

This instrument Prepared by
and Return to:
Petey Davis
1980 N. Atlantic Ave. #701
Cocoa Beach, FL 32931

CERTIFICATE OF AMENDMENT TO DECLARATION OF CONDOMINIUM
OF
CAPE SHORES ASSOCIATION, INC.

Pursuant to Section 718.112(1) Florida Statutes, and the provisions of the Declaration of Condominium of CAPE SHORES ASSOCIATION, INC. ("Association"), which Association is responsible for the management and operation of CAPE SHORES ASSOCIATION, INC., according to the Declaration of Condominium thereof, as recorded in Official Record Book 2682, Page 702, Public Records of Brevard County, Florida and pursuant to the required approval of the Board of Directors and members of the Association at duly-held meetings thereof, the Declaration of Condominium is amended as follows:

RESPONSIBILITY FOR MAINTENANCE AND REPAIRS
(deletion is lined through)

1. Each apartment owner shall be responsible for the cost of maintenance, repair and replacement, as applicable, for all ~~patio and~~ window screens, air conditioning and heating equipment, electrical and plumbing fixtures, kitchen and bathroom fixtures, and all other appliances or equipment, including any fixtures or connections required to provide water, light, power, telephone, sewage and sanitary service to his apartment and which may now or hereafter be affixed or contained within his apartment. Such owner shall further be responsible for maintenance, repair and replacement of any air-conditioning equipment servicing his apartment although such equipment not be located in the apartment, 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.

In all other respects not inconsistent herewith the Declaration of Condominium shall remain unchanged by this amendment, and in full force and effect.

IN WITNESS WHEREOF, the Association has caused this instrument to be signed in its name and by its President and Secretary this 4th day of February, 1998, for purposes of

Sandy Crawford

Clerk Of Courts, Brevard County

#Pgs: 2 #Names: 2
Trust: 1.50 Rec: 9.00 Serv 3.00
Deed: 0.00 Excise: 0.00
at Tax: 0.00



CFN 98028579 02-17-98 12:31 pm
OR Book/Page: 3795 / 1575

recording in the Brevard County Public Records as required by the Florida Condominium Act.

Signed, sealed and delivered of:

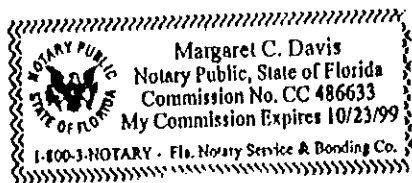
CAPE SHORES ASSOCIATION, INC.

Alvin J. Schaefer
Paul R. Heath

BY: *John M. Morrison*
ATTEST: *Hugh L. Mahoney*

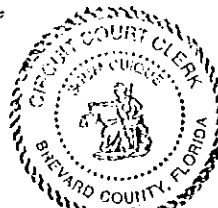
STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 4th day of February, 1998, by John Morrison, President of Cape Shores Association, Inc. and Hugh Mahoney, Secretary of Cape Shores Association, Inc. on behalf of the corporation.



Margaret C. Davis
Margaret C. Davis
Notary Public, State of Florida
at Large

CFN 98028579
OR Book/Page: 3795 / 1576



STATE OF FLORIDA, COUNTY OF BREVARD
I HEREBY CERTIFY that the above and foregoing is a true copy of the original filed in this office.

Date 2-17-98 By Pepe Steburg, D.C.

October 18, 1995

CAPE SHORES ASSOCIATION, INC.

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Our documents are comprised of the following:

Declaration of Condominium

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Exhibit B - Description of (Originally) Leased Premises

Exhibit C - Surveyor's Certificate

Exhibit D - Percentages of Leased Premises Attributable
to Each Unit

Exhibit E - Long Term Lease

Exhibit F - Management Agreement with Developer

Exhibit G - Articles of Incorporation

Exhibit H - By-Laws

Resolution Re: Hurricane Shutters May 22, 1992

Resolution Re: Reestablishment of Eastern Border Feb. 3, 1987

This is a a combined index of (1) the DECLARATION OF CONDOMINIUM,
(2) EXHIBIT G, AND (3) EXHIBIT H (the three documents most frequently
referred to) and Amendments thereto. Page numbers without a prefix
refer to the Declaration, and page numbers bearing the prefix "G" or
"H" refer to the Exhibits G and H, respectively.

It is recommended that alpha tabs be bought and affixed to the first
page of each Exhibit.

Please be sure to attach this index to your document.

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THIS INSTRUMENT WAS PREPARED BY
Leonard Spielvogel
 SPIELVOGEL, GOLDMAN & PEARCE, P.A.
 P. O. Box 1366, Monitt Island, Fla. 32952

AMENDMENT TO DECLARATION OF CONDOMINIUM
ESTABLISHING
CAPE SHORES APARTMENT BUILDINGS ONE, TWO, THREE, FOUR,
FIVE, SIX, SEVEN, EIGHT, NINE, TEN, ELEVEN, TWELVE,
THIRTEEN, FOURTEEN, FIFTEEN, SIXTEEN, SEVENTEEN,
EIGHTEEN, NINETEEN AND TWENTY, CONDOMINIUMS

CLERK OF CIRCUIT COURT
 BREVARD COUNTY FLA.

CAPE SHORES ASSOCIATION, INC., hereinafter called the "ASSOCIATION", in accordance with the provisions of ARTICLES XXI, respectively, of the Declarations of Condominium Establishing Cape Shores Apartment Buildings as hereinafter designated and as recorded in the Official Records Books and Pages of the Public Records of Brevard County, Florida, as hereinafter stated, to-wit:

<u>BUILDINGS</u>	<u>OFFICIAL RECORDS BOOK</u>	<u>AT PAGE</u>
One	1215	156
Two	1223	736
Three	1242	377
Four	1257	894
Five	1274	931
Six	1287	1
Seven	1300	795
Eight	1313	861
Nine	1324	878
Ten	1337	246
Eleven	1347	366
Twelve	1365	422
Thirteen	1379	510
Fourteen	1368	546
Fifteen	1393	750
Sixteen	1393	845
Seventeen	1420	71
Eighteen	1420	166
Nineteen	1420	261
Twenty	1420	356

and as amended by Amendments to Declaration Recorded in Official Records Book 1527, Page 822 and Official Records Book 155, Page 662, do hereby amend and modify the said Declarations of Condominium as amended, as follows:

ITEM ONE

Exhibit H to the original Declaration of Condominium consisting of the Bylaws of Cape Shores Association, Inc., shall be and is amended in accordance with Exhibit I attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the above stated Association has

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caused these presents to be signed and sealed, this the 21st day of January, 1977.

Signed, sealed and delivered in the presence of:

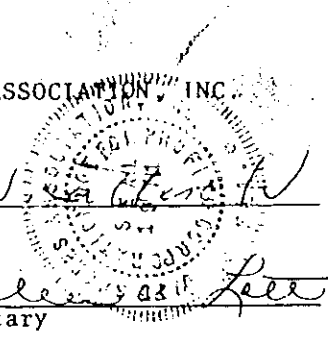
Mary Smith

Sherril Ashman

CAPE SHORES ASSOCIATION, INC.

BY: Fred S. Kuttesch
President

ATTEST: Aileen W. Lott
Secretary



STATE OF FLORIDA)

COUNTY OF BREVARD)

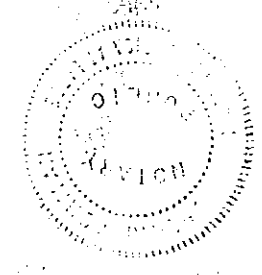
I HEREBY CERTIFY that on this day, before me, a notary public, personally appeared Fred S. Kuttesch and Aileen W. Lott, well known to me to be the President and Secretary respectively of CAPE SHORES ASSOCIATION, INC., and they severally acknowledged executing the foregoing instrument in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the county and state last aforesaid, on this the 21st day of January, 1977.

Sherril Ashman
NOTARY PUBLIC, State of Florida
at Large

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires June 9, 1980
Bonded By American Fire & Casualty Company



This instrument prepared by Malcolm R. Kirschenbaum, Esq., Kirschenbaum, Caruso and Mosley, Attorneys at Law, P. O. Box 757, Cocoa Beach, Florida 32931

1555 602

AMENDMENT TO THE AMENDMENT TO DECLARATION OF CONDOMINIUM
ESTABLISHING
CAPE SHORES APARTMENT BUILDINGS ONE, TWO, THREE, FOUR,
FIVE, SIX, SEVEN, EIGHT, NINE, TEN, ELEVEN, TWELVE,
THIRTEEN, FOURTEEN, FIFTEEN, SIXTEEN, SEVENTEEN,
EIGHTEEN, NINETEEN AND TWENTY, CONDOMINIUMS

CAPE SHORES ASSOCIATION, INC., hereinafter called the "Association", in accordance with the provisions of ARTICLES XXI, respectively, of the Declarations of Condominium Establishing Cape Shores Apartment Buildings as hereinafter designated and as recorded in the Official Records Books and Pages of the Public Records of Brevard County, Florida, as hereinafter stated, to-wit:

<u>BUILDINGS</u>	<u>OFFICIAL RECORDS BOOK/AT PAGE</u>
One	1215/156
Two	1223/736
Three	1242/377
Four	1257/894
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Six	1287/1
Seven	1300/795
Eight	1313/861
Nine	1324/878
Ten	1337/246
Eleven	1347/366
Twelve	1365/422
Thirteen	1379/510
Fourteen	1368/546
Fifteen	1393/750
Sixteen	1393/845
Seventeen	1420/71
Eighteen	1420/166
Nineteen	1420/261
Twenty	1420/356

do hereby amend and modify that Amendment to the said Declarations of Condominium dated May 2, 1975, and filed in Official Records Book 1527, at Page 822, as follows:

I.

"CAPE SHORES DEVELOPMENT ASSOCIATION, INC.",
unnumbered paragraph one on page one of said Amendment, and wherever
else applicable, shall be, and is amended to correct the above contained
scrivener's error to read as follows:

"CAPE SHORES ASSOCIATION, INC."

IN WITNESS WHEREOF, this instrument has been executed
by the parties hereto in manner and form sufficient to bind them, as of this
the 28th day of August, 1975.

Signed, sealed and delivered
in the presence of:

Nancy Y. Meiner
Okemo Millone

CAPE SHORES ASSOCIATION, INC.

By Preston E. Heath
Vice-President

Attest Aileen W. Lott
Secretary

STATE OF FLORIDA
COUNTY OF BREVARD

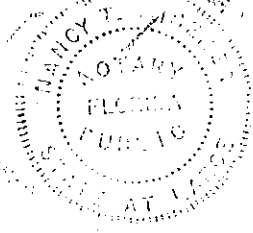
I HEREBY CERTIFY that on this day, before me, a notary
public, personally appeared Preston E. Heath and
Aileen Lott, well known to me to be the Vice-
President and Secretary, respectively, of CAPE SHORES ASSOCIATION, INC., and
they severally acknowledged executing the foregoing instrument in the
presence of two subscribing witnesses freely and voluntarily under authority
duly vested in them by said corporation and that the seal affixed thereto is
the true corporate seal of said corporation.

WITNESS my hand and official seal in the county and state
last aforesaid this 28th day of August, 1975.

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Feb. 14 1988
Bonded by American Title & Guaranty Co.

Nancy Y. Meiner
Notary Public, State of Florida



FILED AND RECORDED
BREVARD COUNTY, FLA.
13155

1975 OCT 2 PM 11 07

(Handwritten signature)

p This instrument prepared by: Malcolm R. Kirschenbaum, Wolfe, Kirschenbaum & Caruso, P. A., Attorneys at Law, P. O. Box 757, Cocoa Beach, Florida 32931

1527-1822

AMENDMENT TO DECLARATIONS OF CONDOMINIUM
ESTABLISHING
CAPE SHORES APARTMENT BUILDINGS ONE, TWO, THREE, FOUR,
FIVE, SIX, SEVEN, EIGHT, NINE, TEN, ELEVEN, TWELVE, THIR-
TEEN, FOURTEEN, FIFTEEN, SIXTEEN, SEVENTEEN, EIGHTEEN,
NINETEEN AND TWENTY, CONDOMINIUMS

CAPE SHORES ~~DEVELOPMENT~~ ASSOCIATION, INC., hereinafter called the Association, in accordance with the provisions of ARTICLES XXI, respectively, of the Declarations of Condominium Establishing Cape Shores Apartment Buildings as hereinafter designated and as recorded in the Official Records Books and Pages of the Public Records of Brevard County, Florida, as hereinafter stated, to-wit:

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Thirteen	1379/510
Fourteen	1368/546
Fifteen	1393/750
Sixteen	1393/845
Seventeen	1420/71
Eighteen	1420/166
Nineteen	1420/261
Twenty	1420/356,

do hereby amend and modify said Declaration above stated as follows:

I.

Article VI, unnumbered paragraph three on Page 12 shall be, and is amended to read as follows:

All the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Directors of the Association consisting of not less than three (3) nor more than twenty-two (22) members, the exact number to be as set forth in the By-laws of the Association, who are all to be elected annually by the members entitled to vote. Each director shall be the

the owner of a condominium unit (or partial owner of a condominium where such unit is owned by more than one individual), (or if a unit is owned by a corporation, including Developer, any duly elected officer or officers of an owner corporation may be elected a director or directors).

II.

Exhibit G of the respective Declarations of Condominium Establishing Cape Shores Apartment Buildings as stated hereinabove and recorded as designated above, be and is hereby amended by attaching thereto Certificate of Amendment of Articles of Incorporation of Cape Shores Association, Inc., dated the 2nd day of MAY, A. D. 1975, hereinafter designated as Exhibit G, 1, and any references made in the respective Declarations of Condominium Establishing Apartment Buildings as herein stated as to Exhibit G shall now be deemed to also include reference to Exhibit G, 1.

III.

Exhibit H of the respective Declarations of Condominium Establishing Cape Shores Apartment Buildings as hereinabove stated and recorded as designated above, be and is hereby amended by attaching thereto Amendment to Bylaws of Cape Shores Association, Inc., dated the 2nd day of MAY, A. D. 1975, hereinafter designated as Exhibit H, 1 and any references made in the respective Declarations of Condominium Establishing Apartment Buildings as herein stated as to Exhibit H shall now be deemed to also include reference to Exhibit H, 1.

IN WITNESS WHEREOF, the above stated Association has caused these presents to be signed and sealed, this the 2nd day of May, A. D. 1975.

Signed, sealed and delivered in the presence of:

Diane Millone
Marilyn J. Quinn

CAPE SHORES ASSOCIATION, INC.

BY: Vernon K. Peterman, President

ATTEST: Aileen Lott, Secretary

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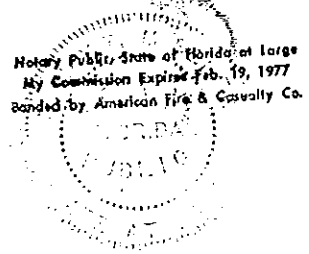
STATE OF FLORIDA:

COUNTY OF BREVARD:

I HEREBY CERTIFY that on this day, before me, a notary public, personally appeared VERON PETERMAN and AILEEN LOTT, well known to me to be the President and Secretary respectively of CAPE SHORES ASSOCIATION, INC., and they severally acknowledged executing the foregoing instrument in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the county and state last aforesaid, on this the 2nd day of May, A. D. 1975.

My Commission Expires:



Nancy Y. Mearns
NOTARY PUBLIC

DECLARATION OF CONDOMINIUM ^{REELS} 1242 PAGE 377
ESTABLISHING

CAPE SHORES APARTMENT BUILDING THREE, A CONDOMINIUM

CAPE SHORES DEVELOPMENT CORPORATION, hereinafter called Developer, does hereby make, declare and establish this Declaration of Condominium, hereinafter sometimes referred to as "this Declaration," as and for a plan of condominium apartment ownership for Developer, consisting of real property and improvements thereon as hereinafter described.

All the 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 the receipt and acceptance of a conveyance, grant, devise, lease or mortgage, all grantees, devisees, lessees, and assigns and all parties claiming by, through or under such persons, agree to be bound by the provisions hereof. Both the burdens imposed and the benefits shall run with each unit and the interests in common property as herein defined.

I.

ESTABLISHMENT OF CONDOMINIUM

Developer is the owner of the fee simple title to that certain real property situate in Brevard County, Florida, more particularly described as:

Commence at the Southwest corner of Section 23, Township 24S, Range 37E; thence run S 89°08'40"E 722.84 feet along the South line of said Section 23 to the right-of-way of State Road 401; thence run N 0°59'31"E 565.25 feet along the West right-of-way of State Road 401; thence run N 89°00'30"W 410 feet; thence run N 0°59'31"E 149.03 feet; thence run N 89°08'40"W 160.00 feet to the Point of Beginning; thence run N 89°08'40"W 153.47 feet to the West line of Section 23; thence run N 0°56'30"E 185.00 feet along the West line of Section 23; thence run S 89°08'40"E 153.63 feet; thence run S 0°59'31"W 185.00 feet to the Point of Beginning, containing 0.65 acres lying in the Southwest 1/4 of Section 23, Township 24 South, Range 37 East, Brevard County, Florida, less and except the road right-of-way and utility easements as shown on Exhibit A, Sheets 1, 2 and 3 attached hereto.

on which property the developer owns one (1) apartment building containing a total of ten (10) apartments and other appurtenant improvements as hereinafter described. The developer hereby submits the above described real property, together with improvements thereon, to condominium ownership pursuant to the Florida Condominium Act, and hereby declares the same to be known and

identified as CAPE SHORES APARTMENT BUILDING THREE, 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 apartment owners hereof, except where permissive variances therefrom appear in this Declaration and the Bylaws and Articles of Incorporation of Cape Shores Association, Inc., a Florida corporation not for profit.

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. As the term is used herein and in exhibits hereto, "apartment" shall be synonymous with the term "unit" as defined in said Act, and the term "apartment owner" synonymous with the term "unit owner" as defined therein.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

The condominium is described and established as follows:

1. A survey of the land now submitted to the condominium form of ownership, showing the apartment building on it, and the road right-of-way and utility easements upon the land, is attached as Sheet 1 of Exhibit A. It is anticipated that this condominium will be one (1) of approximately twenty (20) or more separate condominiums established by the Developer upon lands in Brevard County, Florida; and that the Association will be responsible for the operation of all of the said condominiums; the land of this condominium is a part of said lands. No statements contained herein shall be construed so as to require the Developer to submit any land to the condominium form of ownership, except the land shown in the survey attached as Sheet 1 of Exhibit A. However, nothing herein contained shall be construed as limiting the acquisition of additional

lands for the construction of additional apartment buildings, recreation facilities, and/or other improvements by the Developer for the eventual management by the Association.

2. Plot Plans. Plot plans and other documents showing common elements within or attached to the building, the location and dimensions of each apartment are attached as Sheets 2 and 3 of Exhibit A; and the location, dimensions and description of the premises leased by the Association under the long term lease (designated a common element) are attached as Exhibit B. For the purpose of identification, all apartments in the building located upon said land are given identifying numbers and no apartment bears the same identifying number as does any other apartment. Said identifying numbers are as follows: 3-A, 3-B, 3-C, 3-D, 3-E, 3-F, 3-G, 3-H, 3-I and 3-J.

3. A Surveyor's Certificate that said survey and plot plans, together with the wording of this Declaration, is a correct representation of the improvements described and that there can be determined therefrom, the identification, location, dimensions, and size of the common elements, and of each apartment; said Surveyor's Certificate being attached as Exhibit C. Said surveys, graphic descriptions and plot plans were prepared by John M. Allen, Registered Professional Engineer, Florida Certificate No. 1906, and have been certified in the manner required by the Florida Condominium Act.

4. Amendment of Plans.

a. Alteration of Apartment Plans. The Developer reserves the right to change the interior design and arrangement of all apartments and to alter the boundaries between apartments, as long as it owns the apartments so altered. No such change will increase the number of apartments nor alter the boundaries of the common elements without amendment of this Declaration in the manner described in Article XXI hereof. If the Developer shall make any changes in apartments, as herein authorized, such changes will be reflected by an amendment of this Declaration; and if more than one apartment

is concerned, the Developer will apportion between the apartments the shares in the common elements appurtenant to the apartments concerned.

b. Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of apartment plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, apartment owners or lienors or mortgagees of apartments or of the condominium, whether or not elsewhere required for an amendment.

5. Easements are reserved through the condominium property as may be required for utility services in order to adequately serve this condominium and other condominiums for which the Association has operating responsibilities; provided, however, such easements through an apartment will be only according to the plans and specifications for the apartment building, or as the building is constructed, unless approval in writing by the apartment owner is obtained.

The Developer reserves an easement over, upon and under the portion of the land of this condominium used as a road and for utility purposes (as shown in the sketch attached as a part of Exhibit A) for ingress and egress, and for a means of providing utility services, to the premises demised under the long term lease.

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

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

All units and the common property shall be subject to a perpetual easement in gross granted to CAPE SHORES 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 corporation set forth herein; provided, however, that access to the apartments shall only be at reasonable times. The common expenses shall be shared and the common surplus shall be owned in the same proportion as each apartment owner's share of the ownership of the common elements, except that any charges that are made which are directly assignable to a specific unit, such as but not limited to TV cable, water and sewer hookups, shall not be proportioned to any other units.

6. Improvements - General Description

a. Apartment Building. The Condominium includes an apartment building. It consists of a first and second floor and contains apartments and common elements.

b. Other improvements shall include landscaping, automobile parking areas and private roads; all of which are part of the common elements.

c. Road rights of way for ingress and egress to the condominium property. Said rights of way shall also serve other condominiums to be constructed by the Developer and the maintenance of said rights of way shall be divided between all unit owners in all of the condominiums in condominium complexes constructed by the Developer and managed by the Association.

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

a. Upper and lower boundaries. The upper and lower boundaries of the apartment shall be the following boundaries, extended to an intersection with the perimetrical boundaries:

(1) Upper boundary (first floor apartments)- the horizontal plane of the lower surfaces of the ceiling slab.

(2) Upper boundary (second floor apartments) - the horizontal plane of the upper surfaces of the sheetrock.

(3) Lower boundary (all apartments) - the horizontal plane of the lower surfaces of the floor slab.

b. Perimetrical boundaries. The perimetrical boundaries of the apartments will be the following boundaries extended to an intersection with the upper and lower boundaries:

(1) Exterior building walls - the intersecting vertical planes adjacent to and which include the exterior of the outside walls of the apartment building bounding an apartment and fixtures thereon; and when there is attached to the building a balcony, porch, stairway or other portion of the building serving only the apartment being bounded, such boundaries will be the intersecting vertical planes adjacent to and which include all of such structures and fixtures thereon.

(2) Interior building walls - the vertical planes of the center line of walls bounding an apartment extended to intersections with other perimetrical boundaries, with the following exceptions:

(i) If interior building walls separate apartments from common elements, the perimetrical boundaries as to such walls will be the intersecting vertical planes adjacent to and including the surfaces thereof facing the common elements.

(ii) If walls between apartments are of varying thickness, or abut a column or shaft, the plane of the center line of a bounding wall will be extended to an intersection with the connecting bounding plane without regard to the plane of the center line of an intervening column or shaft.

(iii) If walls of different thickness abut with a flush side so that their center lines do not intersect, the plane of the center line of the thinner wall will be extended into the thicker wall for a distance which is one-half the thickness of the thinner wall, and the boundary will thence run at right angle to the plane of the center line of the thicker wall.

(iiii) If exterior faces of apartment walls are diametrically opposite from each other, the perimetrical

boundary of such apartments will proceed through the intersection of such walls at an angle of forty-five degrees from the exterior face to exterior face.

8. Common Elements. The common elements of the condominium consist of the land and all other parts of the condominium property not within the apartments, including but not limited to the road right-of-way, premises leased by the Association under the long term lease (but only during the term thereof), access to the waterfront docks which may be constructed by the developer and which may be used by all members of the Association, and guests and invitees, the leasehold interest of the condominium in said premises, and all tangible personal property which is used in the maintenance and operation of the condominium.

III.

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

Each apartment shall be conveyed as an individual property capable of independent use and fee simple ownership, and the owner or owners of each apartment shall own an undivided share in the common elements, as an appurtenance to the ownership of each said apartment of the condominium, and the percentage attributable to each, is set forth in the schedule attached as Exhibit D. The space within any of the united and common property 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 separated 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 interest in the entire area described as common area.

The Developer hereby, and each subsequent owner of any interest in a unit and in the common property, by acceptance of a conveyance or any

instrument transferring an interest, waives the right of partition of any interest in the common property under the laws of the State of Florida as it exists now or hereinafter until this condominium apartment project is terminated according to the provisions hereof or by law. The fee title to each apartment will include both the apartment and its undivided interest in the common elements, said undivided interest to be deemed to be conveyed or encumbered with its respective apartment, even though the description in the instruments of conveyance or encumbrance may refer only to the fee title to the apartment. Any attempt to separate the fee title to an apartment from the undivided interest in the common elements appurtenant to each apartment will be null and void.

IV.

LONG TERM LEASE AND MANAGEMENT AGREEMENT

The Association (as lessee) has entered into a long term lease (ninety-nine years) with the Developer (as lessor), which lease demises the premises situated in Brevard County, Florida described in Exhibit B. The Developer has constructed, or under the terms of said long term lease has agreed to construct, recreational facilities upon said premises. Such facilities are for the use and benefit of the apartment owners and for the use and benefit of the owners of apartments in other condominiums for which the Association has and will have operating responsibilities, members of their families and their social guests. The Association has agreed to pay rent under said long term lease, adjustable at five year intervals to coincide with the purchasing power of the beginning amount, and to pay all taxes, insurance and maintenance charges for the demised premises. Said rent and other expenses are apportioned among the apartments as set forth in said lease.

The lessor has retained a lien against the condominium property and against each apartment, as set forth in said long term lease, for the purpose of securing the payment of such rent and expenses. In the event any

apartment owner fails to pay his share of rent and other expenses the Lessor, among other remedies allowed, may foreclose its lien against the apartment for which payment is not made.

Said leased premises (but only during the term hereof) and the leasehold interest of the condominium therein are hereby declared to be and constitute a part of the common elements of the condominium; and all monies due and to become due under the provisions of said long term lease, including without limitation, rent and such other items as are specified in said lease, are and will continue to be for the full term of said lease, common expenses of the condominium.

The long term lease referred to herein has been recorded in the public records of Brevard County, Florida, and a copy thereof is attached as Exhibit E. Each apartment owner by the acceptance of a deed to his apartment, whether from the Developer or otherwise, agrees to be bound by its terms and conditions and agrees to pay his share of the monies due, pursuant to and in the amount or percentage amount, if so stated, as specified in said long term lease. It will be mandatory for the apartment owners to make said payments.

The Association has entered into a management agreement with the Developer, providing for the operation and management of the condominium for a period of two years.

The Developer, under said Management Agreement, is the exclusive managing agent of all condominiums for which the Association is and will be responsible; and it is authorized and required to collect all assessments against apartment owners, together with other monies due to the Association. These assessments, the amounts of which are set forth in said management agreement, include the monies due by apartment owners under the long term lease, and are common expenses.

A copy of said management agreement is attached as Exhibit F. Each apartment owner by the acceptance of a deed to his apartment, whether from the Developer or otherwise, agrees to be bound by its terms and conditions

and agrees to pay his share of the monies due, pursuant to and in the amount or percentage amount, if so stated, as specified in said management agreement. It will be mandatory for the apartment owners to make said payments.

V.

ADMINISTRATION OF CONDOMINIUM

The operation and management of the condominium shall be administered by CAPE SHORES ASSOCIATION, INC., a corporation not for profit, organized and existing under the laws of the State of Florida, hereinafter referred to as the "Association," subject to the terms and provisions of the management agreement.

The Association shall have all of the powers and duties incident to the operation of the condominium as set forth in this Declaration and the Association's Bylaws and Articles of Incorporation, as well as all of the powers and duties set forth in the Condominium Act where the same are not in conflict with or limited by this Declaration and said Bylaws and Articles. True and correct copies of the Articles of Incorporation of CAPE SHORES ASSOCIATION, INC., and the Bylaws of said Association are attached hereto, made a part hereof, and marked Exhibit G and Exhibit H, respectively.

No modification of or amendment to the Bylaws of the Association will be valid unless set forth in or annexed to a duly recorded amendment to this Declaration. The Bylaws may be amended in the manner provided for therein, but no such amendment will be adopted which would affect or impair the validity or priority of the record owner of any mortgage covering any apartment, or which would affect or impair the validity or priority of the long term lease, or which would affect or impair the rights of the Lessor under the long term lease or of the managing agent under the management agreement, unless said mortgagee, lessor, or managing agent shall join in the execution of the amendment.

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association will not be liable to apartment owners for injury or damage, other than the cost of maintenance and

repair, caused by any latent condition of the property to be maintained and repaired by the Association or caused by the elements or other owners or persons.

The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

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

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 on 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 ten (10) 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 condominium unit is owned by the managing non-profit corporation, no vote shall be allowed for such condominium unit. Where a condominium unit is owned by more than one person, all the owners thereof shall, in writing, designate an individual who shall be entitled to cast the vote in 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 Developer.

All the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Directors of the Association consisting of not less than three (3) nor more than twenty-two (22) members, one from each of the condominium buildings, and two at large, who are all to be elected annually by the members entitled to vote. Each director shall be the owner of a condominium unit (or partial owner of a condominium where such unit is owned by more than one individual), (or if a unit is owned by a corporation, including Developer, any duly elected officer or officers of an owner corporation may be elected a director or directors).

VII.

COMMON EXPENSES

The common expenses of the condominium, except rent and other monies due under the long term lease, will be shared by the apartment owners in the same proportions as their percentage interests in all of the common elements other than the premises demised under said long term lease. The rent and other monies due under the long term lease will be shared by the apartment owners as set forth in said lease. These ratios will remain regardless of the purchase prices of the apartments, their locations, or the square footage included in each apartment.

Any common surplus of the Association will be owned by the apartment owners in the same proportions as their interests in all of the common elements other than the premises demised under said long term lease.

VIII.

ASSESSMENTS

The making and collection of assessments against apartment owners for common expenses will be pursuant to the Bylaws of the Association and the management agreement, as supplemented by the following provisions:

Each apartment owner will be liable for a proportionate share of the common expenses, and will share in the common surplus, as provided for in Article VII of this Declaration.

Assessments and installments on such assessments, which are paid on or before ten (10) days after date when due, will not bear interest; but all sums not paid on or before ten (10) days after the date when due will bear interest at the rate of ten per cent (10%) per annum from the date when due until paid. All payments upon account will be first applied to interest and then to the assessment payment first due.

The Association will have a lien upon each apartment and upon all tangible personal property located within each apartment for any unpaid assessments, together with interest, except that such liens will be subordinate to the liens created under the long term lease and bona fide liens recorded in the public records of Brevard County, Florida, prior to the recording therein of claims of liens for such unpaid assessments. Reasonable attorneys' fees incurred by the Association incident to the collection of such assessments for the enforcement of such liens, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien will be payable by the apartment owner and secured by such liens.

The Association may take such action as it deems necessary to collect assessments by personal action, or by enforcing and foreclosing said liens, and may settle and compromise the same, if in the best interests of the Association. Filing of one action shall not be a bar to the filing of other actions. The Association, through its Board of Directors, will be entitled to bid at any sale held pursuant to a suit to foreclose any lien; and at any sale held pursuant to a suit to foreclose an assessment lien, it may apply as a cash credit against its bid all sums due the Association covered by the lien enforced. In case of the foreclosure of an assessment lien, the apartment owner will be required to pay a reasonable rental for the apartment and the plaintiff in such foreclosure will be entitled to the appointment of a receiver to collect same from the apartment owner and/or occupant.

Where the mortgagee of an institutional first mortgage of record acquires title to an apartment as a result of the foreclosure of said mortgage, or where others acquire title as a result of such foreclosure, or where said mortgagee accepts a deed to an apartment in lieu of foreclosure, or where the Lessor under the long term lease acquires title to an apartment as a result of the foreclosure of the liens under said lease, or where others acquire title as a result of such foreclosure, or where said lessor accepts a deed to an apartment in lieu of foreclosure, such acquirer of title, his heirs, executors, legal representatives, successors and assigns, will not be liable for the share of common expenses or assessments by the Association pertaining to such apartment, chargeable to the former owner of such apartment, which became due prior to such acquisition of title. Such unpaid share of common expenses or assessments will be deemed to be common expenses, collectible from all of the apartment owners, including such acquirer of title, his heirs, executors, legal representatives, successors and assigns.

Any person who acquires an interest in an apartment, except as hereinabove described, will not be entitled to its occupancy or to the enjoyment of its common elements, until all unpaid assessments due and owing by the former owner have been paid.

The Association will have the right to assign its claim and lien rights for the recovery of any unpaid assessment to the Developer, or to any apartment owner or group of apartment owners, or to any third party.

IX.

INSURANCE

The insurance, other than title insurance, that shall be carried upon the condominium property (except the premises leased by the Association under the long term lease) and the property of the apartment owners will be governed by the following provisions:

Authority to purchase; named insured. All insurance policies upon the condominium property will be purchased by the Association. The named

insured will be the Association individually and as agent for the apartment owners, without naming them. Provision will be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of apartment owners. Such policies will provide that payments by the insurer for losses will be made to the Association, and a copy will be furnished to all first mortgagees. All policies and their endorsements will be deposited with the Association. Apartment owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expenses.

Coverage:

Casualty. All buildings and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property included in the common elements will be insured for its value, as determined by the Association. Such coverage will afford protection against:

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

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

Public Liability, in such amounts and with such coverage as shall be required by the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner.

Workmen's compensation policy to meet the requirements of law.

Such other insurance as the Association shall determine from time to time to be desirable.

Premiums upon insurance policies purchased by the Association will be paid by the Association as a common expense.

Proceeds of Insurance

Any proceeds becoming due under the casualty insurance policy or policies for loss, damage, or destruction sustained to the building or other improvements, shall be payable to the Association, the owners and the institutional mortgagees which have been issued loss payable endorsements and/or memoranda of insurance. The Association shall be liable for the payment of premiums, for the renewal and sufficiency of policies, and for the collection of any insurance proceeds.

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 institutional 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 seven per cent (7%) 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 to the insured improvements.

Any casualty insurance proceeds becoming due by reason of substantial loss or damage sustained to the condominium improvements shall be payable to the Association and all institutional first mortgagees which

shall have been issued loss payable mortgagee endorsements, and such proceeds shall be made available to the institutional first mortgagee which shall hold the greater number of mortgages encumbering the apartments in the condominium, which proceeds shall be held in a construction fund to provide for the payment of all work, labor and materials to be furnished to the reconstruction, restoration and repair of the condominium improvements. Disbursements from such construction fund by such institutional first mortgagee shall be in accordance with such institution's usual and customary construction loan procedures. No fee whatsoever shall be charged by such institutional 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 Corporation and held for, and/or distributed to the apartment owners in proportion to each apartment owner's share of the 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 or reconstruction, which estimate shall be made prior to proceeding with restoration, repair or reconstruction, the Corporation shall levy a special assessment against the apartment owners for the amount of such insufficiency, and shall pay said sum into the aforesaid construction loan fund.

Notwithstanding which institutional first mortgagee holds the greater number of mortgages encumbering the apartments, such mortgagees may agree between or among 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 Directors 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 hereinafter provided. No institutional mortgagee shall be required to cause such insurance proceeds to

be made available to the Association prior to commencement or 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, obtaining (1) a construction loan from other sources, (2) 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 apartment, 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 an apartment, shall be entitled to receive that portion of the insurance proceeds apportioned to said apartment in the same share as the share in the common elements appurtenant to said apartment.

If substantial loss, damage or destruction shall be sustained to the condominium improvements, and at a special member's meeting called for such purpose, the owners of at least seventy-five per cent (75%) of the units 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 institutional first mortgagees holding mortgages encumbering apartments.

If it is determined in the manner elsewhere provided that the damage for which proceeds are paid will not be reconstructed or repaired, the remaining proceeds will be distributed to the beneficial owners, remittance to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

X.

RESPONSIBILITY FOR MAINTENANCE AND REPAIRS

1. Each apartment owner shall be responsible for the cost of maintenance, repair and replacement, as applicable, for all patio and window screens, air conditioning and heating equipment, electrical and plumbing fixtures, kitchen and bathroom fixtures, and all other appliances or equipment, including any fixtures or connections required to provide water, light, power, telephone, sewage and sanitary service to his apartment and which may now or hereafter be affixed or contained within his apartment. Such owner shall further be responsible for maintenance, repair and replacement of any air-conditioning equipment servicing his apartment although such equipment not be located in the apartment, 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.

2. The Association shall be responsible for the expense of maintenance, repair and replacement of all the common elements and limited common elements, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring and other facilities located in the common elements, and for furnishing utility services to the apartments. Painting and cleaning of all exterior portions of the building, including exterior doors (except sliding glass or other doors opening onto patios, and windows) shall also be the Association's responsibility. Should any damage be caused to any apartment by reason of any work which may be caused to 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.

3. Where loss, damage or destruction is sustained by casualty to any part of the building, whether interior or exterior, whether inside an apartment or not, whether a fixture or equipment attached to the common elements or attached to and completely located inside an apartment, 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 apartment 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 an apartment owner's responsibility to maintain.

4. In the event owners of a unit fail to maintain it as required herein or 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 Board of Directors of the Association may enter into a contract with any firm, person or corporation for the maintenance and repair of the Condominium property and may join with other condominium corporations on contracting with the same firm, person or corporation for maintenance and repair.

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, et cetera, at any time without the written consent of the Association, except, however, the owner may paint or resurface the ceiling and floor of private balconies or patios immediately adjoining his unit.

XI.

USE RESTRICTIONS

1. Each apartment is hereby restricted to residential use by the owner or owners thereof, their immediate families, guests, invitees and tenants. No children under thirteen (13) years of age will be permitted to reside in any of the apartments except that children may visit and temporarily reside for a period not to exceed 14 days in any calendar year, which period will not be cumulative. No more than two (2) children may visit any 1-bedroom apartment and no more than four (4) children may visit any 2-bedroom apartment as above defined. There shall be no more than two persons per bedroom on a permanent basis.

* (2) 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 interfere 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 shall be allowed to accumulate, nor any fire hazard to exist. No apartment owner shall permit any use of his apartment or make use of the common elements that will increase the cost of insurance upon the condominium property.

3. No immoral, improper, 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.

4. All pets shall be kept on leash at all times when outside of the owner's unit.

5. Reasonable regulations concerning the use of condominium property may be made and amended from time to time by the Board of Directors of the Association as provided by its Articles of Incorporation and Bylaws.

6. The Board of Directors or the agents and employees of the Association may enter any unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the units or the common property, or in case of emergency threatening units or the common property, to determine compliance with these restrictions, reservations, covenants, conditions and

easements and the Bylaws of the Association, provided, however, that access to the apartments shall be made only at reasonable times.

7. No sign, advertisement or notice of any type shall be shown on the common property or any unit and no exterior antennas and aerials shall be erected except as provided under uniform regulations promulgated by the Association. This subparagraph 7 shall not apply to the Developer and/or institutional first mortgagees, and shall not apply to master antennas and aerials constructed by the Developer or the Association.

8. An owner shall not place or cause to be placed in or on sidewalks, stairways, and other project areas and facilities of similar nature, both common and limited, any furniture, packages or objects of any kinw. Such areas shall be used for no other reason than for normal transit on or through them.

9. It is prohibited to hang garments, rugs, et cetera from the windows or from any of the balconies and railings of the project.

10. It is prohibited to dust rugs, et cetera from windows or balconies or to clean rugs, et cetera, by beating on the exterior of the project.

11. Automobiles may be parked on the parking areas of the condominium property adjacent to or near the apartment building, but only in accordance with regulations of the Board of Directors of the Association. Said parking areas form a part of the common elements of this condominium. No parking space may be used for any purpose other than parking automobiles which are in operating condition. No other vehicles or objects, including but not limited to trucks, motorcycles, trailers and boats will be parked or placed upon such portions of the condominium property unless permitted by the Board of Directors. No parking space shall be used by any person other than an occupant of the condominium who is an actual resident or by a guest or visitor and by such guest or visitor only when such guest or visitor is, in fact, visiting and upon the premises.

12. Until the Developer has closed all of the sales of the apartments in the condominium, neither the other apartment owners nor the Association shall interfere with the sale of such apartments. 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 apartments, the showing of the property and the display of signs.

13. Pursuant to approval by the Association, an apartment may be rented for a minimum period of three (3) months, however, no rooms may be rented and no transient tenants may be accommodated.

XII.

LIMITATIONS UPON RIGHT OF OWNER TO ALTER OR MODIFY APARTMENT

No owner of an apartment shall make any structural modifications or alterations of the apartment, enclose any balcony with glass, jalousies, or wood, except that screened patios may be glass enclosed in accordance with specifications which have been submitted to and approved by the Association. Further, no owner shall cause any improvements or changes to be made on or to the exterior of the apartment building, including painting or other decoration, the installation of awnings, shutters, electric wiring, air-conditioning units and other things which might protrude through or be attached to the walls of the apartment building. Further, no owner shall in any manner change the appearance of any portion of the apartment building not wholly within the boundaries of his apartment.

XIII.

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION

Whenever in the judgment of the Board of Directors the condominium property shall require additions, alterations or improvements (in 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 apartment owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall specially assess all apartment owners for the cost thereof as a common expense, provided, however, no single special assessment shall be levied for improvements which shall exceed one sixth (1/6) of the current regular annual assessment, unless prior written unanimous consent is received from all voting members.

Condominium ACT under 718-113 to 680 681

XIV.

SALES OF APARTMENTS,
CORPORATION'S RIGHT OF FIRST REFUSAL,
EXCEPTIONS

1. Prior to the sale of any interest in any unit, the owner of said unit shall notify the Board of Directors, in writing, of the name, address, business, occupation or employment of the offeror, accompanied with an executed copy of the bona fide offer as hereinafter defined. Members shall have the first right over non-members to accept such sale ^{*}at the bona fide price and on the terms contained in the notice, provided they so notify the Secretary of the Association in writing of acceptance at least ten (10) days after the date of notice which information the Association shall promptly forward to the owner. In the event the members giving notice receive acceptance from more than one member, preference shall first be given to the members owning a unit horizontally contiguous to the unit being transferred, but if all other conditions are equal, it shall be discretionary with the member giving notice to consummate the sale with which ever of the accepting members he chooses, and nothing hereinabove shall be construed as precluding a group of members from purchasing a unit.

2. With the exception of transfers of ownership of any apartment among and between co-owners of the apartment, the Association shall have and is given hereby and granted hereby the right of first refusal to purchase such apartment, upon the same terms and conditions as those contained in any bona fide offer which such owner may have received for the sale of the apartment. ^{*}A bona fide offer is defined herein as an offer in writing, binding upon the offeror and containing all of the pertinent terms and conditions of such sale, and accompanied by an earnest money deposit in an amount equal to at least ten per cent (10%) of the purchase price. The Association's right of first refusal includes the right of the Association to designate another person or entity to take title to the apartment in the event the

Association exercises its right of first refusal. The Association's right of first refusal includes the right of the Association to approve any new non-member purchaser. If the Association upon the written approval of the owners of 75% or more of the apartments in the condominium, elect to exercise its option to purchase (or cause the same to be purchased by its designee), the Association shall notify the apartment owner desiring to sell of the exercise of its option, such notice to be in writing and posted by registered or certified mail to such owner within fourteen (14) days from the Association's receipt of the owner's notice. Said notice by the Association to the owner, in order to be effective, must be accompanied by a binding written offer on the part of the Association, containing the same terms and conditions as the original offer to the apartment owner, and shall be accompanied by an earnest money deposit of at least ten per cent (10%) of the purchase price. The apartment shall then be purchased by the Association, or its designee, in accordance with the terms and conditions contained in said bona fide offer. When any apartment owner has notified the Board of Directors of the Association of his desire to sell as hereinabove provided, such owner shall be free to consummate such sale of his apartment unless the Association, within fourteen (14) days from its receipt of the owner's required notice, has notified such owner of its exercise of its right of first refusal. In such event, the owner shall not sell the apartment to any other than the party designated to the Board of Directors in the owner's original notice required hereunder, nor for any lower purchase price, nor upon any more favorable terms and conditions than those originally contained in said bona fide offer presented to the Association, without again giving the Association the right of first refusal as provided for herein upon such new terms.

3. An affidavit of the Secretary of the Association stating that the sale of the unit and interest in common property to certain persons was approved in all respects on a certain date, shall be conclusive evidence of such facts and from the date of approval as stated in the affidavit, the redemption rights herein afforded the members shall terminate.

4. Notwithstanding the provisions of this Article XIV 2. the Board of Directors may affirmatively approve and give its consent to such proposed sale and may do so without the approval of the members of the Association provided that a majority of the Board of Directors concur and evidence such concurrence in writing, delivered to the apartment owner desiring to sell his apartment.

5. Any purported sale of an apartment where the owner has failed to comply with the foregoing provisions of this Article XIV shall be voidable at the election of the Board of Directors, provided, however, that such voidability shall exist for a period no longer than ninety (90) days from the consummation of such sale transaction, such consummation to be evidenced by occupancy of the apartment or by the recordation of a deed of conveyance thereto; and, provided, further, that the Association commence an action within such ninety (90) day period to have the same declared void.

6. Any institutional first Mortgagee making a mortgage loan for the purpose of financing the purchase of an apartment in the condominium, shall not be required to make inquiry into whether or not its mortgagor's grantor complied with the provisions of this Article XIV, and any failure of such mortgagor's grantor to so comply will not operate to affect the validity or priority of such mortgage.

7. Any purchaser of an apartment in the condominium, whose prospective seller has been in title for at least ninety (90) days preceding such purchase, shall not be required to make inquiry into whether or not such seller's grantor complied with the provisions of this Article XIV in selling such apartment to such seller. After ninety (90) days following the consummation of any transaction involving the sale of an apartment in the condominium, which sale may be evidenced by the recordation of a deed conveying the title to such apartment, no action whatsoever may be brought by the Association to void such transaction by reason of noncompliance with this Article XIV.

8. The right of first refusal granted to the Association shall not apply or be operative to any foreclosure or other judicial sale of an apartment, although a purchaser at such judicial sale, except as hereinafter provided, shall thereafter be subject to the Association's right of first refusal relative to the sale or lease of an apartment.

9. All the terms and provisions of this Article XIV set forth hereinabove relative to the Association's right of first refusal, shall at all times be wholly inapplicable and inoperative as to any institutional first mortgagee or lessor under the long term lease which has acquired title to an apartment by reason of foreclosure of its mortgage or by the acceptance of a voluntary conveyance in lieu thereof, and such institutional first mortgagee shall have the unequivocal right and power to sell, transfer, lease or otherwise dispose of such apartments as it may deem in its best interests, without first offering the same to the Board of Directors and without any restrictions whatsoever. The exceptions to the right of first refusal as set forth in this section of this Article XIV shall be fully applicable to the developer, which likewise shall have the unrestricted right to sell or lease apartments which it owns in the condominium.

10. The provisions of this Article XIV shall not apply to transfers by a unit owner to any member of his immediate family (viz., spouse, children or parents) or to the transfer of ownership by testate or intestate succession.

XV.

TERMINATION OF CONDOMINIUM

Except as otherwise provided in Article VIII on page 18 herein, this condominium shall terminate upon the occurrence of any of the following events, subject to the approval of the Long Term Lessor:

I. Agreement. Upon written agreement(s) fully recorded of all unit owners, first mortgagees of record, and other lienholders as may be required by law, consenting to such termination.

2. Effectiveness. Termination in accordance with 1. above shall be effective upon recordation in the public records of Brevard County, Florida, of a certificate by the Association certifying to such facts. Such certificate shall be signed by the President and Secretary and shall have annexed thereto a certified copy of resolution of the Board of Directors of the Association authorizing the execution and recordation thereof. Termination in accordance with 1. above shall be effective upon recordation of such agreement in the public records of Brevard County, Florida.

3. Effect of Termination. Upon termination of the condominium, the apartment owners shall own the condominium property and the assets of the Association as tenants in common, their respective interests as tenants in common being the same as their respective interests in the common elements. The mortgagee and lienor of an apartment shall have a mortgage and lien solely and exclusively upon the undivided share of such tenant in common.

XVI.

ENCROACHMENTS

If any portion of the common elements now encroaches upon any apartment, or if any apartment now encroaches upon any other apartment 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.

XVII.

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 apartments in the condominium, and any purchaser or transferee of an apartment shall notify the Association of his interest in such apartment, and prior to occupancy, shall notify the Association of the

names of any party holding a mortgage upon any apartment and the name of all lessees in order that the Association may keep a record of same.

XVIII.

ESCROW FOR INSURANCE PREMIUMS

Any institutional first mortgagee holding a mortgage upon an apartment 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 (1/12th) of the annual amount of such insurance expense, 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 month prior to the due date for payment of such premium or premiums, a sum which will be sufficient to make full payment therefor.

XIX.

REAL PROPERTY TAXES DURING
INITIAL YEAR OF CONDOMINIUM

In the event that during 1972, the year in which this condominium is established, real property taxes are assessed against the condominium property as a whole, such taxes shall be a common expense.

XX.

COMPLIANCE AND DEFAULT

Each apartment owner will be governed by and will comply with the terms and provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, the long term lease, the management agreement, and the rules and regulations adopted pursuant to those documents, as they may be amended from time to time. Failure of an apartment owner to comply

with such documents and regulations will entitle the Association, its Board of Directors, or apartment owners to the following relief, in addition to the remedies provided by the Condominium Act or otherwise.

An apartment owner will pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances, or of the common elements, by the apartment owner.

In any proceeding arising because of an alleged failure of an apartment owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation and Bylaws of the Association, the long term lease, the management agreement, and the rules and regulations adopted pursuant to those documents, as they may be amended from time to time, the prevailing party will be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

The failure of the Association or its Board of Directors, or of any apartment owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, the long term lease, the management agreement, and the rules and regulations adopted pursuant to those documents will not constitute a waiver of the right to do so thereafter.

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 engaged 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 the portion of said property subject to such mortgage, notwithstanding such mortgage. The purchaser at any sale upon foreclosure shall be bound by all of the

provisions herein contained, unless said purchaser be an institutional first mortgagee which had a mortgage on said unit at the time of the institution of said foreclosure action, or the Developer.

XXI.

AMENDMENTS

Except as elsewhere provided otherwise, this Declaration may be amended in the following manner:

Notice. Notice of the subject matter of a proposed amendment will be included in the notice of any meeting at which a proposed amendment is considered.

Resolution. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

1. Not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Association; or
2. Not less than 80% of the votes of the entire membership of the Association; or
3. Until the first election of directors, only by all of the directors; provided the amendment does not increase the number of apartments nor alter the boundaries of the common elements.

Proviso. Provided, however, that with the consent of all institutional first mortgagees, the Developer reserves the right to amend, modify, alter or annul any of the covenants, restrictions or conditions of this Declaration, until eighty percent (80%) of the units have been sold and titled out to individual purchasers; and further provided that no amendment will discriminate

against any apartment owner nor against any apartment or class or group of apartments, unless the apartment owners so affected shall consent; and no amendment will change any apartment nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses (except as reserved to the Developer), unless the record owner of the apartment concerned and all record owners of mortgages on such apartment shall join in the execution of the amendment; and no amendment will affect or impair the validity or priority of any mortgage covering any apartment, or which would affect or impair the rights of the lessor under the long term lease or of the managing agent under the management agreement, unless said mortgagee, lessor or managing agent shall join in the execution of the amendment. Neither shall any amendment make any change in the sections hereof, entitled "Insurance," "Reconstruction or Repair after Casualty," "Sales of Apartments," or "Amendments," unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment.

XXII.

CONSTRUCTION

The provisions of this Declaration shall be literally construed so as to effectuate its purposes. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, the Long Term Lease, the Management Agreement, and the resulations of the Association shall not affect the validity of the remaining portions.

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.

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 and plural shall be taken to mean the other whenever the context may require.

XXV.

REMEDIES FOR VIOLATIONS

For violation or a breach of any provisions of this Declaration by a person claiming by, through or under the Developer, or by virtue of any judicial proceedings, the Association, and the members thereof, or an institutional first mortgagee, or any of them, severally, shall have the right to proceed at law for damages or in equity to compel a compliance with the terms hereof or to prevent the violation or breach of any of them, or for such other relief as may be appropriate. The prevailing party in any such litigation shall collect all costs and attorneys' fees from the defaulting party. In addition to the foregoing right, the Association shall have the right, whenever there shall have been built within the condominium any structure which is in violation of this Declaration, to enter upon the property where such violation of this Declaration exists, and summarily abate or remove the same at the expense of the owner, provided, however, the Association shall then make the necessary repairs or improvements where such violation occurred, so that the property shall be in the same condition as it was before said violation occurred, and any such entry and abatement or removal shall not be deemed a trespass. The failure promptly to enforce any of the provisions of this Declaration shall not bar their subsequent enforcement.

IN WITNESS WHEREOF, the above stated Developers have caused these presents to be signed and sealed, this 24th day of February, 1972

Signed, sealed and delivered in the presence of:

Olin J. Porto
Kathleen M. Cochran

CAPE SHORES DEVELOPMENTS CORPORATION

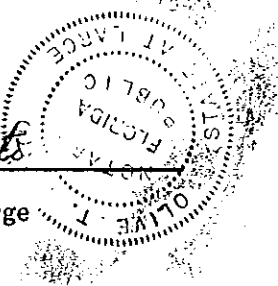
By: Jack C. Moline
Jack C. Moline, President
Attest: Charlotte Moline
Charlotte Moline, Secretary

STATE OF FLORIDA)
)
COUNTY OF BREVARD)

I HEREBY CERTIFY that on this day, before me, a notary public, personally appeared JACK C. MOLINE and CHARLOTTE MOLINE, well known to me to be the President and Secretary respectively of CAPE SHORES DEVELOPMENT CORPORATION, and they severally acknowledged executing the foregoing instrument in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the county and state last aforesaid on this 24th day of February, 1972.

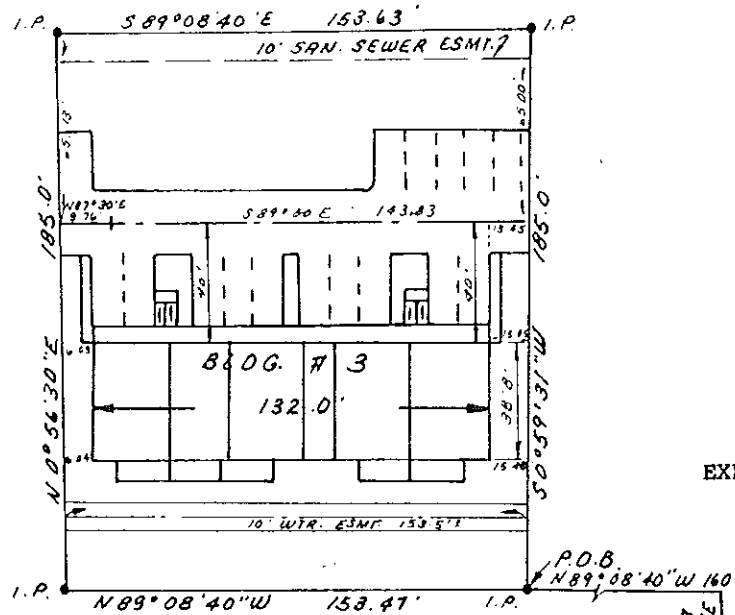
Oline J. Porto
Notary Public
State of Florida at Large



My commission expires: 10-21-73

SEC. 23, TWP. 24 S, RNG. 37 E.

Survey of Land-Road & Utility Easements



Scale: 1" = 50'

EXHIBIT "A"

LEGAL - BUILDING 3

Commence at the Southwest corner of Section 23, Township 24 South, Range 37 East; thence run S 89° 08' 40" E 722.84 feet along the South line of said Section 23 to the right-of-way of State Road 401; thence run N 0° 59' 31" E 565.25 feet along the West right-of-way of State Road 401; thence run N 89° 00' 30" W 410 feet; thence run N 0° 59' 31" E 149.03 feet; thence run N 89° 08' 40" W 160.00 feet to the Point of Beginning; thence run N 89° 08' 40" W 153.47 feet to the West line of Section 23; thence run N 0° 56' 30" E 185.00 feet along the West line of Section 23; thence run S 89° 08' 40" E 153.63 feet; thence run S 0° 59' 31" W 185.00 feet to the Point of Beginning, containing 0.65 Acres lying in the Southwest 1/4 of Section 23, Township 24 South, Range 37 East, Brevard County, Florida. Less and except the road r/w and utility easement as shown.

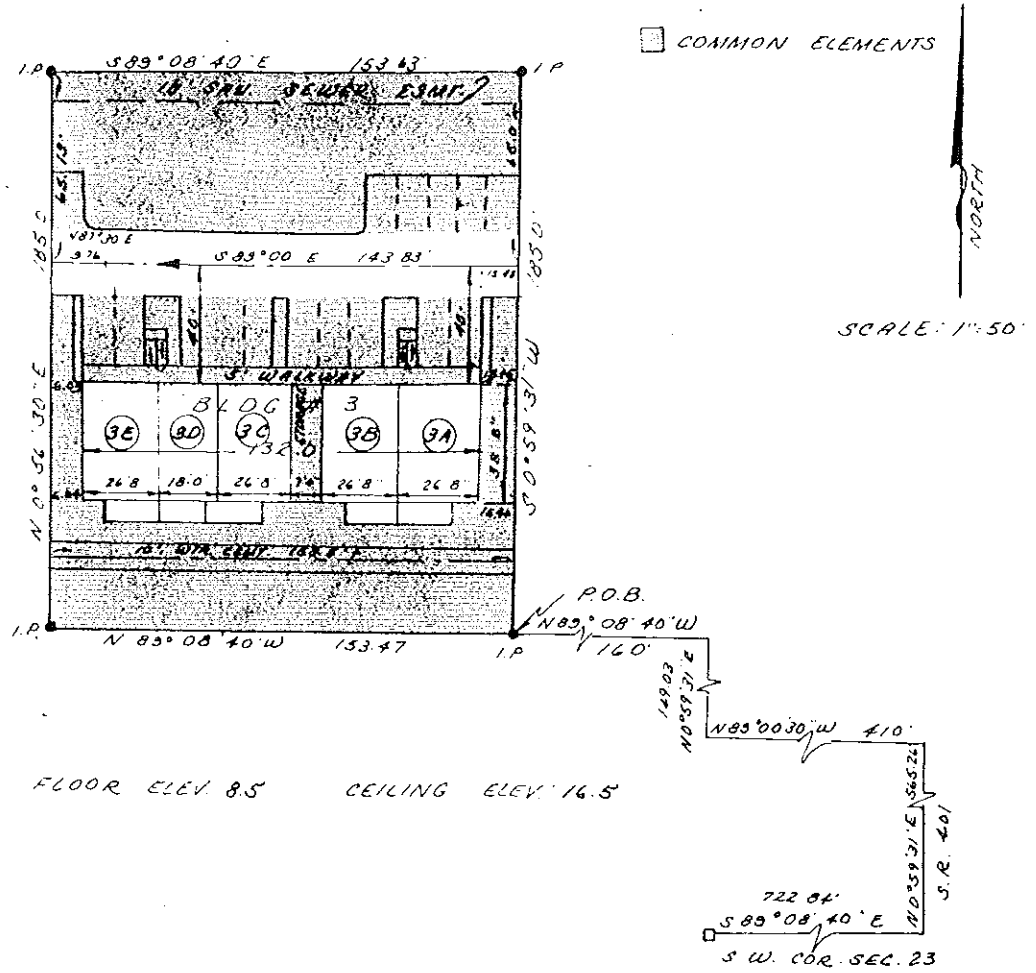
September 15, 1971
 February 2, 1972 (Rev)
 For: Cape Shores Development Corporation

ALLEN ENGINEERING, INC

COCOA BEACH, FLORIDA

Certified as to survey

John M. Allen
 Florida Surveyors Reg'n No. 1906



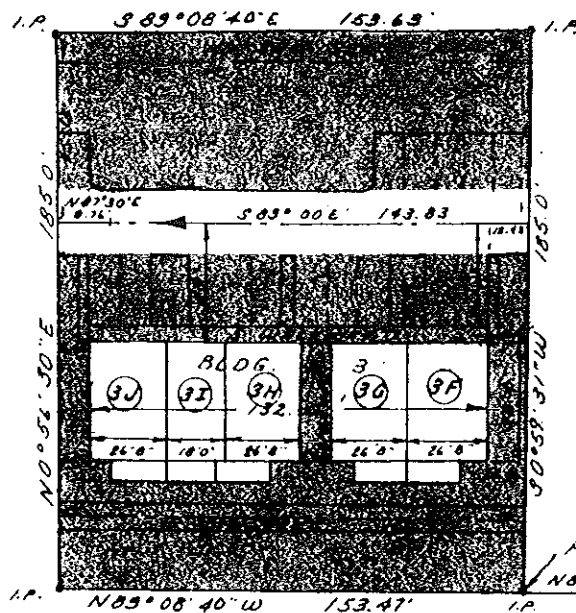
BUILDING NO. 3
FLOOR & PLOT PLAN
FIRST STORY

COMMON ELEMENTS, LOCATION & DIMENSIONS OF APARTMENTS 3-A THROUGH 3-E FIRST FLOOR CAPE SHORES APARTMENT BUILDING NO. 3, A CONDOMINIUM.

J. M. ALLEN ENGINEERING, INC.
COCOA BEACH, FLORIDA

J. M. Allen
FLA. SURVEYORS REG'N. NO. 1306

EXHIBIT "A"



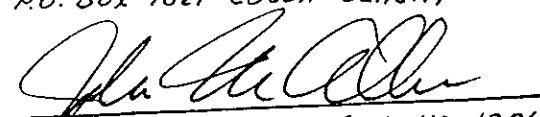
SCALE: 1"=50'

FLOOR ELEV. 17.7 CEILING ELEV. 25.7

BUILDING NO. 3
 FLOOR & PLOT PLAN
 SECOND STORY

COMMON ELEMENTS, LOCATION
 & DIMENSIONS OF APARTMENTS
 3F THRU 3J SECOND FLOOR
 CAPE SHORES APARTMENT
 BUILDING NO. 3, a CONDOMINIUM

U.M. ALLEN ENGINEERING, INC.
 P.O. BOX 1321 COCOA BEACH, FLORIDA


 F.L.P. SURVEYORS REG'N NO. 1906

C.B. 2-2-72
 SH. 3 OF 3

EXHIBIT "C"

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA)
COUNTY OF BREVARD)

CAPE SHORES APARTMENT
BUILDING NO. 3
A CONDOMINIUM

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgement, personally appeared John M. Allen who after first being duly cautioned and sworn deposed and says as follows:

1. That he is a duly registered land surveyor, certificate No. 1906 under the laws of the State of Florida,

2. Affiant hereby certifies that the Declaration of Condominium of CAPE SHORES APARTMENT BUILDING NO. 3, A CONDOMINIUM, together with the exhibits attached thereto, constitute a correct representation of the improvements located upon the real property described therein; and that there can be determined therefrom the identification, location, dimension and size of the common elements, and of each Condominium Unit therein.

FURTHER AFFIANT SAYETH NAUGHT



John M. Allen, R. L. S.
Reg. Land Surveyor Certificate No. 1906

SWORN TO AND SUBSCRIBED before me
this 2nd day of February, 1972.



Cynthia G. Bradley
Notary Public State of Florida at Large
My Commission Expires: January 15, 1974

J.M. ALLEN ENGINEERING, INC.
Cocoa Beach, Florida

EXHIBIT "D"

<u>APARTMENT</u>	<u>INTEREST IN COMMON ELEMENTS</u>
3-A 2 Bedroom	10.63635%
3-B 2 Bedroom	10.63635%
3-C 2 Bedroom	10.63635%
3-D 1 Bedroom	7.45460%
3-E 2 Bedroom	10.63635%
3-F 2 Bedroom	10.63635%
3-G 2 Bedroom	10.63635%
3-H 2 Bedroom	10.63635%
3-I 1 Bedroom	7.45460%
3-J 2 Bedroom	<u>10.63635%</u>
	100%

The percentages attributable to each apartment in the premises leased by the Association under the Long Term Lease, which is declared to be and constitute a part of the common elements of the condominium during the term of said lease, are the above percentages divided by the number of condominiums for which the Association shall from time to time have operating responsibilities.

Building No. 3

J.M. ALLEN ENGINEERING, INC.
Cocoa Beach, Florida

OFFICIAL RECORDS 1487 PAGE 672

AMENDMENT TO LONG TERM LEASE

THIS AMENDMENT to Long Term Lease made and entered into this the 30th day of October, A. D. 1974, by and between CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation, hereinafter called the "Lessor", and CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit, hereinafter called the "Lessee"; which terms "Lessor" and "Lessee" shall be deemed to extend to and include the successors and assigns of the said Parties;

WITNESSETH:

WHEREAS, the Lessor and the Lessee entered into that certain Long Term Lease, being Clerk's No. 758075, recorded December 29, 1971, in Official Records Book 1215, Pages 136 through and including 155, Public Records of Brevard County, Florida; and

WHEREAS the Lease provides for the construction of recreational facilities by the Lessor in Paragraph 5, Page 4 of said Long Term Lease and that such facilities will be built as determined by the Lessor; and

WHEREAS the Lessor determined to construct and provide access to a pier with dock facilities in accordance with the approval of all governmental authorities being obtained; and

WHEREAS said additional recreational facilities were not part of the original described real property or facilities built thereon by Lessor and the Lessor desires that these facilities become under the terms of the Long Term Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein as follows: The Lessor does hereby lease, let and demise to the Lessee and the Lessee does hereby lease of and from the Lessor as additional property and facilities of the Long Term Lease the riparian rights and pier and dock facilities located on the property along the western boundary of the property known as CAPE SHORES CONDOMINIUMS.

IN WITNESS WHEREOF the Parties hereto have hereunto set forth their hands and seals on the day and year first above written.

Executed in the Presence of:

Nancy J. Mueser

Mary C. Coyle
As to Cape Shores Development Corporation

Nancy J. Mueser

Mary C. Coyle
As to Cape Shores Association, Inc.

CAPE SHORES DEVELOPMENT CORPORATION
BY: Jack C. Moline
JACK C. MOLINE, President

Attest: Charlotte Moline
CHARLOTTE MOLINE, Secretary

CAPE SHORES ASSOCIATION, INC.
BY: Jack C. Moline
JACK C. MOLINE, President

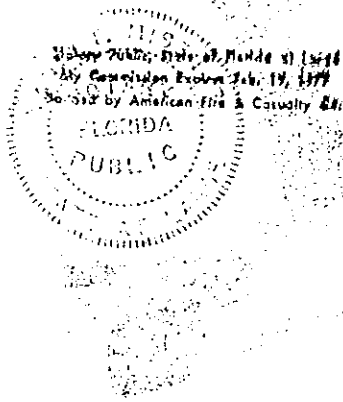
Attest: Charlotte Moline
CHARLOTTE MOLINE, Secretary

STATE OF FLORIDA:
COUNTY OF BREVARD:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized to take acknowledgments, personally appeared JACK C. MOLINE and CHARLOTTE MOLINE, well known to me to be the President and Secretary, respectively, of both CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation, and CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit; and they severally acknowledged executing the foregoing Amendment in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by each respective corporation; and that the seals affixed hereto are the true corporate seals of the corporations.

WITNESS my hand and seal in the County and State last aforesaid, this the 30th day of October, A. D. 1974.

My Commission Expires:



Nancy G. Misenew
NOTARY PUBLIC

FILED AND RECORDED
BREVARD COUNTY, FLA.
1974 OCT 31 PM 12 40
933972
VERIFIED

NOV 12 1971

LONG TERM LEASE

THIS LEASE, made and entered into this 15th day of December, 1971, by and between CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation, hereinafter called the "Lessor," and CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit, hereinafter called the "Lessee"; which terms "Lessor" and "Lessee" shall be deemed to extend to and include the successors and assigns of the said parties;

WITNESSETH:

WHEREAS, the Lessor is the owner of parcels of land in Brevard County, Florida, described in Exhibits A and B attached hereto and made a part hereof; and said parcels of land are within reasonable proximity of each other; and

WHEREAS, the Lessor intends to submit all of the parcel of land described in Exhibit B to the condominium form of ownership, by filing Declarations of Condominium for separate portions thereof; and

WHEREAS, it is anticipated that approximately twenty (20) separate condominiums will thereby be established by the Lessor upon said land described in Exhibit B; attached hereto.

WHEREAS, it is anticipated that the Lessee will be responsible for the operation of all of said condominiums established by the Lessor and that each condominium will consist of at least one apartment building containing certain specified types of apartments, including but not limited to those to be designed by the Lessor as 2 Bedroom and 1 Bedroom apartments; and

WHEREAS, the Lessor will offer said condominium apartments for sale and the owners thereof (including the Lessor) will be unit owners, as defined by Chapter 711, Florida Statutes 1969 (Condominium Act), and will become members of the Lessee corporation; and

WHEREAS, the Lessor will construct certain recreational facilities upon the parcel of land described in Exhibit A, as hereinafter described; and

WHEREAS, the Lessor and the Lessee desire to provide for the use of said recreational facilities by the owners of such condominium apartments, members of their families and their social guests.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

1. DEMISE

The Lessor does hereby lease, let and demise unto the Lessee and the Lessee does hereby lease of and from the Lessor, the parcel of land in Brevard County, Florida described in Exhibits A and B attached hereto and made a part hereof, together with the improvements, furniture, furnishings and equipment located thereon or to be located thereon by the Lessor pursuant to the terms hereof (hereinafter called the "Demised Premises").

This instrument prepared by:
Malcolm R. Kirschenbaum of Wolfe, Kirschenbaum & Taylor
Attorneys at Law, P. O. Box 757, Cocoa Beach, Florida 32931

2. DURATION OF TERM

The term and duration of this lease will be for a period of time commencing on the date of the recording by the Lessor of a Declaration of Condominium in the public records of Brevard County, Florida, by which any portion of the land described in Exhibit B attached hereto and made a part hereof is submitted to the condominium form of ownership. It will continue for a period of ninety-nine (99) years thereafter, unless sooner terminated in accordance with its terms.

3. RENT

The Lessee will pay rent to the Lessor, on a monthly basis, during the term of this lease. The amount of said rent will be determined in the following manner:

a. The sum of \$18.00 will be multiplied by the number of 2 Bedroom condominium apartments that are located upon any portion of the land described in Exhibit B and that are operated by the Lessee at the time said monthly rent shall be due and payable.

b. The sum of \$12.60 will be multiplied by the number of 1 Bedroom condominium apartments that are located upon any portion of the land described in Exhibit B and that are operated by the Lessee at the time said monthly rent shall be due and payable.

c. In the event apartments of types not designated by the Lessor as 2 Bedroom or 1 Bedroom are located upon any portion of the land described in Exhibit B and they are operated by the Lessee at the time said monthly rent shall be due and payable, a sum equal to \$.0155 multiplied by the number of square feet of living area within its walls (as taken from the building plans), with the product thereof divided by twelve (12), will be determined for each such apartment.

d. The total of the sums calculated each month under the provisions of paragraphs a, b, and c of this Article 3 will constitute the monthly rent due and payable to the Lessor for the period of time commencing on the date that the first rent payment is due, as hereinafter set forth, and continuing for a period of five years thereafter.

e. After the publication and issuance thereof, the Lessor will deliver to the Lessee a true copy of the Consumer Price Index (hereinafter called "The Index"), the United States City Average All Items and Commodity Groups of the Bureau of Labor Statistics of the United States Department of Labor for the month ending on the last day of the five year period described in paragraph d of this Article 3 and for the months ending on the last day of each fifth year subsequent to the expiration of said five year period for the remainder of the term of this lease. If the Index for the month ending on the last day of the five year period described in paragraph d of this Article 3 and for the months ending on the last day of each fifth year subsequent to the expiration of said five year period for the remainder of the term of this lease shows a decrease or an increase in the purchasing power of the sums set forth in paragraphs a, b, and c of this Article 3, to-wit: \$18.00, \$12.60, \$.0155 multiplied by the number of square feet of living area, with the product thereof divided by twelve (12), for apartments designated as 2 Bedroom or 1 Bedroom, as compared in the Index for the month beginning on the date that the first rent

payment is due hereunder (the base month), said sums set forth in paragraphs a, b and c of this Article 3 will be adjusted to amounts equal to the purchasing power of said sums during the base month; and such adjusted sums will be used to determine the total monthly rent due and payable to the Lessor, in substitution of the sums set forth in said paragraphs. Said total monthly rent, as adjusted, will be paid by the Lessee to the Lessor for each successive five year period during the term hereof; commencing at the expiration of the five year period described in paragraph d of this Article 3.

The Lessor, as soon as possible after the delivery of a copy of each Index, will furnish the Lessee with the computation of the adjusted amount to be paid by the Lessee for the five year period in question. Pending the determination of the adjusted amount the Lessee will continue to pay the amount of rent paid for the preceding period and, when the adjusted amount is determined, the Lessor will pay to the Lessee or the Lessee will pay to the Lessor such amount as may be necessary to correct the amounts of the payments made pending said determination. If at the times required for the determination of the adjusted rent said Index is no longer published or issued, the parties will use such other Index or method as is then generally recognized and accepted for similar determination of purchasing power; and if no Index or method is generally recognized and accepted at any time when the Lessor is required to furnish such Index, the Lessee will continue to pay the amount of rent paid for the preceding period. However, it is understood that if the publication of said Index on a monthly basis is discontinued and it is published at some other interval, its use by the Lessor and Lessee will not be discontinued. In such event the Index for the period closest to the month for which an Index is required to be furnished will be used.

All rent will be payable in advance on the first day of each month during the term of this lease, commencing on the first day of the first month following substantial completion of the recreational facilities hereinafter described in Article 5 of this lease and continuing for the remainder of the term hereof.

All rent will be payable in current legal tender of the United States of America as the same is constituted by law at the time due, at such place as the Lessor may from time to time specify in writing by notice to the Lessee in the manner hereinafter provided for the giving of notices. If at any time the Lessor accepts anything other than such current legal tender as rent, it will not be construed as modifying the provisions of this paragraph as to any subsequent rent; and for the present and until further notice, the Lessor specifies that the rent will be mailed or delivered to it at

All rent will be payable without notice or demand.

4. OBLIGATIONS OF APARTMENT OWNERS FOR RENT AND OTHER MONIES

Each owner of a condominium apartment located upon any portion of the land described in Exhibit B that is under the operation of the Lessee will become severally obligated to pay a part of the monthly rent provided for in Article 3 of this lease, at such time as a Declaration of Condominium submitting the land upon which his apartment is located, is recorded in the public records of Brevard County, Florida. Such part will be the same amount that is attributed to such apartment in determining the total rent due the Lessor, to-wit: \$18.00 for each 2 Bedroom condominium apartment; \$12.60 for each 1 Bedroom condominium apartment; and a sum equal to \$.0155 multiplied by the number of square feet of living area within its walls, with the product thereof divided by twelve (12), for each apartment not so designated; as such amounts may be adjusted under Article 3 of this lease.

Each owner of a condominium apartment located upon any portion of the land described in Exhibit B that is under the operation of the Lessee will also become severally obligated to pay a part of all monies other than rent due to the Lessor by the Lessee under this lease, at such time as a Declaration of Condominium submitting the land upon which his apartment is located is recorded in the public records of Brevard County, Florida. Such part will be determined in the following manner:

a. Such monies will be multiplied by the percentage attributed to his apartment for the payment of common expenses, as set forth under the applicable Declaration of Condominium.

b. The product of said calculation will be divided by the number of condominiums located upon any portion of the land described in Exhibit B that are operated by the Lessee at the time such monies are due. The result will be the part of such monies that the owner is severally obligated to pay.

Said obligations of each condominium apartment owner will continue for as long as he owns his apartment and will become the obligation of each successive owner during the term of this lease; they will not relieve the Lessee of its covenant to pay rent and other monies due hereunder and they will not require the Lessor to collect rent and other monies due hereunder from said owners. The Lessee will collect all such rent and other monies from said owners as a common expense and as a part of the assessments due by them; and it will take such action as is authorized by the Condominium Act and otherwise to enforce such collection. The Lessee's liens upon said apartments for unpaid assessments will be subordinate to the Lessor's liens created in Article 13 hereof; and, in the event of a foreclosure of a Lessee's lien for assessments, the Developer's lien will be discharged only upon payment to it of the portion thereof representing arrearages of rent and other monies and interest.

Liability for the payment of all of such other monies, by the Lessee and by said condominium apartment owners, will begin as of the date of this lease.

5. CONSTRUCTION OF IMPROVEMENTS BY LESSOR *See Amendment #*

The Lessor will construct recreational facilities upon the parcel of land described in Exhibit A, at its sole expense, consisting of a swimming pool, putting green, adequate roads and walkways for ingress and egress, and such other facilities as it alone shall determine to construct. The sizes and types of all of said facilities will be determined by the Lessor.

The construction of said facilities will be completed by the Lessor prior to December 31, 1972, in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning laws, and in compliance with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments. Said parcel of land will at all times be free of liens as a result of such construction, except the construction mortgage hereinafter authorized, for services performed and labor and material supplied or claimed to have been supplied thereto; and the Lessor shall not install any personal property within said improvements under chattel mortgages, conditional bills of sale, or other title retention instruments.

The Lessor will maintain workmen's compensation insurance, at its sole expense, covering all persons employed in connection with such construction and with respect to whom death or bodily injury claims could

be asserted against the Lessor, the Lessee, or said parcel of land; and it will maintain, at its sole expense, general liability insurance for the mutual benefit of the Lessor and the Lessee, with reasonable limits to be determined by the Lessor, at all times when such construction is in progress.

The period of time within which the construction of said facilities must be completed by the Lessor will be enlarged by any delays caused without fault or neglect on the part of the Lessor by acts of God, strikes, lockouts, or any other conditions which are not attributable to, or not caused by, the Lessor's default or neglect to exercise due diligence.

6. USE OF DEMISED PREMISES BY LESSEE, APARTMENT OWNERS, FAMILY MEMBERS AND GUESTS

The parcel of land described in Exhibit A and the recreational facilities to be located thereon, may be used and occupied by the Lessee; and by the owners of the condominium apartment that are located upon any portion of the land described in Exhibit B and that are operated by the Lessee, their family members and their social guests. Such use will be only for recreational purposes, it may begin only after the construction of said recreational facilities has been substantially completed, and it will be subject to rules and regulations established by the Lessee.

7. USE OF DEMISED PREMISES BY OTHERS

This lease does not grant the exclusive right of possession or use of the demised premises, or any part thereof. The Lessor reserves the right to enter into additional leases demising the parcel of land described in Exhibit B, attached hereto, and the recreational facilities to be located thereon. However, the terms of any such additional leases must expire prior to the expiration of five (5) years from the date hereof; they must require the Lessees to become equally obligated with the Lessee hereof to pay all costs incident to the maintenance and operation of such recreational facilities, including but not limited to the cost of repairs, replacement, servicing of equipment, utilities, taxes and insurance; and they must require the Lessee to assume all responsibilities herein assumed by the Lessee in regard to such maintenance and operation.

In the event the Lessor enters into any additional leases, the expenses of all Lessees other than rent may be apportioned among those responsible therefor, but such apportionment will not diminish each Lessee's liability for payment in full of said expenses; and the use of the demised premises will be subject to rules and regulations jointly established by all of said Lessees. The obligations of the Lessee and of said condominium apartment owners to pay the rent in the sum specified in this lease will continue, without diminution, reduction or abatement because of the making of any such additional leases.

The Lessor, in submitting portions of the land described in Exhibit B to the condominium form of ownership will establish such easements as are necessary for the use of the demised premises by all of those entitled to such use.

8. DEMOLITION, CONSTRUCTION AND MAJOR ALTERATIONS

The Lessee will undertake no demolition or new construction on the demised premises, nor will the Lessee make any major alterations in the improvements, buildings or equipment located on the demised premises

without the prior written consent and approval of the Lessor and upon such terms and conditions as the Lessor shall require. However, nothing in this paragraph shall be construed to relieve the Lessee of its obligation to maintain and repair the improvements located upon the demised premises.

9. PAYMENT OF TAXES

The Lessee will promptly pay all taxes levied or assessed against the demised premises and against all improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the demised premises by any and all taxing authorities subsequent to the year in which the improvements described in Article 5 hereof are substantially completed and continuing during the term of this lease, including ad valorem taxes, personal property taxes, special assessments, liens for public improvements; and in general all taxes, tax liens, or liens in the nature of taxes which may be assessed or imposed against the demised premises and against all improvements, buildings, furniture and fixtures now or hereafter constructed or brought upon the demised premises (including interest, penalties, fines and costs). In the event any such taxes, assessments or liens are payable in installments, the Lessee will have the right to pay the same as such installments fall due if the right to make payment in installments has not been revoked or lost.

Said taxes shall be paid at least thirty days prior to the time when they would become delinquent, in accordance with the law then in force and effect. The Lessee will have the right to contest the validity of any such tax and to seek a reduction in the valuation of the demised premises and of all improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the demised premises for tax purposes, by complying with the applicable law. However, if the demised premises, or said improvements, buildings, equipment, furniture or fixtures would be in danger of being forfeited or lost by such contest or proceedings, the Lessee will first deposit with the Lessor such reasonable security as may be requested by the Lessor to prevent any forfeiture or sale of the demised premises, or said improvements, buildings, equipment, furniture or fixtures.

Nothing in this Article 9 will obligate the Lessee to pay income, inheritance, estate or succession tax, or any tax in the nature of such taxes, or any other tax which may be levied or assessed against the Lessor, with respect to or because of the income derived from this lease; nor will the Lessee be obligated to pay corporation franchise or excise taxes which may be assessed or levied against the Lessor or against any corporate successor of the Lessor.

10. INSURANCE TO BE OBTAINED BY LESSEE

The Lessee shall obtain insurance as follows:

a. The Lessee will cause to be written a policy or policies of insurance in the form generally known as public liability and property damage and/or owners', landlord and tenant policies, insuring the Lessee against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the use, operation and maintenance of the improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the demised premises and for any other risk generally insured against by such policies, each class of which will be written within limits of not less than \$300,000.00 for damages incurred or claimed by any one person and for not less than \$600,000.00 for damages incurred by more than one person. All such policies will name the Lessee

and Lessor, as their respective interests may appear, as the persons insured by such policy or policies and the original or a true copy of each of such policies will be delivered by the Lessee to the Lessor promptly when written, together with adequate evidence of the fact that the premiums therefor are paid; and, in any event, such policies and evidence of payment by the Lessee to the Lessor before the expiration of any then similar coverage and in time to assure the Lessor that such coverage will be carried continuously.

b. The Lessee will keep insured any and all buildings, improvements, equipment, furniture and fixtures now or hereafter constructed or brought upon the demised premises in good and responsible insurance companies authorized to do business in the State of Florida, for protection against all loss or damage to such property by fire, windstorm or causes insured against by "extended coverage"; and wherever the doctrine of co-insurance might apply to any such insurance, then the amount of the insurance so carried by the Lessee will be at all times sufficient to prevent co-insurance on the part of the Lessor and the Lessee. All such policies will be payable in the event of loss jointly to the Lessor and the Lessee, as their respective interests may appear. Nothing herein contained, however, will be construed as prohibiting the attachment to such policies of a standard mortgage form clause but, in such event, the said mortgage clause will identify briefly the interest of the mortgagee, such as, for example, stating "first mortgagee of the fee simple title," or "mortgagee of Lessee's interest in lease." The amount of insurance required, as specified in this paragraph, will be an amount equal to the maximum insurable replacement value, as determined annually by the Lessee, its successors, assigns, or agents, and as approved by the Lessor.

c. From the inception of any construction work which Lessee may effect on the demised premises and as often as the Lessee may construct a building or make a substantial alteration in a building, the Lessee will cause workmen's compensation and buildings' risk insurance policies to be written. Said policies will be subject to the approval of the Lessor and will provide coverage at all times when such construction is in progress.

d. In the event of the damage or destruction of any of the buildings, improvements, equipment, furniture and fixtures now or hereafter constructed or brought upon the demised premises by fire, windstorm or any other casualty for which said insurance is payable, and as often as such insurance money will be paid to Lessor and the Lessee, said sums so paid will be deposited in a joint account of the Lessor and the Lessee in a bank designated by the Lessor and will be available to the Lessee for the reconstruction, repair, or replacement, as the case may be, of any of the said buildings, improvements, equipment, furniture or fixtures damaged or destroyed by fire, windstorm or other casualty for which insurance money is payable and will be paid out from said joint account from time to time on the estimates of an architect licensed as such in the State of Florida and having supervision of such construction and repair, certifying that the amount of such estimate is being applied to the payment of the reconstruction, repair or replacement and at a reasonable cost therefor. Provided, however, that it will be the duty of the Lessee, at the time of creating such joint bank account and from time to time thereafter until the said work of repair or reconstruction shall have been completed and paid for, to afford the Lessor adequate evidence of the fact that at all times the undisbursed portion of the fund in said joint account is sufficient to pay for such reconstruction, repair or replacement in its entirety; and if the said fund is at any time insufficient to pay for the full cost of the job, the Lessee will immediately deposit into said fund such additional sums as may be

necessary and will procure receipted bills and full and final waivers of lien when said work shall have been completed. It will be the duty of the Lessee to cause such showing to be made and such to be accomplished as often as said buildings, improvements, equipment, furniture or fixtures may be damaged, destroyed or lost; and all of such work will be effected, completed and paid for as promptly as the exercise by the Lessee of diligence makes possible. And, in any event, it shall be completed within nine (9) months after the time when the damage, destruction or loss first took place. However, such nine (9) month period will be enlarged by any delays caused without fault or neglect on the part of the Lessee by acts of God, strikes, lockouts, or any other conditions which are not attributable to, or are not caused by the Lessee's default or neglect to exercise due diligence. The work, when completed, will restore the demised premises substantially to the condition in which they existed before such damage, destruction or loss took place; and, in any event, it will cause the demised premises, as restored, to have a value which is not less than the value which the demised premises had or possessed prior to the damage or loss which made such repairs or reconstruction necessary. The Lessor will have the right to require the Lessee to obtain a completion, performance and payment bond in an amount and in the form and with a company licensed to do business in the State of Florida, approved by the Lessor. At such time as any of the property described in Exhibit B is submitted by the Lessor to condominium ownership, the provisions in the Declaration of Condominium under the Article covering casualty insurance relating to the rights of first mortgagees are hereby incorporated herein by reference.

e. The originals of all such policies will be delivered to the Lessor by the Lessee, together with receipted bills evidencing the fact that the premiums therefor are paid; but nothing herein contained will be construed as prohibiting the Lessee from financing the premiums where the terms of the policies are for three (3) years or more and, in such event, the receipts will evidence it to be the fact that the installment premium payment or payments are paid at or before their respective maturities. However, where there is a mortgage upon the demised premises created pursuant to the provisions contained in this lease and under the terms of such mortgage it is obligatory upon the Lessee to cause the originals of such policies to be delivered to the mortgagee, then the Lessee may deliver such originals to the mortgagee and deliver certificates of such policies to the Lessor. Such policies or certificates, together with evidence of the fact that the premiums have been paid as aforesaid, will be delivered by the Lessee to the Lessor before the expiration of the then corresponding insurance coverage so that the Lessor may be assured that such coverage is being continuously carried by the Lessee.

f. If at any time while said joint bank account contains any of the proceeds of such insurance the Lessee is in default under this lease, then the Lessor will be immediately entitled to receive from said joint bank account the amount of money necessary to cure the Lessee's default, provided, however, that all of the repairs have been completed; and if, while any of the funds remain in said joint bank account, the mortgagee of any mortgage upon the demised premises or upon the Lessee's interest therein elects under the terms of such mortgage to receive any part or all of the proceeds of such insurance by way of application upon said mortgage, then such sum will be paid from said insurance awards or from the proceeds of said joint bank account to such mortgagee; but in either of these events, it will be obligatory upon the Lessee to immediately reimburse said joint bank account with a sufficient sum

of money to assure the Lessor that the said joint bank account will, at all times, contain sufficient funds to pay for all of the cost of reconstruction, repair or replacement. If after said work is completed and paid for there remains any money in said joint bank account such balance will be paid to the Lessee, if at that time the Lessee is not in default under the terms of this lease. If at any time while the joint bank account contains any undisbursed funds or while there remains outstanding any obligation from any insurance company for such losses this lease is cancelled for the Lessee's default, then the undisbursed portion of said joint bank account and the insurance claim will be and become immediately the property of the Lessor as part of what will accrue to the Lessor upon the occasion of default by the Lessee and the consequent cancellation of this lease, as liquidated and agreed upon damages for such default and for such cancellation.

g. No damage or destruction to any improvements, buildings, equipment, furniture or fixtures by fire, windstorm or any other casualty will entitle the Lessee to surrender possession of the demised premises or to terminate this lease, or to violate any of its provisions, or to cause any abatement or rebate in the rent then due or thereafter becoming due hereunder.

11. LESSEE TO PAY INSURANCE PREMIUMS

The Lessee will pay the premiums for all insurance policies which the Lessee is obligated to obtain under the terms of this lease and will deliver the said policies and the evidence of payment to the Lessor, within the time herein set forth.

Nothing herein contained will ever be construed as rendering the Lessor liable for the payment of any such insurance premiums; but if at any time during the continuance of this lease the Lessee shall fail, refuse or neglect to procure any of the policies of insurance required in and by this instrument to be procured by it or to keep and maintain same in effect or pay the premiums therefor promptly when due, the Lessor may, at its option, procure or renew such insurance and thereupon the amount or amounts of money paid as the premium or premiums thereon, plus interest at the rate of ten percent (10%) per annum, will be collectible as though it were rent then matured hereunder and will be due and payable forthwith. However, in lieu thereof and notwithstanding the procurement and renewal of such policies by the Lessor, this lease may be terminated and declared at an end and all of the right, estate and interest of the Lessee in this lease shall thereupon immediately cease and become null and void.

12. EMINENT DOMAIN

If any part of the premises described in Exhibit A-1 is taken under the power of eminent domain during the term of this lease, the rent herein provided for will continue unaffected as to amount unless such taking completely destroys the usefulness of the demised premises for all purposes leased. In such event, the Lessee will have the right to terminate this lease by written notice to the Lessor within thirty (30) days after such taking or to continue in possession of an undivided interest in the remainder of the leased premises under all of the terms and conditions hereof. All damages awarded for such taking will belong to and be the property of the Lessor whether such damages shall be awarded as compensation for diminution in the value to the lease or to the fee of the leased premises.

13. LESSOR'S LIENS

The Lessor retains a lien on every right and interest of the Lessee in and to this lease and on the improvements, buildings, equipment, furniture and fixtures now and hereafter constructed or brought upon the demised premises and on the equity therein of the Lessee. Said lien is granted for the purpose of securing the payment of rent and other monies herein covenanted to be paid by the Lessee and for the purpose of securing the performance of all other conditions of this lease to be performed and observed by the Lessee.

The Lessor also retains a lien against all land described in Exhibit B that it submits to the condominium form of ownership and upon all improvements and buildings now located or hereafter constructed thereon, for the purpose of securing it in the payment of rent and all other monies due and to become due hereunder by the Lessee. Said lien will survive the recording of Declarations of Condominium whereby portions of such land will be submitted to the condominium form of ownership; it will continue for the full term of this lease; and it may be enforced and foreclosed in the manner in which mortgages upon real property are enforced and foreclosed or, at the option of the Lessor, in any other manner available to it.

The Lessor also retains and is hereby given and granted a lien by the Lessee upon each condominium apartment to be located upon any portion of the land described in Exhibit B that is under the operation of the Lessee and upon each apartment's proportionate interest in the common elements (exclusive of the demised premises) of the condominium of which it is a part, for the purpose of further securing it in the payment of all rent and other monies due and to become due hereunder by the Lessee. This lien will have the same dignity and priority as the lien created in the next preceding paragraph of this Article 13, but it will apply to and be enforceable against the condominium apartment severally. Said liens will be for the amounts of rent and other monies due the Lessor that are apportioned to each apartment plus interest and reasonable attorneys' fees incurred in the collection and enforcement thereof; and they may be enforced and foreclosed in the manner in which mortgages upon real property are enforced and foreclosed, or at the option of the Lessee, in any other manner available to it.

A default arising from the nonpayment of rent or other monies due the Lessor by the Lessee under this lease by any condominium apartment owners who have paid the share of rent and other monies for which they are severally liable; and the Lessor may exercise its rights and have its remedies as described in this Article 13 only against the defaulting owner. Upon full payment of arrearages, interest and attorneys' fees, the condominium apartment owner making payment will be entitled to a recordable satisfaction discharging said lien as to such arrearages, interest and attorneys' fees, but such satisfaction will not extinguish or diminish said lien as to any amount to become due. It will continue throughout the term of this lease.

The Lessor, in submitting portions of the land described in Exhibit B to the condominium form of ownership, will declare the demised premises and the Lessee's leasehold interest therein to be a part of the common elements of each such condominium so established; and such leasehold interest is apportioned among said condominiums in equal shares. Rent and other monies due and to become due hereunder will be a common expense of each condominium in an amount equal to the total sum thereof attributable to each condominium. The Lessee will make such assessments upon condominium apartments that it operates upon the land described in

Exhibit B as may be necessary for it to fulfill its obligations herein; and it will enforce its lien for said assessments, if necessary for it to fulfill said obligations.

The Lessor's liens provided for in this Article 13 will at all times be subject and subordinate to the lien of any mortgage made by any condominium apartment owner, provided the proceeds of said mortgage are utilized to purchase condominium apartments located upon any portion of the land described in Exhibit B from the Lessor and it is made with an institutional mortgagee (herein defined as a bank, savings and loan association, insurance company, or union pension fund authorized to do business in the State of Florida, or an agency of the United States Government); and the Lessor will execute and deliver such further instruments evidencing such subordination as may be requested by any of said condominium apartment owners or prospective condominium apartment owners. However, the foreclosure of such a mortgage will not terminate this lease or any part thereof or extinguish or diminish said liens against the entire condominium property or the apartment encumbered by the foreclosed mortgage. Said Lessor's liens will only be subordinated as herein provided, during the term of this lease; but such subordinated liens of the Lessor will be subordinate and secondary in position to any and all rights, claims, titles or liens acquired by said institutional mortgagee.

The Lessor's liens provided for in this Article 13 will not relieve the Lessee of any of its obligations hereunder, it being intended that they afford the Lessor additional remedies in the event of default. In the event they should for any cause or reason whatever be determined to be invalid, extinguished or unenforceable, in whole or in part, such invalidity will not extinguish or diminish any of the Lessee's obligations hereunder. Nothing herein contained will authorize the Lessor to collect the same indebtedness twice.

14. ENCUMBRANCES OF LESSOR AND LESSEE

This lease and the Lessee's rights hereunder and the rights of said condominium apartment owners hereunder will at all times be subject and subordinate to the liens of any mortgages encumbering the fee simple title to the Demised Premises, provided the proceeds thereof are used to construct the improvements described in Article 5 hereof; and the Lessee in its own behalf and in behalf of its members will execute and deliver such further instruments evidencing such subordination as may be requested by the Lessor. The Lessor will pay such mortgages and perform all of their terms and conditions and in the event of default by the Lessor, the Lessee, in addition to any other remedies available to it, may cure such default and deduct the cost thereof from the rent herein provided for.

The Lessor may encumber the fee simple title to the demised premises with additional mortgages, irrespective of the existence of this lease. However, such additional mortgages will in all respects be subject and subordinate to the terms of this lease and to the Lessee's rights herein. Although the Lessee may mortgage or otherwise encumber its interest in this lease, any such mortgage or encumbrance will in all respects be subject and subordinate to the rights of the Lessor herein and to the rights of all persons claiming by, through or under the Lessor by reason of or in connection with this lease. The termination of this lease will extinguish any of said mortgages or encumbrances upon the Lessee's interest herein.

Nothing in this lease will ever be construed as empowering the Lessee to encumber or cause the Lessor to encumber the title or interest of the Lessor.

15. DEFAULT

In case at any time default shall be made by the Lessee in payment of any of the rent herein provided for upon the day it becomes due and payable, or if the Lessee shall fail to pay any of the other monies due to the Lessor by the Lessee, or if the Lessee shall fail to perform any of the other conditions of this lease by it to be kept and performed; then, in any of such events, it will and may be lawful for the Lessor, at its election, to terminate this lease and to reenter upon the demised premises or any part thereof, either with or without process of law, the said Lessee hereby waiving any demand for possession of the demised premises. Or the Lessor may have such other remedies as the law and this lease afford; and upon the termination of this lease, at such election of the Lessor or in any other way, the Lessee will surrender and deliver up the demised premises, improvements, buildings, equipment, furniture and fixtures peaceably to the Lessor, its agents or attorneys, immediately upon such termination. If the Lessee, its members, agents, attorneys, or tenants shall hold the said premises or any part thereof after the same should be surrendered according to the terms of this lease, it will be deemed guilty of forcible detainer of the demised premises and be subject to eviction or removal, forcibly or otherwise, with or without process of law.

Although this is a Long Term Lease, the parties understand that the relationship between them is that of landlord and tenant; and the Lessee specifically acknowledges that all statutory proceedings in the State of Florida regulating the relationship of "Landlord" and "Tenant," including collecting of rent or possession of the demised premises, accrues to the Lessor hereunder.

Nothing herein contained will be construed as prohibiting the Lessor from declaring this lease in default. However, if the default consists in the non-payment of rent or other monies due to the Lessor by the Lessee, the Lessor may not declare this lease in default until such non-payment shall have continued for fifteen (15) days after written notice of such default shall have been given by the Lessor to the Lessee; and where the alleged default consists of some violation other than the foregoing, the Lessor may not declare this lease in default until such violation shall have continued for thirty (30) days after the Lessor shall have given the Lessee written notice of such violation and the Lessee shall not have undertaken, during said thirty (30) day period, to cure said violation by vigorous and affirmative action. Provided, however, that nothing herein contained will be construed as precluding the Lessor from having such remedy and its interests in the demised premises, in said improvements, buildings, equipment, furniture and fixtures, and in this lease, even before the expiration of the grace or notice periods provided for in this paragraph, if the allowance of such grace or the giving of such notice would prejudice or endanger the rights and interests of the Lessor.

All default and grace periods will be deemed to run concurrently and not consecutively.

The various rights, powers, options, elections, privileges and remedies of the Lessor contained in this lease will be construed as cumulative and no one of them will be construed as being exclusive of the other or exclusive of any rights or priorities by law.

The right herein given to the Lessor to collect the rent due under this lease, or its right to collect any other monies due to it, or its right to enforce any of the other terms and provisions of this lease, will not in any way affect its right to declare this lease void and the term hereof ended, when default is made by the Lessee.

If at any time by reason of the failure of the Lessee to keep and perform any covenant or agreement which it is obligated to keep and perform it becomes necessary for the Lessor to employ an attorney to protect its rights and interests in the demised premises, in said improvements, equipment, buildings, furniture and fixtures, and in this lease, the Lessee will pay unto the Lessor reasonable attorneys' fees incurred or expended by the Lessor and costs of Court, if any.

In the event this lease is terminated at any time before the expiration of the term of years hereby created for the breach by the Lessee of any of the conditions herein contained, all of the right, estate and interest of the Lessee and its members in and under this lease and in said demised premises, improvements, buildings, equipment, furniture and fixtures, together with all rents issues and profits, whether then accrued or to accrue, and all insurance policies and all insurance monies paid or payable thereunder and the then entire undisbursed balance of any building escrow fund, and the entire undisbursed balance of any then existing joint bank account which may have been created in connection with the collection of insurance, shall at once pass to and become the property of the Lessor (subject, however, to the rights of mortgagees), not as a penalty for forfeiture, but as liquidated damages to the Lessor because of such default by the Lessee and the termination of this lease. Each of the parties acknowledges that for such breach and termination the Lessor will sustain substantial damage, being damage of such character as to make it most burdensome and tedious, if not actually impossible, to ascertain with mathematical precision; and they have, therefore, agreed upon this provision for liquidated damages in the interests of obviating which would otherwise be burdensome and difficult litigation. Further, this provision for liquidated damages has been taken into account by both parties in fixing the terms of and the consideration for the making of this lease.

The Lessee pledges with and assigns unto the Lessor, all of the rent, issues and profits which might otherwise accrue to the Lessee for the use, enjoyment and operation of the demised premises and of the improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the demised premises. If the Lessor upon the default of the Lessee elects to file a suit in chancery to enforce or terminate this lease and protect its rights hereunder, it may, as ancillary of such suit, apply to any court having jurisdiction thereof for the appointment of a receiver of all and singular said demised premises, improvements, buildings, equipment, furniture and fixtures; and thereupon the court will forthwith appoint a receiver with the usual powers and duties of receivers in like cases and such appointment will be made by such court as a matter of strict right to the Lessor and without reference to the adequacy or inadequacy of the value of the property which is subject to the landlord's lien or to the solvency or insolvency of the Lessee and without reference to the commission of waste.

16. LESSOR'S INTEREST NOT SUBJECT TO MECHANIC'S LIENS

The Lessee has no power to incur any indebtedness giving a right to a lien of any kind or character upon the right, title and interest of the Lessor in and to the demised premises or in and to the improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the demised premises and no person will ever be entitled to any lien directly or indirectly derived through or under the Lessee, or its agents or servants, or on account of any act or remission of the Lessee, which will be superior to the interest in this lease reserved to the Lessor upon the demised premises and upon the improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the demised premises. All persons contracting with the Lessor, or furnishing materials or labor to the Lessee, or to its

agents or servants, as well as all persons whomsoever, will be bound by this provision of this lease. This provision is inserted pursuant to the authority of Chapter 713.10, Florida Statutes, 1969. Should any lien be filed, the Lessee shall discharge the same by paying it, or by filing a bond or otherwise, as permitted by law.

17. ASSIGNMENT

This lease is freely assignable, provided it is not in default and is in good standing. However, no assignment or transfer by the Lessee will be valid unless the assignee shall expressly assume and agree to perform each and every the conditions of this lease which by the terms hereof the Lessee agrees to keep and perform. Such assumption will be evidenced by written instrument executed in such fashion as to entitle it to recording; and such assignment will not be valid unless the assignment and assumption agreements are promptly recorded in the public records of Brevard County, Florida and unless an executed original thereof is delivered to the Lessor, together with a reference to the book and page number of recordation. No assignment, transfer or assumption will ever operate to release any prior Lessee or its members from any of the obligations or liens hereof, unless and until a written discharge of such Lessees, duly executed by the Lessor, shall be recorded in the public records of Brevard County, Florida.

The Lessor and the Lessee will give to each other written statements as to the status of this lease, within fifteen (15) days after written notice requesting such statements have been received. Said statements will state whether or not this lease is in good standing and, if not, they will state the particulars in which it is not in good standing. Failure to give such statements within said fifteen (15) day period will constitute a representation that this lease is in good standing and said representation may be relied upon by any person as being true and correct. Said notices and statements will be deemed to be given, and the time period specified will begin to run, when they are deposited in the U. S. certified or registered mail with postage prepaid.

18. INDEMNIFICATION

The Lessee covenants and agrees with the Lessor that during the entire term of this lease it will indemnify and save harmless the Lessor against any and all claims, debts, demands or obligations which may be made against the Lessor, or against the Lessor's title in the premises, arising by reason of or in connection with the making of this lease and the ownership by the Lessee of the interest hereby created; and if it becomes necessary for the Lessor to defend any action seeking to impose any such liability, the Lessee will pay the Lessor all costs of court and reasonable attorneys' fees incurred by the Lessor in effecting such defense, plus any other sums which the Lessor may be called upon to pay by reason of the entry of a judgment against the Lessor in the litigation in which such claim is asserted.

19. BANKRUPTCY

Neither this lease nor any interest therein, nor any estate thereby created, will pass to any Trustee or Receiver in bankruptcy or to the assignee for the benefit of creditors or otherwise by operation of law.

20. LESSEE'S DUTY TO KEEP DEMISED PREMISES IN GOOD REPAIR

The Lessee will keep said improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the demised

premises in a good state of repair and in first class condition; and will not suffer or permit any waste or neglect of any of said property. The Lessee will repair, replace and renovate said property as often as it may be necessary in order to keep it in first class repair and condition.

21. QUIET ENJOYMENT

The Lessee shall have quiet and undisturbed and continuous possession and use of the demised premises free from any claims of the Lessor, subsequent to the completion of the construction described in Article 5 hereof, so long as it keeps and performs all of the covenants and conditions to be kept and performed by it herein; and this provision shall not extend to any interruption in the possession of the Lessee occasioned by its failure to keep in good standing and to pay any mortgage encumbering its interest in this lease.

22. LESSOR'S RIGHT OF ENTRY

The Lessor will have the right to enter upon the demised premises at all reasonable times to examine the condition and use thereof; provided that such right will be exercised in such manner as not to interfere with the Lessee in the conduct of the Lessee's business upon the demised premises. If said improvements, buildings, equipment, furniture or fixtures are damaged by fire, windstorm or by any other casualty which causes them to be exposed to the elements, the Lessor may enter upon the demised premises to make emergency repairs; but, if the Lessor exercises its option to make emergency repairs, such act will not be deemed to excuse the Lessee from its obligation to keep the premises in repair. The Lessee will, upon demand of the Lessor, reimburse the Lessor for the cost and expense of such emergency repairs.

The Lessor retains and is hereby given and granted an easement over and upon the land described in Exhibit B, for the purpose of ingress and egress to the demised premises. Such easement will survive the recording of such Declarations of Condominium.

23. TERMS, ETC. TO BE COVENANTS RUNNING WITH THE LANDS

The terms, conditions, and provisions set forth in this lease will be binding upon the Lessor and the Lessee, and upon their heirs, executors, legal representatives, successors and assigns; and they will be deemed to be covenants running with the land; and by land, is meant the premises described in Exhibits A and B.

24. NOTICES

Whenever a provision is made for notice of any kind it shall be deemed sufficient notice and service thereof if such notice is in writing, addressed to the Lessor or the Lessee at their last known address, and sent by U. S. certified or registered mail with postage prepaid.

25. MISCELLANEOUS PROVISIONS

In the event the Lessee is dissolved or if its existence is otherwise terminated or if for any reason it ceases to be responsible for the operation of any of the condominiums established by the Lessor upon the land described in Exhibit B or if any of said condominiums are terminated, during the term of this lease, none of the rent or other monies due hereunder will abate or be diminished. In any or all of such events, the owners of all apartments in each

such condominium for which the Lessee no longer has operating responsibilities and the owners of all apartments in each building that was formerly a part of a condominium established by the Lessor will be deemed to be individual Lessees under this lease for so long as they own their apartments; they will continue to have the possession, use and occupancy of the demised premises, they will be severally bound by all of the provisions of this lease (as its context shall permit) and none of the liens herein retained or given will be removed or released. The rent and other monies due by each will be as set forth in Article 4 of this lease; and in the case of terminated condominiums, the percentages described in Article 4a. will be those attributed to each apartment at the time of termination. The performance of all obligations hereof for which the Lessee is responsible and which are binding upon said apartment owners, except the payment of rent and other monies, may be apportioned among said apartment owners and all others to which the demised premises may be leased by the Lessor in such manner as they may determine; but such apportionment will not diminish the liability of any party to perform said obligations.

If any of said apartment owners described in the preceding paragraph hereof sells his apartment, or if title thereto is transferred in some other manner, the obligations and liabilities herein created will become the obligations and liabilities of each successive owner of the apartment transferred during the term of this lease.

Anything herein to the contrary notwithstanding, the Lessor will have the right to lease the demised premises to others, subject to the rights of Lessee, if it does not submit all of the land described in Exhibit to the condominium form of ownership prior to December 31, 1976, or if the Lessee is not responsible for the operation of all of the condominiums established by the Lessor upon said land; or if, during the term of this lease, the Lessee is dissolved or its existence is otherwise terminated or for any reason it ceases to be responsible for the operation of any of said condominiums, or if any of said condominiums are terminated. However, the Lessor will not enter into any other leases under the authority given in this paragraph during the term hereof for the use of the demised premises, or any part thereof, unless all other of such Lessees own or have the right to possess and occupy some portion of the land described in Exhibit ; and no other of such leases will interfere with the use of the demised premises by others entitled thereto. All persons entitled to such use would have equal rights therein.

This lease will not be construed so as to require the Lessor to submit all of the land described in Exhibit to the condominium form of ownership. The failure of the Developer to so submit all of said land or to establish twenty (20) separate condominiums thereon will not, in any manner affect its validity.

The Lessor will require each condominium apartment owner to ratify, confirm and approve in writing all of the terms and provisions hereof and the acts of the officers and directors of the Lessee and the Lessor in making and entering into this lease. Such writings will also contain the agreement of each condominium apartment owner to be bound by all of the terms and provisions hereof; and they will contain a provision whereby each condominium apartment owner individually impresses the aforesaid liens upon his condominium apartment. They may be a part of the warranty deeds conveying such condominium apartments.

No waiver of a breach of any of the covenants in this lease contained will be construed to be a waiver of any succeeding breach of the same covenant. The Lessor specifically reserves the right to waive any portion of

the rent due hereunder, including the right to waive rent attributable to individual condominium apartments. Such waiver will not affect the obligations of the owners of apartments for which rent has not been waived to pay rent.

Time is of the essence in every particular, and particularly where the obligation to pay money is involved.

All arrearages in the payment of rent and the repayment by the Lessor of the Lessee of any sums which may be paid in order to cure defaults (as elsewhere herein provided for) will bear interest from the date when due and payable at the rate of ten per cent (10%) per annum until paid.

If at any time by reason of the failure of the Lessor to keep and perform any of its covenants or agreements contained herein it becomes necessary for the Lessee to employ an attorney to protect its interests, the Lessor will pay unto the Lessee reasonable attorneys' fees incurred or expended by the Lessee and costs of Court, if any.

No modification, release, discharge or waiver of any provisions hereof will be of any force, effect or value, unless in writing and signed by the persons who are then the Lessor and the Lessee.

The Lessee shall not amend its Articles of Incorporation, its Bylaws or said Declarations of Condominium, during the term of this lease, in such a manner as to affect or impair the rights of the Lessor herein; unless the Lessor shall first approve such amendments in writing.

At the termination of this Lease the Lessee will peaceably and quietly deliver unto the Lessor possession of the demised premises and improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the demised premises; and the Lessee covenants and agrees with the Lessor that the demised premises will be used for legal purposes only.

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

IN WITNESS WHEREOF, the parties hereto have herunto set forth their hands and seals.

Executed in the presence of:

Janet S. Pozsonyi
Olive J. Porto

CAPE SHORES DEVELOPMENT CORPORATION,
a Florida corporation

By: Jack C. Maline

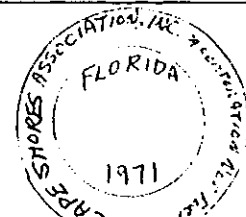
Attest: Charlotte Maline

Janet S. Pozsonyi
Olive J. Porto

CAPE SHORES ASSOCIATION, INC., a
Florida corporation

By: Jack C. Maline

Attest: Charlotte Maline



STATE OF FLORIDA

COUNTY OF BREVARD

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JACK C. MOLINE and CHARLOTTE MOLINE, well known to me to be the President and Secretary, respectively of CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation; and they severally acknowledged executing the foregoing Long Term Lease in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation; and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 15th day of December, 1971.

Olive J. Porto

Notary Public

My Commission expires: Notary Public, State of Florida at Large
My Commission Expires Oct. 21, 1973
Bonded By American Fire & Casualty Co.

STATE OF FLORIDA

COUNTY OF BREVARD

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JACK C. MOLINE and CHARLOTTE MOLINE, well known to me to be the President and Secretary, respectively of CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit; and they severally acknowledged executing the foregoing Long Term Lease in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation; and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and seal in the County and State last aforesaid this 15th day of December, 1971.

Olive J. Porto

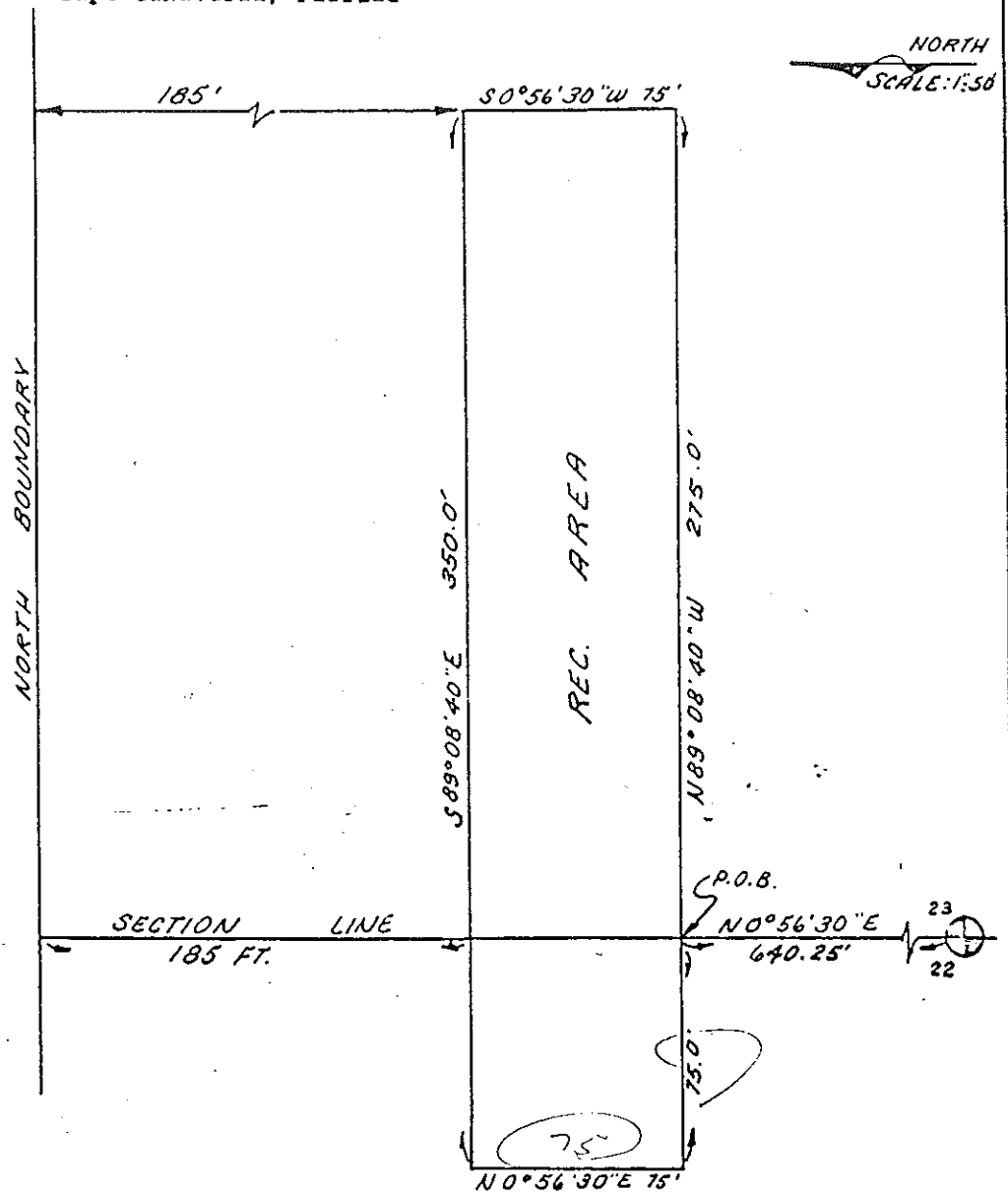
Notary Public

My Commission expires: Notary Public, State of Florida at Large
My Commission Expires Oct. 21, 1973
Bonded By American Fire & Casualty Co.

SEC. 22/23 TWP. 24S. RNG. 37E

EXHIBIT "A" to Long Term Lease

Location Dimensions and Description of Premises
 leased by Cape Shores Association, Inc.
 Cape Canaveral, Florida



LEGAL DESCRPTION

CAPE SHORES RECREATION AREA

A tract of land lying in Sections 22 and 23, Township 24 S., Range 37 East, Brevard County, Florida, described as follows: Commence at the Southwest corner of Section 23 thence run $N 0^{\circ} 56' 30''E$ 640.25' along the West line of Section 23 to the Point of Beginning; thence run $N89^{\circ} 08' 40''W$ 75.0' parallel with the South line of Section 23; thence run $N0^{\circ} 56' 30''E$ 75.0'; thence run $S89^{\circ} '08' 40''E$ 350.0'; thence run $S0^{\circ} 56' 30''W$ 75.0'; thence run $N89^{\circ} 08' 40''W$ 275.0' to the Point of Beginning, containing 0.60 acres.

LONG TERM LEASE

The North 860.25' of the South 900.25', except the East 200' of Govt. Lot 4, Section 23, Township 24S, Range 37E, and the North 860.25' of the South 900.25' of Govt. Lot 3, Section 22, Township 24S, Range 37E, all lying West of State Road No. 401 right-of-way.

FILED IN DEEDS
GREYARD COUNTY, FLA.
VERIFIED

1971 DEC 29 PM 2 40

758075

Curtis A. Barnes
CLERK, COUNTY COURT

MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this 15th day of December, 1971, by and between CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit, hereinafter called the "Association," and CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation, hereinafter called the "Developer," which terms, "Association" and "Developer"; which terms, "Association" and "Developer" will be deemed to extend to and include the successors and assigns of the said parties;

WITNESSETH:

WHEREAS, the Association was organized to provide an entity pursuant to the Condominium Act, which is Chapter 711, Florida Statutes 1969, for the operation of condominiums to be established by the Developer upon the land in Brevard County, Florida described in Exhibit A hereto and made a part hereof; and

WHEREAS, it is anticipated that approximately twenty (20) separate condominiums will be established upon said land and that each of said condominiums will consist of at least one apartment building containing certain specified types of apartments to be known as 2 Bedroom and 1 Bedroom apartments, together with common elements; and

WHEREAS, the owners of apartments in said apartment buildings will be unit owners, as defined by the Condominium Act, and will be required to pay assessments for the common expenses of said condominiums; and

WHEREAS, the Association has entered into a Long Term Lease with the Developer, whereby a parcel of land in Brevard County, Florida, which is within the land described in Exhibit B has been leased to the Association; and

WHEREAS, certain recreational facilities, as more fully described in said Long Term Lease, will be constructed by the Developer upon said parcel of land leased to the Association, for the use of the owners of such apartments, members of their families and their social guests; and

WHEREAS, said parcel of land leased to the Association, and improvements, buildings, furniture and fixtures constructed or brought thereon, and the Association's leasehold interest therein, will be a part of the common elements of said condominiums; and

WHEREAS, the Association and the owners of said apartments will be required to pay rent and other monies to the Developer upon the substantial completion of said recreational facilities and they have certain other obligations to the Developer under said Long Term Lease, as are more fully described therein; and

WHEREAS, said rent, together with other monies due under such Long Term Lease, will be a common expense of each condominium; and

WHEREAS, the parties hereto desire to insure that the initial assessments established by the Association will not be increased for a period of approximately two (2) years; and

WHEREAS, the parties hereto desire that the Management Firm manage said condominiums, under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

1. APPOINTMENT OF MANAGING AGENT

The Association appoints the Developer as its exclusive agent in the operation of all condominiums for which the Association will have operating responsibilities that are established by it upon the land in Brevard County, Florida, described in Exhibit A annexed hereto and made a part hereof.

The Developer will confer with the directors of the Association, at their request, in the performance of its duties under this Management Agreement. Said duties and the authority herein conferred upon the Developer are confined to the common areas and facilities of such condominiums, including the parcel of land leased to the Association under its Long Term Lease with the Developer and improvements, buildings, furniture and fixtures constructed or brought thereon; and will not include individual apartments, except as specifically authorized.

2. TERM OF AGREEMENT

The term of this Management Agreement will begin on the date of the recording by the Developer of a Declaration Of Condominium in the public records of Brevard County, Florida, by which any portion of the land described in Exhibit A is submitted to the condominium form of ownership; and it will continue for a period of two (2) years, provided this Agreement shall be in all ways in conformance with Chapter 711.13, Florida Statutes.

3. POWERS AND DUTIES OF DEVELOPER

The Developer will have all of the powers and duties given and assigned to the Association by the Condominium Act, by the Declarations Of Condominium submitting the land described in Exhibit A to the condominium form of ownership, by the Articles Of Incorporation and Bylaws of the Association, by the Association's Long Term Lease with the Developer, and by this Management Agreement. However, the powers and duties of the Developer will not include any specifically given or assigned to the Board of Directors or membership of the Association by said Declarations Of Condominium, Articles Of Corporation, Bylaws and Long Term Lease; they will not include the making of assessments, except to the extent hereinafter set forth; and they will not include the power to amend said Declarations Of Condominium, Articles Of Incorporation, Bylaws and Long Term Lease; or the power to assign, sublease or mortgage the Association's interest in said Long Term Lease; or the power to lease the common elements of the condominiums; or the power to enter into any additional leases demising land or other property to the Association.

The duties of the Developer will include, but not be limited to, the following:

- a. The enforcement by legal means of the provisions of the Condominium Act, said Declarations Of Condominium, Articles Of Incorporation, Bylaws and Long Term Lease; and the enforcement by legal means of the regulations for the use of the condominium properties.

b. The employment of personnel to perform the services required for the proper management and operation of the condominiums. The Association shall not employ any personnel during the term hereof, unless the cost thereof is not to be paid by the Developer.

c. The collection of assessments and all other monies due the Association under said Declarations of Condominium, Articles of Incorporation and Bylaws, including the rent and other monies due under said Long Term Lease; and the issuance of certificates showing the amounts of unpaid assessments against apartment owners. Also, the taking of such action as may be necessary to collect such monies.

d. The payment of rent and other monies due the Lessor under said Long Term Lease.

e. The maintenance of accounting records according to good accounting practice; including a record of all receipts and expenditures collected or disbursed in behalf of apartment owners and an account for each apartment, designating the name and address of its owner, the amount of each assessment, the dates and amounts in which the assessment comes due, the amounts paid upon the account, and the balance due.

f. The maintenance, repair and replacement of the condominium properties, including the premises demised to the Association under said Long Term Lease, except those portions thereof for which apartment owners are responsible. All portions of the condominium properties for which the Association is responsible will be kept in a good state of repair and in first class condition.

g. The purchase of insurance, the payment of insurance premiums, the determination of insurance coverage, the adjustment of insurance claims, the delivery of insurance policies or evidence thereof to the Association or the Lessor under said Long Term Lease, and the disbursement of insurance proceeds in accordance with the provisions of said Declarations of Condominium and Long Term Lease.

h. The determination of whether or not apartments are tenantable after casualty, the issuance of certificates as to such tenantability, the approval of plans for reconstruction or repair, the obtaining of estimates of the cost to rebuild or repair, the ordering of disbursement of funds by the Association for reconstruction and repair, for retaining of architects, and the obtaining of architects' approval as to work done in reconstruction or repair.

i. The payment to the construction fund of the Association such amounts as are necessary, over and above insurance proceeds, to complete any reconstruction or repair after casualty; and the deposit of such funds to joint bank accounts of the Lessor and Lessee under said Long Term Lease as are necessary to complete any reconstruction or repair of any buildings, improvements, furniture or fixtures upon the premises thereby demised. Any surplus from said payments or deposits which would otherwise be refunded to the Association or condominium apartment owners will be paid to the Developer.

j. The giving of notices, in accordance with the provisions of said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease.

k. The making of reasonable regulations concerning the use of the condominium properties, including the premises demised to the Association under said Long Term Lease.

l. The collection of the amount of any increase in insurance premiums occasioned by the use, misuse, occupancy or abandonment of apartments or their appurtenances or common elements.

m. Such duties as may be assigned to the Association by amendments to the Condominium Act, said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease. However, the duties of the Management Firm will not include any created by amendments to the Condominium Act, unless they are accepted in writing by the Developer.

The entire cost of performing such duties will be paid by the Developer, except that the Developer will not be obligated to pay rent and other monies due under said Long Term Lease until it has collected such rent and other monies from apartment owners. For the purposes of this Management Agreement, all assessments collected from apartment owners shall be applied first to rent under said Long Term Lease and next to other monies due under said lease.

4. DUTIES OF ASSOCIATION

The duties of the Association will be as follows:

a. The making of assessments in the amounts set forth in Article 5 of this Management Agreement. However, for the purposes of this Management Agreement, the parties hereto and the owners of all condominium apartments will consider said assessments are made, whether or not the Association or its Board of Directors or members take any action in regard thereto.

b. The obtaining of the Management Firm's written consent to any amendments to said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease. Any such amendments will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

c. The obtaining of the Developer's written consent to any assignments or subleases of its interest in said Long Term Lease. Any such assignment or subleases will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

d. The obtaining of the Developer's written consent to any mortgages encumbering its interest in said Long Term Lease or any of the common elements of said condominiums. Any such mortgages will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

e. The obtaining of the Developer's written consent to any leases, whereby any of the common elements of said condominiums are demised. Any such leases will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

f. The obtaining of the Developer's written consent to any additional leases demising land or any other property to it. Any such leases

will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

g. The obtaining of the Developer's written consent to any additional agreements providing for the management and operation of said condominiums (except Insurance Trust Agreements); or for the installation of any coin operated machines upon the condominium properties, including the premises demised to the Association under said Long Term Lease. Any such agreements will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

h. The obtaining of the Developer's written consent to its purchase of any such condominium apartments; and, if acquired, the obtaining of the Developer's written consent to any mortgages encumbering same. Any such purchases or mortgages will be null and void unless said written consent is obtained and is recorded in the public records of Brevard County, Florida.

i. The aiding and assisting of the Developer in any reasonable manner requested by the Developer as to the collection of assessments; and the Association will also aid and assist the Developer in any reasonable manner requested, in order to simplify the collection of assessments or any other monies to be collected.

j. The prevention of the interference by any of its officers, directors or members with the Developer, in the exercise of its powers or the performance of its duties hereunder.

Said written consents of the Developer will not be unreasonably withheld.

5. ASSESSMENTS

The monthly assessments against the owners of said apartments contained within the condominiums established upon the land described in Exhibit A, for which the Association will have operating responsibilities, will be as follows during the term of this Management Agreement.

a. Prior to incurrence of liability for rent under said Long Term Lease:

(1) The assessment for each 2 Bedroom condominium apartment will be \$28.20 per month.

(2) The assessment for each 1 bedroom condominium apartment will be \$21.17 per month.

(3) The monthly assessment for each condominium apartment of any type not hereinabove specifically set forth will be determined by multiplying \$.025 by the number of square feet of living area within its walls (as taken from the building plans) and by dividing the product thereof by 12.

b. After the incurrence of liability for rent under said Long Term Lease:

(1) The assessment for each 2 Bedroom condominium apartment will be \$46.20 per month.

(2) The assessment for each 1 Bedroom condominium apartment will be \$33.77 per month.

(3) The monthly assessment for each condominium apartment of any type not hereinabove specifically set forth will be determined by multiplying \$.040 by the number of square feet of living area within its walls (as taken from the building plans) and dividing the product thereof by 12.

The Developer may from time to time, at its option, waive all or any part of the amounts of said assessments (except the portions thereof constituting rent under said Long Term Lease) set forth in this Article 5, either as to all or as to only a portion of said apartments, by giving written notice thereof to the Association. Such waivers will be effective for the periods of time specified in said notices; and they will not affect the obligations of the owners of apartments for which no waiver has been made. No increases in the amounts of said assessments will be made during the term hereof.

6. COMPENSATION OF DEVELOPER

The Developer will have the exclusive right to collect all monies due the Association under said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease. It will expend such amount thereof as is necessary in the performance of its duties under this Management Agreement and it will hold a reasonable amount thereof in reserve, for the purpose of paying current expenses during the term hereof. The Developer will not be required to create any other reserves, including, but not limited to any for contingencies, for deferred maintenance, for replacement, or for additional improvements. Current expenses will be deemed to include only such items as the cost of gardening services, maid services, minor repairs, regular swimming pool maintenance service, insurance premiums and taxes. The portions of such reserve attributable to insurance premiums and taxes will be reasonable if they are sufficient to pay said items, on a pro rata basis, only during the term of this Management Agreement; and, if not known, the Developer may estimate the amounts that will be due for taxes. The provisions of this Article 6 will not be construed so as to alter the duties of the Developer, as hereinbefore set forth, in any manner.

The excess of the amounts collected by the Developer over the amounts expended and held in reserve for current expenses will be the compensation of the Developer.

7. DEFAULT

In the event of default by either the Association or the Developer in the performance of this Management Agreement, the other will have the right to specific performance and to any other remedies given by law. However, a failure on the part of the Developer to perform any of the conditions hereof shall not be considered a default unless failure shall continue for a period of sixty (60) days after the Association shall have given it written notice thereof and unless the Developer does not undertake during said sixty (60) day period to cure its failure by vigorous and affirmative action.

If the Association or the Developer is compelled to pay reasonable attorneys' fees in prosecuting or defending any action or proceeding

instituted by reason of a default by the other, it will be reimbursed for such expense by the other defaulting party.

8. DISSOLUTION OF ASSOCIATION, ETC.

In the event the Association is dissolved or its existence is otherwise terminated, or if for any reason it is not responsible for the operation of any of the condominiums established by the Developer upon the land described in Exhibit A, or if any of said condominiums is terminated during the term of this Management Agreement, the owners of all apartments in each such condominium for which the Association no longer has operating responsibilities, and the owners of all apartments in each building that was formerly a part of the condominium established by the Developer, their heirs, executors, legal representatives, successors and assigns, will as to their separate interests, be bound by the provisions hereof; and the Developer will manage such interests pursuant to the terms and provisions of this Management Agreement, as the nature of such interests and the context hereof shall permit.

9. TERMS, ETC. TO BE COVENANTS RUNNING WITH THE LAND

The terms, conditions, provisions and covenants set forth in this Management Agreement will be binding upon the Association and the Developer, and upon their successors and assigns, and will be deemed to be covenants running with the land described in Exhibits A and B.

10. NOTICES

Whenever a provision herein is made for written notice, it shall be deemed sufficient if addressed to the Association or the Management Firm at their last known address and sent by U. S. certified or registered mail, with postage prepaid.

11. RENEWAL

Although this Management Agreement will terminate approximately two (2) years from its date, it may be renewed or extended for such periods and upon such terms and conditions as may be mutually agreeable to its parties. Said parties anticipate that, if not renewed or extended, it will be useful in any negotiations by them for other management agreements.

12. MISCELLANEOUS PROVISIONS

The Developer will be entitled to use a portion of the facilities to be located upon the land demised to the Association under said Long Term Lease, not to exceed a reasonable area and not to unreasonably interfere with the other use of said facilities, as an office in the performance of its duties hereunder. There will be no cost to the Developer for such use, and it may continue during the term of this Management Agreement.

This Management Agreement will not be construed so as to require the Developer to submit all of the land described in Exhibits A and B to the condominium form of ownership. The failure of the Developer to so submit all of said land or to establish twenty (20) separate condominiums thereon will not, in any manner, affect its validity.

The entire fiscal management of the Association will be governed solely by this Management Agreement during its term.

The Developer will not be liable to the Association or its members for any loss or damage not caused by the Developer's own gross negligence or willful misconduct; and the Association and its members will, and do hereby indemnify and save harmless the Developer from any liability, costs and expenses arising from injury to any person or property upon or about any of the said condominiums from any cause whatever, unless such injury shall be caused by the Developer's own gross negligence or willful misconduct.

The Developer may install coin operated washing machines, and other coin operated machines upon the condominium properties, including the premises demised to the Association under said Long Term Lease, and the proceeds received from any such installation will be the property of the Developer. It may also make agreements with individual condominium apartment owners to provide services not herein specified.

The invalidity of any term or provision of this Management Agreement, or of any part of any term or provision, will not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set forth their hands and seals the day and year first above written.

Executed in the presence of:

CAPE SHORES ASSOCIATION, INC.

Janet S. Pozzoni
Olive J. Porto

By: Jack C. Moline

Attest: Charlotte Moline



CAPE SHORES DEVELOPMENT CORPORATION

Janet S. Pozzoni
Olive J. Porto

By: Jack C. Moline

Attest: Charlotte Moline

STATE OF FLORIDA

COUNTY OF BREVARD

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JACK C. MOLINE and CHARLOTTE MOLINE well known to me to be the President and Secretary, respectively of CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit; and they severally acknowledged executing the foregoing Management Agreement in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation; and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and seal in the County and State last aforesaid this 15th day of December, 1971.

My Commission expires:

Olive J. Porto

Notary Public

Notary Public, State of Florida at Large
My Commission Expires Oct. 21, 1973

STATE OF FLORIDA

COUNTY OF BREVARD

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JACK C. MOLINE and CHARLOTTE MOLINE, well known to me to be the President and Secretary, respectively of CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation; and they severally acknowledged executing the foregoing Management Agreement in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation; and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 15th day of December, 1971.

My Commission expires:

Oliver J. Porto
Notary Public

Notary Public, State of Florida at Large
My Commission Expires Oct. 21, 1973
Bounded by American Fire & Casualty Co.

MANAGEMENT AGREEMENT

The North 860.25' of the South 900.25', except the East 200' of Govt. Lot 4, Section 23, Township 24S, Range 37E, and the North 860.25' of the South 900.25' of Govt. Lot 3, Section 22, Township 24S, Range 37E, all lying West of State Road No. 401 right-of-way.

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
CAPE SHORES ASSOCIATION, INC.
(a corporation not for profit)

We, the undersigned VERNON PETERMAN and AILEEN LOTT, President and Secretary respectively of CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit, do hereby certify that at a special meeting of the member-owners of said corporation, called for that expressly stated purpose, duly called and held in City of Cape Canaveral, State of Florida, on the 31st day of October, A. D. 1974, at which meeting a majority of the member-owners were represented in person or by proxy; resolutions, as hereinafter set forth, were adopted by an affirmative vote of the members owning not less than 80% of the apartment units in the condominium:

RESOLVED, that Article VIII of the Articles of Incorporation of Cape Shores Association, Inc., be, and the same is hereby, amended to read as follows:

VIII.

The affairs of the corporation shall be managed by the Board of Directors. The number of members of the first Board of Directors of the corporation shall be five (5). The number of members of succeeding Boards of Directors shall be as provided from time to time by the Bylaws of the corporation. The members of the Board of Directors shall be elected by the members of the corporation at the annual meeting of the membership as provided by the Bylaws of the corporation, and all members of the Board of Directors shall be members of the corporation or shall be authorized representatives, officers or employees of a corporate member of this corporation. Notwithstanding the foregoing, the first election of directors will not be held until after the Developer has closed the sales of all of the condominium units of all twenty (20) condominiums established by it upon the lands described in Article II hereof (as anticipated), or until it elects to terminate its control of the Association, or until December 31, 1976, whichever first occurs. The directors named in these Articles will serve until the first election of directors and any vacancies in their number occurring before the first election will be filled by the remaining directors.

AND we do further certify that the said resolutions and said Articles of Incorporation, as amended, were at a meeting of the Board of Directors held on the 31st day of October, A. D. 1974, at which a majority of all of the members of said Board were present and voted, fully adopted, ratified and confirmed; and thereupon presented to said member's meeting.

IN WITNESS WHEREOF, we have hereunto set our hands and seals as such officers and the official seal of the corporation, this the 2nd day of May

A. D. 1975,



Vernon K. Peterman
VERNON PETERMAN, President

Aileen Lott
AILEEN LOTT, Secretary

STATE OF FLORIDA:

COUNTY OF BREVARD:

BEFORE ME, the undersigned authority, personally appeared VERNON PETERMAN and AILEEN LOTT, President and Secretary respectively of CAPE SHORES ASSOCIATION, INC., a Florida corporation not for profit, who, after being by me first severally sworn, depose and say that each has examined the foregoing Certificate of Amendment to the Articles of Incorporation and that the matters set forth therein are true and correct.

Vernon K. Peterman
VERNON PETERMAN

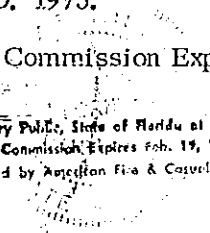
Aileen Lott
AILEEN LOTT

SWORN TO and subscribed before me this the 2nd day of May,

A. D. 1975.

My Commission Expires:

Notary Public, State of Florida at large
My Commission Expires Feb. 19, 1977
Bonded by American Fire & Casualty Co.



Nancy J. Musier
NOTARY PUBLIC

ARTICLES OF INCORPORATION
OF
CAPE SHORES ASSOCIATION, INC.
(a corporation not for profit)

Dec 17 2 56 PM 1971
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

In order to form a corporation under and in accordance with the provisions of the laws of the State of Florida for the formation of corporations not for profit, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned; and to that end we do, by these articles of incorporation, set forth:

I.

The name of the proposed corporation shall be CAPE SHORES ASSOCIATION, INC.

II.

The purposes and objects of the corporation shall be to administer the operation and management of a condominium to be established by CAPE SHORES DEVELOPMENT CORPORATION, a Florida corporation, hereinafter called "Developer," the condominium apartment complex to be established in accordance with the laws of the State of Florida upon the following described property situate, lying and being in Brevard County, Florida, to-wit:

The North 860.25' of the South 900.25', except the East 200 feet of Govt. Lot 4, Sec. 23, Twp. 24S, Rng. 37E., and the North 860.25' of the South 900.25' of Govt. Lot 3, Sec. 22, Twp. 24S., Rng. 37E., all lying West of State Road No. 401 right of way,

and to undertake the performance of the acts and duties incident to the administration of the operation and management of said condominium in accordance with the terms, provisions, conditions and authorizations contained in these articles and which may be contained in the Declarations of Condominium which will be recorded in the public records of Brevard County, Florida, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a plan of condominium ownership; and to own, operate, lease,

sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said condominium. The corporation shall be conducted as a non-profit organization for the benefit of its members. It is anticipated that twenty (20) separate condominium apartment buildings will be established by the Developer upon said land.

III.

The corporation shall have the following powers:

1. The corporation shall have all of the powers and privileges granted to corporations not for profit under the law pursuant to which this corporation is chartered, and all of the powers and privileges which may be granted unto said corporation or exercised by it under any other applicable laws of the State of Florida including the Condominium Act, Chapter 711, of the Florida Statutes.

2. The corporation shall have all of the powers reasonably necessary to implement and effectuate the purposes of the corporation, including but not limited to the following:

a. To make and establish reasonable rules and regulations governing the use of apartment units and the common elements in the condominium as said terms may be defined in said Declaration of Condominium.

b. To levy and collect assessments against members of the corporation to defray the common expenses of the condominium as may be provided in said Declaration of Condominium and in the Bylaws of this corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including the apartment units in the condominium, which may be necessary or convenient in the operation and management of the condominium and in accomplishing the purposes set forth in said Declaration of Condominium.

c. To maintain, repair, replace, operate and manage the condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the condominium property.

d. To contract for the management of the condominium and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association.

e. To enforce the provisions of said Declaration of Condominium, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, and the rules and regulations governing the use of the condominium as same may be hereafter established.

f. To now or hereafter acquire and enter into leases and agreements of every nature, whereby the corporation acquires leaseholds, memberships and other possessory or use interests in land or facilities, including recreational and communal facilities, whether or not contiguous to lands of the condominium, to provide enjoyment, recreation, or other use or benefit to the owners of the apartment units, all as may be deemed by the Board of Directors to be in the best interests of the corporation.

g. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the corporation pursuant to said Declaration of Condominium.

IV.

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

1. The owners of all apartment units in the condominium shall be members of the Association and no other persons or entities shall be entitled to membership, except as provided in item 5 of Article IV herein.

2. Membership shall be established by the acquisition of fee title to an apartment unit in the condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any apartment unit except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more apartment units, or who may own a fee ownership interest in two or more apartment units, so long as such party shall retain title to or a fee ownership interest in any apartment unit.

3. The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his apartment unit. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium, and in the said Bylaws.

4. On all matters on which the membership shall be entitled to vote, there shall be only one vote for each apartment unit in the condominium, which vote may be exercised or cast by the owner or owners of each apartment unit in such manner as may be provided in the Bylaws hereafter adopted by the Association. Should any member own more than one apartment unit, such member shall be entitled to exercise or cast as many votes as he owns apartment units, in the manner provided by said Bylaws.

5. Until such time as the property described in Article II hereof are submitted to a plan of condominium ownership by the recordation of said Declaration of Condominium, the membership of the corporation shall be comprised of the subscribers of these Articles, each of which subscribers shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

V.

The corporation shall have perpetual existence.

VI.

The principal office of the corporation shall be located at 6701 North Atlantic Avenue, Cape Canaveral, Florida, but the corporation may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

VII.

The affairs of the corporation shall be administered by the President of the corporation assisted by the Vice President, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President, with the approval of the Board of Directors, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the condominium, and the affairs of the corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the corporation or a director or officer of the corporation.

VIII.

The affairs of the corporation shall be managed by the Board of Directors. The number of members of the first Board of Directors of the corporation shall be four. The number of members of succeeding Boards of Directors shall be as provided from time to time by the Bylaws of the corporation. The members of the Board of Directors shall be elected by

the members of the corporation at the annual meeting of the membership as provided by the Bylaws of the corporation, and at least a majority of the Board of Directors shall be members of the corporation or shall be authorized representatives, officers or employees of a corporate member of this corporation. Notwithstanding the foregoing, the first election of directors will not be held until after the Developer has closed the sales of all of the condominium units of all twenty (20) condominiums established by it upon the lands described in Article II hereof (as anticipated), or until it elects to terminate its control of the Association, or until December 31, 1976, whichever first occurs. The directors named in these Articles will serve until the first election of directors and any vacancies in their number occurring before the first election will be filled by the remaining directors.

IX.

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

X.

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

<u>NAME</u>	<u>ADDRESS</u>
JACK C. MOLINE	517 Naish Avenue Cocoa Beach, Florida 32931
CHARLOTTE MOLINE	517 Naish Avenue Cocoa Beach, Florida 32931
GLEN J. SCHOESSOW	180 Flagler Lane Gainesville, Florida 32601
EVELYN SCHOESSOW	180 Flagler Lane Gainesville, Florida 32601

XI.

The subscribers to these Articles of Incorporation are the four (4) persons herein named to act and serve as members of the first Board of Directors of the corporation, the names of which subscribers and their respective post office addresses are more particularly set forth in Article X above.

XII.

The officers of the corporation who shall serve until the first election under these Articles shall be the following:

President	JACK C. MOLINE
Vice President	GLEN J. SCHOESSOW
Secretary	CHARLOTTE MOLINE
Treasurer	EVELYN SCHOESSOW

XIII.

The original Bylaws of the corporation shall be adopted by the Board of Directors, and thereafter, such Bylaws may be altered or rescinded only in such manner as said Bylaws may provide.

XIV.

Every Director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the corporation,

whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of wilful misfeasance or malfeasance in the performance of his duties; provided, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

XV.

An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the corporation acting upon a vote of the majority of the directors, or by the members of the corporation owning a majority of the apartment units in the condominium, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the corporation or other officer of the corporation in the absence of the President, who shall thereupon call a special meeting of the members of the corporation for a date not sooner than twenty (20) days nor later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting, stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten (10) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail, addressed to

the member at his post office address as it appears on the records of the corporation, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the corporation, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting the amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than 80% of the apartment units in the condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these Articles shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State of Florida; and upon the registration of such amendment or amendments with said Secretary of State, a certified copy thereof shall be recorded in the public records of Brevard County, Florida, within ten (10) days from the date on which the same are so registered. At any meeting held to consider such amendment or amendments of these Articles, the written vote of any member of the corporation shall be recognized, if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the corporation at or prior to such meeting.

Notwithstanding the foregoing provisions of this Article XV, no amendment to these Articles which shall abridge, amend or alter the right of CAPE SHORES DEVELOPMENT CORPORATION to designate and select members of each Board of Directors of the corporation, as provided in Article VIII hereof, may be adopted or become effective without the prior written consent of CAPE SHORES DEVELOPMENT CORPORATION.

XVI.

The name and address of the Resident Agent of this corporation is as follows: Malcolm R. Kirschenbaum, 66 North Atlantic Avenue, Suite 12, Cocoa Beach, Florida 32931.

IN WITNESS WHEREOF, the subscribers have hereunto set their hands and seals this 15th day of December, 1971.

[Signature] (SEAL)
JACK C. MOLINE

[Signature] (SEAL)
CHARLOTTE MOLINE

[Signature] (SEAL)
GLEN J. SCHOESSOW

[Signature] (SEAL)
EVELYN SCHOESSOW

STATE OF FLORIDA)
)
COUNTY OF BREVARD)

On this 15th day of December, 1971, before me, personally came JACK C. MOLINE, CHARLOTTE MOLINE, GLEN J. SCHOESSOW and EVELYN SCHOESSOW, to me known and known to me to be the individuals described in and who signed the foregoing Articles of Incorporation, and they severally duly acknowledged to me that they signed the same.

[Signature]
Notary Public
State of Florida at large

My commission expires:

Notary Public, State of Florida at Large
My Commission Expires Oct. 21, 1973
Bonds by American Fire & Marine Cos.

CERTIFICATE DESIGNATING RESIDENT AGENT

OF


CAPE SHORES ASSOCIATION, INC.

(a corporation not for profit)

Pursuant to Chapter 48.091, Florida Statutes, the following submitted in compliance with said Act:

That, CAPE SHORES ASSOCIATION, INC., a corporation not for profit, desiring to organize under the laws of the State of Florida, with its principal office, as indicated in the articles of incorporation at the City of Cape Canaveral, County of Brevard, State of Florida, has named MALCOLM R. KIRSCHENBAUM, located at 66 North Atlantic Avenue, Suite 11, City of Cocoa Beach, County of Brevard, State of Florida, as its agent to accept service of process within this state.

Having been named to accept service of process for the above stated corporation, at the place designated in this Certificate, I hereby accept to act in this capacity, and agree to comply with the provisions of said Act relative to keeping open said office.



Malcolm R. Kirschenbaum
Resident Agent

Dec 17 2 56 PM 1971
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

AMENDMENT TO BYLAWSOFCAPE SHORES ASSOCIATION, INC.
(a corporation not for profit)

We, Fred Kuttesch and Aileen W. Lott, as President and Secretary respectively of CAPE SHORES ASSOCIATION, INC. a corporation not for profit, do hereby certify that at a regularly scheduled meeting of the Board of Directors held on the 13th day of December, 1976, the Board of Directors by an affirmative vote of more than a majority of the entire membership of the Board of Directors did approve and recommend to the members of the Association, the following amendments to the Bylaws of the Association and that a regularly scheduled meeting of the members of the Association held on the 10th day of January, 1977, by an affirmative vote of more than two-thirds of the entire membership of the members, did approve the following amendments to the Bylaws of CAPE SHORES ASSOCIATION, INC.:

ITEM ONE

Paragraph 3, subparagraph (a), appearing on page 3 of the original Bylaws of CAPE SHORES ASSOCIATION, INC. and as amended by the amendment to Bylaws dated the 2nd day of May, 1975, is hereby amended to read as follows:

"3.(a) The annual members' meeting shall be held at the office of the Association at 8:00 o'clock P.M., Eastern Standard Time, on the 2nd Monday in January of each year for the purposes of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next Monday."

ITEM TWO

Paragraph 3, subparagraph (c) be and the same is hereby amended to read as follows:

"(c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President, Secretary or Treasurer of the Association, or other officer of the Association in the absence of said officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than fifteen (15) days nor more than thirty (30) days prior to the date set for such meeting, which notice shall be mailed by certified mail return receipt requested or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. In addition to mailing or personally delivering notice of said meeting to each member the person giving notice of said meeting shall post in a conspicuous place on the condominium property, a notice of said meeting at least fifteen (15) days prior to the date of the said meeting. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not attended, or because a greater percentage of the membership required to constitute a quorum of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration of Condominium, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum or the required percentage of attendance if greater than a quorum, is present."

ITEM THREE

Paragraph 4, subparagraph (f) be and hereby is amended to read as follows:

"4.(f) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram at least ten (10) days prior to the day named for such meeting, unless notice is waived. Notice of all regular meetings of the Board of Directors shall be posted in a conspicuous place on the condominium property at least forty-eight (48) hours in advance of said meeting for the attention of all unit owners."

ITEM FOUR

Paragraph 4, subparagraph (g) be and hereby is amended to read as follows:

"4.(g) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of two (2) Directors. Not less than three (3) days notice of meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Notice of all special meetings of the Board of Directors shall be posted in a conspicuous place on the condominium property at least forty-eight (48) hours in advance of said meeting for the attention of all unit owners except in an emergency."

ITEM FIVE

Paragraph 4, subparagraph (b) be and hereby is amended to read as follows:

"4.^H(X) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance of a Director at any meeting of the Board shall be waiver of notice by him of the time and place thereof."

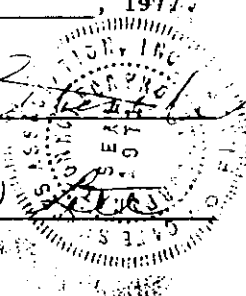
ITEM SIX

Paragraph 6, subparagraph (b), sub-subparagraph (4) be and hereby is amended to read as follows:

"6.(b)(4). Notice of the meeting of the Board of Directors at which the annual budget will be considered, together with a copy of the proposed budget shall be given by the Secretary of the Association or other officer of the Association in the absence of the Secretary, such notice and copy of the proposed budget shall be given to each member not less than thirty (30) days prior to such meeting and such notice shall be written or printed and shall state the date, time and place of such meeting."

IN WITNESS WHEREOF the undersigned as President and Secretary respectively of CAPE SHORES ASSOCIATION, INC. have set our hands and seals this 21st day of January, 1977.

Fred S. Kuttensch
President
Aileen W. Lott
Secretary

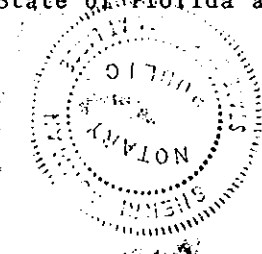


STATE OF FLORIDA)
COUNTY OF BREVARD)

Before me, the undersigned authority, personally appeared Fred S. Kuttensch and Aileen W. Lott, as President and Secretary respectively of CAPE SHORES ASSOCIATION, INC. who upon first being duly sworn on oath depose and say that they signed the foregoing Amendment to the Bylaws of CAPE SHORES ASSOCIATION, INC. for the purposes therein cited.

WITNESS my hand and official seal at Merritt Island, County of Brevard, State of Florida, this 21st day of January, 1977.

Sherril Adman
Notary Public, State of Florida at Large



My Commission Expires: June 9, 1980
Notary Public, State of Florida at Large
My Commission Expires June 9, 1980
Bonded By American Fire & Casualty Company

AMENDMENT TO BYLAWS
OF
CAPE SHORES ASSOCIATION, INC.
(a corporation not for profit)

I, AILEEN LOTT, as Secretary of CAPES SHORES ASSOCIATION, INC., a Florida corporation not for profit, do hereby certify that at special meetings held on the 31st day of October, A.D. 1974 at 11:00 A. M. and 7:50 P. M. respectively, the Board of Directors by an affirmative vote of more than two-thirds of the entire membership of the Board of Directors and the member-owners by an affirmative vote of the members owning not less than two-thirds of the apartment units in the condominium, the following Bylaw amendments were affirmatively approved:

1. Paragraph 3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP, sub-paragraph (a) be, and is hereby amended to read as follows:

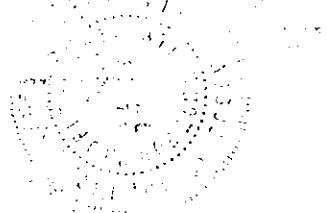
"(a) The annual members' meeting shall be held at the office of the Association at 8:00 o'clock P. M., Eastern Standard Time, on the 2nd Monday in January of each year for the purposes of ~~approving the number of Directors to be~~ *electing Directors - see amendment dated 1/21/77* ~~electd and of electing Directors~~ and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next ~~succeeding~~ Monday."

2. Paragraph 5. OFFICERS, sub-paragraph (a) be, and is hereby is amended to read as follows:

"(a) The principal officers of the Association shall be a President, Vice President, Secretary and a Treasurer, all of whom are to be elected by the Board of Directors, and in addition, the Board of Directors may elected as many additional Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers as in their judgment may be necessary. The President shall be elected from among the Board of Directors, but no other officer needs to be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of the President and Vice President shall

not be held by the same person, nor shall the offices of the President and the Secretary or Assistant Secretary be held by the same person.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the corporation and affixed the corporate seal, this the 2nd day of May, A. D. 1975.



Aileen Lott
AILEEN LOTT, Secretary

I, VERNON PETERMAN, as President and a member of the Board of Directors of said corporation, do hereby certify the above Amendment to Bylaws to be true and correct.

Vernon K. Peterman
VERNON PETERMAN, President

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BREVARD COUNTY FLA.
VERIFIED
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Clerk
CLERK CIRCUIT COURT

BYLAWS
OF
CAPE SHORES ASSOCIATION, INC.
(a corporation not for profit)

1. IDENTITY

These are the Bylaws of CAPE SHORES ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 17th day of December, 1971. CAPE SHORES ASSOCIATION, INC., hereinafter called "Association," has been organized for the purpose of administering the operation and management of a condominium apartment project established or to be established in accordance with the Condominium Act of the State of Florida by CAPE SHORES DEVELOPMENT CORPORATION upon lands described in said Articles of Incorporation, situate, lying and being in Brevard County, Florida, and such other lands as may be acquired in connection with this condominium development by the Developer. It is anticipated that twenty (20) separate condominium apartment buildings will be established by said corporation upon such land.

(a) The provisions of these Bylaws are applicable to said condominiums and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Articles of Incorporation and which may be contained in the Declarations of Condominium which are to be recorded in the public records of Brevard County, Florida. The terms and provisions of said Articles of Incorporation and Declarations of Condominium are to be controlling wherever the same may be in conflict herewith.

(b) All present or future owners, tenants, future tenants, or their employees, or any other person that might use said condominium or any of the facilities thereof in any manner, are subject to the regulations set forth in these Bylaws and in said Articles of Incorporation and Declarations of Condominium.

(c) The mere acquisition or rental of any of the family units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these Bylaws, Charter provisions and regulations

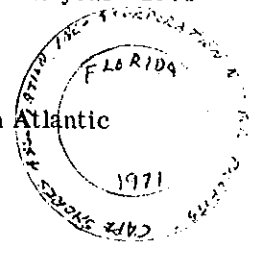
in the Declaration of Condominium are accepted, ratified and will be complied with.

(d) Anything in these Bylaws to the contrary notwithstanding the said Bylaws shall not become applicable or effective, insofar as the management of the condominium project is concerned, until actual management of the condominium project is delivered and turned over to this nonprofit corporation, the management of said condominium project being vested in the Developer until said turn-over, which shall be when the Developer has completed all of the contemplated improvements and has closed the sales of all of the apartments of all twenty (20) condominium apartment buildings established by it upon said land (as anticipated), or until it elects to terminate its control of the Association, or until December 31, 1976, whichever first occurs, the proceedings of all meetings of members of the Association will have no effect unless approved by the Board of Directors.

(e) The fiscal year of the Association shall be the calendar year.

(f) The seal of the Association shall bear the name of the Association, the word "Florida," the words "a corporation not for profit," and the year "1971" an impression of which seal is as follows:

(g) The office of the Association shall be at 6701 North Atlantic Avenue, Cape Canaveral, Florida.



2. MEMBERSHIP, VOTING, QUORUM, PROXIES

(a) The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article IV of the Articles of Incorporation of the Association, the provisions of which Article IV of the Articles of Incorporation are incorporated herein by reference.

(b) A quorum of members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. Joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

(c) The vote of the owners of an apartment unit owned by more than one person or by a corporation or other entity shall be cast by the person named in the written notice signed by all of the owners of the apartment unit filed with the Secretary

of the Association, and such written notice shall be valid until revoked by subsequent written notice. If such written notice is not on file or not produced at the meeting, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

(d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon, and must be filed with the Secretary before the appointed time of the meeting.

(e) Approval or disapproval of an apartment unit owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

(f) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration of Condominium, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the apartment units represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

~~(a) The annual members' meeting shall be held at the office of the Association at 8:00 o'clock P. M., Eastern Standard Time, on the 2nd Monday in January of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Monday. See amendment dated 1/21/77~~

(b) Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by officers upon receipt of a written request from members owning a majority of the apartment units. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the votes present, either in person or by proxy.

~~(c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President, Secretary or Treasurer of the Association,~~

or other officer of the Association in the absence of said officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than fifteen (15) days nor more than thirty (30) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not attended, or because a greater percentage of the membership required to constitute a quorum of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration of Condominium, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum or the required percentage of attendance if greater than a quorum, is present. *See amendment dated 1/21/77*

(d) At meetings of membership the President, or in his absence, the Vice President, shall preside, or in the absence of both, the membership shall elect a chairman.

(e) The order of business at annual members' meetings, and as far as practical, at any other members' meetings, shall be:

- (i). Calling of the roll and certifying of proxies
- (ii). Proof of notice of meeting or waiver of notice
- (iii). Reading of minutes
- (iv). Reports of officers
- (v). Reports of committees

(vi). Appointment of Chairman of Inspectors of Election

(vii). Election of Directors

(viii). Unfinished business

(ix). New business

(x). Adjournment

(f). Meetings of the Association shall be held at the principal office of the Association or such other suitable place convenient to the owners as may be designated by the Board of Directors.

4. BOARD OF DIRECTORS AND OFFICERS

(a) Each Director elected at the first annual meeting of the members and at each annual members' meeting thereafter shall serve for the term of one year or until his successor is duly elected. Directors may be removed for cause by an affirmative vote of the members owning not less than 50% of the apartment units in the condominium at a special meeting called for such purpose. Directors may be removed without cause by an affirmative vote of the members owning not less than 80% of the apartment units in the condominium.

(b) Election of Directors shall be conducted in the following manner:

(i). Each member of the Board of Directors shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association.

(ii). Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the majority vote of the remaining Directors.

(c) The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

(d) The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

(e) Upon an affirmative vote of a majority of the members of the Board

of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board called for such purpose.

(f) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram at least ten (10) days prior to the day named for such meeting, unless notice if waived. *Notice of all regular meetings
See amendment dated 1/21/77*

(g) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of two (2) Directors. Not less than three (3) days' notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. *Notice of all Special Meetings
See amendment dated 1/21/77*

(h) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be waiver of notice by him of the time and place thereof. *See amendment dated 1/21/77* ~~If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.~~

(i) A quorum of a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at the meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, Bylaws, or Declaration of Condominium. If any Directors' meeting cannot be organized because a quorum has not attended or because the greater percentage of Directors required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required, Directors who are present may adjourn the meeting from time to time until a quorum or required percentage attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been

transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

(j) The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Vice President shall preside.

(k) Directors' fees, if any, shall be determined by the members.

(l) All the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, Articles of Incorporation of the Association, these Bylaws and the Declaration of Condominium, such powers and duties shall be exercised in accordance with said Articles of Incorporation, these Bylaws and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing, the following:

(i) To make, levy and collect assessments against members and members' apartment units to defray the costs of the condominium, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

(ii) The maintenance, repair, replacement, operation and management of the condominium wherever the same is required to be done and accomplished by the Association for the benefit of its members;

(iii) The reconstruction of improvements after casualty, and further improvement of the property, real and personal;

(iv) To make and amend regulations governing the use of the property, real and personal, in the condominium, so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Condominium;

(v) To approve or disapprove proposed purchasers and lessees of apartment units in the manner specified in the Declaration of Condominium;

(vi) To acquire, operate, lease, manage and otherwise trade and deal

with property, real and personal, including apartment units in the condominium, as may be necessary or convenient in operating and managing the condominium, and in accomplishing the purposes set forth in the Declaration of Condominium.

(vii) To contract for the management of the condominium and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association;

(viii) To enforce by legal means the provisions of the Articles of Incorporation, the Bylaws, the Declaration of Condominium, and any regulations hereinafter promulgated governing the use of the property in the condominium;

(ix) To pay all taxes and assessments which are liens against any part of the condominium other than apartment units and the appurtenances thereto, and to assess the same against the members and their respective apartment units subject to such lines;

(x) To carry insurance for the protection of the members and the Association against casualty and liability;

(xi) To pay all costs of power, water, sewer and other utility services rendered to the condominium and not billed to the owners of the separate apartment units; and

(xii) To employ personnel to perform the services required for proper administration of the Association.

(m) The undertakings and contracts authorized by the said first Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors duly elected by the membership.

5. OFFICERS

~~(a) The principal officers of the Association shall be a President, Vice President, Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in their judgment may be necessary.~~

(b) The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners, from time to time as he may in his discretion decide is appropriate, to assist in the conduct of the affairs of the Association.

(c) The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

(d) The Secretary shall have custody of, and maintain, all of the corporate records except the financial records; shall record the minutes of all meetings of the Board of Directors, send out all notices of meetings, and perform such other duties as may be directed by the Board of Directors and President. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed.

(e) The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices.

6. FISCAL MANAGEMENT

The separate condominiums established by the Developer upon the lands described in the Articles of Incorporation will, in fiscal matters, be managed as a single entity; and separate accounts need not be maintained for the separate condominiums. Such fiscal management will be governed by the terms and provisions of any agreements made by the Association for the management and operation of said condominiums. However, in the event such agreements are not made, or if they do not contain provisions for fiscal managements, or at the termination of any such agreements, fiscal management will be as set forth in the Declaration

of Condominium, supplemented by the following:

(a) Accounts. The receipts and expenditures of the Association will be credited and charged to accounts under the following classifications, as shall be appropriate, all of which expenditures will be common expenses:

(1) Current expense, which will include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year will be applied to reduce the assessments for current expense for the succeeding year.

(2) Reserve for deferred maintenance, which will include funds for maintenance items that occur less frequently than annually.

(3) Reserve for replacement, which will include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterments, which will include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

(b) Budget. The Board of Directors will adopt a combined budget for each calendar year that will include the estimated funds required to defray the common expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices, as follows:

(1) Current expense.

(2) Reserve for deferred maintenance, the amount for which will not exceed 105% of the budget for this account for the prior year.

(3) Reserve for replacement, the amount for which will not exceed 105% of the budget for this account for the prior year.

(3) Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by apartment owners entitled to cast not less than 75% of the votes of the entire membership of the Association; and further provided, however, that until the Developer

as completed all of the contemplated improvements and closed the sales of all of the apartments of all twenty (20) condominiums established by it upon said land (as anticipated) or until it elects to terminate its control of the Association, or until December 31, 1976, whichever first occurs, the Board of Directors may omit from the budget all allowances for contingencies and reserves.

~~(4) Copies of the budget and proposed assessments will be transmitted to each member on or before December 1 preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget will be furnished to each member.~~ *See amendment dated 1/21/77*

(c) Assessments. Assessments against the apartment owners for their shares of the items of the budget will be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments will be due in equal monthly installments on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessment will be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed such limitation will be subject to the approval of the membership of the Association as previously required by these Bylaws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made will be due in equal monthly installments on the first day of each month remaining in the year for which such amended assessment is made.

(d) Acceleration of assessment installments upon default. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the apartment owner, and then the unpaid

alance of the assessment will come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

(e) Assessments for emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses will be made only after notice of the need for such is given to the members. After such notice and upon approval by more than one-half of the members, the assessment will become effective, and it will be due after 30 days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

(f) The depository of the Association will be such bank or banks as shall be designated from time to time by the directors and in which the moneys of the Association will be deposited. Withdrawal of moneys from such accounts will be only by checks signed by such persons as are authorized by the directors.

(g) An audit of the accounts of the Association will be made annually and a copy of the audit report will be furnished to each member not later than April 1 of the year following the year for which the audit is made.

(h) Fidelity bonds shall be required by the Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

7. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or with the Statutes of the State of Florida.

8. AMENDMENTS TO BYLAWS

Amendments to these Bylaws shall be proposed and adopted in the following manner: