than TEN THOUSAND AND NO/100 (\$10,000.00) DOLLARS, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the association is more than TEN THOUSAND AND NO/100 (\$10,000.00) DOLLARS, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association.

(3) Apartment Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an apartment owner shall be paid to the said owner, or if there is a mortgagee endorsement as to the apartment, then to the owner thereof and the mortgagee jointly, who may use proceeds as they may be advised.

(4) 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 the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial owner that is not in excess of assessments paid by such owner to the construction fund shall not be made payable to any mortgagee.

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether the disbursements from the construction fund are to be upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a Certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a unit owner; and further, provided, that when the Association, or a mortgagee that is the beneficiary of an

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insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association prior to disbursements in payment of costs of reconstruction and repair.

12. Use Restrictions. The use of the Condominium property shall be in accordance with the following provisions as long as the Condominium exists and the apartment building in useful condition exists upon the land.

12.1 Apartments. Each of the apartment units shall be occupied only as a single family private dwelling by the owner and members of his family not less than ten (10) years of age, subject to the provisions of Paragraphs 12.3 and 12.7 hereof. Except as reserved to Developer, no apartment unit may be divided or subdivided into a smaller unit.

12.2 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 for the enjoyment of the apartments. No building or structure of any kind may be erected, constructed or maintained upon any of this land unless same shall comply and be in conformity with the present zoning classification as of the date hereof and the general zoning and building ordinance of the City of Melbourne. No structure of a temporary character, trailer, camper, mobile home, tent, shack, garage, barn or other building shall be used at any time as a residence either temporarily or permanently.

12.3 Children. No persons who have not yet attained the age of ten (10) years shall be permitted to reside in any of the apartments except with the written consent of the Board of Directors of the Association, or of the Developer, provided such written consent when once given and relied upon in connection with the purchase and acquisition of a condominium apartment unit may not thereafter be revoked or terminated without the consent of the apartment owner, and provided further, that children under such age may visit and temporarily reside in an apartment unit provided such temporary residence shall not exceed thirty (30) days within any consecutive twelve (12) month period.

12.4 Pets. No pets shall be maintained or kept in any of the apartments other than cats, dogs, not exceeding twenty-five (25) pounds when fully grown, gold fish, tropical fish and the like, and such birds as canaries, parakeets and the like, provided that they are not kept, bred or maintained for a commercial use except as may be specifically provided for and authorized by the rules and regulations of the Association as they may from time to time be adopted or amended, or pursuant to the written consent of the Board of Directors of the Association, or of the Developer, provided such written consent when once given and relied upon in connection with the purchase and acquisition of a condominium apartment unit may not thereafter be revoked or terminated except pursuant to the terms and conditions of the written consent. All pets shall be maintained and kept pursuant to the rules and regulations promulgated by the Association, and in the event that any condominium unit owner fails to abide by the rules and regulations of the Association regarding pets as

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condominium owner may be sued by the Association and taken to Court to enforce the rules and regulations adopted and promulgated by the Association, and in such event said condominium owner shall be responsible for all costs and expenses incurred by the Association in enforcing its rules and regulations including Court costs and reasonable attorneys' fees.

12.5 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 property by its residents. All parts of the Condominium 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 apartment owner shall permit any use of his apartment or make any use of the common elements that will increase the cost of insurance upon the Condominium property.

12.6 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 all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

12.7 Leasing Apartments. After approval by the Association as elsewhere required, entire apartments may be rented provided the occupancy is only by the lessee, his family and guest, provided that no apartment shall be leased to an unmarried person under the age of twenty-five (25) years except with the express written consent of the Board of Directors of the Association or of the Developer, provided, such written consent when once given and relied upon in connection with the purchase and acquisition of a condominium apartment unit may not thereafter be revoked or terminated without the consent of the apartment owner; nor shall any leased apartment be occupied, permanently or temporarily by any person under the age of thirteen (13) years, except with the express written consent of the Association or of the Developer. No lease shall have a term of less than six (6) months. No rooms may be rented and no transient tenants shall be accommodated in any apartment or shall any lease of an apartment release or discharge the owner thereof of compliance with any of his obligations and duties as an apartment owner. All of the provisions of the Declaration, Articles of Incorporation, By-Laws, and Rules and Regulations of the Association pertaining to use and occupancy shall be applicable and enforceable against any person occupying an apartment unit as a tenant to the same extent as against an apartment 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 Declaration of Condominium, Articles of Incorporation and By-Laws and designating the Association as the apartment owner's agent for the purpose of and with the authority to terminate any such lease agreement in the event of violations by the tenant of such covenant, shall be an essential element of any such lease or tenancy agreement, whether specifically expressed in such agreement or not.

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or other displays or advertising shall be maintained on any part of the common elements, limited common elements, or apartments, excepting that the right is specifically reserved in the Developer to place "For Sale" or "For Rent" signs in connection with any unsold or unoccupied apartment it may from time to time own, and the same right is reserved to any institution first mortgagee which may become the owner of an apartment, and to the Association as to any apartment which it may own. The Developer has reserved the right for so long as the subject real property shall remain a condominium to place a sign advertising any project developed by the Developer or an entity with Stanley Markofsky as a principal operating officer, provided, however, that the sign may be placed only on Common Elements, and shall be not larger than ten (10) feet by twenty-five (25) feet.

12.9 Parking Spaces. No truck or other commercial vehicle, boats, trailers, boat trailers, mobile homes, campers and trailers of every other description, shall be parked in any parking space except with the written consent of the Board of Directors. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery, and other commercial services, for the Condominium Association, Unit Owners and residents.

12.10 Interior Hallways. All doors between apartments and interior hallways shall be kept closed at all times when not being used for ingress and/or egress. Screen or screen doors on entrances between apartment units and interior corridors are prohibited unless specifically authorized by the Association.

12.11 Regulations. Reasonable regulations concerning the use of Condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all apartment owners and residents of the Condominium upon request.

12.12 Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted.

12.13 Clothes Drying. All outdoor drying of clothes by line, rack or otherwise shall be prohibited.

12.14 Antennas. No television or radio antennas or towers of any nature shall be erected on any part of said property or the exterior of any building, except that one antenna may be used as a master antenna for each building.

12.15 Proviso. Provided, however, that until the Developer has completed all of the contemplated improvements and closed upon the sale of all the apartments in the Condominium, neither the apartment owners nor the Association, nor the use of the Condominium property shall interfere with the contemplated improvements and the sale of the apartments. Developer may make such use of the unsold units, common elements in common areas and of the Recreation Area, as may facilitate such completion and sale, including, but not limited to maintenance of a sales office, maintenance of models, showing of the property and the display of signs.

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13. Maintenance of Community Interests. In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the apartments, the transfer of apartments by any owner other than the Developer shall be subject to the following provisions as long as the Condominium exists and the apartment building in useful condition exists upon the land:

13.1 Transfers Subject to Approval.

(a) Sale. No apartment owner may dispose of any apartment or any interest in an apartment by sale without approval of the Association.

(b) Lease. No apartment owner may lease an apartment without approval of the Association, except with the express written consent of the Board of Directors of the Association or of the Developer, and such consent when once given and relied upon in connection with the purchase and acquisition of a Condominium Apartment Unit may not thereafter be revoked or terminated without the consent of the apartment owner.

(c) Gift. If any apartment owner shall acquire title by gift, the continuance of his ownership of his apartment shall be subject to the approval of the Association.

(d) Other Transfers. If any apartment owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of his apartment shall be subject to the approval of the Association.

13.2 Approval by Association. The approval of the Association that is required for the transfer of ownership of apartments shall be obtained in the following manner:

(a) Notice to Association. The approval of the Association that is required for the transfer of ownership of apartments shall be obtained in the following manner:

(1) Sale. An apartment owner intending to make a bona fide sale of his apartment or any interest in it shall give to the Association notice of such intention, together with the name and address of the intended Purchaser and such other information concerning the intended Purchaser as the Association may reasonably require. Such notice, at the apartment owner's option, may include a demand by the apartment owner that the Association furnish a Purchaser of the apartment if the proposed Purchaser is not approved; and if such demand is made, the notice shall be accompanied by a copy of the proposed contract of sale signed by the proposed Purchaser.

(2) Lease. An apartment owner intending to make a bona fide lease of his apartment or any interest in it shall give to the Association notice of such intention, together with the name and address of the intended lessee as the Association may reasonably require, and a copy of the proposed lease signed by the proposed lessee.

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(3) Gift, Devise or Inheritance; Other Transfers. An apartment owner who has obtained his title by gift, devise or inheritance, or by any other manner not previously considered, shall give to the Association notice of the acquiring of his title, together with such information concerning the apartment owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

(4) Failure to Give Notice. If the above required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of an apartment, the Association at its election and without notice may approve or disapprove the transaction or ownership. If the Association disapproves the transaction of ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

(b) Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a Certificate executed by any officer of the Association, in recordable form; said approval to be recorded in the Public Records of Brevard County, Florida, by the Owners Association.

(2) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a Certificate executed by any officer of the Association in nonrecordable form.

(3) Gift, Devise or Inheritance; Other Transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the continuance of the apartment owner's ownership of his apartment. If approved, the approval shall be stated in a Certificate executed by any officer of the Association in recordable form; said approval to be recorded in the Public Records of Brevard County, Florida by the Owners Association.

(c) Approval of Corporate Owner or Purchaser. Inasmuch as the condominium may be used only for residential purposes and a corporation cannot occupy an apartment for such use, if the apartment owner, purchaser or lessee of an apartment is a corporation, the approval of ownership or lease by the corporation, may be conditioned by requiring that all persons occupying the apartment be approved by the Association.

(d) Screening Fees. The Association may require the deposit of a reasonable screening fee simultaneously with the giving of notice of intention to sell or lease, or of transfer by gift, devise or inheritance, for the

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purpose of defraying the Association's credit and character report expenses in determining whether to approve or disapprove the transaction or continued ownership by a transferee, said screening fee to be sum not to exceed Fifty (\$50.00) Dollars.

13.3 Disapproval by Association. If the Association shall disapprove a transfer of ownership of an apartment, the matter shall be disposed of in the following manner:

(a) Sale. If the proposed transaction is a sale and if the notice of sale given by the apartment owner shall so demand, then within thirty (30) days after receipt of such notice and information the Association shall deliver or mail by Registered Mail sent to the apartment owner an Agreement to Purchase the apartment signed by a Purchaser approved by the Association, or an Agreement to Purchase signed on behalf of the Association by its President and attested by its Secretary, in which event the apartment owner shall sell the apartment to the named Purchaser at the price and upon the terms stated in the disapproved contract to sell, excepting that at the option of the named purchase the purchase price may be paid in cash at closing.

(1) The sale shall be closed within thirty (30) days after delivery or mailing of the Agreement to Purchase, or upon the date designated in the disapproved contract whichever date shall be later.

(2) A Certificate of the Association executed by any of its officers in recordable form shall be delivered to the Purchaser.

(3) If the Association shall fail to purchase or provide a Purchaser upon demand of the apartment owner in the manner provided, or if the Purchaser furnished by the Association shall default in his Agreement to Purchase, the proposed transaction shall be deemed to have been approved, and the Association shall furnish a Certificate of Approval as elsewhere provided, in recordable form; said approval to be recorded in the Public Records of Brevard County, Florida, by the Owners Association.

(b) Lease. If the proposed transaction is a lease, the apartment owner shall be advised of the disapproval in writing, and the lease shall not be made.

(c) Gift, Devise or Inheritance; Other Transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within thirty (30) days after receipt from the apartment owner of the notice and information required to be furnished, the Association shall deliver or mail by Registered Mail sent to the apartment owner an Agreement to Purchase the apartment concerned by a Purchaser approved by the Association who will purchase and to whom the apartment owner must sell the apartment upon the following terms:

(1) The sale price shall be the fair market value determined by Agreement between the Seller and the Purchaser within thirty (30) days from the delivery or mailing of such Agreement. In the absence of Agreement as to

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price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration shall be paid by the Purchaser. In any such action for specific performance the prevailing party shall be entitled to recover his reasonable attorneys' fees and Court costs incurred.

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

(3) The sale shall be closed within thirty (30) days following determination of the sale price.

(4) A Certificate of the Association executed by any of its officers in recordable form shall be delivered to the Purchaser; an original of said Certificate shall be recorded in the Public Records of Brevard County, Florida, by the Owners Association.

(5) If the Association shall fail to provide a Purchaser as required by this instrument, or if a Purchaser furnished by the Association shall default in his Agreement to Purchase, then notwithstanding disapproval such ownership shall be deemed to have been approved, and the Association shall furnish a Certificate of Approval as elsewhere provided, in recordable form, to the apartment owner; an original of said Certificate of Approval shall be recorded in the Public Records of Brevard County, Florida by the Owners Association.

13.4 Mortgage. No apartment owner may mortgage his apartment nor any interest in it without approval of the Association except to a bank, life insurance company or a savings and loan association, or to a seller to secure a portion or all of the purchase price. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

13.5 Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer or purchase by a bank, life insurance company, savings and loan association, or other institution that acquires its title as the result of owning a mortgage upon the apartment concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company, savings and loan association or other institution that so acquires its title; neither shall such provisions require the approval of a Purchaser who acquires title to an apartment at a duly advertised public sale with open bidding as provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale; neither shall such provisions apply to the Developer, or to any person who is an officer, stockholder or director of its Developer, or to any corporation having some or all of its directors, officers or stockholders in common

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have the right to freely sell, lease, or otherwise dispose of an apartment unit without complying with the provisions of this section, and without approval of the Association.

13.6 Unauthorized Transactions. Any sale, mortgage or lease not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association subject to the provisions of Paragraph 13.8 hereof.

13.7 Notice of Lien or Suit.

(a) Notice of Lien. An apartment owner shall give notice in writing to the Association of every lien upon his apartment other than authorized mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

(b) Notice of Suit. An apartment owner shall give notice in writing to the Association of every suit or other proceeding which may affect the title to his apartment, such notice to be given within five (5) days after the apartment owner shall receive notice thereof.

(c) Failure to Comply. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

13.8 Whenever in this section an approval is required of the Association in connection with the sale, transferring, leasing or pledging of any apartment, and such approval shall not have been obtained pursuant to the provisions hereof, failure upon the part of the Association to object in writing to such sale, transfer, pledging or leasing within ninety (90) days after the date thereto, or within thirty (30) days of the date upon which the Purchaser, transferee or lessee shall take possession of the premises, whichever date shall be later, shall constitute waiver by the Association of the written Consent otherwise required by the section; provided, however, that the Owners Association shall then be required to give the written Consent in recordable form; said Consent to be recorded in the Public Records of Brevard County by the Owners Association.

13.9 Anything herein to the contrary notwithstanding, at such time as the Developer no longer has the right to designate the membership of a majority of the Board of Directors, the approval or disapproval of the Association to a proposed sale, lease or other transfer shall be determined by a committee of the Board of Directors comprised of the Directors elected from the Condominium wherein the apartment to be sold, leased or otherwise transferred is located, and the action of such committee shall, for the purposes of this article, constitute the action of the Association. The President and the Secretary of the Owners Association shall execute the Certificates of Approval provided for in Article 13.

14. Purchase of Apartments by Association. The Association shall have the power to purchase apartments subject to the following provisions.

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to purchase an apartment without the necessity of approval by its membership, except as is hereinafter expressly provided for.

14.2 Limitation. If at any time the Association shall be the owner or agreed purchaser of three (3) or more apartments in the Condominium, it may not purchase any additional apartments therein without the prior written approval of seventy-five (75%) percent of the members eligible to vote. If at any time the Association shall be the owner or agreed purchaser of an aggregate of ten (10) or more apartments in all of the Condominiums administered and operated by it, it may not purchase any additional apartments without the prior written approval of seventy-five (75%) percent of the members eligible to vote. A member whose apartment is the subject matter of the proposed purchase shall be ineligible to vote thereon, provided, however, that the limitations hereof shall not apply to apartments to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent assessments where the bid of the Association does not exceed the aggregate of the amounts due by virtue of any and all senior or superior liens against the apartment plus the amount due the Association, nor shall the limitation of this paragraph apply to apartments to be acquired by the Association in lieu of foreclosure of such liens if the consideration therefor does not exceed the cancellation of such lien and the assumption of any existing mortgage indebtedness on the apartment.

15. Compliance and Default. Each apartment owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation, By-Laws, and the Rules and Regulations adopted pursuant to those documents, as they may be amended from time to time. Failure of an apartment owner to comply with such documents and regulations shall entitle the Association or any aggrieved apartment owner to the following relief in addition to the remedies provided by the Condominium Act:

15.1 Negligence. An apartment owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. An apartment owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of an apartment of its appurtenances, or of the common elements by the apartment owner.

15.2 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of an apartment owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the By-Laws, or the Rules and Regulations adopted pursuant to them, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding, and the Association, if it shall prevail, shall further be entitled to recover such reasonable attorneys' fees as may be awarded by the Court, provided, however, no attorneys' fees shall be recovered against the Association in any such action.

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Declaration, the Articles of Incorporation of the Association, the By-Laws or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

16. Amendments. Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

16.1 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.

16.2 A Resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Association or by those members of the Association owning apartments in the Condominium. Owners may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by persons owning not less than ten (10%) percent of the apartments in the Condominium. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided the President or, in the event of his refusal or failure to act, the Vice President elected by the Directors from the Condominium, or, in the event of his refusal or failure to act, then the Board of Directors, shall call a meeting to those members of the Association owning apartments in the Condominium to be held not sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendment. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(a) Not less than sixty-six and two-thirds (66 2/3%) percent of the entire membership of the Board of Directors and not less than fifty-one (51%) percent of the apartment owners of SHADY DELL RIVERVIEW SOUTH CONDOMINIUM NO. TWO; or

(b) Not less than seventy-five (75%) percent of the entire membership from each of the condominium administered by the Association, provided, however, that until such time as a majority of the members of the Board of Directors are elected by unit owners other than the Developer, all amendments to the Declaration shall be approved as set forth in Paragraph 16.2 (a) or (d); and

(c) In the alternative, an amendment may be made by an Agreement signed and acknowledged by all condominium owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Brevard County, Florida, provided, however, that until such time as a majority of the members of the Board of Directors are elected by unit owners other than the Developer all amendments to the Declaration shall be approved as set forth in Paragraph 16.2 (a) or (d).

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tors, by unit owners other than the Developer, and so long as the Developer shall have the right to fill vacancies existing in the original Board of Directors, proposal of an amendment and approval thereof shall require only the affirmative action of all of the Directors, and no meeting of the Condominium unit owners nor any approval thereof will be necessary.

16.3 Proviso. Provided, however, that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units, unless the Unit Owners so affected shall consent; and no amendment shall change any Unit nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the Unit concerned and all record owners of mortgages on such Unit shall join in the execution of the amendment; neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair after Casualty" unless the record owners of all mortgages upon the Condominium shall join in the execution of such amendment. No amendment shall be adopted without the consent and approval of the Developer, so long as it shall own five (5) or more condominium units in the SHADY DELL RIVERVIEW SOUTH CONDOMINIUMS. No amendment shall make any change which would in any way affect any of the rights, reservations, privileges, powers and options of the grantor under the terms of the Recreation Area Purchase Agreement and the Recreation Area Mortgage unless the Grantor (mortgagee) shall join in the execution of such amendment, nor shall any amendment make any change which would in any way affect any of the rights, privileges, powers and/or options herein provided in favor of or reserved to the Developer, or any person who is an officer, stockholder or director of the Developer, or any corporation having some or all of its directors, officers, or stockholders in common with the Developer unless the Developer shall join in the execution of such amendment.

16.4 Execution and Recording. A copy of each amendment shall be attached to a Certificate certifying that the amendment was duly adopted, and the said Certificate 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 recordation thereof in the Public Records of Brevard County, Florida.

17. Termination. The Condominium may be terminated in the following manner in addition to the manner provided by the Condominium Act:

17.1 Destruction. If it is determined as elsewhere provided that the apartment building shall not be reconstructed because of major damage, the Condominium plan of ownership will be terminated without agreement.

17.2 Agreement. The Condominium may be terminated at any time by the approval in writing of all record owners of apartments and all record owners of mortgages on apartments. Notice of a meeting at which the proposed termination is to be considered shall be given not less than thirty (30) days prior to the date of such meeting; provided that the approval of owners of not less than seventy-five (75%) percent of the common elements, and the approval of all

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record owners of mortgages upon the apartments, are obtained at the meeting or within thirty (30) days thereafter, then the approving owners shall have an option to buy all of the apartments of the owners not approving of termination, said Option to continue for a period of sixty (60) days from the date of such meeting. Approval by an owner of an apartment unit, or of a mortgage encumbering an apartment unit, shall be irrevocable until expiration of the aforesaid Option to Purchase the apartment of owners not so approving, and if the Option to Purchase such apartment is exercised, then such approval shall be irrevocable. The Option to Purchase the apartments of units not approving of termination shall be exercised upon the following terms:

(a) Exercise of Option. The Option shall be exercised by delivery or mailing by Registered Mail to each of the record owners of the apartments to be purchased an Agreement to Purchase signed by the record owners of apartments who will participate in the purchase. Such Agreement shall indicate which apartments will be purchased by each participating owner and shall require the purchase of all apartments owned by owners not approving the termination, but the Agreement shall effect a separate contract between each Seller and his Purchaser.

(b) Price. The sales price for each apartment shall be the fair market value determined by Agreement between the Seller and the Purchaser within thirty (30) days from the delivery or mailing of such Agreement, and in the absence of Agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration shall be paid by the Purchaser. In any such action for specific performance, the prevailing party shall also be entitled to his reasonable attorneys' fees and costs incurred in connection therewith.

(c) Payment. The purchase price shall be paid in cash, provided, in the event there shall be a pre-existing first mortgage on the condominium unit, and the mortgage thereof shall be agreeable, then the Purchaser shall have the option of assuming the remaining principal obligation thereof, and that portion of the purchase price which is in excess of such mortgage shall be payable in cash at closing.

(d) Closing. The sale shall be closed within thirty (30) days following determination of the sale price.

17.3 Certificate. Termination of the Condominium in either of the foregoing manners shall be evidenced by a Certificate of the Association executed by its President and Secretary certifying to the facts effecting the termination; said Certificate to become effective upon being recorded in the Public Records of Brevard County, Florida.

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17.4 Shares of Owners After Termination. After termination of the Condominium, the owners shall own the Condominium property and all assets of the Association attributable to the Condominium as tenants in common in undivided shares in the common elements appurtenant to the owners' apartments prior to the termination.

17.5 Amendment. This section concerning termination cannot be amended without consent of all apartment owners and all record owners of institutional first mortgages upon the apartments.

18. Common Surplus. Each Apartment unit owner shall own any common surplus (the excess of all receipts of the Association, including, but not limited to assessments, rents, profits and revenues on account of the common elements, over the amount of common expenses) in the same percentage as his undivided share in the common elements appurtenant to his apartment.

19. Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provisions of this Declaration of Condominium and the Articles of Incorporation, By-Laws and Rules and Regulations of the Association shall not affect the validity of the remaining portions.

IN WITNESS WHEREOF, the Developer has executed this Declaration this 7th day of JANUARY, ~~1980~~, 1980.

Signed, sealed and delivered in the presence of:

SHADY DELL RIVERVIEW SOUTH DEVELOPERS, a Florida General Partnership, By SHADY DELL RIVERVIEW SOUTH CORPORATION, a Florida corporation, Managing Partner

By: [Signature]
STANLEY MARKOVSKY, President

STATE OF FLORIDA)
COUNTY OF Dade) SS:

BEFORE ME, the undersigned authority, personally appeared STANLEY MARKOVSKY, as President of SHADY DELL RIVERVIEW SOUTH CORPORATION, a Florida corporation, to me known to be the person who signed the foregoing instrument and acknowledged the execution thereto to be the act and deed of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal in the County and State last aforesaid this 7th day of JANUARY, 1980.

[Signature]
Notary Public, State of Florida
at Large

My Commission Expires:

[Signature]
Notary Public, State of Florida

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FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC., a Florida non-profit membership corporation, hereby agrees to accept all the benefits and all of the duties, responsibilities, obligations, and burdens imposed on it by the provisions of the Declaration.

IN WITNESS WHEREOF, SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC., has this 7th day of JANUARY, 1980 caused these presents to be signed in its name by its President and its corporate seal affixed.

Witnesses:

SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC., a Florida non-profit corporation

Madeline Chelish
Kate H. [unclear]

By: [Signature] (SEAL)
President

(Corporate Seal)

STATE OF FLORIDA)
COUNTY OF Dade) SS:

BEFORE ME, the undersigned authority, personally appeared Stanley Markofsky, President of SHADY DELL RIVERVIEW SOUTH OWNERS' ASSOCIATION, INC., a Florida non-profit corporation, to me known to be the person who signed the foregoing instrument and acknowledged the execution thereto to be the act and deed of said corporation for the uses and purposes therein mentioned, and that he affixed thereto the official seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 7th day of JANUARY, 1980.

[Signature]
Notary Public, State of Florida
at Large

My Commission Expires:

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