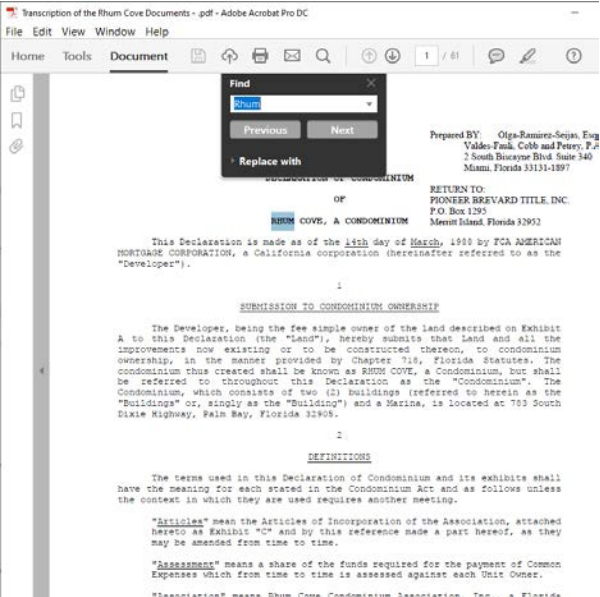




SEARCHABLE RHUM COVE DOCUMENTS

SEARCH FOR RULES & INFORMATION

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Prepared BY: Olga-Ramirez-Seijas, Esq.
Valdes-Fauli, Cobb and Petrey, P.A.
2 South Biscayne Blvd. Suite 340
Miami, Florida 33131-1897

DECLARATION OF CONDOMINIUM

OF

RHUM COVE, A CONDOMINIUM

RETURN TO:
PIONEER BREVARD TITLE, INC.
P.O. Box 1295
Merritt Island, Florida 32952

This Declaration is made as of the 14th day of March, 1988 by FCA AMERICAN MORTGAGE CORPORATION, a California corporation (hereinafter referred to as the "Developer").

1

SUBMISSION TO CONDOMINIUM OWNERSHIP

The Developer, being the fee simple owner of the land described on Exhibit A to this Declaration (the "Land"), hereby submits that Land and all the improvements now existing or to be constructed thereon, to condominium ownership, in the manner provided by Chapter 718, Florida Statutes. The condominium thus created shall be known as RHUM COVE, a Condominium, but shall be referred to throughout this Declaration as the "Condominium". The Condominium, which consists of two (2) buildings (referred to herein as the "Buildings" or, singly as the "Building") and a Marina, is located at 783 South Dixie Highway, Palm Bay, Florida 32905.

2

DEFINITIONS

The terms used in this Declaration of Condominium and its exhibits shall have the meaning for each stated in the Condominium Act and as follows unless the context in which they are used requires another meaning.

"Articles" mean the Articles of Incorporation of the Association, attached hereto as Exhibit "C" and by this reference made a part hereof, as they may be amended from time to time.

"Assessment" means a share of the funds required for the payment of Common Expenses which from time to time is assessed against each Unit Owner.

"Association" means Rhum Cove Condominium Association, Inc., a Florida corporation not for profit, which is the entity responsible for the operation of the Condominium, and its successors.

"Association Property" includes that property, real and personal, in which title or ownership is vested in the Association for the benefit of its members.

"Board of Directors" means the board of directors responsible for administration of the Association.

"Boat Slip" means one of the 72 Boat Slips described in the survey and in section 8 hereof, which, upon assignment to a Unit by the Developer to the exclusion of all others, shall become a Limited Common Element appurtenant to the Unit to which it is assigned.

This instrument was prepared by Olga Ramirez Seijas, Esq., Valdes-Fauli, Cobb & Petrey, P.A., 3400 One Biscayne Tower, 2 South Biscayne Boulevard, Miami, Florida 33131-1897. Upon recording, please return to Olga Ramirez-Seijas, Esq., of Valdes-Fauli, Cobb & Petrey, P.A., at the above address.

OFF. REC.
2892

PAGE
2344

"Boat Slips Use Restrictions" means the restrictions and conditions set forth in (i) the Submerged Land Lease and Easement; (ii) the Marina Restrictions, annexed to this Declaration as Exhibit "E"; and (iii) the Rules and Regulations of the Association, as amended from time to time.

"Bylaws" mean the Bylaws of the Association attached hereto as Exhibit "D", as they may be amended from time to time.

"Common Elements" mean any part of the Condominium Property not included within the Units, the Association Property and any other part of the Condominium Property designated as Common Elements in this Declaration.

"Common Expenses" mean the expenses, Assessments and contributions to reserves which are properly incurred by the Association and for which the Unit Owners are liable to the Association, including, but not limited to, expenses of operation, maintenance, repair or replacement, or other expenses incurred on account of the Common Elements and Limited Common Elements, expenses of administration and management of the Condominium Property, contributions to the reserve fund necessary, in the opinion of the Board of Directors, for the replacement of the Common Elements and expenses declared Common Expenses by the Association, but not including Special Assessments and Individual Assessments.

"Common Surplus" means the amount by which the Association's receipts exceed the amount of Common Expenses.

"Condominium Act" means the Condominium Act of the State of Florida (Chapter 718, Florida Statutes) as it exists on the date of this Declaration.

"Condominium Documents" mean this Declaration, the Articles, the Bylaws, and all exhibits annexed hereto, as the same may be amended from time to time.

"Condominium Parcel" or "Parcel" means a Unit, together with the undivided share in the Common Elements which is appurtenant to the Unit and, when the context permits, the term includes all of the appurtenances to the Unit.

"Condominium Property" means the land, all improvements on the Land and all personal property subjected to condominium ownership, and all easements, rights-of-way and rights appurtenant thereto intended for use in connection with the Condominium.

"Declaration" means (and "hereto" "hereof" "hereunder" and words of similar import refer to) this instrument and all amendments to it from time to time.

"Developer" means FCA American Mortgage Corporation, and any successor or assignee of FCA American Mortgage Corporation's rights and obligations under the Condominium Documents; provided that no Unit Owner shall, solely by reason of his purchasing a Unit, be considered a successor or assignee of such rights and obligations unless he is specifically designated as such in an instrument executed by the Developer.

"Individual Assessment" means certain costs and expenses, other than Common Expenses, charged pursuant to this Declaration or the Bylaws, against fewer than all the Unit Owners.

"Institutional Mortgage" means a first mortgage on a Condominium Parcel or Condominium Parcels held by an Institutional Mortgagee.

OFF. REC.
2892

PAGE
2345

"Institutional Mortgagee" means a bank, a savings and loan association, an insurance company, a FHA-approved mortgage lender, a pension fund, a real estate or mortgage investment trust, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States government, a mortgage banker or any other lender generally recognized in the community as an institutional type of lender or its loan correspondent, or the Developer, holding a first mortgage on a Condominium Parcel or Condominium Parcels and any assignee of a loan made by one of the foregoing to finance the purchase of a Condominium Parcel.

"Limited Common Elements" mean those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of all other Units.

"Occupant" means a person or persons, other than the Unit Owner, rightfully in possession of a Unit.

"Mortgage Holder" means the Institutional Mortgagee holding the greatest principal dollar amount of Institutional Mortgages encumbering one of more Condominium Parcels.

"Reasonable Attorneys' Fees" mean reasonable fees for the services of attorneys at law, whether or not judicial or administrative proceedings are involved, and, if judicial or administrative proceedings are involved, then fees for such services for all review of the same by appeal or otherwise.

"Special Assessment" means any Assessment levied against the Unit Owners other than the assessment required by a budget adopted annually by the Association.

"Submerged Land Lease and Easement" means (i) the Sovereignty Submerged Land Lease and (ii) Sovereignty Submerged Land Easement, each of which has been issued by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, as Lessor and Grantor in favor of the Developer as Lessee and Grantee, respectively, for the construction and operation of a fishing pier and jetty on certain sovereign submerged land in the Indian River. The Submerged Land Lease and Easement contain certain conditions and restrictions including the payment of annual lease and easement fees, maintenance charges, and conditions for extension of their respective terms. Copies of these instruments are annexed to this Declaration as Exhibit F.

"Survey" means the survey of the Land, graphic description of improvements thereon and plot plan, including a location sketch, site plan and floor plans, which are attached hereto, collectively identified as Exhibit "B", and by this reference made a part hereof.

"Unit" means one of the separate and identified 72 private dwellings subject to exclusive ownership which are described in the Survey and listed in Exhibit "B", each of which is identified by a number (or letter and number) different from the numbers (or combinations of a letter and number) assigned to all the other Units. When a unit is conveyed, the following shall pass with it as appurtenances thereto: (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be provided by this Declaration and as may not be separately conveyed in accordance with this Declaration; (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, provided that an easement in a space which is vacated shall be terminated automatically; and (d) other appurtenances as may be provided in this Declaration.

OFF. REC.
2892

PAGE
2346

"Unit Owner" or "Owner of Unit" means the owner in fee simple of a Condominium Parcel.

"Utility Services" include but are not limited to electric power, water, gas, heating, air conditioning and garbage and sewage disposal.

3

DESCRIPTION OF THE CONDOMINIUM PROPERTY

The Condominium is described and established as follows:

3.1 Survey, Site Plan and Floor Plans. The legal description of the Land, the site plan of the Land and improvements thereon, and the floor plans of the Buildings and other improvements, which are shown in the Survey, which is attached to this Declaration as Exhibit B, are, together with the wording of this Declaration relating to matters of survey, in sufficient detail to identify the Common Elements, Limited Common Elements and each Unit and to provide accurate representations of their relative locations and approximate dimensions.

3.2 Certificate of Surveyor. A certificate of a surveyor authorized to practice in the State of Florida is set forth in Exhibit B. The certificate states that the construction of the improvements described in the Survey is substantially complete so that the material in Exhibit B, together with the wording of this Declaration describing the Condominium Property, is an accurate representation of the location and dimensions of the improvements described in the Declaration, and so that the identification, location and dimensions of the Common Elements, Limited Common Elements and each Unit can be determined from such materials.

3.3 Easements. Each of the following easement is reserved through the Condominium Property, is a covenant running with the land and, notwithstanding any of the other provisions of this Declaration, may not be amended or revoked except as provided in the Condominium Act:

(a) Utilities. Each Unit shall have an easement as may be required for Utility Services in order to serve the Condominium adequately. The Board of Directors or its designee shall have a right of access to each Unit to inspect such Unit, to maintain, repair or replace drainage facilities and the pipes, wires, ducts, vents, cables, conduits and other facilities related to the providing of Utility Services, and to the Common Elements contained in the Unit or elsewhere in the Condominium Property, and to remove any improvements interfering with or impairing the Utility Services, drainage facilities and easements herein reserved; provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Unit Owner's permitted use of the Unit, and except in the event of an emergency, entries shall not be made without prior notice to the Unit Owner.

(b) Ingress and Egress. Each Unit shall have an easement for pedestrian traffic over, through and across sidewalks, paths, walks, elevators, stairways, walkways and lanes, and like passageways, as the same may from time to time exist upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes, but the same shall not give or create in any person the right to park upon any portion of the Condominium Property not designated as a parking area. This easement shall be nonexclusive and shall include the right of ingress and egress.

OFF. REC.
2892

PAGE
2347

(c) Encroachments. In the event that any Unit encroaches or shall encroach upon any of the Common Elements or upon any other Unit for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element encroaches or shall encroach upon any Unit, then an easement for that encroachment and the maintenance thereof shall exist for as long as the encroachment shall exist. In addition, in the event a Building is partially or totally destroyed and rebuilt and any Unit then encroaches upon any of the Common Elements or upon any other Unit, an easement for that encroachment and the maintenance thereof shall exist for as long as the encroachment shall exist.

(d) Drainage. Each Unit shall have easement as may be required to drain the Condominium Property adequately.

(e) Support. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and of necessity in favor of all other Units and Common Elements.

(f) Developer's Activities. Until such time as the Developer has completed all of the improvements it contemplates on the Condominium Property and has sold all of the Units, easements, including, but not limited to easements for ingress and egress, are hereby reserved and shall exist through and over the Condominium Property as may be required by the Developer and any designees of, the Developer for the completion of the improvements contemplated by the Developer, or as may be necessary or convenient for the sale or lease of the Units, and the repair, replacement and maintenance of Condominium Property. The easements created by this §3.3(f) shall include (thought not limited to), easements for the Developer to use any unoccupied Units and all parts of the Common Elements for Model Units and all parts of the Common Elements for Model Units and sales offices, to show Model Units, unoccupied Units, and Common Elements to prospective purchases of Units, to erect on the Condominium Property signs and other promotional material, to advertise Units for sale or lease, and to use the Common Elements (including, without limitation, office space) and unoccupied Units for its administrative functions prior or subsequent to the sale of the Units. Neither the Association, the Unit Owners other than the Developer, nor their use of the Condominium Property, shall interfere in any way with the activities for which these easements are created and the Developer shall be entitled to injunctive relief for any actual or threatened interference, in addition to whatever remedies at law it might be entitled to.

(g) Additional Easements. The Developer (as long as it owns any Units) and the Association each shall have the right to grant such additional easements for Utility Services or to relocate any existing easements for Utility Services 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 Developer or the Association, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of any or all of the improvements on the Land, for the general health or 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 use of Units for dwelling purposes. Should it be necessary to execute any instrument to evidence such easements or designate the beneficiaries thereof, each Unit Owner, by the acceptance of a deed to his respective Condominium Parcel, does thereby designate or appoint the Developer, and if the Developer shall no longer own any Condominium Parcels, the Association, as his attorney-in-fact to execute any and all instruments on his

OFF. REC.
2892

PAGE
2348

behalf for the purpose of evidencing and recording the easements reserved in this §3.3 and the designating of the beneficiaries thereof. During the period the Developer has the right to act as such attorney-in-fact, neither the consent nor the approval of the Association of its members shall be required for any such execution and recording.

3.4 Unit Boundaries. Each Unit includes that part of the Building lying within the boundaries of the Unit. The boundaries of the Unit as follows:

(a) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

(i) Upper Boundary -- the horizontal plane of the unfinished lower interior surface of the concrete slab ceiling.

(ii) Lower Boundary -- the horizontal plane of the unfinished upper interior surface of the concrete slab floor.

(b) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be vertical planes of the unfinished interior surfaces of the walls bounding the Unit, excluding paint, wallpaper and like coverings, extended to their planar intersections with each other and with the upper and lower boundaries. The phrase "interior surfaces" encompasses the interior surfaces of windows and the interior surfaces of the doors furnishing access to the Unit from outside the Unit.

3.5 Limited Common Elements. Any expense for maintenance, repair or replacement relating to Limited Common Elements shall be treated as, and paid for as part of, the Common Expenses of the Association, except as specifically provided in Section 4.1(c) of this Declaration. Should the need for any maintenance, care, upkeep, repair or replacement of any Limited Common Element arise as a result of negligence of or misuse by a Unit Owner, his family, guests, employees invitees or tenants, such Unit Owner shall be responsible to reimburse the Association for the cost thereof, and the Association shall have the right to charge the cost thereof to the Owner of said Unit as an Individual Assessment which may be collected, and the collection thereof enforced, as set forth in Section 7.6 hereof. The Limited Common Elements include the following:

(a) Doors and Windows. Each door furnishing access to a Unit from the outside and each window adjacent to it contained within the exterior walls bounding the Unit, shall be a Limited Common Element reserved for the exclusive use of that Unit.

(b) Balconies. All balconies are Limited Common Elements, each of which is appurtenant to the Unit it adjoins. References in the Condominium Documents to balconies shall be deemed to include courtyards as well. A Unit Owner shall have the right to the exclusive use of the balcony adjoining his Unit.

(c) Parking Spaces. Each area designated as a parking space in the Survey shall become a Limited Common Element, at such time when the right to the exclusive use thereof is assigned to Unit Owner by the Developer, on a basis established by the developer in its sole discretion. Each Unit shall have two (2) assigned parking spaces, one of which shall be located inside of a garage. The assignment of the parking spaces shall be made by the Developer and thereafter no parking space shall be used, sold or leased separate from the Unit to which it was assigned.

OFF. REC.
2892

PAGE
2349

Any conveyance of, or the passing of title to, a Unit, shall include, as an appurtenance thereto, the right to use such parking space as has been assigned to it.

(d) Boat Slips. Each area designated as a Boat Slip in the Survey shall be a Limited Common Element. The assignment, use, and restrictions pertaining to the Boat Slips are more specifically described in section 8 of this Declaration.

3.6 Common Elements. The Common Elements include all of the parts of the Condominium other than the Units. The Common Elements specifically include without limitation: (a) all load-bearing walls and structural parts of the Building, whether or not located within the boundaries of a Unit as defined in Subsection 3.4; (b) all easements through Units for conduits, ducts, plumbing, wiring and other facilities for furnishing Utility Services to Units and the Common Elements; (c) an easement of support in every portion of each Unit which contributes to the support of the Building; (d) the property and installations required for furnishing Utility Services and other services to more than one Unit or to the Common Elements; (e) cross-easements for ingress, egress, support, maintenance, repair, replacement and Utility Services; (f) easements for encroachments by the perimeter walls, ceilings and floors surrounding each Unit caused by settlement or movement of a Building or caused by minor inaccuracies in construction or reconstruction which now exist or hereafter exist, and such easement shall continue until such encroachment no longer exists; and (g) easements for overhanging troughs or gutters, downspouts and discharge therefrom of rainwater and the subsequent flow thereof over any Unit. Common Elements shall also include the Association Property and all personal property that is held or maintained by the Association for the joint use and enjoyment of all Unit Owners.

3.7 Developer's Sales Efforts. Until such time as the Developer has sold all of the Units, it shall also have the right to transact any business necessary to consummate sales and leases of Units, including, but not limited to, the rights to maintain sales office(s) or trailer and Units as Model Units, to display signs on the Condominium Property, to operate sales offices in the Units and/or the Common Elements, to maintain employees on the Condominium Property, to use the Common Elements for other purposes and to show Units. The fixtures and furnishings of any sales office and signs and all items pertaining to the sales shall not be considered Condominium Property and shall remain the property of the Developer.

4

MAINTENANCE, ALTERATION AND IMPROVEMENT

4.1 Maintenance

(a) By the Association -- Common Elements (Including Limited Common Elements). The maintenance and operation of the Common Elements, including Limited Common Elements, including Limited Common Elements (except as specifically provided in this Declaration to be the responsibility of the Unit Owner), shall be the responsibility of the Association, and the expense associated therewith shall be a Common Expense. The Association shall have the right to maintain existing Common Elements regardless of any present or future encroachments of the Common Elements upon a Unit.

(b) By the Association -- Units. The Association shall maintain, repair and replace as a Common Expense all incidental damage caused to a Unit by repair and

OFF. REC.
2892

PAGE
2350

replacements of Common Elements performed by or on behalf of the Association.

(c) By the Unit Owner. The responsibility of the Unit Owner shall include the following:

(i) To maintain all portions of his Unit (including the surfaces of the Unit's floors and ceilings, the interior paint and wallpaper coverings on surfaces of the walls bounding the Unit and the interior surface of windows, including the glass), as well as the fixtures and equipment in his Unit or that services only his Unit, including, but not limited to, heating and air conditioning equipment, kitchen appliances, carpeting, plumbing fixtures and connections thereto, and electric panels, outlets and wiring; provided, however, that the Unit Owner shall obtain the permission of the Association prior to conducting any repair of the air conditioning equipment if such repair requires going to the roof of the Building. The Unit Owner shall also be responsible for the maintenance of the garage door openers and controllers that open the garage which contains the parking space appurtenant to his Unit. Notwithstanding the foregoing, however, it shall not be the responsibility of the Unit Owner to replace items destroyed by casualty if and only if, the insurance policy or policies owned by the Association insure against such casualty loss in an amount equal to the replacement cost thereof and payment thereof is made by the insurer to the Association, or an Insurance Trustee on its behalf, in which even the responsibility for replacement shall be that of the Association.

(ii) To report promptly to the Association any defect or need for repairs for which the Association is responsible and to obtain the Association's permission to effect the repairs for which the Association's consent is required.

(iii) To allow the Board of Directors, or the agents or employees of the Association, to enter into his Unit for the maintenance, inspection, repair or replacement of the Common Elements or of improvements within the Unit in case of emergency or circumstances threatening Units or the Common Elements, and to determine compliance with the provisions of the Condominium Documents; however, except in the event of an emergency, such entries shall not be made without prior notice to the Unit Owner.

(d) Definition of "Maintenance". When used in this Section 4.1, the term "maintenance" shall be read to mean keeping the item to be maintained in a clean and orderly condition and painting, repairing and replacing it when reasonably necessary.

4.2 Alteration and Improvement.

(a) By the Association -- Common Elements. Except for repairs and maintenance of the existing improvements, there shall be no alteration or further improvement of the Common Elements without the prior approval in writing of the Owners of not less than 75% of the Units and their respective Institutional Mortgagees, if any. The cost of any alteration or improvement shall not interfere with the rights of any Unit Owners without their consent.

(b) By the Association -- Common Elements -- Exclusive Benefit of Some Unit Owners. Where any alterations or additions to the Limited Common Elements or any other Common Elements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same and are not materially detrimental to any other Unit Owner, said alterations or additions shall only be made when authorized by the Board of Directors and approved by not

OFF. REC.
2892

PAGE
2351

less than 75% of the Unit Owners exclusively or substantially exclusively (as the case may be) benefitting therefrom, and their respective mortgages (and where said Unit Owners are ten or less, the approval of not less than all but one of them shall be required). The cost of such alterations or additions shall be assessed against and collected solely from the Unit Owner or Unit Owners exclusively or substantially exclusively benefitting therefrom, and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors. The cost assessed shall be a Special Assessment which may be collected, and the collection thereof enforced, in the same manner as an Assessment. The share of any cost not so assessed shall be prorated to and assessed against each of the other Unit Owners responsible for such costs in proportion to the ratio that the share in the Common Elements of each such Unit bears to the total of all such shares in the Common Elements. There shall be no change in the shares and rights of Unit Owners in the Common Elements as a result of such alteration or further improvement, whether or not any particular Unit Owner contributes to the cost of such alterations or improvements.

(c) By the Unit Owner. A Unit Owner may make such alteration or improvement to his Unit at his sole and personal cost as he may desire, provided that all work shall be done without disturbing the rights of other Unit Owners, that no alteration may cause an increase in any insurance premium to be paid by the Association and that a Unit Owner shall make no changes or alterations to any interior boundary wall, exterior wall, screening, exterior door, window, structural or load-bearing member, electrical facilities or plumbing facilities of his Unit without first obtaining the approval in writing of the Board of Directors. Unit Owners making improvements under this Section 4.2 may use such contractors or subcontractors as are approved by the Board of Directors, and said parties shall comply with all rules and regulations adopted by the Association. Any Unit Owner shall be liable for all damages to another Unit, the Common Elements, and Limited Common Elements by such Unit Owner's contractors, subcontractors or employees, whether said damages are caused by negligence, accident or otherwise. All alterations and improvements must be made in compliance with all existing building codes.

4.3 Failure of Unit Owner to Repair Unit. In the event that any Unit Owner fails to maintain his Unit as required in this Declaration, makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In addition thereto, the Association shall have the right to enter into any Unit upon reasonable notice and during reasonable hours to repair, maintain or replace any common elements, notwithstanding that any such repair, maintenance or replacement may be the responsibility of the Unit Owner. All costs of such work which is the responsibility of the Unit Owner shall be charged to the particular Unit Owner as an Individual Assessment, which may be collected in the manner set forth in Section 7.6 hereof.

SHARES OF COMMON ELEMENTS, COMMON EXPENSES AND COMMON SURPLUS

5.1 Percentage Ownership of Common Elements. Each Unit Owner shall own a one-seventy-second (1/72) interest in the Common Elements. The share in the Common Elements appurtenant to each Unit shall remain undivided, and no action for partition to the Condominium Property, or any part

thereof, shall lie. Except as provided in Section 4 of this Declaration, the share of Common Elements shall be unaffected by any change in the size of a Unit or by any assignment of the right to use Limited Common Elements.

5.2 Share of Common Expenses and Common Surplus. Each Unit Owner shall be liable for one-seventy-second (1/72) share of the Common Expenses and shall own one-seventy-second (1/72) share of the Common Surplus. The Unit Owner's share in the Common Surplus shall not vest or create in any Unit Owner the right to withdraw or receive a distribution of his share of the Common Surplus.

6

THE CONDOMINIUM ASSOCIATION

6.1 The Association. The operating entity of the Condominium shall be Rhum Cove Condominium Association, which shall fulfill its functions pursuant to the following provisions:

6.2 Powers and Duties.

(a) Generally. The Association shall have all of the powers and duties reasonably necessary to operate the Condominium, including those set forth in the Condominium Act, this Declaration, the Articles of Incorporation, and the Bylaws, copies of which are annexed to this Declaration as Exhibits C and D, respectively.

(b) Various Use and Possessory Agreements. The Association, when authorized by a vote of not less than a majority of the Board of Directors and by members holding two-thirds (2/3) of the votes of the Association, and when approved by the owners and holders of Institutional Mortgages encumbering two-thirds (2/3) of the Units encumbered by Institutional Mortgages, may purchase and/or acquire and enter into agreements from time to time whereby it acquires leaseholds, memberships and other possessory or use interests in lands or facilities, including, but not limited to, country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to the Land, intended to provide for the enjoyment, recreation and other use or benefit of the Unit Owners. The expense of ownership, rental, membership fees, operations, replacements and other undertakings in connection therewith shall be Common Expenses.

(c) Delegation of Management Duties. The Association may enter into contracts with other parties for the management or operation of the Condominium and may delegate any or all of its duties in these contracts save those which under the Condominium Act may not be delegated by the Association.

6.3 Voting Rights. There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Unit Owners. The designation of the person entitled to vote shall be carried out as provided by and subject to the provisions and restrictions set forth in the Bylaws. Each Unit is entitled to one vote, which vote is not divisible.

6.4 Amendment of Articles or By-Laws. No modification of, or amendment to, the Articles or Bylaws is valid unless set forth in or annexed to a recorded amendment to this Declaration. The Articles and Bylaws may be amended in the manner provided therein, but no amendment shall be adopted which would affect or impair the validity or priority of any Institutional Mortgage or change a provision of the Articles or Bylaws with respect without the written approval of all Institutional Mortgagees. No amendment shall change the rights and privileges of the Developer without the Developer's written approval.

OFF. REC.
2892

PAGE
2353

6.5 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 beyond the coverage of any insurance it maintains for injury or damage, other than the cost of maintenance and repair of property, caused by any latent condition of any property to be maintained and repaired by the Association, or caused by the elements, Unit Owners or other persons or otherwise.

6.6 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 of that Unit Owner in an Association meeting, unless the joinder of record Owners of Units is specifically required for such matter by this Declaration.

6.7 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.

7

ASSESSMENTS

7.1 Assessments. The Association, through the Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses in accordance with any estimated operating budget adopted by the Association and such other Special Assessments and Individual Assessments as are specifically provided for in this Declaration. The term "Assessments" as used in this Section 7 shall include Special Assessments. Assessments against Unit Owners shall be levied and collected pursuant to the Bylaws and subject to the following provisions:

7.2 Payments and Liabilities of Unit Owners and Transferees. Assessments shall be levied and collected by the Board of Directors as provided in the Bylaws. A Unit Owner, irrespective of the manner in which title to his Unit is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments and installments thereof coming due while he is the Unit Owner. The grantee in a voluntary conveyance of a Unit (not including a conveyance by a deed in lieu of a Unit (not including a conveyance by a deed in lieu of foreclosure of an Institutional Mortgage) shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for his share of the Assessments due before the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability of a Unit Owner 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. Assessments and installments thereof paid on or before the tenth day after the day when the same are due shall be payable without the payment of any late charge or interest, but if not paid before the expiration of such ten-day period, shall bear interest from the date due until paid at the rate of ten percent per annum. All payments on account thereof shall be first applied to interest and then to the installment first due. If any installment of an Assessment shall not be paid when the same shall become due, the Board of Directors may, in accordance with the Bylaws, declare the entire annual Assessment as to that delinquent Unit Owner due and payable in full and may charge a late fee not to exceed \$50.00.

7.9 Lien for Assessments. The Association shall have a lien on each Condominium Parcel for any unpaid Assessments

OFF. REC.
2892

PAGE
2354

and interest thereon against the Unit Owner, which lien shall also secure Reasonable Attorneys' Fees incurred by the Association incident to the collection of such Assessments or the enforcement of such lien, together with all sums advanced or paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve or protect its lien. Said lien shall be effective from and after the time a claim of lien stating the description of the Condominium Parcel, the name of the record owner thereof, the amount due for the Assessment, and the dates when due, is recorded in the Public records of Brevard County, Florida, and the lien shall continue in effect until all sums secured by the lien have been fully paid. Such claims of lien shall be signed and acknowledged by an officer of the Association or by an authorized agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for Assessments may be foreclosed by a suit brought in the name of the Association in like manner as a foreclosure by the Association, the former Unit Owner or anyone claiming through him shall remain in possession of the Unit, he may be required to pay a reasonable rental for the Unit, whereupon the Association shall be entitled as a matter of law to the appointment of a receiver to collect the same. The Association may also bring an action to recover a money judgment for unpaid Assessments without waiving the lien securing the same. The Board of Directors may settle or compromise any personal action or any action to enforce or foreclose a lien as it may deem in the best interest of the Association. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose its lien for Assessments, and any interest thereon, and to apply as a cash credit against its bid all sums due, as provided herein, and covered by the lien enforced.

7.4 Institutional Mortgagees. Where an Institutional Mortgagee or other purchaser obtains title to a Condominium Parcel as a result of the foreclosure of an Institutional Mortgage or as a result of a conveyance in lieu of foreclosure of the Institutional Mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the Common Expenses of Assessments by the Association pertaining to such Condominium Parcel or chargeable to the former owner of such Condominium Parcel which became due prior to acquisition of title in the manner above provided, unless such share is secured by a claim of lien for Assessments that is recorded prior to the recording of said Institutional Mortgage. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all the Unit Owners including such acquirer, its successors and assign.

7.5 Developer's Obligation to Pay Assessments. Except as provided in Subsection 7.4 above, and in this Section, or as provided in Section 718.116 of the Condominium Act, no Unit Owner may be excused from the payment of his proportionate share of the Common Expenses unless all Unit Owners are likewise proportionately excused from such payment, except that (i) the Developer shall be excused from the payment of its share of the Common Expenses and Assessments related to those Units it owns, during the period of time, if any, with respect to which it shall have guaranteed that the Assessments imposed upon the Unit Owners other than the Developer shall not increase over a stated amount per month per Unit, and with respect to which it shall have obligated itself to pay any amount of Common Expenses incurred during that period and not produced by the Assessments at the guaranteed levels receivable from the other Unit Owners, and (ii) the Developer may avail itself of the privilege described in §718.116(8)(a) of the Condominium Act, which privilege expires on the first day of the fourth calendar month following the month in which the first sale of a unit occurs.

OFF. REC.
2892

PAGE
2355

7.6 Collection of Individual Assessments. The Association shall have the right to bring an action to recover a money judgment and shall be entitled to recover reasonable attorneys fees and costs incurred in the collection of unpaid Individual Assessments.

7.7 Certificate Concerning Unpaid Assessments. Any Unit Owner has the right to require from the Association a certificate showing the amount of unpaid Assessments and specifying whether such assessment is a Special or Individual Assessment with respect to his Unit.

8

MARINA

8.1 Generally. The Marina consists of a Marina Building and 72 Boat Slips, as shown in pages P-40 of the survey annex to this Declaration as Exhibit "B".

(a) Marina Building. The Marina Building is a Common Element. The Association shall have the authority to designate a portion of the common elements located within the Marina Building as a management office, an office for association business or for such other purpose as the Association determines.

(b) The Boat Slips. The exclusive use of each Boat Slip shall be assigned by the Developer to a Unit Owner in accordance with the provisions of Section 8.2. A Boat Slip, once assigned to a Unit, shall constitute a Limited Common Element and any transfer of title to any Unit to which a Boat Slip has been assigned shall operate to transfer the Boat Slip appurtenant thereto.

8.2 Assignment of Exclusive Use of Boat Slips. Each are designated as a Boat Slip shall be a Limited Common Element. The assignment of a Boat Slip to a Unit shall be made by the Developer, at the Developer's discretion. Once a Boat Slip is assigned, it shall become appurtenant to the Unit to which it was so assigned. An assignment of Boat Slip shall be effected by the Developer's delivering to the Owner an instrument executed by it, in recordable form, identifying the Boat Slip and the to which it is appurtenant. The Assignment must be recorded in the Public Records of Brevard County, Florida, and a copy thereof must be delivered to the Association.

8.3 Sale or Lease of Boat Slips. No Unit Owner may sell or lease the Boat Slip appurtenant to his Unit except with the Unit, not may a Unit Owner retain the use of a Boat Slip when it has leased or sold his Unit.

8.4 Boat Slip Owners' Roster. The Association shall maintain a register showing the name of the Unit Owner and Unit number to which each Boat Slip has been assigned.

8.5 Restrictions on Use of Boat Slips. The use of the Boat Slips is restricted by the Marina Restrictions, copy of which is annexed hereto as Exhibit "E" and by the Rules and Regulations adopted by the Association, as amended from time to time. The Association shall have the right to amend the Marina Restrictions in accordance with the Bylaws. The use of the Boat Slips and the activities permitted in the Marina are further restricted by the Submerged Land Lease and Easement covering the submerged property on the entrance to the Marina. Copies of the Submerged Land Lease and Easement are annexed hereto as Exhibit "F".

OFF. REC.
2892

PAGE
2356

PURCHASE OF INSURANCE AND
OWNERSHIP OF INSURANCE PROCEEDS

9.1 General. The Association shall purchase all insurance policies upon the Condominium Property, which shall be issued by a reputable insurance company authorized to do business in Florida. The named insured in every such policy shall be the Association, individually, as agent for the Unit Owners without naming them, and as agent for their mortgagees, without naming them. All insurance policies purchased by the Association shall be available for inspection by Unit Owners or their authorized representatives at reasonable times, and a copy of each such policy or a certificate evidencing it shall be furnished by the Association to each mortgagee, at its request. It shall not be the responsibility or duty of the Association to obtain insurance coverage upon any individual Unit or upon the personal liability (especially liability for accident within his own Unit), personal property or living expenses of any Unit Owner, but each Unit Owner may obtain such insurance at his own expense, provided such insurance may not be of a nature to affect policies purchased by the Association. Unit Owners shall furnish the Association copies of all insurance policies obtained by them. Such insurance shall be written by the same carrier as the insurance purchased by the Board of Directors pursuant to this section or shall provide that it shall be without contribution as against the same. When appropriate and possible, all policies providing such coverage shall waive the insurer's right to subrogation against the Association and against the Unit Owners individually and as a group.

9.2 Premium. Premiums for insurance to be maintained by the Association shall be paid by the Association as a Common Expense, except that the amount of increase in any premium occasioned by the misuse, occupancy or abandonment of any Unit, Units, their appurtenances or the Common Elements by a particular Unit Owner or particular Unit Owners shall be assessed against and paid by such Unit Owner or Unit Owners. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements of the Mortgage Holder, the Mortgage Holder shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, the Mortgage Holder shall be subrogated to the Assessment and lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

9.3 Coverage

(a) Property. The Buildings (including the fixtures, installations and additions referred to in §718.111(g)(b) of the Condominium Act), the Marina, all other improvements upon the Condominium Property and all personal property and fixtures included in the Common Elements shall be insured in an amount equal to the greater of the maximum insurable replacement value (excluding foundation and excavation costs) or one hundred percent (100%) of their full insurable value, which amount shall be determined annually by the Board of Directors. This coverage shall afford protection against:

(i) loss or damage by fire and other hazards covered by standard extended coverage endorsements, and

(ii) whatever other risks are customarily covered with respect to buildings similar in construction, location and use to the Buildings, including but not limited to flooding, vandalism and malicious mischief.

OFF. REC.
2892

PAGE
2357

(b) Public Liability Insurance. The Association shall obtain public liability insurance in such amounts (not, however, less than \$1,000,000 for each occurrence of personal injury and/or property damage) and with such coverage as the Board of Directors deems advisable. Subject to reasonable availability, every public liability insurance policy purchased by the Association shall have a cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

(c) Workmen's Compensation Insurance. Workmen's Compensation Insurance shall be obtained to meet the requirements of law.

(d) Fidelity Insurance. The Association shall purchase fidelity insurance to cover every officer, employee, or agent of the Association, or any other person who controls or disburses funds of the Association in the principal sum of not less than \$10,000 for each such person.

(e) Other Insurance. The Association shall obtain whatever other insurance the Board of Directors determines from time to time to be desirable.

9.4 Insurance Trustee. All insurance policies purchased by the Association shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee. The Insurance Trustee shall be any Florida or national bank with trust powers that the Association designates. The Insurance Trustee shall be responsible only for receiving whatever proceeds are paid to it and holding and distributing those proceeds in the manner and for the purposes set forth in Sections 10 and 11 hereof. The Insurance Trustee shall not be responsible for paying premiums, renewing policies or collecting proceeds from insurers or for the form, content or sufficiency of policies. The Insurance Trustee may be designated before or after a casualty loss occurs.

9.5 Beneficial Ownership of Insurance Proceeds. The Insurance Trustee shall receive such insurance proceeds as are paid to it and shall hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares, which shares need not be set forth on the records of the Insurance Trustee:

(a) Common Elements. Proceeds received by the Insurance Trustee on account of damage to Common Elements shall be beneficially owned by each Unit Owner in shares equal to their undivided shares in the Common Elements.

(b) Units. Except as provided in section 9.5(c) below, proceeds on account of damage to Units shall be held in the following undivided shares:

(i) When the Building(s) is(are) to be restored, the proceeds shall be held for the benefit of the Owners of damaged Units, with the share of each in the total proceeds being in the proportion that the cost of repairing the damage suffered by such Unit Owner bears to the total cost of repair, which costs shall be determined by the Board of Directors.

(ii) When a Building is not to be restored, the proceeds shall be held for the Owners of Units in the Building, in equal shares.

(c) Mortgagees. In the event a mortgagee endorsement has been issued with respect to a Unit, the share of the Owner of that Unit shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or

OFF. REC.
2892

PAGE
2358

participate in the determination whether or not any damaged property shall be reconstructed or repaired except as provided in Subsections 10.1(b)(i) and 10.1(b)(ii).

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

(a) Expenses of Trustee. First, all expenses of the Insurance Trustee shall be paid or provision shall be made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners as set forth in Section 9.5 above, with remittances to Unit Owners and mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by any such mortgagee.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided in this Declaration that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners in shares as set forth in Section 9.5 above, with remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Parcel and may be enforced by any such mortgagee.

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

9.7 Association as Agent. The Association is hereby irrevocably appointed agent, with full power of substitution, for each Unit Owner and for each owner of any other insured interest in the Condominium Property, to adjust all claims arising under insurance policies purchased by the Association, to bring suit thereon in its name and/or in the name of other insureds, to deliver releases upon payments of claims, to compromise and settle such claims, and otherwise to exercise all of the rights, powers and privileges of the Association and each Unit Owner or any other holder of an insured interest in the Condominium Property under such insurance policies; provided, however, the actions of the Association shall be subject to the approval of the Mortgage Holder if the claim shall involve more than one Condominium Parcel, and if only one Condominium Parcel is involved, such actions shall be subject to the approval of any Institutional Mortgagee holding an Institutional Mortgage encumbering such Condominium Parcel.

10

RECONSTRUCTION OR REPAIR AFTER CASUALTY

10.1 Determination to Reconstruct or Repair. If any part of the Common Elements shall be damaged to the extent that reconstruction or repair is necessary, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) Common Elements. If the damage is solely to a portion or portions of the Common Elements and does not extend to the Units, the same shall be reconstructed or repaired.

OFF. REC.
2892

PAGE
2359

(b) Common Elements and Units.

(i) Partial Destruction. If the damaged improvement is a Building and less than 90% of the amount of the Association's casualty insurance applicable to that Building is forthcoming by reason of such casualty, then the Building (not including furniture, furnishings or other personal property supplied or installed by any Occupant or Unit Owner other than the Developer) shall be reconstructed and repaired unless within sixty days after notice is given to all Unit Owners and Institutional Mortgagees of the amount of such insurance which is forthcoming, at least 75% of the Unit Owners and mortgagees holding Institutional Mortgages on at least 75% of the Condominium Parcels which are encumbered by Institutional Mortgages shall agree in writing that the same shall not be reconstructed or repaired.

(ii) Total Destruction. If the damaged improve-ment is a Building or the Building and 90% or more of the amount of the Association's casualty insurance applicable to the Condominium is forthcoming by reason of such casualty, the Buildings shall not be reconstructed or repaired unless within sixty days after notice is given to all Unit Owners and Institutional Mortgagees of the extent of all the damage and the amount of such insurance which is forthcoming, at least 75% of the Unit Owners and mortgagees holding Institutional Mortgages on at least 75% of the Condominium Parcels which are encumbered by Institutional Mortgages shall within sixty days after casualty agree in writing that the same shall be reconstructed or repaired.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the Unit Owners, where so provided, have made a decision whether or not to reconstruct or repair.

10.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications of the original Building and improvements or, if not, then according to plans and specifications approved by the Board of Directors, and if the damaged property is a Building, by the Owners of all damaged Units and by the Mortgage Holder if it shall hold an Institutional Mortgage upon one or more of the damaged Units, and if the Mortgage Holder does not hold a mortgage on at least one of the damaged Units, by all the holders of Institutional Mortgages on the damaged Units, which approvals shall not be unreasonably withheld.

10.3 Responsibility. If the damage is only to those parts of Units for which the responsibility of maintenance and repair is that of the respective Unit Owners, then those Unit Owners shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

10.4 Estimate of Costs. When the Association shall have the responsibility of reconstruction or repair, prior to the commencement of reconstruction and repair the Association shall obtain reliable and detailed estimates of the cost to repair or rebuild.

10.5 Assessments for Reconstruction and Repair. If the proceeds of insurance are not sufficient to defray completely the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the cost of reconstruction and repair are insufficient, Special Assessments shall be levied against the Unit Owners who own Damaged Units, and, in the case of damage

OFF. REC.
2892

PAGE
2360

to Common Elements, Assessments shall be levied against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Special Assessments against Unit Owners for damage to Units shall be in the proportion that the cost of reconstruction and repair of their respective Units bears to the total cost of such reconstruction and repair. Assessment against a Unit Owner on account of damage to Common Elements shall be in proportion to the Unit Owner's share in the Common Elements. Special Assessments for reconstruction and repair may be collected, and the collection enforced, in the same manner as an Assessment.

10.6 Construction Funds. The funds for the payment of costs for reconstruction and repair after casualty, which shall consist of the proceeds of insurance held by the Insurance Trustee and funds collected by the Association from Assessments and Special Assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of the Assessments and Special Assessments levied by the Association in order to provide funds for the payment of reconstruction and repair which is the responsibility of the Association is more than .02% of the insured value of the Building to be reconstructed or repaired, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and shall disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums, if any, deposited with the Insurance Trustee by the Association from the collection of Assessments and Special Assessments against 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:

(i) Association -- Lesser Damage. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than .02% of the insured value of the Buildings, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors; provided, however, that upon request to the Insurance Trustee by an Institutional Mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in accordance with the procedure set forth in Subsection 10.6(b)(ii) below.

(ii) Association -- Major Damage. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is .02% of the insured value of the Buildings or more, then the construction fund shall be disbursed in payment of such costs in the manner provided by the Board of Directors and upon the approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(iii) Unit Owner. If there is a balance of insurance proceeds after the payment of the costs of reconstruction and repair that are the responsibility of the Association, this balance shall be distributed to Owners of damaged Units who are responsible for the reconstruction and repair of the damaged portions of their Units. The distribution to each such Owner shall be made in the proportion that the estimated cost of reconstruction and repair of such damage to his Unit bears to the total of such estimated costs in all damaged Units; provide, however, that no Unit Owner shall be paid an amount in excess of such estimated costs for his Unit, the distribution shall be paid to the Unit Owner and the Institutional Mortgagee jointly, and they may use the proceeds as they may determine.

OFF. REC.
2892

PAGE
2361

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

(v) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine any fact or matter relating to its duties hereunder, including whether or not sums paid by Unit Owners upon Assessments or Special Assessments shall be deposited by the Association with the Insurance Trustee, whether the disbursements from the construction fund are to be made upon the order of the Association or upon approval of an architect or otherwise, whether a disbursement is to be made from the construction fund, or whether surplus funds to be distributed are less than the Assessments and Special Assessments paid by Unit Owners. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or by the Association's managing agent stating any or all of such matters, stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when an Institutional Mortgagee is herein required to be named as payee, the Insurance Trustee shall also name that Institutional Mortgagee as payee; and further provided that when required by the beneficiary of an insurance policy the proceeds of which are included in the construction fund, the approval of an architect named by the Association shall be first obtained by the Association.

10.7 Equitable Relief. In the event of substantial damage to or destruction of all or a substantial part of the Condominium Property, and in the event the Condominium Property is not repaired, reconstructed or rebuilt within a reasonable period of time, any Unit Owner or any Institutional Mortgagee shall have the right to petition a court of equity having jurisdiction in and for the county where the Condominium Property is located for equitable relief, which may, but need not necessarily, include a termination of the Condominium and a partition. The provisions of this subsection are paramount to all other provisions of Sections 9 and 10 of this Declaration.

11

TERMINATION

The Condominium may be terminated in the following manner, in addition to the manner provided by the Condominium Act:

11.1 Agreement. The Condominium may be terminated at any time by the approval, in writing, of all of the record owners of Units in the Condominium and all Institutional Mortgagees.

11.2 Option. If the owners of not less than 75% of the Condominium Parcels and the holders of Institutional Mortgages on not less than 75% of the Condominium Parcels which are encumbered by Institutional Mortgages consent in writing to termination, then the consenting Unit Owners shall have an option to buy all of the Condominium Parcels of the non-consenting Unit Owners for the period exceeding for 120

OFF. REC.
2892

PAGE
2362

days after the earliest date on which a non-consenting Unit Owner's acceptance of the consenting Owners' offer to buy is received by any consenting Unit Owner(s). Such acceptances may not be revoked by the non-consenting Unit Owners until the expiration of the option, and if the option is exercised, such acceptances shall be irrevocable. The option and offer to buy shall be upon the following terms:

(a) Exercise of Option. The option shall be exercised by delivery or mailing to each of the record owners of the Condominium Parcels to be purchased an agreement to purchase signed by the record Unit Owners who will participate in the purchase or by the Association on their behalf with the names of participating Unit Owners attached. Such agreement shall indicate which Condominium Parcels will be purchased by each participating Unit Owner. Additionally, the offer to buy embodied in such agreement shall be conditioned upon all non-consenting Unit Owners agreeing to sell their Condominium Parcels in accordance with this section 11.2, but if all non-consenting Unit Owners so agree, each agreement to purchase shall effect a separate contract between each seller and his purchaser.

(b) Price. The sales price for each Condominium Parcel shall be the fair market value thereof as determined by agreement between the seller and purchaser within thirty days from the delivery or mailing of such agreement, and in the absence of agreement concerning the price, it shall be determined by an appraiser appointed by the Chief Judge of the circuit court in and for Brevard County, Florida, on the petition of any part in interest. A judgment of specific performance of the sale upon the price determined by such performance of the sale upon the price determined by such appraiser may be entered in any court of competent jurisdiction. The expense of the appraisal shall be paid by the purchaser.

(c) Payment. The purchase price shall be paid in cash.

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

11.3 Total Destruction of the Buildings. If the Buildings as a result of common casualty, are damaged within the meaning of Subsection 10.1(b)(ii) and it is determined as therein provided that they shall not be reconstructed or repaired, the condominium form of ownership will thereby terminate without agreement and the Unit Owners shall thereupon be the owners, as tenants-in-common, of the Condominium Property, in the same undivided shares as each such Unit Owner previously owned the Common Elements. In addition, the net proceeds of insurance resulting from such damage shall be divided among all the Unit Owners in proportion to their respective shares of the Common Elements, provided, however, that no payment shall be made to a Unit Owner until his share of such funds has first been applied to pay off all liens upon his Unit in the order of priority of such liens.

11.4 General Provisions. Upon termination of the Condominium, any mortgagee or lienor of a Unit Owner who shall thereby become a tenant-in-common shall have a mortgage or lien solely and exclusively upon the undivided share of such tenant-in-common in and to the Condominium Property which the Unit Owner may receive by reason of such termination. The termination of the Condominium shall be evidence by a certificate of the Association executed by its President and Secretary certifying with respect to the facts effecting the termination, which certificate shall become effective upon being recorded in the Public records of Brevard County, Florida.

11.5 Amendment of Termination Provisions. This Section 11 cannot be amended without the consent of all Unit Owners of all record holders of institutional Mortgages.

OFF. REC.
2892

PAGE
2363

CONDEMNATION

12.1 Deposit of Awards with Insurance Trustee. If any of the Common Elements are taken by condemnation or a conveyance in lieu thereof, the awards for that taking shall, for the purposes of this Declaration be deemed to be proceeds from insurance on account of a casualty causing damage to the Common Elements within the meaning of Section 10, 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 the failure of any Unit Owner to do so, in the discretion of the Board of Directors a Special Assessment shall be levied against such Unit Owner in the amount of his award, or the amount of that award shall be set off against any sums hereafter made payable to that Owner pursuant to this section.

12.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided in Section 10 for determining whether damaged Common Elements will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

12.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the condemnation awards and Special Assessments under Subsection 12.1 will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided in this Declaration for the distribution of insurance proceeds if the Condominium is terminated after damage to the Common Elements. If the Condominium is not terminated after condemnation, the size of the Building or Buildings affected will be reduced and the property damaged by the taking will be made usable in in the manner provided below. The proceeds of said awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after damage to the Common Elements.

12.4 Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable, 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 effected in the Condominium:

(a) Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, and the Owner of the Unit does not, within a reasonable period of time, provide the additional funds required for restoration, such additional funds may, in the discretion of the Board of Directors, be expended for restoration by the Association and be assessed against the Unit Owner as a Special Assessment.

(b) Distribution of Surplus. The balance of the award, if any, shall be distributed to the Owner of the Unit and to the holder of any Institutional Mortgage encumbering the Unit, the remittance being made payable jointly to the Owner and any such Institutional Mortgagee.

12.5 Unit Made Uninhabitable. If the taking is of the entire Unit, or so reduces the size of a Unit that it cannot be made habitable, 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 effected in the Condominium:

OFF. REC.
2892

PAGE
2364

(a) Payment of Award. The award shall be paid first to any Institutional Mortgagee in an amount sufficient to pay off its mortgage on such Unit; and then jointly to the Unit Owner and other mortgagees of the Unit in an amount not to exceed the market value of the Condominium Parcel immediately prior to the taking as diminished by any sums from the award previously reserved for any Institutional Mortgagee; and the balance, if any, to the repairing and replacing of the Common Elements damaged by the taking.

(b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required in this Declaration for further improvement of the Common Elements.

(c) Adjustment of Shares in Common Elements, Common Expenses and Common Surplus. The shares in the Common Elements, the Common Expenses and the Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the other shares among the reduced number of Unit Owners. This adjustment shall be done by restating said shares of the continuing Unit Owners as percentages aggregating 100% so that the shares appurtenant to the Units of the continuing Owners shall be in the same proportions to each other as before the adjustment.

(d) Assessments. 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 finance the alteration of 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 Owners of Units after the changes in the Condominium effected by the taking. Such Special Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes effected by the taking.

(e) Arbitration. If the market value of a Condominium Parcel prior to the taking cannot be determined by agreement among the Unit Owner, mortgagees of the Unit and the Association within thirty days after notice by either party, the 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 Condominium Parcel; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Owners of Units prior to the taking in proportion to the shares of the Owners in the Common Elements as they exist prior to the changes effected by the taking.

12.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere in this Declaration for further improvement of 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

OFF. REC.
2892

PAGE
2365

after adjustment of these shares on account of the condemnation, except that if a Condominium Parcel is encumbered by an Institutional Mortgage, the distribution shall be paid jointly to the owner and the Institutional Mortgages of the Condominium Parcel.

12.7 Amendment to Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements that are effected by condemnation shall be evidenced by an amendment to this Declaration that need be approved only by a majority of the Board of Directors.

13.

USE RESTRICTIONS

13.1 Occupancy. Each Unit shall be used only as a residence, except that, if permitted by applicable zoning ordinances, a professional or quasi-professional Unit Owner or Occupant using a Unit as a residence may also use that Unit as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit an Occupant from: (i) maintaining his personal professional library; (ii) keeping his personal business or professional records or accounts; or (iii) handling telephone calls or correspondence relating to his personal business or profession. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions. The Developer shall be permitted to use any one or more Units owned by it as models or office space.

13.2 Use of Common Elements. The Common Elements shall be used only for furnishing the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. No Unit Owner or Occupant shall place, distribute or maintain any sign, poster or bill in any portion of the Common Elements outside his Unit without the approval of the Board of Directors.

13.3 No Improper Uses. No immoral, improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Laws, orders, rules, regulations and requirements of any governmental agency having jurisdiction over any portion of the Condominium Property and relating thereto shall be complied with by, and at the sole expense of, the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere set forth in this Declaration. No Unit Owner or Occupant shall do anything on the Condominium Property, nor shall any Unit Owner permit or suffer anything to be done or kept in his Unit, which would cause an increase in the rate of insurance on the Condominium Property.

13.4 Regulations. Reasonable rules and regulations concerning the use of the Condominium Property, including restrictions on pets that may be kept in the Unit may be made and amended from time to time by the Association as provided in the Bylaws.

OFF. REC.
2892

PAGE
2366

LEASING OF UNITS

14.1 General. The leasing of Units shall be subject to the provisions of this section 14.

14.2 Lease Agreement. Any lease of a Unit shall be in writing, shall be consistent with the Bylaws and other pertinent provisions of this Declaration, shall be for a term of not less than three (3) months, and shall provide (i) that it may not be modified, amended, extended or assigned without the Board of Directors' prior written consent, (ii) that the lessee may not assign his interest in the lease or sublease the Unit without complying with this section 14 and (iii) that the Board of Directors shall have the power and authority to terminate the lease and/or bring summary proceedings to evict the lessee in the name of the lessor if either the lessee defaults under the lease or the Association forecloses a lien for unpaid assessments on the Unit. Whenever it is used in this section 14, the term "lease" is intended to refer to a sublease as well as a lease from the owner.

14.3 Unit. For purposes of this Section 14, the term Unit shall include the parking spaces, storage area and Boat Slip which are appurtenant thereto.

14.4 Effect of Failure to Comply. Any lease made in violation of this section 14 shall be null and void unless it is subsequently approved by the Board of Directors. Any such subsequent approval must, to be effective, be evidenced by an instrument executed by an officer of the Association. If the Board of Directors elects not to subsequently approve a lease pursuant to this paragraph the Unit Owner shall be deemed to have authorized the Association to institute legal proceedings to evict the purported lessee in the name of the purported lessor. The expenses incurred by the Association in any such proceeding or in any other proceeding instituted in connection with the voiding of a transaction hereunder (including court costs and reasonable attorneys' fees) shall be collected from the Owner of the Unit involved in the transaction by an Individual Assessment.

NOTICE OF LIEN OR SUIT

15.1 Notice of Lien. A Unit Owner shall give notice in writing to the Secretary of the Association of every lien upon his Condominium Parcel, other than liens for Institutional Mortgages, taxes and special assessments, within five days after he learns of the attaching of the lien.

15.2 Notice of Suit. A Unit Owner shall give notice in writing to the Secretary of the Association of every suit or other proceeding which may affect the title to his Condominium Parcel, with such notice to be given within five days after the Unit Owner obtains knowledge thereof.

15.3 Failure to Comply. Failure to comply with this section will not affect the validity of any judicial proceeding.

OFF. REC.	PAGE
2892	2367

COMPLIANCE AND DEFAULT

16.1 Compliance and Default. Each Unit Owner and the Association shall be governed by and shall comply with the terms of the Condominium Documents and the rules and regulations applicable to the Condominium Property. Failure of the Unit Owner to Comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to other remedies provided in the Condominium Documents and the Condominium Act:

(a) Enforcement. The Association, through the Board of Directors, is hereby empowered to enforce the Condominium Documents and all rules and regulations of the Association by such means as are provided by the laws of the State of Florida, including the imposition of reasonable fines from time to time as set forth in the Bylaws. In the event a Unit Owner fails to maintain his Unit in the manner required in the Condominium Documents and any rules and regulations of the Association, the Association, through the Board of Directors, shall have the right to assess the Unit Owner and the Unit for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of, an Individual Assessment therefor as provided in this Declaration.

(b) Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement of common elements rendered necessary by his act, neglect or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or of the Common Elements or of the Limited Common Elements. The liability for such increases in insurance rates shall equal five times the first resulting increase in the annual premium rate for such insurance.

(c) Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Condominium Act, the Condominium Documents or any rules and regulations adopted pursuant thereto, the prevailing party shall be entitled to recover the costs of the proceeding and Reasonable Attorneys' Fees as may be awarded by the court.

(d) No Waiver of Rights. The failure of the Association or any Unit Owner (including the Developer) to enforce any covenant, restriction or other provision of the Condominium Act, the Condominium Documents or any rules and regulations adopted pursuant thereto shall not constitute a waiver of the right to do so thereafter.

16.2 Execution of Documents Required by Governmental Authorities. The Developer's plan for the development of the Condominium may require from time to time the execution of certain documents required by governmental authorities having jurisdiction over the Condominium. To the extent that said documents require the joinder of any Unit Owners, each of the Unit Owners, by virtue of his acceptance of a deed to his Condominium parcel, does irrevocably give and grant to the Developer or any of its officers, individually, full power of attorney to execute said documents as his agent and in his place and stead.

OFF. REC.
2892

PAGE
2368

AMENDING THE DECLARATION

17.1 Amendment by Vote. This Declaration may be amended at any regular or special meeting of the Unit Owners called in accordance with the Bylaws, by the affirmative vote of not less than a majority of the Board of Directors and seventy-five percent (75%) of the Association's Voting Members or by the affirmative vote of not less than eighty percent (80%) of the Voting members alone. An amendment may be proposed by either a majority of the Board of Directors or by members holding one-third (1/3) of the votes of the association. Each Amendment to this Declaration shall be certified by the president and secretary of the Association as having been duly adopted and shall be effective when recorded.

17.2 Amendment by Agreement. This Declaration may be amended by an agreement signed and acknowledged by the record owner of all Units in the manner required for the executive of a deed.

17.3 Amendment by Developer. As long as it owns one or more Units, the Developer may amend this Declaration to correct omissions or errors provided that his doing so does not adversely affective substantial rights of other Unit Owners without their consent.

17.4 Amendment by Board. A majority of the members of the Board of Directors may amend the provisions of this Declaration dealing with insurance to conform them to the reasonable requirements of insurers or Institutional Mortgagees, provided that any such amendment is first approved in writing by all Institutional Mortgagees of record.

17.5 Limitations on Amendments. As long as the Developer is the owner of any Unit, no amendment to this Declaration may be made unless the Developer shall join in the execution of such amendment, nor shall any amendment be adopted that changes the rights and privileges of the Developer without the Developer having first consented in writing to it. No amendment may be passed which impairs or prejudices the priority of, or rights contained in, any Institutional Mortgage or which changes the provisions of this Declaration with respect to Institutional Mortgagees, without all holders of Institutional Mortgages of record having first approved it.

17.6 Execution and Recording. A copy of each amendment shall be attached to a certificate which shall include the recording data identifying this Declaration, certifying that the amendment was duly adopted, which certificate shall be executed by the President and Secretary of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Brevard County, Florida. Notwithstanding the foregoing two sentences, any amendment made by the Developer pursuant to rights retained by the Developer in this Declaration or reserved to a "developer" in the Condominium Act or any amendment by the Developer pursuant to section 17.3 shall not require a certificate of the Association to be effective.

ADDITIONAL PROVISIONS REGARDING MORTGAGEES

18.1 Maintenance of Mortgagee's Roster. Upon mortgaging his Unit, every Unit Owner shall notify the Association of the

OFF. REC.	PAGE
2892	2369

mortgagee's name and address. The Association shall maintain such information on a register showing the name of each Unit Owner and the identity of each mortgagee holding a mortgage on his Unit that the Association has knowledge of.

18.2 Additional Rights of Institutional Mortgagees.

(a) Enumeration of Rights. In addition to any rights provided elsewhere in this Declaration, any Institutional Mortgagee holding a first mortgage on a Condominium Parcel shall have a right.

(i) to receive from the Association a copy of the Association's annual financial report,

(ii) to inspect the Association's books and records during normal business hours;

(iii) to receive an unaudited financial statement of the Association within 90 days after each of its fiscal years closes,

(iv) to receive from the Association written notice of any meeting of the Association's membership for the purpose of considering or voting on an amendment to this Declaration, the bylaws or the Association's articles.

(v) to receive from the Association written notice of any default under this Declaration or the bylaws by an Owner of a Unit encumbered by a mortgage to the Institutional Mortgagee, if the default remains uncured for more than 30 days,

(vi) to receive timely written notice of casualty damage to or condemnation of any part of the Common Elements or any Unit on which it has a first mortgage or of any proposed termination of the Condominium,

(vii) to be given an endorsement to each insurance policy covering the Condominium Property that requires that the Institutional Mortgagee be given any notice of cancellation provided for in the policy, and

(viii) to examine the Association's books and records during normal business hours.

(ix) pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Condominium, or obtain, singly or jointly, new hazard insurance coverage on that property upon the lapse of a policy, and, in either case, receive immediate reimbursement from the Association.

19

MISCELLANEOUS PROVISIONS

19.1 Covenants Running With the Land. All provisions of the Condominium Documents shall, to the extent applicable and unless otherwise expressly therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein; and all of the provisions of the Condominium Documents shall be binding upon and inure to the benefit of any owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but said provisions are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All Unit Owners and Occupants shall be subject to and shall comply with the

OFF. REC.
2892

PAGE
2370

provisions of the Condominium Documents and any rules and regulations promulgated thereunder.

19.2 Exclusive Use. At the request of a Unit Owner or Occupant, the Association may, in the discretion of the Board of Directors, permit the exclusive use of any one or more rooms, spaces, related equipment, fixtures and personal property which are Common Elements and any other recreational facilities of the Condominium by certain Unit Owners or Occupants and groups or clubs with which a Unit Owner or Occupant is affiliated, and for social affairs sponsored by Unit Owners or Occupants, for such periods and at such rental, if any, as the Board of Directors may deem appropriate; provided, however, that such periods of exclusive use shall not exceed ten continuous hours and that such periods of exclusive use shall not exceed three calendar days in one calendar month. The Board of Directors may require a security deposit in such amounts and for such purposes as it may specify as a condition to agreeing to such exclusive use.

19.3 Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, section, subsection, sentence, clause, phrase, word or other provision of this Declaration, the Articles, the Bylaws, any rules and regulations of the Association promulgated pursuant thereto, and any exhibits attached hereto, as the same may be amended from time to time, or the Condominium Act, or the invalidity in whole or in part of the application of any such covenant, restriction, paragraph, subparagraph, section, subsection, sentence, clause, phrase, word or other provision shall not affect the remaining portions thereof.

19.4 Taxation of Condominium Parcels. For the purpose of ad valorem taxation, the interest of a Unit Owner in his Unit and in the Common Elements shall be inseparable. In any year in which either or both of such interests are not taxed separately to a Unit Owner, the total value of said interests shall be equal to the product obtained by multiplying the entire value of the Condominium Property for purposes of ad valorem taxation by the decimal equivalent of the share of the Common Elements appurtenant to such Unit. No provision in this Declaration shall be construed as giving any Unit Owner the right of contribution or any right of adjustment against any other Unit Owner on account of any deviation by the taxing authorities from the valuation herein prescribed; each Unit Owner being required to pay ad valorem taxes and special assessments as are separately assessed by governmental authorities against his Condominium Parcel.

19.5 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by the Condominium Documents or any rules and regulations adopted pursuant to such documents, such dispute or litigation shall be governed by the laws of the State of Florida.

19.6 Waiver. No provisions contained in the Condominium Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

19.7 Ratification. Each Unit Owner, by reason of having acquired ownership of his Condominium Parcel, whether by purchase, gift, operation of law or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Condominium Documents and any rules and regulations promulgated thereunder are fair and reasonable in all material respects.

19.8 Gender, Plurality and Construction. Wherever the context so requires, the use of any gender shall be deemed to include all genders, the use of the singular shall include

OFF. REC.
2892

PAGE
2371

the plural and the use of the plural shall include the singular. The provisions of the Condominium Documents shall be liberally construed to effectuate their purposes of creating a uniform for the operation of a condominium.

19.9 Captions. The captions used in the Condominium Documents are inserted solely as a matter of convenience and reference and shall not be relied upon and/or used in construing the effect or meaning of any of the text of the Condominium Documents.

19.10 Assignment. All rights in favor of the Developer reserved in this Declaration are freely assignable in whole or in part by the Developer and may be exercised by any nominee of the Developer and/or exercised by the successors in interest of Developer.

IN WITNESS WHEREOF, the Developer has executed this Declaration of Condominium this 14th day of March, 1988.

Signed, sealed and delivered in the presence of:

FCA American Mortgage Corporation a California corporation

By: _____ President

James R. Scheiber

Attest: _____ Secretary

Gail Sousa

Signed, sealed and delivered in the presence of:

FCA American Mortgage Corporation a California corporation

James R. Scheiber
James R. Scheiber

By: Nancy M. Paulsen
Nancy M. Paulsen, President

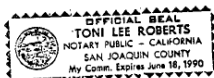
Gail Sousa
Gail Sousa

Attest: Victoria Y. Heredia
Victoria Y. Heredia, Secretary

STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN

I HEREBY CERTIFY, that on this day personally appeared before me, an officer duly authorized to take acknowledgments, NANCY M. PAULSEN and VICTORIA Y. HEREDIA, as SENIOR VICE PRESIDENT and ASSISTANT SECRETARY respectively, of FCA American Mortgage Corporation, a California corporation authorized to do business in Florida, to me well known to be the persons described in and who executed the foregoing instrument and acknowledged the execution thereof to be their free act and deed as such officers and as the free act and deed of said corporation for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation.

Witness my hand and official seal in the county and state aforesaid this 14TH day of MARCH, 1988.



Toni Lee Roberts
Notary Public

My Commission Expires:
6/18/90

OFF. REC.
2892

PAGE
2372

EXHIBIT "A"
to
Declaration of Condominium
of
Rhum Cove, a Condominium

LEGAL DESCRIPTION:

A PARCEL OF LAND LYING IN FRACTIONAL SECTION 30, TOWNSHIP 28 SOUTH, RANGE 38 EAST, BREVARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY OF GRAN AVENUE AS SHOWN ON THE PLAT OF GRANS SUBDIVISION OF CAPE MALABAR ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 12 AT PAGE 18 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA AND THE EAST RIGHT OF WAY LINE OF STATE ROAD NO. 5 AS SAID RIGHT OF WAY IS SHOWN ON THE STATE OF FLORIDA, STATE ROAD DEPARTMENT, RIGHT OF WAY MAP, SECTION NO. 70020-277, AS APPROVED ON NOVEMBER 21, 1960, SAID POINT BEING ON THE ARC OF A CIRCULAR CURVE THAT IS CONCAVE TO THE WEST AND WHOSE CENTER BEARS 557°40'21"W FROM SAID POINT; SAID CURVE HAVING A RADIUS OF 1,975.08; THENCE RUN SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 02°50'34" FOR AN ARC DISTANCE OF 98.00 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL OF LAND; THENCE CONTINUE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 24°03'21" FOR AN ARC DISTANCE OF 829.24 FEET; THENCE RUN N85°01'42"E FOR 188.15 FEET TO A CONCRETE MONUMENT THAT IS 19.5 FEET, MORE OR LESS, WEST OF THE ORDINARY HIGH WATER LINE OF THE INDIAN RIVER; THENCE CONTINUE N85°01'42"E FOR 19.5 FEET, MORE OR LESS, TO THE ORDINARY HIGH WATER LINE OF THE INDIAN RIVER; THENCE RUN NORTHEASTERLY ALONG THE ORDINARY HIGH WATER LINE OF THE INDIAN RIVER 832.0 FEET, MORE OR LESS TO A POINT; SAID POINT LIES N11°00'14"E AND 830.39 FEET DISTANT FROM THE AFOREMENTIONED CONCRETE MONUMENT; THENCE RUN N87°44'01"W FOR 210.69 FEET; THENCE RUN N57°21'40"W FOR 26.21 FEET; THENCE RUN N13°24'46"W FOR 90.00 FEET; THENCE RUN 580°45'59"W ALONG A LINE THAT IS PARALLEL WITH AND SOUTH OF THE SOUTH RIGHT OF WAY OF GRAN AVENUE FOR 265.00 FEET; THENCE RUN S14°09'31"E FOR 50.00 FEET; THENCE RUN 561°03'09"W FOR 107.00 FEET TO THE POINT OF BEGINNING, SAID PARCEL CONTAINS 7.653 ACRES, MORE OR LESS, LESS AND EXCEPT THAT PARCEL DESCRIBED IN OFFICIAL RECORDS BOOK 2217 AT PAGE 902 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA.

TOGETHER WITH ALL GRANTOR'S RIGHTS IN AND TO THAT DECLARATION OF EASEMENT BY K.C.S., INC. d/b/a CROW'S NEST RESTAURANT OF PALM BAY, FLORIDA TO AMERICAN SAVINGS AND LOAN ASSOCIATION, AS SHOWN IN OFFICIAL RECORDS BOOK 2573, PAGE 2367 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA, WHICH EASEMENT IS LEGALLY DESCRIBED AS FOLLOWS:

AN INGRESS AND EGRESS EASEMENT LYING IN GOVERNMENT LOT NO. 2, IN FRACTIONAL SECTION 30, TOWNSHIP 28 SOUTH, RANGE 38 EAST, BREVARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF GRAN AVENUE AND THE EAST RIGHT OF WAY LINE OF STATE ROAD 5 (U.S. HIGHWAY 1) AS SHOWN ON THE PLAT OF GRANS SUBDIVISION OF CAPE MALABAR, AS RECORDED IN PLAT BOOK 12 AT PAGE 18 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA; THENCE RUN N80°45'59"E ALONG SAID SOUTH RIGHT OF WAY LINE OF GRAN AVENUE FOR 10.78 FEET TO THE POINT OF BEGINNING OF THIS EASEMENT HEREIN DESCRIBED; THENCE CONTINUE N80°45'59"E ALONG SAID SOUTH RIGHT OF WAY LINE OF GRAN AVENUE FOR 43.22 FEET; THENCE RUN S13°56'19"W FOR 24.17 FEET; THENCE RUN S30°06'38"E FOR 62.00 FEET TO A POINT LYING ON THE SOUTH LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2636, PAGES 0239-0240 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA; THENCE RUN 561°03'09"W ALONG THE SAID SOUTH LINE OF THE ABOVE DESCRIBED PARCEL FOR 21.93 FEET; THENCE RUN N31°06'56"W FOR 94.35 FEET TO THE POINT OF BEGINNING.

OFF. REC.	PAGE
2892	2375

EXHIBIT "B"
to
DECLARATION OF CONDOMINIUM
SURVEYOR'S CERTIFICATE
FOR
RHUM COVE CONDOMINIUM

STATE OF FLORIDA
COUNTY OF BREVARD

BEFORE ME, THE UNDERSIGNED AUTHORITY DULY AUTHORIZED TO ADMINISTER OATHS AND TAKE ACKNOWLEDGEMENTS, PERSONALLY APPEARED "ROBERT M. SALMON", BY ME WELL KNOWN, AND KNOWN TO ME TO BE THE PERSON HEREINAFTER DESCRIBED, WHO AFTER BEING BY ME FIRST DULY CAUTIONED AND SWORN, DEPOSES AND SAYS ON OATH AS FOLLOWS, TO-WIT:

I HEREBY CERTIFY THAT THE CONSTRUCTION OF THE IMPROVEMENTS SHOWN AND DESCRIBED ON THE ATTACHED EXHIBIT "A" IS SUBSTANTIALLY COMPLETE SO THAT THE MATERIAL DESCRIBED AND SHOWN ON THE ATTACHED EXHIBIT "A", TOGETHER WITH THE PROVISIONS OF THE DECLARATION OF CONDOMINIUMS ESTABLISHING RHUM COVE CONDOMINIUM IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THAT THE IDENTIFICATION, LOCATIONS AND DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL, THIS 25TH DAY OF MARCH, 1988 A.D.

ALLEN ENGINEERING, INC.

BY: _____

ROBERT M. SALMON
PROFESSIONAL LAND SURVEYOR
STATE OF FLORIDA NO. 4262

SWORN TO AND SUBSCRIBED BEFORE ME
AS TO "ROBERT M. SALMON" THIS 25TH
DAY OF MARCH, 1988 A.D.

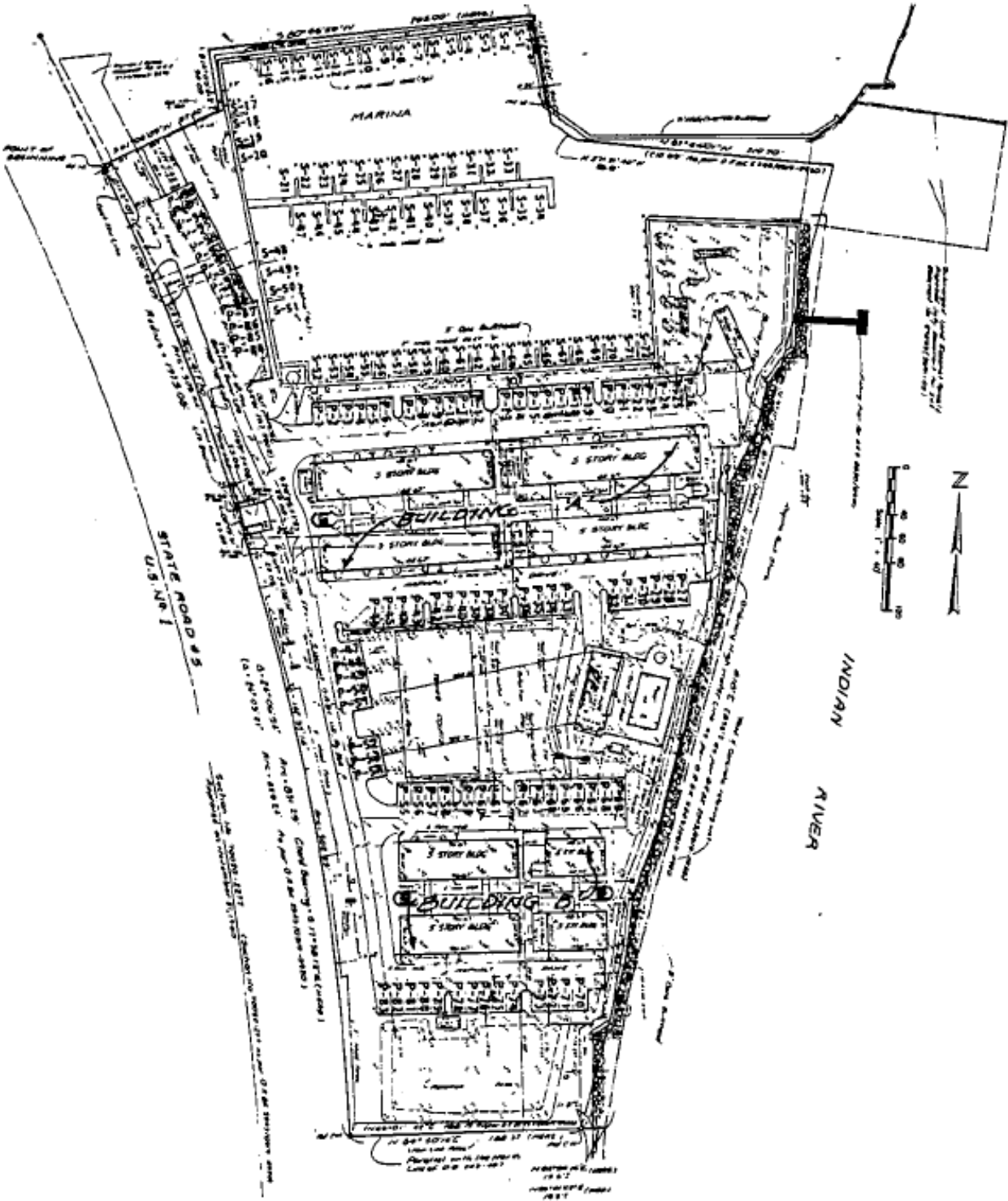
NOTARY PUBLIC OF FLORIDA AT LARGE
MY COMMISSION EXPIRES AUGUST 23, 1989

EXHIBIT "A"
OFF. REC. PAGE
2892 2376

SHEET 1

The following were not scanned/transcribed for this document but would appear between these pages:

- Rhum Cove Condominium Maps,
- Plot Plan,
- Sketch of Survey,
- Surveyor's Notes,
- Legal Description
- Floor Plans
- State of Florida Certification
- or other graphic elements including notary stamps and signatures



ARTICLES OF INCORPORATION
OF
RHUM COVE CONDOMINIUM ASSOCIATION, INC.

We, the undersigned, for the purpose of forming a corporation not for profit in accordance with the laws of the State of Florida, acknowledge and file these Articles of Incorporation in the Office of the Secretary of State of the State of Florida.

ARTICLE I
NAME

The name of this corporation shall be RHUM COVE CONDOMINIUM ASSOCIATION, INC., but it shall be referred to hereinafter simply as (the "Association").

ARTICLE II
DEFINITION

The terms used in these Articles shall have the same meanings as they do in the Declaration of Condominium for RHUM COVE, A CONDOMINIUM, a condominium located in Palm Bay, County of Brevard, Florida (the "Condominium"), unless the context is which they are used requires another meaning.

ARTICLE III
PURPOSE

The Association is organized to serve as an entity pursuant to Section 718.111, Florida Statutes (the "Condominium Act") to administer the operation and management of the Condominium in accordance with the Condominium Act.

ARTICLE IV
POWER

The powers of the Association shall include the power:

A. To operate and manage the Condominium in accordance with the terms, provisions, conditions and authorizations contained in the Condominium Documents which will be recorded among the Public Records of Brevard County, Florida.

B. To own, operate, lease, sell and trade real and personal property whenever it proves necessary or convenient in administering the Condominium.

C. To establish bylaws and rules and regulations for the Association's operation and management.

D. To enforce the Condominium Act, the provisions of the Condominium Documents and the Association's rules and regulations.

E. To contract for the Condominium's management and to delegate to pay party with whom a contract has been entered into for that purpose the powers and duties of the Association.

F. To exercise all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of the Condominium Documents or the Condominium Act. The Association shall also have all of the powers of condominium associations under the Condominium Act and all of the powers reasonably necessary to implement and effectuate the Association's purposes.

ARTICLE V
EXISTENCE

The Association shall have perpetual existence.

ARTICLE IV
MEMBERS

A. Each Owner of a Unit in the Condominium shall automatically be a member of the Association. His membership will commence upon his acquiring title to a Unit and shall end upon his no longer owning a Unit. Membership certificates are not required and will not be issued.

B. The voting rights of the members of the Association shall be as provided in the Declaration of Condominium and the Bylaws.

C. The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to this Unit.

Article VII
SUBSCRIBERS

The names and residence of the Association's subscribers are as follows:

NAME:	ADDRESS:
Olga Ramirez-Seijas	c/o Valdes-Fauli, Cobb and Petrey, Suite 3400, One Biscayne Tower, Miami, Florida 33131-1897
Ronald A. Krise	c/o Valdes-Fauli, Cobb and Petrey, Suite 3400, One Biscayne Tower, Miami, Florida 33131-1897

ARTICLE VIII
DIRECTORS

Section 1. The affairs and property of the Association shall be managed and governed by a Board of Directors composed of not less than three nor more than nine persons. The first Board of Directors shall have three members, and the number of Directors on future Boards shall be determined from time to time in accordance with the Bylaws.

Section 2. The number of Directors to be elected, the manner of their election, and their respective terms shall be as set forth in the Bylaws.

Section 3. All officers shall be elected by the Board of Directors in accordance with the Bylaws at the regular annual meeting of the Board of Directors to be held immediately following the annual meeting of the Association's membership.

The Board of Directors shall elect from among the Association's members a President, Vice President, Secretary, Treasurer and whatever other officers it deems desirable and consistent with the Bylaws. The President shall be elected from among the membership of the Board of Directors, but no other officer would be a Director.

Section 4. Unit Owners other than the Developer shall be entitled to elect not less than one-third of the members of the Board of Directors when they are [unreadable %] or more of the units in the Condominium. Unit Owners other than the Developer shall be entitled to elect additional Directors, pursuant to Section 718.301(1) of the Condominium Act.

ARTICLE IX
INITIAL BOARD OF DIRECTORS

The following persons shall constitute the Association's initial Board of Directors. They shall hold office in accordance with the provisions of Article VI of the Bylaws:

NAME:	ADDRESS:
William P. Lynch	309 North Harrison Street, 1st Flr., Stockton, CA-95203
James R. Scheiber	309 North Harrison Street, 1st Flr., Stockton, CA-95203
Arthur W. Lund	309 North Harrison Street, 1st Flr., Stockton, CA-95203

ARTICLE X
OFFICERS

Subject to the Board of Directors direction, the Association's affairs shall be administered by its officers, all of whom shall be elected by the Board in accordance with the provisions of the Bylaws. The following persons shall serve as officers until the first election of officers is held within ten to fourteen months after the Declaration of Condominium is recorded.

NAME:	ADDRESS:
William P. Lynch (P)	309 North Harrison Street, 1st Flr., Stockton, CA-95203
James R. Scheiber (S)	309 North Harrison Street, 1st Flr., Stockton, CA-95203
Arthur W. Lund (T)	309 North Harrison Street, 1st Flr., Stockton, CA-95203

ARTICLE XI
BYLAWS

The bylaws of the Association shall be adopted by its first Board of Directors and attached to the Declaration of Condominium to be filed in the Public Records of Brevard County, Florida. While the Developer's designees constitute a majority of the Board of Directors, the Bylaws may be amended by the Board of Directors only. While the Developer's designees do not constitute a majority of the Board of Directors, they may be amended by a majority of the Board of Directors together with a majority of

the Unit Owners or by three-quarters of the Unit Owners alone.

ARTICLE XII
AMENDMENTS

An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the directors, or by the members of the Association owning a majority of the Units whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the president of the Association, or other officer of the Association in the absence of the president, who shall thereupon call a special meeting of the members of the Association for a date not sooner than 14 days nor later than 60 days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the secretary to give to each member written or printed notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than 14 days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his post office address as it appears in the records of the Association and the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before or after the holding of the meeting shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of a majority of the Board of Directors and an affirmative vote of the members owning not less than 75% of the units in order for such amendment or amendments of those Articles of Incorporation shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of the State of Florida and upon the registration of such amendment or amendments with the said Secretary of State, a certified copy thereof shall be recorded in the Public Records of Brevard County, Florida. At any meeting held to consider such amendment or amendments of these Articles of Incorporation, the written vote of any member of the Association shall be recognized, if such member is not in attendance at such meeting or represented there by proxy, provided such written vote is delivered to the secretary of the Association or prior to such meeting.

Provided, however, that no amendment shall make changes in the qualifications for membership nor the voting rights of the members, without approval in writing of all members and the joinder of all record owners of mortgages on the Units, including the Developer. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

Notwithstanding the foregoing, any amendment signed by the owners of all the Units shall become immediately effective.

ARTICLE XIII
IDENTIFICATION OF OFFICERS AND DIRECTOR

A. Right to Indemnification. Every person who is or was a director or officer of the Association shall be entitled to Indemnification from the Association to the fullest extent the

OFF. REC.
2892

PAGE
2402

Association is empowered to indemnify him under Section 607.824 of Florida's General Corporation Act.

B. Insurance. Subject to reasonable availability, the Board of Directors may purchase and maintain insurance on behalf of any person who is or was an officer or director of the Association insuring him against any liability asserted against him and incurred by him in his capacity as an officer or director of the Association or arising out of his status as such whether or not the Association would have the power to indemnify him under Article XIII A of these Articles.

ARTICLE XIV
ADDRESS

The principal office of the Association shall be located at the Condominium Property in 783 South Dixie Highway, Palm Bay, Florida 32905 but the Association may maintain offices and transact business in such other places as may from time to time be designated by the Board of Directors who also may, from time to time relocate the aforesaid principal office.

ARTICLE XV
RESIDENT AGENT

The Association's initial registered agent shall be Valdes-Fauli, Cobb & Petrey, P.A., whose office address in Suite 3400, One Biscayne Tower, Miami, Florida 33131.

IN WITNESS WHEREOF, we have hereunto set our hands and seals at Miami, Dade County, Florida, this ____ day of November, 1987.

Signed, sealed and
delivered in presence of:

_____	Ronald A. Kriss Subscriber/Incorporator
_____	_____
As to all	Olga Ramirez-Seijas Subscriber/Incorporator

STATE OF FLORIDA)
[UNREADABLE]
COUNTY OF DADE)

The foregoing instrument was acknowledged before on this ____ of November, 1987, by Ronald A. Kriss and Olga Ramirez-Seijas.

Rotary Public, State of
Florida at Large

My Commission Expires:

_____	VALDES-FAULI, COBB & PETREY, P.A. Registered Agent By _____ Ronald A. Kriss, [unreadable]
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BYLAWS OF

RHUM COVE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Name, Purpose and Location

The name of the corporation is RHUM COVE CONDOMINIUM ASSOCIATION, INC. (the "Association"). The Association has been organized for the purpose of administering the operation and management of RHUM COVE, A CONDOMINIUM, a condominium to be established in accordance with the Condominium Act of the State of Florida, by recording a Declaration of Condominium, with respect to the property situated, lying and being in Brevard County, Florida, legally described in Exhibit "A" attached hereto. The principal office of the Association shall be at the Condominium property located at 783 South Dixie Highway, Palm Bay, Florida 32905, but at such other as the Board of Directors may determine from time to time.

ARTICLE II

Definitions

All capitalized terms herein shall have the same meanings attributed to them in the Declaration.

ARTICLE III

Corporate Seal

The seal of the Association shall bear the name of the Association, the word "Florida", the words "a corporation not for profit", and the year "1987", an impression of which seal is as follows:

ARTICLE IV

Membership, Voting, Quorum, Proxies

Section 4.1: Qualification. Only Unit Owners of record shall be members of the Association. Accordingly, membership in the Association may be transferred only as an incident to the transfer of a Unit by its owner.

Section 4.2: Quorum. A quorum of membership meetings shall consist of persons present in person or by proxy, entitled to cast a majority of the votes of the entire membership.

Section 4.3: Voting Rights.

(a) Determining the Voting Member. The vote of the owners of a Unit owned by more than one (1) person, or by a corporation, or other entity, shall be cast by the person named in a certificate signed by all of the owners of the Unit as filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate. Approval or disapproval of Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner at an Association meeting. If such certificate is not on file or not produced at the meeting, the vote of such owners shall not be considered in determining the requirements for a quorum, nor for any other purpose.

OFF. REC.

2892

PAGE

2404

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

Section 4.4: Proxy. Votes may be cast in person or by proxy. A proxy is defined as the authority to cast the vote of a member qualified to vote. Proxies shall be effective only for the specific meeting designated thereon and any lawfully adjourned meetings thereof and must be filed with the Secretary of the Association before the appointed time of the meeting. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it.

ARTICLE V Annual and Special Meetings of Membership

Section 5.1: Annual Meetings. The annual membership meeting shall be held at the Office of the Association at 5:00 p.m., Eastern Standard Time, on the 15th day of January of each year, for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, that, if that day is a legal holiday, the meeting shall be held at the same hour of the succeeding business day.

Section 5.2: Special Meetings. Special membership meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be called by such officer or officers upon receipt of a written request from members of the Association owning not less than 25% of the Units. The notice of any Special meeting shall state the time and place of such meetings and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3) of the voters present, either in person or by proxy.

Section 5.3: Notices. Notice of all membership meetings, annual or special, shall be given by the President, Secretary or Treasurer of the Association, or other officer of the Association in the absence of said officers, to each member, unless waived in writing and such notice shall be written or printed and shall state the time, place and object for which the meeting is called. Such notice shall be given to each member by mail or personally, at least 14 days prior to the date of such meeting. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. An officer of the Association shall provide an affidavit to be included in the official records of the Association, affirming that notices of the meeting were mailed or hand-delivered in accordance last furnished to the Association. Additionally, written notice of all membership meetings, annual or special, shall be posted in a conspicuous place on the Condominium Property at least fourteen (14) days prior to the date of the meeting. Any member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the

OFF. REC.	PAGE
2892	2405

giving of such notice to such member. If any membership meeting cannot be organized because a quorum has not attended, or because a greater percentage of the membership to constitute a quorum of attendance may be required as set forth in the Articles of Incorporation, these Bylaws, or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum or the required percentage of attendance, if greater than a quorum, is present. Unit Owners may waive notice of specific meetings and may take action by written agreement without meetings, provided there is strict compliance with the percentage of Unit Owners or voting rights required to make decisions and to constitute a quorum as provided in the Declaration, Bylaws and Articles of Incorporation of the Condominium.

Section 5.4: Quorum Requirement. The presence in person or by proxy of a majority of the members shall normally constitute a quorum for the transaction of business at any meeting. If a quorum is not present at a given meeting, the officers who are present at the meeting shall reschedule the meeting to another time. No notice of the rescheduled meeting need be given other than an announcement at the original meeting and a conspicuous posting of a notice of the first rescheduled meeting on the Condominium Property. At any meeting that is thus rescheduled, the presence in person or by proxy of one-third of the members shall suffice to constitute a quorum for the transaction of business at that meeting.

Section 5.5: Vote Required to Decide Issues. The vote of a majority of the members who are present in person or by proxy at a membership meeting and entitled to vote at the meeting shall decide any question brought before the meeting for a vote, unless the question is one on which a different vote is required by the Articles or the Declaration.

Section 5.6: Consent of Lieu of Vote. Whenever the vote of members is required to be taken in connection with any action of the Association, the meeting and vote may be dispensed with, at the Board of Directors' discretion, if:

(a) in the case of an action required a unanimous vote of the members to approve it, all members consent in writing to the action;

(b) in the case of an action requiring more than a majority but less than a unanimous vote of Voting members to approve it, 80% of all members consent in writing to the action;

(c) in the case of an action requiring a majority vote of the members entitled to vote on it to approve it, two-thirds of all members consent in writing to the action.

Section 5.7: Conduct of Meeting. At membership meetings, the President shall preside, or in his absence, the membership shall elect a chairman. The latest edition of Robert's Rules of Order shall govern the conduct of meetings as long as it is not in conflict with the Condominium Act or Documents.

Section 5.8: The order of business at annual membership meetings, and, as far as practical, at any other membership meetings, shall be as follows:

1. Calling of the roll and certifying of proxies.

OFF. REC.
2892

PAGE
2406

2. Proof of notice of meeting or waiver of notice.
3. Reading of minutes
4. Reports of officers.
5. Reports of committees
6. Appointment of Chairman of Inspectors of Election.
7. Election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

Membership meetings shall be held at the principal office of the Condominium or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 5.9: Minutes. Minutes of all meetings of members and Board of Directors shall be kept in a business-like manner and shall be available for inspection by Unit Owners and Board members at all reasonable times.

Section 5.10: Notices of Institutional Lenders. Upon request, any holder of an Institutional Mortgage shall be given written notice of all the Association's annual and special meetings and be permitted to send a representative to attend any of them it chooses.

ARTICLE VI DIRECTORS

Section 6.1: Directors - Developer's Representation. The Developer shall be entitled to designate three persons as the initial Board of Directors, none of whom need be a members. The Developer shall transfer control of the Association in accordance with Section 718.301, Florida Statutes.

Within 60 days after the Unit Owners other than the Developers are entitled to elect a third of the Directors to the Association under Section 718.301 of the Condominium Act, the President shall call and give not less than 30 days' or more than 40 days' notice of a special meeting of the members before which one of the Developer's designees shall resign and at which Unit Owners other than the Developer shall elect a replacement for the resigning Director.

As long as the Developer is entitled to representation on the Board, it shall be entitled to replace at will any Director designated by it with another person of its choice. Nothing contained on this Section 6.1 shall require the Developer to maintain its designees on the Board, and the Developer shall have the right to withdraw any designee upon fifteen days written notice to the Association. Upon receipt of such notice, the President of the Association shall call special meeting of the membership at which Members other than the developer shall elect a replacement for each of the Developer's designees who was withdrawn from the Board.

Section 6.2: Board of Directors after Developer's Representation. The Board of Directors shall consist of three members. All members of the Board of Directors selected by the Unit Owners other than the Developer shall be members of the Association. Any member of the Board of Directors appointed by the Developer may not be a member of the Association.

OFF. REC.
2892

PAGE
2407

Section 6.3: Election and Vacancy. The election of Directors, other than Directors appointed by the Developer shall be conducted in the following manner:

- (a) Election of Director shall be held at the annual membership meeting.
- (b) Nomination shall be made from the floor of such meeting.
- (c) The election shall be by written ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast. Each member or proxy holder shall be entitled to cast one vote for each unit owned by such owner for each Director to be elected; provided, however, there should be no cumulative voting.
- (d) Vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors except for such vacancies that are created by the removal of the Directors by the members. Vacancies created by the removal of Directors in accordance with Section 6.4 hereof, shall be filled by the members of the Association at the same meeting at which the Director has been removed, and nomination shall be made from the floor of such meeting and the election shall be in accordance with Subsection 6.3(c) hereof.

Section 6.4: Removal of Directors. Any Director may be removed by concurrence of the majority of the votes of the entire membership at a special meeting of the members called for that purpose. Notwithstanding anything herein contained, so long as the Developer is entitled to appoint any Director of the Association, the Developer shall have the right to remove any Director appointed by it and to fill any vacancy created by such removal or by the death, resignation, or inability to serve further as to any Director originally appointed by it.

Section 6.5: Term of Service. The term of each Director's service, shall extend until his successor is duly elected and qualified or until he is removed in the manner otherwise provided.

Section 6.6: Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within 45 days of its election, at such place and time as shall be fixed by the Directors at the meeting in which they were elected, and no further notice of the organizational meeting shall be necessary.

Section 6.7: Regular Meetings of the Board of Directors. One regular meeting of the Board of Directors shall be held annually and shall be held immediately following the annual membership meeting and at the same location. Notice of regular meetings shall be given to reach Director in writing, personally or by mail at least ten days prior to the date named for such meeting. The meetings of the Board of Directors shall be opened to all Unit Owners and notice of the meeting shall be posted conspicuously in the Condominium Property at least forty-eight (48) hours in advance, except in an emergency. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of that assessment.

OFF. REC.	PAGE
2892	2408

Section 6.8: Special Meetings. Special meetings of the Board of Directors may be called by the President, and must be called by the Secretary at the written request of one third of the directors. Not less than three (3) days' notice of the meeting shall be given to each Director, personally or by mail, telephone or telegram, and the notice shall state the name, place and purpose of the meeting. Notice to Unit Owners shall be given in accordance with Section 6.6 above.

Section 6.9: Waiver. Any Director may waive notice of meeting before or after the meeting, and such waiver shall be deemed to be equivalent to the given of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Notice to Unit Owners shall be in given in accordance with Section 6.7 above.

Section 6.10: Quorum. A quorum at the Board of Directors meeting shall consist of the majority of the entire Board of Directors. The act approved by a majority of those present at a meeting of which a quorum is present shall constitute the acts of the Board of Directors as required by the Declaration of Condominium, the Articles of Incorporation or the bylaws. If any Directors meeting cannot be organized because a quorum has not attended, or because a greater percentage of the Directors required to constitute a quorum for the particular purpose of the meeting has not attended, the Directors who are present may adjourn the meeting from time to time until a quorum or the required percentage attendance, if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted with further notice.

Section 6.11: Conduct of Meeting. The presiding officer of director's meeting shall be the President, and if absent, the Vice President shall preside. In the absence of such presiding office, the directors present shall designate one of their number to preside at such meeting.

The order of business at Directors meetings shall be as follows:

- (a) Call of the roll.
- (b) Proof of due notice of meeting.
- (c) Reading of minutes and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

Meetings of the Board of Directors shall be opened to all Unit Owners, and the Secretary of the Association shall conspicuously post a notice to Unit Owners, notifying them of an incoming meeting of the Board, at least forty eight (48) hours before such meeting, except in cases of emergencies. **PAGE 2409**

Section 6.12: Parliamentary Rules. The latest edition of Robert's Rules of Order shall govern the conduct of meetings of the Board of Directors, when not in conflict with the Condominium Act or Documents.

Section 6.13: Emergency Meetings. Emergency meetings of the Board of Directors may be held by the Directors conferring with each other by telephone. In such event,

the Directors utilizing the telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone. The signature of a Director on the minutes of any such meeting shall conclusively establish said Director's presence at, and joinder in, such meeting for purposes of determining a quorum, and unless the contrary vote is indicated, shall establish said Director's vote in favor of actions approved by the Board during such meetings.

Section 6.14: Minutes. Minutes of all meetings of the Directors shall be kept in a business like manner and shall be available for inspection by Unit Owners and Board members at all reasonable times.

Section 6.15: Compensation of Directors. Directors shall not be entitled to any fee or compensation for their services as Director, other than direct expenses except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting.

Section 6.16: Powers and Duties. All of the powers and duties of the Association existing under the Condominium Act, the Declaration of Condominium, the Articles of Incorporation and these Bylaws shall be exercised by the Board of Directors. They include but are not limited to:

(a) Levying and Collecting Assessments. To levy and collect Assessments (which term includes Special and Individual Assessments) and to establish the time within which their payments are due.

(b) Maintaining the Condominium Property. To use and expend the Assessments collected by it to maintain the Condominium Property (except those portions of it that are required to be maintained by the Unit Owners).

(c) Reconstruction After Casualty. To reconstruct and repair the Condominium Property after casualty damage in accordance with the pertinent provisions of the Declaration.

(d) Purchasing Equipment. To purchase equipment and tools required to maintain the Condominium Property.

(e) Entering Units. To enter Units when necessary (and with as little inconvenience to their Unit Owners as practicable) in connection with maintaining the Condominium Property.

(f) Insuring the Condominium Property. To insure the Condominium Property against loss from casualty and the Members and the Association against public liability, and to purchase whatever other insurance the Board may deemed advisable, all in the manner set forth in the Declaration.

(g) Enforcing the Association's Rights. To collect delinquent Assessments, by suit or other reasonable means, to abate nuisances, to enjoin members from

vio- OFF. REC. PAGE 2 892
2410

lating the Condominium Act or the condominium Documents and to fine them or seek damages from them if they do so.

(h) Employing Personnel. To employ and compensate whatever personnel may be reasonably required for maintaining the Condominium Property and administering the Association.

(i) Promulgating Rules. To make reasonable rules and regulations for the use and occupancy of Units and the use of the Common Elements.

(j) Buying and Leasing Units. To acquire, rent or lease Condominium Units in the name of the Association or its designees.

(k) Contracting for Maintenance and Administration. To contract for the administration of the Condominium and to delegate to the party contracted with all powers and duties of the Association except the power and duty to perform those acts which require the specific approval of the membership.

(l) Borrowing. To borrow money in accordance with Section 8.5 hereof.

(m) Maintaining Official Records. To maintain a copy of each of the documents required to be maintained by the Association under the Condominium Act, the Declaration, the Articles and these Bylaws.

Section 6.17: Annual Statement. The Board of Directors shall mail or furnish by personal delivery, to each Unit Owner, (no less often than at each annual membership meeting) a full, clear and complete report of the business and condition of the Association, including a complete report of actual receipts and expenditures for the previous 12 months.

Section 6.18: Resignations. Any Director may resign his position at any time by delivering written notice of his resignation to the President or Secretary. The resignation shall take effect upon the later of (a) receipt of the notice by the President or Secretary or (b) whatever later date is specified in the notice. Acceptance of the resignation shall not be required to make it effective.

ARTICLE VII Officers

Section 7.1: Executive Officers. The executive officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected annually by the Board of Directors. One person may hold any two or more of these offices except that the President shall not also be the Secretary. Additionally, there may be as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors may deem necessary.

Section 7.2: The President. The President shall be the chief officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Unit Owners, from time to time, as

PAGE 2411

he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 7.3: The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 7.4: The Secretary. The Secretary shall keep the minutes of all meetings of the Directors and the members. He shall attend to the giving and serving of all notices of the members and Directors, and such other notices required by law. he shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association as may be required by the directors or the President. If so directed by the Board of Directors, the duties of Secretary may be filled by a manager employed by the Association.

Section 7.5: The Treasurer. The treasurer shall have custody of all property of the Association, including funds, securities, and evidence of indebtedness. He shall keep the assessments, rolls and accounts of all members; keep the books of the association in accordance with good accounting practices; provide for the collection of assessments, and all other duties incident to the office of the treasurer. If so directed by the Board of Directors, the duties of the treasurer may be fulfilled by a manager employed by the Association.

Section 7.6: Compensation of Officers. Officers shall receive no compensation for their services as such but may be reimbursed by the Association at the Board's discretion for reasonable out-of-pocket expenses incurred by them in conducting the Association's affairs (provided that the expenses incurred by an officer in travelling to the Condominium Property shall never be reimbursable unless the officer was returning from a trip the primary purpose of which was the Association's business).

Section 7.7: Resignations. Any officer may resign his position at any time by delivering a written notice of his resignation to the Board of Directors. The resignation shall take effect upon the later of (a) receipt of the notice by the Board or (b) whatever later date is specified in the notice. No acceptance of the resignation by the Board or the membership shall be required to make it effective.

Section 7.8: Subordinate Officers. The Board of Directors may appoint such other officers as they deem advisable. These officers shall hold office at the pleasure of the Board and have such authority and duties as the Board prescribes.

Section 7.9: Tenure of Officers; Removal. All officers shall be subject to removal, with or without cause, at any time by action of the Board of Directors.

OFF. REC.	PAGE
2892	2412

Section 8.1: Fiscal Year. The Association's fiscal year shall be the calendar year, unless and until another is established by the Board of Directors.

Section 8.2: Accounting Records and Reports. The Association shall maintain accounting records at its offices, according to good accounting practices. The records shall be open for inspection by Unit Owners or their authorized representatives at all reasonable times. The records shall include, but are not limited to: (a) Current expenses, including all receipts and expenditures for the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except for reserves and fund for additional improvements; (b) An account for each unit designating the name and current address of the Unit Owner, the amount of each assessment, the date on which the assessments come due, the amount paid upon account and the balance due; (c) Reserves for deferred maintenance, and replacement.

Section 8.3: Budget.

(a) Adoption by Board. The Board of Directors shall from time to time (and to at least annually) prepare a budget for the Condominium which shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds for such reserves as may be established and allocate, and assess such expenses among the Unit Owners in accordance with the Declaration. The adoption of the budget shall comply with the following requirements:

(i) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Unit Owner not less than 14 days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of the meeting indicating the time and place of such meeting. The meeting shall be open to all Unit Owners. Delivery of the copy of the budget to each Unit Owner, however, shall not affect the liability of any Unit Owner for any assessment nor shall delivery of a copy of such budget be considered a condition precedent to the effectiveness of the budget originally adopted if it shall appear to be insufficient to pay costs and expenses of operations and management or in the event of emergency.

(ii) Special Membership Meeting. If a budget adopted by the Board of Directors contemplates assessments against the Unit Owners in any year exceeding 115% of the Assessments for the preceding year, (as defined below), then the Board, upon written application of 10% of the members, shall call a special meeting of the members to be held within thirty (30) days of delivery of the application to the Board of Directors (each member being given at least ten (10) days' notice of the meeting). At the Special Meeting the members shall consider and propose a budget, the adoption of which shall require a vote of at least two-thirds of the members, provided, however, that while the Developer is entitled to elect a majority of the Board of Directors, no revision of

the budget which increases the Assessments set forth in the Board-adopted budget shall be adopted by the members without the Developer's concurrence. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the members, then the budget adopted by the Board of Directors shall go into effect as scheduled. In determining whether a budget requires Assessments against Unit Owners in any year exceeding 115% of Assessments for the preceding year, there shall be excluded in the computations reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the Condominium Property. Anything herein to the contrary notwithstanding, as long as the Developer is in control of the Board, the Board shall not impose an assessment for any year greater than 115% of the prior years' assessment without approval of a majority of all members.

(b) Adoption by Membership. If the Board of Directors is unable to adopt a budget for the Association for any particular year in accordance with the requirements of Subsection (a), hereof, it may call a special membership meeting for the purpose of considering and adopting a budget, and any such budget adopted by the membership shall, upon being approved of a majority of the Board of Directors, become the Association's budget for that year.

Section 8.4: Assessments.

- (a) Assessments for Common Expenses. Assessments against the Unit Owners for their share of the items of the budget shall be made for the calendar year before the December 1st preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the prior year's Assessment, and monthly installments on such Assessment shall be due upon each installment payment date unless and until the Assessment is changed by an amended Assessment. If the annual Assessment proves to be insufficient, the budget and the Assessment may be amended at any time by the Board of Directors. Unpaid Assessments for the remaining portion of the calendar year for which an amended Assessment is made shall be payable in as many equal installments as there are full months of the calendar year left as of the date of the amended Assessment, each such monthly installment to be paid on the first day of the month, commencing the first day of the next ensuing month.
- (b) Special Assessments for Emergency Common Expenses. The Board may from time to time levy Special Assessments for the payment of Common Expenses that result from emergencies and that cannot practicably be paid from the annual Assessments even as amended. Any such Special Assessment shall be payable in whatever reasonable

manner is specified by the Board of Directors in its notice of the Assessment but shall not be due for at least twenty (20) days after the notice is given.

- (c) Individual Assessments. Individual Assessments authorized by the Condominium Documents may be collected by assessment in the same manner as Assessments for Common Expenses, provided, however, that the Association shall not have the right to place a lien on any unit for the collection of Individual Assessments.
- (d) Acceleration of Assessment Installments Upon Default. Whenever a Unit Owner is in default in the payment of an installment of an Assessment, the Board of Directors may accelerate the remaining installments of the Assessment upon written notice to the delinquent Unit Owner, and the then unpaid balance of the Assessment shall be due upon the date stated in the notice (but in no case less than the earlier of ten days after delivery of the notice to the Unit Owner or fifteen days after the mailing of the notice to him by registered or certified mail).

Section 8.5: Borrowing. The Board of Directors may borrow money on behalf of the Association when it is required in connection with the operation or maintenance of the Common Elements; provided, however, that (i) the consent of at least 75% of the Unit Owners shall be required for the borrowing of any sum in excess of \$15,000.00, and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit without the consent of the Owner of the Unit. The documentation for any loan that is obtainable only with the consents of Unit Owners to liens on their Units shall provide that, if the debt is not repaid by the Association, any Unit Owner who pays to the creditor a proportion of the debt equal to his percentage ownership of the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien that the creditor has filed or has the right to file against the Unit Owner's Unit.

Section 8.6: Depository. The depositories in which the Association's monies shall be deposited shall be a bank or banks in Brevard County, Florida designated by the Board of Directors. Withdrawal of monies from those accounts shall be only by checks signed by such officers or managers as designated by the Board of Directors from time to time. All sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors.

Section 8.7: Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all officers of the Association and all persons handling or responsible for the Association's funds. Such bonds shall be in the principal sum of not less than \$10,000 for each such person and the premiums on them shall be a Common Expense.

Section 8.8: Audit. An audit of the Association's accounts may be made from time to time as directed by the Board of Directors. A copy of any audit report received as a result of any such audit shall be furnished each member of the Association not less than thirty days after its receipt by the Board.

OFF. REC.	PAGE
2892	2415

ARTICLE IX

RULES AND REGULATIONS

Section 9.1: Generally. A set of Rules and Regulations and the Marina Restrictions governing the use of the Units, Common Elements and the Marina and the conduct of the Owners and Occupants are attached to these Bylaws in the form of exhibits.

Section 9.2: Adoption. The Board of Directors may from time to time adopt additional Rules and Regulations and Marina Restrictions which supplement or supplant those set forth in the exhibits and which, unless invalidated pursuant to 9.3 shall become effective thirty days from the date of their respective adoption by the Board.

Section 9.3: Repeal. Any rule or regulation (including any that is set forth in the attached exhibit when these Bylaws are adopted), may be repealed by the vote of a majority of all the Unit Owners whether or not it has become effective.

Section 9.4: Conflict. Any rule or regulation that conflicts with the Declaration or the Condominium Act shall be without force or effect to the extent of the conflict.

ARTICLE X DEFAULT

Section 10.1: Default in Paying Assessments.

(a) Liens for Assessments. If a Unit Owner fails to pay any installment of an annual Assessment or any special Assessment, within thirty (30) days from the date it is due, the Association, acting on its own behalf or through its Board of Directors, may enforce its lien for Assessments or take any other action to recover the monies due it which it is entitled to take under the Declaration or the Condominium Act. If the Association becomes the Owner of a Unit by reason of foreclosure, it shall offer the Unit for sale and, when a sale is consummated, it shall deduct from the proceeds of the sale all sums due it from the Unit's Owner for Assessments, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees (including fees relating to appellate proceedings), and any and all expenses incurred in the resale of the Unit (including but not limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit). All monies remaining after deducting these expenses shall be returned to the former Owner of the Unit in question.

(b) Late Charges. Any payment of an Assessment that is received by the Association more than ten (10) days after it is due must be accompanied by a late charge equal to ten percent (10%) of the amount of the overdue Assessment, not to exceed \$50.00.

Section 10.2: Other Violations. If a violation of the provisions of the Declaration, the Articles or these Bylaws (as they then exist) continues for ten (10) days after notice from the Association to the offending member to correct the violation, the Association may bring appropriate action to enjoin the violation, may sue for damages, or may pursue whatever other legal remedies the Board of Directors deems appropriate. If legal action is brought against a Member pursuant to this paragraph and results in a judgment for the Association, that Member shall pay the Association's reasonable attorney's fees and court costs (including fees relating to administrative and appellate proceedings).

OFF. REC.
2892

PAGE
2416

Section 10.3: Agreement and Covenant of Members. Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the possible harshness of a particular remedy available to the Association and regardless of the availability of other equally adequate remedies. It is the intent of all Members to give the Association a means of operating at all times on a businesslike basis, collecting monies due it from the members, and preserving each Member's right to enjoy his Unit and the Common Elements free from unreasonable restraints and nuisances.

ARTICLE XI
AMENDMENT OF BYLAWS

The Bylaws may be altered, amended or added to only in accordance with the Declaration and the following provisions:

- (a) Amendment While Developer Controls the Board. At any time the Developer's designees constitute a majority of the Board's Directors, the Bylaws may be amended only by the majority vote of the Board's Directors. No such amendment may adversely affect substantial rights of a Unit Owner unless the affected Unit Owner consents in writing to the amendment or unless the amendment is approved by the affirmative vote of a majority of the members.
- (b) Amendment While Developer Does Not Control the Board. At any time the Developer's designees do not constitute a majority of the Board's Directors, the Bylaws may be amended by the affirmative vote of a majority of the members if the amendment has first been approved by the Board of Directors or by the affirmative vote of three-fourths of the members if the amendment has not been first approved by the Board.
- (c) Notice. The Notice of a meeting of members to vote upon a proposed amendment shall contain a statement of the proposed amendment.
- (d) Recordation. Every amendment shall be recorded and certified as required by the Condominium Act.

ARTICLE XII
NOTICES

Section 12.1: Sufficiency. Whenever notices are required to to a Unit Owner, they shall be sent to him at his place of residence in the Condominium, or to whatever other address he has specified. Notices to the Association shall be delivered by mail to the Secretary or President of the Association at his residence in the Condominium or, if the Secretary or President is one of the individual specified in Article X of the Articles, to the address set forth there. Notices to the Developer shall be delivered by mail to:

OFF. REC.	PAGE
2892	2417

Any party may change his mailing address by written notice duly receipted for. All notices shall be considered given when mailed.

Section 12.2: Service of Notice - Waiver.. Whenever notice is required to be give under the provisions of the Condominium Act, the Articles or these Bylaws, a written waiver of notice signed by the person or persons entitled to it shall be deemed to be the equivalent of notice.

ARTICLE XIII
CONSTRUCTION

Section 13.1: Severability. The invalidity in whole or in part of any covenant, restriction or other provision of the Bylaws shall not affect the validity of their remaining portions.

Section 13.2: No Waiver. No requirement contained in these Bylaws shall be deemed to have been waived by the Association's failure to enforce it, regardless of the number of violations of the requirement that occur.

Section 13.3: Gender and Plurality. Wherever the context so requires, the use masculine gender shall be deemed to include all genders, the use of the singular gender to include the plural, and the use of the plural to include the singular.

Section 13.4: Captions. The captions used in the Bylaws are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text that follows them.

The foregoing provisions were adopted as the Bylaws of RHUM COVE, A CONDOMINIUM at the first meeting of its Board of Directors on March 15, 1988.

James R. Scheiber

Secretary

APPROVED:

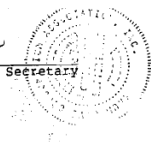
William P. Lynch

President

COVER A CONDOMINIUM AT THE FIRST MEETING OF ITS
Directors on March 15, 1988.

James R. Scheiber
James R. Scheiber

Secretary



APPROVED:

William P. Lynch
William P. Lynch
President

OFF. REC.
2892

PAGE
2418

EXHIBIT "E"MARINA RESTRICTIONS

The restrictions contained herein shall apply to and be binding on all Unit Owners and Occupants. Each Unit Owner shall at all times obey these regulations and shall be responsible for the observance of same by his family, guests, invitees, servants, lessees and other person coming to the Marina at his request or invitation or other persons for whom he is responsible or over whom he exercises control and supervision.

1. Boat Size. The size of each boat slip is shown in Exhibit B. The maximum length of the boat that is permitted to be docked to each boat slip shall be limited as follows:
 - (a) No part of any boat, when docked, may protrude more than 3 feet beyond any anchor pylon;
 - (b) At no time shall a docked boat impair the ingress and egress to any other boat slip;
 - (c) The Board of Directors of the Condominium Association may approve the docking of boats that would otherwise be in violation of Subparagraphs (a) and (b) of this Paragraph 1.
 2. Aesthetic Restrictions. The boat slips shall be used only for docking boats that are maintained in state of repair that does not reflect adversely on the aesthetic appearance of the Marina in the opinion of the Board of Directors of the Association, at their sole discretion. If the Association determines that any boat docked in the Marina is, at its sole discretion, in a state of disrepair or that its aesthetic appearance is such as to adversely affect the aesthetic appearance of the Marina, the Unit Owner of the boat shall, within 15 days of receiving the Association's notification of removal, remove the boat from the boat slip and shall not return it without the written approval of the Board of Directors.
- There shall be no commercial boats docked in the Marina
3. Speed. The operation of all boats in the Marina Area and basin shall be at less than 5 miles per hour, and sufficiently slow to ensure no wake and safe operating conditions. The boats shall never be operated as to disturb the mangrove and shoreline vegetation.
 4. Dock Area - Use Restrictions. There shall be no "wet" (on board) repair of boats or motors. There shall be no liveaboards. There shall be no business operation conducted from that boat slip. Boats docked in the Marina shall not be used for commercial purpose. no sewage or waste products shall be discharged into the canal or the basin. No trash facilities shall be used for disposal of battery, oil or other "toxic" waste within the meaning of existing regulation governing the disposal of waste material. No material, dock boxes, equipment or other material shall be stored on the docks, or the Marina.

OFF. REC.
2892

PAGE
2419

5. Intoxicating Substances. No person using the docks or on any boat or vessel in the boat slips shall consume or have consumed any alcohol, drug or other substance in an amount which would cause a public disturbance at, or near any boat slip, or that would render him, or her, in violation of any laws regarding consumption of intoxicating substance or disorderly intoxication in public places.
6. Registration of Vessels. No vessel required to be registered or titled under Florida law shall be allowed to moor or dock within, or otherwise use the Marina, unless it is registered or titled in accordance with Florida Statutes.
7. Manatee Area. All Unit Owners shall observe the manatee awareness signs located within the basin and shall exercise extreme caution in the basin due to the presence of manatees in the area.
8. Mooring. Mooring to the Fishing Pier is prohibited.
9. Adverse Weather. In the event of adverse weather conditions, including, but not limited to, tropical storm and hurricane warnings issued by the United States Weather Bureau, each owner shall be responsible for clearing his boat slip of any boat and finding a safe anchorage for it. The Association shall have the right to two unattended boats to another anchorage at the sole risk and expense of its owner, but shall have no obligation to do so.
10. Assumption of Risk. The Association shall not be responsible for any damage to any boat placed in a boat slip due to fire, wind, collision or from other boats, nor to any injury to persons or property on, or about the docks or boat slips. Each Unit Owner shall be responsible for any damage or injury whatsoever arising out of his ownership or use of a Boat Slip and shall pay all costs and expenses in connection therewith. Any cost or expense for which a Unit Owner is responsible under these Restrictions which is not paid by the Unit Owner shall be assessed by the Association against his Unit as an Individual Assessment.
11. Restrictions Imposed by Depth of Entrance to the Canal. The depth of the entrance to the marina is controlled by State Regulations which have limited the dredging of the canal to 6 feet. Accordingly, although it is estimated that the depth of the canal is approximately 6 feet on mean tide, no assurances are made as to the present or future depth of the entrances to the waterway.

No Unit Owner shall block or in any way obstruct the entrance to the Marina.

12. Sale or Lease of Boat Slips. No Unit Owner may sell or lease the boat Slip appurtenant to his Unit except with the Unit, nor may a Unit Owner retain the use of a Boat Slip when he has leased or sold his Unit.

OFF. REC.	PAGE
2892	2420

- Submerged Land Lease including Fishing Pier Legal Description Page, Surveyor's Notes and signature pages;
- Exhibit 2 "Estimated 1988 Budget",
- Exhibit 3 – Guaranty of Assessments
- Purchase and Sale Agreement
- Exhibit 5 – Escrow Agreement
- Building Disclosure and Warranty Statement



Exhibit "6"

DECLARATION OF CONDOMINIUM OF
RHUM COVE, A CONDOMINIUM

CONDOMINIUM RULES AND REGULATIONS

The Rules and Regulations hereinafter enumerated as to the Condominium Property, the Common Elements, the Condominium Units and the Condominium in general shall apply to, and be binding upon, all unit owners. The unit owners shall at all times obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees, persons for whom they are responsible and persons over whom they exercise control and supervision. Violation of these Rules and Regulations may subject the violator to any and all remedies available to the Association and other unit owners pursuant to the terms of the Declaration of Condominium, the Articles of Incorporation of the Association and the By-Laws of the Association. Violations may be remedied by the Association by injunction or other legal means and the Association shall be entitled to recover in said actions any and all court costs incurred by it, together with reasonable attorney's fees for trial, appeal and collection efforts against any person violating the Rules and Regulations, or the Declaration of Condominium and any of the Exhibits attached thereto. Any waivers, consents or approvals given under these Rules and Regulations by the Board of Directors shall be revocable at any time and shall not be considered as a waiver, consent or approval of identical or similar situations unless notified in writing by the Board of Directors. THE RULES AND REGULATIONS ARE AS FOLLOWS:

1. RULES AND REGULATIONS:

A. Violations should be reported to the Board of Directors or to the Officers of the Association or to any designees thereof.

B. Violations will be called to the attention of the violating owner by the Board of Directors and the Board of Directors will also notify the appropriate committee of the Board of Directors, if any.

C. Disagreements concerning violations will be presented to and be judged by the Board of Directors who will take appropriate action.

D. Unit owners are responsible for compliance by their guests or lessees with these Rules and Regulations.

2. FACILITIES:

The Recreational Facilities of the Condominium are for the exclusive use of unit owners, their approved lessees and guests accompanied by a unit owner. Any damage to the buildings, recreational facilities or other common areas or equipment caused by any unit owner, lessee, or guest(s) shall be repaired at the expense of the unit owner.

3. OBSTRUCTIONS:

Sidewalks, entrances, driveways, passages, patios, courts, elevators, vestibules, stairways, corridors and halls and all common elements shall be kept open and shall not be obstructed in any manner. No sign, notice or advertisement shall be inscribed or exposed on or at any window or any part of the condominium, except such as shall have been approved in writing by the Association, nor shall anything be projected out of any window in the condominium without similar approval. No radio or television aerial or antenna shall be attached to or hung from the exterior of the condominium or the roof thereof.

4. CARE OF UNIT AND APPURTENANCE:

Each Unit Owner shall keep the interior of any parking space storage space, and balcony, appurtenant to his unit clean, free of debris and in a neat and orderly condition. Each Unit Owner shall keep the interior of his unit and all fixtures, appliances and appurtenances therein or thereon, including air conditioning equipment, in good condition and repair.

5. CHILDREN:

Children shall not play in the public halls, stairways or interfere with the operation of the elevators. Reasonable supervision must be exercised when children are playing on the grounds.

6. DESTRUCTION OF PROPERTY:

Neither unit owners, their lessees, nor guests shall mark, damage, destroy, deface or engrave any part of the buildings. Unit owners shall be financially responsible for any such damage.

7. EXTERIOR APPEARANCE:

The exterior of the condominium and all other areas appurtenant to the condominium shall not be painted, decorated or modified by any unit owner in any manner without the prior consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association. No awnings, for sale or for rent signs, window guards, light reflective material, hurricane or storm shutters, ventilators, fans or air conditioning devices shall be used in or about the condominium except as shall have been approved by the Association, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Association. Installation of drapes or curtains visible from the exterior of the unit shall have white, off-white or beige liners used, which liners must be approved by the Association.

8. CLEANLINESS:

All garbage and refuse from the condominium shall be deposited with care in garbage containers intended for such purpose at such times and in such manner as the Association shall direct. All disposers shall be used in accordance with instructions given to the unit owner by the Association.

9. BALCONIES:

Plants, pots, receptacles and other movable objects must not be kept, placed or maintained in edges of balconies or on terraces. No objects shall be hung from balconies or on terraces. No objects shall be hung from balconies, patios or window sills. No cloth, clothing, rugs or mops shall be hung open or shaken from window, doors and balconies or terraces. Unit owners shall remove all loose objects or movable objects from balconies and terraces during Hurricane season. Unit owners shall not throw cigars, cigarettes or any other object from balconies or terraces. Unit owners shall not allow anything to be thrown or to fall from windows, doors, balconies or terraces during hurricane alerts or prior to any period of absence during the hurricane season. Unit owners shall not allow anything to be thrown or to fall from windows, doors, balconies or terraces. No sweepings or other substances shall be permitted to escape to the exterior of the building from the windows, doors, balconies or terraces. No balconies may be enclosed or screened, without the prior written consent of the Board of Directors of the Association.

10. HALLWAYS:

Garbage cans, laundry, dry cleaning, supplies or other articles shall not be placed in the halls or on staircase landings. No unit owner shall allow doors to the corridor to remain open for any purpose other than for immediate ingress and egress.

11. STORAGE AREAS:

Unit owners are responsible to see that nothing is placed in the storage areas which would create a fire hazard.

12. EMERGENCY ENTRY:

In case of any emergency originating in or threatening any dwelling, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or any management firm, shall have the right to enter such dwelling for the purpose of remedying or abating the cause of such emergency.

13. BICYCLES:

Bicycles must be placed or stored in the designated exterior areas, if any.

14. PLUMBING:

Water closets and other plumbing shall not be used for any other purposes than those for which they are constructed, and no sweepings, rubbish, rags or other foreign substances shall be thrown therein. The cost of any damage resulting from misuse of same shall be borne by the responsible unit owner who caused such damage, even if caused by his lessee or guest.

15. TRASH:

All refuse, waste, bottles, cans, etc., shall be securely wrapped in plastic garbage bags or appropriate container.

16. ROOF:

Unit owners, their lessees, their families and guests are not permitted on the roof for any purpose whatsoever. If it is necessary for a Unit Owner or an agent of the Unit Owner to go to the roof to repair the Unit Owner's air conditioner, the permission of the Association must be first obtained.

17. SOLICITATION:

There shall be no solicitation by any person, including unit owners, guests and lessees, anywhere in the building of any cause, charity, or for any other purpose whatsoever, unless specifically authorized by the Board of Directors.

18. Employees

Employees of the Association and employees of any management firm shall not be sent out of the building by any unit owner, except in the unit owner's capacity as an officer or director of the Association, at any time, for any purpose. No unit owner or resident shall direct, supervise or in any manner attempt to assert any control over the employees of the Association and/or any management firm.

19. COMMERCIAL PROHIBITION:

No unit may be occupied or used for any commercial or business purpose.

20. PARKING:

No vehicle belonging to a unit owner or lessee or to a member of the family or guest, tenant or employee of a unit owner or lessee shall be parked in such a manner as to impede or prevent access to another unit owner's or lessee's parking space. The unit owners and lessees, their respective employees, servants, agents, visitors, licensees and families shall obey the parking regulations posted at the private streets, parking areas and drives, and any other traffic regulations promulgated in the future for the safety, comfort and convenience of the unit owners. No motor vehicle which cannot operate on its own power shall remain within the Condominium property for more than twelve (12) hours, and no repair of vehicles, except for emergency repairs, shall be made within the Condominium Property.

Each parking space which is assigned as an appurtenance to a particular unit may be used only by the unit owner or the lessee of such unit. No unit owner or lessee or his respective employees, servants, agents, visitors, licensees and families may park his vehicle in any other assigned space other than the space assigned to the unit owner or lessee of the particular unit. A vehicle shall be parked within the painted lines and pulled up close to the bumper. As a security measure, all automobile doors should be locked.

Each Unit Owner shall be responsible for the maintenance and repair of the opener and controller of his garage door.

No commercial vehicle, trucks, recreational vehicles, nor boat trailers, campers or like vehicles shall be left or stored on the Condominium Property except in parking spaces designated for such purpose, if any.

21. POOL AREAS:

Unit Owners are required to comply with the following restrictions in the pool areas as well as with any other regulations as may be posted by the Association in the pool area:

(a) Excessive noise, loud talking and shouting is prohibited in the pool area at all times.

(b) Children under 13 years are not permitted to use the swimming pool unless accompanied and closely supervised by an adult.

(c) The pool area and all other Common Areas are not to be used for games which involve running or throwing

(e) There shall be no glass containers in the pool or spa area.

22. PETS:

No unit Owner may keep any pet or other animal in or about the Condominium Property except for fish and/or not more than one (1) dog or one (1) cat not to exceed 15 pounds in weight. The right to maintain a pet is subject to the conditions hereinafter set forth and is subject to revocation and termination at any time by the Condominium Association upon its sole determination that a pet is either vicious, or is annoying other members, or otherwise a nuisance, or upon failure of an owner to comply with these rules and regulations:

- i. All pets must be kept on a leash whenever in indoor Common Areas, elevators, public halls and stairways.
- ii. Pets must not be curbed in or near the building, walkways, shrubberies, gardens or any other public places including the pool and Marina area.
- iii. Each Unit Owner shall assume full responsibility for any damage to persons or properties caused by his pet, and in the event the pet shall defecate in a garage, elevator or any other public area, it is the owner's responsibility to remove the same.

23. COMMON FACILITIES:

Unit owners are requested to cooperate with the Association in the use of common facilities where more than one organized activity is scheduled for the same time.

Each Unit Owner is responsible for insuring that guests understand and comply with all the Condominium Rules and Regulations. Meetings or parties in Common Areas must be scheduled with the Condominium Association in order to avoid scheduling conflicts. It is in each Unit Owner's best interest to contact the Condominium Association as early as possible in order to insure reservation of a time slot. The Common Areas are for the exclusive use and benefit of each Unit Owner and their guests. However, pursuant to the Condominium Rules and Regulations, each Unit Owner may not permit any activity on the Common Areas which will increase the liability of the Condominium Association. Therefore, regular group meetings in any of the Common Areas which may result in an increase of liability insurance for the Condominium Association, and therefore, a resulting increase in Condominium maintenance fees, will be prohibited. Each Unit Owner is responsible for limiting the potential for accidental injuries caused by unreasonable and dangerous guest behavior. Whenever planning parties on the Common Areas potential hazards should be considered and reasonable efforts to eliminate the same should be taken. For example, positioning of outdoor cooking grills and the like should provide for safe passage on either side by all Unit Owners and guests. Other cautionary measures which a reasonable person would take in similar situations should be exercised.

24. HURRICANE PREPARATIONS:

Each unit owner or lessee who plans to be absent from his unit during the hurricane season must prepare his unit prior to departure by:

- A. Removing all furniture and plants from his patio or balcony.
- B. Designating a responsible firm or individual to care for his unit during his absence in the event that the unit should suffer hurricane damage and furnish any management firm or other designate with the name of such firm or individual. The designated firm or individual shall contact any management firm or other designate for permission to install or to remove hurricane shutters.

25. GUESTS:

Unit owners and lessees shall notify the Association, in advance, by written notice of the arrival and departure dates of guests who have permission to occupy the unit in the absence of unit owners and lessees. Unit Owners and lessees should have such guests check in at the management office upon arrival in order that service can be extended to them in the way of telephone calls coming into the management office, incoming mail or any emergency which might arise.

26. THE MARINA:

The use of the Boat Slips is subject to the Marina Regulations attached hereto.

The foregoing Rules and Regulations are subject to amendment as provided in the Declaration of Condominium of RHUM COVE, A CONDOMINIUM, and the By-laws of the Association.

The foregoing Rules and Regulations are designated to make living for all unit owners pleasant and comfortable. The restrictions imposed are for the mutual benefit of all. Violations of these Rules are to be reported to the Association which will call the matter to the attention of the violating unit **owner**, lessee or guest for corrective action. Any disagreement over the violation will be reported to the appropriate committee for subsequent judgment by the Board of Directors.

RHUM COVE, A CONDOMINIUM

By: _____