

**CAMBRIA AT HAMMOCK DUNES
CONDOMINIUM ASSOCIATION, INC.**

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DECLARATION OF CONDOMINIUM
OF
CAMBRIA AT HAMMOCK DUNES, A CONDOMINIUM

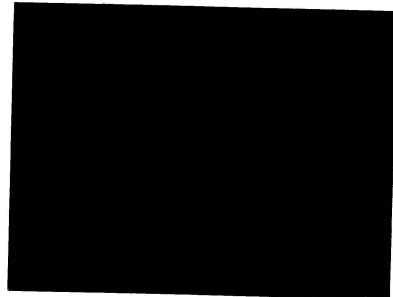


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DECLARATION OF CONDOMINIUM

OF

CAMBRIA AT HAMMOCK DUNES, A CONDOMINIUM

WCI COMMUNITIES, INC., a Delaware corporation (the "Developer"), on behalf of itself and its successors, grantees, and assigns, hereby makes this Declaration of Condominium:

1. INTRODUCTION AND SUBMISSION TO CONDOMINIUM.

1.1. INTRODUCTION. The Developer owns the fee simple title to certain land located within the City of Palm Coast, Flagler County, Florida, as more particularly described in Exhibit A attached hereto (the "Property").

1.2. SUBMISSION TO CONDOMINIUM. The Developer hereby submits the following property to the condominium form of ownership and use in the manner provided for in the Condominium Act:

1.2.1. the Property, together with all improvements erected or to be erected thereon;

1.2.2. all other property, real, personal or mixed, now or hereafter situated on or within the Property; and

1.2.3. the Units and the Common Elements now or hereafter situated on the Property; provided, however, excluding all cable television, cellular phone antennae and other utility installations or equipment owned by a cable television, telecommunication, cellular phone or utility provider which have contracted with or have imposed other legal requirements upon the Developer or the Association to provide a utility, cable, telephone or telecommunication service and/or equipment. The Units and Common Elements are hereby declared to be subject to the restrictions, easements, conditions and covenants contained in this Declaration of Condominium governing the use of the Units and Common Elements and prescribing the obligations and responsibilities incident to ownership of each Unit and its appurtenant Limited Common Elements and undivided interest in Common Elements.

2. NAME - PLAN OF DEVELOPMENT. The Developer has or will construct one (1) building, with sixty (60) residential condominium units and associated improvements (collectively, the "Units"). The name of the Condominium is "Cambria at Hammock Dunes, a Condominium."

3. NAME OF ASSOCIATION. The name of the condominium association responsible for the operation of the Condominium is "Cambria at Hammock Dunes Condominium Association, Inc.," a not-for-profit Florida corporation.

4. DEFINITIONS. The terms used herein will have the meanings stated in the "Condominium Act" (subsequently defined) unless otherwise defined below, or unless the context otherwise requires:

4.1. **"Articles of Incorporation"** or **"Articles"** - The Articles of Incorporation for the Association, as amended from time to time. A copy of the Articles of Incorporation is attached to this Declaration as Exhibit C.

4.2. **"Assessment"** - The share of the funds required for the payment of Common Expenses that are from time-to-time assessed against a Unit Owner.

4.3. **"Association"** - Cambria at Hammock Dunes Condominium Association, Inc., a not for-profit Florida corporation responsible for the operation of the Condominium, and its successor(s).

4.4. **"Association Property"** - All real and personal property owned or leased by the Association.

4.5. **"Board of Directors", "Board" or "Directors of Board"** - The board of directors responsible for the administration of the Association, referred to in the Condominium Act as the board of administration.

4.6. **"Building"** - The structure(s) in which the Units and the Common Elements are located, regardless of the number of such structures, which are located on the Property.

4.7. **"By-Laws"** - The By-Laws of the Association, as amended from time to time. A copy of the By-Laws is attached to this Declaration as Exhibit D.

4.8. **"Capital Improvement Assessment"** - An assessment against a Unit Owner and the Unit Owner's Unit, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from repairs and maintenance) of any capital improvements located or to be located within the Common Elements or Association Property.

4.9. **"Charge or Special Charge"** - The obligation of a Unit Owner to pay or reimburse money to the Association that cannot be secured as an Assessment pursuant to Section 718.116 of the Condominium Act, but which will, if the charge is not paid, give rise to a cause of action against the Unit Owner pursuant to this Declaration.

4.10. **"Common Elements"** - "Common Elements" means and includes:

4.10.1. the Property;

4.10.2. the portions of the Condominium Property not included within the Units, including, but not limited to, (i) any other land or interests in land which may be included in the Condominium Property, whether or not contiguous; and (ii) all improvements and parts thereof which are not included within the Units;

4.10.3. easements over, under, across and through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements;

4.10.4. easements of support in every portion of a Unit which contributes to the support of any other Unit or the Building;

4.10.5. easements for encroachments by the perimeter walls, ceilings and floors surrounding each Unit caused by settlement or movement of the Building or by minor inaccuracies in building or rebuilding which may now exist or hereafter exist, and such easements shall continue until such encroachments no longer exist;

4.10.6. the property and installations required for the furnishing of utilities and services to more than one Unit or to the Common Elements;

4.10.7. fixtures on property owned or held for the common use, benefit and enjoyment of all Unit Owners; and

4.10.8. any other parts of the Condominium Property designated as Common Elements in this Declaration or the Condominium Act.

Reference in this Declaration to Common Elements shall include all Limited Common Elements unless the context would otherwise dictate.

4.11. "Common Expenses" - All expenses incurred by the Association for the operation, maintenance, repair, replacement or protection of the Common Elements and the Association Property for which the Unit Owners are liable to the Association, and any other expense designated as a "Common Expense" by the Condominium Act, this Declaration, the Articles of Incorporation, or the By-Laws. For purposes of this Declaration, "Common Expenses" shall also include, without limitation: (a) all reserves for Common Elements required by the Condominium Act or otherwise established by the Association, regardless of when reserve funds are expended; (b) the cost of a master antenna television system or duly franchised cable or satellite television service obtained pursuant to a bulk contract; (c) if applicable, costs relating to reasonable transportation services, insurance for directors and officers, road maintenance and operation expenses, in-house and/or interactive communications and surveillance systems; (d) the cost of any bulk contract for broadband, telecommunication satellite and/or internet services, if any; (e) the real property taxes and other maintenance expenses attributable to any Association Property; (f) any unpaid share of Common Expenses or Assessments extinguished by foreclosure of a superior lien or by deed in lieu of foreclosure; (g) the costs of carrying out the powers and duties of the Association; (h) insurance premiums as described in Section 11; (i) legal and accounting fees, management fees and compensation and operating expenses of the Common Elements; (j) the Assessments and other maintenance expenses attributable to any Units acquired by the Association; (k) charges for utilities, water, sewer, waste, natural gas and cable used in common for the benefit of the Condominium or if not separately metered for each Unit and any bulk metered or bulk calculated utility services rendered to the Condominium Property or the Units for their benefit; (l) cleaning and janitorial services of the Common Elements; (m) fees, costs and charges payable by the Association and related or due pursuant to the Master Declaration; and (n) any other expenses designated from time to time by the Board of Directors as Common Expenses which are not inconsistent with the Condominium Act. Common Expenses shall not include any separate obligations of individual Unit Owners. Each Unit Owner's share of the Common Expenses is stated as a percentage as set forth on Exhibit F,

which is based on the total square footage of each Unit in uniform relationship to the total square footage of all of the Units in the Condominium. Total square footage of the Units excludes the square footage of the balconies, terraces, exterior walls and demising walls.

4.12. "Common Surplus" - The excess of all receipts of the Association collected on behalf of the Association from the Owners of Units over and above the amount of Common Expenses.

4.13. "Condominium" - Cambria at Hammock Dunes, a Condominium, the condominium created by this document.

4.14. "Condominium Act" - Chapter 718, Florida Statutes, in its form as of the date of this Declaration, and as it may hereafter be renumbered. All references to Chapter 718, Florida Statutes, or any section or subsection thereof shall be deemed to refer to such Chapter, section or subsection in its form as of the date of this Declaration, and as it may hereafter be renumbered.

4.15. "Condominium Documents" - This Declaration and the attached exhibits, as same may be amended from time to time.

4.16. "Condominium Parcel" - A Unit, together with the undivided share in the Common Elements which are appurtenant to the Unit.

4.17. "Condominium Plot Plan" - The condominium drawings required by Section 718.104 of the Condominium Act as amended from time-to-time. A copy of the Condominium Plot Plan is attached to this Declaration as Exhibit B and made a part hereof.

4.18. "Condominium Property" - The real and personal property (including, the Property), both tangible and intangible, subject to condominium ownership, whether or not contiguous; all improvements thereon; and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

4.19. "DCDD" - The uniform community development district established pursuant to Chapter 190, Florida Statutes, and known as the Dunes Community Development District (the "DCDD") which administers a portion of Hammock Dunes, including the Condominium.

4.20. "Declarant's Mortgage" - The Declarant's mortgagee holding a first mortgage on the Condominium Property, or any portion thereof, and its successors and assigns, for as long as the Declarant's Mortgagee holds a mortgage encumbering any Unit or other portion of the Condominium Property owned by Declarant.

4.21. "Declaration" or "Declaration of Condominium" - This Declaration of Condominium, as it may be amended from time to time.

4.22. "Developer" - WCI Communities, Inc., which has established the Condominium, and its successors and such assigns of the Developer's development and other rights hereunder as are assigned by written instrument recorded in the public records of Flagler County, Florida.

4.23. "Division" - The Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation, State of Florida, or its successor.

4.24. "Exhibits":

- A. Legal Description of the Property;
- B. Survey and Condominium Plot Plan;
- C. Association Articles of Incorporation;
- D. Association By-Laws; and
- E. Percentages of Ownership of the Common Elements.

The foregoing Exhibits are hereby incorporated into this Declaration by reference thereto.

4.25. "Family" - One natural person or a group of two or more natural persons, each of whom is related to each of the others by blood, marriage, or adoption (exclusive of household servants); or not more than two adult persons not so related and the children of either or both of them who reside together as a single not-for-profit housekeeping unit.

4.26. "First Mortgagee" - The mortgagee or its assignee of a first mortgage on a Condominium Parcel.

4.27. "Guest" - Any person who is physically present in or occupies a Unit on a temporary basis at the invitation of the Unit Owner without the payment of consideration.

4.28. "Hammock Dunes" - The lands in the City of Palm Coast, Flagler County, Florida identified in the Master Declaration.

4.29. "Institutional First Mortgagee" - A bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other lender generally recognized as an institutional lender, or the Developer, holding a first mortgage on a Unit or Units. A "Majority of Institutional First Mortgagees" shall mean and refer to Institutional First Mortgagees of Units to which at least fifty-one percent (51%) of the voting interests of Units subject to mortgages held by Institutional First Mortgagees are appurtenant.

4.30. "Insurance Trustee" - The term "Insurance Trustee" shall have the meaning ascribed to such term in Section 11.7.

4.31. "Insured Property" - The term "Insured Property" has the meaning ascribed to such term in Section 11.2.1.

4.32. "Lease" - The grant by a Unit Owner of a temporary right of use of a Unit.

4.33. "Lessee" - The person or persons, entity or entities, who are the lessees under a Lease of any part or all of a Unit. All such leased property is referred to as the "Leased Premises." Lessees shall not be Members of the Association, but shall, through the Unit Owner,

be entitled to certain rights and undertake certain obligations with respect to the Unit. Such rights and obligations are appurtenant to the Lessee's lease of the Leased Premises.

4.34. "Limited Common Elements" - Those Common Elements, the use of which is reserved to a certain Unit or Units to the exclusion of the other Units, as same are shown on the Condominium Plot Plan or are specified in this Declaration. A Limited Common Element is appurtenant to the specific Unit to which it is assigned and includes, without limitation, certain automobile garage parking spaces, private parking garages, storage spaces, wine lockers, mailboxes and balconies and terraces. Except as set forth in Exhibit B, in the event of any reasonable doubt or dispute as to whether any portion of the Common Elements constitutes a Limited Common Element, or in the event of any question as to which Units are served thereby, a decision shall be made by a majority vote of the Board of Directors of the Association and shall be binding and conclusive when so made; provided, however, this provision shall not affect Common Elements or Limited Common Elements identified as such in Exhibit B to this Declaration.

4.35. "Master Association" - Hammock Dunes Owners' Association, Inc., a Florida not-for-profit corporation, formed for the purposes stated in the Master Declaration, and which administers the Hammock Dunes development. Unit Owners are automatically members of the Master Association.

4.36. "Master Declaration" - The term "Master Declaration" means the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes recorded in Official Records Book 392, at Page 343, of the Public Records of Flagler County, Florida, covering the development of Hammock Dunes as described in the Master Declaration, as supplemented and amended from time to time.

4.37. "Member" - Each Person who is a member of the Association by virtue of being a Unit Owner. Notwithstanding the foregoing, each Unit shall have one (1) indivisible vote that may be cast at meetings of the Members pursuant to the terms of the By-Laws of the Association attached to this Declaration as Exhibit D.

4.38. "Neighboring Condominiums" - One or more condominiums and/or other improvements, structures and facilities, which Developer may, but shall not be obligated to, construct near the Condominium and/or elsewhere within Hammock Dunes.

4.39. "Occupant" - A person (be it an Owner or a Lessee) who resides in a Unit. Where the context dictates, an Occupant shall also be deemed to include the family members, Guests, licensees and invitees.

4.40. "Optional Property" - The term "Optional Property" has the meaning ascribed to such term in Section 11.7.2.

4.41. "Person" - An individual, corporation, partnership, trust, or other legal entity capable of holding title to real property.

4.42. **"Primary Institutional First Mortgage"** - The Declarant's Mortgagee for as long as it holds a mortgage on any Unit owned by the Declarant in the Condominium and thereafter the Institutional First Mortgagee which owns, at the relevant time, Unit mortgages securing a greater aggregate indebtedness than is owed to any other Institutional First Mortgagee.

4.43. **"Property"** - That certain real property as described in Exhibit A to this Declaration.

4.44. **"Rules and Regulations"** - The Rules and Regulations of the Association, as enacted and amended from time-to-time.

4.45. **"Special Assessment"** - A charge against a Unit Owner and the Unit Owner's Unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

4.46. **"Termination Trustee"** - The term "Termination Trustee" shall have the meaning ascribed to such term in Section 18.3.1.

4.47. **"Unit"** - That portion of the Condominium Property which is subject to exclusive fee simple ownership. The term "Unit," where the context so requires or admits, is often used synonymously in this Declaration with "Condominium Parcel" when meaning the Unit and all appurtenances to the Unit.

4.48. **"Unit Owner"** - The record owner of legal title to a Condominium Parcel.

4.49. **"Very Substantial Damage"** - The term "Very Substantial Damage" shall have the meaning ascribed to such term in Section 12.1.

4.50. **"Voting Interest"** - The voting rights distributed to the Association members pursuant to Section 718.104(4)(i) of the Condominium Act.

Whenever the context permits, use of the plural includes the singular, use of the singular includes the plural, and use of any gender includes all genders.

5. CONDOMINIUM UNITS, BOUNDARIES, AND APPURTENANCES. Each Unit and its appurtenances (including an undivided interest in the Common Elements and any right to use any Limited Common Elements) constitute a separate parcel of real property that may be owned in fee simple. The Unit may be conveyed, transferred, and encumbered like any other parcel of real property, independently of all other parts of the Condominium Property, subject only to the provisions of the Condominium Documents and applicable laws.

5.1. **SURVEY AND PLOT PLAN.** Attached to this Declaration as Exhibit B is a survey of the land, a graphic description of the improvements and a plot plan of the Condominium. Exhibit B identifies the sixty (60) Units in the Condominium, the Common Elements, the Limited Common Elements and their relative locations and approximate dimensions.

5.2. UNIT IDENTIFICATION. Each Unit is separately identified by a number as shown on Exhibit B and no Unit bears the same designation as any other Unit. If more than one Unit is acquired by the same Unit Owner and such Unit Owner desires to combine such Units into a single Unit, the approval of such Unit Owner, the Unit Owner of the Units to be combined, the record owner(s) of liens on the Units to be combined and the members of the Association owning not less than seventy-five percent (75%) of the Units shall be required prior to such a modification; provided, however, that so long as the Developer shall own any Unit, approval of the record owner of liens on the Developer owned Units and the Unit Owners owning fifty-one percent (51%) or more of the Units shall be required prior to such modification.

5.3. NO SUBDIVISION OF UNIT. Except as may be expressly stated to the contrary in this Declaration, no Unit may be divided or subdivided, nor in any manner made into a smaller Unit than that Unit as shown on Exhibit B.

5.4. NO SEPARATION OF COMMON ELEMENTS OR LIMITED COMMON ELEMENTS. Neither the use of any parcel of Limited Common Elements nor any undivided interest in the Common Elements declared to be an appurtenance to a Unit or Units may be transferred, conveyed, devised or encumbered separately from the Unit(s) to which it is appurtenant, except as otherwise expressly provided in Section 14 with respect to certain Limited Common Elements.

5.5. CONVEYANCE ETC. OF UNIT. The transfer, conveyance, devise or encumbrance of a Unit shall be deemed to include in the transfer, conveyance, devise or encumbrance, the (a) undivided interest in Common Elements and Common Surplus appurtenant to the Unit, (b) except as otherwise provided in Section 5.10 to the contrary, the use rights in any Limited Common Elements appurtenant to the Unit, even though such undivided interest in Common Elements or rights in any parcel of Limited Common Elements are not expressly described in the instrument conveying, devising or encumbering the Unit, (c) an exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time-to-time, (d) membership in the Association with the full voting rights appurtenant thereto, and (e) other appurtenances as may be provided by this Declaration. Except for the transfer of rights as to Limited Common Elements complying with Section 5.10, any instrument purporting to transfer, convey or encumber any Unit or its appurtenant interest in Common Elements or appurtenant rights in any parcel of Limited Common Elements separately or otherwise than as a unitary Condominium Parcel shall be null and void insofar as it purports to affect any interest in the Unit and its appurtenant undivided interest in Common Elements and any appurtenant Limited Common Element. Any instrument transferring, conveying, devising, encumbering or otherwise dealing with any Unit which describes said Unit by its designation assigned in Exhibit B without limitation or exception, shall affect the entire Unit and its appurtenant undivided interest in Common Elements and appurtenant rights in any Limited Common Elements. Nothing contained in the Condominium Documents shall be construed as prohibiting ownership of any Unit and its appurtenant undivided interest in Common Elements and any appurtenant Limited Common Elements by more than one person or entity as tenants in common, joint tenants or as tenants by the entireties.

5.6. BOUNDARIES. Each Unit will have boundaries as defined below. The boundaries may exist now or may be created by construction, settlement, or movement of the Building; or by permissible repairs, reconstruction, or alterations.

5.6.1. HORIZONTAL BOUNDARIES. The upper and lower boundaries of each Unit are the following boundaries extended to their planar intersections with the perimeter boundaries:

5.6.1.1. UPPER BOUNDARY. The horizontal plane of the underside of the finished and undecorated ceilings of the Unit, extended to meet the perimeter boundaries.

5.6.1.2. LOWER BOUNDARY. The horizontal plane of the upper side of the finished and undecorated and uncovered surface of the floors of the Unit, extended to meet the perimeter boundaries.

5.6.2. PERIMETER BOUNDARIES. The perimeter boundaries are the vertical planes of the finished and undecorated interior surfaces of the drywall walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries as shown on Exhibit B attached to this Declaration. Where there are apertures in any boundary, including, but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors, skylights and other fixtures located in such apertures, including all frameworks, window casings and weather stripping thereof, together with exterior surfaces made of glass or other transparent materials.

5.6.3. AIR CONDITIONING EQUIPMENT. Air conditioning equipment, if any, serving a particular Unit and no others and installed on the roof of the Building in which the Unit is located or in any other part of the Common Elements shall be a part of the Unit which that equipment serves.

5.7. EXCLUSIVE USE. Each Unit Owner will have the exclusive use of such Unit Owner's Unit.

5.8. OWNERSHIP. The ownership of each Unit will carry with it, as appropriate, and whether or not separately described, all of the rights, title, and interest of a Unit Owner in the Condominium Property which will include, but not be limited to:

5.8.1. COMMON ELEMENTS AND COMMON SURPLUS. An undivided share of ownership of the Common Elements and Common Surplus.

5.8.2. LIMITED COMMON ELEMENTS. Either the exclusive use or use in common with one or more other designated Units of the Limited Common Elements that may exist. Such elements include the garage parking space(s), private parking garages, terraces, entry areas, lockers and other storage space(s), open balconies, and all items set forth in Section 6 that are exterior to a Unit and are expressly required to be maintained by the Unit Owner.

5.8.3. ASSOCIATION MEMBERSHIP. Membership in the Association and voting rights.

5.8.4. EASEMENT FOR AIR SPACE. An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may be lawfully altered or reconstructed from time to time. The easement will be terminated automatically in any air space that is vacated from time to time.

5.9. EASEMENTS. Each of the following easements is a covenant running with the land as to the Condominium.

5.9.1. UTILITIES. Developer hereby reserves unto itself and its successors and assigns, and grants to the respective utility providers and their successors and assigns, non-exclusive easements under, through and over the Condominium and the Property as may be required from time to time for the construction, use and maintenance of all utilities (whether public or private), cable television, communications, security systems and other services as may be required to serve the Condominium; provided, however, that these easements shall not materially and adversely interfere, on a permanent basis, with the residential use of the Units. Developer also hereby reserves unto itself and its successors and assigns, and grants to the Association (with the power to assign), a non-exclusive easement over and across the Common Elements for the purpose of providing drainage and for the installation, operation, use and maintenance of drainage facilities; provided, however, that the Association shall be responsible for the continuous maintenance of the easements of the drainage system located on any and all portions of the Condominium Property. The Association shall have a right of access during reasonable hours to each Unit to maintain, repair or replace any elements providing such services and to remove any improvements interfering with such facilities; provided that, except in the case of emergencies, entry shall not be made without reasonable notice (one (1) day's notice or attempted notice shall be deemed reasonable, except that notice shall not be required if the Unit Owner is absent when the giving of notice is attempted). A Unit Owner shall do nothing within or outside the Unit Owner's Unit that interferes or impairs, or may interfere or impair, the provision of such utility, cable television, communications and security systems and other services and drainage facilities or the use of these easements.

5.9.2. TRAFFIC. Developer hereby reserves unto itself and its successors and assigns, and grants to the Association and each Unit Owner, a non-exclusive ingress and egress easement over, through and across sidewalks, streets, paths, walks, driveways, hallways, lobbies, elevators and other portions of the Common Elements as may be from time to time intended and designated for such use and for vehicular and pedestrian traffic over, through and across, and parking on, such portions of the Common Elements as may, from time to time be paved and intended for such purposes. No such easement shall be encumbered by any leasehold or lien other than those on Units and any such lien automatically shall be subordinate to the rights of Unit Owners, the Developer and the Association with respect to such easements.

5.9.3. SUPPORT. An easement is granted and reserved in every portion of a Unit and the Common Elements contributing to the support of the Building structures or any part thereof for the benefit of all Units and the Common Elements so supported.

5.9.4. PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON ELEMENTS. Developer hereby reserves unto itself and its successors and assigns, and grants to the Association, its successors and assigns, a perpetual, non-exclusive easement in the Common

Elements for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended. An easement appurtenant to each Unit is granted and reserved over such portions of the Common Elements as shall be reasonably required to gain access to air conditioning equipment serving that Unit for the purpose of servicing, maintaining and repairing the equipment.

5.9.5. ENCROACHMENTS. If (a) any portion of the Common Elements encroaches upon any Unit (or any Limited Common Element appurtenant thereto); (b) any Unit (or any Limited Common Element appurtenant thereto) encroaches upon any other Unit (or any Limited Common Element appurtenant thereto) or upon any portion of the Common Elements; (c) any encroachment shall hereafter occur as a result of (i) construction of the Building and other Common Elements; (ii) settling or shifting of the Building or other Common Elements; (iii) any alteration or repair to the Common Elements made by or with the consent of the Association or the Developer, as appropriate, or (iv) any repair or restoration of the improvements to the Condominium (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of same so long as the improvements to the Condominium shall stand.

5.9.6. CONSTRUCTION; MAINTENANCE. The Developer (including its affiliates and its and their respective designees, contractors, successors and assigns) shall have the right and easement, in its (and their) sole discretion from time to time, to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction of the Condominium, or any part thereof, or any improvements or Units located or to be located on the Condominium Property, and/or any improvements to be located adjacent thereto, and for repair, replacement and maintenance for warranty purposes where the Developer, in its sole discretion, determines that it is required or desires to do so.

5.9.7. ELEVATOR VESTIBULES. Each Unit Owner (and their guests, tenants and invitees) shall have a right of access through the elevator vestibules located within the Units as is reasonably necessary to afford emergency ingress and egress between the elevators and the common hallways and stairways. Further, the Association (and its agents, employees, contractors and assigns) shall have the right, in its sole discretion from time to time, to enter onto any such elevator vestibule as is necessary to repair, replace, inspect, maintain and/or alter any mechanical equipment and/or elevator equipment reasonably accessible therefrom; provided that, except in the case of emergencies, entry shall not be made without reasonable notice (one (1) day's notice or attempted notice shall be deemed reasonable, except that notice shall not be required if the Unit Owner is absent when the giving of notice is attempted). Pursuant to local fire safety regulations, Unit Owners shall not, without first obtaining the prior approval of the Board of Directors and any necessary approvals and permits from applicable government entities: (i) remove, alter, seal, block or cover the entrance door of the Unit between the elevator vestibule of the Unit and the common hallway; (ii) change (except for re-keying, in which event the Unit Owner shall provide the Association with a copy of the new keys upon or before such re-keying) or remove the locks or other door hardware of such entrance door or otherwise place additional locks or other door hardware upon such entrance door; or (iii) take any action or cause any action to be taken or place any barrier within the elevator vestibule or hallway, including, but

not limited to, personalty, that may obstruct, impede or otherwise interfere with the free movement and access to and from the elevators, the elevator vestibules of each Unit and the common hallways and fire stairwells.

5.9.8. SALES ACTIVITY. During the period that the Developer (or an affiliate) is offering Units for sale or lease, the Developer, for itself and its designees, successors and assigns, shall have the right to use any Unit owned or Units leased by the Developer or its designee and parts of the Common Elements or Condominium Property for guest accommodations, model apartments and sales, construction, leasing, administration and development offices or sales centers, to show model Units and the Common Elements to prospective purchasers and tenants of Units or improvements to be constructed thereon, and to erect on the Condominium Property signs and other promotional material to advertise Units or other portions of properties within Hammock Dunes for sale or lease.

5.9.9. DEVELOPER ACTIVITIES. The Developer, for itself, its affiliates and their respective successors and assigns: (i) reserves easements over the Condominium Property as the Developer in its sole discretion deems necessary to commence, complete, operate, maintain, repair and replace any improvements relating to the Neighboring Condominiums and any other future developments within Hammock Dunes; and (ii) reserves the right, without the joinder or consent of the Association or any Unit Owners, to grant, or cause the Association to grant, utility easements over, under and upon such portions of the Condominium Property as the Developer, in its sole discretion, deems necessary for the use, construction, maintenance, repair, replacement and operation of utilities that may serve any one or more of the Neighboring Condominiums and/or any other future developments within Hammock Dunes; and (iii) reserves the right, without the joinder or consent of the Association or any Unit Owners, to temporarily prohibit access to any portion of the Common Elements or uncompleted Units to any of the Occupants, and to utilize portions of the Common Elements in connection with the construction and development of the Neighboring Condominiums and any other future developments within Hammock Dunes. THERE MAY BE CONSTRUCTION RELATED NOISES AND OTHER INTERRUPTIONS DURING THE CONSTRUCTION OF THE BUILDING, NEIGHBORING CONDOMINIUMS AND OTHER BUILDINGS, IMPROVEMENTS AND FACILITIES THAT MAY BE DEVELOPED FROM TIME TO TIME ADJACENT OR NEAR TO THE CONDOMINIUM AND/OR ELSEWHERE WITHIN HAMMOCK DUNES. NO UNIT OWNER OR SUCH UNIT OWNER'S GUESTS OR INVITEES SHALL IN ANY MANNER INTERFERE WITH ANY SUCH CONSTRUCTION. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE CONDOMINIUM PROPERTY, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (I) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, UNDER THIS DECLARATION OR AT LAW GENERALLY, (II) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO AREA WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (III) THE DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES

SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE) INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM THE DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND (IV) ANY PURCHASE OR USE OF ANY UNIT HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

5.9.10. CONDOMINIUM ASSOCIATION EASEMENTS. A perpetual, non-exclusive easement is hereby granted to the Association to enter onto the Condominium Property, for the purpose of performing such functions as are permitted or required to be performed by the Association in connection with its duties. Such easement shall permit access to the Units provided that, except in the case of emergencies, entry shall not be made without reasonable notice (one (1) day's notice or attempted notice shall be deemed reasonable, except that notice shall not be required if the Unit Owner is absent when the giving of notice is attempted).

5.9.11. WARRANTY. For as long as the Developer remains liable under any warranty, whether statutory, express or implied, for any act or omission of the Developer (its agents, contractors or designees) in the development, construction, sale and marketing of the Condominium, then the Developer and its contractors, agents and designees shall have an irrevocable easement and right, in the Developer's sole discretion and from time to time, and without requiring the prior approval of the Association and/or any Unit Owner (provided, however, that absent an emergency situation, the Developer shall provide reasonable advance notice), to enter the Condominium Property for the purpose of inspecting, testing and surveying same to determine the need for repairs, improvements and/or replacements, and effecting same, so that the Developer can fulfill any of its warranty obligations. Failure of the Association or any Unit Owner to grant such access may, at the election of the Developer, result in the appropriate warranty being nullified and of no further force or effect. Nothing herein shall be deemed or construed as the Developer making or offering any warranty, all of which are disclaimed (except to the extent same may not be) as set forth in Section 23.

5.9.12. MASTER ASSOCIATION EASEMENTS. Developer grants to the Master Association a non-exclusive easement over and across the Common Elements for the purpose of performing such functions, if any, as are permitted or required to be performed by the Master Association for the benefit of the Condominium and/or the Neighboring Condominiums.

5.9.13. EXTERIOR MAINTENANCE/WINDOW WASHING. An easement is hereby reserved on, through and across each Unit and all Limited Common Elements appurtenant thereto in order to afford access to the Association (and its contractors) to stage window washing equipment and to perform window washing and/or any other exterior maintenance and/or painting of the Building. However, this creates no obligation to do so.

5.9.14. ADDITIONAL EASEMENTS. The Association, through its Board of Directors, on the Association's behalf and on behalf of all Unit Owners (each of whom hereby appoints the Association as its attorney-in-fact for this purpose), shall have the right to grant such additional general ("blanket") and specific electric, gas, other utility, cable television, security systems, communications or service easements (and appropriate bills of sale for equipment,

conduits, pipes, lines and similar installations pertaining thereto), or relocate any such existing easements or drainage facilities in any portion of the Condominium Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium Property, as the Board shall deem necessary or desirable for the proper operation and maintenance of the improvements, or any portion thereof, for the general health and welfare of the Unit Owners or for the purpose of carrying out any provisions of this Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes.

5.9.15. DUNES COMMUNITY DEVELOPMENT DISTRICT. A uniform community development district pursuant to Chapter 190, Florida Statutes, has been established known as the Dunes Community Development District (the "DCDD") to administer a portion of Hammock Dunes, including the Condominium. The DCDD will provide certain urban infrastructure facilities and services, and the DCDD will have the authority to levy and collect fees, rates, charges, taxes and assessments to pay for, finance and provide such services. The DCDD will impose taxes and/or assessments on the Condominium Property through a special taxing district. These taxes pay the construction, operation and/or maintenance costs of certain public facilities within the DCDD and are set annually by the governing board of the DCDD. These taxes and assessments are in addition to county and all other taxes and assessments provided by law. The DCDD shall have the power to issue any types of bonds permitted by Chapter 190, Florida Statutes.

Each Unit Owner agrees, by acceptance of a deed or other instrument conveying title to unit, to pay any and all fees, rates, charges, taxes and assessments imposed by the DCDD, with respect to his, her or its Unit, and to abide by all of the rules and regulations of the DCDD, as they may be amended from time to time.

These fees, rates, charges, taxes and assessments will either appear on the annual real estate tax bill for each unit as a separate and distinct tax payable directly to the Flagler County Tax Collector or will appear on a separate bill issued to each owner by the DCDD. All taxes of the DCDD constitute a lien on the unit.

Developer makes no warranty or representation regarding the DCDD.

5.9.16. BENEFICIARIES. The easements reserved and granted in this Section 5 shall be covenants running with the land for the benefit and in favor of the Unit Owners, the Developer (and its affiliates) and the Association, as applicable, and their respective successors, assigns, agents, employees, guests, licensees and invitees for all proper purposes, and providers of utility services, cable television, communications, security systems and other services and drainage, as may be required or helpful to serve the Units, Common Elements and Limited Common Elements subject to the provisions of this Declaration of Condominium and the Rules and Regulations. However, nothing in this Section 5.9 shall constitute any party a beneficiary of any easement in Limited Common Elements for any purpose reserved to the use of a particular Unit or Units, except for the Unit Owner or Unit Owners of that Unit or those Units and the invitees of the Unit Owner or Unit Owners.

5.10. LIMITED COMMON ELEMENTS. To the extent applicable and subject to the provisions of this Declaration, each Unit shall have as a Limited Common Element appurtenant to the Unit to which they are assigned and which are for the exclusive use of the Unit Owners of that Unit: (i) any balcony, lanai and terrace (and all improvements thereon) as to which direct and exclusive access is afforded to any particular Unit to the exclusion of other Units (exclusive of planters that are Common Elements); (ii) any fixture or equipment serving a Unit exclusively, but located outside of the Unit; and (iii) any assignment of the right to use a parking space, private parking garage, wine locker and storage locker in the Building by the Developer, the Association or other third party to an Owner of a particular Unit, providing the right of use of same by the particular Unit.

5.11. EXCLUSIVE USE AND TRANSFER OF LIMITED COMMON ELEMENTS. If, after all of the Units have been sold by the Developer, the exclusive use of any Limited Common Element applicable to a Unit was not, for any reason, assigned to the use of a specific Unit(s) by the Developer, the Association may do so. The right of exclusive use of each Limited Common Element passes with the Unit to which it is assigned, whether or not separately described, and cannot be separated from it; except that the use rights to particular parking spaces, private garages, wine lockers and storage lockers may be exchanged between Units, or transferred to another Unit, subject to the provisions of Sections 5.11.1, 5.11.2 and 5.11.3, and as follows:

5.11.1. the Unit Owners desiring to exchange such use rights shall execute a certificate of transfer in recordable form, which shall include the recording data identifying this Declaration, and be executed by the Unit Owners with the formalities required for the execution of a deed;

5.11.2. the transfer of use rights shall be complete and effective when the Certificate is registered with the Association; and

5.11.3. each Unit at all times shall have at least one (1) parking space assigned to such Unit.

5.12. USE OF LIMITED COMMON ELEMENTS. The use and enjoyment of the Limited Common Elements shall be in accordance with the terms and provisions of this Declaration, including, without limitation, the restrictions provided in this Section 5 and Section 14 of this Declaration, and the other Condominium Documents.

6. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS. The responsibility for protection, maintenance, repair and replacement of the Condominium Property, and restrictions on its alteration and improvement shall be as follows:

6.1. ASSOCIATION MAINTENANCE. Except to the extent (i) expressly provided to the contrary herein, or (ii) proceeds of insurance are made available therefor, the Association is responsible for the protection, maintenance, repair and replacement of all Common Elements and Association Property (other than those Limited Common Elements that are required elsewhere in this Declaration to be maintained by the Unit Owner). The costs of maintaining the

Common Elements and the Association Property shall be Common Expenses. In the event any maintenance, repair and replacement of the Common Elements or Association Property arises from or is necessitated by the negligence, neglect or misuse of specific Unit Owners in the opinion of the Board, the cost and expense of such maintenance, repair and replacement shall be paid solely by such Unit Owners as a Charge. The Association's maintenance responsibilities include, without limitation:

- 6.1.1. electrical wiring up to the circuit breaker panel in each Unit;
- 6.1.2. potable water pipes to the individual Units shut-off valve within the applicable Unit;
- 6.1.3. cable television lines up to the CATV pull box located in the Units;
- 6.1.4. air conditioning condensation drain lines, up to the point where they enter each Unit;
- 6.1.5. sewer lines, up to the point where they enter the Unit;
- 6.1.6. all installations, fixtures and equipment located within one Unit but serving another Unit, or located outside the Unit, for the furnishing of utilities or services to more than one Unit or the Common Elements;
- 6.1.7. all entryways to the Building and any controlled access and intercom systems;
- 6.1.8. the exterior surface of the main entrance doors to the Units and periodic washing of the exterior of the windows bounding each Unit;
- 6.1.9. all exterior Building walls, including painting, waterproofing, and caulking;
- 6.1.10. all portions of the Unit contributing to the support of the Building in which it is located, which portions shall include, but not be limited to, all exterior walls of the Building, support columns, concrete slabs, structural elements and load bearing portions of walls and partitions, excluding interior surfaces. The Association's responsibilities do not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a Unit and serving only that Unit. All incidental damage caused to a Unit or Limited Common Elements by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost of such repair shall be a Common Expense, except the Association shall not be responsible for the damage to any alteration or addition to the Common Elements made by a Unit Owner or his predecessor in title or for damage to paint, wallpaper, paneling, flooring or carpet which, of necessity, must be cut or removed to gain access to work areas located behind them;

6.1.11. the maintenance, cleaning (other than day-to-day cleaning) repair and replacement of the pavers, bricks or other hard-surface floor covering of the lanai terraces appurtenant to Unit 101, Unit 102, Unit 105 and Unit 106;

6.1.12. the maintenance of all trees, shrubbery, grass and landscaping, and all parking, pedestrian, recreational and open areas in the Common Elements;

6.1.13. the maintenance, repair and replacement of the planters that are Common Elements and are located on terraces, and the flowers, plantings, trees, shrubbery or other landscaping installed from time to time therein (the Unit Owner(s) of terraces upon which common element planters are located are prohibited from installing, modifying, changing or altering the flowers, plantings, trees, shrubbery or other landscaping installed from time to time by the Association within these planters); and

6.1.14. the maintenance, repair and replacement of wine lockers that are Limited Common Elements and all expenses related thereto shall be paid by the Association as Common Expenses.

6.2. UNIT OWNER MAINTENANCE. Each Unit Owner is responsible, at such Unit Owner's own expense, for all maintenance, repairs, and replacements of the Unit Owner's Unit and those Limited Common Elements which are not to be maintained by the Association pursuant to this Declaration. The Unit Owner's responsibilities for maintenance include, without limitation, the maintenance, repair and replacement of: (i) the entire Unit, including, without limitation, all maintenance, repair and replacement of screens, windows and window glass and sliding glass doors; (ii) all doors (except as provided in Section 6.3.2) within or affording access to the Unit, interior surfaces, non-load-bearing walls, partitions and room dividers; (iii) all built-in shelves, cabinets, counters, storage areas and closets; (iv) all electrical, mechanical and plumbing lines, pipes, fixtures, equipment, switches, wires, valves, drains, conduits, ducts, electric lines, outlets (including connections) and other facilities for the furnishing of utility and other services serving exclusively the Unit; (v) the circuit breaker panel and all electrical wiring going into the Unit from the panel; (vi) appliances, water heaters, smoke alarms and vent fans; (vii) all air conditioning and heating equipment, thermostats, ducts and installations serving the Unit exclusively, except as otherwise provided in Section 6.4.; (viii) carpeting and other floor coverings; (ix) door and window hardware and locks; (x) shower pans; (xi) the main water supply shut-off valve for the Unit; (xii) all furniture, furnishings and personal property contained within the respective Unit; (xiii) other facilities or fixtures which are located or contained entirely within the Unit and serve only the Unit; (xiv) interior paint, finish, covering, wallpaper and decoration of all walls, floors and ceilings; and (xv) all other maintenance or repair of or replacements involving a Unit as contemplated and authorized under this Declaration. . Any emergency maintenance, repairs and/or replacements for which Unit Owners are responsible and obligated to perform, which, if not performed or omitted, would affect other Units or Common Elements, shall be performed promptly as the need arises, and if Unit Owner(s) fails to promptly perform these, the Association shall have the right to perform these obligations. Notwithstanding the obligation of Unit Owners for maintenance, repair or replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss of, or damage to Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance

6.3. OTHER UNIT OWNER RESPONSIBILITIES.

6.3.1. BALCONIES AND TERRACES. Where a Limited Common Element consists of a balcony or terrace, the Unit Owner who has the right of exclusive use of the area shall be responsible for: (i) the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; (ii) the maintenance, repair and replacement of the approved pavers, tiles or other hard-surface floor covering of the balconies and terraces (except that the approved pavers, tiles or other hard-surface floor covering of the lanai terraces appurtenant to Unit 101, Unit 102, Unit 105 and Unit 106 shall be maintained (other than the day to day cleaning), repaired and replaced by the Association and further provided that the Association reserves the right, but not the obligation, to maintain (other than the day to day cleaning), repair and replace the approved pavers, tiles or other hard-surface floor covering of the balconies and terraces and charge such costs as Common Expenses); (iii) the repair, maintenance and replacement of all fixed glass and sliding glass doors in portions of the entrance way to said area, if any; (iv) the repair, replacement and maintenance of the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs; and, (v) the maintenance, repair, replacement and operation of the hot tubs, if any, located on the terraces appurtenant to Penthouse Unit 1 and Penthouse Unit 2. The Association shall be responsible for the maintenance, repair and replacement of the Building, support columns and concrete slabs, structural elements of balconies and terraces, and with respect to the lanai terraces appurtenant to Units 101, 102, 105 and 106, the pavers, bricks or other hard-surface floor covering of the lanai terraces, and with respect to the terraces appurtenant to Units upon which common element planters are located, the planters and landscaping therein, the cost of which shall be paid by the Association as a Common Expense. The Unit Owner shall be responsible for day-to-day cleaning and care of such Limited Common Elements, but all painting and maintenance of the exterior surfaces and structures of the Building and the balconies and terraces shall be the responsibility of the Association and shall be a Common Expense.

6.3.2. ELEVATORS. Each Unit Owner shall be responsible for the day-to-day cleaning and care of the elevator door and door casing providing entry into the Unit, but the maintenance of the elevators (including the elevator door and door casing providing entry into the elevator vestibule appurtenant to the Unit) shall be the responsibility of the Association and shall be a Common Expense.

6.3.3. INTERIOR DECORATING. Each Unit Owner is responsible for all decorating within such Unit Owner's Unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

6.3.4. FLOORING. All Units shall always have the floors covered with wall-to-wall carpeting installed over padding, except carpeting is not required in entry foyer, kitchens, bathrooms, grand salon or laundry rooms, subject to the exceptions set forth below. A Unit Owner who desires to install in place of carpeting any hard-surface floor covering (e.g., marble, slate, ceramic tile, parquet) shall also install a sound absorbent underlayment beneath it of such kind and quality equivalent or superior to the sound isolation material as may be specified by the Rules and Regulations, installed in accordance with the manufacturer's instructions and recommendations and the Rules and Regulations. The Unit Owner shall obtain written approval

of the Board of Directors prior to any such installation. If the installation is made without prior approval, the Board may, in addition to exercising all the other remedies provided in this Declaration, require the offending Unit Owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending Unit Owner. Each Unit Owner is solely responsible for floor leveling due to minor inconsistencies of the concrete slab construction and leveling, feathering and patching required to meet the requirements of the applicable governmental building code. Undercutting of Unit entry doors is expressly prohibited, as is any alteration to the straddle at the entry doors to the Unit. Additionally, chipping, grinding and/or bushing of the concrete slab is expressly prohibited. The installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials from any rigid part of the building structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission) and must be installed prior to the Unit being occupied. Unit Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Association has the right to require immediate removal of violations. Applicable warranties of the Declarant, if any, shall be voided by violations of these restrictions and requirements. EACH UNIT OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF THEIR UNIT, HEREBY ACKNOWLEDGES AND AGREES THAT SOUND AND IMPACT NOISE TRANSMISSION IN A BUILDING SUCH AS THE CONDOMINIUM IS VERY DIFFICULT TO CONTROL, AND THAT NOISES FROM ADJOINING OR NEARBY UNITS AND OR MECHANICAL EQUIPMENT CAN AND WILL BE HEARD IN UNITS. THE DEVELOPER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND OR IMPACT NOISE TRANSMISSION BETWEEN AND AMONG UNITS AND THE OTHER PORTIONS OF THE CONDOMINIUM PROPERTY, AND EACH UNIT OWNER HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW AS OF THE DATE OF THIS DECLARATION, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SOUND OR IMPACT NOISE TRANSMISSION. The structural integrity of balconies and terraces constructed of steel reinforced concrete is adversely affected by water intrusion and rusting aggravated by the water retention qualities of indoor-outdoor carpet, river rock and unglazed ceramic tile and its grout. For this reason no indoor-outdoor carpet or river rock may be used on balconies or terraces and all tile and its bedding and grout must be of such materials and so applied as to be waterproof. No tile or other hard surface covering shall be installed on any balcony or terrace without the prior written approval of the Board of Directors as to the type and color of the proposed tile or other hard surface covering. Any flooring installed on the balconies of a Unit shall be installed so as to insure proper drainage.

6.3.5. WINDOW COVERINGS. The covering and appearance of the windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the Unit, visible from the exterior of the Unit, shall be subject to the Rules and Regulations of the Association.

6.3.6. MODIFICATIONS AND ALTERATIONS OR NEGLECT. No Unit Owner shall make any addition, alteration or improvement in or to the Common Elements or the Association Property, nor any structural addition, alteration or improvement in or to the Unit Owner's Unit or any Limited Common Element, nor any addition, alteration or improvement to

Unit or any Limited Common Element which is visible from any other Unit or the Common Elements, without, in each instance, the prior written consent of the Board of Directors. The Board shall have the obligation to answer, in writing, any written request by a Unit Owner for approval of such an addition, alteration or improvement within thirty (30) days after receipt in writing of such request and all additional information requested by the Board, and the failure to do so within the stipulated time shall constitute the Board's consent. The Board may condition the approval in any manner, including, without limitation, retaining approval rights of the contractor to perform the work. Proposed additions, alterations and improvements by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. Once approved by the Board of Directors, such approval may not be revoked. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, the Developer and all other Unit Owners harmless from and to indemnify them for any liability or damage to the Condominium and/or Association Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after the date of installation or construction thereof as may be required by the Association. The Association's rights of review and approval of plans and other submissions under this Declaration are intended solely for the benefit of the Association. Neither the Developer, the Association nor any of its officers, directors, employees, agents, contractors, consultants or attorneys shall be liable to any Unit Owner or any other person by reason of mistake in judgment, failure to point out or correct deficiencies in any plans or other submissions, negligence, or any other misfeasance, malfeasance or non-feasance arising out of or in connection with the approval or disapproval of any plans or submissions. Anyone submitting plans, by the submission of same, and any Unit Owner, by acquiring title to same, agrees not to seek damages from the Developer and/or the Association arising out of the Association's review of any plans hereunder. Without limiting the generality of the foregoing, the Association shall not be responsible for reviewing, nor shall its review of any plans be deemed approval of, any plans from the standpoint of structural safety, soundness, workmanship, materials, usefulness, conformity with building or other codes or industry standards, or compliance with governmental requirements. Further, each Unit Owner (including the Unit Owner's successors and assigns) agrees to indemnify and hold the Developer and the Association harmless from and against any and all costs, claims (whether rightfully or wrongfully asserted), damages, expenses or liabilities whatsoever (including, without limitation, reasonable attorneys' fees and court costs at all trial and appellate levels), arising out of any review of plans by the Association hereunder. All additions, alterations and improvements proposed to be made by any Unit Owner shall be subject to, and restricted by, the terms and conditions of the Master Declaration. The provisions of this Section 6.3.6 are in addition to the provisions and requirements set forth in Section 6.5.

6.3.7. IMPROVEMENTS, ADDITIONS OR ALTERATIONS BY DEVELOPER. Anything to the contrary notwithstanding, the foregoing restrictions of this Section 6 shall not apply to Developer-owned Units. Subject to the provisions of this Section 6.3.7, the Developer shall have the additional right, without the consent or approval of the Board of Directors or other Unit Owners, to make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned

by it and Limited Common Elements appurtenant thereto (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the improvements), and to expand, alter or add to all or any part of the recreational facilities. Any amendment to this Declaration required by a change made by the Developer pursuant to this Section 6.3.7 shall be adopted in accordance with Section 17 of this Declaration. Without limiting the generality of the provisions of this Section but subject to the provisions of this Section, the Developer shall have the right, without the vote or consent of the Association or Unit Owners, to (a) make alterations, additions or improvements in, to and upon Units owned by the Developer, whether structural or non-structural, interior or exterior, ordinary or extraordinary; (b) change the layout or number of rooms in any Developer-owned Units; (c) change the size of Developer-owned Units by combining separate Developer-owned Units into a single apartment (although being kept as two separate legal Units), or otherwise; and (d) reapportion among the Developer-owned Units affected by such change in size pursuant to the preceding clause, their appurtenant interests in the Common Elements and share of the Common Surplus and Common Expenses; provided, however, that the percentage interest in the respective Common Elements and share of the respective Common Surplus and respective Common Expenses of any Units (other than the affected Developer-owned Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided further, that Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and improvements, the Developer may relocate and alter Common Elements adjacent to or near such Units, incorporate portions of the Common Elements into adjacent Units and incorporate Units into adjacent Common Elements, provided that such relocation and alteration does not materially adversely affect the market value or ordinary use of Units owned by Unit Owners other than the Developer. Any amendments to this Declaration required by changes of the Developer made pursuant to this Section 6 may be effected by the Developer alone pursuant to Section 17.2, without the vote or consent of the Association or Unit Owners (or their mortgagees) required, except to the extent that the vote or consent of the Association or the Unit Owners (or their respective Mortgagees) is required in order to comply with the provisions of Section 718.110(4) of the Condominium Act. Without limiting the generality of Section 17 hereof, the provisions of this Section may not be added to, amended or deleted without the prior written consent of the Developer. Notwithstanding any of the foregoing provisions of this Section 6.3.7 to the contrary, the Developer may not change the configuration or size of any condominium unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the owner of the Unit shares common expenses and owns the common surplus, unless the Developer complies with the provisions of Section 718.110(4) of the Condominium Act.

6.3.8. IMPROVEMENTS, ADDITIONS OR ALTERATIONS BY UNIT OWNERS. If a Unit Owner makes any modifications, installations or additions to his Unit or the Common Elements, the Unit Owner, and his successors in title, shall be financially responsible for:

6.3.8.1. maintenance, repair, cleaning and replacement of the modifications, installations and additions;

6.3.8.2. the costs of repairing any damage to the Common Elements or other Units resulting from the existence of such modifications, installations or additions; and

6.3.8.3. the costs of removing, replacing and reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium Property for which the Association is responsible.

6.3.9. PRIVATE GARAGES. Where a Limited Common Element consists of a private garage, the Association shall be responsible for the maintenance, repair and replacement of the exterior garage doors and door hardware, exterior painting and the exterior surfaces and structures of the private parking garages, and all expenses incurred by the Association related thereto shall be Common Expenses of the Association. All other elements of the private parking garages shall be maintained, repaired and replaced by the Unit Owner who has the right of exclusive use of the private garage at such Unit Owner's sole cost and expense, including, without limitation, the day-to-day cleaning and care of the interior walls, floors, ceiling, doors and door hardware and other interior elements, if any, all interior painting, the repair, maintenance and replacement of interior electrical wiring and outlets, fixtures and light bulbs and the repair, maintenance and replacement of the garage door openers and ancillary machinery and equipment.

6.3.10. OWNER'S CONTRACTORS; DAMAGES. Whenever a Unit Owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the Unit or Common Elements, whether with or without Association approval, such Unit Owner shall be deemed to have warranted to the Association and its members that such Unit Owner's contractor(s) are properly licensed and fully insured, and that such Unit Owner will be financially responsible for any resulting damage to persons or property.

6.3.11. UNIT OWNER FAILURE TO MAINTAIN. If any Unit Owner fails or neglects to maintain, repair, clean and replace as required by this Section 6, and such failure or neglect continues for fifteen (15) days after such Unit Owner's receipt of written notice of such neglect or failure from the Association, then (subject to the provisions of the Condominium Act), the Association may, but shall not be obligated to, enter the Unit and take appropriate steps to perform, or cause to be performed, the maintenance, repair, cleaning and replacement in the manner as required by this Section 6. The defaulting Unit Owner shall, upon demand, reimburse the Association for all of costs and expenses incurred by the Association in the exercise of its rights pursuant to this Section 6.3.11. Any amounts not paid within ten (10) days from the Unit Owner's receipt of demand from the Association shall bear interest at the lesser of eighteen percent (18%) per annum or the highest rate permitted by law from the date due until paid in full.

6.4. SERVICE AND MAINTENANCE CONTRACTS. If there shall become available to the Association:

6.4.1. a program of contract maintenance for items which are located within the Units and otherwise the responsibility of the Unit Owner, such as water heaters and/or air conditioning compressors and/or air handlers and related equipment serving individual Units; or

6.4.2. certain contract services to be delivered within the Units for items otherwise the responsibility of the Unit Owner, such as pest control or cable television, then, the Board may, but shall not be obligated to, enter in any such contracts which the Board determines

are to the benefit of the Unit Owners generally. The expenses of such contractual undertakings to the Association shall be a Common Expense. All maintenance, repairs and replacements not covered by the contracts shall remain the responsibility of the Unit Owner. Since such expenses shall constitute Common Expenses, an election by a Unit Owner not to take advantage of the services or maintenance provided by such contracts, shall not excuse the Unit Owner from paying his share of the cost.

6.5. UNIT OWNER ALTERATION OF COMMON ELEMENTS RESTRICTED.

No Unit Owner may make any alterations, add to, or remove any part of the portions of the Common Elements or improvements that are to be maintained by the Association without the prior written approval of the Board of Directors. The Board has the authority to approve, disapprove, or require, in its sole discretion, modifications to the proposed work. The Board's decision will be determinative of the matter. Unit Owners shall obtain all necessary approvals and permits from applicable government entities, prior to making any alterations, or adding or removing such Common Elements or other improvements. The Association may require approval from engineers or other professionals as a prerequisite. All expenses of any kind (including, without limitation, attorneys' fees and costs of the Association) in connection with such work shall be borne by the Unit Owner in question, including with respect to any subsequent maintenance or restoration. No Unit Owner will do any work or cause any work to be performed that would jeopardize the safety or soundness of the Building, increase insurance requirements or premiums or impair any easements. If approved by the Board, two Units owned by the same Unit Owner that are adjacent horizontally, may be connected by doorways through Common Element walls. Such Board approved work is declared not to constitute material alterations or substantial additions to the Common Elements. The provisions of this Section 6.5 are in addition to the provisions and requirements of Section 6.3.6.

7. COMMON ELEMENTS.

7.1. SHARE OF. The Common Elements will be owned by the Unit Owners in undivided shares as set forth in Exhibit F. The undivided shares in the Common Elements are stated as percentages and are based on the total square footage of each Unit in uniform relationship to the total square footage of all of the Units in the Condominium.

7.2. USE. Each Unit Owner and the Association will be entitled to use the Common Elements in accordance with the purposes for which the elements are intended; however, no such use may hinder or encroach upon the lawful rights of other Unit Owners.

7.3. MATERIAL ALTERATIONS AND ADDITIONS. Except for changes made by a Unit Owner with Association approval as provided in Sections 6.3.6 and 6.5, whenever in the judgment of the Board of Directors, the Common Elements, the Association Property, or any part of either, shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in the aggregate in excess of three percent (3%) of the then applicable budget of the Association in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the Voting Interests represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements, the Association Property, or any part of either, costing

in the aggregate up to three percent (3%) of the then applicable budget of the Association or less in a calendar year may be made by the Association without approval of the Unit Owners. Subject to compliance with the provisions of Section 718.112(2)(e) of the Condominium Act, the cost and expense of any such additions, alterations or improvements to such Common Elements or Association Property shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners as Common Expenses. For purposes of this section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to perform the above-stated purposes, regardless of whether the repayment of any part of that debt is required to be made beyond that year.

All additions, alterations and improvements proposed to be made by the Association shall be subject to, and restricted by, the terms and conditions of the Master Declaration. The Board of Directors may lease or grant easements or licenses for the use of Common Elements or Condominium Property if such use will benefit the members of the Association and may charge for such use.

8. ADMINISTRATION, POWERS AND DUTIES AND FISCAL MANAGEMENT.

8.1. **POWERS AND DUTIES.** The Association shall be the entity responsible for the operation of the Condominium and the Association Property. The powers and duties of the Association shall include those set forth in the Articles and By-Laws. In addition, the Association shall have all the powers and duties set forth in the Condominium Act and under applicable law, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

8.1.1. the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for pest control purposes and for the maintenance, repair or replacement of any Common Elements or any portion of a Unit, if any, to be maintained by the Association, or at any time and by force, if necessary, to prevent damage to the Common Elements, the Association Property or to a Unit or Units;

8.1.2. the power to make and collect Assessments and other charges against Unit Owners and to lease, maintain, repair and replace the Common Elements and Association Property;

8.1.3. the power to maintain accounting records according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times upon prior request;

8.1.4. the power to contract for the management and maintenance of the Condominium Property and to authorize a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in the Condominium

Documents and the Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association;

8.1.5. the power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, if any, provided that such actions are approved by a majority of the entire membership of the Board of Directors and a majority of the Voting Interests cast by those Members present in person or by proxy at a duly called meeting of the Association at which a quorum has been attained, or by such greater percentage of the Board or Unit Owners as may be specified in the By-Laws with respect to certain borrowing;

8.1.6. the power to adopt and amend rules and regulations concerning the details of the operation and use of the Condominium, the Condominium Property and the Association Property;

8.1.7. the power to acquire, convey, lease and encumber real and personal property. Personal property shall be acquired, conveyed, leased or encumbered upon a majority vote of the Board of Directors, subject to Section 7.3. Real property (including, without limitation, any of the Units) shall be acquired, conveyed, leased or encumbered by the Association upon a majority vote of the Board of Directors alone; provided that the requirements of Section 7.3 pertaining to the Unit Owners' approval of costs in excess of the threshold amount stated therein (including the proviso regarding the debt incurred) shall also apply to the acquisition of real property; provided, further, however, that the acquisition of any Unit as a result of a foreclosure of the lien for Assessments (or by deed in lieu of foreclosure) shall be made upon the majority vote of the Board of Directors, regardless of the price for same, and the Association, through the Board of Directors, has the power to hold, lease, mortgage or convey the acquired Unit(s) without requiring the consent of Unit Owners. The expenses of ownership (including the expense of making and carrying any mortgage related to such ownership), rental, membership fees, taxes, Assessments, operation, replacements and other expenses and undertakings in connection therewith shall be Common Expenses;

8.1.8. the power to act as the collection agent on behalf, and at the request, of the Master Association for assessments due same from Unit Owners;

8.1.9. the power to execute all documents or consents, on behalf of all Unit Owners (and their mortgagees), required by all governmental and/or quasi governmental agencies in connection with land use and development matters (including, without limitation, plats, waivers of plat, unities of title, covenants in lieu thereof, etc.), and in that regard, each Unit Owner, by acceptance of the deed to such Unit Owner's Unit, and each mortgagee of a Unit Owner by acceptance of a lien on said Unit, irrevocably (coupled with an interest) appoints and designates the President or Vice President of the Association, as such Unit Owner's agent and attorney-in-fact to execute any and all such documents or consents; and

8.1.10. all of the powers which a corporation not for profit in the State of Florida may exercise pursuant to this Declaration, the Articles of Incorporation, the By-Laws, Chapters 607 and 617, Florida Statutes (2004) and any amendments or replacements thereof and the Condominium Act, as amended, in all cases except as expressly limited or restricted in the

Condominium Act. In the event of conflict among the powers and duties of the Association or the terms and provisions of this Declaration, exhibits attached to this Declaration, and the Master Declaration or otherwise, the Master Declaration shall take precedence over this Declaration; this Declaration shall take precedence over the Articles of Incorporation, By-Laws and the Rules and Regulations; the Articles of Incorporation shall take precedence over the By-Laws and the Rules and Regulations; and the By-Laws shall take precedence over the Rules and Regulations, all as amended from time to time. Notwithstanding anything in this Declaration, the Association shall at all times be the entity having ultimate control over the Condominium, consistent with the Condominium Act.

8.2. LIMITATION UPON LIABILITY OF ASSOCIATION. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Unit Owners regardless of whether or not same shall have been approved by the Association. The Association also shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby; or (ii) the Association could not obtain such insurance at reasonable costs or upon reasonable terms.

8.3. RESTRAINT UPON ASSIGNMENT OF SHARES IN ASSETS. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

8.4. APPROVAL OR DISAPPROVAL OF MATTERS. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of all record Owners of the Unit is specifically required by this Declaration or the By-Laws.

8.5. ACTS OF THE ASSOCIATION. Unless the approval or action of Unit Owners, and/or a certain specific percentage of the Board of Directors of the Association, is specifically required in the Condominium Act, other applicable law or the Condominium Documents, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of Unit Owners, and the Board of Directors may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

9. DETERMINATION OF COMMON EXPENSES AND FIXING OF ASSESSMENTS THEREFOR. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium and the Association, determine the amount of Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Condominium Documents. The Board of Directors shall advise all Unit Owners promptly in writing of the amount of the Assessments payable by each of them as determined by the Board of Directors as set forth in the Condominium Documents and shall furnish copies of the budget, on which such Assessments are based, to all Unit Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of and reserves for (if required by, and not waived in accordance with, applicable law) the operation, maintenance, repair and replacement of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Condominium Act, this Declaration, the Articles, By-Laws, or Rules and Regulations or by the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall determine from time to time, and need not be restricted or accumulated. Any Budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the Condominium Documents.

10. COLLECTION OF ASSESSMENTS.

10.1. LIABILITY FOR ASSESSMENTS. A Unit Owner, regardless of how title is acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, shall be liable for all Assessments coming due while he, she or it is the Unit Owner. Additionally, a Unit Owner shall be jointly and severally liable with the previous Unit Owner for all unpaid Assessments that came due up to the time of the conveyance, without prejudice to any right the Unit Owner may have to recover from the previous Unit Owner the amounts paid by the grantee Unit Owner. Liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

Notwithstanding anything contained in this Declaration of Condominium, the Articles of Incorporation or the By-Laws to the contrary, at the time of the recording of this Declaration, the Developer has the option of either activating the below guarantee of Assessments by checking the box contained on the signature page of this Declaration, or leaving such box empty, in which event the Developer will pay Assessments on Developer-owned Units. If the box contained on the signature page of this Declaration is checked, then from the recording of this Declaration until the earlier of six (6) months from the recording of the Declaration of Condominium, or the date on which the Developer shall first give written notice to Unit Owners of the first meeting of Unit Owners at which they will elect a majority of the Board of Directors, the Developer is not obligated to pay assessments on Units which it owns, but the Developer guarantees that until the earlier of said dates Assessments will not increase over the stated dollar amounts specified in the Prospectus. The Developer shall have the right to extend the period of exemption from assessments for common expenses against Units owned by it by extending the period of the guaranty as set forth in the Prospectus and provided that it shall do so in compliance with any

applicable requirements of the Condominium Act and Rule 61B-22.004 of the Florida Administrative Code Rules. The Developer, in its sole discretion, has the right and option to extend the period of exemption from Assessments against Developer-owned Units for consecutive additional one (1) month periods of time until such time as the Developer turns over operation and control of the Association to the Unit Owners other than the Developer, provided that it shall do so in compliance with any applicable requirements of Section 718.116(9) of the Condominium Act and Rule 61B-22.004(2)(c) of the Florida Administrative Code Rules. Notwithstanding the foregoing, and as provided in Section 718.116(9)(a)(2) of the Condominium Act, in the event of an Extraordinary Financial Event (as subsequently defined), the costs necessary to effect restoration shall be assessed against all Unit Owners owning Units on the date of such natural disaster or act of God, and their successors and assigns, including the Developer (with respect to Units owned by the Developer). As used in this subsection, an "Extraordinary Financial Event" shall mean a casualty loss affecting the Condominium resulting from a natural disaster or act of God, which is not covered by insurance proceeds from the insurance maintained by the Association as required by Section 718.111(11)(a) of the Condominium Act.

10.2. SPECIAL AND CAPITAL IMPROVEMENT ASSESSMENTS. In addition to Assessments levied by the Association to meet the Common Expenses of the Condominium and the Association, the Board of Directors may levy Special Assessments and Capital Improvement Assessments upon the following terms and conditions:

10.2.1. Special Assessments and Capital Improvement Assessments may be levied by the Board and shall be payable in lump sums or installments, in the discretion of the Board; provided that, if such Special Assessments or Capital Improvement Assessments, in the aggregate in any year, exceed \$150,000.00 or cause the total Assessments levied to exceed 115% of Assessments for the preceding calendar year, the Board of Directors must obtain approval of a majority of the Voting Interests cast by those Members present in person or by proxy at a duly called meeting of the Association at which a quorum is attained.

10.3. DEFAULT IN PAYMENT OF ASSESSMENTS FOR COMMON EXPENSES. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the lesser of eighteen percent (18%) per annum or the highest rate permitted by law from the date due until paid and shall be subject to an administrative late fee in an amount not to exceed the greater of \$25.00 or five percent (5%) of each delinquent installment. The Association has a lien on each Condominium Parcel to secure the payment of Assessments. Except as set forth below, the lien is effective from, and shall relate back to, the date of the recording of this Declaration. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien. The lien shall be evidenced by the recording of a claim of lien in the Public Records of Flagler County, Florida. To be valid, the claim of lien shall state the description of the Condominium Parcel, the name of the record Unit Owner, the name and address of the Association, the amount due and the due dates, and the claim of lien shall be executed and acknowledged by an officer or authorized officer of the Association. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid or until it is barred by law. No such lien shall be effective longer than one (1) year after the claim of lien has been recorded unless, within that one (1) year period, an action to enforce the lien is commenced. The one (1) year period shall automatically be extended for any length of time

during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the Unit Owner or any other person claiming an interest in the Unit. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorneys' fees of any kind incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association may bring an action in its name to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorneys' fees and costs incurred either in a lien foreclosure action or an action to recover a money judgment for unpaid Assessments. As an additional right and remedy of the Association, upon default in the payment of Assessments and after thirty (30) days' prior written notice to the applicable Unit Owner and the recording of a claim of lien, the Association may declare the Assessment installments due for the remainder of the budget year in which the claim of lien was filed to be accelerated and immediately due and payable. If the amount of such installments changes during the remainder of such budget year, the Unit Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within ten (10) days of same taking effect.

10.4. NOTICE OF INTENTION TO FORECLOSE LIEN. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorneys' fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the Unit Owner's last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law. The notice requirements of this subsection shall be deemed satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Condominium Act.

10.5. APPOINTMENT OF RECEIVER TO COLLECT RENTAL. If the Unit Owner remains in possession of the Unit after a foreclosure judgment has been entered, the court in its discretion may require the Unit Owner to pay a reasonable rental for the Unit. If the Unit is rented or leased during the pendency of the foreclosure action, the Association shall be entitled to the appointment of a receiver to collect the rent. The expenses of such receiver shall be paid by the party, which does not prevail in the foreclosure action.

10.6. FIRST MORTGAGEE. The liability of a First Mortgagee holding a first priority mortgage lien on a Unit, or its successor or assignees, which acquires title to a Unit by foreclosure or by deed in lieu of foreclosure, for the unpaid Assessments (or installments thereof) that became due prior to the First Mortgagee's acquisition of title is limited to the lesser of: (a)

the Unit's unpaid Common Expenses and regular periodic Assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (b) one percent (1%) of the original mortgage debt. As to a Unit acquired by foreclosure, the limitations set forth in clauses (a) and (b) above shall not apply unless the First Mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association, however, is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the mortgagee. A First Mortgagee acquiring title to a Unit as a result of foreclosure or deed in lieu thereof may not, during the period of its ownership of such Unit, whether or not such Unit is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership.

10.7. **INSTALLMENTS.** Regular Assessments shall be collected monthly or quarterly, in advance, at the option of the Association. Initially, Assessments will be collected monthly.

10.8. **APPLICATION OF PAYMENTS.** Any payments received by the Association from a delinquent Unit Owner shall be applied first to any interest accrued on the delinquent installment(s), then to any administrative late fees, then to any costs and reasonable attorneys' fees incurred in collection and then to the delinquent and any accelerated Assessments. The immediately preceding sentence shall be applicable notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment.

10.9. **ESTOPPEL CERTIFICATE.** Within fifteen (15) days after receiving a written request therefor from a purchaser, the Unit Owner or mortgagee of a Unit, the Association shall provide a certificate, signed by an officer or agent of the Association, stating all Assessments and other monies owed to the Association by the Unit Owner with respect to the Unit Owner's Unit. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby.

11. **INSURANCE.** In order to adequately protect the Unit Owners, the Association, and all parts of the Condominium Property and Association Property that are required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

11.1. **DUTY AND AUTHORITY TO OBTAIN.** The Association shall use its best efforts to obtain and maintain adequate insurance. All insurance purchased by the Association shall identify the name of the insured as the Association, singularly and as agent for the Unit Owners covered by the policy.

11.2. **BASIC INSURANCE.** The Association will procure insurance covering the Building and improvements as well as all insurable Association Property, in an amount determined annually by the Board of Directors. Such insurance shall afford the following protection:

11.2.1. CASUALTY. Insured Property shall be insured in an amount not less than 100% of the full insurable replacement value thereof (to the extent commercially available), excluding foundation and excavation costs. Notwithstanding the foregoing, the Insured Property shall not include, and shall specifically exclude, floor, wall and ceiling coverings, electrical fixtures, appliances, air conditioning or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries. Such policies may contain reasonable deductible provisions as determined by the Board of Directors of the Association. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

Every casualty insurance policy obtained by the Association, if required by FNMA/FHLMC, shall have the following endorsements: (a) agreed amount and inflation guard and (b) steam boiler coverage (providing at least \$50,000.00 coverage for each accident at each location), if applicable.

11.2.2. FLOOD. The policy shall include replacement cost for the Building and insurable improvements, as available.

11.2.3. LIABILITY. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Directors of the Association, but with combined single limit liability of not less than \$1,000,000.00 for each accident or occurrence, \$100,000.00 per person and \$50,000.00 property damage, and with a cross liability endorsement to cover liabilities of the Unit Owners as a group to any Unit Owner, and vice versa. The Association may also obtain and maintain liability insurance for its directors and officers and for the benefit of the Association's employees.

11.2.4. WORKERS' COMPENSATION. The Association shall maintain worker's compensation insurance to meet the requirements of law of the State of Florida.

11.2.5. FIDELITY BONDING. If required by the Condominium Act or by the Primary Institutional First Mortgagee, the Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association, which shall include, without limitation, those individuals authorized to sign Association checks and the president, vice president(s), secretary and treasurer of the Association. The insurance policy or fidelity bond shall be in such amount as shall be determined by a majority of the Board, but must be sufficient to cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The premiums on such bonds and/or insurance shall be paid by the Association as a Common Expense.

11.2.6. DIRECTORS AND OFFICERS LIABILITY INSURANCE. The Association shall obtain and maintain directors and officers liability insurance in such amounts as the Board shall deem adequate, utilizing the broad form of policy coverage for all directors and officers and, if reasonably available, committee members of the Association.

11.2.7. ASSOCIATION PROPERTY. Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available.

11.2.8. OPTIONAL COVERAGE. The Association may purchase and carry such other insurance coverage as the Board of Directors may determine from time to time to be in the best interests of the Association and Unit Owners.

11.3. PROPERTY AND LIABILITY. Except as specifically provided in this Declaration or by the Condominium Act, the Association shall not be responsible to Unit Owners to obtain insurance coverage upon the property lying within the boundaries of their Unit, including, but not limited to, the Unit Owner's personal property, nor insurance for the Unit Owner's personal liability and living expenses nor for any other risks not otherwise insured in accordance herewith. To the extent required by the Condominium Act, each Unit Owner shall maintain insurance for all real and personal property located within the boundaries of the Unit Owner's Unit and all such insurance shall be in a form that complies with the requirements of the Condominium Act.

11.4. DESCRIPTION OF COVERAGE. A detailed summary of the coverage included in the master policies shall be available for inspection by Unit Owners upon request.

11.5. WAIVER OF SUBROGATION. When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (a) subrogation against the Association and against the Unit Owners individually and as a group, (b) pay only a fraction of any loss in the event of coinsurance or if other insurance carriers have issued coverage upon the same risk, and (c) avoid liability for a loss that is caused by an act of the Board of Directors of the Association, a member of the Board of Directors of the Association, one or more Unit Owners or as a result of contractual undertakings. Additionally, each policy shall provide that any insurance trust agreement will be recognized, that the insurance provided shall not be prejudiced by any act or omissions of individual Unit Owners that are not under the control of the Association, and that the policy shall be primary, even if a Unit Owner has other insurance that covers the same loss.

11.6. ADDITIONAL PROVISIONS. All policies of insurance shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the named insureds, including all mortgagees of Condominium Parcels. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Directors may (or if required by FNMA/FHLMC, shall) obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.

11.7. PREMIUMS. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the costs of fidelity bonding for any management company employee may be paid by such company pursuant to its contract with the Association. Premiums may be financed in such manner as the Board of Directors deems appropriate.

11.8. INSURANCE TRUSTEE; SHARE OF PROCEEDS. All insurance policies obtained by or on behalf of the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the insurance trustee which may be designated by the Board of Directors (the "Insurance Trustee") as provided in Section 11.11 below, and which, if so appointed, shall be a bank or trust company in Florida with trust powers, with its principal place of business in the State of Florida. The Insurance Trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees in the following shares, but shares need not be set forth on the records of the Insurance Trustee:

11.8.1. INSURED PROPERTY. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Unit Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Unit, provided that if the Insured Property so damaged includes property lying within the boundaries of specific Units, that portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were "Optional Property" as subsequently defined.

11.8.2. OPTIONAL PROPERTY. Proceeds on account of damage solely to Units and/or certain portions or all of the contents thereof not included in the Insured Property (all as determined by the Association in its sole discretion) (collectively the "Optional Property"), if any is collected by reason of optional insurance which the Association elects to carry thereon (as contemplated herein), shall be held for the benefit of Unit Owners or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Unit Owner, which cost and allocation shall be determined in the sole discretion of the Association.

11.8.3. MORTGAGEES. Other than Declarant's Mortgagee, no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and, other than Declarant's Mortgagee, no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

11.9. DISTRIBUTION OF INSURANCE PROCEEDS. Proceeds of insurance policies received by the Association shall be distributed for the benefit of the Unit Owners in the following manner and priority:

11.9.1. COST OF RECONSTRUCTION OR REPAIR. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall first be paid to defray the costs thereof as elsewhere provided in this Declaration. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Unit Owners and their Mortgagees being payable jointly by them.

11.9.2. FAILURE TO RECONSTRUCT OR REPAIR. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds remaining after expenses shall be allocated among the beneficial owners thereof as provided in Section 11.7.1 above and distributed first to all First Mortgagees in an amount sufficient to pay off their Mortgages, and the balance, if any, to the beneficial owners. This is a covenant for the benefit of mortgagees and may be enforced by them.

11.9.3. CERTIFICATE. In making distributions to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their mortgagees and their respective shares of the distribution.

11.10. ASSOCIATION AS AGENT. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

11.11. UNIT OWNERS' PERSONAL COVERAGE. Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against a Unit Owner due to accidents occurring within the Unit Owner's Unit, nor casualty or theft loss to the contents of a Unit Owner's Unit or any Limited Common Element appurtenant to a Unit Owner's Unit. It shall be the obligation of the individual Unit Owner, if such Unit Owner so desires, to purchase and pay for insurance as to all such and other risks not covered by insurance carried by the Association.

11.12. APPOINTMENT OF INSURANCE TRUSTEE. The Board of Directors shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint such Trustee, the Association will perform directly all obligations imposed upon such Trustee by this Declaration. Fees and expenses of any Insurance Trustee are Common Expenses.

11.13. PRESUMPTION AS TO DAMAGED PROPERTY. In the event of a reasonable dispute or reasonable lack of certainty as to whether damaged property constitutes a Unit(s) or Common Elements, such property shall be presumed to be Common Elements.

12. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

12.1. DETERMINATION TO RECONSTRUCT OR REPAIR. Subject to the immediately following paragraph, in the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with

respect thereto) as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

If seventy-five percent (75%) or more of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) is substantially damaged or destroyed ("Very Substantial Damage") and if insurance proceeds and reserves available for reconstruction are insufficient to cover the cost of reconstruction and repair of the insured property (and the Optional Property), if insurance has been obtained by the Association with respect thereto and if Unit Owners of at least seventy-five percent (75%) of the Units duly and promptly resolve not to proceed with the repair or restoration thereof and a majority of Institutional First Mortgagees approve such resolution, the Condominium Property will not be repaired and shall be subject to an action for partition instituted by the Association, any Unit Owner, mortgagee or lienor, as if the Condominium Property were owned in common, in which event the net proceeds of insurance resulting from such damage or destruction shall be divided among all the Unit Owners in proportion to their respective interests in the Common Elements (with respect to proceeds held for damage to the insured property other than that portion of the insured property lying within the boundaries of the Unit), and among affected Unit Owners in proportion to the damage suffered by each such affected Unit Owner, as determined in the sole discretion of the Association (with respect to proceeds held for damage to the Optional Property, if any, and/or that portion of the insured property lying within the boundaries of the Unit); provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such funds all mortgages and liens on his Unit in the order of priority of such mortgages and liens.

Whenever in this Section the words "promptly repair" are used, it shall mean that repairs are to begin (subject to delays in processing and obtaining permits and governmental approvals) as soon as reasonably practicable, but, in no event more than one hundred eighty (180) days from the date the Insurance Trustee (if appointed) notifies the Board of Directors and Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than two hundred ten (210) days after the Insurance Trustee (if appointed) notifies the Board of Directors and the Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

12.2. PLANS AND SPECIFICATIONS. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the improvements existing immediately prior to the casualty and then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the Board of Directors of the Association and then applicable building and other codes, and, if the damaged property which is to be altered is the Building or the Optional Property, by the Unit Owners of not less than a majority of the Units, as well as the Unit Owners of all Units and other portions of the Optional Property (and their respective mortgagees) the plans for which are to be altered.

12.3. SPECIAL RESPONSIBILITY. If the damage is only to those parts of the Optional Property for which the responsibility of maintenance and repair is that of the respective Unit Owners, then the Unit Owners shall be responsible for all necessary reconstruction and repair, which shall be effected promptly and in accordance with guidelines established by the Board of Directors (unless insurance proceeds are held by the Association with respect thereto by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Optional Property, provided the respective Unit Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Unit by Unit basis, as determined in the sole discretion of the Association). In all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.

12.4. DISBURSEMENT. The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

12.4.1. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than \$100,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association; provided, however, that upon request to the Insurance Trustee (if appointed) by an Institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided in Section 12.4.2.

12.4.2. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$100,000.00, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by Section 12.4.1 above, but then only upon the further approval or certification of an architect or engineer qualified to practice in Florida and employed by the Association to supervise the work.

12.4.3. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, such balance may be used by the Association to effect repairs to the Optional Property (if not insured or if under-insured), or may be distributed to Owners of the Optional Property who have the responsibility for reconstruction and repair thereof. The distribution shall be in the proportion that the estimated cost of reconstruction and repair of such damage to each affected Unit Owner bears to the total of such estimated costs to all affected Unit Owners, as determined by the Board; provided, however, that no Unit Owner shall be paid an amount in excess of the estimated costs of repair for his portion of the Optional Property.

All proceeds must be used to effect repairs to the Optional Property, and if insufficient to complete such repairs, the Owners shall pay the deficit with respect to their portion of the Optional Property and promptly effect the repairs. Any balance remaining after such repairs have been effected shall be distributed to the affected Unit Owners and their mortgagees jointly as elsewhere herein contemplated.

12.4.4. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that part of a distribution to a Unit Owner which is not in excess of Assessments paid by such Unit Owner into the construction fund shall not be made payable jointly to any mortgagee.

12.4.5. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect, engineer or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the Assessments paid by Unit Owners, nor to determine the payees nor the amounts to be paid. The Insurance Trustee may rely upon a certificate of the Association, made by its President or Vice President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.

12.5. ASSESSMENTS. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Special Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the insured property shall be in proportion to all of the Unit Owners' respective shares in the Common Elements, and on account of damage to the Optional Property, the Association shall charge the Unit Owner (but shall not levy an Assessment) in proportion to the cost of repairing the damage suffered by each Unit Owner thereof, as determined by the Association.

12.6. BENEFIT OF MORTGAGEES. Certain provisions in this Section 12, as stated, are for the benefit of mortgagees of Units and may be enforced by any of them.

13. CONDEMNATION.

13.1. DEPOSIT OF AWARDS WITH INSURANCE TRUSTEE. The taking of portions of the Condominium Property or Association Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors, a Charge shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to such Unit Owner.

13.2. DETERMINATION WHETHER TO CONTINUE CONDOMINIUM. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.

13.3. DISBURSEMENT OF FUNDS. If the Condominium is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for such purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty, or as elsewhere specifically provided in this Section 13.

13.4. UNIT REDUCED BUT HABITABLE. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable (in the sole opinion of the Association), the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

13.4.1. RESTORATION OF UNIT. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be charged to and paid by the Owner of the Unit.

13.4.2. DISTRIBUTION OF SURPLUS. The balance of the award in respect of the Unit, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and such mortgagees.

13.4.3. ADJUSTMENT OF SHARES IN COMMON ELEMENTS. If the perimeter floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements, and of the Common Expenses and Common Surplus appurtenant to the applicable Unit shall be reduced and calculated by multiplying the percentage of the applicable Unit prior to reduction by a fraction, the numerator of which shall be the area in square feet of the Unit after the taking and the denominator of which shall be the area in square feet of the Unit before the taking. The shares of all Unit Owners in the Common Elements, Common Expenses and Common Surplus shall then be restated as follows:

13.4.3.1. add the total of all percentages of all Units after reduction as aforesaid (the "Remaining Percentage Balance"); and

13.4.3.2. divide each percentage for each Unit after reduction as aforesaid by the Remaining Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

13.5. UNIT MADE UNINHABITABLE. If the taking is of the entire Unit or so reduces the size of a Unit that it reasonably cannot be made habitable (in the sole opinion of the Association), the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium:

13.5.1. The awards shall be paid first to the applicable Institutional First Mortgagees in amounts sufficient to pay off their mortgages in connection with each Unit which is not so habitable; second, to the Association for any due and unpaid Assessments; third, jointly to the affected Unit Owners and other mortgagees of their Units. In no event shall the total of such distributions in respect of a specific Unit exceed the market value of such Unit immediately prior to the taking. The balance, if any, shall be applied to repairing and replacing the affected Common Elements.

13.5.2. The remaining portion of the affected Unit(s), if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Unit Owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work therefor shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements.

13.5.3. The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted as appropriate to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Unit Owners (and among reduced Units). This shall be effected by restating the shares of continuing Unit Owners as follows:

13.5.3.1. add the total of all percentages of all Units of continuing Owners prior to this adjustment, but after any adjustments made necessary by subsection 13.4.3 hereof (the "Percentage Balance"); and

13.5.3.2. divide the percentage of each Unit of a continuing Owner prior to this adjustment, but after any adjustments made necessary by subsection 13.4.3 hereof, by the Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

13.5.4. If the balance of the award (after payments to the Unit Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Special Assessments against all of the Unit Owners who will continue as Unit Owners after the changes in the Condominium effected by the taking. The Special Assessments shall be made in proportion to the applicable percentage shares of those Unit Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

13.5.5. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Association within 30 days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit. A judgment upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code. The cost of arbitration proceedings shall be assessed against all Units Owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such Owners as they exist prior to the adjustments to such shares effected pursuant hereto by reason of the taking.

13.6. **TAKING OF COMMON ELEMENTS.** Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.

13.7. **AMENDMENT OF DECLARATION.** The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are effected by the taking shall be evidenced by an amendment to this Declaration of Condominium that is only required to be approved by, and executed upon the direction of, a majority of all Directors of the Association.

14. **USE RESTRICTIONS.** The use of the Condominium Property shall be in accordance with the Rules and Regulations of the Association and the following provisions:

14.1. **LAWFUL USE.** All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair upon Condominium Property shall be the same as the responsibility for the repair and maintenance of the property as expressed earlier in this Declaration.

14.2. **RULES AND REGULATIONS.** The Rules and Regulations may be amended, and new rules and regulations enacted, from time to time by the Board of Directors. Copies of the regulations and amendments shall be furnished by the Association to all Unit Owners. No new or amended regulation may be enforced prior to distribution to the Unit Owners. Neither the Rules and Regulations nor changes thereto are required to be recorded in the Public Records of Flagler County, Florida.

14.3. **USE AND OCCUPANCY RESTRICTIONS.** Use and occupancy of the Units is restricted to residential uses with one Family and their Guests per Unit only. Occupancy by Guests in the absence of the Unit Owner is limited to two (2) times per calendar year for

maximum periods of thirty (30) consecutive days. These use restrictions shall not be construed in such a manner as to prohibit a Unit Owner from maintaining his or her personal professional library, keeping his personal business or professional records or accounts or handling his or her personal, business or professional telephone calls, facsimile or correspondence in and from his or her Unit. Such uses are expressly declared customarily incident to the principal residential use. Notwithstanding the foregoing, the Developer, its successors and assigns, shall be permitted to use Units which the Developer owns or leases as model apartments, as sales or other offices or management services, or for overnight accommodations by its designees.

14.4. PARKING. Each Unit shall always have the exclusive use of a minimum of two (2) assigned parking spaces in the garage, which shall be considered Limited Common Element(s). Allocations will be made initially by the Developer by written assignment. Allocations may only be changed with the written consent of the holder; provided, however, the Association, if required by controlling federal or Florida law, shall have the absolute right to make allocations or reallocations of parking spaces in the garage to accommodate the needs of handicapped persons. Certain parking spaces are located within private enclosed garages situated within the Building parking garage. These parking spaces and the elements associated with the private garages are Limited Common Elements. The parking space(s) within each private garage may not be separated from one another. No parking space may be assigned except as an appurtenance to a Unit. The Developer may make the assignment for a valuable consideration. No Unit may have assigned to it more than two (2) parking spaces or more than one (1) private two car parking garage. The Association shall maintain the parking spaces and all expenses related thereto shall be paid by the Association as Common Expenses.

14.5. STORAGE LOCKERS AND WINE LOCKERS. Storage lockers, as designated in the Condominium Plot Plan, and wine lockers are Limited Common Elements appurtenant to the Unit to which they are assigned and are for the exclusive use of the Unit Owner(s) of that Unit. Allocations of storage lockers and wine lockers will be made initially by the Developer by written assignment. The Developer may make the assignment for a valuable consideration. No storage locker or wine locker may be assigned except as an appurtenance to a Unit, and except in accordance with Section 5.11. Any and all items and contents stored in storage lockers and wine lockers shall be stored solely at the risk of the Unit Owner and the Unit Owner's family members and tenants. The Association shall not be responsible or liable for, and each Unit Owner (and such Unit Owner's family members, tenants and others entitled to use of the wine lockers), in accepting an assignment of the use of a storage locker and/or wine locker, waives all claims against the Association for, any theft of or loss, injury or damage to any and all items and contents stored in the storage lockers and/or wine lockers from any cause whatsoever. The Unit Owner will be responsible, at its sole cost and expense, for any damage to a storage locker and/or wine locker caused by the Unit Owner or the Unit Owner's family members, guests, staff, invitees, employees and tenants.

14.6. PETS. Unit Owners may not keep in any Unit or bring upon the Common Elements any animals or pets other than dogs, cats, caged birds and aquarium fish which are usually and commonly kept as household pets, provided that any such permitted pets shall only be allowed to remain in the Unit if such pets are: (i) permitted to be kept by applicable laws and regulations; (ii) not left unattended on balconies or lanai terraces; (iii) not being kept or raised for commercial purposes; and (iv) quiet, inoffensive and not a nuisance to residents of other Units or

of neighboring buildings. Each Unit Owner shall be responsible for all damage caused by such Unit Owner's pets. Any Unit Owner who keeps or maintains a pet within a Unit shall indemnify and hold harmless all other Unit Owners, the Developer, the Association and the Master Association from and against any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pets. Pets shall further be subject to the Rules and Regulations, as enacted and amended from time to time. Without limiting the generality of the other provisions of this Declaration, a violation of the provisions of this paragraph shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Condominium Property.

14.7. **EXCLUSIVE USE.** The Association may permit for reserved use to Unit Owners for appropriate temporary periods of time those portions of the Common Elements rationally appropriate and desirable for exclusive use.

14.8. **NUISANCES.** No nuisances (as defined by the Association) shall be allowed on the Condominium, nor shall any use or practice be allowed which is a source of annoyance to occupants of Units or which interferes with the peaceful possession or proper use of the Condominium by its residents, occupants or members. All parts of the Condominium Property shall be kept in clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No activity specifically permitted by this Declaration shall be deemed a nuisance.

14.9. **PROHIBITION OF INCREASES IN INSURABLE RISKS AND CERTAIN ACTIVITIES.** Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Condominium or in an increase in the rate of the insurance on all or any part of the Condominium over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Unit or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit or other imposed requirement of any governmental body. No damage to or waste of the Common Elements shall be committed by any Owner, or by any member of the Owner's family, or by any guest, invitee, customer, contractor, tenant, employee or agent of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner, the members of such Owner's family, or such Owner's guests, invitees, customers, contractors, tenants, employees or agents. Failure to so indemnify shall be a default by such Owner under this Section, and such amount to be indemnified shall automatically become a Special Charge against such Unit Owner.

15. **LEASE, CONVEYANCE, DISPOSITION.**

15.1. **UNITS.** The purpose and object of this Section is to maintain a quiet, tranquil, non-transient and single-family oriented atmosphere with the residents living in compatible coexistence with other financially responsible persons who are of like-mind and acceptable both in character and comportment. This objective is considered to be both important and justified because of the necessity of sharing facilities and because of the large personal financial

investment of each Unit Owner. Therefore, the lease, conveyance, disposal and financing of the Units by Unit Owners shall be subject to the following provisions:

15.1.1. ASSOCIATION APPROVAL REQUIRED. Except for sales by or to the Developer, no Unit Owner may sell, lease, give or otherwise transfer ownership of a Unit or any interest therein in any manner without the prior written approval of the Association. Such approval shall be a written instrument in recordable form (except for leases) which shall include, without limitation, the nature of the transfer (sale, lease, etc.), the parties to the transaction (sellers, purchasers, etc.), the Unit number, the name of the Condominium and the Official Record Book (O.R. Book) and Page numbers in which this Declaration was originally recorded. For all Unit transfers of title other than from the Developer, the approval shall be recorded in the Flagler County, Florida Public Records with the Deed or other instrument transferring title to the Unit. Each new Unit Owner receiving a conveyance from any party except the Developer shall notify the Association promptly after becoming a new Owner by delivering a copy of the deed to the Unit to the Association.

15.1.2. DEVISE OR INHERITANCE. If any Unit Owner shall acquire title by devise or inheritance or in any other manner not heretofore considered, the continuance of his or her ownership shall be subject to the approval of the Association. Such Unit Owner shall give the Association notice of the acquisition of his title together with such additional information concerning the Unit Owner as the Association may reasonably require together with a copy of the instrument evidencing the Unit Owner's title. If such notice is not given, the Association at any time after receiving knowledge of such transfer, may approve or disapprove the transfer of ownership.

15.1.3. LEASES. Approvals of Leases of Units need not be recorded. Only entire Units may be leased. All Leases of Units must provide, and if they do not, shall be deemed to provide the agreement of the tenant(s) to abide by all of the Condominium Documents and the Master Declaration and any and all rules and regulations of the Master Association promulgated and amended from time-to-time. A violation of any of the terms of any of the foregoing documents shall constitute a material breach of the Lease and shall constitute grounds for damages, termination and eviction. The tenant and the Unit Owner agree that the Association may proceed directly against such lessee(s) and that the lessee(s) and the Unit Owner shall be jointly and severally responsible for all of the Association's costs and expenses (including, without limitation, attorneys' fees and costs of any kind, whether at trial or appellate levels or otherwise). If such costs and fees are not immediately paid by the lessee(s), the Unit Owner shall pay them and such funds shall be secured as a Charge. Each Unit Owner irrevocably appoints the Association as the Unit Owner's agent authorized to bring actions in such Unit Owner's name and at such Unit Owner's expense including injunction, damages, termination and eviction. The Rules and Regulations must be provided to the tenant(s) by or on the behalf of the Unit Owner at or before the commencement of the Lease term; provided, however, that tenant(s)' obligations under this Section 15.1.3 shall not be affected by the failure to provide such notice. The minimum leasing period is thirty (30) consecutive days and no Unit may be leased more than two (2) times per calendar year, unless made more restrictive by the Board. During the time a Unit is leased or occupied by others, the Unit Owner(s) shall not have the right to use the Common Elements, the Limited Common Elements (including, without limitation, any private parking garage and parking spaces) or the Association Property, except as a guest of another Unit

Owner, the lessee or as a landlord to enforce its rights (including access to the Unit) as landlord pursuant to the Chapter 83 of the Florida Statutes.

15.1.4. MULTIPLE OWNERS. Consistent with this Section 15, de facto time sharing of Units shall not be permitted and approval will not be given for the sale of a Unit or an interest in a Unit to multiple persons such as (e.g. siblings or business associates), who may intend that they and their families would split occupancy of the Unit into different time periods during the year.

15.1.5. APPROVAL PROCEDURE. The approval of the Association shall be obtained as follows:

15.1.5.1. WRITTEN NOTICE. Not later than thirty (30) days before the proposed transfer of ownership occurs, or fifteen (15) days before the first day of occupancy under a proposed Lease, written notice shall be given the Association by the Unit Owner of his or her intention to sell or transfer his or her interest in any fashion. The notice shall include the name and address of the proposed acquirer or lessee and a correct and complete copy of the proposed documents to be executed to effectuate the transaction. The Association may require such other and further information as it deems reasonably necessary and may impose a transfer fee not to exceed \$100.00 or as permitted by law from time to time.

15.1.5.2. ASSOCIATION'S OPTIONS. The Association must, within fifteen (15) days after receipt of all the information required by it, either approve, disapprove for cause, or, except in the case of disapproval for cause, upon the written demand of the Unit Owner, furnish an alternate purchaser or lessor (as the respective case may be), it approves, or the Association may itself elect to purchase or lease the Unit, the Unit Owner shall be compelled to sell or lease, as the case may be, to such alternate purchaser or lessee, or to the Association upon the same terms set forth in the proposal given the Association. Alternatively, the Unit Owner may withdraw the proposed sale or Lease. In exercising its power of disapproval the Association shall act in a manner that is neither arbitrary nor unlawfully discriminatory and withhold approval only for a reason or reasons rationally related to the protection, preservation use and enjoyment of other Unit Owners and lessees and proper operation of the Condominium and the purposes as set forth in this Section 15. If the Association fails or refuses within the allotted time to notify the Unit Owner of either approval or disapproval in writing, or if it fails to provide an alternate purchaser or make an election to purchase the Unit itself when required to do so, then the Association shall conclusively be presumed to have approved the transaction, and the Association shall, upon demand, provide a recordable certificate of approval. In any such case, the Association shall have no responsibility for the Unit Owner's costs, brokerage fees, attorneys' fees and costs or any other claims related to a delay or failure in closing of the sale or lease of the respective Unit.

15.1.5.3. CLOSING DATE. If the Association provides an alternative, the sale or lease shall be closed within sixty (60) days after an alternate purchaser has been furnished or the Association has elected to purchase.

15.1.5.4. NOTICE OF DISAPPROVAL. If the Association disapproves the proposed transaction (subject to the qualifications contained in Section 15.1.5.2.) notice of disapproval shall be promptly sent in writing to the Unit Owner or interest holder, and the transaction shall not be completed.

15.1.6. JUDICIAL SALES. Judicial sales are exempt from this Section. A transfer to or a transfer by an Institutional First Mortgagee that acquires its title as the result of a deed from its mortgagor in lieu of foreclosure or through foreclosure proceedings shall be exempt from the provisions of this Section and such transaction shall not require approval of the Association. The purchaser from an Institutional First Mortgagee shall not be subject to approval by the Association as provided in this Section.

15.2. VOID TRANSACTIONS. Any residential transaction for which the Association's approval is not obtained pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

16. COMPLIANCE AND DEFAULT. Each Unit Owner, each Lessee, Occupant and other invitee shall be governed by, and shall comply with the provisions of, the Condominium Act as amended from time to time, the Condominium Documents, the Master Declaration, the Rules and Regulations, and any and all other rules and regulations of the Association and the Master Association promulgated and amended from time to time.

16.1. REMEDIES. Failure to comply shall be grounds for relief, which relief may include, but shall not be limited to, an action to recover damages or injunctive relief or both. Actions may be maintained by the Association or by any Unit Owner.

16.2. COSTS AND FEES. In any such proceeding, including appeals, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

16.3. OWNER INQUIRIES; DISPUTES. In the event of an inquiry by a Unit Owner against the Association, the Board of Directors or a member thereof, such aggrieved Unit Owner, prior to the institution of any proceedings, shall give written notice in detail of the inquiry by certified mail to the Board of Directors. The Board shall respond in writing to the Unit Owner within thirty (30) days of the receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the Division. If the Board requests advice from the Division, the Board shall, within ten (10) days of receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board shall, within sixty (60) days of the receipt of the inquiry, provide in writing a substantive response to the inquirer. The failure to act as above set forth precludes the Association from recovering attorney's fees and costs in any subsequent litigation, administrative proceedings, or arbitration arising out of the inquiry. If unresolved, a dispute as defined in Section 718.1255(1) of the Condominium Act shall be subject to an arbitration in mandatory non-binding arbitration proceedings (in accordance with Section 718.1255(1) of the Condominium Act) prior to commencing litigation.

16.4. NO WAIVER OF RIGHTS. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Documents shall not constitute a waiver of the right to do so thereafter as to subsequent or other instances.

16.5. LIEN RIGHTS. The provisions of this Section 16 shall not limit or impair the right to impose, enforce and foreclose upon liens in connection with unpaid Assessments or otherwise, to the extent otherwise permitted under this Declaration or the Condominium Act.

17. AMENDMENTS. Amendments to any of the Condominium Documents shall be in accordance with the following:

17.1. AMENDMENT BY UNIT OWNERS.

17.1.1. An amendment to this Declaration of Condominium may be proposed by the Board of Directors acting upon a vote of a majority of the Directors or by Unit Owners owning not less than fifty-one percent (51%) of the Units, whether by vote at a meeting of members or by an instrument in writing signed by them. A proposal to amend this Declaration of Condominium shall contain the full text of the provision to be amended. New words shall be inserted in the text and underlined or highlighted and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it shall not be necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation shall be inserted immediately preceding the proposed amendment in substantially the following language:

"Substantial re-wording of Declaration of Condominium. See Article _____ for present text."

17.1.2. The proposed amendment shall be transmitted to the President of the Association, or in such person's absence, to the Vice President of the Association, who shall thereupon call a special meeting of the Unit Owners for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by such officer of the proposed amendment. It shall be the duty of the Secretary or other appropriate officer of the Association to give to each Unit Owner written notice of the special meeting, together with a copy of the proposed amendment in the form above provided, which notice shall be delivered or mailed not less than fourteen (14) days nor more than thirty (30) days before the date set for the special meeting. If mailed, the notice shall be deemed properly given when deposited in the United States mail addressed to the member at his, her or its post office address as it appears on the records of the Association. Any Unit Owner may, by written waiver of notice signed by such Unit Owner, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Unit Owner. Notice of the meeting shall be posted in a conspicuous place on the Common Elements at least fourteen (14) days before the special meeting.

17.1.3. At the special meeting called to consider a proposed amendment, such amendment must be approved by an affirmative vote of Unit Owners owning not less than sixty-six percent (66%) of the Units; provided, however, no amendment may be adopted which adversely affects any of the rights and/or privileges provided to the Developer without the

written consent of the Developer. In the alternative, a proposed amendment may be adopted without the holding of a special meeting if within ninety (90) days from the mailing or delivery thereof to all Unit Owners the amendment is approved in writing by members of the Association owning not less than sixty-six percent (66%) of the Units; provided, however, no amendment may be adopted which adversely affects any of the rights and/or privileges provided to the Developer without the written consent of the Developer. If the amendment shall be adopted by either method, such amendment shall be transcribed and certified by the President and Secretary of the Association as having been so adopted. The certificate of amendment shall include the recording data identifying this Declaration of Condominium, shall be executed in the form required for execution of a deed and shall be recorded in the Public Records of Flagler County, Florida within ten (10) days from the date of adoption and shall become effective on the date of recording. A copy of the amendment in the form in which it has been placed of record shall be delivered to all Unit Owners, but delivery of such copies shall not be a condition precedent to the effectiveness of the amendment. At any meeting held to consider a proposed amendment, the written vote of any Unit Owners shall be recognized if the Unit Owners are not in attendance at the meeting or represented by limited proxy, provided such written vote is delivered to the Secretary of the Association prior to the meeting or at such meeting.

17.2. AMENDMENT BY THE DEVELOPER. Except as set forth in Section 17.3, and except for amendments relating to matters described in Section 718.110(4), Section 718.110(8) and Section 718.110(13) of the Condominium Act, during the time the Developer has the right to elect a majority of the Board of Directors of the Association, the Declaration, the Articles of Incorporation, the By-Laws and the Rules and Regulations of the Association may be amended by the Developer alone, without requiring the consent of any other party to effect any change whatsoever. In any case, no amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer, without the consent of the Developer in each instance.

17.3. ADDITIONAL REQUIREMENTS FOR CERTAIN AMENDMENTS. Notwithstanding anything contained in this Declaration of Condominium to the contrary:

17.3.1. No alteration in the percentage of ownership in Common Elements appurtenant to each Unit, alteration of the basis for the sharing of Common Expenses and apportionment of Assessments, alteration of the basis of ownership of Common Surplus, or alteration or modification of the appurtenances to any Unit, shall be made without the joinder in the amendment of all Owners of the Units affected and all record owners of liens on such Units (which consent may not be unreasonably withheld) and unless the Owners of all other Units approve the amendment.

17.3.2. Alterations, amendments or modifications under and to this Declaration of Condominium shall require the consent of some or all Institutional First Mortgagees, if, and only to the extent that, such alteration, amendment or modification would materially affect the rights or interest of a respective Institutional First Mortgagee, or if the consent of a respective First Mortgagee is required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. The consent of an Institutional First Mortgagee shall not be unreasonably withheld or delayed. It shall be presumed that, except as to those matters described

in Section 718.110(4) and Section 718.110(8) of the Condominium Act, amendments to this Declaration do not materially affect the rights or interests of mortgagees.

17.3.3. No alteration, amendment or modification of the rights and privileges of the Developer under this Declaration of Condominium or any other Condominium Document, nor any amendment thereto, which would adversely affect the sale of Units owned by the Developer as determined by the Developer in its reasonable discretion, shall be made without the prior written consent of the Developer.

17.4. AMENDMENT IN NATURE OF CORRECTION. Whenever it shall appear that there is a defect, error or omission in any of the Condominium Documents or in order to comply with applicable laws or requirements of government entities, the amendment may be adopted by the Board of Directors alone.

17.5. MERGER AMENDMENT. In the event that this Condominium should desire to merge with one or more other condominiums within Hammock Dunes, it may do so upon the affirmative vote of seventy-five percent (75%) of the Voting Interests in this Condominium and the approval of all record owners of liens. When the Board intends to merge the Condominium or the Association, the Board shall notify the Division of Condominiums before taking any action to merge the Condominium or the Association.

17.6. DEVELOPER AMENDMENTS. Until relinquishment of Developer control of the Association and except as otherwise provided by law in Section 718.110(2) of the Condominium Act, the Developer specifically reserves the right, without the joinder of any person, to make such amendments to the Declaration and its exhibits or to the plan of development, as may be required by any lender, governmental authority or as may be, in its judgment, necessary or desirable. This paragraph shall take precedence over any other provision of this Declaration or its exhibits.

17.7. WRITTEN AGREEMENTS. Any approval of Unit Owners on any matter called for by this Declaration, any of the other Condominium Documents, or any statute to be taken at a meeting of Unit Owners is hereby expressly allowed to be taken instead by written agreement, without a meeting (which agreement may be in counterparts), subject to Section 718.112(2)(d)(4) of the Condominium Act and Florida Statute Section 617.0701 (in effect as of the date of this Declaration).

18. TERMINATION. Except for termination in connection with a merger of this Condominium with another, as provided for in Section 17.5., the termination of the Condominium shall be carried out in accordance with the following:

18.1. BY AGREEMENT. The Condominium may be caused to be terminated at any time by written agreement of Unit Owners representing one hundred percent (100%) of the Units and their respective Institutional First Mortgagees, if any.

18.2. WITHOUT AGREEMENT, ON ACCOUNT OF VERY SUBSTANTIAL DAMAGE. If the Condominium suffers Very Substantial Damage and it is not decided, pursuant to the terms of Section 12.1, as therein provided that the Condominium will be

reconstructed or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

18.3. PROCESS OF TERMINATION. When the Board intends to terminate the Condominium, the Board shall notify the Division before taking any action to terminate the Condominium. Termination of the Condominium shall occur when a Certificate of Termination meeting the requirements of this Section and the Condominium Act is recorded in the Public Records of Flagler County, Florida.

18.3.1. The termination of the Condominium shall be evidenced by a Certificate of Termination, executed by the President or Vice-President with the formalities of a deed, and certifying as to the facts effecting the termination. The Certificate shall also include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, who is designated by the Association to act as the termination trustee, and shall be signed by the trustee (the "Termination Trustee") indicating willingness to serve in that capacity. Upon recordation of the Certificate of Termination in the public records of Flagler County, Florida, the Association, within thirty (30) business days of such filing, shall notify the Division of the termination and the date the Certificate of Termination was recorded, the county where the Certificate of Termination was recorded, and the book and page number of the public records where the Certificate of Termination was recorded, and shall provide the Division a copy of the Certificate of Termination certified by the clerk.

18.3.2. The recording of a Certificate of Termination shall automatically divest the Association of title to all Association Property, and divest all Unit Owners of legal title to their respective Condominium Parcels, and shall vest legal title in the Termination Trustee named in the Certificate of Termination, to all real and personal property which was formerly the Condominium Property or Association Property, without need for further conveyance. Beneficial title to the former Condominium and Association Property shall be transferred to the former Unit Owners as tenants in common, in the same undivided shares as each Unit Owner previously owned in the Common Elements, without further conveyance. Each lien encumbering a Condominium Parcel shall be automatically transferred to the equitable interest in the former Condominium Property and Association Property attributable to the Unit encumbered by the lien, with the same priority.

18.4. WIND-UP OF ASSOCIATION AFFAIRS. The termination of the Condominium shall not, by itself, terminate the Association. The former Unit Owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, the Articles of Incorporation, the By-Laws and the Condominium Act, to the extent necessary to, and for the sole purpose of, winding up the affairs of the Association in accordance with this Section.

18.5. TRUSTEE'S POWERS AND DUTIES. The Termination Trustee shall hold legal title to the Condominium or Association Property or both for the benefit of the former Unit Owners and their successors, assigns, heirs, devisees, mortgagees and other lien holders, as their interests shall appear. If the former Unit Owners approve a sale of the Condominium or Association Property or both as provided in this Section, the Termination Trustee shall have the

power and authority to convey title to the purchaser(s), and to distribute the proceeds in accordance with the provisions of this Section. The Termination Trustee may charge a reasonable fee for acting in such capacity, and such fee, as well as all costs and expenses incurred by the Termination Trustee in the performance of its duties, shall be paid by the Association or taken from the proceeds of the sale of the former Condominium and Association Property, and shall constitute a lien on the Condominium or Association Property or both superior to any other lien. The Termination Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting as Termination Trustee unless such liabilities are the result of gross negligence or willful misconduct.

18.6. RELIANCE. The Termination Trustee may rely upon the written instructions and information provided to it by the officers, directors and agents of the Association, and shall not be required to inquire beyond such information and instructions.

18.7. PARTITION; SALE. Following termination, the former Condominium Property and Association Property may be partitioned and sold upon the application of any Unit Owner. If following a termination, at least seventy-five percent (75%) of the Unit Owners agree to accept an offer for the sale of the Condominium or Association Property or both, the Board of Directors shall notify the Termination Trustee, and the Termination Trustee shall complete the transaction. In such event, any action for partition of the Condominium or Association Property shall be held in abeyance pending the sale, and upon the consummation of the sale shall be discontinued by all parties thereto. If the Unit Owners have not authorized a sale of the former Condominium and Association Property within one (1) year after the recording of the Certificate of Termination, the Trustee may proceed to sell the Condominium or Association Property without agreement by the Association or the former Unit Owners. The net proceeds of the sale of any of the Condominium or Association Property or assets of the Condominium or the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear.

18.8. NEW CONDOMINIUM. The termination of the Condominium shall not bar creation of another Condominium including all or any portion of the Condominium or Association property.

18.9. PROVISIONS SURVIVE TERMINATION. The provisions of this Section 18 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the By-Laws and Articles of Incorporation, and shall have the power to levy Assessments to pay the costs and expenses of the Termination Trustee and of maintaining the Condominium or Association Property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, as well as post-termination costs of maintaining the former Condominium Property, are Common Expenses, the payment of which shall be secured by a lien on the beneficial interest owned by each former Unit Owner, which to the maximum extent permitted by law, shall be superior to, and take priority over, all other liens.

18.10. AMENDMENTS. This Article 18 shall not be amended without the consent of the Developer and the Developer's Mortgagee as long as Developer owns any Unit in the Condominium.

19. PROVISIONS PERTAINING TO THE DEVELOPER.

19.1. CONSTRUCTION, DEVELOPMENT, SALES. In addition to all other rights granted or reserved to the Developer in this Declaration of Condominium, the Articles of Incorporation and the By-Laws of the Association, the Developer shall have the right to conduct on the Condominium Property, all operations necessary, in its sole discretion, to complete the construction and development of the Condominium and to market, sell and lease the Units and other improvements within the Condominium. Irrespective of any restriction or regulation, the Developer or its agents may enter upon the Condominium Property and operate thereon such vehicles and equipment as shall be necessary in the sole discretion of the Developer or its agents for such purposes. The Developer shall have the right to use any Unit owned or leased by the Developer or other portion of the Condominium Property as a model Unit and/or sales office in connection with the Developer's program to sell or lease Units and shall have the right to place upon the Common Elements signs designating the Developer's model condominiums and/or sales office and advertising Units owned by the Developer for sale or lease. Such signs may be placed in such locations and shall be of such size and character as the Developer may determine. The Developer expressly reserves the right, but not the obligation, to develop additional private parking garages within the parking garage of the Building.

19.2. REPRESENTATION ON BOARD OF DIRECTORS; VOTING BY DEVELOPER. The Developer shall have the right to select and designate members of the Board of Directors of the Association, and to remove and replace any person or persons selected by the Developer as a member of the Board of Directors, as provided in the Articles of Incorporation and By-Laws. No representative of the Developer serving on the Board of Directors of the Association shall be required to disqualify herself or himself from voting on any contract or other matter between the Developer and the Association notwithstanding any pecuniary or other interest of the Developer. The Developer shall not be disqualified from voting on any matter which may come before the membership of the Association with respect to any contract or other matter between the Developer and the Association, notwithstanding any pecuniary or other interest of the Developer. Directors appointed by Developer shall not be required to be owners or residents of Units in the Condominium. At least a majority of the Board of Directors who are elected by the members of the Association shall be owners of Units in the Condominium or shall be authorized representatives, officers or employees of a corporation or other organization which is the owner of a Unit.

19.3. DISSOLUTION OR MERGER OF DEVELOPER. In the event of the dissolution of the Developer or its merger or consolidation into any other entity which survives the Developer, all rights of the Developer under this Declaration of Condominium or any other Condominium Document shall pass to and may be exercised by its successor or survivor.

19.4. ASSIGNABILITY OF THE DEVELOPER'S STATUS. The status, position and rights of the Developer under this Declaration of Condominium, the Articles of Incorporation and the By-Laws of the Association are freely assignable, in whole or in part, and any party to whom assigned shall be entitled to exercise all of the rights so assigned. The Developer shall have the right to appoint and designate a successor who shall succeed to the status, position and all of the rights and privileges of the Developer under this Declaration of Condominium by a written instrument identifying and designating such successor executed in recordable form and,

upon the recording of such instrument in the Public Records of Flagler County, Florida, the party named as successor shall succeed to all of the rights, privileges, exemptions and immunities of the Developer under this Declaration of Condominium.

19.5. ASSESSMENT FOR CAPITAL IMPROVEMENTS; ACTIONS DETRIMENTAL TO SALES. Notwithstanding any other provision of this Declaration of Condominium or any other Condominium Document, so long as the Developer holds a Unit or Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

19.5.1. Assessment of the Developer as a Unit Owner for capital improvements or capital additions; and

19.5.2. any action by the Association which would be detrimental to the sales of Units by the Developer, including such use of unsold Units and Common Elements and Association Property as may facilitate completion, sale, maintenance of a sales office, showing of the Property and display of signs; provided, an increase in Assessments for Common Expenses without discrimination against the Developer shall not be deemed detrimental to the sales of Units.

19.6. CHANGES IN UNITS. The Developer shall have the right, without the vote or consent of the Association or other Unit Owners, to (i) make alterations, additions or improvements in, to and upon Units owned by the Developer, whether structural or non-structural; and (ii) change the floor plan and lay-out of any Unit owned by the Developer; provided, however, that all material changes to the configuration or size of any Unit shall require the approval of members of the Association owning a majority of all of the Units in the Condominium. However, in no event shall any such alteration, improvement change or combination interfere with the structural support of any Unit or the Common Elements or Limited Common Elements or the provision of utility service to any Unit, the Common Elements or Limited Common Elements, although Common Elements contained in walls, floors and ceilings between Units being combined may be penetrated or eliminated. The combination of Units shall not affect the interest in Common Elements, the share of Common Expense and Common Surplus or the voting rights appurtenant to the combined Unit which shall be treated for all such purposes as separate Units. Subject to the provisions of this Declaration, any Units combined may subsequently, at the expense of the Unit Owners thereof, be separated into separate and "discreet" or "distinct" Units as originally set forth in the Condominium Plot Plan; upon the approval of members of the Association owning not less than fifty-one percent (51%) of the Units in the Condominium. All work done in accordance with the provisions of this Article shall be done in compliance with all applicable laws and governmental regulations. Notwithstanding the provisions of Section 6.3.8 to the contrary, Developer may not change the configuration or size of any condominium unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the owner of the Unit shares Common Expenses and owns the Common Surplus, unless the Developer complies with the provisions of Section 718.110(4) of the Condominium Act.

20. RIGHTS OF MORTGAGEES.

20.1. **RIGHTS TO INFORMATION.** Upon receipt by the Association from any Institutional First Mortgagee, guarantor or insurer of a copy of the mortgage held by such mortgagee, guarantor or insurer on a Unit, together with a written request from such mortgagee, or a guarantor or insurer of such mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such mortgagee, insurer or guarantor the following, and for which the Association may charge a reasonable fee:

20.1.1. a copy of a financial statement of the Association for the immediately preceding fiscal year;

20.1.2. written notice of the cancellation or termination by the Association of any policies of insurance covering the Condominium Property or the Association Property or any improvements thereon, or any fidelity bonds of the Association, except when the reason for the termination or cancellation of the insurance policy or bond is to change insurance companies or because the policy or bond is not needed or is not available;

20.1.3. written notice of any damage or destruction to the Common Elements, Limited Common Elements or Condominium Property or the Association property which affects a material portion of the Common Elements, Limited Common Elements or Condominium Property or the Association Property or the Unit securing its mortgage;

20.1.4. written notice of a condemnation or eminent domain proceeding affecting a material portion of the Condominium Property or the Unit securing its mortgage; and

20.1.5. written notice of failure by the Owner of a Unit encumbered by a first mortgage held by such institutional mortgagee, guarantor or insurer to pay any Assessments when such failure or delinquency has continued for a period of sixty (60) days or longer.

20.2. **FAILURE TO NOTIFY.** The failure of the Association to send any such notice to any such mortgagee, guarantor or insurer shall have no effect on any meeting, action or thing which was to have been the subject of such notice nor affect the validity thereof and shall not be the basis for liability on the part of the Association.

21. **ASSOCIATION AGREEMENTS.** The Association is authorized to enter into agreements to acquire leaseholds, memberships, and other possessory or use interest in lands or facilities such as country clubs, golf courses, marinas, and other facilities. Such interests need not be contiguous to the Property if they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners.

22. **VOTING.** Each Unit shall have one full indivisible vote in all matters.

23. **DISCLAIMER OF WARRANTIES.** The Developer hereby disclaims any and all express or implied warranties as to design, construction, sound transmission, furnishing and equipping of the Condominium Property, except only those set forth in Section 718.203 of the Condominium Act, to the extent applicable and to the extent that same have not expired by their terms. As to such warranties which cannot be disclaimed, and to other claims, if any, which can

be made as to the aforesaid matters, all incidental and consequential damages arising therefrom are hereby disclaimed. All Unit Owners, by virtue of acceptance of title to their respective units (whether from the Developer or another party) shall be deemed to have automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages.

24. COMMUNITY ASSOCIATION MEMBERSHIP AND OBLIGATIONS. The Condominium exists within Hammock Dunes, which is administered by the Master Association pursuant to the Master Declaration. Unit Owners are members of, subject to, and are required to pay assessments to the Master Association.

25. INDEMNIFICATION OF OFFICERS AND DIRECTORS. The Association shall indemnify its directors, officers and committee members and may indemnify its employees and agents, to the fullest extent permitted by law against any and all expenses or liabilities incurred in defending civil, criminal or administrative proceedings resulting from the performance or attempted performance in good faith of their offices on behalf of the Association or its members. Such indemnification shall include advancement of expenses prior to the final disposition of any such proceedings and amounts paid in settlement of such proceedings, and such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any document other than this Declaration of Condominium, by vote of the members or disinterested directors, or otherwise. This indemnification shall continue as to a person who has ceased to be a director, officer, committee member, employee or agent, and shall inure to the benefit of his or her heirs and personal representatives.

26. ACCESS MONITORING. The Association may maintain or support certain activities in the Condominium designed to make the Units and the Occupants safer than they otherwise might be. However, the Developer and the Association shall have no obligation to undertake, maintain or support such activities nor shall they and their respective predecessors, successors, employees, officers, directors, affiliates, contractors or agents be considered insurers or guarantors (collectively, the "Companies") of security in the Condominium or elsewhere within Hammock Dunes, nor be held liable for any loss or damage by reason of failure to provide adequate security or the ineffectiveness of any security measures undertaken. All Unit Owners and occupants of any Unit, and all guests and invitees of any Unit Owner or occupant, acknowledge that the Developer, the Association and the Companies do not represent or warrant that any fire protection system, burglar alarm system or other security system or device installed or employed may not be compromised or circumvented, that any such system will prevent loss by fire, smoke, burglary, theft, hold-up or otherwise, nor that any such system will in all cases provide the detection or protection for which the system is designed or intended. Unit Owners and occupants of any Unit and their guests and invitees are hereby put on notice of the provisions of this section and acknowledge by taking title or occupancy that the Developer, the Association and the Companies are not insurers and that each Unit Owner and occupant and his, her or its tenants, guests and invitees assume all risks for loss or damage to persons, Units and the contents of Units and property brought on the Condominium. The Developer, the Association and the Companies make no representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, with respect to any fire or burglar alarm system or other security system installed or employed in the Condominium.

27. SEVERABILITY AND NON-WAIVER. If any provision of this Declaration or its exhibits as now constituted or as later amended or any section, sentence, clause, phrase or word, or the application thereof in any circumstances is held invalid, the validity of the remainder and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

[Signatures appear on the following pages]

THIS DECLARATION OF CONDOMINIUM and exhibits hereto made and entered into this 15th day of August, 2005.

Developer hereby activates the guarantee in Section 10.1 above. ☒

WITNESSES:

(Sign) [Signature]
(Print) Jeffrey Maxwell

(Sign) [Signature]
(Print) Ann C. Poczko

WCI Communities, Inc., a Delaware corporation

By: [Signature]
Name: [Signature]
Title: AUTHORIZED REPRESENTATIVE
(Address) 24301 Walker Center Drive
Bonita Springs, FL 34134

STATE OF FLORIDA)

COUNTY OF LEE ST. JOHNS)

The foregoing instrument was acknowledged before me this 15th day of AUGUST, 2005, by TIMOTHY BYAL, as AUTHORIZED REPRESENTATIVE of WCI Communities, Inc., a Delaware corporation, on behalf of said corporation. He is personally known to me or has produced as identification.

(Notarial Seal)



G. Michele Corby
Commission #DD325827
Expires: Jun 03, 2008
Bonded Thru
Atlantic Bonding Co., Inc.

Name: [Signature]
Commission No. DD325827
Notary Public, State of FLORIDA

My Commission Expires:

JOINDER

CAMBRIA AT HAMMOCK DUNES CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation (the "Association"), hereby joins in and agrees to accept all of the benefits and duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration and Exhibits attached hereto.

IN WITNESS WHEREOF, the Association has caused these presents to be signed by its proper officer and its corporate seal to be affixed this 11 day of August, 2005.

Witnessed by:

Frank A. Mendola
Name: FRANK A. MENDOLA

Jeffrey W. Maxwell
Name: Jeffrey W. Maxwell

CAMBRIA AT HAMMOCK DUNES
CONDOMINIUM ASSOCIATION, INC., a
Florida not for profit corporation

By: *Timothy Byal*
Name: TIMOTHY BYAL
Title: PRESIDENT

Address: 24301 Walden Center Drive
Bonita Springs, FL 34134

STATE OF FLORIDA)
) ss:
COUNTY OF ST. JOHN)

The foregoing instrument was acknowledged before me this 11 day of AUGUST, 2005 by TIMOTHY BYAL, as PRESIDENT of CAMBRIA AT HAMMOCK DUNES CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, on behalf of the corporation. He she is personally known to me or has produced _____ as identification.

(Notarial Seal)



G. Michele Corby
Commission #DD325827
Expires: Jun 03, 2008
Bonded Thru
Atlantic Bonding Co., Inc.

Name: *G. Michele Corby*
Commission No.: DD325827
Notary Public, State of FL

My Commission Expires:

CONSENT OF MORTGAGEE

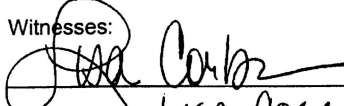
Regarding
 Recordation of the Declaration of Condominium of
 Cambria at Hammock Dunes, a Condominium

WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as Agent (the "Mortgagee") for the Banks is the holder of that certain Consolidated, Amended and Restated Mortgage and Security Agreement dated as of March 30, 2004, and recorded April 1, 2004 in Officials Records Book 1060, Page 903 of the Public Records of Flagler County, Florida; as assigned by that certain Assignment of Consolidated, Amended and Restated Mortgage and Security Agreement and Consolidated, Amended and Restated Collateral Assignment of Residence Purchase Agreements dated October 1, 2004, recorded on December 28, 2004 in Officials Records Book 1184, Page 177 of the Public Records of Flagler County, Florida; and as further modified by that certain Mortgage Modification and Spreader Agreement dated December 31, 2004 and recorded February 11, 2005 in Officials Records Book 1203, Page 48 of the Public Records of Flagler County, Florida (the "Mortgage"), which Mortgage constitutes a lien and encumbrance upon the real property described in the within and foregoing Declaration of Condominium of Cambria at Hammock Dunes, a Condominium (the "Declaration"), hereby consents to Developer, WCI Communities, Inc., a Delaware corporation, subjecting the real property described in the Declaration to the provisions of the Declaration and agrees that the lien and encumbrance of the Mortgage shall be subordinate to the Declaration.

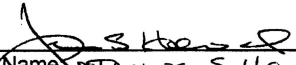
Notwithstanding the execution of this consent, nothing herein shall be construed to render the Mortgagee responsible or liable for the performance of any of the covenants or undertakings of the Developer under the Declaration nor shall this consent affect the priority of the Mortgage lien or interest of the Mortgagee.

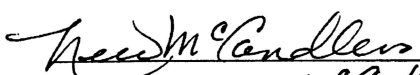
Dated this 29th day of June, 2005.

Witnesses:


 Printed Name: LISA CORBIN

WACHOVIA BANK, NATIONAL ASSOCIATION,
 a national banking association, As Agent

By: 
 Print Name: JAMES S. HOWARD
 Title: SE. VICE PRES


 Printed Name: Nellie McCandless

Address: 5801 Pelican Bay Boulevard
 Naples, Florida 34108

STATE OF Florida
COUNTY OF Collier

The foregoing instrument was acknowledged before me this 24th day of June, 2005 by James S. Howard, as Sr. Vice Pres. of Wachovia Bank, National Association on behalf of said Wachovia Bank, National Association who is personally known to me or who produced _____ as identification.

(Notarial Seal)

My Commission Expires:

Nellie V. McCandless
Notary Public
Nellie V. McCandless
Printed Name of Notary Public

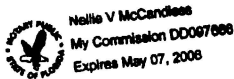


EXHIBIT "A"**LEGAL DESCRIPTION :**

PARCEL A, CAMBRIA AT HAMMOCK DUNES AS RECORDED IN MAP BOOK _____, PAGES _____ OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 3, TOWNSHIP 11 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AS A POINT OF REFERENCE; THENCE N00°37'32"W ALONG THE WEST LINE OF SAID SECTION 3, FOR A DISTANCE OF 399.12 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF CAMINO DEL SOL (A 64.00 FOOT WIDE PRIVATE RIGHT-OF-WAY PER THE PLAT OF HAMMOCK DUNES PHASE 1, AS RECORDED IN MAP BOOK 30, PAGES 76 THROUGH 86, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA) SAID POINT BEING ON A NON-TANGENT CURVE; THENCE DEPARTING SAID WEST LINE OF SECTION 3, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 510.00 FEET, A CENTRAL ANGLE OF 55°13'45", AN ARC LENGTH OF 491.60 FEET, A CHORD BEARING N80°12'20"E AND A CHORD DISTANCE OF 472.79 FEET; THENCE DEPARTING SAID CURVE AND SAID NORTHERLY RIGHT-OF-WAY LINE N17°49'12"E FOR A DISTANCE OF 406.82 FEET; THENCE N19°54'19"W FOR A DISTANCE OF 172.25 FEET; THENCE N69°28'43"E FOR A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE N19°54'19"W FOR A DISTANCE OF 56.29 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING AN ARC DISTANCE OF 54.51 FEET, A RADIUS OF 138.00 FEET, A CENTRAL ANGLE OF 22°38'00", A CHORD BEARING OF N08°35'19"W AND A CHORD DISTANCE OF 54.16 FEET TO A POINT OF TANGENCY; THENCE N02°43'41"E FOR A DISTANCE OF 51.26 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING AN ARC DISTANCE OF 79.10 FEET, A RADIUS OF 135.00 FEET, A CENTRAL ANGLE OF 33°34'14", A CHORD BEARING OF N14°03'25"W AND A CHORD DISTANCE OF 77.10 FEET TO A POINT OF TANGENCY; THENCE N30°50'32"W FOR A DISTANCE OF 92.20 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT, SAID POINT ALSO BEING THE NORTHEAST CORNER OF VISCAYA PHASE 1, AS RECORDED IN MAP BOOK 30, PAGES 58 THROUGH 60, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE ALSO BEING THE EASTERLY RIGHT-OF-WAY LINE OF AVENUE DE LA MER (A 60 FOOT WIDE RIGHT-OF-WAY), HAVING A RADIUS OF 770.00 FEET, A CENTRAL ANGLE OF 05°01'47", AN ARC LENGTH OF 67.60 FEET, A CHORD BEARING OF N28°19'32"W AND A CHORD DISTANCE OF 67.57 FEET; THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE, N64°29'12"E FOR A DISTANCE OF 130.53 FEET; THENCE N82°03'36"E FOR A DISTANCE OF 21.25 FEET; THENCE N67°43'07"E, (PASSING AT A DISTANCE OF 127.90 FEET, A POINT ON THE COASTAL CONSTRUCTION CONTROL LINE AS RECORDED IN MAP BOOK 28, PAGES 5 THROUGH 12) IN ALL, A DISTANCE OF 181.22 FEET; THENCE S18°22'53"E FOR A DISTANCE OF 322.04 FEET; THENCE S18°53'12"E FOR A DISTANCE OF 82.02 FEET; THENCE S69°28'43"W, (PASSING AT A DISTANCE OF 42.45 FEET A POINT ON SAID COASTAL CONSTRUCTION CONTROL LINE) IN ALL, A DISTANCE OF 392.72 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINING 2.91 ACRES, MORE OR LESS.

F:\JDB-DOC\12002\T2142WC-A Lower II - NO\LEGAL DESCRIPTION Parcel A Condominium.doc

CAMBRIA at HAMMOCK DUNES,

A CONDOMINIUM

SITUATED IN PALM COAST
FLAGLER COUNTY, FLORIDA

CONDOMINIUM LEGAL DESCRIPTION



LB #2232

TOMOKA ENGINEERING

CIVIL ENGINEERING & LAND SURVEYING SINCE 1976

DAYTONA BEACH

FLAGLER/PALM COAST

Main Office: 900 So. Ridgewood Ave., Daytona Beach, FL 32114

Phone: 386-257-1600

Fax: 386-257-1601

email: tomoka@tomoka-eng.com

website: www.tomoka-eng.com

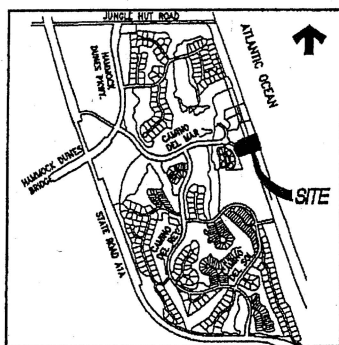
DATE ISSUED: 07/15/2003

JOB # T2142WC-A

Exhibit "A"

SCHEDULE

SHEET NUMBER	CONTENTS	SHEET NUMBER	CONTENTS
1.	SCHEDULE/VICINITY MAP/CERTIFICATION	17.	2ND FLOOR - UNIT #06
2.	SURVEYOR'S NOTES / LEGEND	18.	3RD - 10TH FLOOR LEVELS - TYPICAL UNIT 01
3.	CONDOMINIUM - SITE PLAN	19.	3RD - 10TH FLOOR LEVELS - TYPICAL UNIT 02
4.	FLOOR PLAN	20.	3RD - 10TH FLOOR LEVELS - TYPICAL UNIT 03
5.	NOTES, FLOOR ELEVATIONS, LEGEND AND ABBREVIATIONS	21.	3RD - 10TH FLOOR LEVELS - TYPICAL UNIT 04
6.	GARAGE LEVEL	22.	3RD - 10TH FLOOR LEVELS - TYPICAL UNIT 05
7.	LOBBY/LANAI LEVEL FLOOR PLAN	23.	3RD - 10TH FLOOR LEVELS - TYPICAL UNIT 06
8.	LANAI LEVEL - UNIT 101	24.	PENTHOUSE LEVEL - PENTHOUSE UNIT 1 WITH TERRACE
9.	LANAI LEVEL - UNIT 102	25.	PENTHOUSE LEVEL - PENTHOUSE UNIT 1
10.	LANAI LEVEL - UNIT 105	26.	PENTHOUSE LEVEL - PENTHOUSE UNIT 2 WITH TERRACE
11.	LANAI LEVEL - UNIT 106	27.	PENTHOUSE LEVEL - PENTHOUSE UNIT 2
12.	2ND FLOOR - UNIT 201	28.	ROOF LEVEL
13.	2ND FLOOR - UNIT 202	29.	ELEVATION - WEST (FRONT)
14.	2ND FLOOR - UNIT 203	30.	ELEVATION - EAST (REAR)
15.	2ND FLOOR - UNIT 204	31.	ELEVATION - NORTH
16.	2ND FLOOR - UNIT 205	32.	ELEVATION - SOUTH



VICINITY MAP - NOT TO SCALE



CIVIL ENGINEERING & LAND SURVEYING SINCE 1976
DAYTONA BEACH FLAGLER/PALM COAST
 Main Office: 1410 LPGA Blvd., Suite 148, Daytona Beach, FL 32117
 Phone: 386-274-1600 Fax: 386-274-1602
 e-mail: tomoko@tomoko-inc.com website: www.tomoko@tomoko-inc.com

CERTIFICATE OF SURVEYOR

I HEREBY CERTIFY THAT THE ATTACHED SHEETS 1 THROUGH 32, INCLUSIVE, WHICH COMPRISE THIS EXHIBIT "B", IS A CORRECT REPRESENTATION OF THE IMPROVEMENTS DESCRIBED HEREIN INCLUDING THE COMMON ELEMENTS AT THE CONDOMINIUM UNITS, AND THAT THE CONSTRUCTION OF THE IMPROVEMENTS IS CONSIDERED TO BE NEARLY COMPLETE. I HEREBY CERTIFY THAT THE LOCATION AND DIMENSIONS OF THE CONDOMINIUM FOR CAMBER AT HAMMOCK DUNES, A CONDOMINIUM, 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 AND OF EACH UNIT WITHIN THE CONDOMINIUM CAN BE DETERMINED FROM THESE MATERIALS.

I HEREBY CERTIFY THAT THIS CONDOMINIUM BOUNDARY HAS BEEN PREPARED IN ACCORDANCE WITH THE MINIMUM TECHNICAL STANDARDS AS SET FORTH IN FLORIDA ADMINISTRATIVE CODE RULE 61G17-6, PURSUANT TO CHAPTER 718.104(a), FLORIDA STATUTES, AND FIND THAT THERE ARE NO EASEMENTS, ENCRoACHMENTS, OR USES AFFECTING THIS PROPERTY, THAT I HAVE KNOWLEDGE OF OTHER THAN THOSE SHOWN AND DEPICTED THEREON.

TOMOKA ENGINEERING

PETER G. JOHNSON,
FLA. PROFESSIONAL SURVEYOR/MAPPER #1913

JOB # T2142WCI-A

SHEET 1 OF 32 SHEETS

SURVEYOR'S NOTES:

1. BASIS OF BEARINGS: THE SOUTH LINE OF SECTION 3, TOWNSHIP 11 SOUTH, RANGE 31 EAST, BEING N89°02'48"E.
2. THIS SITE LIES WITHIN "ZONES 'B' & 'C' " AS SHOWN ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S FLOOD INSURANCE RATE MAP. COMMUNITY PANEL NUMBER 120085-0045-B, DATED FEBRUARY 5, 1986.
3. COORDINATES SHOWN ARE REFERENCED TO THE EAST ZONE OF THE FLORIDA STATE PLANE COORDINATE SYSTEM (NAD1927) BASED ON THE PALM COAST PRIMARY CONTROL TRAVERSE MONUMENTS (L-MONUMENTS) SET BY B.R. WATILES, LS #1443. SAID PRIMARY CONTROL TRAVERSE WAS BASED ON THE U.S. COAST & GEODETIC SURVEY (USCGS) MONUMENTS AND WAS REPORTED TO HAVE A PRECISION RATIO OF 1:25,000 TO 1:100,000.
4. ELEVATIONS SHOWN ARE REFERENCED TO THE NATIONAL GEODETIC VERTICAL DATUM, 1929 (NGVD29) PER MEASUREMENT FROM THE NATIONAL GEODETIC SURVEY. BENCHMARK: COASTAL CONSTRUCTION LINE MONUMENT A-20, ELEVATION = 22.96 FEET, NGVD29.

LEGEND/ABBREVIATIONS

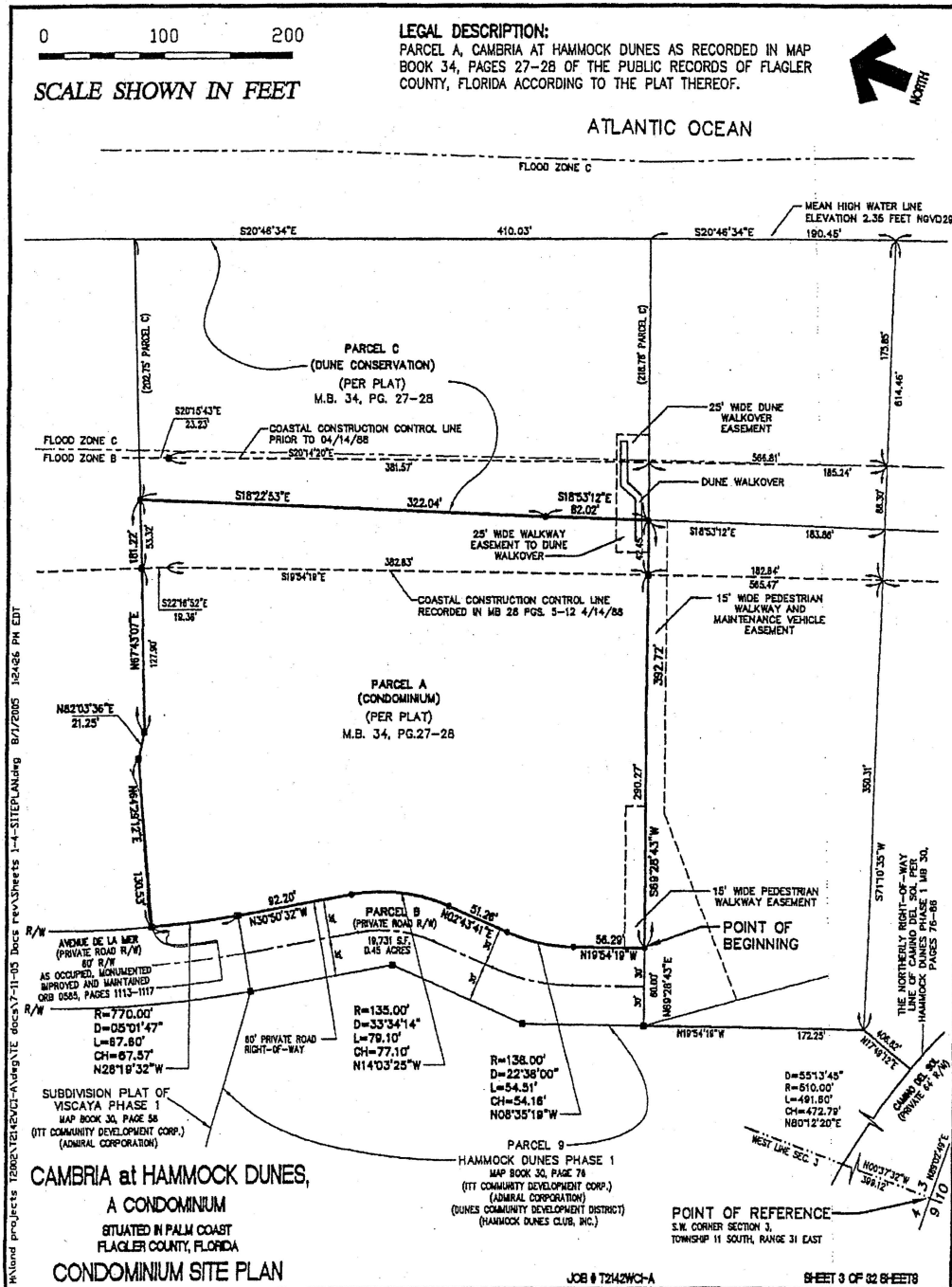
N= NORTH	PE = REGISTERED ENGINEER	WD= WOOD
S= SOUTH	RLS= REGISTERED LAND SURVEYOR	CLF= CHAIN LINK FENCE
W= WEST	LB= LAND SURVEYING BUSINESS	
E= EAST	PRM= PERMANENT REFERENCE MONUMENT	
C= CURVE	PCP= PERMANENT CONTROL POINT	
D= DELTA	PC= POINT OF CURVE	
R= RADIUS	PT= POINT OF TANGENCY	
L= LENGTH	PI= POINT OF INTERSECTION	
CH= CHORD	MB= PLATBOOK	
TB= TANGENT BEARING	PG= PAGE	
CHB= CHORD BEARING	DB= DEED BOOK	
S/SECT= SECTION	ORB= OFFICIAL RECORD BOOK	
R/RNG= RANGE	FD= FOUND	
T/THP= TOWNSHIP	(R)= RECORD	CCOL = COASTAL CONSERVATION CONTROL LINE
CB= CONCRETE BLOCK	(F)= FIELD MEASURED	
CONC= CONCRETE	* = NOT SUPPORTED BY FIELD MEASUREMENT	
'= DEGREES	(Co)= CALCULATED DATA	
"= MINUTES	(NR)= NON-RADIAL	A/C= AIR CONDITIONER UNIT
"= SECONDS	PU&D= PUBLIC UTILITY AND DRAINAGE	
PERP= PERPENDICULAR	CS= CONCRETE SLAB	CONCRETE LIGHT POLE
R/W = RIGHT OF WAY	POB= POINT OF BEGINNING	GUARD RAIL
○ IRON PIPE FD	POC= POINT OF COMMENCEMENT	FENCE (TYPE)
○ REBAR/IRON ROD FD	○ UTILITY POLE (WOOD)	OU= OVERHEAD UTILITY
⊙ NAIL FD	⊙ UTILITY POLE (CONC)	UE= UNDERGROUND ELECTRIC
⊙ CONCRETE MONUMENT FOUND	→ GUY WIRE	
● SET REBAR/CAP #2642	⊕ BENCH MARK	G= GAS LINE
⊙ SET NAIL/DISK #2642	☆ LIGHT POLE	W= WATER LINE
X CHISEL CUT	⌋ FIRE HYDRANT	FM= FORCED MAIN
■ SET CONCRETE MONUMENT #2642	⑦ MANHOLE (? TYPE)	UT= UNDERGROUND TELEPHONE
⌈ PROPERTY LINE	S SANITARY SEWER	D= DRAINPIPE
⌋ CENTER LINE	D STORM DRAINAGE	
⚡ WETLAND LIMITS	E ELECTRIC	
△ FLAG	T TELEPHONE	X ^{0.2} EXISTING ELEVATION

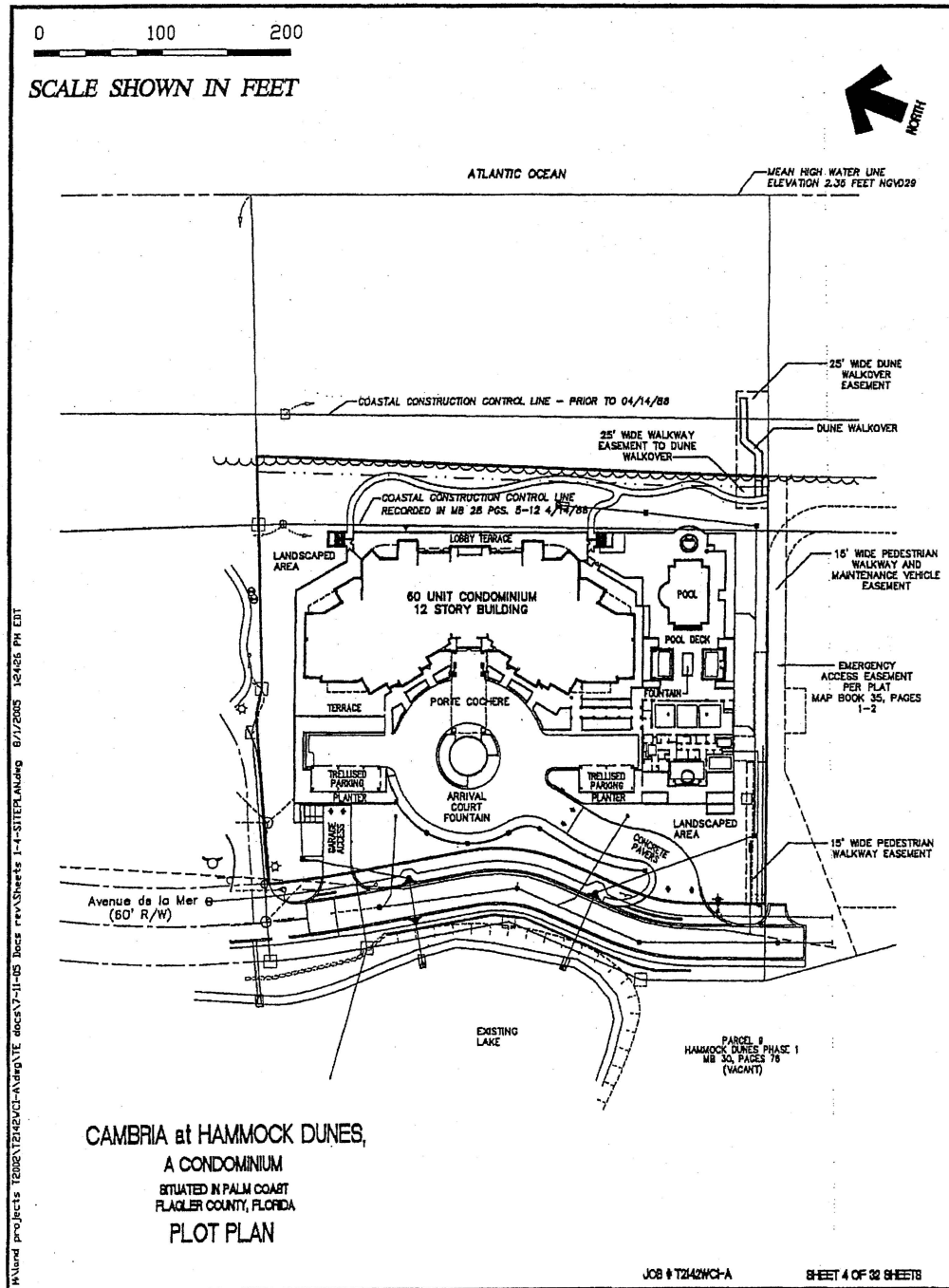
CAMBRIA at HAMMOCK DUNES,

A CONDOMINIUM

SITUATED IN PALM COAST
FLAGLER COUNTY, FLORIDA

SURVEYOR'S NOTES - LEGEND





NOTES:

C.E. = INDICATES COMMON ELEMENT

L.C.E. INDICATES LIMITED COMMON ELEMENT

UNIT BOUNDARIES - ARE DESCRIBED IN THE DECLARATION OF CONDOMINIUM.

USE IS RESIDENTIAL

ALL AREAS NOT DESCRIBED AS UNITS OR LIMITED COMMON ELEMENTS ARE COMMON ELEMENTS.

LEGEND AND ABBREVIATIONS:



STRUCTURAL COLUMN - C.E.



MASONRY WALL - C.E.



NON-STRUCTURAL WALL



DOOR & WINDOW AREAS

T.C.

TRASH CHUTE - C.E.

ELEC.

ELECTRICAL AREA - C.E.

A/C

AIR CONDITIONING AREA

PH

PENTHOUSE

FLOOR ELEVATIONS:

GARAGE LEVEL	ELEV. = 11.50
LANAI / LOBBY	ELEV. = 23.17
2ND TYPICAL FLOOR	ELEV. = 37.83
3RD TYPICAL FLOOR	ELEV. = 47.42
4TH TYPICAL FLOOR	ELEV. = 57.17
5TH TYPICAL FLOOR	ELEV. = 66.83
6TH TYPICAL FLOOR	ELEV. = 76.50
7TH TYPICAL FLOOR	ELEV. = 86.17
8TH TYPICAL FLOOR	ELEV. = 95.83
9TH TYPICAL FLOOR	ELEV. = 105.50
10TH TYPICAL FLOOR	ELEV. = 115.17
PENTHOUSE	ELEV. = 125.83
MAIN ROOF	ELEV. = 135.67

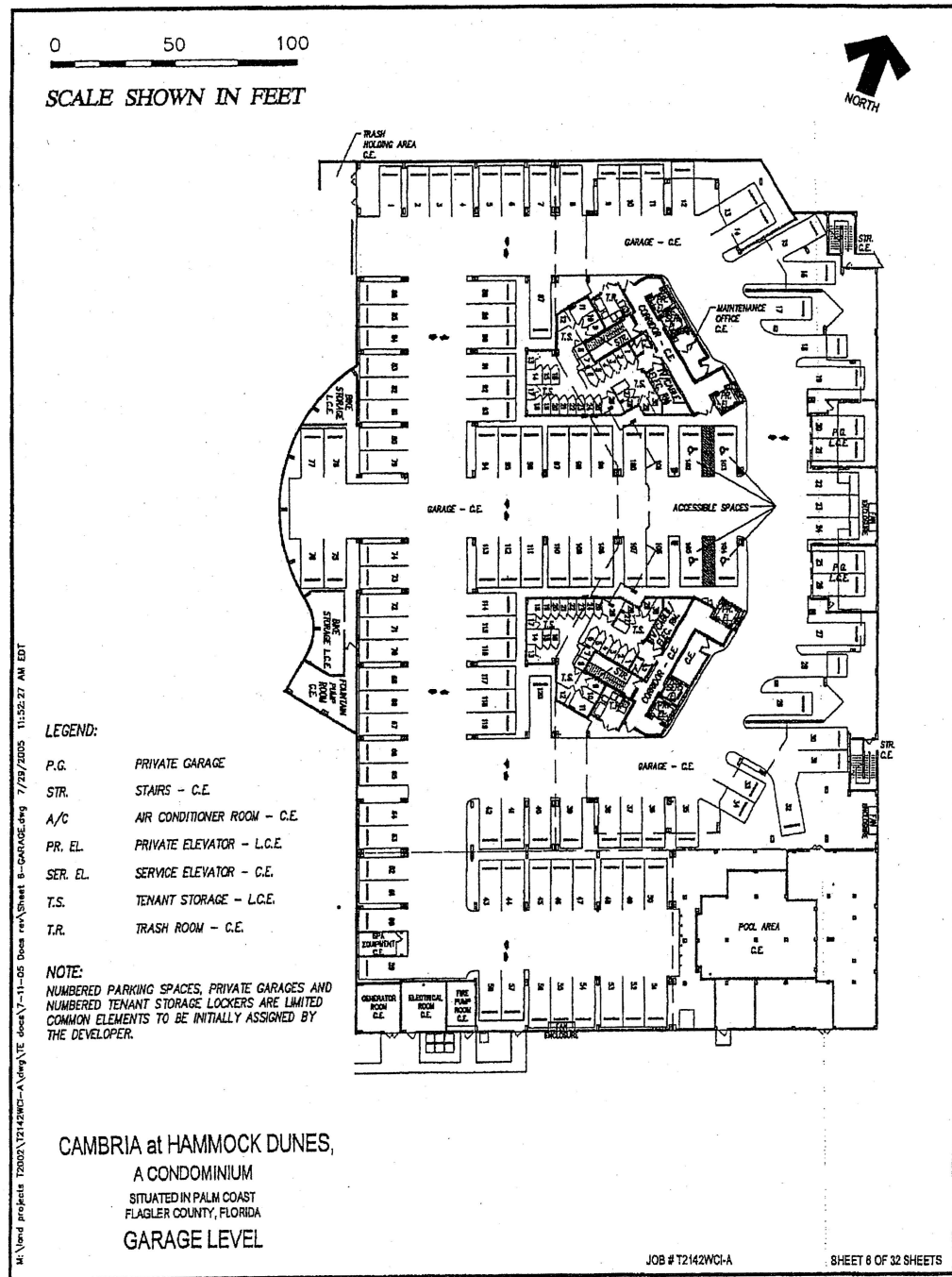
CAMBRIA at HAMMOCK DUNES,
A CONDOMINIUMSITUATED IN PALM COAST
FLAGLER COUNTY, FLORIDA

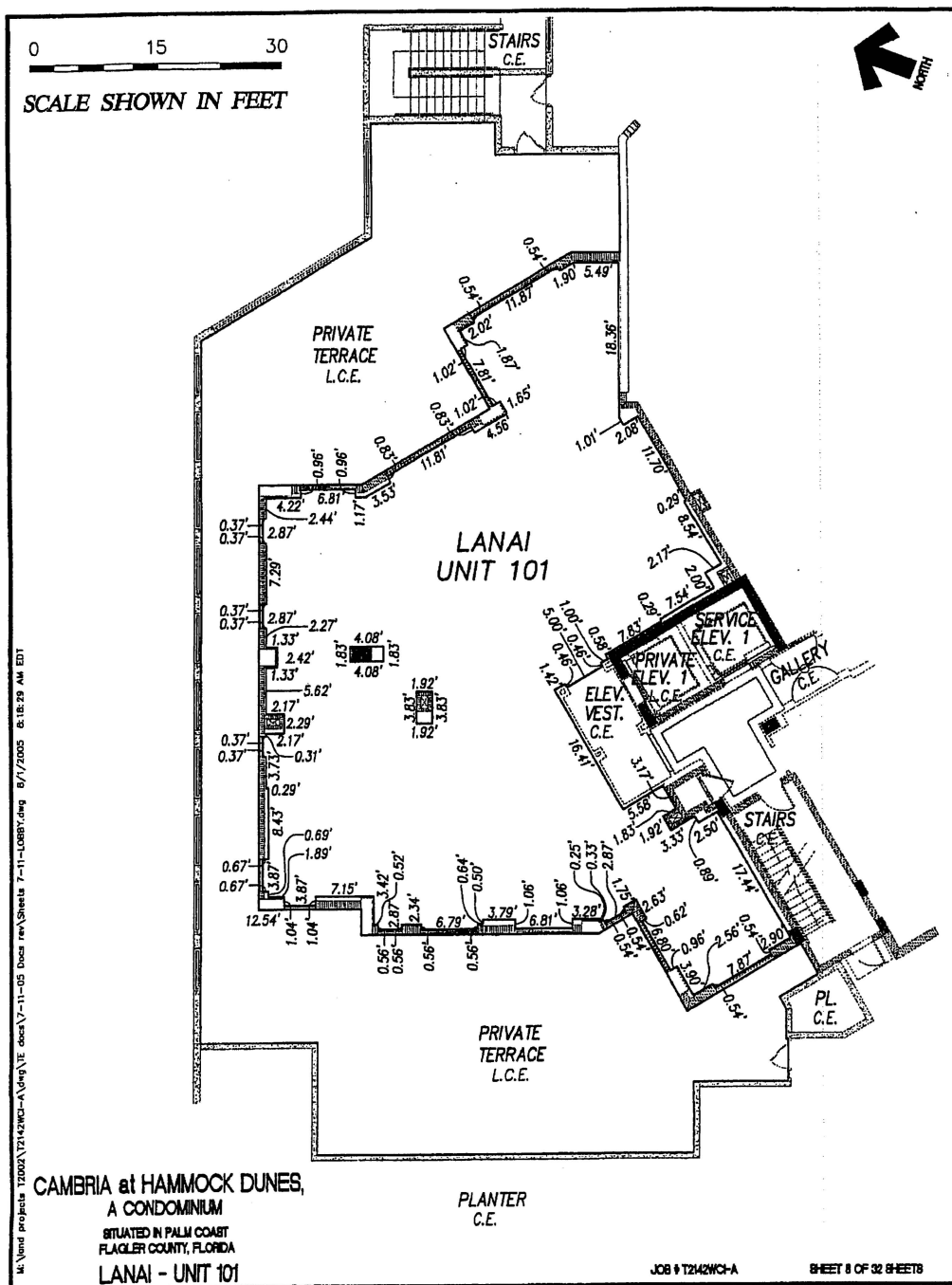
NOTES, FLOOR ELEVATIONS, LEGEND/ABBREVIATIONS

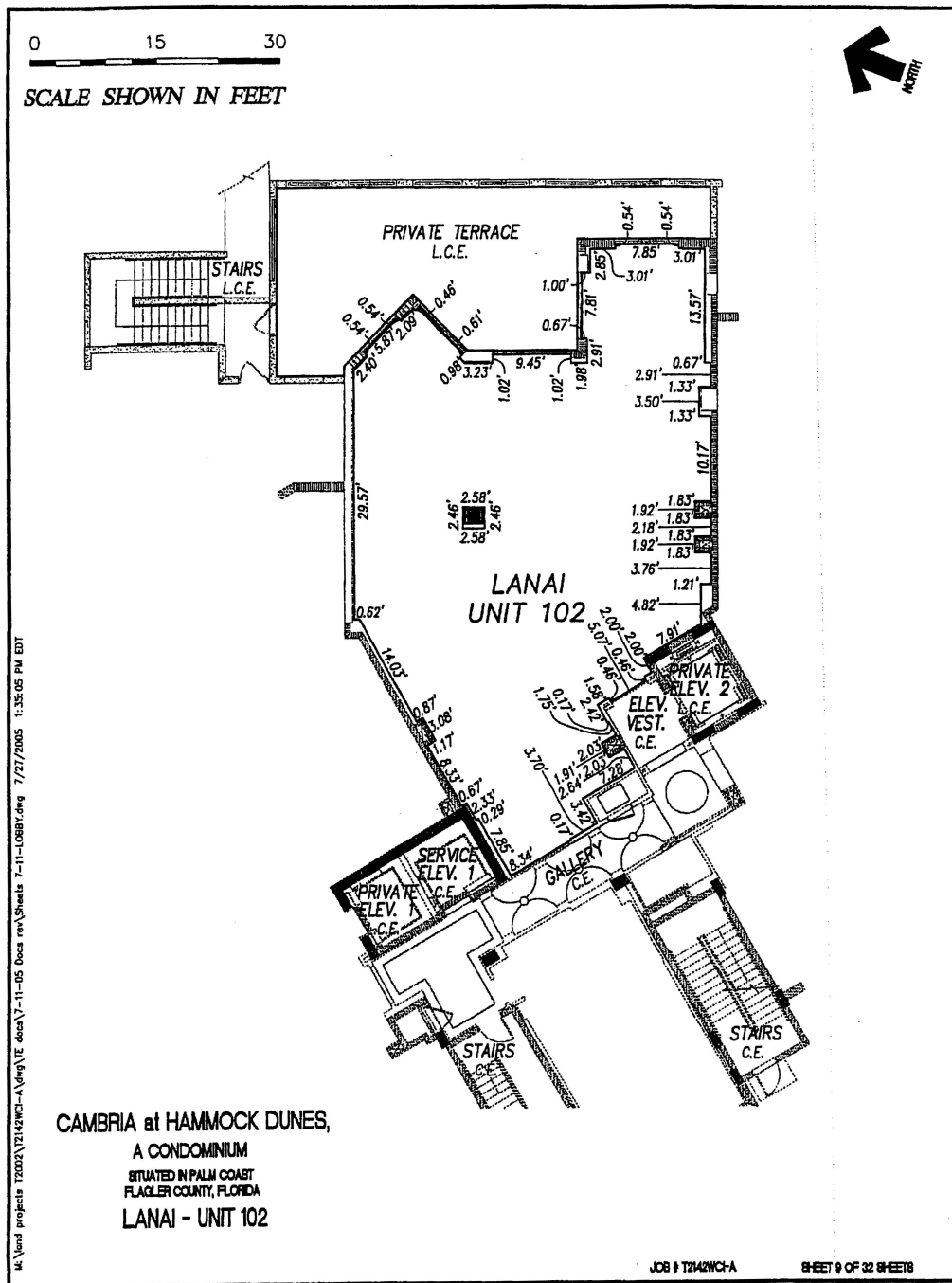
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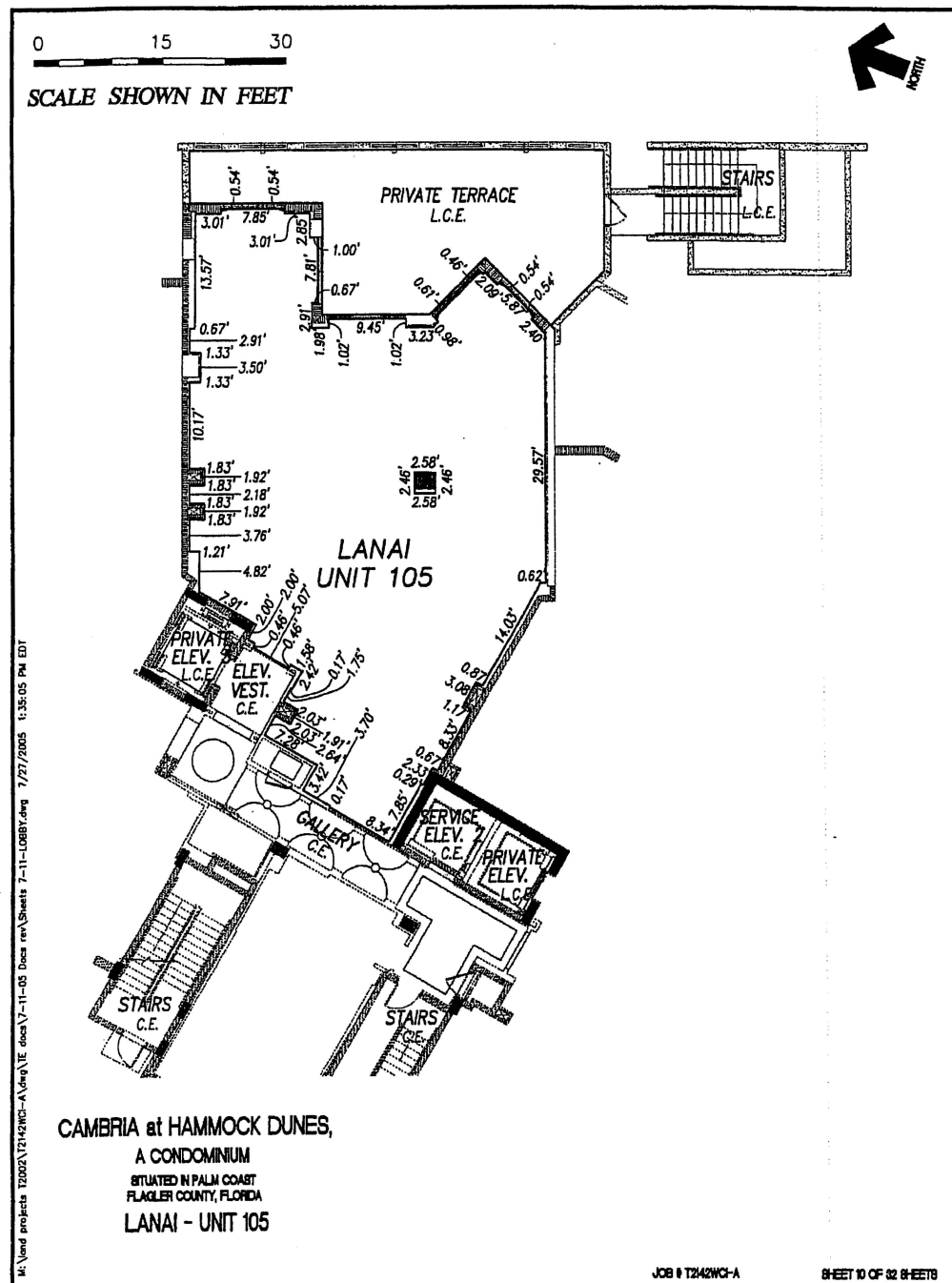
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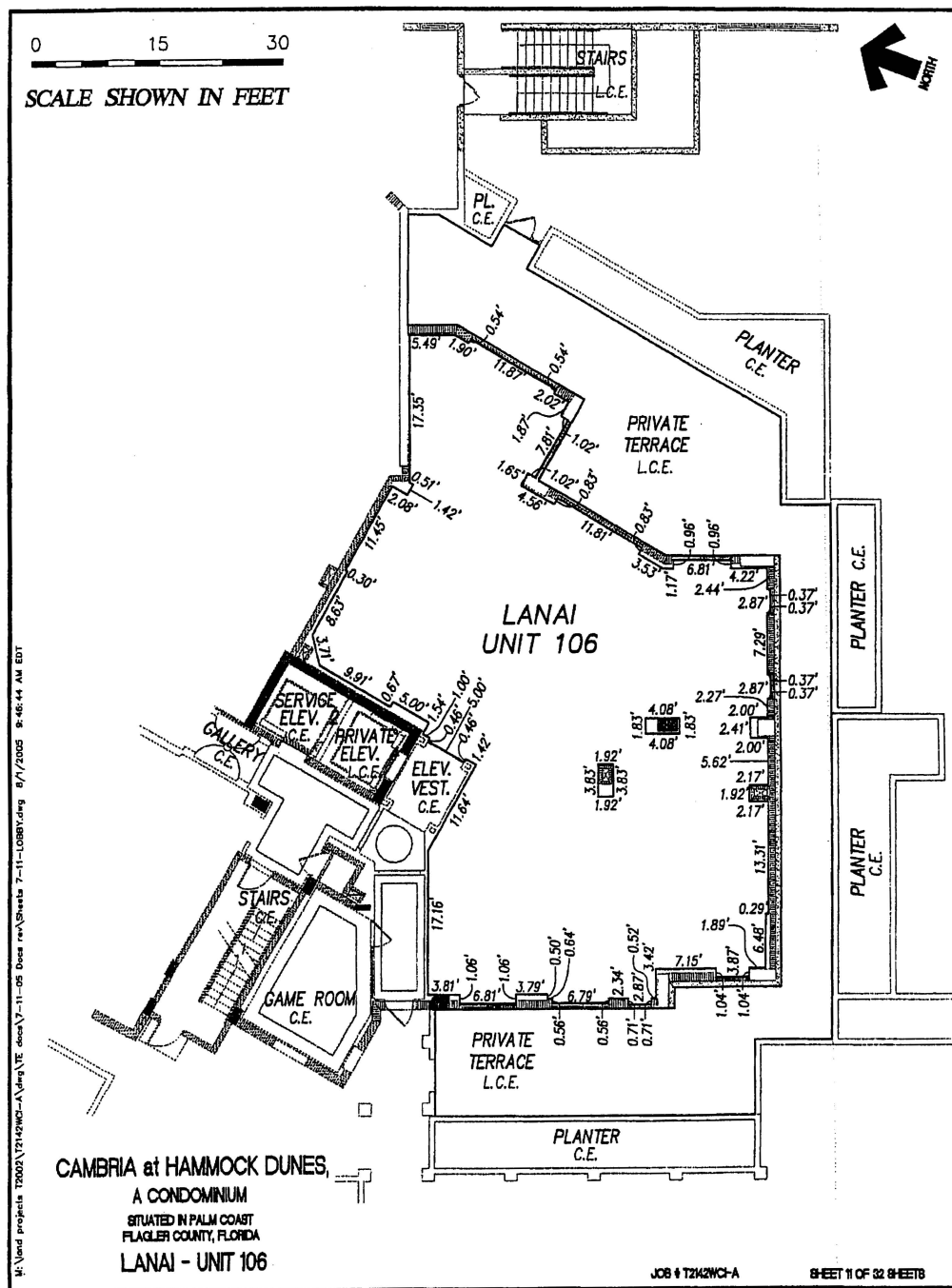
SHEET 5 OF 32 SHEETS

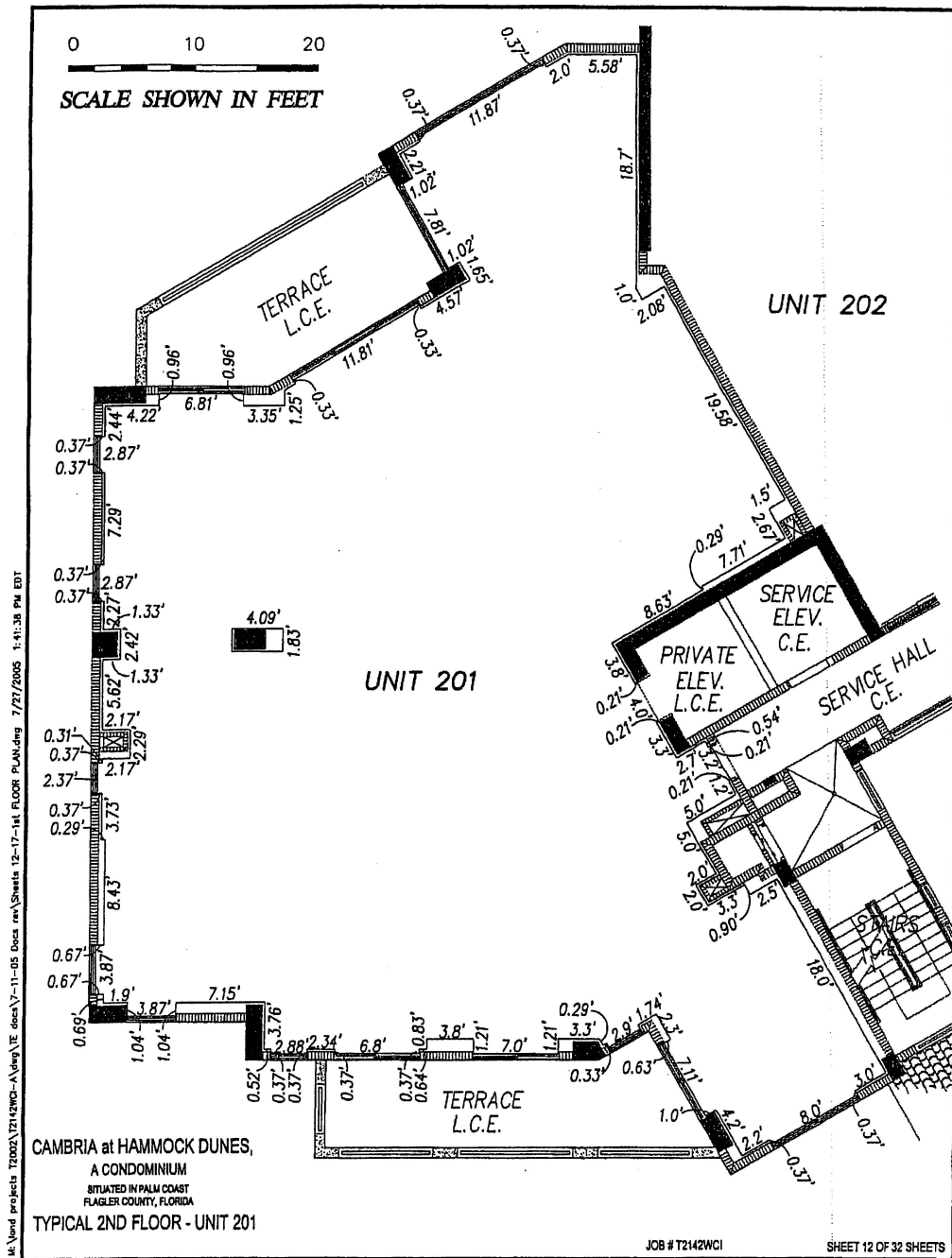


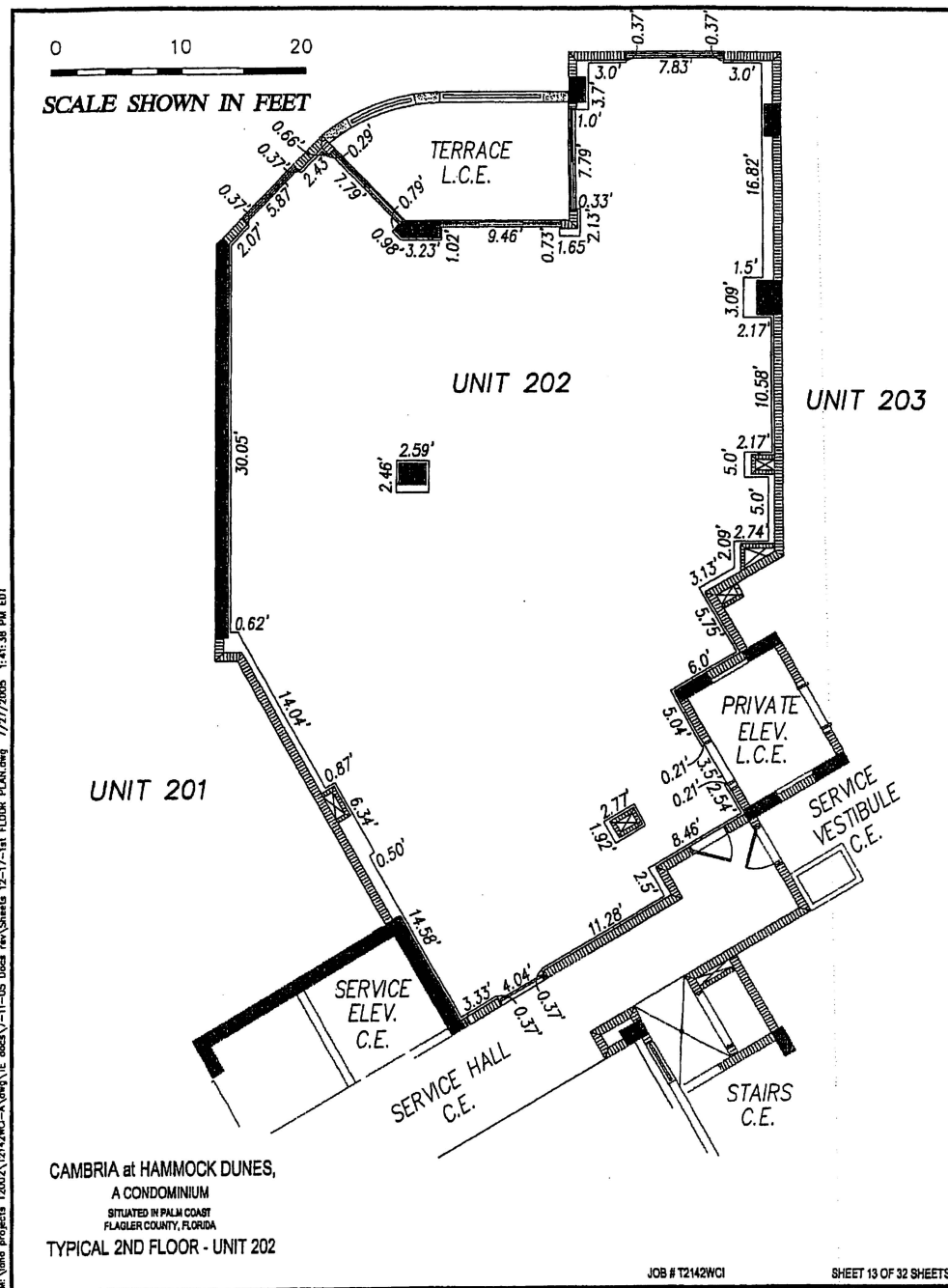


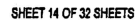


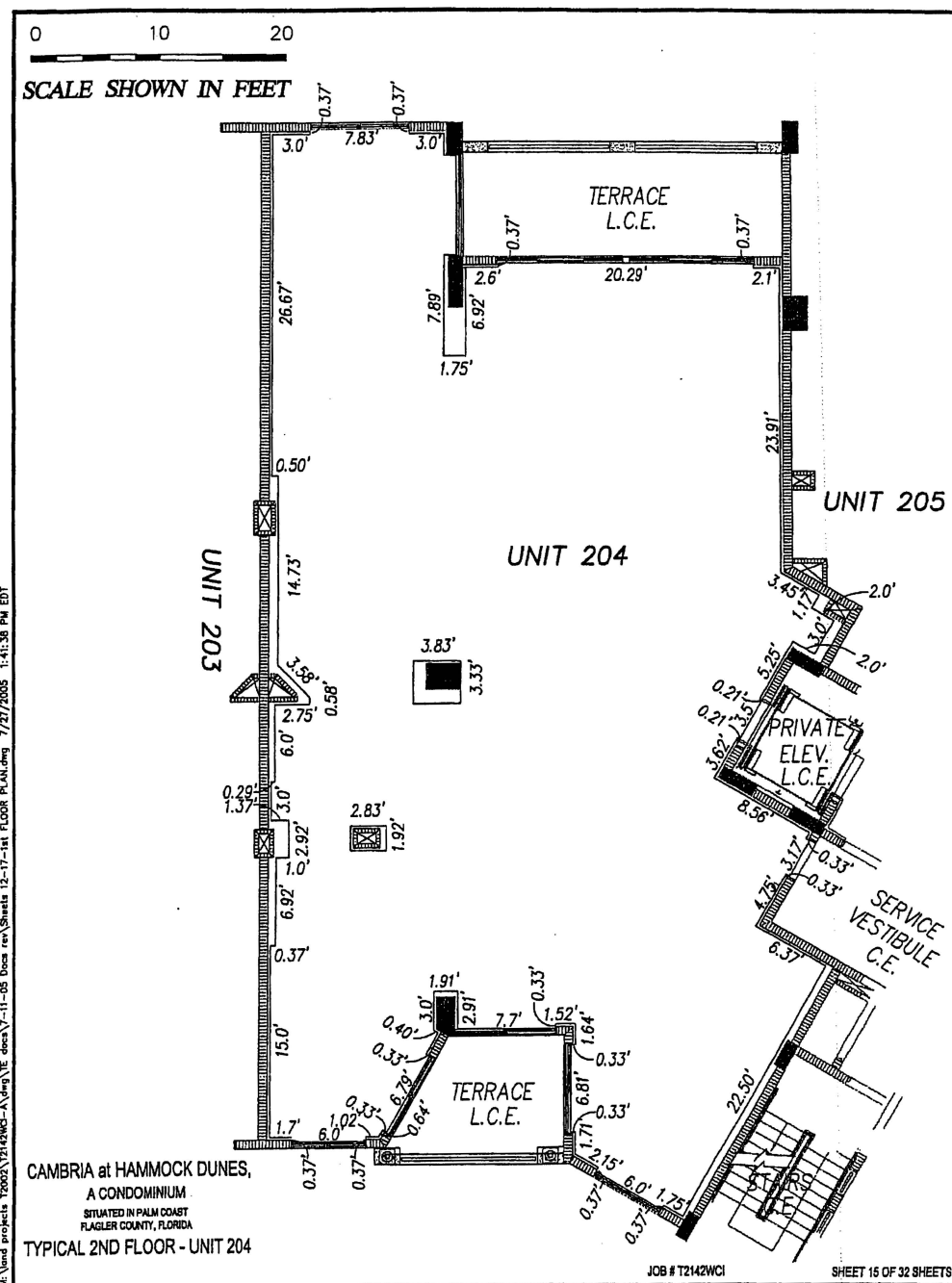


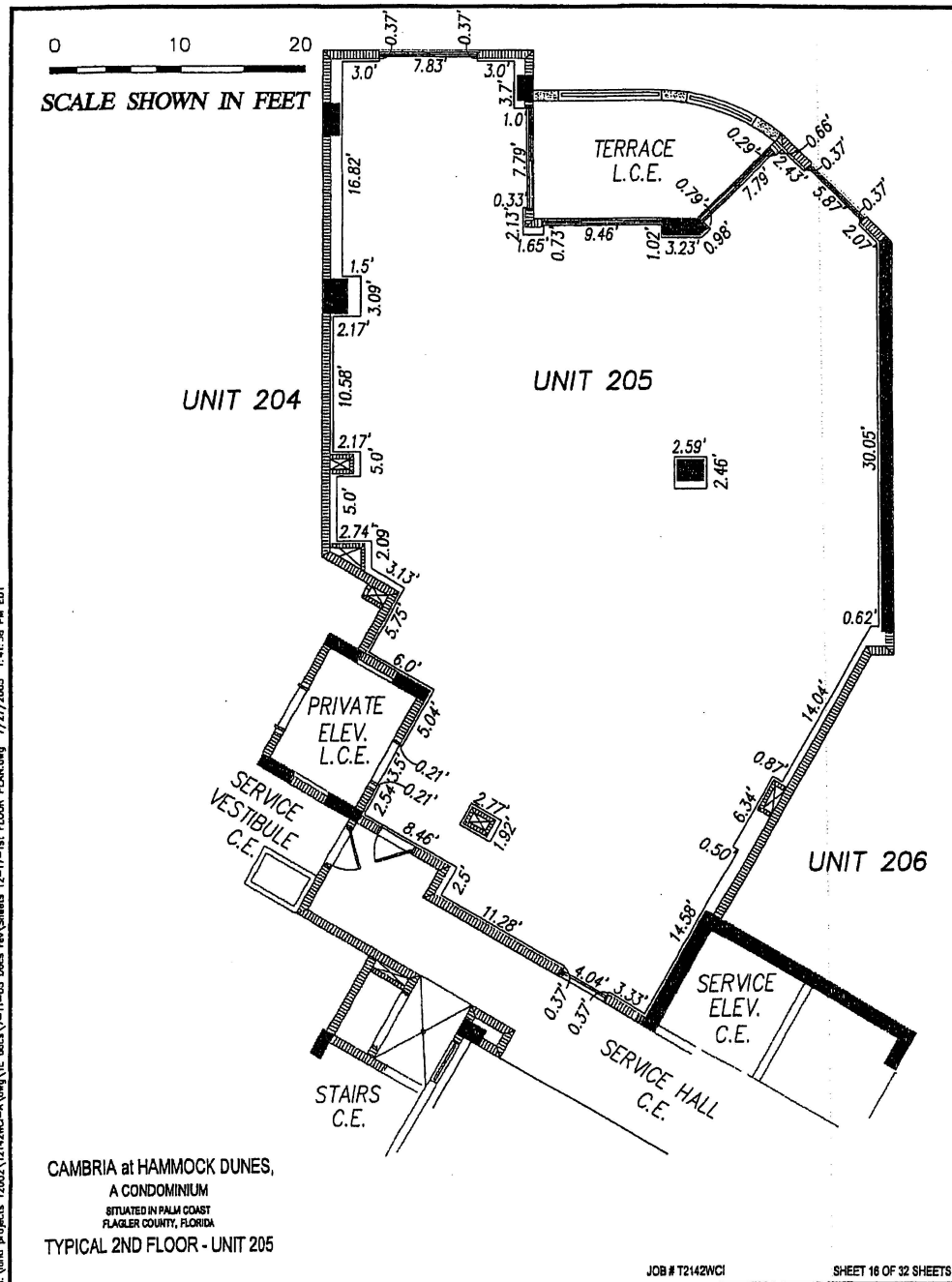


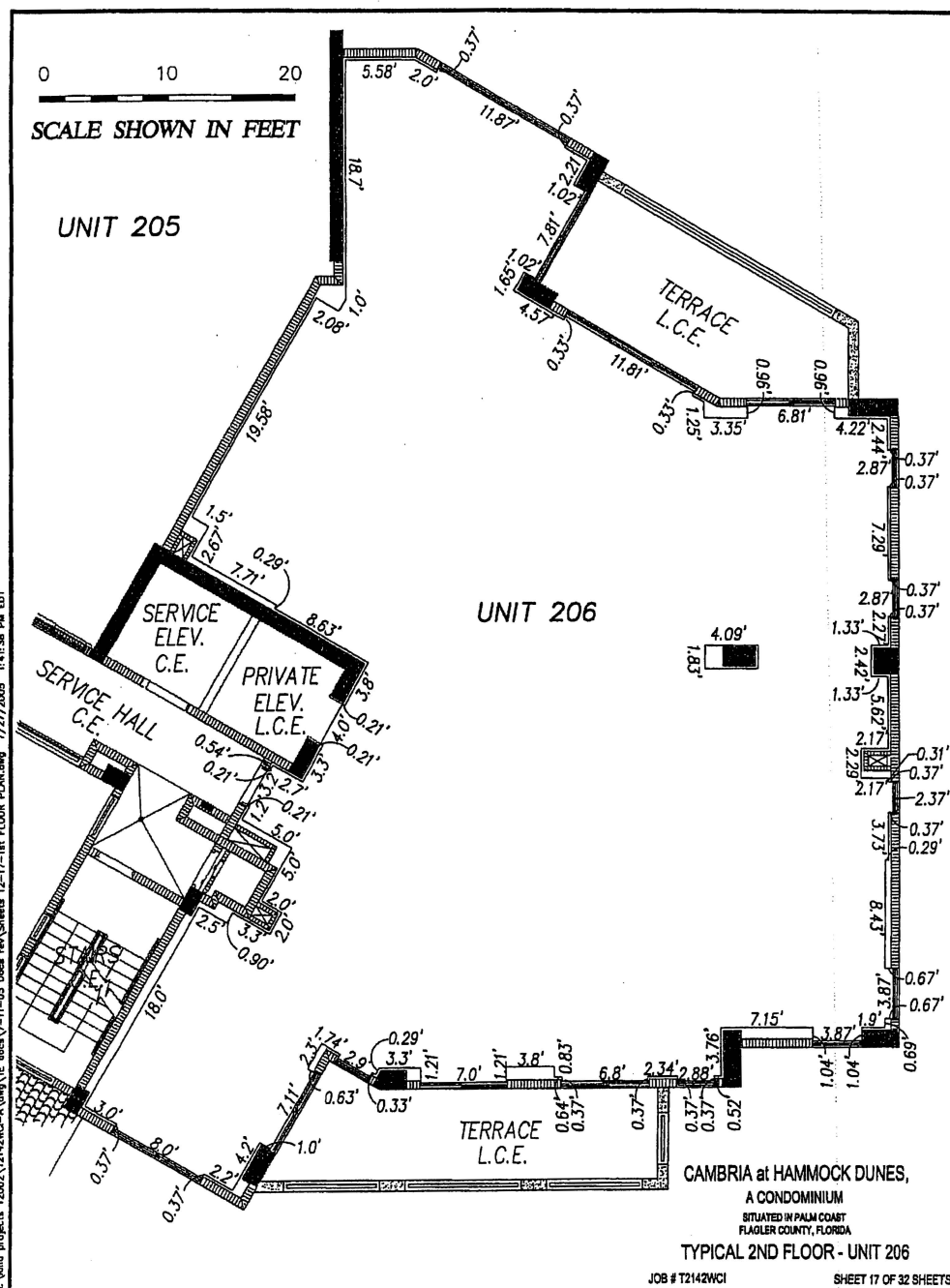


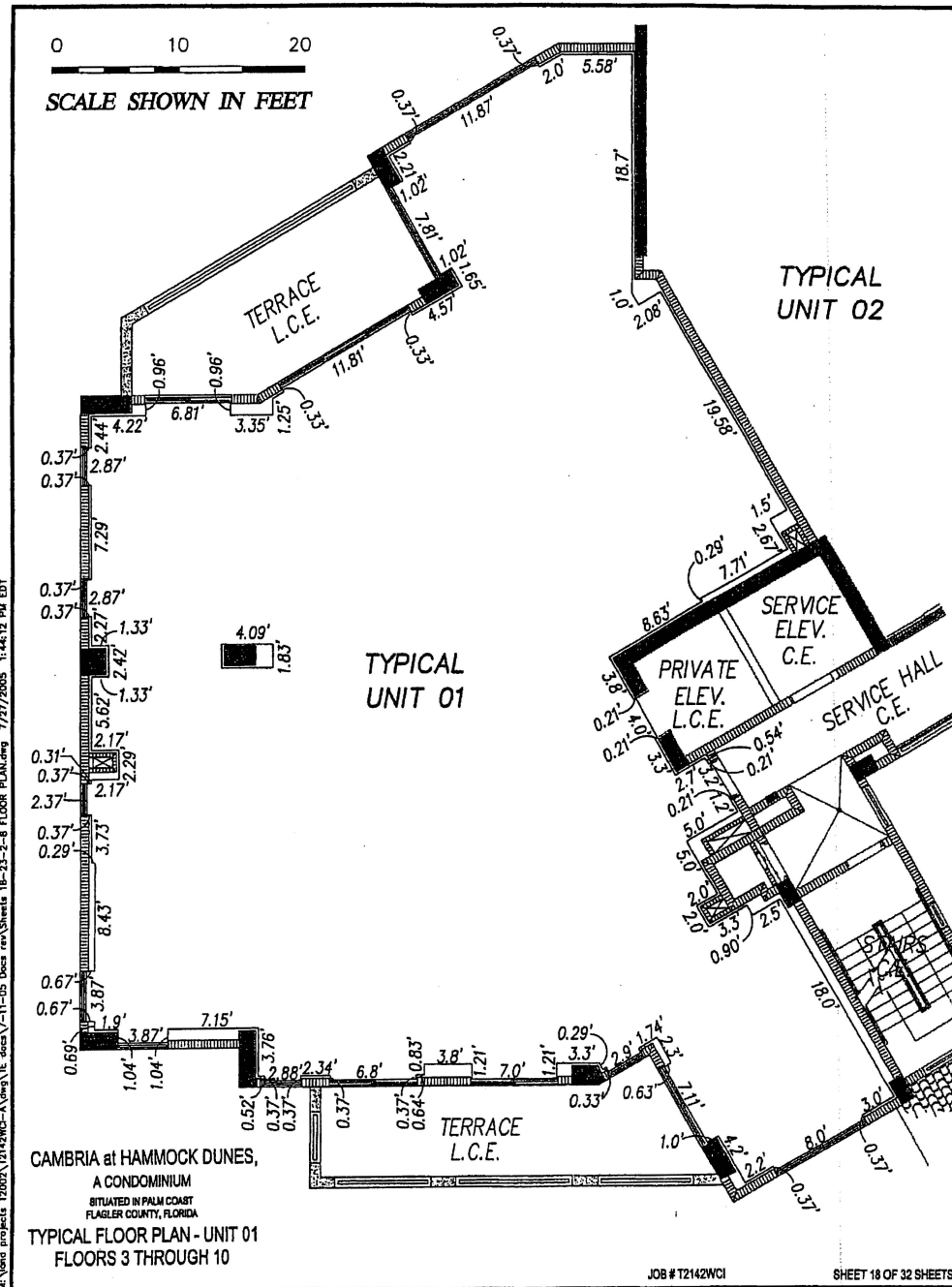


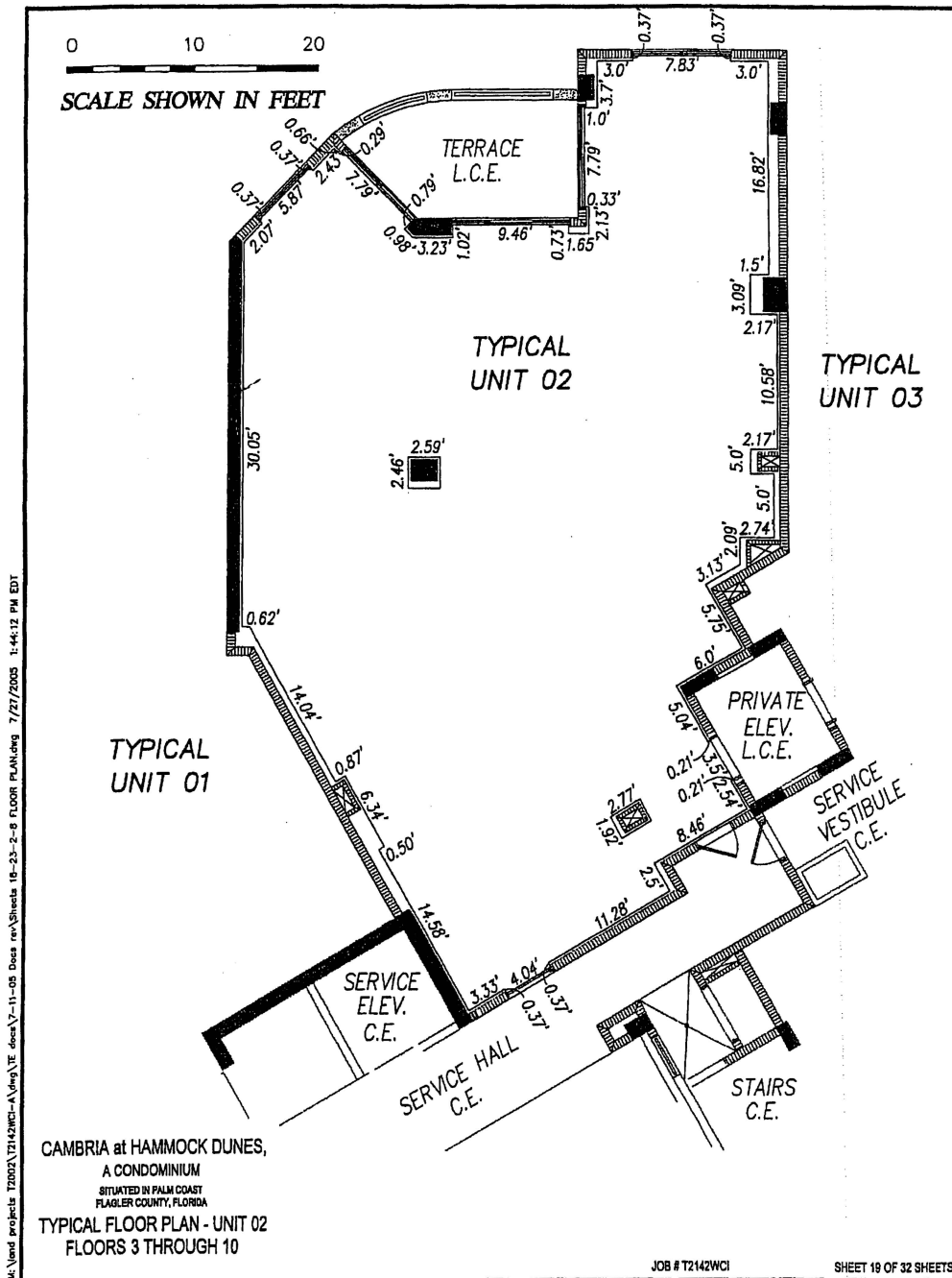


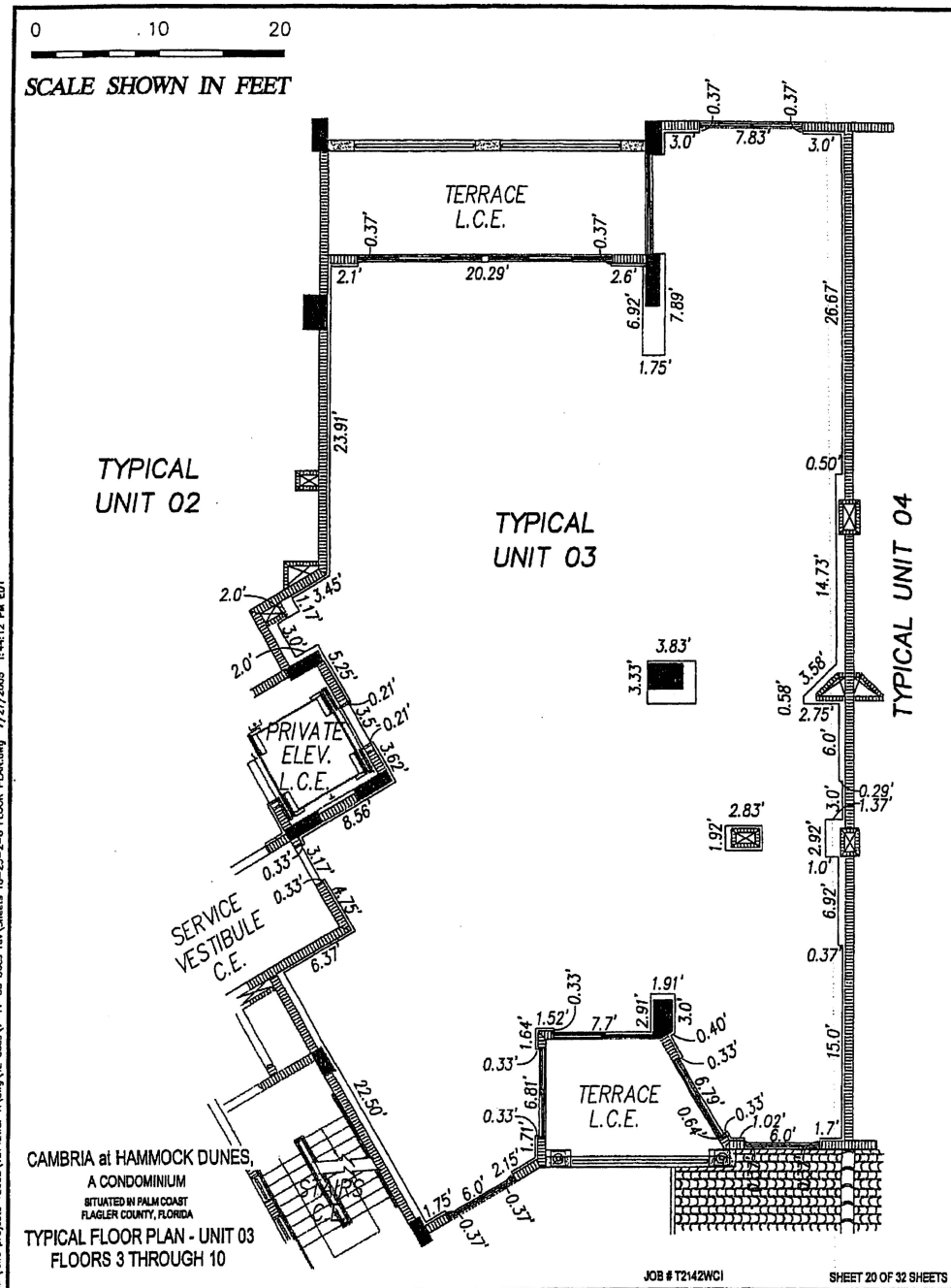


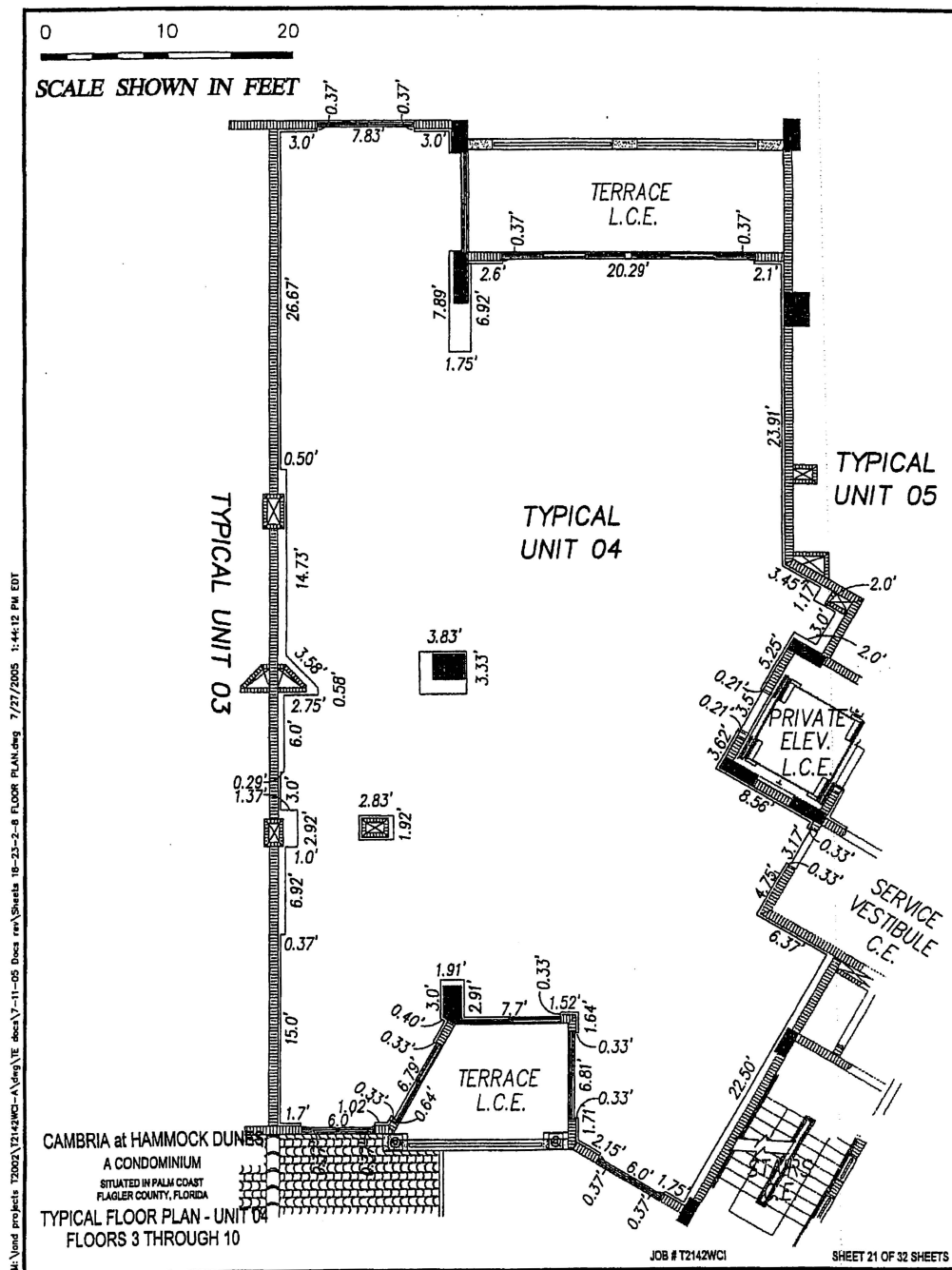


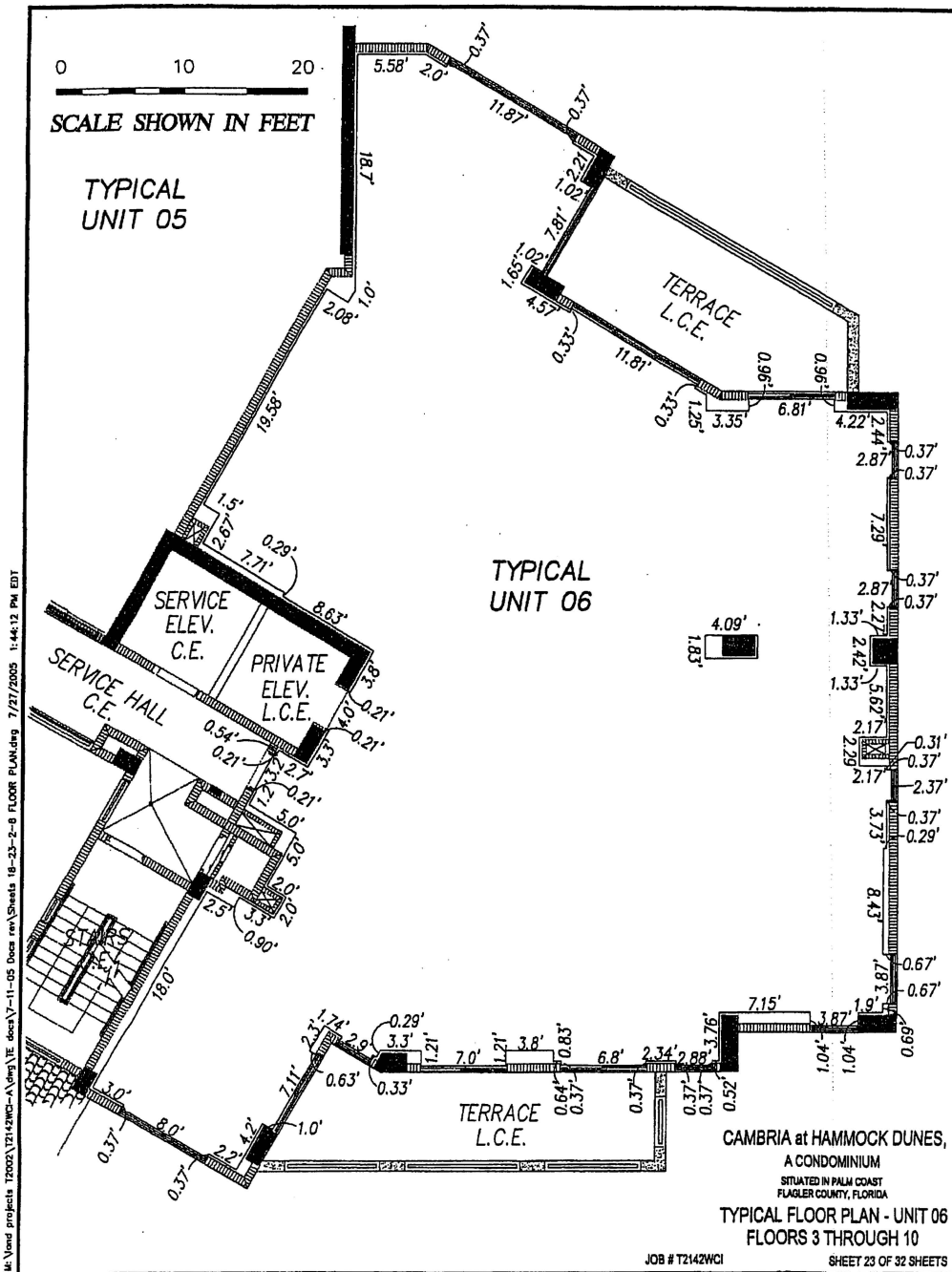


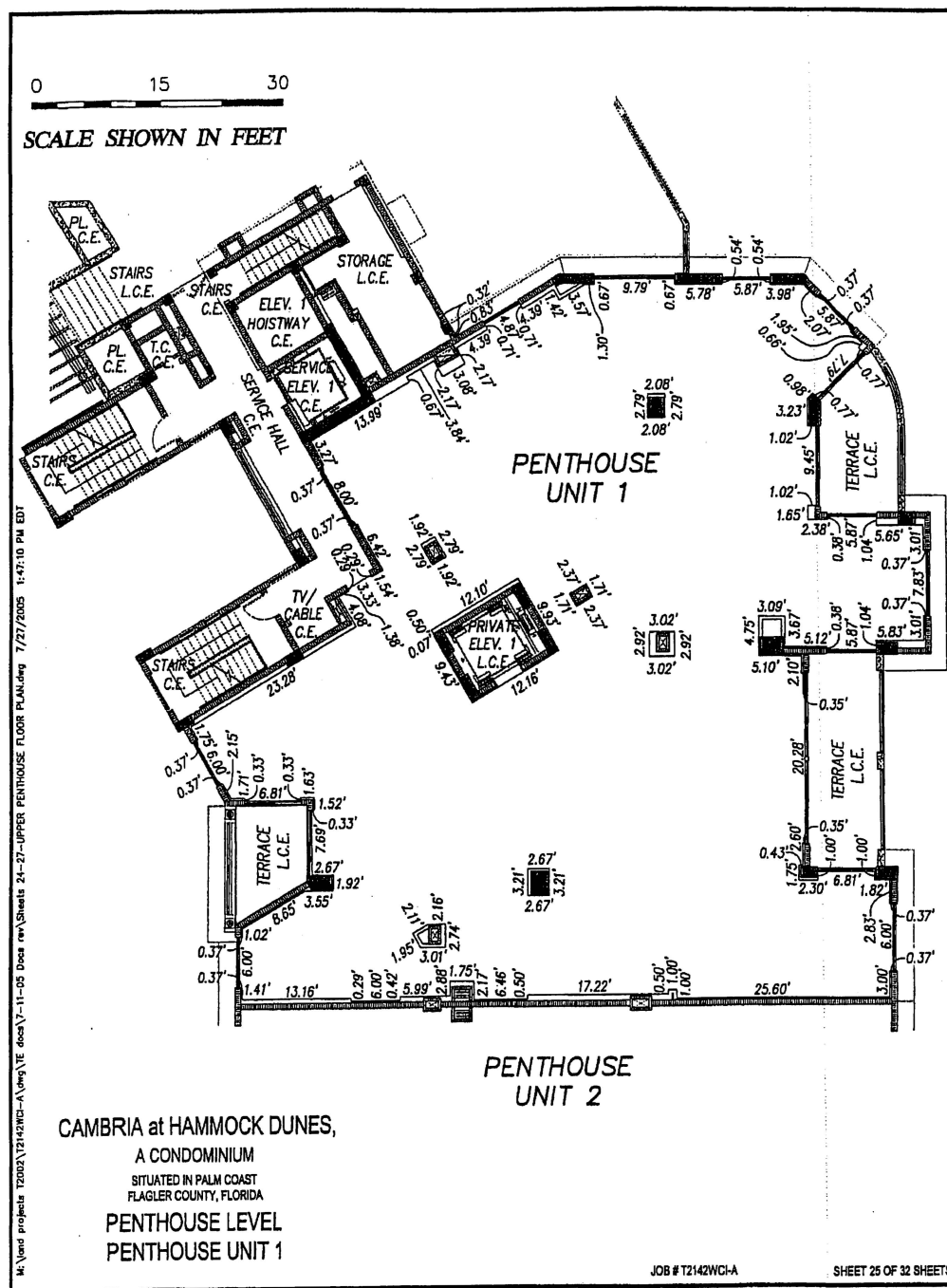


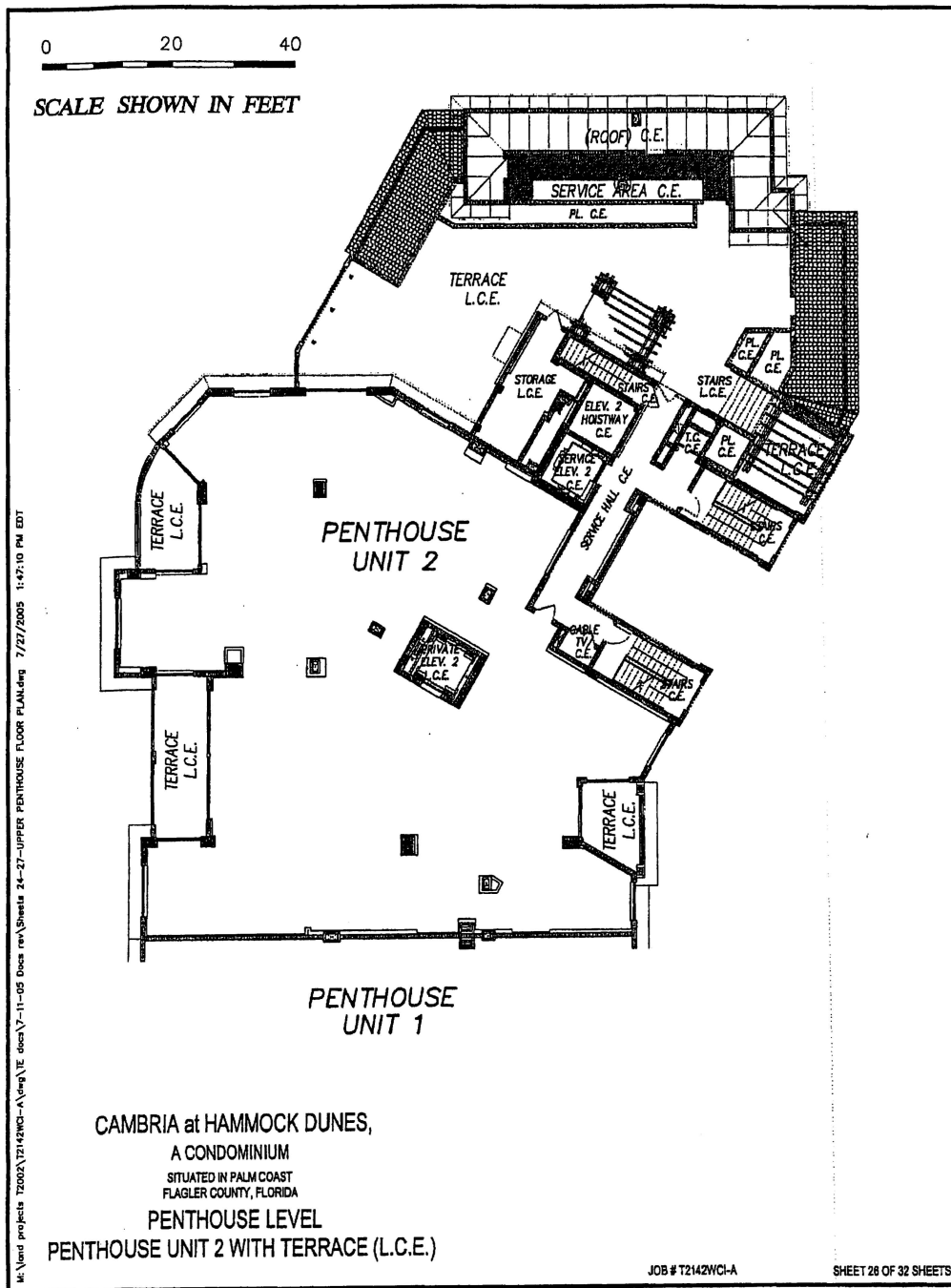


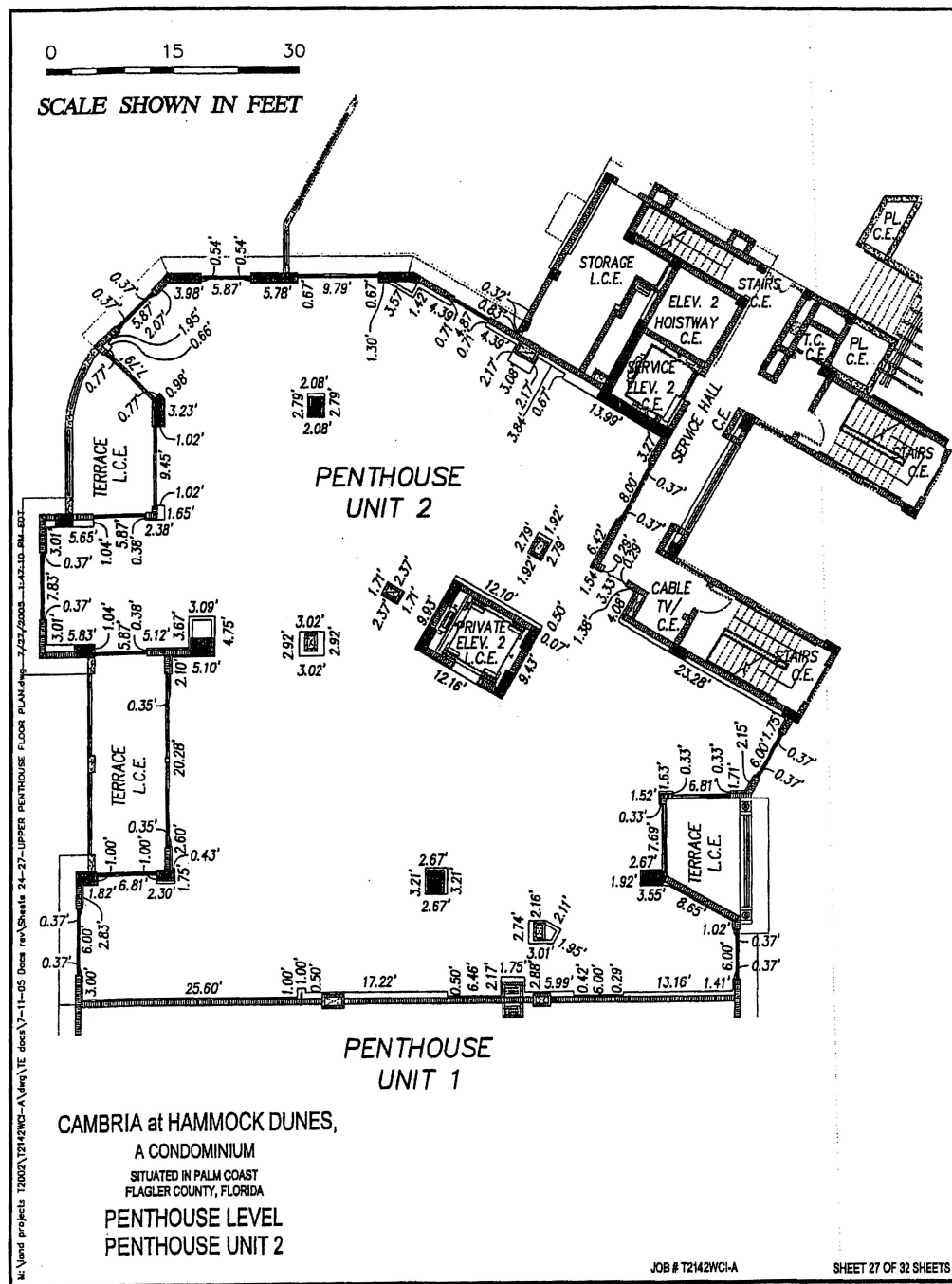


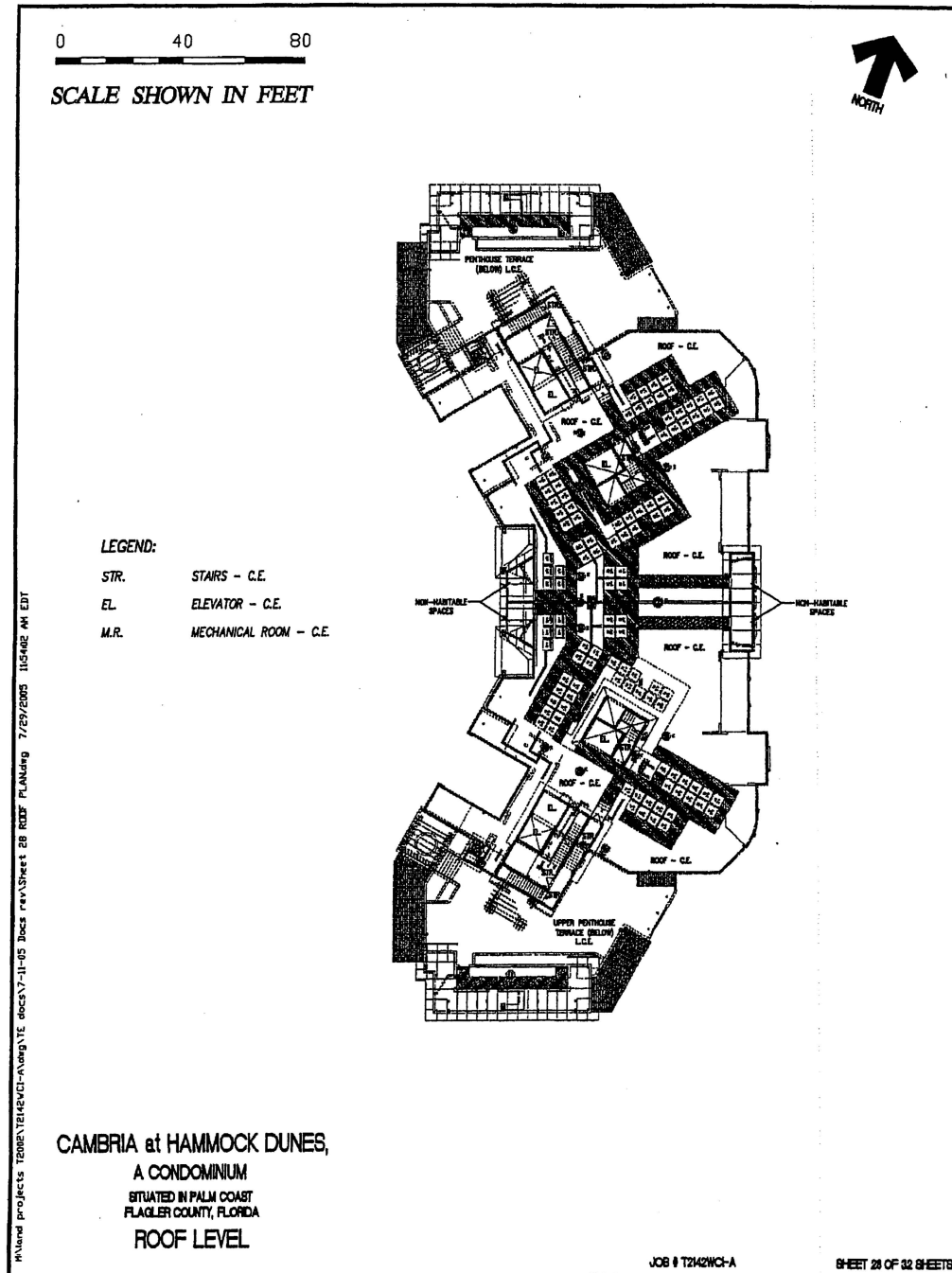


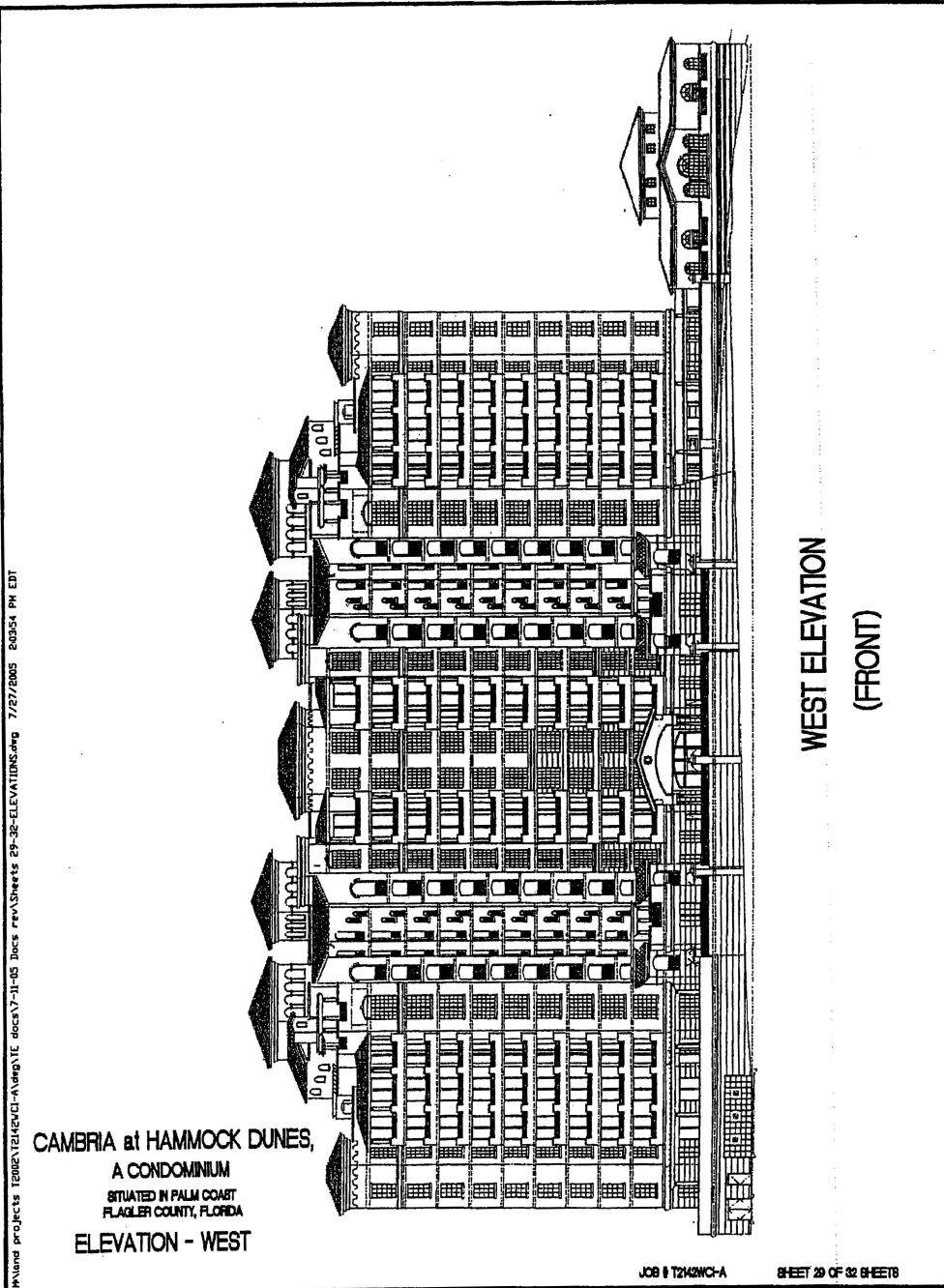


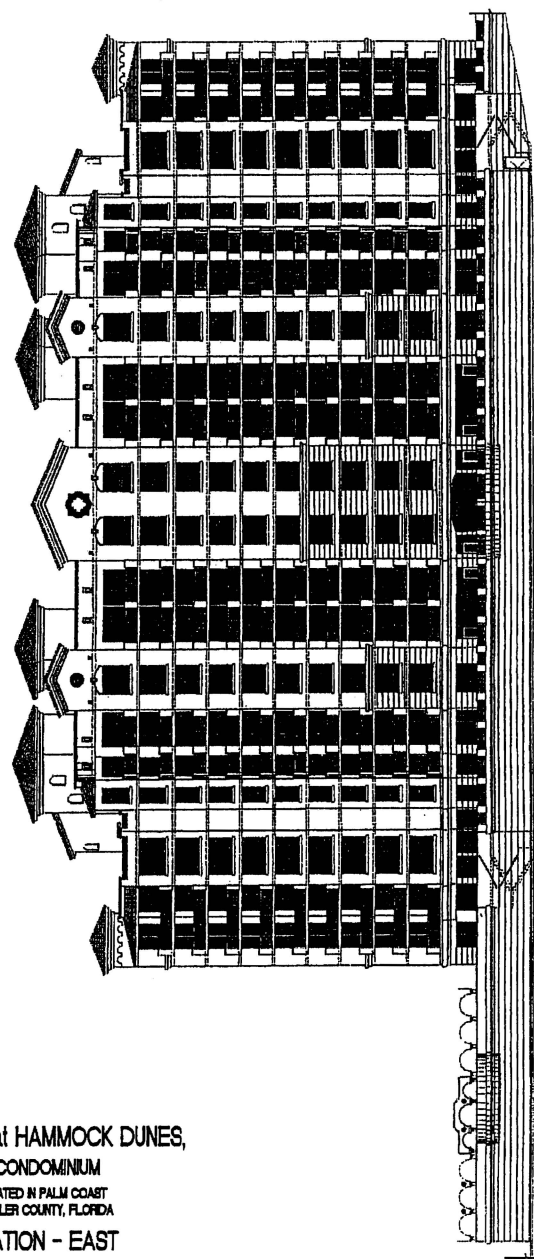










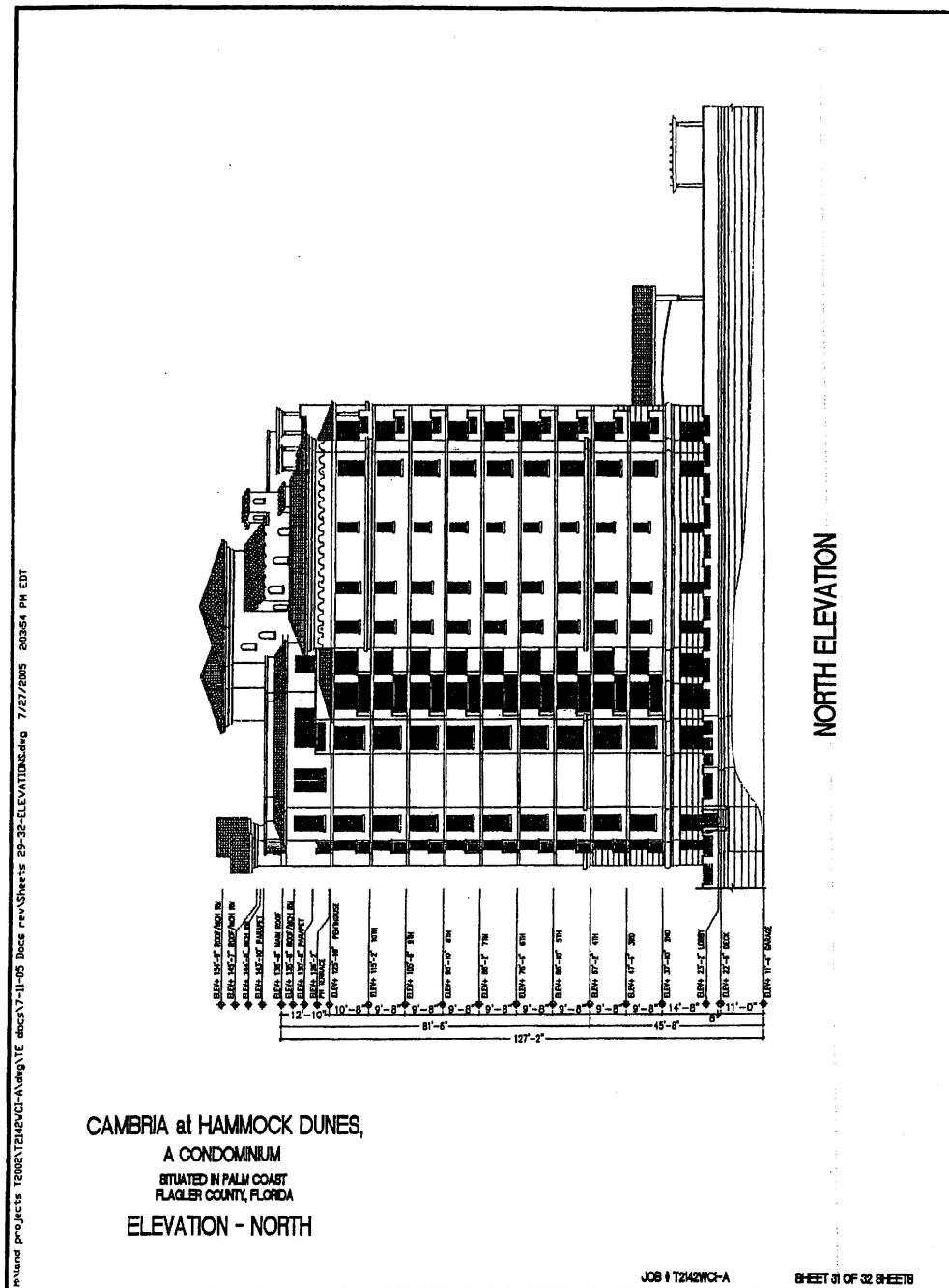


EAST ELEVATION
(REAR)

**CAMBRIA at HAMMOCK DUNES,
A CONDOMINIUM
SITUATED IN PALM COAST
FLAGLER COUNTY, FLORIDA
ELEVATION - EAST**

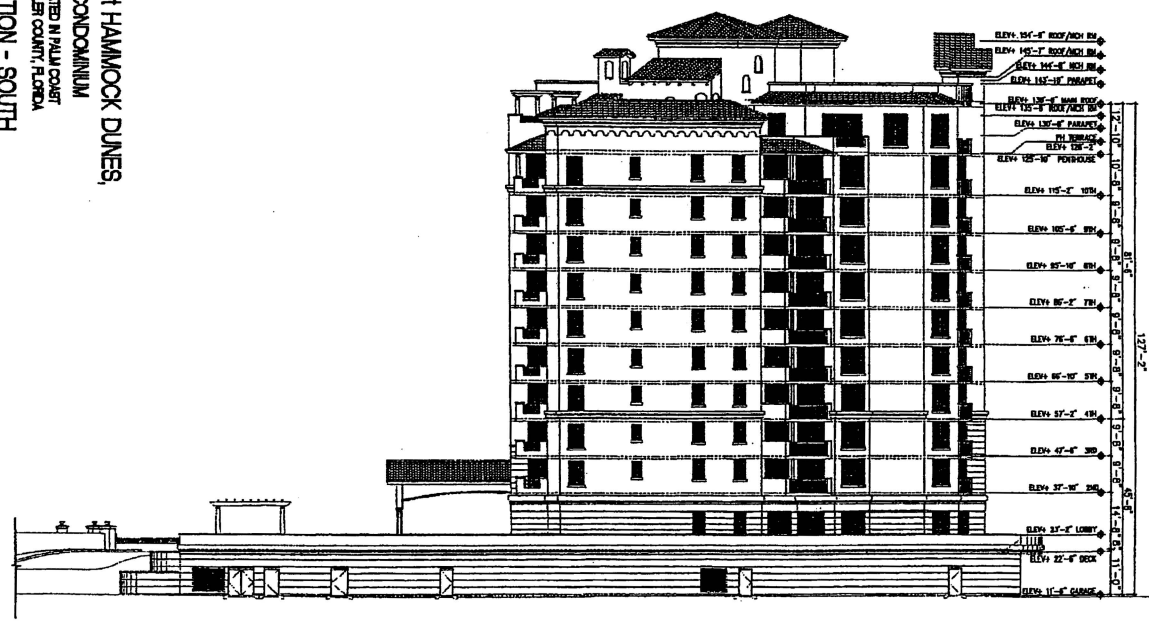
JOB # T2142WCI-A

SHEET 30 OF 32 SHEETS



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CAMPERIA at HAMMOCK DUNES,
A CONDOMINIUM
SITUATED IN PALM COAST
FLORIDA COUNTY, FLORIDA
ELEVATION - SOUTH



SOUTH ELEVATION

JOB # T2142-VC1-A SHEET 29 OF 32 SHEETS