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DECLARATION OF CONDOMINIUM

OF

KETCH COURTYARD, A CONDOMINIUM

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DECLARATION OF CONDOMINIUM
OF
KETCH COURTYARD, A CONDOMINIUM

DECLARATION made this 1st day of March, 1984, pursuant to Chapter 718, Florida Statutes, by KETCH COURTYARD, INC., a corporation organized and existing under the laws of the State of Florida, having its principal offices at Fernandina Beach, Nassau County, Florida, and hereafter referred to as "DEVELOPER".

ARTICLE ONE

1.1 SUBMISSION OF PROPERTY: DEVELOPER, who is the owner in fee simple of the land described below, the buildings, and all other improvements constructed or to be constructed thereon, together with all easements, rights and appurtenances belonging thereto and all other property, personal or mixed, intended for use in connection therewith, hereinafter collectively referred to as the property, hereby declares certain divisions, covenants, restrictions, limitations, conditions, and uses respecting the property, intending thereby to submit the property to the provisions of Chapter 718 of the Florida Statutes, hereinafter referred to as the Condominium Act, and further intending thereby to create covenants running with the land and binding DEVELOPER and its successors and assigns forever.

ARTICLE TWO

2.1 DEFINITIONS: As used in this Declaration of Condominium:

2.2 "ASSESSMENT" means a share of the funds required for the payment of common expenses which from time to time is assessed against the Unit Owner.

2.3 "ASSOCIATION" means the entity responsible for the operation of the Condominium Property, KETCH COURTYARD ASSOCIATION, INC., a non-profit corporation organized under the laws of the State of Florida.

2.4 "BY-LAWS" mean the By-Laws for the government of the Condominium as they exist from time to time.

2.5 "COMMON ELEMENTS" mean the portions of the Condominium property not included in the units.

2.6 "CONDOMINIUM PARCEL" means a unit together with the undivided share in the common elements which is appurtenant to the unit, membership in the Association, the undivided share in the common surplus, and the obligations to bear a portion of the common expenses.

2.7 "OPERATION OF THE CONDOMINIUM" means and includes the administration and management of the Condominium property.

2.8 "CONDOMINIUM PROPERTY" means and includes the land in the Condominium, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.9 "UNIT" means a part of the Condominium property which is to be subject to private ownership.

2.10 "UNIT OWNER" or "OWNER OF A UNIT" means the owner of a Condominium parcel.

2.11 "DEVELOPER" means KETCH COURTYARD, INC.

ARTICLE THREE

3.1 NAME OF CONDOMINIUM: The name by which the property shall hereafter be known is KETCH COURTYARD, a Condominium.

ARTICLE FOUR

4.1 DESCRIPTION OF LAND: The land on which the buildings and improvements constituting the property are located consists of the following:

Lots Twelve (12), Thirteen (13) and Fourteen (14), in Block Numbered Two (2) of "SOUTH BEACH", a subdivision of Section Six (6), Township Two (2) North, Range Twenty-nine (29) East, in Nassau County, Florida, according to plat of said subdivision recorded in Plat Book 3 at page Eleven (11), public records of Nassau County, Florida.

4.2 A copy of the survey of the real property to be developed is attached hereto as EXHIBIT "A".

ARTICLE FIVE

5.1 DESCRIPTION OF BUILDINGS: There is one (1) building to be constructed on PHASE I of the land, constructed principally of concrete block construction, with stucco exterior on foundations of concrete pad and piling. A plot plan showing the location of the building on the property is attached hereto as EXHIBIT "B".

ARTICLE SIX

6.1 UNITS: On each of the four floors of the building there are eight (8) apartment units, which are numbered consecutively from 100 to 107 on the first floor; 200 to 207 on the second floor; 300 to 307 on the third floor; and 400 to 407 on the fourth floor. All units are shown and identified in the sketches and plans comprising description of improvements attached hereto as EXHIBITS "B" through "D".

6.2 Each unit is equipped with a stainless steel kitchen sink, wall cabinets, oven, range, dishwasher, refrigerator-freezer, fiberglass enclosure bathtubs, china toilets, and wash basins.

6.3 BOUNDARIES: Each unit shall be bounded as to both horizontal and parimetrical boundaries as below defined, whether the same exist now or are created by construction, settlement or movement of the building, or permissible repairs, reconstruction or alterations. The boundaries are intended to be as follows and shall be determined in the following manner:

6.4 HORIZONTAL BOUNDARIES: The upper and lower boundaries of the units shall be:

6.5 UPPER BOUNDARY: The underside of the unfinished ceiling of the unit, extended to meet the parimetrical boundaries.

6.6 LOWER BOUNDARY: The upperside of the unfinished, undecorated surface of the floor of the unit and deck extended to meet the parimetrical boundaries.

6.7 PARIMETRICAL BOUNDARIES: The parimetrical boundaries shall be the unfinished interior surfaces of the perimeter walls of the unit and the interior surfaces of the unit's windows and doors that abut the exterior of the building or common areas, and the unfinished surface of the deck.

6.8 UNIT TYPE: Varies with each unit.

6.9 The unit consists of the following rooms and areas: a living room and dining room, or a combination thereof; a kitchen which includes a stainless steel sink; a self-cleaning oven/range; a dishwasher; a refrigerator-freezer; and wall cabinets; two (2) or three (3) bedrooms; and two (2) or three (3) bathrooms, a walk-in utility room, and a locking owner's storage walk-in closet.

ARTICLE SEVEN

7.1 COMMON ELEMENTS: The common elements, shown in detail and in relation to the various units in Exhibits "B" through "D" hereto, consist of all of the Condominium property, except the units, and shall include but not be limited to the following:

- A. The parcel of land described above.
- B. Parking facilities for a minimum of forty-eight (48) vehicles, consisting of 17,000 square feet. Automobile parking will be made available to unit owners so that the occupants of each unit will be entitled to parking for one (1) automobile without charge. The Association shall have the authority to make reasonable charges for the parking of automobiles in excess of one (1) for each unit. Parking areas will not be assigned herein but will be available pursuant to the regulations of the Association.

There shall be appurtenant to each unit at all times one (1) parking space which shall pass with the title thereto. If allocation of particular spaces is made, it may be made initially by the DEVELOPER by an unrecorded written instrument given a unit purchaser upon closing. Two or more unit owners may exchange the spaces initially allocated to their units by submitting to the Board of Directors signed and witnessed requests for exchange and surrendering their initial or current allocation instruments. The Directors shall thereupon execute and deliver to such unit owners new allocation instruments signed in the name of the Association by an officer of the Board and bearing the Association seal, reflecting the changed allocations. Such changed allocations shall have the same force and effect as the ones they replace.

- C. All improvements and parts of the Condominium property not included within the unit or which do not serve a particular unit.
- D. Easements through the unit for conduits, ducts, plumbing, wiring and other facilities for furnishing utility services to the various units and to the common elements.
- E. All structural beams, posts and members within a unit and an easement of support in every portion of a unit which contributes to the support of the building.
- F. All utility areas and installation and all utility services which are available to more than one unit or available to the common elements.
- G. All parking areas, all driveways, sidewalks, and entrance ways and all other means of egress and ingress to the Condominium property.
- H. All electrical appliances, apparatus and wiring, plumbing pipes and apparatus, telephone wires and all other ducts, conduits, cables, wires or pipes which are outside of the boundaries of the units.
- I. Sundeck in the common area surrounding the pool.

- J. All tangible personal property located on the property required for the maintenance and operation of the Condominium and for the common use and enjoyment of the owners.
- K. Swimming pool.
- L. Elevator and elevator housing.
- M. Stairways.
- N. All other parts of the property necessary or convenient to its existence, maintenance and safety or which are normally in common use.

ARTICLE EIGHT

8.1 OWNERSHIP OF COMMON ELEMENTS: Each owner of a unit shall own in fee simple absolute a proportionate, undivided 1/32 interest in the aforesaid common elements listed under PARAGRAPH 7

ARTICLE NINE

9.1 PROPORTIONATE REPRESENTATION; PARTICIPATION IN COMMON EXPENSES; MAINTENANCE: Each unit owner shall share in the total voting power of the Association of owners, in accordance with such unit owner's interest in the common elements as set forth above. However, such proportionate representation may be limited in accordance with the provisions of the By-Laws attached hereto as Exhibit "F".

9.2 For purposes of this Declaration, "COMMON EXPENSES" means expenses for which unit owners shall be proportionately liable, including:

- (1) All expenses of administration, insurance, maintenance, repair, and replacement of the common elements;
- (2) Expenses agreed upon as common expenses by all unit owners; and,

- (3) Expenses declared common expenses by or pursuant to the provisions of the Condominium Act, this Declaration, or the By-Laws.

9.3 MAINTENANCE: The responsibility for the maintenance of a unit shall be as follows:

9.4 BY THE ASSOCIATION: The Association shall maintain, repair, and replace at the Association's expense:

9.5 Such portions of the units as contribute to the support of the building, including but not limited to the perimeter walls, columns, roof and floors. Also, conduit, wiring, piping, ductwork and other mechanical or electrical or other installations or equipment serving the common elements or more than one unit, and all of the common elements.

9.6 Provided that if the maintenance, repair and replacement of any of the above shall be made necessary because of the negligence, act or omission of a unit owner, his family, lessees, invitees and guests, then the work shall be done by the Association at the expense of the unit owner, and the cost shall be secured as an assessment.

9.7 All incidental damage caused to a unit by work done or ordered by the Association shall be promptly repaired by and at the expense of the Association.

9.8 BY THE UNIT OWNER: The responsibility of the unit owner shall be as follows:

9.9 To maintain, repair and replace at his expense, all portions of his unit not maintained, repaired and replaced by the Association. The unit owner's responsibility specifically includes but is not limited to windows, window and balcony glass, doors, heating and air-conditioning equipment, screens and associated hardware, appliances, fixtures, switches, fan motors, compressors, wiring, plumbing, piping and ductwork serving only the particular unit, whether located inside or outside the unit, and the surface finish of the deck floor.

9.10 A unit owner shall not paint or otherwise decorate or change the appearance of any portion of the building not within the interior walls of the unit or which is visible from the exterior of the unit, unless the written consent of the Association is obtained in advance. This shall not be construed to require approval of interior shades, drapes or curtains or for placing appropriate furniture on balconies, patios or terraces.

9.11 A unit owner shall not make structural modifications or alterations to his unit or installations located therein without previously obtaining the written approval of the Board of Directors of the Association. Notice shall be sent to the President of the Association and shall set forth in detail the proposed modification or alteration. The Board of Directors of the Association shall consider the proposed modification or alteration and decide whether or not approval should be granted. If the Board has not responded to such a request within ONE HUNDRED EIGHTY (180) days, the unit owner shall be considered to have obtained the Board's approval for modification or alteration. Nothing herein shall be construed to relieve the unit owner from obtaining required approval for modifications or alterations under the provisions of other covenants or restrictions applicable to the unit.

ARTICLE TEN

10.1 COVENANTS AND RESTRICTIONS: DEVELOPER, its successors and assigns, by this Declaration, and all future owners of units, by acceptance of their respective unit deeds, hereby covenant and agree as follows:

10.2 The common elements shall remain undivided, and no right shall exist to partition or divide any of them, except when withdrawal of the property from the Condominium Act is authorized by all unit owners and the holders of all mortgages or other liens affecting all units, or directed by a court of equity

as provided by law. On such authorization, all unit owners, mortgagees, and lienors shall execute and file for record in the office where this declaration is filed, an instrument of revocation of this declaration. On the filing of such instrument of revocation, the owners shall become tenants in common of the property, and each shall own an undivided interest therein equal to the percentage of his undivided interest in the common elements before the filing of such instrument. On the filing of such instrument of revocation, each lien on an individual unit shall become a lien on the individual undivided interest of the owner of such unit as tenant in common of the entire property. Removal of the property from the Condominium Act shall not bar subsequent resubmission to the provisions of such Act in accordance with the terms thereof.

10.3 If any portion of the common elements encroaches on any unit, or if any unit encroaches on any other unit, or any portion of the common elements, as a result of the construction of the building; or if any such encroachment shall occur as a result of settling or shifting of the building, a valid easement for such encroachment and for the maintenance of the same so long as the building stands, shall exist. If the building, or any common element or any unit therein, is partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, the minor encroachment of parts of the common elements on any unit, or of any unit on any other unit or on any portion of the common elements, due to such rebuilding, shall be permitted and valid easements for such encroachments and the maintenance thereof for so long as the building stands, shall exist.

10.4 Each unit owner shall have an easement in common with the owners of all other units:

(1) To use all streets, walks, and other rights of way serving the units of the Condominium as part of the common

elements and providing access to the streets and other public ways of the City of Fernandina Beach; and

(2) To use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit.

(3) All such easements for ingress and egress shall not be encumbered by any leasehold or lien other than those on individual units, unless:

(a) Any such lien is subordinate to the rights of the unit owners, or

(b) The holder of any encumbrance or leasehold of any easement has executed and recorded an agreement that the use-rights of each unit owner will not be terminated as long as the unit owner has not been evicted because of a default under the encumbrance or lease, and the use-rights of any mortgagee of a unit who has acquired title to a unit may not be terminated.

10.5 Each unit shall also be subject to such easements in favor of the owners of all other units, but each unit shall have an easement for the exclusive use of any balcony or deck to which it has sole access. The governing board, on behalf of all unit owners, shall have the right of access to each unit to inspect the same, upon reasonable notice, and to maintain, repair, or replace the common elements therein or appurtenant thereto.

10.6 Each unit space shall be occupied and used by its respective owner only as a private dwelling for the owner, his family, tenants, and social guests, and for no other purpose whatsoever.

10.7 Each owner of a unit or units shall, automatically on become owner of such unit or units, become a member of KETCH COURTYARD ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION", and shall remain a member thereof until such time as his ownership shall for any reason cease, at which time his membership in the Association shall likewise cease.

10.8 Each unit owner shall, immediately on becoming an owner thereof, grant to the governing board, on behalf of all unit owners, an irrevocable power of attorney coupled with an interest, to acquire title to or lease any unit whose owner desires to surrender, sell or lease the same, or that may be the subject of a foreclosure or other judicial sale, and to convey, sell, lease, sublease, mortgage, or otherwise deal with any unit so acquired.

10.9 Any unit leased or acquired by the governing board in any manner whatsoever, shall be held by the Board on behalf of all unit owners, in proportion to the respective common interests of such owners as set forth above.

10.10 Administration of the Condominium shall be in accordance with the provisions of this Declaration and the By-Laws of the Association, attached as EXHIBIT "F".

10.11 Each unit owner, and all occupants of units shall comply with the provisions of this Declaration, their unit deeds, and the By-Laws, rules, regulations, decisions and resolutions of the Association, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action for damages, injunctive relief, or both, maintainable by the Association or by any unit owner or by any person who holds a blanket mortgage or unit mortgage and is aggrieved by any such noncompliance.

10.12 No owner of a unit may exempt himself from liability for his proportionate share of the common expenses by waiver of the use or enjoyment of any of the common elements, or by abandonment of his unit.

10.13 Reasonable regulations concerning the use of the Condominium property may be made and amended from time to time by a majority vote of the voting interests of the Association. Copies of the regulations and amendments shall be furnished by the Association to all unit owners. No regulation may

discriminate against any group or class of users. No new or amended regulation may be enforced prior to approval by the owners.

10.14 Each unit owner shall be entitled to one vote in the Association allocated to each unit owned. If a unit is owned by one person, his right to vote shall be established by record title to his unit. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all the record owners of the unit and shall be filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the president or vice-president of the corporation and attested by the secretary of assistance secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or suspended by subsequent certificate or until a change in the ownership of the unit concerned. A vote may be exercised in person or by proxy.

ARTICLE ELEVEN

11.1 ASSESSMENT LIENS: The Association shall have a lien on each unit for any unpaid assessments duly assessed against such unit, together with interest thereon and reasonable attorney's fees paid or incurred by reason of the non-payment thereof. Any such lien may be foreclosed by suit brought in the name of the Association in the same manner as a suit to foreclose a mortgage on real property, and the Association shall have the power to bid on the unit at any such foreclosure sale, and to acquire, hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments may also be maintained without foreclosing or waiving the lien securing the same.

11.2 The Board of Directors of the Association may impose special or individual assessments on unit owners for the cost and expense of repairs or replacements within an individual unit for which said unit owner is responsible, which repairs he has failed or refused to make and which, if not made, impair or endanger the use, value or appearance of the common elements or other condominium units, and said Association is granted a right of entry into each condominium unit to make repairs or replacements of this character necessary or required in the common interest, including the right to abate or eliminate any nuisance, or any condition deemed hazardous by the insurance underwriters.

11.3 The lien conferred by Chapter 718, Florida Statutes, shall extend to and include any special assessments, which special assessments may be enforced in the same manner as a regular assessment on the same terms and conditions provided therefor.

11.4 The DEVELOPER may elect to guarantee to purchasers of units in that assessments for common expenses during any stated period of time shall not exceed a specified dollar amount and that DEVELOPER shall pay any common expenses in excess of the guaranteed level. Should the DEVELOPER elect to make such a guarantee to OWNERS, the DEVELOPER shall be exempted from liability for common expenses attributable to units owned by the DEVELOPER, during the period of the guarantee.

11.5 If the DEVELOPER elects not to make such a guarantee, then it shall nonetheless be exempt from payment of any common expenses attributable to units in owned by the DEVELOPER for a period of time terminating on the first (1st) day of the fourth (4th) calendar month following the month in which the closing of the purchase and sale of the first condominium unit occurs.

11.6 However, during this period, the DEVELOPER will pay the portion of common expenses incurred during the period which exceeds the amount assessed against other unit owners.

ARTICLE TWELVE

12.1 ACQUISITION OF UNITS AT FORECLOSURE SALE; EFFECT: Where an approved mortgagee of a first mortgage of record obtains title to a unit by foreclosure, or by deed in lieu of foreclosure, such mortgagee and its successors and assigns shall not be liable for that unit's assessments or share of the common expenses which become due prior to acquisition of title unless it is secured by a claim of lien for assessments recorded prior to the recordation of the mortgage.

12.2 Any such unpaid share of common expenses or assessments shall be deemed common expenses collectible from all units, including the unit acquired by such purchaser, his heirs, successors and assigns.

12.3 Such mortgagee may also take title, occupy, lease, sell or otherwise dispose of a unit without the approval of the Association. Any amendment to the Declaration or the By-Laws which would impair the security, priority or validity of an approved first mortgage of record must be consented to in writing by the mortgagee.

ARTICLE THIRTEEN

13.1 RENTAL OF UNITS: Unit owners shall have the absolute right to lease their units, provided such leases are made subject to the covenants and restrictions contained in this Declaration and in the By-Laws as they may from time to time be amended.

ARTICLE FOURTEEN

14.1 DESTRUCTION OF OR DAMAGE TO PROPERTY; EFFECT:
In the event of any damage to or destruction of: (a) any

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improvements on the Condominium property or any part thereof; or (b) any common element or elements or any part thereof, required by this Declaration, the By-Laws, or by law to be insured by the Association, such improvements or common elements shall be promptly repaired and restored by the Association using the proceeds of such insurance. If such proceeds are inadequate to cover the cost of such repair and restoration, unit owners shall be assessed on an equitable basis according to the benefit derived by them from such repair and restoration. However, if, (a) the proceeds of such insurance are inadequate by a substantial amount to cover estimated costs of repair and restoration of an essential improvement or common element, or (b) such damage constitutes substantially total destruction of the Condominium property or of one or more buildings comprising the Condominium property, or (c) those unit owners entitled to exercise seventy-five percent (75.0%) or more of the total voting power held by those unit owners directly affected by such damage or destruction, voting in accordance with the procedure established in the By-Laws, shall determine not to repair or restore, the Association shall proceed to realize the salvage value of that portion of the Condominium property so damaged or destroyed by sale or otherwise, and shall collect the proceeds of any insurance. Thereupon, the net proceeds of such sale or other disposition of the property, together with the proceeds of any insurance, after making provisions for the removal of all debris and the restoration of the land to level grade, if appropriate, shall be considered as one fund and shall be divided among unit owners directly affected by such damage or destruction in the proportion to their respective undivided ownership of the common elements. Any liens or encumbrances on any affected unit shall be relegated to the interest of the owner thereof in the fund.

ARTICLE FIFTEEN

15.1 EMINENT DOMAIN: If all or any part of the common elements shall be taken, injured, or destroyed by eminent domain, each unit owner shall be entitled to notice of such taking and to participate through the Association in all condemnation and other proceedings. Any damages shall be for the taking, injury, or other destruction as a whole and shall be collected by the Association and distributed by it among unit owners in proportion to their respective undivided interests in the common elements or limited common elements so taken, injured, or destroyed, except that such funds as are deemed by the Association necessary or appropriate to be applied to the repair or restoration of property so injured or destroyed may be so applied.

ARTICLE SIXTEEN

16.1 FIRE AND EXTENDED COVERAGE INSURANCE: The governing board of the Association, or the managing agent, shall obtain and continue in effect insurance against loss by fire or other casualties normally covered under broad form fire and extended coverage insurance as written in Florida, covering all common elements and all structural portions of the Condominium property, in the amount of not less than ninety percent (90.0%) of the assessed value thereof. The premiums for such insurance shall be a common expense to be paid by monthly assessments levied by the governing board. In the event of any damage to or destruction of any portion of the property so insured, insurance proceeds shall be collected, applied, and disbursed as provided in ARTICLE 14 of this Declaration.

ARTICLE SEVENTEEN

17.1 LIABILITY INSURANCE: The governing board of the Association, or the managing agent, shall obtain and continue in effect insurance against liability for personal injury and death and for damage to property arising from accidents occurring within the common elements in such amounts, satisfactory to mortgagees holding first mortgages on the units, or as shall be determined by the governing board.

ARTICLE EIGHTEEN

18.1 INSURANCE BY ASSOCIATION; EFFECT: Any insurance obtained or maintained by the Association or the governing board thereof, or by any managing agent, retained by the Association or governing board, shall be without prejudice to the rights of unit owners to obtain and maintain such unit insurance as they see fit.

ARTICLE NINETEEN

19.1 CONVEYANCE OF UNITS; LIABILITY FOR ASSESSMENTS: Whenever a unit is voluntarily conveyed, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of common expenses up to the time of conveyance, without prejudice to the grantee's right to recover from the grantor any amount paid by the grantee for such assessments. Any grantee or mortgagee shall be entitled, within thirty (30) days after request therefor, to a certificate from the governing board of the Association setting forth the amount of any unpaid assessments due the Association from the grantor.

ARTICLE TWENTY

20.1 AGREEMENTS AND DETERMINATION OF ASSOCIATION:

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the By-Laws annexed hereto as EXHIBIT "F" shall be binding on all unit owners, their heirs, successors and assigns.

ARTICLE TWENTY-ONE

21.1 DUTIES, LIABILITIES AND RIGHTS OF DEVELOPER:

So long as DEVELOPER, its successors and assigns, owns one or more of the units established and described herein, DEVELOPER, its successors and assigns, shall be subject to the provisions of this Declaration and of all exhibits attached hereto. DEVELOPER covenants to take no action that would adversely affect the right of the Association with respect to assurances against latent defects in the property, or other rights assigned to the Association by reason of the establishment of the Condominium.

21.2 Notwithstanding anything herein to the contrary, the DEVELOPER is irrevocably empowered to sell, lease or rent units to any person. The DEVELOPER shall have the right to transact on the Condominium property any business necessary to consummate the sale, lease or rental of units, including but not limited to the right to maintain models, have signs, maintain an office and employees on the property and use the common elements to show units. Any sales and rental office, signs and all items pertaining to sales and rentals shall not be considered common elements and shall remain the property of the DEVELOPER.

ARTICLE TWENTY-TWO

22.1 UNIT OWNERS' ASSOCIATION:

The administration and management of the Condominium shall be vested in an Association, to be known as KETCH COURTYARD ASSOCIATION, INC.

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The Association shall be organized as a Florida corporation not for profit and shall be governed by the By-Laws. A copy of the Articles of Incorporation of the Association is attached hereto as EXHIBIT "E".

ARTICLE TWENTY-THREE

23.1 DECLARATION OF MANAGERIAL AND ADMINISTRATIVE DUTIES: Any right, privilege, or duty herein granted to or imposed on the Association or the governing board thereof, other than the determination and levy of assessments for common charges and the enforcement of liens for failure to pay the same, may be delegated to a professional corporate managing agent by mutually binding contract entered into between the president or authorized agent of the Association and such managing agent.

ARTICLE TWENTY-FOUR

24.1 AMENDMENT OF DECLARATION: This Declaration may be amended or supplemented only by the affirmative vote of those unit owners entitled to exercise sixty-seven percent (67.0%) of the total voting power of the Association, cast in person or by proxy at a meeting duly called and held in accordance with the By-Laws. No such amendment shall be effective until recorded in the Office of the Clerk of the Circuit Court of Nassau County, Florida.

24.2 Until the completion of the contemplated improvements to the Condominium property, and closing of all unit sales, the developer specifically reserves the right, without the joinder of any person, to make amendments to the Declaration and its exhibits or in the place of development, as may be required by any lender, governmental authority or as may be, in its judgment, necessary or desirable. The changes permitted under this section shall not however, affect the number and general size of the units in the condominium, nor each units' percentage

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ownership in the common elements. This Paragraph shall take precedence over any other provision of the Declaration or its attachments.

ARTICLE TWENTY-FIVE

25.1 INVALIDITY: If any one or more provisions of this Declaration are declared invalid, such invalidity shall in no way impair or affect the validity, enforceability or effect of the remainder of this Declaration.

ARTICLE TWENTY-SIX

26.1 WAIVER: No provision contained in this Declaration shall be deemed waived by reason of any failure to enforce the same, irrespective of the number of violations or the consistency of such failure of enforcement.

ARTICLE TWENTY-SEVEN

27.1 "Reserved for Future Use".

ARTICLE TWENTY-EIGHT

28.1 "Reserved for Future Use".

ARTICLE TWENTY-NINE

29.1 EASEMENT FOR ACCESS AND UTILITIES: The DEVELOPER expressly reserves a perpetual easement for ingress and egress and for all utility installation and maintenance over, across and under all portions of the land on which no structures exist.

ARTICLE THIRTY

30.1 DEVELOPER'S RIGHT TO MANAGE: Subject to the provisions of the Condominium Act, DEVELOPER hereby reserves unto itself the right to manage all of the affairs of this Condominium

and all of the affairs of the Association so long as the DEVELOPER owns more than EIGHTY-FIVE PERCENT (85.0%) of the units in the Condominium.

30.2 DEVELOPER's rights reserved herein shall include the sole and exclusive right to take all actions and do all things on behalf of the Association for the maintenance and operation of the Condominium property, the determination and collection of assessments, the enactment and enforcement of regulations for the use of the Condominium property and the payment of all common expenses. DEVELOPER shall have all powers provided by the Condominium documents.

30.3 Within sixty (60) days after unit owners become entitled to elect any members of the Board of Directors pursuant to the Condominium Act, or if DEVELOPER elects at any earlier time, the DEVELOPER shall call a meeting of the Association for the election of directors. The unit owners shall be given notice of the meeting as provided in the By-Laws and the Condominium Act. At the meeting, the owners shall elect the number of directors to which they are entitled to elect, who shall take office immediately and serve until the next regularly scheduled annual meeting of the Association.

ARTICLE THIRTY-ONE

31.1 PROHIBITED ACTIONS: As long as DEVELOPER is the owner of record title to any unit, and holds that unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing from the DEVELOPER:

- (a) Assessment of DEVELOPER as a unit owner for capital improvements;
- (b) Any action that would be detrimental to the sale of units by DEVELOPER; provided, however, that a uniform increase in assessments for common expenses without discrimination against the DEVELOPER shall not be deemed detrimental.

ARTICLE THIRTY-TWO

32.1 CAPTIONS: Captions are inserted for convenience and reference only, and shall not be taken in any way to limit or describe the scope of this Declaration or any provision hereof.

IN WITNESS WHEREOF, DEVELOPER and owner have executed this Declaration of Condominium on the first above written date.

SIGNED, SEALED and DELIVERED in the presence of:

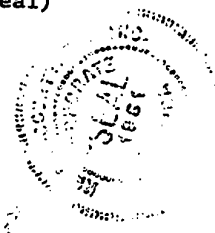
KETCH COURTYARD, INC.

Wesley R. Poole
James H. Vignaro
Witnesses as to Developer

By [Signature]
Its President

Attest _____
Its _____

(Corporate Seal)



STATE OF FLORIDA
COUNTY OF NASSAU

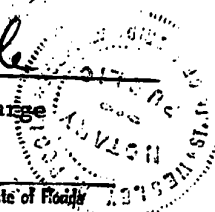
BEFORE ME personally appeared Thomas G. Davis and the individuals described in and who executed the foregoing instrument as President of the above named KETCH COURTYARD, INC., a corporation, and severally acknowledged to and before me that they executed such instrument as such officers, respectively, of said corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal, this 19 day of June, 1984.

Wesley R. Poole
Notary Public
State of Florida at Large

My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 19, 1986



JOINDER OF MORTGAGEE OF
DECLARATION OF CONDOMINIUM

FIRST NATIONAL BANK OF BRUNSWICK, the owner and holder of a mortgage encumbering the land described in Exhibits A and B, attached to the Declaration of Condominium of Ketch Courtyard, a condominium, according to the Declaration thereof to which this Joinder is attached, hereby consents to and joins in the said Declaration thereof and agrees that the lien of its mortgage, to the extent of the encumbrance upon the land described in Exhibits A and B attached to the Declaration of Condominium shall be upon all of the condominium parcels of Ketch Courtyard, a condominium, according to the Declaration thereof, together with all of the appurtenances, including, but not limited to, any common elements appurtenant to the condominium parcels so encumbered and to the undivided shares of the common elements.

Nothing contained herein shall be deemed to or in any way limit or affect the mortgage held by FIRST NATIONAL BANK OF BRUNSWICK, or the priority of the lien created thereby and the sole purpose of this Joinder is to acknowledge the consent of said Mortgagee to the Declaration of Condominium as hereinabove provided.

This instrument is executed by the undersigned for the purpose of complying with and pursuant to Florida Statute 718.104(4)(m).

EXECUTED this 17th day of May, 1984.

WITNESSES:

FIRST NATIONAL BANK
OF BRUNSWICK, Mortgagee

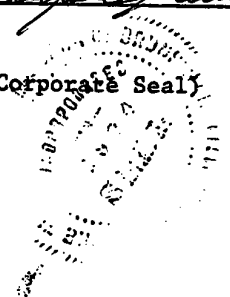
Annahon Franks

By: Royal Hunter V.P.

Mary K. Harrington

Attest: [Signature]

(Corporate Seal)



OFFICIAL RECORD:

BOOK 424 PAGE 412

STATE OF
COUNTY OF

The foregoing Joinder of Mortgagee of Declaration of Condominium was acknowledged before me this 17th day of May, 1984, by Lloyd Hunter and Mike Cave, the Vice President and Vice President, of FIRST NATIONAL BANK OF BRUNSWICK, on behalf of said corporation.

Sandra K. Roberts
Notary Public, State of

My Commission Expires:

NOTARY PUBLIC STATE OF GEORGIA

OFFICIAL RECORDS

BOOK 424 PAGE 413

SURVEYOR'S CERTIFICATE

KETCH COURTYARD, A CONDOMINIUM

I, CARL D. MITCHELL (Registered Land Surveyor No. 2445, State of Florida), a surveyor authorized to practice in the State of Florida, hereby certify that the construction of the improvements described in Exhibit A of the Declaration of Condominium of Ketch Courtyard attached hereto, consisting of one (1) page, and Exhibit B of the Declaration of Condominium attached hereto, consisting of four (4) pages, is substantially complete so that the material, together with the provisions of the Declaration relating to the matters of survey describing the condominium property is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements, limited common elements, and of each unit can be determined from these materials.


CARL D. MITCHELL
Registered Land Surveyor No. 2445
State of Florida

(Official Seal)

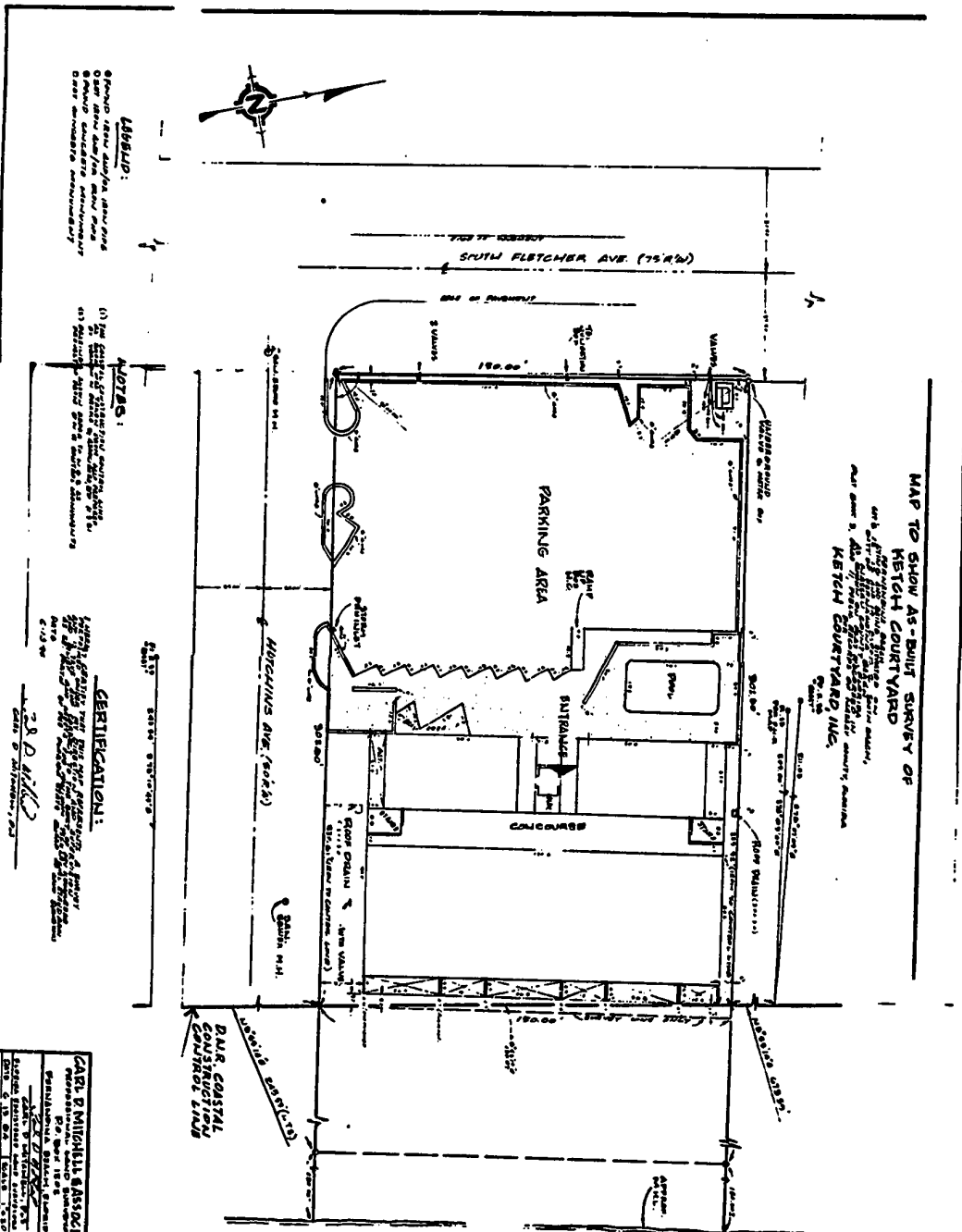
SWORN to and SUBSCRIBED before me this 21 day of June, 1984.


Notary Public, State of Florida
at Large

My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 19, 1986
Bonded Through Fry, Funnell & Howard, Inc.





LEGEND:
 Group items together and give
 one item name and give
 name concrete movement
 over concrete movement

NOTES:
 (1) THE CONSTRUCTION OF THIS PROJECT SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODES AND ALL APPLICABLE LOCAL ORDINANCES.
 (2) ALL DIMENSIONS SHALL BE IN FEET AND INCHES UNLESS OTHERWISE SPECIFIED.

CERTIFICATION:
 I, the undersigned, being a duly licensed Professional Engineer in the State of Texas, do hereby certify that the above is a true and correct copy of the original as shown to me by the owner.

CARL P. MITCHELL & ASSOCIATES
 PROFESSIONAL ENGINEERS & ARCHITECTS
 1100 WEST 17TH STREET, SUITE 1000
 DALLAS, TEXAS 75201
 DATE: 11/15/88
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]

**MAP TO SHOW AS-BUILT SURVEY OF
 KETCH COURTYARD**
 PREPARED BY:
KETCH COURTYARD, INC.

EXHIBIT "A"

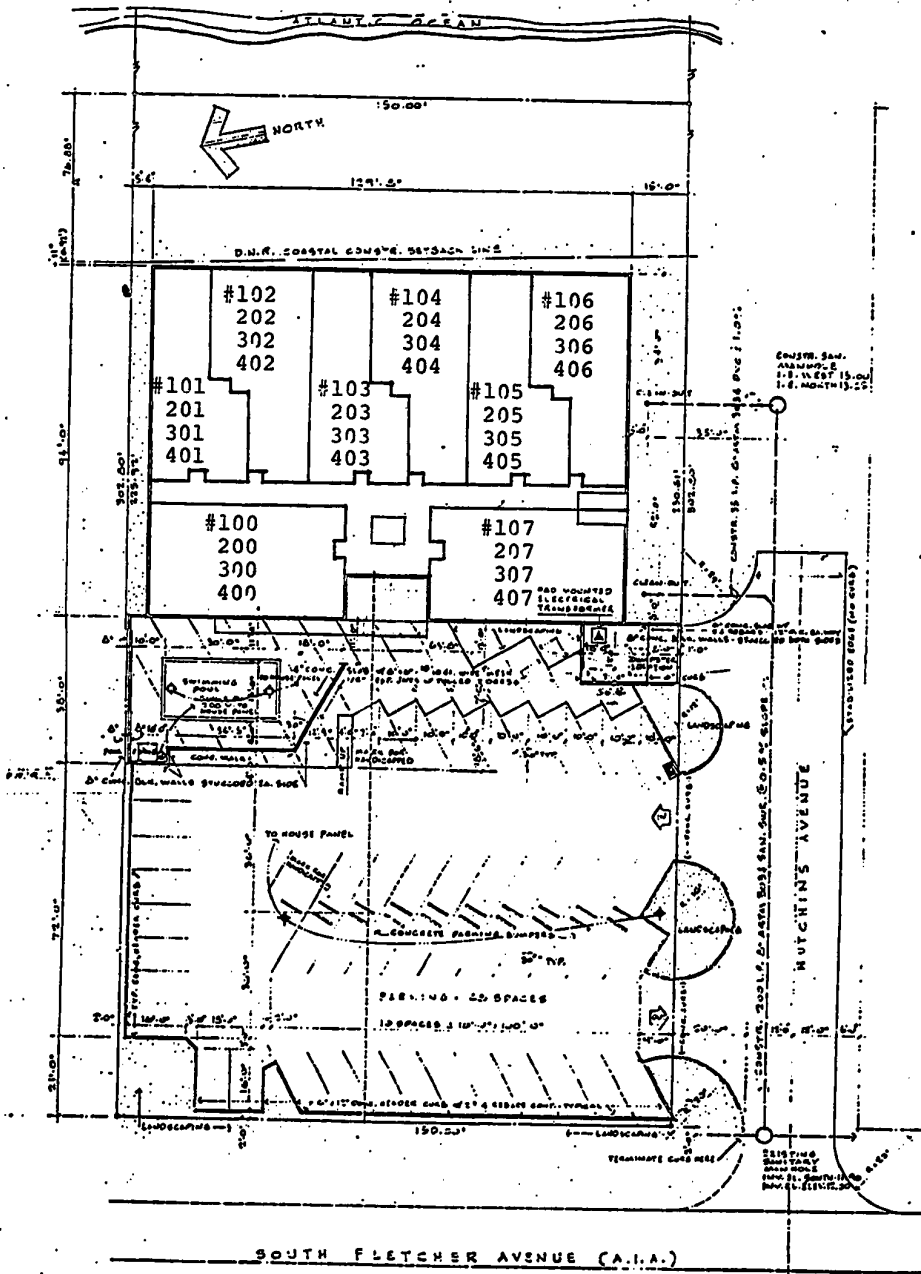
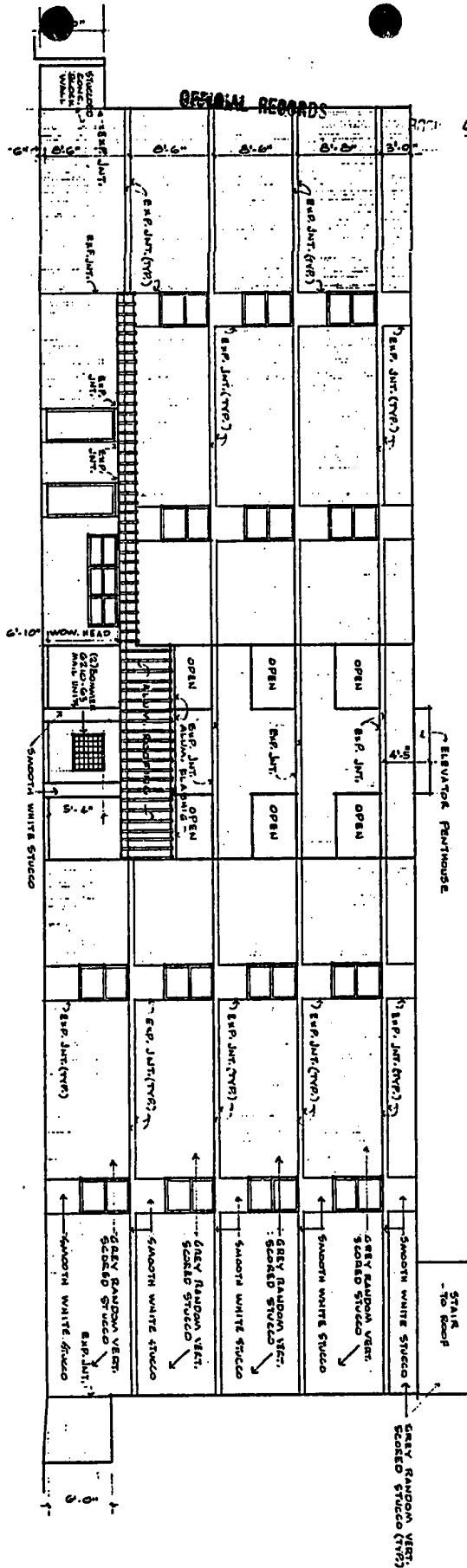


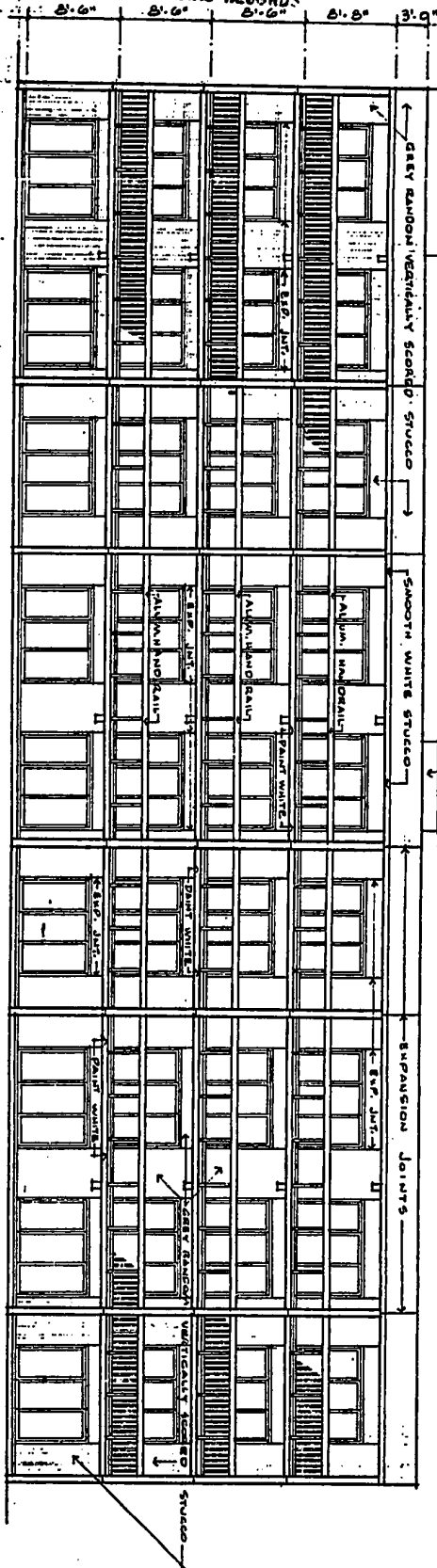
EXHIBIT "B"

GENERAL RECORDS

424 - 416



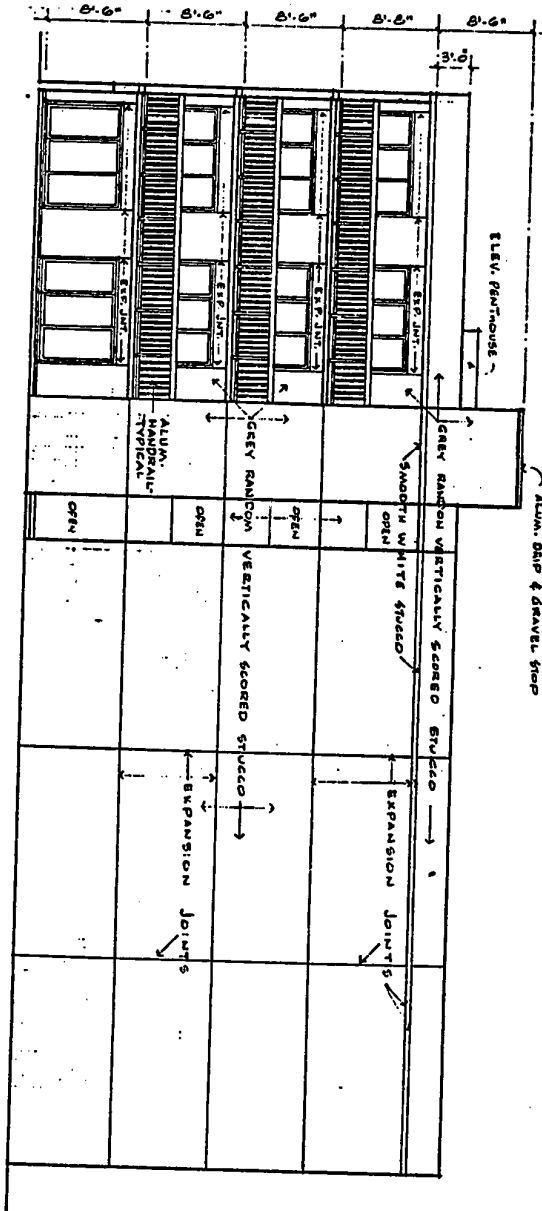
GENERAL RECORDS



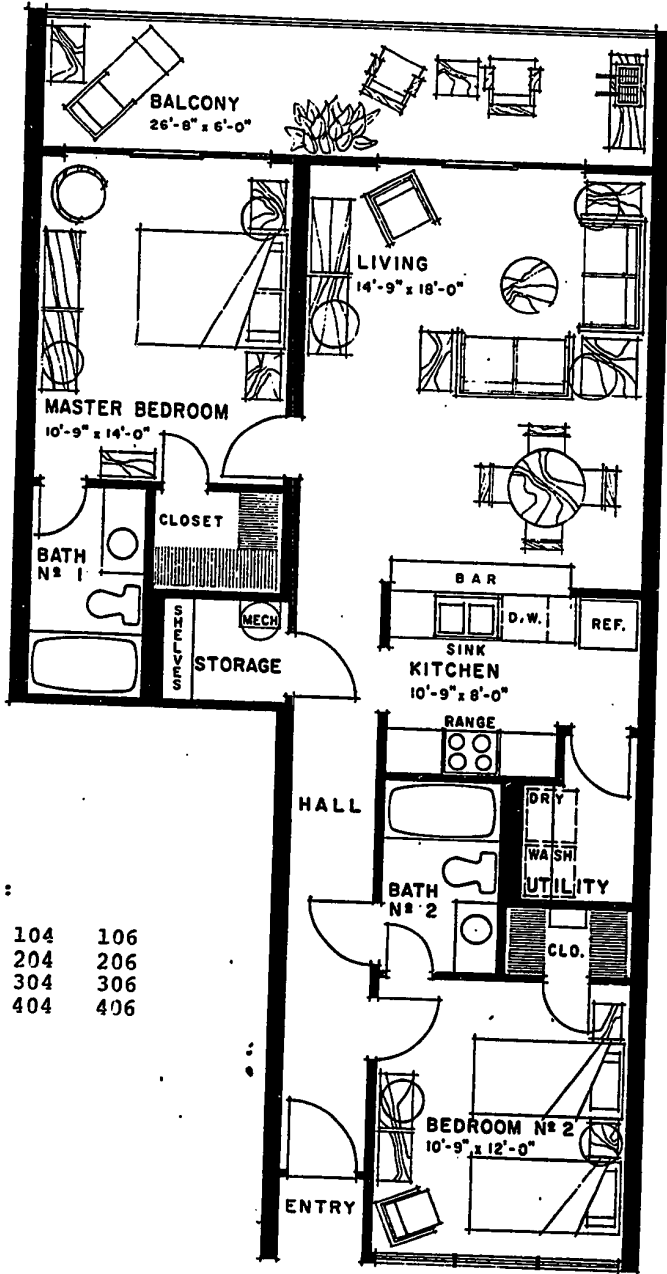
424 417

OFFICIAL RECORD

424 418



Foundation - concrete pilings to hurricane specifications.
Floor System - all levels - 6" concrete slab with pad and sound insulation.
Party Wall - 8" concrete with two layers of 5/8" gypsum board rated Firecode "X".
Exterior Wall - Stucco over styrofoam insulated concrete block pured solid.
Roof Assembly and Roofing Materials - 5-ply built-up as per Standard Building Code.
Range and Hood - 30" model with continuous cleaning oven, glass door with busy bake window, clock with timer. Matching 30" range hood, ventless series, with two speed fan control.
Refrigerator - frostless top freezer with icemaker, 14.7 cubic foot model.
Disposal - Heavy duty, continuous feed, 1/2 h.p. model.
Dishwasher - four cycle, with power miser, large capacity.
Kitchen Sinks - Double bowl stainless steel with Delex trim.
Bath Tub - Tub and shower enclosures, acrylic finish with Delex trim.
Lavatories - Formica with American Standard bowl, Delex trim.
Water Closet - American Standard - elongated cadet with seat and cover.
Hot Water Heater - Jackson - quick recovery double element or equal.
Central Heating and Air Conditioning - Systems for each unit. All systems energy efficient with support strip heat.
Windows - Special casement, insulated glass.
Exterior Doors - Flush face, high efficient, weatherproofed.
Interior Doors - Wood veneer with locking owner storage room.
Living room, dining area, bedrooms - carpeted with polyester deep plush carpet. Kitchen area, laundry area, interior storage area, and bathrooms finished with no wax vinyl flooring.
Ceiling - skip trowel texture spray.
Interior Walls - painted gypsum wall board unless otherwise noted.
All cabinetry custom made and constructed of solid wood-stained finish and formica finishes.
Kitchen Counter Tops - plastic laminate formica.
Custom formica.
Interior Hardware:
 Welster-Troy design, bright brass finish.
Deck Areas:
 All exterior deck areas - solid masonry slabs with annodized aluminum railing.
Miscellaneous:
 Smoke Detector - smoke detection/heat sensor system located in each unit.
 Medicine Cabinets - all bathrooms.
 Washer & Dryer connections for all units.
 (Developer reserves right to substitute equal or better specified materials.)
Additional Amenities:
 ; Ample parking.
 Large pool and deck area.
 Beach rinse shower areas located at pool deck.
 Lush planted areas.
 Privacy wall and entrance for owner.
 Direct access to beachwalk over the dunes of Ketch Courtyard.
 The widest, whitest beaches on Amelia Island, and, of course, the Atlantic Ocean.

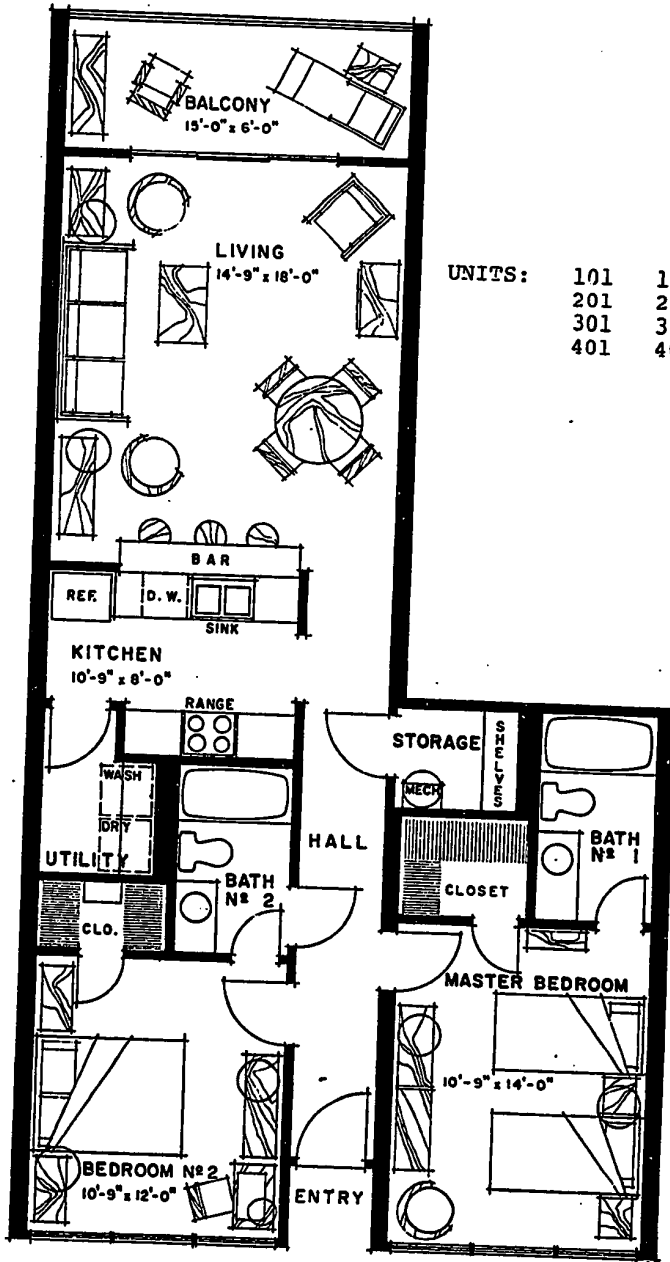


UNITS:

102	104	106
202	204	206
302	304	306
402	404	406

UNIT TYPE "A"

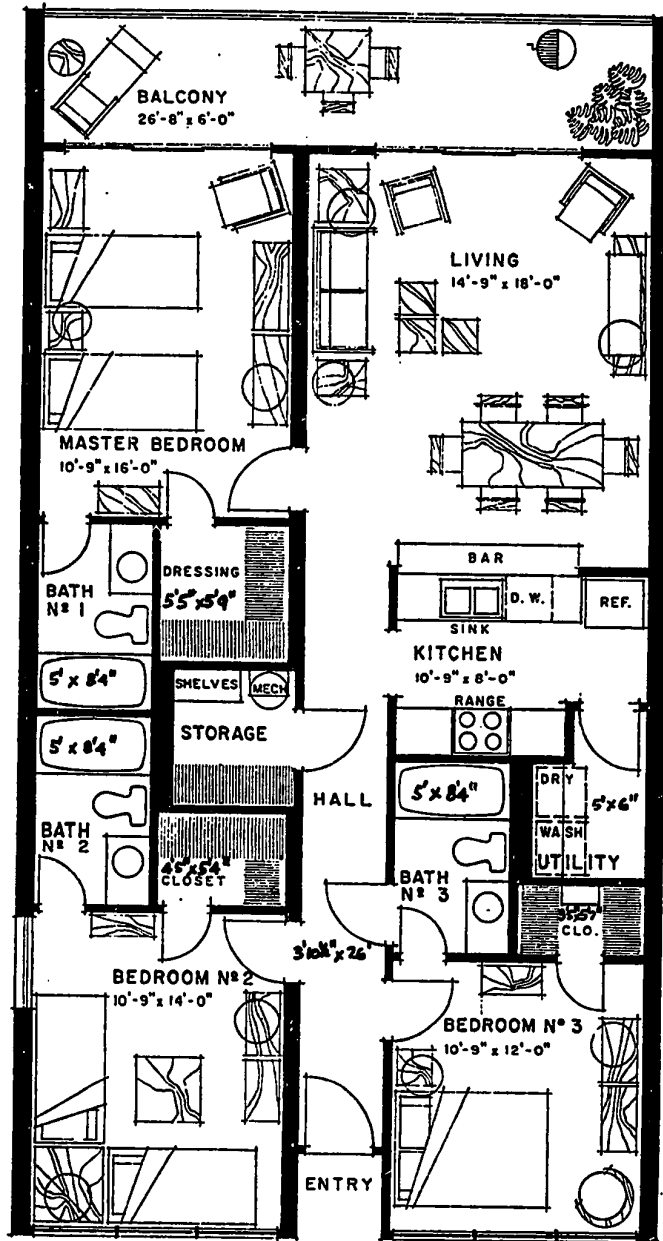
SQUARE FOOTAGE 1,020 ±



UNITS:	101	103	105
	201	203	205
	301	303	305
	401	403	405

UNIT TYPE "B"

SQUARE FOOTAGE 1,020 φ



UNIT TYPE "C"

SQUARE FOOTAGE 1,300 ±

UNITS:	107	100
	207	200
	307	300
	407	400

OFFICIAL RECORDS

MAR 14 1 23 PM '63

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
KETCH COURTYARD ASSOCIATION, INC.
(A Corporation Not For Profit)

BOOK 424 PAGE 423

WE, the undersigned, desiring to form a corporation not for profit under the provisions of Chapter 617, Florida Statutes, do hereby agree to and adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation is KETCH COURTYARD ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION".

ARTICLE II

PURPOSES

The purposes and objectives of the ASSOCIATION shall be to administer the operation and management of KETCH COURTYARD, a Condominium, hereinafter referred to as "CONDOMINIUM", established pursuant to Chapter 718, Florida Statutes (the Condominium Act), on the real property in Nassau County, Florida, and described in the Declaration of Condominium of KETCH COURTYARD, a Condominium (the "Declaration"), and to undertake and perform all acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions, conditions and authorizations contained herein and in the Declaration; and to own, operate, lease, sell, manage, and otherwise deal with such real and personal property as may be necessary or convenient for the administration of the Condominium. The ASSOCIATION shall be conducted as a non-profit organization for the benefit of its members.

ARTICLE III

POWERS

The ASSOCIATION shall have all of the powers and privileges granted to a corporation not for profit under the laws of the State of Florida, pursuant to which this ASSOCIATION is chartered, all of the powers and duties set forth in the Condominium Act and the Declaration of Condominium, and all other powers reasonably necessary to effect the purposes of the ASSOCIATION set out herein, together with, but not limited to, the following powers:

1. To make and establish rules and regulations governing the use and activities of the Condominium.

2. To levy and collect assessments against members of the ASSOCIATION in accordance with the terms of the Declaration of Condominium and such By-Laws of this ASSOCIATION as may be adopted, including the right to use the proceeds of assessments to operate and manage the Condominium and for other purposes set forth in the Declaration of Condominium.

3. To make contracts and incur liabilities, borrow or lend money at such rates of interest as the ASSOCIATION may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage and pledge of all or any of its property, franchise or income.

4. To purchase, lease, take by gift, devise or bequest or otherwise acquire, own, hold, improve, use or otherwise deal in and with real or personal property or any interest therein.

5. To maintain, repair, replace, operate and manage the Condominium, and the real and personal property comprising it including the right to reconstruct improvements and replace personal property after damage by casualty and to make further improvement of the Condominium property and to purchase replacements and additional property and improvements.

OFFICIAL RECORDS

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6. To enter into contracts for management, operation, insurance coverage and maintenance of the Condominium property.

7. To delegate all of the powers and duties of the ASSOCIATION except those the delegation of which may be prohibited by the Declaration of Condominium.

8. To employ personnel to perform the services required for the operation of the Condominium.

9. To enforce the provisions of the Declaration of Condominium, these Articles of Incorporation, the By-Laws of the ASSOCIATION which may be hereafter adopted, and the rules and regulations governing the use of the Condominium as may be hereafter established.

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

ARTICLE IV

QUALIFICATION OF MEMBERS

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

1. Members of the ASSOCIATION shall consist of all of the owners of condominium dwelling units in the Condominium, and no other persons or entities shall be entitled to membership.

2. A person shall become a member by the acquisition of a fee ownership interest in a dwelling unit in the Condominium, whether by conveyance, devise, judicial decree or otherwise. The membership of any person shall be automatically terminated upon his being divested of his title to or interest in the dwelling unit. Transfer of membership shall be recognized by the ASSOCIATION when it receives a certified copy of the recorded deed conveying title to a dwelling unit to the new member. If the record owner of a dwelling unit is more than one person, or a

corporation, partnership, trust or other entity, then the owners shall designate one person as the member.

3. Except as an appurtenance to his dwelling unit, no member can assign, hypothecate or transfer in any manner, his membership in the ASSOCIATION or his interest in the funds and assets of the ASSOCIATION. 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 By-Laws which may be hereafter adopted.

4. On all matters on which the membership shall be entitled to vote, there shall be only one vote for each condominium parcel in the Condominium. A vote may be exercised or cast by the owner or owners of each condominium parcel in such manner as may be provided in the By-Laws hereafter adopted by the ASSOCIATION.

ARTICLE V

TERM OF EXISTENCE

This ASSOCIATION is to exist perpetually.

ARTICLE VI

OFFICERS

1. The officers of the ASSOCIATION shall be a President, a Vice-President, a Secretary, a Treasurer, and such other officers, including a General Manager, as may be deemed desirable or necessary by the Board of Directors.

2. The persons who are to serve as officers of the ASSOCIATION until their successors are chosen are:

<u>OFFICER</u>	<u>NAME</u>
President	PAUL C. BURNS
Vice-President	ANNIE BURNS
Secretary	JAMES BURNS
Treasurer	JAMES BURNS

3. The officers shall be elected by the Board of Directors at their annual meeting as provided in the By-Laws. Any vacancies in any office shall be filled by the Board of Directors at any meeting duly held.

ARTICLE VII

BOARD OF DIRECTORS

1. The business affairs of this ASSOCIATION shall be managed by the Board of Directors. This ASSOCIATION shall have five (5) directors initially. The number of directors may be increased or decreased from time to time as provided by the By-Laws but shall never be less than five (5) nor greater than nine (9).

2. Each director shall be a member of the ASSOCIATION; provided, however, that until the first meeting of the membership of the ASSOCIATION as provided in the By-Laws, directors need not be members of the ASSOCIATION.

3. Subject to the Declaration of Condominium, the Board of Directors shall be elected by the members of the ASSOCIATION from among the membership at the annual membership meeting as provided in the By-Laws. Vacancies on the Board may be filled by the remaining directors at any duly called meeting.

4. The names and addresses of the persons who are to serve as directors until their successors are chosen are:

PAUL C. BURNS	2100 South Fletcher Avenue Fernandina Beach, FL 32034
ANNIE BURNS	2100 South Fletcher Avenue Fernandina Beach, FL 32034
JAMES BURNS	2453 South Fletcher Avenue Fernandina Beach, FL 32034
THOMAS G. DAVIS	Post Office Box 1146 St. Simons Island, GA 31522
SUSAN E. DAVIS	Post Office Box 1146 St. Simons Island, GA 31522

5. At the first annual meeting, the members shall elect one director for a term of one (1) year, two (2) directors for a term of two (2) years each, and two (2) directors for a term of three (3) years each; at each annual meeting thereafter the members shall elect from among the membership two (2) directors for a term of three (3) years each.

ARTICLE VIII

BY-LAWS

1. By-Laws regulating operation of the ASSOCIATION are annexed to the Declaration of Condominium. The By-Laws may be amended by the first Board of Directors until the first annual meeting of members. Thereafter, the By-Laws shall be amended by the members in the manner set forth in the By-Laws.

ARTICLE IX

AMENDMENTS

These Articles of Incorporation may be amended as follows:

1. Amendments shall be proposed by the Board of Directors of the ASSOCIATION acting upon a vote of a majority of the directors.

2. Such proposed amendments shall become effective when approved by an affirmative vote of members owning at least seventy-five percent (75%) of the votes. The membership shall vote on the proposed amendments at any regular or specially called meeting for such purpose, the notice of which shall describe the amendment or amendments being proposed. Votes may be in person or by written proxy.

ARTICLE X

LOCATION

The location of this ASSOCIATION shall be at KETCH COURTYARD, 3150 South Fletcher Avenue, Fernandina Beach,

Florida 32034, or at such other place or places as the Board of Directors may designate.

ARTICLE XI
NON-PROFIT STATUS

1. No part of the net earnings of the ASSOCIATION shall inure to the benefit of any individual or member.
2. The ASSOCIATION shall not carry on propaganda, or otherwise act to influence legislation.

ARTICLE XII
INDEMNITY

Every director and every other officer of the ASSOCIATION shall be indemnified by the ASSOCIATION against all expenses and liabilities, including attorney's 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 ASSOCIATION, 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 by a court of competent jurisdiction to be guilty of wilful misfeasance or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIII
DISSOLUTION

This ASSOCIATION may be dissolved at any time with the written consent of all the members thereto. On dissolution, the assets of the ASSOCIATION shall be dedicated to an appropriate municipality, public agency or authority to be used for purposes similar to those for which the corporation is organized. In the

event such dedication is not accepted, such assets shall be conveyed or assigned to any nonprofit corporation, association, or other organization devoted to purposes similar to those for which this corporation is organized.

ARTICLE XIV

SUBSCRIBERS

The names and addresses of the subscribers to these Articles are as follows:

WESLEY R. POOLE REGISTERED AGENT & OFFICE	Post Office Box 887 4 North 2nd Street, Suite 200 Fernandina Beach, FL 32034
GRANVILLE C. BURGESS	Post Office Box 887 4 North 2nd Street, Suite 200 Fernandina Beach, FL 32034
MARSHALL E. WOOD	Post Office Box 887 4 North 2nd Street, Suite 200 Fernandina Beach, FL 32034

IN WITNESS WHEREOF, we, the undersigned subscribing incorporators, have hereunto set our hands and seals, this 8 day of March, 1982, for the purposes of forming this association not for profit under the laws of the State of Florida.

Wesley R. Poole (SEAL)
 WESLEY R. POOLE

Granville C. Burgess (SEAL)
 GRANVILLE C. BURGESS

Marshall E. Wood (SEAL)
 MARSHALL E. WOOD

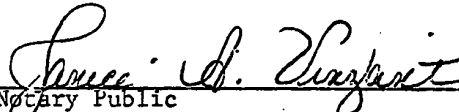
OFFICIAL RECORDS

BOOK 424 - 431

STATE OF FLORIDA
COUNTY OF NASSAU

BEFORE ME, a Notary Public duly authorized in the State and County named above to take acknowledgements, personally appeared WESLEY R. POOLE, GRANVILLE C. BURGESS, and MARSHALL E. WOOD, to me known to be the persons described as subscribers in and who executed the foregoing Articles of Incorporation, and they acknowledged before me that they executed and subscribed to these Articles of Incorporation.

WITNESS my hand and official seal in the County and State named above this 8th day of March, 1982.


Notary Public
State of Florida at Large

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires June 9, 1983
Bonded By American Fire & Casualty Company

OFFICIAL RECORDS

BY-LAWS

BOOK 424 - 482

OF

KETCH COURTYARD ASSOCIATION, INC.

A CONDOMINIUM PURSUANT TO THE
FLORIDA CONDOMINIUM ACT

ARTICLE ONE

PLAN OF APARTMENT OWNERSHIP

1.1 Unit Ownership

The condominium located at 3150 South Fletcher Avenue, Fernandina Beach, Nassau County, Florida, and known as "KETCH COURTYARD", a condominium, submitted to the provisions of Chapter 718 of the Florida Statutes, known as the Condominium Act, by Declaration recorded simultaneously herewith in the Office of the County Recording Officer of Nassau County, Florida.

1.2 Applicability To Property

The provisions of these By-Laws are applicable to the Condominium, which term includes the land, the buildings, and all other improvements thereon, all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

1.3 Applicability To Persons

All present and future owners, lessees and mortgagees, their employees, and any other person who may use the facilities of the Condominium in any manner shall be subject to these By-Laws, the Declaration, relevant unit deeds and Rules and Regulations pertaining to the use and operation of the Condominium property attached hereto as EXHIBIT "A".

Acquisition, rental, or occupancy of any unit in the Condominium shall be sufficient to signify acceptance and ratification of the provisions of the aforementioned instruments and an agreement to comply therewith.

ARTICLE TWO
FORM OF ADMINISTRATION

2.1 The Association and Governing Board

The affairs of the Condominium shall be administered and managed by an Association of unit owners organized as a Florida corporation not-for-profit, having the name "KETCH COURTYARD ASSOCIATION, INC.", and hereafter called the "ASSOCIATION". All power and authority of the Association shall be exercised through its Board of Directors, to be known as the Governing Board, consisting of five (5) members.

2.2 Composition of Governing Board

Members of the Governing Board shall be designated by KETCH COURTYARD, INC., hereinafter called "DEVELOPER", or elected by the unit owners as follows:

(a) Until FIFTEEN percent (15.0%) of the units that will eventually be operated by the Association are owned by unit owners other than DEVELOPER, and thereafter until successors shall have been elected by unit owners, the Governing Board shall consist of such of the officers and directors of DEVELOPER as DEVELOPER shall from time to time designate.

(b) Then, in an election by unit owners as provided by law in these By-Laws, unit owners other than DEVELOPER shall elect two (2) members of the Board, and an equal number of the members previously designated by DEVELOPER shall resign.

(c) The unit owners' representation on the Board specified above shall continue until an election, as provided by law and in these By-Laws, after the earliest of: (1) the date three years after sales by DEVELOPER of FIFTY percent (50.0%) of the units in the Condominium have closed; or (2) the date three months after sales by DEVELOPER of NINETY percent (90.0%) of the units have closed; or (3) the date when all the units have been

completed, some of them have been sold, and no unsold units are being offered for sale by DEVELOPER in the ordinary course of business. At such election and in all subsequent elections, the unit owners other than DEVELOPER shall elect the greater of: (1) a majority of the members of the Board; or (2) that number of members corresponding to the aggregate voting power of unit owners other than DEVELOPER.

(d) DEVELOPER shall be entitled to elect at least one (1) member of the Board for so long as DEVELOPER holds any units in the Condominium for sale in the ordinary course of business.

2.3 Persons elected to the Governing Board by unit owners other than DEVELOPER shall be owners, co-owners, spouses of owners, or mortgagees of units, or, in the case of corporation owners or mortgagees of units, officers, directors, shareholders or employees of such corporations.

2.4 Power and Duties

The Governing Board shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by law, by the Declaration, or by these By-Laws directed to be exercised and done by the unit owners. The powers and duties to be exercised by the Governing Board shall include, but shall not be limited to, the following:

(a) Maintenance, repair, replacement, cleaning and sanitation of the common elements.

(b) Determination, assessment and collection of funds for common expenses and payment of such expenses.

(c) Adoption, distribution, amendment and enforcement of rules governing the use and operation of the Condominium and the use of the common elements, subject to the right of a majority of unit owners to change any such rules.

(d) Procurement and maintenance of insurance as hereinafter provided.

(e) Maintenance of accounting records, in accordance with law and generally accepted accounting principles, which records shall be made available for inspection by unit owners and mortgagees at all reasonable times.

(f) Authorization and prosecution, in the name of the Association, of any and all actions and proceedings deemed necessary or appropriate in furtherance of the interests of unit owners generally, including suits to foreclose liens for nonpayment of assessments or to recover money judgments for unpaid assessments.

(g) Entry into any and all contracts deemed necessary or appropriate in furtherance of the interests of unit owners.

(h) Employment and dismissal of personnel deemed necessary or appropriate for the maintenance and operation of the property and the common elements.

(i) Establishment of bank accounts in the name of the Condominium, and authorization of signatories therefor.

(j) Purchasing, leasing, or otherwise acquiring in the name of the Governing Board, or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale, lease, or surrender by their owners to the Governing Board.

(k) Purchasing units at foreclosure or other judicial sale in the name of the Governing Board or its designee, corporate or otherwise, on behalf of all unit owners.

(l) Selling, leasing, mortgaging, or otherwise dealing with units acquired by and subleasing units leased by the Governing Board or its designee, corporate or otherwise, on behalf of all unit owners.

(m) Organizing corporations to act as designee of the Governing Board in acquiring title to or leasing units on behalf of all unit owners.

(n) Contracting for repairs of and additions and improvements to the property and for repairs to and restoration of the property in accordance with the provisions of these By-Laws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(o) Acquisition or entry into contracts for the acquisition of leaseholds, memberships, or other possessory or use interests in lands and facilities, including but not limited to country clubs, golf courses, marinas and other recreational facilities, whether contiguous to the Condominium property or not, intended to provide for the enjoyment, recreation or other use or benefit of unit owners. If such acquisition is authorized by a supplement to these By-Laws, duly recorded, the fees, costs and expenses of acquiring, maintaining, operating, repairing, and replacing the property so acquired shall be treated as a common expense; if not so authorized, such fees, costs and expenses shall be treated as limited common expenses and shall be assessed against such unit owners as have agreed to assume the same in proportion to their respective interests in the common elements, or in such other proportion as may unanimously have been agreed upon.

(p) Employment of a managing agent and/or manager at such reasonable compensation and to perform such duties as the Governing Board may authorize; provided, however, that the Governing Board shall not delegate to any such managing agent or manager any of the powers set forth in Subsections c, f, g, i, k, l, and m of this section, nor may it delegate the power to determine and assess common charges as provided in Subsection b of this section.

2.5 Election and Terms of Office

At the first meeting of unit owners, after the date on which unit owners other than DEVELOPER become entitled to elect at least a majority of the members of the Governing Board, the terms of office of Board members shall be fixed as follows: the term of office of two members shall be set at three years; and the term of office of two members shall be set at two years; and the term of office of one member shall be set at one year. At the expiration of the initial term of office of each Board member, his successor shall be elected to serve for a term of three years. Board members shall hold office until their successors have been elected and hold their first meeting.

2.6 Vacancies

Vacancies in the Governing Board caused by any reason other than the removal of a member by vote of the unit owners shall be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum; each person so elected shall hold office until a successor is elected at the next annual meeting of unit owners.

2.7 Removal of Board Members

At any regular or special meeting duly called, any one or more members of the Governing Board may be removed with or without cause by a majority of unit owners and a successor may then and there be elected to fill the vacancy so created. Any Board member so elected shall serve for the unexpired term of his predecessor in office. Any member whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting at which a vote is to be taken on the issue of his removal.

2.8 Organizational Meeting

The first meeting of each Governing Board, at least a majority of the members of which have been elected by unit owners other than DEVELOPER, shall be held within thirty (30)

days after the election of such Board, at such place as may be fixed by the Board. No notice shall be necessary to the newly elected Governing Board to legally constitute such meeting, providing that a majority of the Board shall be present.

2.9 Regular Meetings

Regular meetings of the Governing Board may be held at such times and places as shall from time to time be determined by the Board; provided however, that at least two (2) such meetings shall be held during each calendar year. Notice of each regular meeting of the Governing Board shall be given to each Board member personally, or by mail, telephone or telegraph, at least fifteen (15) days prior to the date set for such meeting.

2.10 Special Meetings

Special meetings of the Governing Board may be called by the President, and shall be called by the President or Secretary on the written request of at least three board members, on fifteen (15) days' notice to each Board member, given personally or by mail, telephone or telegraph. Any such notice shall state the time, place and purpose of the meeting.

2.11 Meetings Open to Unit Owners

All meetings of the Governing Board shall be open to all unit owners. Notice of each meeting will be posted at least forty-eight (48) hours before the meeting, except in the case of emergency meetings.

2.12 Waiver of Notice

Any Board member may at any time waive notice of any meeting of the Board in writing and any such written waiver shall be deemed equivalent to the giving of the notice required herein. Attendance at any Board meeting by a member shall constitute a waiver by him of notice of the time and place thereof. If all Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at any such meeting.

2.13 Quorum of Governing Board

At all meetings of the Governing Board, a majority of the Board shall constitute a quorum for the transaction of business, and the acts of a majority of members present at a meeting at which a quorum is present shall constitute the acts of the Board. If at any meeting of the Governing Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

2.14 Minutes

Minutes shall be taken at all meetings of the Governing Board. Copies of the minutes shall be available for inspection at the Office of the Association by unit owners and Board members at all reasonable times.

2.15 Fidelity Bonds

The Governing Board shall require that all officers and employees of the Condominium handling or responsible for Condominium funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a common expense.

2.16 Compensation

No member of the Governing Board shall receive compensation for acting as such, but by resolution of the Board, a fixed fee and expenses of attendance may be allowed for attendance at such regular and special meeting. Nothing herein contained shall be construed to preclude any Board member from serving the Condominium or the Board in any other capacity and receiving compensation therefor.

2.17 Liability of Governing Board

Members of the Governing Board shall not be liable to unit owners for mistakes in judgment, for negligence or otherwise, except for their own wilful misconduct or bad faith.

Nor shall members of the Board be personally liable with respect to any contract made by them on behalf of the Association and unit owners shall indemnify the Board and each member thereof against all contractual liability to third parties arising out of contracts made by the Board on behalf of the Association. However, such indemnification shall not extend to any contract made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. The liability of each unit owner arising out of any contract made by the Governing Board or out of the aforesaid indemnification of the members of the Board shall be the proportion of the total liability that such unit owner's interest in the common elements bears to the interests of all unit owners in the common elements. Every agreement made by the Governing Board or by any managing agent or manager employed by the Board on behalf of the Condominium shall provide that the members of the Board or the managing agent or manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder, except as unit owners, and shall further provide that each unit owner's liability thereunder is limited to the proportion of the total liability thereunder that his interest in the common elements bears to the interests of all unit owners in the common elements.

ARTICLE THREE

OFFICERS

3.1 Designation

The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Governing Board. The Governing Board may also appoint one or more Assistant Vice-Presidents, an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary.

3.2 Election of Officers

The officers of the Association shall be elected annually by the Governing Board at its organizational meeting and shall hold office at the pleasure of the Board.

3.3 Removal of Officers

On the affirmative vote of a majority of the members of the Governing Board, any officer may be removed, with or without cause, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for that purpose.

3.4 President

The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Governing Board and of unit owners. He shall have all general powers and duties that are incident to the Office of President of a Florida corporation not for profit including, without limitation, the power to appoint committees from among the owners from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association.

3.5 Vice-President

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 Governing Board shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as may from time to time be imposed upon him by the Governing Board.

3.6 Secretary

The Secretary shall keep the minutes of meetings of the Governing Board and of unit owners; he shall have charge of such books and papers as the Governing Board may determine; and he shall, in general, perform all the duties incident to the Office of Secretary of a Florida corporation not for profit.

3.7 Treasurer

The Treasurer shall have responsibility for the funds and securities of the Association, for keeping full and accurate accounts showing all receipts and disbursements and for the preparation of all necessary financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Governing Board or managing agent, in such depositories as may from time to time be designated by the Governing Board and shall, in general, perform all duties incident to the Office of Treasurer of a Florida corporation not for profit.

3.8 Compensation

No officer shall receive any compensation from the Association for acting as such officers; provided, however, that nothing contained herein shall be construed to preclude any officer from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE FOUR

UNIT OWNERS

4.1 Annual Meetings

Within not more than sixty (60) days after the date on which unit owners other than DEVELOPER own FIFTEEN PERCENT (15.0%) of the units that will eventually be operated by the Association, the Governing Board shall call and give notice of the first annual meeting of unit owners, which meeting shall be held not less than thirty (30) nor more than forty (40) days after the date of the notice. At such meeting, one-third (1/3) of the officers and directors of DEVELOPER holding office as members of the Governing Board shall resign, as provided elsewhere in these By-Laws, and unit owners other than DEVELOPER shall elect two (2) members to the Board. Thereafter, annual

meetings of the unit owners shall be held on the Third (3rd) Saturday of March of each year.

At each subsequent meeting, the unit owners shall elect a number of members to the Governing Board sufficient to fill all vacancies and to replace or re-elect members whose terms have expired. Unit owners may also transact such other business of the Association as may properly come before the meeting.

4.2 Special Meetings

The President may, and shall if directed by Resolution of the Governing Board or by petition signed and presented to the Secretary by unit owners owning a total of at least TEN PERCENT (10.0%) of the common interest, call a special meeting of unit owners. The notice of any special meeting shall state the time and place of the meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent either in person or by proxy of unit owners owning at least FIFTY-ONE PERCENT (51.0%) of the common interest.

4.3 Place of Meetings

Meetings of unit owners shall be held at the principal office of the Association, or at such other suitable place convenient to the owners as may be designated by the Governing Board.

4.4 Notice of Meetings

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose, the time and the place thereof, to each unit owner. Written notice shall be given to each unit owner and shall be posted in a conspicuous place on the condominium property at least 14 days prior to the meeting. Unless a unit owner waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each unit owner, and the post office certificate of mailing shall be retained as proof of such mailing. Unit owners may waive notice of specific meetings and may take action by written agreement without

meetings. The mailing of a notice in the manner provided in this section shall be considered notice served.

4.5 Quorum

At all meetings of unit owners, a majority of unit owners shall constitute a quorum for transaction of business. If a quorum is present at a meeting, the acts of a majority in both common interest and in number of units held of those unit owners present shall bind all unit owners for all purposes other than those for which a higher percentage is required by law, by the Declaration, or by these By-Laws. If, at any meeting of unit owners less than a quorum is present, a majority of those present may adjourn the meeting to a time not less than two (2) hours from the time the original meeting was called. At any such subsequent meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice. As used in these By-Laws, the term "majority of unit owners" means those owners holding FIFTY-ONE PERCENT (51.0%) in the aggregate in both common interest and in number of units.

4.6 Order of Business

The Order of Business at all meetings of unit owners shall be as follows:

- (a) Roll Call;
- (b) Proof of Notice of Meeting or Waiver of Notice;
- (c) Reading of Minutes of Preceding Meeting;
- (d) Reports of Officers;
- (e) Report of Governing Board;
- (f) Report of Committees;
- (g) Election of Inspectors of Election, when appropriate;
- (h) Election of Members of Governing Board, when required;
- (i) Unfinished Business;
- (j) New Business

4.7 Voting

The owner or owners of each unit, or some persons appointed by such owner or owners to act as proxy on his or their behalf, shall be entitled to cast the vote appurtenant to each such unit at all meetings of unit owners. The appointment of proxy shall be made in writing and filed with the Secretary, and shall be revocable at any time by notice in writing to the Secretary. No one person may hold more than five (5) proxies. Voting shall be on a percentage basis. The percentage of the vote to which an owner is entitled shall be the percentage or the sum of the percentages of ownership interest in the common elements assigned to the unit or units owned by him as set forth in the Declaration.

4.8 Minutes

Minutes shall be taken at all meetings of unit owners. Copies of the Minutes shall be available for inspection at the Office of the Association by unit owners and members of the Governing Board at all reasonable times.

4.9 Title to Units

Title to units may be acquired and held in the name of an individual, in the name of two or more persons as joint tenants, tenants-in-common, or any other joint estate recognized under Florida law, or in the name of a corporation, a partnership, or a fiduciary.

ARTICLE FIVE OPERATION OF PROPERTY

5.1 Determination of Common Charges

Each year the Governing Board shall prepare a proposed budget of common expenses for the Association. This budget shall include projections of common expenses, common revenue (from sources, if any, other than assessments of unit owners), the amount of common charges required to meet the excess

of the former over the latter, and an allocation and assessment of such common charges against unit owner proportionate to each unit owner's interest in the common elements, as provided in the Declaration.

5.2 As used in these By-Laws, the term "common expenses" or "common charges" shall mean expenses or charges for which unit owners are proportionately liable, and shall include, but shall not be limited to, the following:

- (a) All expenses of administration, maintenance, repair and replacement of the common elements;
- (b) Insurance premiums on all policies of insurance obtained by the Governing Board, managing agent or manager, as the case may be, pursuant to Paragraphs 5.16 and 5.17 of this Article;
- (c) Working capital reserve;
- (d) General operating reserve;
- (e) Repair and replacement reserve;
- (f) Reserve for deficits accrued in prior years;
- (g) Reserve for acquisition or lease of units, the owners of which have elected to sell or lease the same, or that may become available at foreclosure or other judicial sale;
- (h) Utility rates for water and gas and related sewer rents;
- (i) Utility rates for electricity serving the common elements, which shall be separately metered;
- (j) All other amounts that the owners may agree upon or that the Governing Board may deem necessary or appropriate for the operation, administration and maintenance of the Condominium;
- (k) All other amounts designated common expenses by the Declaration, by these By-Laws, or by law.

5.3 A copy of the proposed budget will be mailed to each unit owner not less than THIRTY (30) days prior to the meeting at which the budget will be considered by the Board, together with a notice of that meeting. A final budget of common expenses will be adopted by the Board at such meeting, subject to

the rights of the unit owners provided by law in the case of any budget requiring assessment against the unit owners in an amount exceeding ONE HUNDRED FIFTEEN PERCENT (115.0%) of the assessment for the preceding year. Each unit owner will be advised in writing of the amount payable by him during the following year.

5.4 Collection of Assessments

The Governing Board shall, by suitable written notice, assess common charges against unit owners quarterly on the 1st day of January, April, July and October, each such assessment covering the next succeeding three (3) months. One-third (1/3) of each assessment shall be payable in advance on the 1st day of each month. If any such installment remains unpaid for more than thirty (30) days from the date due, the Governing Board will take prompt action to collect it.

5.5 Common Surplus

If in any taxable year, the net receipts of the Association from assessments and all other sources, except casualty insurance proceeds and other nonrecurring items exceeds the sum of: (a) total common expenses for which payment has been made or liability incurred within the taxable year; and (b) reasonable reserves for common expenses and other liabilities in the next succeeding taxable year as may be determined by the Governing Board, such excess shall retained and applied to lessen the assessments for the next succeeding year, the amount of such reduction for each unit owner being in proportion to his undivided interest in the common elements.

5.6 Liability for Assessments

All unit owners are obligated to pay the common charges assessed by the Governing Board at the times set forth in these By-Laws. No unit owner may exempt himself from liability for any assessment for common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. However, no unit owner shall be liable for any assessment

for common charges against his unit subsequent to a sale, transfer, or other conveyance by him of such unit made in accordance with the provisions of Paragraph 7.3 of Article Seven of these By-Laws. Moreover, any owner of a unit that is free and clear of all liens and encumbrances other than a first mortgage and the statutory lien for unpaid common charges, may, subject to the provisions of these By-Laws convey such unit to the Governing Board or its designee, corporate or otherwise, as grantee on behalf of all other unit owners, and such conveyance shall exempt the owner from liability for any common charges assessed thereafter. In all voluntary conveyances of units, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover over against the grantor for any amounts paid by the grantee. However, any such grantee, or any mortgagee shall be entitled, within ten (10) days after making request therefor, to a certificate from the Governing Board, or the managing agent or manager, as the case may be, setting forth the amount of unpaid assessments pertaining to such unit, and in such event, any person other than the grantor who relies on such certificate shall be entitled to rely thereon, and shall not be liable for any amounts in excess of the amount stated therein. A mortgagee or other purchaser of a unit at a foreclosure sale shall not be liable for nonpayment of any common charges assessed prior to the date of the foreclosure sale and such unit shall not be subject to a lien for nonpayment of charges.

5.7 Default in Payment of Common Charges

In the event a unit owner shall fail for ten (10) days following the due date thereof, to pay to the Governing Board the common charges assessed against his unit, such unit owner shall be deemed in default and shall be obligated to pay

interest at the legal rate on such common charges from the due date thereof, together with all expenses, including reasonable attorney's fees, incurred by the Governing Board in any proceeding brought to collect the same, or to foreclose a lien for nonpayment thereof.

5.8 Foreclosure of Liens for Unpaid Common Charges

It shall be the right and duty of the Governing Board to attempt to recover unpaid common charges, together with interest thereon, and expenses of the proceeding, including reasonable attorney's fees, in an action brought against any unit owner in default on his obligation to pay the same, or by foreclosure of the lien on any condominium parcel in respect to which such default has occurred provided for by law. In any such foreclosure the unit owner shall be required to pay a reasonable rental for the unit for the period beginning with the initial default and ending with satisfaction of amounts secured by such lien from the proceeds of the foreclosure sale. Any unpaid common expenses remaining uncollectible for more than thirty (30) days after such foreclosure sale may be assessed by the Governing Board as common expenses to be collected from all unit owners including the purchaser who acquires title at the sale, his successors and assigns. The Governing Board, acting on behalf of all unit owners, shall have power to bid on and purchase any unit offered for sale at a foreclosure sale, and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same and foreclosure shall be maintainable notwithstanding the pendency of a suit to recover a money judgment.

5.9 Maintenance and Repair

(a) Every owner shall promptly perform all maintenance and repair work within his own unit, which if omitted

would affect any common element, any portion of the property belonging to other owners, or the project as a whole, being expressly responsible for all damages and liabilities that any failure to repair or maintain may engender.

(b) All maintenance, repairs and replacements to the common elements, whether located inside or outside individual units, shall be the responsibility of the Governing Board and shall be charged to all unit owners as common expenses unless such maintenance, repairs, or replacements are necessitated by negligence or misconduct of individual unit owners, in which case they shall be the responsibility of and shall be charged to such individual unit owners.

(c) Each unit owner shall be responsible for and reimburse the Association for any expenditures incurred in repairing or replacing any common element damaged through his fault.

5.10 Uses of Units; Rules and Regulations

The use of the units and the common elements shall be subject to restrictions set forth in rules and regulations to be promulgated and amended from time to time by the Governing Board with the approval of a majority of unit owners. Such restrictions shall include, without limitation, the following:

- (a) Units shall be occupied and used by their respective owners only as private dwellings for the owner, his family, tenants and social guests and for no other purpose whatsoever.
- (b) No portion of a unit, other than the entire unit, may be rented and no unit may be rented for hotel or transient purposes.
- (c) Residents shall exercise extreme care about making noises or playing music which may disturb other residents. Residents keeping domestic animals must abide by municipal sanitary regulations.
- (d) Hanging, cleaning or beating garments, rugs, etc., from or on the windows, terraces, or facades of the building is prohibited.
- (e) Throwing garbage or trash outside disposal installations provided for such purposes is prohibited.

- (f) No owner, resident, or lessee shall install wiring for electrical or telephone installation or any television antenna, air-conditioning unit or machine of any kind on the exterior of the building or which protrudes through the walls or the roof of the building except as authorized by the Governing Board.
- (g) Owners shall not take or cause to be taken within their units any action that would jeopardize the soundness or safety of any part of the Condominium property or impair any easement or right appurtenant thereto or affect the common elements without the unanimous consent of all unit owners who might be affected thereby.
- (h) Owners shall not permit anything to be done or kept in their units that would increase the rate of fire insurance thereon or on the Condominium as a whole.
- (i) No immoral, improper, offensive, or unlawful uses shall be made of Condominium property or any part thereof and each unit owner, at his own expense, shall comply with, perform and fully satisfy all city, state and federal laws, statutes, ordinances, regulations, orders or requirements affecting his unit.
- (j) Copies of all such rules and regulations shall be furnished by the Governing Board to each unit owner prior to their effective date. Initial rules and regulations, which shall be effective until amended by the Governing Board with the approval of a majority of unit owners are annexed hereto and made a part hereof as Exhibit "A".

5.11 Modifications by Unit Owners

No unit owner shall make any structural addition or alteration to his unit without the prior written consent of the Governing Board. On request by any unit owner for approval of a proposed addition or alteration, the Board shall answer the same within ONE HUNDRED EIGHTY (180) days after receipt thereof and failure to do so within the stipulated time shall constitute a consent. Any application to any governmental authority for a permit to make any addition or alteration to any unit shall be executed by the Governing Board only. However, neither the Board nor any member thereof shall be liable to any contractor, subcontractor, or materialman, or to any person claiming injury to person or property as a result of such addition or alteration

or the construction thereof. The provisions of this Section shall not apply to units owned by DEVELOPER until such units shall have been initially sold by DEVELOPER and paid for.

5.12 Right of Access

The Association shall have and shall exercise through the manager, managing agent, or other person or persons authorized by the Governing Board, a right of access to each unit from time to time during reasonable hours, to maintain, repair or replace any common elements therein or accessible therefrom, or to make emergency repairs necessary to prevent damage to common elements or to any other unit or units, or to correct any condition violative of the provisions of any mortgage secured by any other unit. Requests for access shall be scheduled for times convenient to the owner, except that in case of emergency, right of access shall be immediate and shall exist whether the unit owner is present at the time or not.

5.13 Use of Common Elements

(a) Unit owners shall not place or cause to be placed in the lobbies, vestibules, stairways, elevators and other Condominium areas and facilities of a similar nature any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than normal transit through them.

(b) The Condominium shall have one (1) elevator, devoted to the transportation of the owners and their guests and for freight.

5.14 Modifications by Governing Board

Any additions or alterations in or to the common elements costing FIVE HUNDRED DOLLARS (\$500.00) or less, may be made by the Governing Board without approval of unit owners or unit mortgagees and the costs thereof shall be treated as common expenses. Whenever, in the judgment of the Governing Board, the common elements require additions or alterations costing in excess of FIVE HUNDRED DOLLARS (\$500.00), the making of such

additions or alterations shall require approval by a majority of unit owners. After such approval has been obtained, the Board shall proceed with the additions or alterations and the costs thereof shall be treated as common expenses.

5.15 Repair or Reconstruction

In the event of any damage to or destruction of any improvements on the Condominium property or any part thereof, or any common element or elements or any part thereof, required by the Declaration, these By-Laws or by law, to be insured by the Association, such improvements including individual units therein, but excluding furniture, fixtures, decorations and equipment installed or placed therein by unit owners or common elements shall be promptly repaired and restored by the Governing Board using the proceeds of such insurance. If such proceeds are inadequate to cover the cost of such repair and restoration, unit owners shall be assessed on an equitable basis according to the benefit derived by them from such repair and restoration. However, if the proceeds of such insurance shall be inadequate by a substantial amount to cover estimated costs of repair and restoration of an essential improvement or common element, or if such damage shall constitute substantially total destruction of the Condominium property or of one or more building comprising the Condominium property or if those unit owners entitled to exercise SEVENTY-FIVE PERCENT (75.0%) or more of the total voting power of those unit owners directly affected by such damage or destruction, shall determine not to repair or restore the property, the Governing Board shall proceed to realize the salvage value of the portion of the Condominium property damaged or destroyed, by sale or otherwise and shall collect the proceeds of any insurance. Thereupon, the net proceeds of such sale or other disposition of the property, together with the proceeds of any insurance, after making provision for the removal of all debris and the restoration of

the land to level grade, if appropriate, shall be considered as one fund and shall be divided among unit owners directly affected by such damage or destruction in proportion to their respective undivided ownership of the common elements. Any liens or encumbrances on any affected unit shall be relegated to the interest of the owner thereof in the fund.

5.16 Fire and Extended Coverage Insurance

The Governing Board, or the managing agent or manager, as the case may be, shall obtain and continue in effect insurance against loss by fire and other casualties normally covered under broad-form fire and extended coverage insurance as written in Florida, covering all common elements, all limited common elements, all structural portions of the Condominium property, and all units, but not including furniture, fixtures, decorations, equipment or the like, installed or placed therein by unit owners in an amount not less than NINETY PERCENT (90.0%) of the assessed value thereof. The premiums for such insurance shall be a common expense to be paid by monthly assessments levied by the Governing Board.

5.17 Liability Insurance

The Governing Board or the manager or managing agent, as the case may be, shall obtain and continue in effect insurance against liability for personal injury and death and for damage to property arising from accidents occurring within the common elements and limited common elements in such amounts, as shall be determined by the Governing Board. The premiums for such insurance shall be a common expense.

5.18 Right of Owners to Insure Units

Any insurance obtained or maintained by the Governing Board, managing agent, or manager, as the case may be, shall be without prejudice to the rights of unit owners to obtain and maintain such insurance as they see fit.

5.19 Abatement of Violations

Violation of any provisions of the Declaration, a unit deed, these By-Laws, or any rule or regulation adopted, pursuant hereto, shall give the Governing Board, acting on behalf of all unit owners, the right, in addition to any other rights set forth herein, the following:

(a) To enter any unit in or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any thing or condition constituting such violation or breach, and the Governing Board shall not be deemed guilty of trespass in so doing; or

(b) To enjoin, abate, or remedy the continuance of such violation or breach by appropriate legal proceedings or to bring an action for recovery of damages.

ARTICLE SIX

MORTGAGES

6.1 Notice of Mortgage

An owner who mortgages his unit shall within fifteen (15) days after such mortgage has been executed notify the manager, managing agent, or Secretary of the Association of the name and address of his mortgagee. The Secretary shall maintain such information in a book entitled "Mortgagees of Units".

6.2 Payment of Assessments

No unit owner shall be permitted to convey, mortgage, pledge, sell, or lease his unit unless and until he shall have paid in full to the Governing Board all unpaid charges theretofore assessed against his unit and until he shall have satisfied all unpaid liens against his unit other than mortgage liens.

6.3 Notice of Unpaid Assessments

The Secretary of the Association shall, at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

6.4 Notice of Default

Upon giving notice to a unit owner of a default, whether in payment of common charges or otherwise, the Governing Board shall send a copy of such notice to each holder of a mortgage secured by such unit whose name and address appears in the book entitled "Mortgagees of Units".

6.5 Inspection of Books

Unit owners and unit mortgagees shall be permitted to inspect the books of account of the Association at reasonable times during business hours.

6.6 Blanket Mortgages

Notwithstanding any other provision hereof, the entire Condominium property, or some or all of the units therein, together with the undivided interests in the common elements appurtenant thereto, may be subjected to a blanket mortgage constituting a first lien thereon, created by an instrument executed by all owners of the property or units covered thereby and recorded in the Office in which these By-Laws are recorded. Any unit included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. The instrument creating any such mortgage shall provide a method whereby any unit owner may obtain a release of his unit and its appurtenant interests in the common elements and limited common elements from the lien of such mortgage and a satisfaction and discharge in recordable form, on payment of a sum equal to the proportionate share attributable to his unit of the then outstanding balance of unpaid principal and accrued interest and other proper charges. The proportionate share attributable to each unit shall be in each case the proportion in which all units then subject to the lien of the mortgage share among themselves

in liability for common expenses as provided in the Declaration or such other reasonable proportion as shall be specifically provided in the mortgage instrument.

ARTICLE SEVEN
SALES AND LEASES OF UNITS

7.1 Compliance with Article

No unit owner may sell or lease his unit or any interest therein except by complying with the provisions of this Article.

7.2 Severance of Ownership

Any sale of a unit must include the sale of the undivided interest in the common elements appurtenant to that unit, the interest of the seller in any units theretofore acquired by the Governing Board, or the proceeds of the sale or lease thereof, and the interest of the seller in any other assets of the Association (hereinafter collectively referred to as "appurtenant interests"). No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of except as part of a sale, transfer, or other disposition of the unit to which such interests are appurtenant, or as a part of a sale, transfer, or other disposition of such part of the appurtenant interests of all units. Any deed, mortgage, or other instrument purporting to affect a unit or one or more appurtenant interests without including all such interests shall be deemed to include the interest or interests so omitted, it being the intention hereof to prevent any severance of combined ownership of units and their appurtenant interests.

ARTICLE EIGHT
EMINENT DOMAIN

8.1 Condemnation of Common Elements

If all or any part of the common elements is taken, injured, or destroyed by eminent domain, each unit owner shall be

entitled to notice of such taking and to participate through the Association in the proceedings incident thereto. Any damages shall be for the taking, injury or destruction as a whole, and shall be collected by the Governing Board. If those unit owners entitled to exercise FIFTY-ONE PERCENT (51.0%) or more of the total voting power of the Association duly and promptly approve the repair and restoration of the common elements or limited common elements, the Governing Board shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense or limited common expense. In the event that these unit owners entitled to exercise FIFTY-ONE PERCENT (51.0%) or more of the total voting power of the Association do not duly and promptly approve the repair and restoration of the common elements, the net proceeds shall be divided by the Governing Board among all unit owners in proportion to their respective common interests or limited common interests, as the case may be, paying out of the share of each unit owner the amount of any unpaid liens on his unit, in the order of priority of such liens.

8.2 Condemnation of Units

If all or any part of any unit or units, other than the undivided interest or interests in the common elements appurtenant thereto, shall be taken, injured, or destroyed by eminent domain, each unit owner so affected shall be entitled to notice of such taking and to participate directly in the proceedings incident thereto. Any damages shall be payable directly to such owner or owners.

ARTICLE NINERECORDS9.1 Records; Certification

The Secretary shall keep detailed records of all actions of the Governing Board, including financial records and books of account of the Association, kept in accordance with generally accepted accounting principles. Such records shall include a chronological record of all receipts and disbursements. A separate account shall also be kept for each unit containing, among other things, the amount of each assessment against such unit, the date when due, amounts paid thereon, and the balance remaining due. The Governing Board shall also prepare a quarterly written report summarizing receipts and disbursements of the Condominium, certified by an independent certified public accountant, shall be rendered by the Governing Board to all unit owners and mortgagees requesting the same, promptly after the end of each fiscal year.

ARTICLE TENMISCELLANEOUS10.1 Notices

All notices required or permitted to be sent to the Governing Board shall be sent by registered mail or certified mail in care of the manager of managing agent, or if there be no manager or managing agent, to the Office of the Board, or to such other address as the Board may from time to time designate. All notices required or permitted to be sent to any unit owner shall be sent by registered or certified mail to the Condominium or to such other address as such owner may have designated in writing to the Governing Board. All notices to unit mortgagees shall be sent by registered or certified mail to their respective addresses, as maintained by the Secretary in the book entitled

"Mortgagees of Units". All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

10.2 Waiver

No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations and failures to enforce that may occur.

10.3 Invalidity

If any provision or provisions of these By-Laws is or are declared invalid, such invalidity shall in no way impair or affect the validity, enforceability or effect of the remaining provisions of these By-Laws.

10.4 Captions

Captions are inserted in these By-Laws for convenience and reference only and shall not be taken in any way to limit or describe the scope of these By-Laws or any provision hereof.

ARTICLE ELEVEN

AMENDMENTS

11.1 Amendments

These By-Laws may be amended or supplemented by the vote of unit owners entitled to exercise SIXTY-SEVEN PERCENT (67.0%) or more of the total voting power of the Association at a meeting of unit owners duly called and held for such purpose. Any such amendment or supplement shall be filed for record in the Office in which these By-Laws are recorded.

ORIGINAL RECORDS

ARTICLE TWELVE

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CONFLICTS

12.1 Conflicts

These By-Laws are intended to comply with the requirements of, and are promulgated pursuant to, Chapter 718 of the Florida Statutes. If these By-Laws or any provisions hereof are so construed as to be in conflict with the provisions of such Statute, or of the Declaration to which they are attached, the provisions of such Statute or of the Declaration, as the case may be, shall control.

ESTIMATED OPERATING BUDGETI. ESTIMATED RECEIPTS

	<u>Monthly</u>	<u>Annually</u>
Each Floor Plan Condominium Apartments (32 units at \$86.5390/unit)	\$2,769.25	\$33,231.00

II. ESTIMATED EXPENSES

Administration of the Association:

Telephone Expense	\$ 35.00	\$ 420.00
Office Supplies	25.00	300.00
Legal & Accounting	100.00	1,200.00
Payroll Taxes	140.00	1,680.00
Licenses	12.50	150.00

Management Fees

N/A

N/A

Maintenance:

Maintenance Personnel	800.00	9,600.00
Swimming Pool Maintenance & Supplies	300.00	3,600.00
Lawn & General	300.00	3,600.00
Elevator	75.00	900.00

Rent for Recreational and Other
Commonly used Facilities

N/A

N/A

Taxes upon Association Property

N/A

N/A

Taxes upon Leased Areas

N/A

N/A

Insurance

300.00

3,600.00

Security Provisions

N/A

N/A

Other Expenses:

Electricity for Common Areas	250.00	3,000.00
Water & Sewer for Common Areas	150.00	1,800.00
Pest Control	30.00	360.00
Garbage	N/A	N/A

Reserves

250.00

3,000.00

Division of Florida Land Sales
and Condominium Fee1.7521.00\$ 2,769.25\$ 33,231.00

OFFICIAL RECORDS

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RESERVES HAVE BEEN BASED UPON THE FOLLOWING FORMULA:

	<u>Replacement Cost</u>	<u>Per Year Useful Life</u>	<u>Requirement</u>
Roof	\$ 30,000.00	20 years	\$ 1,500.00
Painting	2,500.00	5 years	500.00
Paving & Sidewalks	<u>10,000.00</u>	10 years	<u>1,000.00</u>
	<u>\$ 42,500.00</u>		<u>\$ 3,000.00</u>

NOTE: DEVELOPER MAY ELECT TO GUARANTEE TO PURCHASERS OF UNITS THAT ASSESSMENTS FOR COMMON EXPENSES DURING ANY STATED PERIOD OF TIME SHALL NOT EXCEED A SPECIFIED DOLLAR AMOUNT AND THAT DEVELOPER SHALL PAY ANY COMMON EXPENSES IN EXCESS OF THE GUARANTEED LEVEL. SHOULD DEVELOPER ELECT TO MAKE SUCH A GUARANTEE TO OWNERS, DEVELOPER SHALL BE EXEMPTED FROM LIABILITY FOR COMMON EXPENSES ATTRIBUTABLE TO UNITS OWNED BY DEVELOPER DURING THE PERIOD OF THE GUARANTEE. (REF. ART. 11.5, DECLARATION OF CONDOMINIUM).

IF DEVELOPER ELECTS NOT TO MAKE SUCH A GUARANTEE, THEN IT SHALL NONETHELESS BE EXEMPT FROM PAYMENT OF ANY COMMON EXPENSES ATTRIBUTABLE TO UNITS IN PHASE I OWNED BY DEVELOPER FOR A PERIOD OF TIME TERMINATING ON THE FIRST (1ST) DAY OF THE FOURTH (4TH) CALENDAR MONTH FOLLOWING THE MONTH IN WHICH THE CLOSING OF THE PURCHASE AND SALE OF THE FIRST CONDOMINIUM UNIT OCCURS.

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FILED AND
IN OFFICE

1984 JUN 22 PM 3:10

NASSAU COUNTY, F.L.A.
CLERK OF COUNTY COURT
T.J. GREEN