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INDEX TO DECLARATION OF CONDOMINIUM

OF

SUMMER PLACE, A CONDOMINIUM

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EXHIBIT 1 TO THE PROSPECTUS

DECLARATION

DECLARATION OF CONDOMINIUM

OF

SUMMER PLACE, A CONDOMINIUM

SP CON, LTD., a Florida Limited Partnership, hereinafter called "Developer," does hereby make, declare, and establish this Declaration of Condominium (hereinafter sometimes called "this Declaration"), as and for a plan of condominium unit ownership for SUMMER PLACE, A CONDOMINIUM consisting of real property and improvements thereon as hereinafter described.

All restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, and shall rule perpetually unless terminated as provided herein and shall be binding upon all parties or persons subsequently owning property in said condominium, and in consideration of receiving and by acceptance of a conveyance, grant, devise, lease, or mortgage, all grantees, devisees, leasees, and assigns and all parties claiming by, through or under such persons, agree to be bound by all provisions hereof. Both the burdens imposed and the benefits shall run with each unit and the interests in the common property as herein defined.

I.

ESTABLISHMENT OF CONDOMINIUM

The Developer is the owner of the fee simple title to that certain real property situate in Merritt Island, County of Brevard, and State of Florida, which property is more particularly described as follows; to-wit:

SEE SHEET 3 OF EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN
BY REFERENCE AND MADE A PART HEREOF FOR LEGAL DESCRIPTION

and on which property the Developer owns eighteen (18) two (2) story buildings containing a total of one-hundred fifty-two (152) residential units, a recreational building, a swimming pool and a racquet and handball court and other appurtenant improvements as hereafter described. Buildings 100, 101, 110, 120, 200, 210, 220, 225, 235, 245, 255, 265, 275, 280, 290 and 300 each contain eight (8) residential units. Buildings 130 and 240 each contain twelve (12) residential units. All of the units are identical and has two (2) bedrooms, two (2) baths and contains approximately 1,037 square feet. For legal description, survey and plot plan of the condominium see Exhibit "A" to the Declaration of Condominium. The Condominium was completed in the summer of 1988. The Developer does hereby submit the above described real property, together with the improvements thereon, to condominium ownership pursuant to the Florida Condominium Act, and hereby declares the same to be known and identified as SUMMER PLACE, A CONDOMINIUM, hereinafter referred to as the "condominium".

The provisions of the Florida Condominium Act are hereby adopted herein by express reference and shall govern the condominium and the rights, duties and responsibilities of unit owners hereof, except where permissive variances therefrom appear in the Declaration and the By-Laws and Articles of Incorporation of SUMMER PLACE CONDOMINIUM ASSOCIATION OF BREVARD, INC., a Florida corporation not for profit.

The eighteen (18) buildings and other appurtenant improvements in the condominium were constructed and equipped as a rental apartment complex in 1988. The conversion inspection report and conversion inspection termite report are attached hereto as Exhibit "D".

The definitions contained in the Florida Condominium Act shall be the definition of like terms as used in this Declaration and exhibits hereto unless other definitions are specifically set forth.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Attached hereto and made a part hereof, and marked Exhibit A consisting of forty-two (42) pages, are boundary surveys of the entire premises, a graphic plot plan of the overall planned improvements, and graphic descriptions of the improvements in which units are located, and plot plans thereof, identifying the units, the common elements and the limited common elements, and their respective locations and dimensions.

Said surveys, graphic descriptions and plot plans were prepared by:

Campbell Surveying & Mapping of Brevard, Inc.
John R. Campbell
Professional Land Surveyor
No.2351, State of Florida

and have been certified in the manner required by the Florida Condominium Act. Each unit is identified and designated by a specific number. No unit bears the same numerical designation as any other unit. The specific numbers identifying each unit are listed on Sheets 6 through 41, inclusive of Exhibit A.

The units to be located on the lands described in Exhibit A, are substantially completed.

The Recreational Facilities consist of a swimming pool, recreation building and racquet and handball court. Recreational facilities may be expanded or added without consent of the unit owners or the association by the Developer.

Timeshare estates shall not be created with respect to any unit in the condominium.

III.

OWNERSHIP OF UNITS AND APPURTENANT SHARE IN COMMON ELEMENTS AND COMMON SURPLUS, AND SHARE OF COMMON EXPENSES

Each unit shall be conveyed as an individual property capable of independent use and fee simple ownership and the owner or owners of each unit shall own, as an appurtenance to the ownership of each said unit, an undivided one-one-hundred fifty-second (1/152) share of all common elements of the condominium, which includes, but is not limited to, ground support area, walkways, yard area, parking areas, foundations, etc., and substantial portions of the exterior walls, floors, ceiling and walls between units. The space within any of the units and common elements shall not be further subdivided. Any undivided interest in the common property is hereby declared to be appurtenant to each unit and such undivided interest shall not be separate from the unit and such interest shall be deemed conveyed, devised, encumbered or otherwise included with the unit even though such interest is not expressly mentioned or described in the conveyance, or other instrument. Any instrument, whether a conveyance, mortgage or otherwise, which describes only a portion of the space within any unit shall be deemed to describe the entire unit owned by the person executing such instrument and an undivided one-one-hundred fifty-second (1/152) interest in all common elements of the condominium.

The Developer hereby, and each subsequent owner of any interest in a unit and in the common elements, by acceptance of a conveyance or any instrument transferring an interest, waives the right of partition of any interest in the common elements under the laws of the State of Florida as it exists now or hereafter until this condominium unit project is terminated according to the provisions hereof or by law. Any owner may freely convey an interest in a unit together with an undivided interest in the common elements subject to the provisions of this Declaration. The Developer hereby reserves the right to remove any party walls between any condominium units owned by the Developer in

order that the said units may be used together as one (1) integral unit provided the amendment is approved by a majority of the total voting interests in the condominium. All assessments and voting rights, however, shall be calculated as if such units were as originally designated on the exhibits attached to this Declaration, notwithstanding the fact that the several units are used as one.

All owners of units shall have as an appurtenance to their units a perpetual easement of ingress to and egress from their units over streets, walks, terraces and other common elements from and to the public highways bounding the condominium complex, and a perpetual right or easement, in common with all persons owning an interest in any unit in the condominium complex, to the use and enjoyment of all public portions of the buildings and to other common facilities (including but not limited to facilities as they now exist) located in the common elements.

All property covered by the exhibits hereto shall be subject to a perpetual easement for encroachments which now exist or hereafter may exist caused by settlement or movement of the buildings, and such encroachments shall be permitted to remain undisturbed and such easement shall continue until such encroachment no longer exists.

All units and the common elements shall be subject to a perpetual easement in gross granted to SUMMER PLACE CONDOMINIUM ASSOCIATION, INC., and its successors, for ingress and egress for the purpose of having its employees and agents perform all obligations and duties of the Association set forth herein. The Association shall have the right to grant utility easements under, through or over the common elements and such other easements as the Board, in its sole discretion, shall decide. The consent of the unit owners to the granting of any such easement shall not be required.

The common expenses shall be shared and the common surplus shall be owned in the same proportion as each such unit owner's share of the ownership of the common elements, that is one-hundred fifty-second (1/152).

IV.

UNIT BOUNDARIES, COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS

The units of the condominium consist of that volume of space which is contained within the decorated or finished exposed interior surfaces of the perimeter walls, floors (excluding carpeting and other floor coverings) and ceilings of the units, the boundaries of the units are more specifically shown in Exhibit A, attached hereto. The dark solid lines on the floor plans hereinabove mentioned represent the perimetrical boundaries of the units, while the upper and lower boundaries of the units, relating to the elevations of the units, are shown in notes on said plan.

There are limited common elements appurtenant to each of the units in this condominium, as shown and reflected by the floor and plot plans. These limited common elements are reserved for the use of the units appurtenant thereto, to the exclusion of other units, and there shall pass with a unit, as an appurtenance thereto, the exclusive right to use the limited common elements so appurtenant.

Any air conditioning and/or heating equipment which exclusively services a Unit shall be a Limited Common Element appurtenant to the Unit it services.

The common elements of the condominium consist of all of the real property, improvements and facilities of the condominium other than the units and shall include easements through the units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to the units, limited common elements and common elements and easements of support in every portion of a unit which contributes to the support of improvements and shall further include all personal property held and maintained for the joint use and enjoyment of all the owners of the units.

There are located on the common elements of the condominium property swale areas for the purpose of water retention and these areas are to be perpetually maintained by the Association so that they will continue to function as water retention areas.

V.

**ADMINISTRATION OF CONDOMINIUM BY
SUMMER PLACE CONDOMINIUM ASSOCIATION OF BREVARD, INC.**

The operation and management of the condominium shall be administered by SUMMER PLACE CONDOMINIUM ASSOCIATION OF BREVARD, INC., a corporation not for profit, organized and existing under the laws of the State of Florida, hereinafter referred to as the "Association."

The Association shall make available to unit owners, lenders and the holders and insurers of the first mortgage on any unit, current copies of the items set forth in Section 718.111(12), Florida Statutes. The Association also shall be required to make available to prospective purchasers current copies of the Declaration, By-Laws, other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared. "Available" shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

The Association, upon written request from any of the agencies or corporations which have an interest or prospective interest in the condominium, shall prepare and furnish within a reasonable time a financial statement of the Association for the immediately preceding fiscal year.

The Association shall have all of the powers and duties set forth in the Florida Condominium Act and, where not inconsistent therewith, those powers and duties set forth in this Declaration, Articles of Incorporation and By-Laws of the Association. True and correct copies of the Articles of Incorporation and the By-Laws are attached hereto, made a part hereof, and marked Exhibit B and Exhibit C, respectively.

VI.

MEMBERSHIP AND VOTING RIGHTS

The Developer and all persons hereafter owning a vested present interest in the fee title to any one of the units shown on the exhibits hereto and which interest is evidenced by recordation of a proper instrument in the Public Records of Brevard County, Florida, shall automatically be members and their memberships shall automatically terminate when they no longer own such interest.

There shall be a total of one-hundred fifty-two (152) votes to be cast by the owners of the condominium units. Such votes shall be apportioned and cast as follows: The owner of each condominium unit (designated as such on the exhibits attached to this Declaration) shall be entitled to cast one (1) vote. Where a condominium unit is owned by a corporation, partnership or other legal entity or by more than one (1) person, all the owners thereof shall be collectively entitled to the vote assigned to such unit and such owners shall, in writing, designate an individual who shall be entitled to cast the vote on behalf of the owners of such condominium unit of which he is a part until such authorization shall have been changed in writing. The term, "owner," as used herein, shall be deemed to include the Developer.

All of the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Administration of the Association who are all to be elected annually by the members entitled to vote, as provided in the By-Laws of the Association. Each director shall be the owner of a condominium unit (or a partial owner of a condominium unit where such unit is owned by more than one (1) individual, or if a unit is owned by a corporation, including the Developer, any duly elected officer or officers of an owner corporation may be elected a director or directors).

The owners shall place members on the Board or Administration in accordance with the schedule as follows: When unit owners other than the Developer own fifteen percent (15%) or more of the units in a condominium that will be operated ultimately by an Association, the unit owners other than a Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Administration of the Association: (a) Three years after fifty (50%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (b) Three (3) months after ninety (90%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (c) When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; (d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (e) seven years after recordation of the declaration of condominium. The Developer is entitled to elect or appoint at least one member of the Board of Administration of an association as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units in the condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Administration.

The Developer reserves the right to transfer control of the Association to unit owners other than the developer at any time, in its sole discretion. The unit owners shall take control of the Association if the Developer so elects prior to the time stated in the above schedule.

VII.

COMMON EXPENSES, ASSESSMENTS, COLLECTION LIEN AND ENFORCEMENT, LIMITATIONS

The Board of Administration of the Association shall propose annual budgets in advance for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the common expense budget, which shall include, but not be limited to, the estimated amounts necessary for maintenance, and operation of common elements and limited common elements, landscaping, street and walkways, office expense, utility services, replacement and operating reserve, casualty insurance, liability insurance, administration and salaries. Failure of the board to include any item in the annual budget shall not preclude the board from levying an additional assessment in any calendar year for which the budget has been projected. Each unit owner shall be liable for the payment to the Association of one-one-hundred fifty-second (1/152) of the common expenses as determined in said budget.

Common expenses include the expenses of the operation, maintenance, repair, or replacement of the common elements, costs of carrying out the powers and duties of the Association and any other expenses designated as common expense by the Condominium Act, the Declaration, the Articles of Incorporation, or the Bylaws of the Association. Common expenses also include reasonable transportation services, insurance for directors and officers, road maintenance and operation expenses, in-house communications, and security services, which are reasonably related to the general benefit of the unit owners, even if such expenses do not attach to the common elements or property of the condominium. However, such common expenses must either have been services or items provided from the date the control of the Board of Administration of the Association was transferred from the Developer to the unit owners or must be services or items provided for in the condominium documents or Bylaws.

After adoption of the budget and determination of the annual assessment per unit, as provided in the By-Laws, the Association shall assess such sum by promptly notifying all owners by delivering or mailing notice thereof to the voting member representing each unit at such member's most recent address as shown by the books and records of the Association. One-twelfth (1/12) of the annual

assessment for the unit as set forth in the Estimated Operating Budget shall be due and payable in advance to the Association on the first (1st) day of each month.

Each initial unit owner other than the Developer shall pay at closing a contribution in an amount at least equal to two monthly assessments for common expenses to the Developer. The present monthly assessment is \$140 per month, therefor, the current contribution is \$280. This contribution shall not be credited as advance maintenance payments for the unit.

Special assessments may be made by the Board of Administration from time to time to meet other needs or requirements of the Association in the operation and management of the condominium and to provide for emergencies, repairs or replacements, and infrequently recurring items of maintenance. However, any special assessment in excess of five hundred dollars (\$500.00) which is not connected with an actual operating, managerial or maintenance expense of the condominium, shall not be levied without the prior approval of the members owning a majority of the units in the condominium.

The specific purpose or purposes of any special assessment approved in accordance with the condominium documents shall be set forth in a written notice of such assessment sent or delivered to each unit owner. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the board, either be returned to the unit owners or applied as a credit towards future assessments.

The liability for any assessment or portion thereof may not be avoided by a unit owner or waived by reason of such unit owner's waiver of the use and enjoyment of any of the common elements of the condominium or by abandonment of the unit for which the assessments are made.

The record owners of each unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, made by the Association and for all costs of collection of delinquent assessments. In the event assessments against a unit are not paid within thirty (30) days after their due date, the Association shall have the right to foreclose its lien for such assessments.

Assessments and installments on them that are unpaid for over thirty (30) days after due date shall bear interest at the maximum rate permitted by law per annum from the due date until paid. If a payment is more than ten (10) days late, the Association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25.00 or five (5%) percent of each installment of the assessment for each delinquent installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee shall not be subject to the provisions in Chapter 687 or Section 718.303(3), Florida Statutes.

* The Association has a lien on each condominium parcel for any unpaid assessments with interest and for reasonable attorney's fees incurred by the Association which are incident to the collection of the assessment for enforcement of the lien. Except as set forth below, the lien shall be effective from and shall relate back to the recording of the original Declaration of Condominium. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien. The lien shall be recorded in the Public Records in the county in which the condominium parcel is located and shall state the description of the condominium parcel, the name of the record owner, the amount due, the due dates, and the name and address of the Association which is SUMMER PLACE CONDOMINIUM ASSOCIATION OF BREVARD, INC., 101 Summer Place, No. 2, Merritt Island, Florida 32953. No such lien shall continue for a longer period than one year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments, interest, costs and attorney's fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a final judgment of foreclosure. A claim of lien must be signed and acknowledged by an officer or agent of the association. Upon payment, the

person making the payment is entitled to a satisfaction of the lien. By recording a notice in substantially the following form, a unit owner or his agent or attorney may require the Association to enforce a recorded claim of lien against his condominium parcel:

Notice of Contest of Lien

TO: SUMMER PLACE CONDOMINIUM ASSOCIATION OF BREVARD, INC.
101 Summer Place No. 2
Merritt Island, FL 32953

You are notified that the undersigned contests the claim of lien filed by you on _____, 20____, and recorded in Official Records Book ___ at Page ___ of the Public Records of Brevard County, Florida, and that the time within which you may file suit to enforce your lien is limited to ninety (90) days from the date of service of this notice.

Executed this ___ day of _____, 20__.

Signed: _____
Owner, Agent or Attorney

After service of a copy of the Notice of Contest of Lien, the Association shall have ninety (90) days in which to file an action to enforce the lien, and if the action is not filed within that ninety (90) day period, the lien is void. However the ninety (90) day period shall be extended for any length of time that the Association is prevented from filing its action because an automatic stay resulting from the filing of a bankruptcy petition by the unit owner or by any other person claiming an interest in the parcel.

The Association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage on real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or any action to recover a money judgment for unpaid assessments.

No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his last known address; and upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a Notice of Contest of Lien as provided above. The notice requirements of this subsection do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the Association would be affected by such foreclosure; and if actual, constructive, or substitute service of process has been made on the unit owner.

If the unit owner remains in possession of the unit after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent. The expenses of the Receiver shall be paid by the party which does not prevail in the foreclosure action.

The Association has the power to purchase the condominium parcel at the foreclosure sale and to hold, lease, mortgage or convey it.

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 parcel, whether or not such

parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

Within fifteen (15) days after request by a unit owner or unit mortgagee, the Association shall provide a certificate stating all assessments and other monies owed to the Association by the unit owner with respect to the condominium parcel. Any person other than the owner who relies upon such certificate shall be protected thereby.

Any unit owner has the right to require from the Association a certificate showing the amount of unpaid assessments against him with respect to his condominium parcel. The holder of a mortgage or other lien of record has the same right as to any condominium parcel upon which he has a lien.

Any first mortgagee may make use of any unit acquired as may facilitate its sale including, but not limited to, the showing of the property and the display of "For Sale" signs and neither the other unit owners nor the association shall interfere with the sale of such units.

As to priority between the lien of a recorded mortgage and the lien for any assessment, the lien for assessment shall be subordinate and inferior to any recorded mortgage, unless the assessment is secured by a claim of lien which is recorded prior to the recording date of the mortgage.

Any person purchasing or encumbering a unit shall have the right to rely upon any statement made in writing by an officer of the Association regarding assessments against units which have already been made and which are due and payable to the Association, and the Association and the members shall be bound thereby.

In addition the Association may accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

A unit owner, regardless of how his title has been acquired, including a purchaser at a judicial sale, is liable for all assessments which come due while he is the unit owner. The grantee is jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the transfer of title, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. A first mortgagee who acquires title to the unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the first mortgagee's receipt of the deed. However, the first mortgagee's liability is limited to a period not exceeding six months, but in no event does the first mortgagee's liability exceed one percent of the original mortgage debt if the first mortgagee joined the Association as a defendant in the foreclosure action. The person acquiring title shall pay the amount owed to the Association within thirty (30) days after transfer of title. In no event shall the mortgagee be liable for more than six months of the unit's unpaid common expenses or assessments accrued before the acquisition of the title to the unit by the mortgagee or one percent of the original mortgage debt, whichever amount is less.

VIII.

INSURANCE COVERAGE, USE AND DISTRIBUTION OF PROCEEDS, REPAIR OR RECONSTRUCTION AFTER CASUALTY, CONDEMNATION

A. Type and Scope of Insurance Coverage Required

1. Insurance for Fire and Other Perils

The Association shall obtain, maintain, and pay the premiums upon, as a common expense, a "master" or "blanket" type policy of property insurance covering all of the common elements

and limited common elements, (except land, foundation and excavation costs) including fixtures, to the extent they are part of the common elements of the condominium, building service equipment and supplies, and other common personal property belonging to the Association. All references herein to a "master" or "blanket" type policy of property insurance shall denote single entity condominium insurance coverage. Every hazard policy which is issued to protect a condominium building shall provide that the word "building" wherever used in the policy include, but not necessarily be limited to, fixtures, installations, or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed, or replacements thereof of like kind or quality, in accordance with the original plans and specifications, or as they existed at the time the unit was initially conveyed if the original plans and specifications are not available. The word "building" does not include unit floor coverings, wall coverings, or ceiling coverings, and does not include the following equipment if it is located within a unit and the unit owner is required to repair or replace such equipment: electrical fixtures, appliances, air conditioner or heating equipment, water heaters, or built-in-cabinets. With respect to the coverage provided for by this paragraph, the unit owners shall be considered additional insureds under the policy.

The "master" policy shall be in an amount equal to one hundred (100%) percent of current replacement cost of the condominium, exclusive of land, foundation, excavation and other items normally excluded from coverage, if available.

The policies may also be issued in the name of an authorized representative of the Association, including any insurance trustee with whom the Association has entered into an insurance trust agreement, or any successor trustee, as insured, for the use and benefit of the individual owners. Loss payable shall be in favor of the Association or insurance trustee, as a trustee, for each unit owner and each such owner's mortgagee. The Association or insurance trustee, if any, shall hold any proceeds of insurance in trust for unit owners and their first mortgage holders, as their interests may appear. Each unit owner and each unit owner's mortgagee, if any, shall be beneficiaries of the policy in the fraction of common ownership set forth in this Declaration. Certificates of insurance shall be issued to each unit owner and mortgagee upon request. Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the Brevard County area and shall name any holder of first mortgages on units within the condominium. Such policies shall provide that they may not be canceled or substantially modified, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policies.

Policies are unacceptable where: (i) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FEDERAL HOME LOAN MORTGAGE CORPORATION, hereinafter referred to as FHLMC, FEDERAL NATIONAL MORTGAGE ASSOCIATION, hereinafter referred to as FNMA, or the designee of FHLMC or FNMA; or (ii) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members, or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA, FHLMC, or the borrowers from collecting insurance proceeds.

The policies shall also provide for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against unit owners individually; that the insurance is not prejudiced by any act or neglect of individual unit owners which is not in the control of such owners collectively; and that the policy is primary in the event the unit owner has other insurance covering the same loss.

The insurance policy shall afford, as a minimum, protection against the following:

- (a) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

- (b) in the event the condominium contains a steam boiler, loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000.00 per accident per location (or such greater amount as deemed prudent based on the nature of the property); and
- (c) all other perils which are customarily covered with respect to condominiums similar in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement.

In addition, such policies shall include an "agreed amount endorsement" and, if available, an "inflation guard endorsement."

The Association shall provide, on an individual case basis, if required by the holder of first mortgages on individual units, construction code endorsements (such as a demolition cost endorsement, a contingent liability from operation of building laws endorsement and an increased cost of construction endorsement) if the condominium is subject to a construction code provision which would become operative and require changes to undamaged portions of the building(s), thereby imposing significant costs in the event of partial destruction of the condominium by an insured hazard.

2. Liability Insurance

The Association shall maintain comprehensive general liability insurance coverage covering all of the common elements, commercial space owned and leased by the Association, if any, and public ways of the condominium project. The Association does not own or lease any commercial space at the present time. Coverage limits shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common elements, and legal liability arising out of lawsuits related to employment contracts of the Association, if available at a reasonable cost. Such policies shall provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage on any unit in the condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. The Association shall provide, if required by the holder of first mortgages on individual units, such coverage to include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including but not limited to, host liquor liability, employers liability insurance, contractual and all written contract insurance, and comprehensive automobile liability insurance.

3. Flood Insurance

If the condominium is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), the Association shall obtain and pay the premiums upon, as a common expense, a "master" or "blanket" policy of flood insurance on the buildings and any other property covered by the required form of policy (herein insurable property), in an amount deemed appropriate by the Association, as follows:

The lesser of: (a) the maximum coverage available under the NFIP for all buildings and other insurable property within the condominium to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) one hundred (100%) percent of current "replacement cost" of all buildings and other insurable property within such area.

Such policy shall be in a form which meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator.

Each unit owner shall obtain, maintain and pay their premiums upon a policy of flood insurance coverage covering the Improvements on his/her unit, if applicable.

4. Fidelity Bonds

Blanket fidelity bonds shall be obtained and maintained by the Association for all officers, directors, and employees of the Association and all other persons who control or disburse funds of the Association. If a management agent has the responsibility for handling or administering funds of the Association, the Association shall obtain and maintain adequate fidelity bond coverage for the management company, its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. However, the cost of bonding the officers, employees and agents of the management company may be reimbursed to the Association by the management company. Such fidelity bonds shall name the Association as an obligee. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums of all bonds required herein, shall be paid by the Association as a common expense subject to reimbursement by the management company. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association, insurance trustee and the Federal National Mortgage Association, if applicable. Under no circumstances shall the principal sum of the bonds be less than the amount required by Section 718.111(11)(d), Florida Statutes.

5. Insurance Trustees; Power of Attorney

The Association may name as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as "insurance trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Each unit owner by acceptance of a deed conveying a unit in the condominium to the unit owner hereby appoints the Association, or any insurance trustee or substitute insurance trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

6. Qualifications of Insurance Carriers

The Association shall use generally acceptable insurance carriers. Only those carriers meeting the specific requirements regarding the qualifications of insurance carriers as set forth in the Federal National Mortgage Association Conventional Home Mortgage Selling Contract Supplements and the FHLMC Sellers Guide shall be used.

7. Condemnation and Total or Partial Loss or Destruction

The Association shall represent the unit owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common elements, or part thereof, by the condemning authority. Each unit owner hereby appoints the Association as attorney-in-fact for such purpose.

The Association may appoint a trustee to act on behalf of the unit owners, in carrying out the above functions, in lieu of the Association.

In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any

trustee, to be held in trust for the unit owners and their first mortgage holders as their interests may appear.

In the event any loss, damage or destruction to the insured premises is not substantial (as such term "substantial" is hereinafter defined), and such loss, damage or destruction is replaced, repaired or restored with the Association's funds, the first mortgagees which are named as payees upon the draft issued by the insurance carrier shall endorse the draft and deliver the same to the Association, provided, however, that any repair and restoration on account of physical damage shall restore the improvements to substantially the same condition as existed prior to the casualty.

Substantial loss, damage or destruction as the term is herein used, shall mean any loss, damage or destruction sustained to the insured improvements which would require an expenditure of sums in excess of ten (10%) percent of the amount of coverage under the Association's casualty insurance policy or policies then existing, in order to restore, repair or reconstruct the loss, damage or destruction sustained.

In the event the Association chooses not to appoint an insurance trustee, any casualty insurance proceeds becoming due by reason of substantial loss, damage or destruction sustained to the condominium improvements shall be payable to the Association and all first mortgagees which shall have been issued loss payable mortgagee endorsements, and such proceeds shall be made available to the first mortgagee which shall hold the greater number of mortgages encumbering the units in the condominium, which proceeds shall be held in a construction fund to provide for the payment for all work, labor and materials to be furnished for the reconstruction, restoration and repair of the condominium improvements. Disbursements from such construction fund shall be by usual and customary construction loan procedures. No fee whatsoever shall be charged by such first mortgagee for its services in the administration of the construction loan fund. Any sums remaining in the construction loan fund after the completion of the restoration, reconstruction and repair of the improvements and full payment therefor, shall be paid over to the Association and held for, and/or distributed to the unit owners in proportion to each unit owner's share of common surplus. If the insurance proceeds payable as the result of such casualty are not sufficient to pay the estimated costs of such restoration, repair and reconstruction, which estimate shall be made prior to proceeding with restoration, repair or reconstruction, the Association shall levy a special assessment against the unit owners for the amount of such insufficiency, and shall pay said sum into the aforesaid construction loan fund.

Notwithstanding which first mortgagee holds the greater number of mortgages encumbering the units, such mortgagees may agree between themselves as to which one shall administer the construction loan fund.

If the damage sustained to the improvements is less than substantial, as heretofore defined, the Board of Administration may determine that it is in the best interests of the Association to pay the insurance proceeds into a construction fund to be administered by an institutional first mortgagee as hereinabove provided. No institutional first mortgagee shall be required to cause such insurance proceeds to be made available to the Association prior to completion of any necessary restoration, repairs or reconstruction, unless arrangements are made by the Association to satisfactorily assure that such restoration, repairs and reconstruction shall be completed. Such assurances may consist of, without limitation: (1) obtaining a construction loan from other sources; (2) obtaining a binding contract with a contractor or contractors to perform the necessary restoration, repairs and reconstruction; and (3) the furnishing of performance and payment bonds.

Any restoration, repair or reconstruction made necessary through a casualty shall be commenced and completed as expeditiously as reasonably possible, and must substantially be in accordance with the plans and specifications for the construction of the original building. In no event shall any reconstruction or repair change the relative locations and approximate dimensions of the common elements and of any unit, unless an appropriate amendment be made to this Declaration.

Where physical damage has been sustained to the condominium improvements and the insurance proceeds have not been paid into a construction loan fund as hereinabove more fully provided, and where restoration, repair or reconstruction has not been commenced, an institutional mortgagee who has commenced foreclosure proceedings upon a mortgage encumbering a unit, shall be entitled to receive that portion of the insurance proceeds apportioned to said unit in the same share as the share in the common elements appurtenant to said unit.

If substantial loss, damage or destruction shall be sustained to the condominium improvements, and at a special members' meeting called for such purpose, the owners of a majority of the units in the condominium vote and agree in writing that the damaged property will not be repaired or reconstructed, the condominium shall be terminated; provided, however, such termination will not be effective without the written consent of all first mortgagees holding mortgages encumbering units.

IX.

RESPONSIBILITY FOR MAINTENANCE AND REPAIRS

- A. Each unit owner shall bear the cost and be responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, electrical and plumbing fixtures, kitchen and bathroom fixtures, and all other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his unit and which may now or hereafter be affixed or contained within his unit. Such owner shall further be responsible for maintenance, repair and replacement of any air conditioning equipment servicing his unit, although such equipment not be located in the unit, and of any and all wall, ceiling and floor surfaces, painting, decorating and furnishings and all other accessories which such owner may desire to place or maintain therein. Unit owners are responsible for the maintenance, including cleaning, repair or replacement of windows and screening thereon, screening on balconies, screen doors, and fixed and sliding glass doors. Air conditioning and heating equipment servicing individual units is a limited common element appurtenant to such units.
- B. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all the common elements, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, sprinkler systems, wiring and other facilities located in the common elements, for the furnishing of utility services to the units, and including artesian wells, pumps, piping, and fixtures serving individual air conditioning units. Painting and cleaning of all exterior portions of the building, including all exterior doors opening into walkways, shall also be the Association's responsibility. Sliding glass doors, screen doors, storm shutters on balconies and windows, windows and screens on windows or balconies, shall not be the Association's responsibility, but shall be the responsibility of the unit owner. Should any damage be caused to any unit by reason of any work which may be done by the Association in the maintenance, repair or replacement of the common elements, the Association shall bear the expense of repairing such damage.
- C. Where loss, damage or destruction is sustained by casualty to any part of the building, whether interior or exterior, whether inside a unit or not, whether a fixture or equipment attached to the common elements or attached to and completely located inside a unit, and such loss, damage or destruction is insured for such casualty under the terms of the Association's casualty insurance policy or policies, but the insurance proceeds payable on account of such loss, damage or destruction are insufficient for restoration, repair or reconstruction, all the unit owners shall be specially assessed to make up the deficiency, irrespective of a determination as to whether the loss, damage or destruction is to a part of the building, or to fixtures or equipment which it is a unit owner's responsibility to maintain.

No unit owner shall do anything within his unit or on the common elements which would adversely affect the safety or soundness or the common elements or any portion of the Association property or Condominium property which is to be maintained by the Association.

- D. In the event owners of a unit make any structural addition or alteration without the required written consent, the Association or an owner with an interest in any unit shall have the right to proceed in a court of equity to seek compliance with the provisions hereof. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or as necessary to prevent damage to the common elements or to a unit or units.

Maintenance of the common elements is the responsibility of the Association. All limited common elements shall be maintained by the Association except for air conditioning and heating equipment servicing individual units. If the record owner of the unit has been granted permission to install a DSS Satellite Dish which has a maximum diameter of 18 inches and can be mounted or affixed to the condominium building at a location approved by the Association in writing, in advance of the installation, then the record owner of each such unit shall bear the costs and shall be responsible for the maintenance, repair and replacement, as the case may be, of the satellite dish.

- E. The Board of Administration of the Association may enter into a contract with any firm, person or corporation for the maintenance and repair of the common elements and may join with other condominium corporations in contracting with the same firm, person or corporation for maintenance and repair.
- F. The Association shall determine the exterior color scheme of all buildings and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window, patio or any exterior surface, etc., at any time without the written consent of the Association.

X.

USE RESTRICTIONS

- A. Each unit is hereby restricted to residential use by the owner or owners thereof, their immediate families, lessees, guests and invitees. Each unit is restricted to no more than four (4) occupants, without the Association's consent. There are no restrictions upon children.
- B. The unit may be rented provided the occupancy is only by one (1) lessee and members of his immediate family and guests. The minimum rental period is thirty (30) days. No rooms may be rented and no transient tenants may be accommodated. No lease of a unit shall release or discharge the owner thereof of compliance with this Section X or any of his other duties as a unit owner. Time sharing of units is prohibited. Ownership of a unit on a monthly or weekly time sharing program is prohibited. Subleasing of units is prohibited. All leases shall be in writing and shall be subject to this Declaration, the Articles of Incorporation, By-Laws, and the Rules and Regulations of the Association and shall be approved by the Association.
- C. No nuisances shall be allowed to be committed or maintained 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 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 use of the common elements that will increase the cost of insurance upon the condominium property.
- D. No immoral, improper, or offensive use shall be made of the condominium property nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the condominium shall be observed.

- E. Reasonable rules and regulations concerning the use of the condominium property may be made and amended from time to time by the Board of Administration of the Association as provided by its Articles of Incorporation and By-Laws.
- F. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or of any portion of a unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the common elements or to a unit or units.
- G. No sign, advertisement or notice of any type shall be shown on the common elements or any unit. This restrictions on signs, advertising and notices shall not apply to the developer or any institutional lender. No exterior antennas, aerials or satellite dishes shall be erected except as provided under uniform regulations promulgated by the Association. The Developer or the Association after transfer of control of the Association to unit owners other than the Developer, may grant permission to record unit owners to install DSS satellite dishes which are presently approximately 18 inches in diameter. The Developer or the Association after turnover may grant written permission to the record unit owner and if granted shall designate the location of the DSS satellite antenna in writing prior to the installation of the satellite antenna. The record unit owner shall be responsible for all costs related to the installation, maintenance, repair and replacement, as the case may be, of the DSS satellite antenna and shall indemnify and hold the Association harmless therefor. Upon the sale of the unit by the record owner of the unit the DSS satellite antenna may be removed, at the owners expense, or it may be transferred to the purchaser as part of the sale and purchase. In the event the DSS satellite antenna is not removed by the record unit owner at closing then, by acceptance of the deed of conveyance by the purchaser, the purchaser shall be deemed to have assumed the responsibility for the maintenance, repair and replacement, as the case may be, of the DSS satellite antenna, together with the costs and expenses thereof, including the obligation to indemnify and hold the Association harmless therefor. This provision shall be deemed a covenant running with the land and shall be binding upon each successive owner of any condominium unit utilizing a DSS satellite antenna.
- H. An owner shall not place or cause to be placed in the walkways or in or on any common elements and facilities, stairs, or stairwells, any furniture, packages or objects of any kind. Such areas shall be used for no other reason than for normal transit through them. The Association may permit a unit owner to place small potted plants near the front doors of the unit so long as the potted plants do not protrude into or block access to the common walkways. The Association reserves the right to restrict or prohibit the placement of potted plants on the common elements.
- I. It is prohibited to hang garments, rugs, etc., from the windows, patios or balconies from any of the facades of the buildings. Any Unit Owner may display one portable, removable United States flag in a respectful way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags.
- J. It is prohibited to hang or dust rugs, etc., from windows, patios or balconies or to clean rugs, etc., by beating on the exterior of the buildings.
- K. There are no special parking or storage facilities located on the Condominium Property. No boats, utility trailers, recreational vehicles or special purpose vehicles shall be parked on the Condominium Property. No motorhome, trailer, camper, or commercial vehicle may be parked on the Condominium Property. No resident shall park any vehicle on any driveway on the Condominium Property. All owners and residents of the condominium are restricted to two (2) permitted vehicles per unit without the Association's consent to bring additional vehicles on the premises. Any vehicle with visible advertising on the vehicle may be deemed a commercial vehicle, in the sole discretion of the Board of Administration. However, trucks with one (1) ton capacity or

less and sport utility vehicles will not be deemed to be commercial vehicles unless the Board of Administration deems the vehicle to be a commercial vehicle as set forth above. Any vehicle may be temporarily parked on the streets for loading and unloading. Service vehicles are permitted to temporarily park on the streets while service is being performed on the condominium property. Except as provided above, prior written approval of the Association to temporarily park a commercial vehicle is required.

L. Until the Developer has closed all the sales of the units in the condominium, neither the other unit owners nor the Association shall interfere with the sale of such units. The Developer may make such use of the unsold units and common elements as may facilitate its sales, including but not limited to maintenance of a sales office, model units, the showing of the property, and the display of signs. The Developer may not be restricted in the use of the other common elements or areas, including but not limited to, lobbies, exercise rooms, or the sales office in the recreation building by anyone until the sale of all units is completed by the Developer.

M. Two (2) household pets not exceeding forty (40) pounds each, which shall mean cats or dogs unless otherwise approved by the Board of Administration, shall be allowed to be kept in the owner's unit. All pets must be kept on a leash when outside the owner's unit. Each pet owner shall be responsible for cleaning up after his pets in the common elements. Pets shall not create a nuisance. Notwithstanding any provision to the contrary contained herein, certified guide dogs, service animals and signal dogs (as defined herein below) (hereinafter collectively referred to as "specially trained animals") shall be permitted at the Condominium subject to the following restrictions:

- i such specially trained animals shall not be kept, bred, or used at the Condominium for any commercial purpose; and
- ii such specially trained animals shall be on a leash while on the common elements.

Any pet as described above and any specially trained animal causing a nuisance or unreasonable disturbance to any other occupant of the Condominium shall be promptly and permanently removed from the Condominium upon notice given by the Board or Managing Agent; provided, however, that any such notice given with respect to a specially trained animal shall provide that before such animal must be removed, its owner shall have a reasonable time to acquire a replacement specially trained animal unless the Board determines that such animal poses an imminent serious threat of physical harm to other occupants at the Condominium. The Board may from time to time promulgate such rules and regulations regarding the continued keeping of such pets and specially trained animals as the circumstances may then require or the Board may deem advisable.

The term "guide dog" shall mean "any dog individually trained by a licensed guide dog trainer for guiding a blind person by means of a harness attached to the dog and a rigid handle grasped by the person".

The term "service animal" shall mean "any animal that is trained to provide those life activities limited by the disability of the person".

The term "signal dog" shall mean "any dog that is trained to alert a deaf person to intruders or sounds".

N. No unit owner shall allow anything whatsoever to fall from the window, patio, balcony, terrace, porch, or doors of the premises, nor shall unit owners sweep or throw from the premises any dirt or other substance into any of the corridors, halls, patios, balconies, terraces or porches, elevators, ventilators, or elsewhere in the building or upon the grounds. A unit owner shall not place, store or use any item, upon any patio, balcony, terrace or porch without the approval of the Association, other than standard patio chairs, tables and furnishings. Gas or electric grills and potted plants are permitted on balconies but charcoal grills are prohibited.

- O. When a unit is leased, a tenant shall have all use rights in the Association property and those common elements otherwise readily available for use generally by unit owners and the unit owner shall not have such rights except as a guest. Nothing in this subsection shall interfere with the access rights of the unit owner as a landlord pursuant to Chapter 83, Florida Statutes. The Association shall have the right to adopt rules to prohibit dual usage by a unit owner and a tenant of Association property and common elements otherwise readily available for use generally by unit owners.
- P. Carpeting of any type on individual unit balconies or any common walk-ups is prohibited and the Association shall not grant permission to install carpet on the individual unit balconies or walk-ups.

XI.

LIMITATIONS UPON RIGHT OF OWNER TO ALTER OR MODIFY UNIT

No owner of a unit shall make any structural modifications or alterations of the unit. Further, no owner shall cause any improvements or changes to be made on or to the exterior of the unit buildings, including painting or other decoration, the installation of awnings, shutters, electrical wiring, air conditioning units and other things which might protrude through or be attached to the walls of the Improvements on the unit; further, no owner shall in any manner change the appearance of any portion of the Improvements on the unit. The Association has adopted hurricane shutter specifications and will permit the installation of hurricane shutters for any balcony and storm window panels for the windows provided the color of the shutters and storm window panels is white and the installation of shutters and storm window panels complies with applicable building codes and provided that prior to installation or replacement of the hurricane shutters and storm window panels the Association has approved the installation. If the Board fails to act within the thirty day period, the plans and specifications shall be deemed approved. The installation, replacement, and maintenance of such shutters in accordance with the procedures set forth herein shall not be deemed a material alteration to the common elements within the meaning of the Condominium Act. Any unit owner may display one portable, removable United States flag in a respectful way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day any unit owner may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.

XII.

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY ASSOCIATION

Whenever in the judgment of the Board of Administration the condominium property shall require additions, alterations or improvements (in the excess of the usual items of maintenance), and the making of such additions, alterations or improvements shall have been approved by a majority of the unit owners, the Board of Administration shall proceed with such additions, alterations or improvements and shall specially assess all unit owners for the cost thereof as a common expense.

XIII.

AMENDMENT OF DECLARATION

These restrictions, reservations, covenants, conditions and easements may be modified or amended by recording such modifications in the Public Records of Brevard County, Florida, after approval by the owners of a majority of the units whose votes were cast in person or by proxy at the

meeting duly held in accordance with the By-Laws and Articles of Incorporation of the Association. No amendment to this Declaration shall be adopted which would operate to materially affect the validity or priority of any mortgage held by an institutional first mortgagee or which would alter, amend or modify, in any manner whatsoever, the rights, powers, interests or privileges granted in favor of any institutional first mortgagee or in favor of the Developer without the consent of all such mortgagees or the Developer, as the case may be, or as otherwise required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation which consent may not be unreasonably withheld. There shall be no amendment adopted altering the share of ownership in the common elements or surplus, or altering the share of common expenses, except by the unanimous vote of all members in the Association and by their respective institutional first mortgagees.

Notwithstanding anything to the contrary contained in this Declaration, the Developer expressly reserves the right to amend the Declaration so as to correct any legal description contained herein, which legal description or descriptions may have been incorrect by reason of a scrivener's or surveyor's error. The Developer may amend this Declaration as aforescribed by filing an amended legal description (or descriptions) as an amendment to the Declaration among the Public Records of Brevard County, Florida, which amendment (or amendments) shall expressly describe that legal description which is being corrected (by reference to the exhibit containing said legal description or otherwise), in addition to the corrected legal description. Such amendments need be executed and acknowledged only by the Developer and need not be approved by the Association, unit owners, lienors or mortgagees of units of the condominium whether or not elsewhere required for amendments. As part and parcel of any such amendment as provided for in this subparagraph, however, there shall be attached thereto an affidavit of the individual or individuals responsible for the original incorrect legal description, whether he be scrivener or surveyor, which affidavit shall set forth (1) that said individual made an error in the legal description, (2) that the error is corrected by the description contained in the amendment, and (3) that it was the intent at the time of the incorrect original legal description to make that description such as is contained in the new amendment. In the event the party responsible for the original incorrect legal description has died, or is not available, then in that event, any other party having personal knowledge of the incorrect legal description by reason of the scrivener's or surveyor's error may execute the required affidavit for the amendment provided herein. Any amendment subject to Section 718.110(4), Florida Statutes, shall be approved by a majority of the voting interests of the condominium.

Pursuant to Section 718.110(2), Florida Statutes, the Developer may make amendments to this Declaration without consent of the unit owners which shall be limited to matters other than those under Sections 718.110(4) and (8), Florida Statutes.

In the event it shall appear that there is an error or omission in this Declaration or exhibits thereto, then and in that event the Association may correct such error and/or omission by an amendment to this Declaration in the manner hereinafter described to effectuate an amendment for the purpose of curing defects, errors or omissions. Such an amendment shall not require a vote of approval as provided above but shall require a vote in the following manner:

(a) Notice of the subject matter of a proposed amendment to cure a defect, error or omission shall be included in the notice of any meeting at which such proposed amendment is to be considered.

(b) A resolution for the adoption of such a proposed amendment may be proposed by either the Board of Administration of the Association or by the members of the Association. Unit owners may not vote by general proxy, but may vote limited proxies substantially conforming to a limited proxy form, adopted by the Division. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes on the matter listed in Section 718.112(2)(b)2, Florida Statutes. Except as elsewhere provided, such approvals must be either by:

(i) Not less than thirty-three and one-third (33 1/3%) percent of the Board of Directors and by not less than ten (10%) percent of the votes of the entire membership of the condominium; or

(ii) Not less than twenty-five (25%) percent of the votes of the entire membership of the Association; or

(iii) In the alternative, an amendment may be made by an agreement signed and acknowledged by eighty (80%) percent of the unit 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.

(c) The foregoing provisions relative to amendments for defects, errors or omissions are in accordance with and pursuant to Sections 718.110(5) and (10), Florida Statutes.

(d) That the amendment made pursuant to this paragraph need only be executed and acknowledged by the Developer or the Association and by no other parties whatsoever.

(e) Any amendment pursuant to Section 718.110(5) may be approved by the Board of Administration or a majority of the voting interests.

Notwithstanding anything to the contrary contained in this Declaration, the Developer reserves the right to change the interior designs and arrangement of all units and to alter the boundaries between units, as long as the Developer owns the units so altered; however, no such change shall increase the number of units nor alter the boundaries of the common elements, except the party wall between any units, without amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in units, as provided in this paragraph, such changes shall be reflected by an amendment to this Declaration with a survey attached reflecting such authorized alteration of units, and said amendment need only be executed and acknowledged by the Developer, any holders of institutional mortgages encumbering the altered units and if the amendment is subject to Section 718.110(4), Florida Statutes, it shall be approved by a majority of the voting interests of the condominium. The survey shall be certified in the manner required by the Condominium Act. If more than one (1) unit is concerned, the Developer shall not apportion between the units the shares in the common elements, common expenses and common surplus of the units concerned and such shares of common elements, common expenses and common surplus shall remain unchanged in the amendment of this Declaration unless all unit owners approve the amendment changing the shares.

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

Substantial rewording of Declaration. "See provision... for present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

Invalidation of any one (1) or more of these restrictions, reservations, covenants, conditions and easements, or any provision contained in this Declaration, or in a conveyance of unit by the Developer, by judgment, court order, or law, shall in no way affect any of the other provisions which shall remain in full force and effect.

In the event that any court should hereafter determine that any provision, as originally drafted herein, violates the rule against perpetuities or any other rule of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, the measuring life shall be that of the youngest incorporator of the Association.

These restrictions, reservations, covenants, conditions and easements shall be binding upon and inure to the benefit of all property owners and their grantees, heirs, personal representatives, successors and assigns, and all parties claiming by, through or under any member.

XIV.

TERMINATION OF CONDOMINIUM

Except as otherwise provided in Article VIII of this Declaration, the condominium created and established hereby may only be terminated upon the vote of members of the Association owning ninety (90%) (i.e. 137 unit owners of 152 unit owners must approve the termination) of the units in the condominium, evidenced by a recorded instrument to that effect, and upon the written consent by all of the holders of recorded liens affecting any of the condominium parcels. When the Board of Directors intends to terminate or merge the condominium, or dissolve or merge the Association, the Board shall so notify the Division before taking any action to terminate or merge the condominium or the Association. Upon recordation of the instrument evidencing consent of all of the unit owners to terminate the condominium, the Association within thirty (30) business days shall notify the Division of the termination and the date the document was recorded, the county where the document was recorded and the book and page number of the public records where the document was recorded and shall provide the division a copy of the recorded termination notice certified by the clerk.

Immediately after the required vote of consent to terminate, each and every unit owner shall immediately convey by warranty deed to the Association all of said unit owners' right, title and interest to any unit and to the common elements, provided the Association's officers and employees handling funds have been adequately bonded and the Association or any member shall have the right to enforce such conveyance by specific performance in a court of equity.

The Board of Administration of the Association shall then sell all of the property at public or private sale upon terms approved in writing by all of the institutional first mortgagees. Upon the sale of said property, the costs, fees and charges for affecting said sale, the cost of liquidation and dissolution of the Association and all obligations incurred by the Association in connection with the management and operation of the property up to and including the time when distribution is made to the unit owners, shall be paid out of the proceeds of said sale, and the remaining balance (hereinafter referred to as "net proceeds of sale") shall be distributed to the unit owners in the manner now about to be set forth.

The distributive share of each unit owner in the net proceeds of sale, though subject to the provisions hereinafter contained, shall be the following portion thereof; to-wit:

AN UNDIVIDED ONE-ONE-HUNDRED FIFTY-SECOND (1/152)

Upon the determination of each unit owner's share as above provided for, the Association shall pay out of each unit owner's share all mortgages and other liens encumbering said unit in accordance with their priority, and upon such payment being made, all mortgagees and lienors shall execute and record satisfactions or releases of their liens against said unit or units, regardless of whether the same are paid in full. Thereupon, the directors of the Association shall proceed to liquidate and dissolve the Association, and distribute the remaining portion of each distributive share, if any, to the owner or owners entitled thereto. If more than one person has an interest in a unit, the Association shall pay the remaining distributive share allocable to said unit to the various owners of such unit, excepting that if there is a dispute as to the validity, priority or amount of mortgages or liens encumbering a unit, then payment shall be made to the owner and/or owners of such unit and to the owners and holders of the mortgages and liens encumbering said unit.

As evidence of the members' resolution to abandon passed by the required vote or written consent of the members, the President and Secretary of the Association shall effect and place in the Public Records of Brevard County, Florida, an affidavit stating that such resolution was properly passed, so approved by the members, and also shall record the written consents, if any, of

institutional first mortgagees to such abandonment. The recordation of the instrument evidencing consent of ninety (90%) percent of the unit owners to terminate or merge the condominium shall be reported to the Division as set forth above.

After such an affidavit has been recorded and all owners have conveyed their interest in the condominium parcel to the Association and the Association to the purchaser, the title to said property thereafter shall be free and clear from all restrictions, reservations, covenants, conditions and easements set forth in this Declaration, and the purchaser and subsequent grantees of any of said property shall receive title to said lands free and clear thereof.

XV.

ENCROACHMENTS

If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, or if any encroachment shall hereafter occur as the result of settling of the building, or alteration to the common elements made pursuant to the provisions herein, or as the result of repair and restoration, a valid easement shall exist for the continuance of such encroachment for so long as the same shall exist.

XVI.

**ASSOCIATION TO MAINTAIN REGISTER
OF OWNERS AND MORTGAGEES**

The Association shall at all times maintain a register setting forth the names of all owners of units in the condominium, and any purchaser or transferee of an unit shall notify the Association of the names of any party holding a mortgage upon any unit and the name of all lessees in order that the Association may keep a record of same.

XVII.

ESCROW FOR INSURANCE PREMIUMS

Any institutional first mortgagee holding a mortgage upon a unit in the condominium shall have the right to cause the Association to create and maintain an escrow account for the purpose of assuring the availability of funds with which to pay premium or premiums due from time to time on casualty insurance policy or policies which the Association is required to keep in existence, it being understood that the Association shall deposit in an escrow depository satisfactory to such institutional first mortgagee or institutional first mortgagees a monthly sum equal to one-twelfth (1/12) of the annual amount of such insurance expense for the units as set forth in the Estimated Operating Budget, and to contribute such other sum as may be required therefor to the end that there shall be on deposit in said escrow account at least one (1) month prior to the due date for payment of such premium or premiums, a sum which will be sufficient to make full payment therefor.

Premiums for insurance required to be placed by the Association shall be a common expense and shall be paid by the Association.

If two (2) or more institutional mortgagees hold any mortgage or mortgages upon any condominium parcel of condominium parcel, and/or shall be the owner of any condominium parcel or condominium parcels, the exercise of the rights above described or manner of exercising said rights shall vest in the institutional mortgagee owning and holding the first recorded mortgage

encumbering a condominium parcel, and the decision of such institutional mortgagee shall be controlling.

XVIII.

REAL PROPERTY TAXES
DURING INITIAL YEAR OF CONDOMINIUM

In the event that during the year in which this condominium is established, real property taxes are assessed against the condominium property as a whole, such taxes will be a common expense.

XIX.

RESPONSIBILITY OF UNIT OWNERS

The owner of each unit shall be governed by and shall comply with the provisions of this Declaration as well as the By-Laws and Articles of Incorporation of the Association. Any unit owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his act, neglect or carelessness, or by that of any members 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. Nothing herein contained, however, shall be construed so as to modify any waiver of rights or subrogation by insurance companies.

In any action brought against a unit owner by the Association for damages, or injunctive relief due to such unit owner's failure to comply with the provisions of this Declaration or By-Laws of the Association, the prevailing party shall be entitled to court costs, reasonable attorney's fees and expenses incurred by it in connection with the prosecution of such action.

XX.

WAIVER

The failure of the Association, a unit owner or institutional first mortgagee to enforce any right, provision, covenant or condition which may be granted herein, or in the By-Laws and Articles of Incorporation of the Association, or the failure to insist upon the compliance with same, shall not constitute a waiver by the Association, such unit owner or institutional first mortgagee to enforce such right, provision, covenant or condition, or insist upon the compliance with same, in the future.

No breach of any of the provisions contained herein shall defeat or adversely affect the lien of any mortgage at any time made in good faith and for a valuable consideration upon said property, or any part thereof, and made by a bank, savings and loan association, or insurance company authorized to transact business in the State of Florida and engage in the business of making loans constituting a first lien upon real property, but the rights and remedies herein granted to the Developer, the Association, and the owner or owners of any part of said condominium, may be enforced against the owner of said property subject to such mortgage, notwithstanding such mortgage.

XXI.

CONSTRUCTION

The provisions of this Declaration shall be liberally construed so as to effectuate its purposes. The invalidity of any provision herein shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration.

XXII.

GENDER

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender, and the use of the singular or plural shall be taken to mean the other whenever the context may require.

XXIII.

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

XXIV.

REMEDIES FOR VIOLATIONS

Each unit owner, each tenant and other invitee, and each association shall be governed by, and shall comply with the provisions of the Florida Condominium Act, the declaration, the documents creating the Association, and the Association By-Laws and the provisions thereof shall be deemed expressly incorporated into any lease of a unit. Actions for damages for injunctive relief, or both, for failure to comply with these provisions may be brought by the Association or by a unit owner against:

- a. The Association.
- b. A unit owner.
- c. Directors designated by the Developer, for actions taken by them prior to the time control of the Association is assumed by unit owners other than the Developer.
- d. Any director who willfully and knowingly fails to comply with these provisions.
- e. Any tenant leasing a unit, and any other invitee occupying a unit.

The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in Section 718.503(1)(a), Florida Statutes, is entitled to recover reasonable attorney's fees. A unit owner prevailing in an action between the association and the unit owner under this section, in addition to recovering his reasonable attorney's fees, may recover additional amounts as determined by the Court to be necessary to reimburse the unit owner for his share of assessments levied by the Association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law.

XXV.

TIMESHARE RESERVATION

No reservation is made pursuant to Section 718.1045, Florida Statutes, for the creation of timeshare estates. Timeshare estates are prohibited.

XXVI.

FINES

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

XXVII.

SIGNAGE

After the Developer has completed its sales program, the Association, through its Board of Administration, shall have the right to determine the type, style and location of all signage associated with the condominium property. Prior to completion of its sales program the Developer shall control signage for the condominium.

XXVIII.

INSTITUTIONAL MORTGAGEE

An institutional mortgagee means the owner and holder of a mortgage encumbering a condominium parcel, which owner and holder of said mortgage is either a bank or life insurance company or a federal or state savings and loan association, or a mortgage or real estate investment trust, or a pension and profit sharing fund, or a credit union, or an agency of the United States Government, or the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or any entity controlling, controlled by or under common control with any of the foregoing, or a lender generally recognized in the community as an institutional lender or the Developer, or assignee, nominee, or designee of the Developer.

An institutional mortgage means a mortgage owned or held by an institutional mortgagee.

An insurance trustee means that Florida bank having trust powers, designated by the board to receive proceeds on behalf of the association, which proceeds are paid as a result of casualty or fire loss covered by insurance policies.

XXIX.

RIGHTS RESERVED UNTO INSTITUTIONAL MORTGAGEES

All rights in favor of the Developer reserved in this Declaration of Condominium and exhibits attached hereto, are likewise reserved to any institutional mortgagee that acquires title to a condominium parcel through foreclosure or a deed in lieu of foreclosure with regard to the acquired condominium parcel.

The rights and privileges in this Declaration of Condominium and the exhibits hereto in favor of the Developer are freely assignable, in whole or in part, by the Developer to any party who may be hereafter designated by the Developer to have and exercise such rights including an institutional mortgage in the event of a foreclosure against the Developer or deed in lieu thereof by the Developer. Such rights may be exercised by the nominees, assignees or designees of the Developer.

An institutional mortgagee's rights herein are limited and can only be exercised with a regard to units owned by the institutional mortgagee.

XXX.

NOTICE TO INSTITUTIONAL MORTGAGEES

The Association shall provide a holder, insurer or guarantor of a first mortgagee, upon written request (such request to state the name and address of such holder, insurer or guarantor and the unit number) timely notice of:

- A. Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the owners Association appertaining to any unit; or (iv) the purposes to which any unit or the common elements are restricted;
- B. Any proposed termination of the condominium regime;
- C. Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- D. Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;
- E. Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

XXXI.

CABLE TELEVISION AND SATELLITE DISH

The cost of a master antenna television system or duly franchised cable television service obtained pursuant to a bulk contract shall be deemed a common expense, and if not, such cost shall be considered common expense if it is designated as such in a written contract between the board of administration and the company providing the master television antenna system or the cable television service. The contract shall be for a term of not less than two years.

- A. Any contract made by the board for a community antenna system or duly franchised cable television service may be canceled by a majority of the voting interests present at the next regular or special meeting of the Association. Any member may make a motion to cancel said contract, but if no motion is made or if such motion fails to obtain the required majority at the next regular or special meeting, whichever is sooner, following the making of the contract, then such contract shall be deemed ratified for the term therein expressed.
- B. Any such contract shall provide, and shall be deemed to provide if not expressly set forth, that any hearing impaired or legally blind unit owner who does not occupy the unit with a nonhearing impaired or sighted person may discontinue the service without incurring disconnect fees, penalties, or subsequent service charges, and as to such units, the owners shall not be required to pay any common expenses charge related to such service. If less than all members of an association share the expenses of cable television, the expense shall be shared equally by all participating unit owners. The Association may use the provisions of Section 718.116, Florida Statutes, to enforce payment of the shares of such costs by the unit owners receiving cable television.

C. The Association has approved the installation of DSS type satellite dishes for the condominium property. The approved satellite dish is approximately 18 inches in diameter and may be bolted to an exterior wall of the condominium. Prior to the installation of a DSS type satellite dish the record owner of the condominium unit shall submit a written request for permission to install the satellite dish to the Association pursuant to rules promulgated by the Association. The Association shall determine the location of the satellite dish, in its sole discretion. All costs of installation, maintenance or repair of the satellite dish shall be the responsibility of the record owner of the condominium unit and the owner shall indemnify and hold the Association harmless therefor.

XXXII.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

The rules of the St. Johns River Water Management District require the following provisions to be included in this Declaration of Condominium:

- A. Property Description: Property encompassed by the permit granted by the St. Johns River Water Management District (where the surface water management system will be located) is included in the legal description of the parent tract located on Sheet 3 of Exhibit "A" attached hereto and made a part hereof.
- B. Definitions: "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.
- C. Duties of Association: The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the St. Johns River Water Management District.
- D. Covenant for Maintenance assessments for Association: Assessments shall also be used for the maintenance and repair of the surface water or stormwater management systems including, but not limited to, work within retention areas, drainage structures and drainage easements.
- E. Easement for Access and Drainage: The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of the common elements which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or

stormwater management system, including buffer areas or swales, without prior written approval of the St. Johns River Water Management District.

- F. Amendment: Any amendment to the Declaration of Condominium which alter any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common elements must have the prior approval of the St. Johns River Water Management District.
- G. Enforcement: The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Declaration of Condominium which relate to the maintenance, operation and repair of the surface water or stormwater management system.
- H. Swale Maintenance: The Developer has constructed a Drainage Swale upon the common elements for the purpose of managing and containing the flow of excess surface water, if any, found upon such common elements from time to time. The Association shall be responsible for the maintenance, operation and repair of the swales on the common elements. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the Drainage Swale shall be authorized and any damage to any Drainage Swale, whether caused by natural or human-induced phenomena, shall be repaired and the Drainage Swale returned to its former condition as soon as possible by the Association.

XXXIII.

ASSOCIATION MAINTENANCE STANDARDS

It is mandatory that the Association, in carrying out its responsibilities under this Article XXXIII, comply with the following minimum standards, requirements and guidelines:

- A. The Board shall cause all Utilities and Utility systems forming a part of the Common Elements to be maintained properly and in good condition, and effect repairs thereto as needed. It is mandatory that the Board cause all water and/or sewer infrastructure to be inspected at least annually by a licensed and qualified contractor, engineer or architect, with expertise in the construction and maintenance of such water/sewer infrastructure.
- B. It is mandatory that the Board cause all drainage systems, landscape installations, and irrigation systems within the Common Elements to be inspected at least annually. In particular, the Board shall inspect for any misaligned, malfunctioning or non-functional sprinkler or blocked drainage grates, basins, lines and systems, which circumstances could cause damage to the Condominium Property. It is mandatory that at least one such inspection each year shall be performed by a licensed and qualified contractor, engineer or architect with expertise in the construction and maintenance of such drainage and landscape installations. Without limiting the foregoing, all landscaping shall be maintained in accordance with the following minimum maintenance standards:
 - 1. Lawn and ground cover shall be kept mowed and/or trimmed regularly;
 - 2. Planting shall be kept in a healthy and growing condition;
 - 3. Fertilization, cultivation, spraying and tree pruning shall be performed as part of the regular landscaping program;

4. Stakes, guides, and ties on trees shall be checked regularly to insure the correct function of each; ties shall be adjusted to avoid creating abrasions or girding of the trunk or stem;
 5. Damage to planting shall be repaired and corrected within thirty (30) days of occurrence; and
 6. Irrigation systems shall be kept in sound working condition; adjustments, replacement or malfunctioning parts and cleaning of systems shall be an integral part of the regular landscaping program.
- C. It is mandatory that the Board cause all hardscape, paved areas and internal streets within the Condominium Property to be inspected at least annually by a licensed and qualified contractor, engineer or architect with expertise in the construction and maintenance of such hardscape and paved areas.
- D. It is mandatory that the Board cause all waterscape or water features within the Common Elements (including, but not necessarily limited to, the swimming pool and spa), to be inspected each year by a licensed and qualified contractor, engineer, or architect with expertise in the construction and maintenance of such waterscape and water features.
- E. It is mandatory that the Board cause the structures and roofs of all improvements within the Condominium Property to be inspected each year by a licensed and qualified contractor, engineer, or architect with expertise in the construction and maintenance of such structures and roofs.
- F. It is mandatory that the Board carry out such other periodic inspections, and obtain such other reports, as may be prudent and appropriate. In each instance in which a contractor, engineer, architect or other professional with expertise in a specific area is engaged to conduct an investigation or inspection, such expert shall promptly provide a written report thereof to the Board. The written report shall identify all items of maintenance or repair which either requires current action by the Association, or which will need further review, inspection or analysis. The Board shall, in each case, cause any and all necessary or prudent repairs to be promptly undertaken and completed, to prevent avoidable deterioration or property damage.
- G. This Section XXXIII is intended only to provide specific minimum maintenance and inspection requirements in particular areas, and shall in no way limit the Association's general responsibility with respect to maintenance in a prudent manner, designed to prevent avoidable deterioration or property damage.

XXXIV.

MOLD AND MILDEW AWARENESS AND PREVENTIONS

The Association acknowledges that there is a provision in each of the Unit Owner's Contract for Sale and Purchase entitled "Mold Information and Limitation of Liability," a copy of which contract is incorporated herein by reference.

As part of the Association's and the Board's responsibility for maintenance and repair of the Condominium property as set forth in Articles IX and XXXIII of this Declaration, there are many ways that the Association and the Board can help to control moisture and mold located on, under, within or adjacent to the Condominium property, including, but not limited to, the common elements and limited common elements. The following is a list of suggestions, which is not meant to be all inclusive:

- Keep indoor humidity levels as low as possible by running the air conditioning unit at a comfortable level. Remember, the cooler the air is, the less humidity it will hold, thereby limiting the growth of mold and mildew.
- Use of a dehumidifier is a great way to keep the humidity levels lower than

normal when needed.

- The addition of a humidistat to existing air conditioning control systems is also an excellent way to keep the humidity levels lower when an indoor space is left unoccupied for extended periods of time.
- There are numerous brands of moisture absorbent chemicals available to help keep the humidity inside at a proper level while indoor space is unoccupied for short periods of time.
- Do not run air conditioners with windows open. The air conditioning system is not designed to keep up with the moisture and heat load this condition will generate. When windows are left open, there is a risk of saturating everything inside the indoor space (walls, furniture, carpeting, etc.) with more moisture than the air conditioning system is designed to remove. Remember, mold needs moisture to survive. The drier the indoor space, the better off the indoor space will be.
- Fix leaking plumbing and any other source of unwanted water immediately.
- Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- Have major appliances and equipment, such as heating, ventilating and air conditioning systems inspected, cleaned and serviced regularly by a qualified professional.
- Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly.
- The Association and/or the Board should respond promptly when they see or have called to their attention signs of moisture or mold.
- Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- Dry all water damaged areas and items immediately to prevent mold growth.
- If mold develops, clean up the mold by washing off hard surfaces with a commercial strength cleaner and mold/mildew inhibitor (such as "Tile Air II" or "Miltrol" from the Marinize Product Corporation) or equal, making sure to follow directions as specified.
- Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- Mold that is not properly and adequately removed may reappear.

The Association acknowledges and agrees that the Developer, will not be liable to the Association for any special, incidental or consequential damages based on any legal theory whatsoever, including but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of mold, mildew and/or microscopic spores located on, under, within or adjacent to the Condominium property, including, but not limited to, the common elements and limited common elements, unless caused by the sole negligence or willful misconduct of the Developer. The Association, on behalf of itself and its members, tenants, invitees and licensees hereby releases and agrees to indemnify Seller and its officers, directors, partners, members, successors and assigns from and against any and all claims, actions, damages, causes of action, liabilities and expenses (including, without limitation, attorneys' fees and costs of enforcing this release and indemnity) for property

damage, injury or death resulting from the exposure to microscopic spores, mold and/or mildew and from any loss of resale value due to the presence and/or existence of mold, mildew and/or microscopic spores; provided, however, that in no event is the Association releasing or indemnifying Seller as a result of the presence and/or existence of mold, mildew and/or microscopic spores if caused by the sole negligence or willful misconduct of the Seller.

IN WITNESS WHEREOF, the above-stated Developer has caused these presents to be signed and sealed on this ____ day of _____, 200__.

**SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:**

DEVELOPER:

SP CON, LTD.,
a Florida Limited Partnership

BY: SP CON, INC., General Partner

BY: _____
Ken Dixon, President

Print Name: _____

Print Name: _____

STATE OF _____)
COUNTY OF _____)

BEFORE ME, the undersigned authority, personally appeared Ken Dixon, President of SP CON, INC., a Florida corporation, General Partner of SP CON, LTD., a Florida Limited Partnership, on behalf of the partnership, personally known to me, or who produced _____ as identification, who did/did not take an oath, and who executed the foregoing and acknowledged the execution thereof to be his free act and deed for the uses and purposes therein mentioned.

WITNESS my signature and official seal in the State and County last aforesaid on ____ day of _____, 200__.

Notary Public
My Commission Expires:

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OF
SUMMER PLACE CONDOMINIUM ASSOCIATION OF BREVARD, INC.

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EXHIBIT B
EXHIBIT 2 TO THE PROSPECTUS

Articles