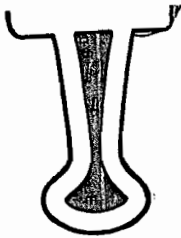


This instrument prepared by:

LEE BURG, ESQ.
Secker & Poliakoff, P.A.
450 Australian Avenue So., 7th Floor
West Palm Beach, FL 33401-5034



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**CERTIFICATE OF AMENDMENT TO THE
DECLARATION OF CONDOMINIUM FOR
OCEAN DUNES, A CONDOMINIUM**

WHEREAS, the Declaration of Condominium for OCEAN DUNES, A Condominium has been duly recorded in the Public Records of Palm Beach County, Florida, in Official Record Book 3684 at Page 1062; and

WHEREAS, the Articles of Incorporation and By-Laws for OCEAN DUNES CONDOMINIUM ASSOCIATION, INC. are attached as an exhibit thereto; and

WHEREAS, at a duly called and noticed meeting of the membership of OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, held on February 9, 1993, the aforementioned Declaration of Condominium, Articles of Incorporation and By-Laws were amended pursuant to the provisions of said Declaration, Articles of Incorporation and By-Laws.

NOW, THEREFORE, the undersigned hereby certify that the amendments to the Declaration of Condominium, Articles of Incorporation and By-Laws, attached hereto as Exhibits A, B and C, are true and correct copies of the amendments as amended by the membership.

WITNESS my signature hereto this 6th day of APR, 1993, at Highland Beach, Palm Beach County, Florida.

OCEAN DUNES CONDOMINIUM ASSOCIATION, INC.

[Signature]
Witness
HAIFA JADDAOUI
(PRINT NAME)

By: [Signature]
Vincent G. Perez President

[Signature]
Witness
FELIX AMOIR
(PRINT NAME)

Attest: [Signature]
James Morrill Secretary

STATE OF FLORIDA :

COUNTY OF PALM BEACH :

The foregoing instrument was acknowledged before me this 6th day of APRIL 1993, by VINCENT G. PEREZ and HAIFA JADDAOUI as PRESIDENT and SECRETARY, respectively, of OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. They are personally known to me, or have produced _____ as identification and did take an oath.

[Signature] (Signature)
LESLIE M. TRINLEY (Print Name)
Notary Public, State of Florida at Large

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP JULY 27, 1995
BONDED THRU GENERAL INS. UNC.

DECLARATION OF CONDOMINIUM
OF
OCEAN DUNES, a Condominium

(additions indicated by underlining;
deletions indicated by "---")

OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, hereinafter referred to as the Developer, does hereby make the following declarations:

1. The purpose of this Declaration is to submit the lands described in this instrument and improvements on such lands to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes, hereafter called the Condominium Act. Except where permissive variances therefrom appear in this Declaration, the annexed By-Laws or the Articles of Incorporation of OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a Florida Corporation, not for profit, or in lawful amendments to these instruments, the provisions of the Condominium Act, including the definitions therein contained, are adopted herein by express reference as set forth in haec verba, and said Statute, as amended from time to time, shall govern this condominium and the rights, duties and responsibilities of ownership of condominium parcels therein.

1.1 The name by which this Condominium is to be identified is OCEAN DUNES, a Condominium, and its address is 3015 South Ocean Boulevard, Highland Beach, Florida 33431.

1.2 The lands ~~owned--by--the--Developer,~~ which by this instrument are submitted to the condominium form of ownership, are described as follows:

The South 200 feet of the North 1600 feet of Section 33, Township 46 South, Range 43 East, lying East of State Road A-1-A, in Palm Beach County, Florida. Subject to an easement for ingress and egress described in Paragraph 19 hereof.

2. DEFINITIONS. The terms used in this Declaration and in the Articles of Incorporation and By-Laws of OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, shall have the meaning stated in the Condominium Act and as follows unless the context otherwise requires.

2.1 Association means OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a Florida corporation not-for-profit and its successors.

2.2 Assessment means a share of the funds required for the payments of the condominium expenses which from time to time are assessed against the unit owners by the Association.

2.3 By-Laws mean the By-Laws for the government of the condominium as they exist from time to time and as they are attached hereto as Exhibit "D".

2.4 Common Elements. Common Elements shall include the portions of the condominium property not included in the units, ~~excepting balconies, patios and garages;~~ tangible personal property required for the maintenance and operation of the common elements even though owned by the Association; an undivided share in the common surplus; other items as stated in this Declaration as well as the items stated in the Condominium Act.

2.5 Common expenses include: (1) expenses of administration and management of the Condominium property; (2) expenses of maintenance, operation, repair or replacement of common elements; (3) expenses declared common expenses by the provisions of this Declaration or by the By-Laws; and (4) any

valid charge against the Condominium as a whole; and (5) the portions of units to be maintained by the Association.

2.6 Common surplus means the excess of all receipts of the Association, including but not limited to assessments, rents, profits and revenues on account of the common elements, over the amount of common expenses.

2.7 Condominium is that form of ownership of condominium property under which units of improvements are subject to ownership by one or more owners, and there is appurtenant to each unit as part thereof, an undivided share in the common elements.

2.8 Institutional Mortgagee shall be defined as a bank or savings and loan association of an insurance company or a title company or a pension trust or real estate investment trust or other private or governmental institution which is regularly engaged in the business of mortgage financing, or a subsidiary of any of the foregoing or a designee of any of the foregoing, or any of the foregoing who acquires an institutional first mortgage as herein defined, by assignment or through mesne assignments from a non-institutional mortgagee. Such definition shall also include the Developer.

2.9. Limited common elements means and includes those common elements which are reserved for the use of a certain unit or units to the exclusion of the other apartments.

2.10 Unit or apartment means unit as defined by the Condominium Act.

2.11 Utility services, as used in the Condominium Act, and as construed with reference to the Condominium, and as used in the Declaration and By-Laws, shall include, but not be limited to, electric power, gas, hot and cold water, heating, refrigeration, air conditioning, garbage and sewage disposal.

3. DEVELOPMENT PLAN. The Condominium is described as follows:

3.1 Survey. A survey of the land, site plan and floor plans showing the improvements on it is attached hereto as Exhibit "A".

3.2 Easements. Easements are reserved through the condominium property as may be required for utility services in order to adequately serve the Condominium; provided, however, such easements through an apartment shall be only according to the plans and specifications for the building containing the unit, or as the building is constructed unless approved in writing by the unit owner.

3.3 Improvements - General Description.

A. Apartment Building. The Condominium includes one (1) apartment building containing a total of forty-eight (48) apartment units.

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

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

(1) Upper boundaries. The horizontal plane of the undecorated finished ceiling.

(2) Lower boundaries. The horizontal plane of the undecorated finished floor.

B. Perimetrical boundaries. The perimetrical boundaries of the apartment shall be the vertical planes of the undecorated finished interior of the walls bounding the apartment extended to intersections with each other and with the upper and lower boundaries. In the case of ground floor apartments, such boundaries shall include the balconies serving as such apartment.

C. Open areas and balconies. Each unit shall also include an open area and a balcony as specified and provided in Exhibit "A" of this Declaration; however, a unit owner may not screen, enclose or in any other manner alter the physical appearance of his open area or balcony without the written approval of the Association's Board of Directors. The cost to maintain these areas shall be paid by the applicable unit owner, and shall be Limited Common Elements.

3.5 Type of Ownership. Ownership of each condominium unit shall be by Warranty Deed from the Developer, conveying fee simple title to each condominium unit, together with the appurtenance of each unit. There shall be included in each unit the proportionate undivided share in the common elements and the common surplus as aforescribed.

~~3.6 Amendment of Plans.~~

~~A. Alteration of unit plans. Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, so long as Developer owns the units so altered. No such change shall increase the number of units nor alter the boundaries of the common elements without amendment of this Declaration by approval by the Association, unit owners and owners of mortgages in the manner elsewhere provided. If Developer shall make any changes in units so authorized, such changes shall be reflected by an Amendment to this Declaration. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements appurtenant to the unit concerned.~~

~~B. Amendment of Declaration. An amendment to this Declaration reflecting such authorized alteration of unit plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, unit owners or lienors or mortgagees of units of the Condominium whether or not elsewhere required for an amendment.~~

4. UNITS.

4.1 Unit Plans. The units of the Condominium are described more particularly in Exhibit "A", attached hereto and made a part hereof. The legal description of each unit shall consist of the identifying number of such unit as shown on the Exhibits attached hereto. Every deed, lease, mortgage or other instrument may legally describe a unit by its identifying number as shown on the Exhibits; and every description shall be deemed good and sufficient for all purposes.

4.2 Appurtenance to unit. The owner of each unit shall own a share in certain interests in the condominium property, which share and interest in the condominium property are appurtenant to his unit, including but not limited to the following items appurtenant to the several units as indicated.

A. The percentage of common elements and common surplus. The percentage of common elements and common surplus in the undivided share in the land and other common elements and of the common surplus which are appurtenant to

each unit is as indicated in Exhibit "B" attached hereto and made a part hereof.

B. Automobile Parking Space. All owners shall be assigned one automobile parking space as an appurtenance to their particular unit and shall be entitled to the exclusive use and possession of said parking space, but the parking space shall be maintained as a common expense of the Condominium, and which shall be a Limited Common Elements.

C. Association Membership. Each unit owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements appurtenant to his unit.

5. MAINTENANCE, ALTERATIONS AND IMPROVEMENTS. Responsibility for the maintenance of the condominium property and restrictions for its alteration and improvements shall be as follows:

5.1 Units.

A. By the Association. The Association shall maintain, repair and replace at the Association's expense:

(1) All portions of a unit, except interior surfaces, contributing to the support of the apartment building, which portions shall include but not be limited to outside walls of the apartment building and all fixtures on their exteriors, boundary walls of units, floor and ceiling slabs, load-bearing columns and load-bearing walls;

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of a unit maintained by the Association; and all such facilities contained within a unit that service part or parts of the condominium other than a unit within which they are contained.

(3) All incidental damage caused to a unit by such work immediately above-described shall be repaired promptly at the expense of the Association.

B. By the unit owner. The responsibility of the unit owner shall be as follows:

(1) To maintain, repair and replace at his expense all portions of his unit except the portions to be maintained, repaired or replaced by the Association. Such shall be done without disturbing the rights of other unit owners.

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building.

(3) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

5.2 Common Elements.

A. By the Association. The maintenance and operation of the common elements shall be the responsibility of the Association and a common expense.

B. Alteration and improvement. After the completion of the improvements included in the common elements contemplated by this Declaration, there shall be no alteration nor further improvement of the real property constituting the common elements costing in excess of Ten

Thousand (\$10,000.00) Dollars without prior approval in writing by the owners of not less than seventy-five percent (75%) of the common elements except as provided by the By-Laws. The redecoration or refurbishment of any common elements in order to maintain, repair or replace any damaged, deteriorated or otherwise obsolescent item shall not be deemed an alteration or improvement requiring membership vote, and said redecoration or refurbishment may be made at the sole discretion of the Board. The cost of same shall be assessed as a common expense. Any such alteration or improvements shall not interfere with the rights of any unit owners without their consent. The costs of such work shall not be assessed against the "institutional mortgagee" as hereinabove defined that acquires its title as a result of owning a mortgage upon the unit owned unless such owner shall approve the alteration or improvement, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any cost no so assessed shall be assessed to the other unit owners in the portion of their shares in the common elements bear to each other. There shall be no change in the share and rights of a unit owner in the common elements altered or further improved, whether or not the apartment owner contributes to the costs of such alteration or improvements.

C. Enforcement of maintenance. In the event the owner of a unit fails to maintain it as required above, the Association, Developer or any other unit owner shall have the right to proceed to any appropriate court to seek compliance with the foregoing provisions; or the Association shall have the right to assess the unit owner and the unit for the necessary sums to put the improvement within the unit in good condition. After such assessment the Association shall have the right to have its employees or agents enter the unit and ed perform the necessary work to enforce compliance with the above provision. This assessment shall be secured by the Association's lien right and the Association shall have the right to collect this assessment in the same manner as a delinquent assessment for common expenses.

Further, in the event a unit owner violates any of the provisions of Paragraph 5.1-B above, the Developer and/or the Association shall have the right to take any and all such steps as may be necessary to remedy such violation, including, but not limited to, entry of the subject unit with or without consent of the unit owner, and the repair and maintenance of any item requiring same, and all at the expense of the unit owner.

6. ASSESSMENTS. The making and collection of assessments against unit owners for common expense shall be pursuant to the By-Laws and subject to the following provisions:

6.1 Share of the common expenses. Each unit owner shall be liable for a proportionate share of the common expenses, and shall share in the common surplus, such shares being the same as the undivided share in the common elements appurtenant to the unit owned by him. The common expenses shall include but not be limited to the expense of operation, maintenance, repair or replacement of the common elements, costs of carrying out the powers and duties of the Association and other expenses designated as common expense by this Declaration or by the By-Laws of the Association.

6.2 Interest - application of payments. Assessments and installments on such assessments paid on or before ten (10) days after date when due shall not bear interest, but all sums not paid on or before ten (10) days after date when due shall bear interest at the highest rate allowed by law rate-of-ten percent--(10%)--per--annum from the date when due until paid.

together with a late fee of twenty-five (\$25.00) dollars per installment or five (5%) percent of any delinquent installment, whichever is higher, which interest and late fee shall be secured by Association's lien right. All payments upon account shall be first applied to interest and late fees and then to the assessment payment first due.

6.3 Lien for assessments. The Association is hereby given a lien securing payment for payments of assessments imposed by the Association pursuant to the terms of this Declaration and the By-Laws, together with penalty interest and all collection expenses, including late fees and attorney's fees. Such lien shall be subordinate to the lien of a mortgage recorded prior to the time of recording of the lien for such unpaid assessments. In the event of foreclosure of a first mortgage encumbering a unit, the purchaser at such sale, his successors or assigns, shall not be liable for the share of assessments pertaining to such unit chargeable to the former owner of such unit which became due prior to the foreclosure sale of such unit. Such unpaid share of the assessment shall be deemed to be common expenses collectible from all of the unit owners. The foregoing provision shall also be applicable to the conveyance of a unit to a first mortgagee in lieu of foreclosure.

6.4 Rental pending foreclosure. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the Association shall be entitled to the appointment of a Receiver to collect the same. In the event a unit which is delinquent in assessments is leased by the owner to a tenant, the Association shall have the right to require that tenant to make rental payments directly to the Association from which the Association may deduct delinquent assessments and all associated costs and thereafter remit the balance, if any, to the owner.

7. EASEMENTS. Each of the following easements is a covenant running with the land of the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such way as to unreasonably interfere with their proper and intended use and purpose, and each shall survive the termination of the Condominium.

7.1 Utilities. As may be required for utility services in order to adequately serve the Condominium; provided, however, easements through a unit shall be only according to the plans and specifications for the building containing the unit or as the building is actually constructed, unless approved in writing by the unit owner.

7.2 Pedestrian and vehicular traffic. For pedestrian traffic over, through and across such portions of the common elements as may be from time to time paved and intended for such purposes, same being for the use and benefit of only the condominium unit owners.

7.3 Support. Every portion of a unit contributing to the support of the apartment building or an adjacent unit shall be burdened with an easement of support for the benefit of all other units and common elements in the building.

7.4 The unit owners, their immediate families, guests and invitees shall have a perpetual non-exclusive easement in the common property for their use and enjoyments.

7.5 Air Space. An exclusive easement for the use of air space occupied by the Condominium buildings as it exists at any particular time and as the unit may lawfully be altered.

7.6 Easement or encroachments. Easement or encroachments by the perimeter walls, ceilings and floors, surrounding each condominium unit caused by minor inaccuracies in building or

rebuilding which now exists or hereafter exists, and such easements shall continue until such encroachment no longer exists.

7.7 Easement for overhanging troughs or gutters, downspouts and the discharge therefrom of rainwater and the subsequent flow thereof over condominium units or any of them.

7.8 Easement for unintentional and non-negligent encroachments. In the event that any apartment unit shall encroach upon any common property for any reason not caused by the purposeful or negligent act of the unit owner or owners, or agents of such owner or owners, then an easement appurtenant to such unit shall exist for the continuance of such encroachment unto the common property for so long as such encroachment shall naturally exist; and, in the event that any portion of the common property shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the common property into any unit for so long as such encroachment shall naturally exist.

8. OBLIGATIONS OF MEMBERS. In addition to the obligations and duties heretofore set out in this Declaration, or hereinafter set out in the Exhibits attached hereto, including, but not limited to the Articles of Incorporation and the By-Laws of the Association, every condominium apartment owner shall:

8.1 Not cause to be constructed or build any additional air conditioning or fan equipment attached to walls, windows or doors or displayed in such manner as to be seen from the outside of the building.

8.2 Not cover by shutters, screens or otherwise any windows or doors of his unit or its balcony or patio without first obtaining prior written consent of the Association.

8.3 Abide by the Rules and Regulations attached hereto as Exhibit 'E', including amendments thereto made by the Board of Directors of the Association from time to time.

~~8.4 Proviso---Providing, however, that until the Developer has completed and sold all of the units of the Condominium, neither the unit owners for the Association nor their use of the Condominium shall interfere with the completion of the contemplated improvements and the sale of the units.---The Developer may make such use of the unsold units, the common areas and the limited common areas as may facilitate such completion and sale, including, but not limited to, the maintenance of a sales office for the showing of the property and display of signs.~~

9. ASSOCIATION. The Association shall operate the Condominium in accordance with the following:

9.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit "C".

9.2 The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached as Exhibit "D".

9.3 Limitation upon liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

9.4 Restraint upon assignment of shares in assets. A member's share in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

9.5 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, such decision shall be expressed in accordance with the By-Laws of the Association.

9.6 Membership. The record owners of all units in the Condominium constructed on the aforesaid real property shall be members of the Association, and no other persons or entities shall be entitled to membership except for the subscribers hereto. Membership shall be established by the acquisition of ownership of fee title to or fee interest in a condominium unit in the said Condominium, whether by conveyance, devise, judicial decree or otherwise, subject to the provisions of the Declaration, and by the delivery to the Association of a true copy of such recorded deed or other instrument. The new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to the unit designated shall be terminated.

9.7 Voting. On all matters as to which the membership shall be entitled to vote, there shall be only one (1) vote for each unit.

9.8 Right of entry into private dwelling in emergencies. In case of any emergency originating in or threatening any units regardless of whether or not the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the owner of each unit, if required by the Association, shall deposit under control of the Association, a key to such unit.

9.9 Right of entry for maintenance of common property. Whenever it is necessary to enter any unit for the purpose of performing any maintenance, alterations or repairs to any portion of the common property, the owner of each unit shall permit other owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such unit for such purposes providing that such entry be made only at reasonable times and with reasonable advance notice.

10. INSURANCE. The insurance other than title insurance which shall be carried upon the Condominium property and the property of the unit owners shall be governed by the following provisions:

10.1 Authority to purchase. All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates or mortgagee endorsements to the mortgagees of unit owners. Unit owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability and living expense. All insurance policies purchased by the Association shall be with a copy having a Triple AAA Best Rating or better.

10.2 Coverage.

A. Casualty. All buildings and improvements upon the land including units and all personal property of the Association included in the Condominium property are to be insured in an equal amount to the maximum insurance replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association, and all such insurance must be obtained, if possible, from the same company. Such coverage affords protection against:

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

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

B. Workmen's Compensation as shall be required to meet the requirements of the law.

C. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, with cross liability endorsements to cover liability of the unit owners as a group to an apartment owner.

10.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association.

10.4 Insured. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses shall be paid to any state or national bank in Broward County, Florida, with trust powers as may be approved by the Board of Directors of the Association and the institutional mortgagee holding the greatest dollar amount of institutional mortgages against condominium parcels as Trustee, which Trustee is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payments of premiums nor for the renewal of sufficiency of policies nor the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds elsewhere stated herein and for the benefit of the unit owners and their mortgagees in the following shares, but which shares need not be set forth in the records of the Insurance Trustee:

A. Common Elements. Proceeds on account of common elements shall be held in as many undivided shares as there are units in each building, the shares of each unit owner being the same as his share in the common elements, as same are stated in Exhibit "B".

B. Units. Proceeds on account of units shall be held in the following undivided shares:

(1) Partial destruction - When the building is to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner.

(2) Total destruction of the building or when the building is to be restored to owners of all units in the building, each owner's share being in proportion to his share in the common elements appurtenant to his unit.

(3) Mortgagee - In the event a mortgagee enforcement has been issued to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests appear. In no event shall any mortgagee have the right to demand the application of the insurance proceeds to any mortgage or mortgages which it may hold against units, except to such extent as said insurance proceeds may exceed the actual cost of repair or restoration of the damaged building, and no mortgagee shall have any right to participate in the determination as to whether or not improvements will be restored after casualty except as expressly provided herein.

10.5 Distribution of proceeds. Proceeds of insurance policies received by the insurance Trustee shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

A. Expense of the trust. All expense of Insurance Trustee shall be first paid or provisions 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 costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

C. Failure to reconstruct or repair. If it is determined in the manner elsewhere provided that damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to the unit owners and the mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

D. Certificate. In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the unit owners and their respective shares of the distribution.

E. Association as agent. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association.

11. RECONSTRUCTION OR REPAIRS AFTER CASUALTY.

11.1 Determination to reconstruct or repair. If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired, shall be determined in the following manner:

A. Loss within a single unit. If loss shall occur within a single unit or units, without damage to the common elements, the insurance proceeds shall be distributed to the beneficial unit owner(s), remittance to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittances shall be made solely to an institutional first mortgagee when requested by such institutional mortgagee whose mortgage provides that it has the right to acquire application of the insurance proceeds to the payment or reduction of its mortgage debt. The unit owner shall thereupon be fully responsible for the restoration of the unit.

B. Loss less than "very substantial". Where a loss or damage occurs to more than one unit, or to the common elements, or to any unit or units and the common elements, but said loss is less than "very substantial" (as hereinafter defined, it shall be obligatory upon the Association and the unit owners to repair, restore and rebuild the damage caused by said loss. Where such loss or damage is less than "very substantial":

(1) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(2) If the damage or loss is limited to the common elements, with no, or minimum damage or loss to any individual units and if such damage or loss to the common elements is less than \$10,000.00, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration of the damage.

(3) If the damage or loss involves individual units encumbered by institutional first mortgages, as well as common elements, or if the damages are limited to the common elements alone, but are in excess of \$10,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written consent and direction and approval of the Association, and provided, however, that upon the request of an institutional first mortgagee, the written approval shall also be required of the institutional first mortgagee owning and holding the first recorded mortgage encumbering a condominium unit, so long as it owns and holds any mortgage encumbering a condominium unit. Should written approval be required, as aforesaid, it shall be said mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the aforesaid institutional first mortgagee's written approval, if required, and as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanic's liens to the Insurance Trustee. All payees shall also execute any affidavit required by law or by the Association, the aforesaid institutional first mortgagee and Insurance Trustee, and deliver same to the Insurance Trustee.

(4) Subject to the foregoing, the Board of Directors of the Association shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(5) If the net proceed of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners in proportion to the unit owner's share in the common elements, for that portion of the deficiency as is attributable to the cost of restoration of the common elements, and against the individual unit owners for that portion of the deficiency as is attributable to his individual unit; provided, however, that the Board of Directors finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to specific individual damaged unit(s) then the Board of Directors shall levy the assessment for the total deficiency against all of the unit owners in proportion to the unit owner's share in the common elements, just as though all of said damage had occurred in the common elements. The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available.

C. "Very substantial" damage. As used in this Declaration, or any other context dealing with this Condominium, the term "very substantial" damage shall mean loss or damage whereby three-fourths (3/4) or more of the total unit space in the Condominium is rendered untenable, or loss or damage whereby seventy-five percent

(75%) or more of the total amount of insurance coverage becomes payable. Should such "very substantial" damage occur then:

(1) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof.

(2) Thereupon, a membership meeting shall be called by the Board of Directors of the Association to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the condominium project, subject to the following:

(a) If the net insurance proceeds available for restoration and repair, together with the funds advanced by unit owners to replace insurance proceeds paid over to the institutional first mortgagees, are sufficient to cover the cost thereof, so that no special assessment is required, then the condominium property shall be restored or repaired, unless two-thirds (2/3) of the total votes of the members of the condominium shall vote to abandon the condominium project in which case the condominium property shall be removed from the provisions of the law, in accordance with the Condominium Act.

(b) If the net proceeds available for restoration and repair, together with the funds advanced by unit owners to replace insurance proceeds paid over to the institutional first mortgagees, are not sufficient to cover the costs thereof, so that a special assessment will be required, then if a majority of the total votes of the members of the condominium vote against such special assessment and to abandon the condominium project then it shall be so abandoned and the property removed from the provisions of the law in accordance with the Condominium Act. In the event a majority of the total votes of the members of the Condominium vote in favor of the special assessment, then the Association shall immediately levy such assessment and thereupon the Association shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions of Paragraphs 11.1-B(2) and (4). The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available for the repair and restoration of the property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property, as provided in Paragraph 11.1-B(3) above. To the extent that any insurance proceeds are paid over to the mortgagee, and in the event it is determined not to abandon the condominium project and to vote a special assessment, the unit owner shall be obligated to replenish the funds so paid over to his mortgagee, and said unit owner and his unit shall be subject to special assessment for such sum.

(3) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such findings made by the Board of Directors of the Association shall be binding upon all unit owners.

(4) The condominium may not be terminated without the consent of the holders of all institutional

mortgages, in each instance as specified in Subparagraphs A and B herein.

D. Surplus. It shall be presumed that the first monies disbursed in payment of costs or repair and restoration shall be from the insurance proceeds and if there is a balance in the funds held by the Insurance Trustee after payment of all costs of repair and restoration, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated.

12. SALE OR LEASE.

12.1 Maintenance of community interests. In order to maintain a community of congenial residents and thus protect the value of the units, the transfer of units by any owner ~~other than the Developer~~ shall be subject to the following provisions so long as the condominium exists and the apartment building in useful condition exists upon the land, which provisions each owner covenants to observe:

A. Sale. No unit owner may dispose of a unit or any interest therein by sale without approval of the Association.

B. Lease. No unit owner may dispose of a unit or any interest therein by lease without the approval of the Association and provided the occupancy is only by the lessee and his family and guests. The Association shall have the right to require that a uniform lease or addendum be utilized in connection with the leases of all condominium units which addendum may appoint the Association as landlord's agent for purposes of evicting any tenant who violates the rules, regulations or restrictions of the Association.

C. Gift. If any unit owner shall acquire his title by gift, the continuance of his ownership of his unit shall be subject to the approval of the Association.

D. Other transfers. If any unit owner shall acquire his title by any manner not heretofore considered in the foregoing subsections, the continuance of his ownership of his unit shall be subject to the approval of the Association.

E. The Association shall have the right to charge a transfer screening fee of one hundred (\$100.00) dollars or the highest amount allowed by law in connection with any sale or lease transaction.

F. The Association shall have the right to charge a common element security deposit in accordance with prevailing law in connection with any lease transaction, which shall be utilized to cover the cost of repair to any common elements damaged by tenant or the cost of any fines assessed against the unit owner for violations by the tenant.

G. In no event may any unit be sold or leased to a corporation or other business entity that does not constitute a single family unit.

H. In no event may any owner be entitled to own more than two units.

I. In no event may any unit be leased during the first year of ownership, except in the case of hardship as determined in the sole discretion of the Board.

J. In no event will any lease be approved which has a term of less than three (3) months nor more than twelve (12) months. The lease of any unit more than once in a twelve (12) month period will not be approved except in the event of a death or a serious illness of the lessee resulting in the cancellation of the lease. No approval will be granted for an assignment or sublease. No lease will be approved unless the lessor furnishes the Board with adequate proof of sufficient liability insurance and gives written assurance to the Board to hold the Association harmless.

12.2 Approval by Association. The approval of the Association which is required for the transfer of ownership of units shall be obtained in the following manner:

A. Notice to Association.

(1) Sale. A unit owner intending to make a bona fide sale of his unit or any interest therein shall give the Association notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchase as the Association may reasonably require. Such notice at the unit owner's option may include a demand by the unit owner that the Association furnish a purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(2) Lease. A unit owner intending to make a bona fide lease of his unit or any interest therein shall give the Association notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease.

(3) Gift; devise or inheritance; other transfers. A unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not heretofore considered shall give to the Association notice of the acquisition of his title, together with such information concerning the unit owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

(4) Failure to give notice. If the notice to the Association herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the Association, at its election and without notice, may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

B. Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in recordable form and shall be delivered to the purchaser and shall be recorded in the Public Records of Palm Beach County, Florida.

(2) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information the Association must either

approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in recordable form and shall be delivered to the Lessee.

(3) Gift, devise or inheritance; other transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance or in any other manner from within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the continuance of the unit owner's ownership of his unit. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Association in recordable form and shall be delivered to the apartment owner and shall be recorded in the Public Records of Palm Beach County, Florida.

12.3 Disapproval by Association. If the Association shall disapprove a transfer of ownership of a unit, the matter shall be disposed of in the following manner:

A. Sale. If the proposed transaction is a sale and if the notice of sale given by the unit owner shall so demand, then within thirty (30) days after receipt of such notice and information the Association shall deliver or mail by registered mail to the unit owner an agreement to purchase by a purchaser approved by the Association who will purchase and to whom the unit owner must sell the unit upon the following terms:

(1) At the option of the purchaser to be stated in the agreement, the price to be paid shall be stated in the disapproved contract to sell or shall be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association, who shall base their determination upon an average of their appraisals of the unit; and a judgment of a specific performance of the sale upon the award rendered by the arbitrators may be entered by any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(2) The purchase price shall be paid in cash.

(3) The sale shall be closed within ten (10) days following the determination of the sale price.

(4) If the Association shall fail to provide a purchaser as herein required, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval such ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided.

B. Lease. If the proposed transaction is a lease, and if the transaction is disapproved, said lease shall not be made and entered into and the proposed tenant shall not take possession of the premises.

12.4 Mortgage. No unit owner may mortgage his unit nor any interest therein without the approval of the Association except to an institutional mortgagee as herein defined. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

12.5 Exceptions. The foregoing provisions of this section entitled "Maintenance of community interests" shall not apply to the transfer to or purchase by bank, life insurance company, Federal or State savings and loan association or a real estate investment trust, which acquires its title as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor or his successor in title or through foreclosure proceedings; nor shall such provisions apply to the transfer, sale or lease by a bank, life insurance company, Federal or State savings and loan association, or a real estate investment trust which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires title to a unit at a duly advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

12.6 Unauthorized transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

12.7 Notice of lien or suit.

A. Notice of lien. A unit owner shall give notice to the Association of every lien upon his unit other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

B. Notice of suit. A unit owner shall give notice to the Association of every suit or other proceeding which may affect the title to his unit, such notice to be given five (5) days after the unit owner received knowledge thereof.

C. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

~~13. DEVELOPER'S UNITS AND PRIVILEGES.~~

~~13.1 The Developer of the Condominium, at the time of the recording of this Declaration of Condominium, is the owner in fee simple of all the real property and individual condominium units, together with any appurtenances thereto. The Developer is irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease or rent units to any persons approved by it. Said Developer shall have the right to maintain models, have signs, employees in the office, use of the common elements, and to show apartments. Any sales office, signs, fixtures or furnishings or other tangible personal property belong to the Developer shall not be considered common elements and shall remain the property of the Developer.~~

~~13.2 Until such time as the Developer has sold all of the units in the Condominium, it shall be assessed on unsold units only for that part of the common expenses for maintenance and operations which are in excess of the sums collected by assessments against the owners of other units. The provisions of this subsection shall terminate the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first condominium unit occurs.~~

~~13.3 Proviso: Provided, however, that until the Developer has completed and sold all the units of the Condominium, this Article shall not be subject to any amendments.~~

~~14.13.~~ COMPLIANCE AND DEFAULT. Each unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, By-Laws and Regulations and said documents and regulations as they may be amended from time to time. Failure of a unit owner to comply therewith shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Condominium Act:

13.1 Fines.

A. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to assess fines against a unit owner or a unit owners' guests or lessees, in the manner provided herein.

B. The Board of Directors shall appoint a Covenants Enforcement Committee which shall be charged with determining whether there is probable cause to assert that a unit owner or other persons is violating, or has violated, any of the provisions of the Declaration of Condominium, the Articles of Incorporation, these By-Laws, or the rules and regulations of the Association, regarding the use of units, common elements, or Association property. In the event the Covenants Enforcement Committee determines that such probable cause exists, it shall report same to the Board of Directors.

The Board of Directors shall thereupon provide written notice to the person alleged to be in violation, and the owner of the unit which that person occupies, or to which that person is a guest, if that person is not the owner, of the specific nature of the alleged violation, including a statement setting forth the provisions of the condominium documents allegedly violated and a short and plain statement of the matters asserted by the Association, and advising of an opportunity for a hearing before the Board of Directors upon a written request delivered to a Board member or designated agent within fourteen (14) days of the date of the notice of the violation or violations. The Board notice shall state the date, time and place of the hearing to be held if the hearing is requested. The Board notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which the violation continues shall be deemed a separate offense, subject to a separate fine, not to exceed One Hundred (\$100) Dollars for each offense provided the total amount of fines shall not exceed \$1,000 exclusive of interest, costs and attorney fees. The Board notice shall further specify, and it is hereby provided for an alternative procedure available only for the first time violations and not for recurring violations, that in lieu of requesting a hearing, the alleged violator or unit owner may respond in writing to the notice, within fourteen (14) days of its date, acknowledging that the violation or violations occurred as alleged and promising that the violation or violations will henceforth cease and will not recur. Such acknowledgement and promise and performance in accordance therewith, shall terminate further enforcement activity by the Association with regard to the violation and no fines shall be levied.

C. If a hearing is timely requested, the Board of Directors shall hold the same on the date and time and at the place set forth in the notice, and shall hear and receive the response of the violator and unit owner if other than the violator, including written and oral argument on all issues involved and shall hear any witnesses that the alleged violator, the unit owner, or the Covenants Enforcement Committee, or its agents, may produce. Any party at the hearing may be represented by counsel.

D. Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgement and promise are timely and properly made, the Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board of Directors determines that there is sufficient evidence to support a finding that a violation or violations occurred, it shall send a written notification to the violator, and the unit owner if other than the violator, announcing its finding that a violation or violations occurred and

notifying the violator, and unit owner if other than the violator, that fines will be assessed and levied as provided herein unless the violation is corrected within three (3) days from the notice of the Board. No further notice or hearing shall be necessary to enable the Board to levy fines for an uncorrected violation, or violations, or for recurring violations substantially similar to violations for which a hearing opportunity was previously provided.

E. A fine pursuant to this section shall be assessed against the unit which the violator occupied or was visiting at the time of the violation, whether or not the violator is an owner of that unit, and shall be promptly paid to the Association by the owner of that unit. The owner shall be liable for attorney's fees and costs incurred by the Association incident to the levy or collection of the fine, including appellate proceedings.

F. Nothing herein shall be construed as a prohibition of or a limitation on the right of the Board of Directors to pursue other means to enforce the provisions of the various condominium and Association documents including but not limited to legal action for damages or injunctive relief. In the event such other means are pursued, the Association shall not be required to comply with the procedures and provisions of this Article.

~~14-1~~ 13.2 Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guest or employees or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include occupancy or abandonment of a unit or its appurtenances, or of the common elements. Such liability shall also be secured by the Association's lien rights as provided herein.

~~14-2~~ 13.3 Costs and Attorney's fees. In the event it becomes necessary to engage the services of an attorney to enforce compliance with these documents through non-litigation procedures, the Association shall be entitled to reimbursement of costs and attorney's fees. In any proceeding arising because of an alleged failure of a unit owner to comply with the terms of the Declaration, By-Laws and Rules and Regulations and said documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be awarded by the court, and shall include attorney's fees incurred in the event of an appeal.

~~14-3~~ 13.4 No waiver of rights. The failure of the Association or any unit owner to enforce a covenant, restriction or other provision of the condominium Act, this Declaration, the By-Laws or the Rules and Regulations, shall not constitute a waiver of the right to do so thereafter.

~~15-14.~~ AMENDMENT TO DECLARATION.

~~15-1~~ 14.1 This Declaration of Condominium may be amended by affirmative vote of two-thirds (2/3) of the condominium unit owners of this condominium present at a meeting duly called for such purpose, ~~---however,-- the Developer's rights herein cannot be amended in any way without the written authorization of the Developer unless otherwise provided in this Declaration of Condominium.~~

~~15-2~~ 14.2 A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Public Records of Palm Beach County, Florida.

~~15.3--Developer reserves the right to amend the Declaration of Condominium without the affirmative vote of two-thirds (2/3) of the unit owners as heretofore stated, subject, however, to the provisions of Paragraph 15.4 and 15.5.~~

~~15.4~~ 14.4 That no amendment shall be made increasing or decreasing a unit owner's percentage of ownership of the common elements as hereinabove stated, nor decreasing or increasing a unit owner's liability, or proportionate liability, for common expense, unless the unit owner or unit owners so affected and all record owners of liens thereon shall join in the execution of the amendment.

~~15.5~~ 14.5 No amendment shall be passed which shall impair or prejudice the right and priorities of any mortgagee.

~~15.6~~ 14.6 No provision of Paragraph ~~15~~ 14 of this Declaration of Condominium may be changed without the written consent and approval of ninety (90%) percent of all institutional mortgagees of record of this Condominium.

~~16.~~ 15. This Condominium may be voluntarily terminated in the manner provided for in the Condominium Act at any time. In addition thereto, if the proposed voluntary termination is submitted to a meeting of the members of the Association, pursuant to notice, and is approved in writing within sixty (60) days of the said meeting by three-fourths (3/4) of the total vote of the members of the Association, and all institutional mortgagees, then the Association and the approving owners shall have an option to purchase all of the parcels of the other nonconsenting owners within a period expiring one hundred twenty (120) days from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. The option shall be exercised upon the following terms:

~~16.1~~ 15.1 Exercise of Option. An agreement to purchase, exercised by the Association and/or the record owners of the units who will participate in the purchase, shall be delivered, by personal delivery, or mailed by certified mail or registered mail, to each of the record owners of the units to be purchased, and such delivery shall be deemed the exercise of the option. The agreement shall indicate the units will be purchased by each participating owner and/or the Association, and shall require the purchase of all units owned by owners not approving the termination, but this Agreement shall effect and separate contract between each seller and his purchaser.

~~16.2~~ 15.2 Price. The sale price of each unit shall be the fair market value determined by agreement between the seller and the purchaser within thirty (30) days from the delivery of mailing of such Agreement, and in the absence of agreement as to price, it shall be determined by arbitration in the Courts with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit; and a judgment of specific performance of the sale upon award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of arbitration shall be paid by the purchaser.

~~16.3~~ 15.3 Payment. The purchase price shall be paid in cash. There shall be no assessment of the individual unit owners for the purpose of raising any such cash, except with the approval at a duly constituted meeting of at least ninety (90%) percent of the unit owners to be so assessed.

~~16.4~~ 15.4 Closing. The sale shall be closed within thirty (30) days following the determination of the sale price.

~~16-5~~ 15.5 The subsection concerning termination cannot be amended without the consent of all unit owners and of all record owners of mortgages upon the units.

~~17-~~ 16. COVENANT. All provisions of the Declaration shall be construed to be covenants running with the land and with every part thereof and interest therein, and every unit owner and claimant of the land or any part thereof or interest therein, and his heirs, executors and administrators, successors and assigns, shall be bound by all of the provisions of the Declaration.

~~18-~~ 17. INVALIDATION AND OPERATION.

~~18-1~~ 17.1 The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provisions of this Declaration of Condominium and the Articles of Incorporation, By-Laws and Rules and Regulations shall not affect the validity of the remaining portions which shall remain in full force and effect.

~~18-2~~ 17.2 In the event any court shall hereafter determine that any provisions as originally drafted herein violate the rule against perpetuities or any other rules of law because of the duration of the period involved, the period specified in the Declaration shall not thereby become invalid, but instead, shall be reduced to the maximum period allowed under such rules of law, and for such purpose measuring lines shall be those of the incorporators of the Association.

~~19-~~ 18. EASEMENT FOR INGRESS AND EGRESS. The property described in Paragraph 1.2 hereof may be used for ingress and egress to the beach by up to sixteen (16) families who reside on the following described property:

That part of the South 400 feet of the North 1600 feet of Section 33, Township 46 South, Range 43 East lying between the Westerly right-of-way line of State Road A-1-A and the Easterly right-of-way line of the Intracoastal Waterway and being more fully described as follows:

Beginning at the Point of Intersection of the Easterly right-of-way line of the Intracoastal Waterway and a line parallel with and 1600 feet South of the North line of said Section 33; thence N. 10 $\frac{1}{2}$ 02'56" E., an assumed bearing, along the aforesaid Easterly line, 406.10 feet to a point of intersection with a line being parallel with and 1200 feet South of the aforesaid North line of Section 33; thence S. 89 $\frac{1}{2}$ 50'03" E., along said parallel line, 146.50 feet to a point of intersection with the Westerly right-of-way line of State Road A-1-A; thence S. 4 $\frac{1}{2}$ 33'27" W., along said Westerly line, 401.18 feet to a point of intersection with a line parallel with and 1600 feet South of the North line of Section 33; thence S. 89 $\frac{1}{2}$ 50'03" W., along said line, 185.94 feet to a point of Intersection with the aforementioned Easterly right-of-way line of the Intracoastal Waterway and also the Point of Beginning.

Containing 66488 square feet (1.526 acres) and subject to easements and rights-of-way of record.

It is understood that the Condominium Association described herein shall permit the use of its property and shall issue appropriate cares or certificates permitting the owners of the property described in this paragraph to enter upon and cross the condominium property for purposes of ingress and egress to the beach. This is a permanent license and shall run with the land. Subject and subordinate to the rights of any mortgagee that may place a mortgage on said property.

~~20~~ 19. INTERPRETATION. Whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of the plural shall include the singular and the singular shall include the plural. The provisions of this Declaration shall be literally construed to effectuate its purpose of creating a uniform plan for the operation of a condominium in accordance with the laws made and provided for same, to-wit: Chapter 718 of the Florida Statutes as amended.

IN WITNESS WHEREOF, OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, has caused these presents to be signed this _____ day of _____, 198____.

Signed, sealed and delivered in the presence of:

OCEAN DUNES DEVELOPMENT CORP.

BY: _____/s/_____ (SEAL)
Philip R. Connor, Jr.,
President

STATE OF FLORIDA

COUNTY OF BROWARD

I HEREBY CERTIFY that on this day, personally appeared PHILIP R. CONNOR, JR., as President of OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, by me being duly sworn, deposes and says that he is the President of OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, and who acknowledged to me that he executed the foregoing Declaration of Condominium as his free and voluntary act and deed and for the uses and purposes expressed therein and on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid this _____ day of _____, 19____.

_____/s/_____
Notary Public
My Commission Expires:

ARTICLES OF INCORPORATION
OF
 OCEAN DUNES CONDOMINIUM ASSOCIATION, INC.
A Corporation Not for Profit

In Order to form a corporation under and in accordance with the provisions of the laws of the State of Florida for the formation of Corporations Not for Profit, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned; and to that end we do, by these Articles of Incorporation, set forth:

ARTICLE I

The name of the proposed corporation shall be: OCEAN DUNES CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

The purposes and objects of the corporation shall be to administer the operation and management of OCEAN DUNES, a Condominium, (hereinafter referred to as "the CONDOMINIUM"), an apartment project to be established in accordance with the Condominium Act of the State of Florida upon the following described property, situate, lying and being in Palm Beach County, Florida: to-wit:

The South 200 feet of the North 1600 feet of Section 33, Township 46 South, Range 43 East, lying East of State Road A-1-A, in Palm Beach County, Florida.

and to undertake the performance of the acts and duties incident to the administration of the operation and management of said CONDOMINIUM in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the formal Declaration of Condominium which will be recorded in the Public Records of Palm Beach County, Florida, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a Plan of Condominium Ownership, and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said CONDOMINIUM. The Corporation shall be conducted as a non-profit organization for the benefit of its members.

ARTICLE III

The corporation shall have the following powers:

1. The corporation shall have all of the powers and privileges granted to Corporations Not for Profit under the law pursuant to which this Corporation is chartered.

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

(a) To make and establish reasonable rules and regulations governing the use of DWELLINGS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS in said CONDOMINIUM, as said terms may be defined in said Declaration of Condominium to be recorded.

(b) To levy and collect assessments against members of the Corporation to defray the common elements of the Condominium as may be provided in said Declaration of Condominium and in the By-Laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purpose of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including DWELLINGS in said CONDOMINIUM, which may be necessary or convenient in the operation and management of the CONDOMINIUM

and in accomplishing the purposes set forth in said Declaration of Condominium

(c) To maintain, repair, replace, operate and manage the CONDOMINIUM and the property comprising same, including the right to construct improvements after casualty and to make further improvements of the Condominium property.

(d) To contract for the management and maintenance of the condominium property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of the rules and execution of contracts on behalf of the association.

(e) To enforce the provisions of said Declaration of Condominium, these Articles of Incorporation, the By-Laws of the Corporation which may be hereafter established.

(f) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration of Condominium aforementioned.

(g) To approve or disapprove proposed purchasers or lessees of apartments in the Condominium.

(h) To make and amend regulations regarding the use of the property in the condominium.

(i) To lease property including, but not limited to recreational facilities and to levy and collect assessments to cover the costs of the maintenance, operation and repair of said leasehold property. To purchase personal property for the use of said leased recreational areas.

ARTICLE IV

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

1. The owners of all DWELLINGS in the CONDOMINIUM shall be members of the Corporation, and no other persons or entities shall be entitled to membership, except as provided in item (5) of Article IV.

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

The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his DWELLING. The funds and assets of the Corporation shall be owned solely by the Corporation subject to the limitation that he same be expended, held or owned

for the benefit of the Membership and for the purposes authorized therein, in the Declaration of Condominium, and in the By-Laws which may be hereafter adopted.

On all matters on which the Membership shall be entitled to vote, there shall be only one vote for each DWELLING in the CONDOMINIUM, which vote may be exercised or cast by the owner or owners of each DWELLING in such manner as may be provided in the By-Laws hereafter adopted by the Corporation. Should any member own more than one DWELLING, such member shall be entitled to exercise or cast as many votes as he owns DWELLINGS, in the manner provided by said By-Laws.

~~5. Until such time as the property described in Article II hereof, and the improvements which may be hereafter constructed thereon, are submitted to a plan of Condominium ownership by the recordation of said Declaration of Condominium, the Membership of the Corporation shall be comprised of the Subscribers to these Articles, each of which Subscribers shall be entitled to cast one vote on all matters on which the Membership shall be entitled to vote.~~

ARTICLE V

The Corporation shall have perpetual existence.

ARTICLE VI

The principal office of the Corporation shall be located at 3015 South Ocean Boulevard, Highland Beach, Florida 33431, but the Corporation may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

ARTICLE VII

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

ARTICLE VIII

The number of members of the first Board of Directors of the Corporation shall be three. The number of members of succeeding Boards of Directors shall be as provided from time to time by the By-Laws of the corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the By-Laws of the Corporation, and ~~at least a majority~~ all of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers or employees of a corporate member of the Corporation. ~~Notwithstanding the foregoing, so long as OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, is the owner of three or more DWELLINGS in the CONDOMINIUM, OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation, OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, may designate and select the person or persons to serve as a member or members of each Board of Directors in the manner provided by the By-Laws of the Corporation. It is understood, however, that the rights of OCEAN DUNES DEVELOPMENT~~

~~CORP., a Florida corporation, to designate members of the Board of Directors shall terminate no later than one year from the filing of the Declaration of Condominium.~~

ARTICLE IX

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

ARTICLE X

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

NAMES	ADDRESSES
PHILIP R. CONNOR, JR.	3600 North Federal Highway Suite 301 Fort Lauderdale, Florida 33308
JOSEPH A. HUBERT	3600 North Federal Highway Suite 301 Fort Lauderdale, Florida 33308
LINDA P. ROPER	3600 North Federal Highway Suite 301 Fort Lauderdale, Florida 33308

ARTICLE XI

~~The subscribers to these Articles of Incorporation are the persons herein named to act and serve as members of the First Board of Directors of the Corporation, the names of which subscribers and their respective Post Office addresses are more particularly set forth in Article X above.~~

ARTICLE XII

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

PRESIDENT:	PHILIP R. CONNOR, JR.
VICE-PRESIDENT:	JOSEPH A. HUBERT
SECRETARY:	LINDA A. ROPER
TREASURER:	LINDA A. ROPER

ARTICLE XIII

The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE XIV

Every Director and every officer of the corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceedings to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Corporation, whether or not he is a Director or officer at the time such expenses are incurred, except willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XV

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

2. A resolution approving a proposed amendment may be proposed by either the Board of Directors or by the membership of the Association, and after being proposed and approved by one of the such bodies it must be approved by the other. Such approvals must be by 66-2/3 of all of the Directors and by not less than 66-2/3 of the members of the Association. Directors and members not present at the meetings considering the amendment may express their approval in writing.

3. A copy of each amendment certified by the Secretary of State of Florida shall be recorded in the Public Records of Palm Beach County, Florida.

IN WITNESS WHEREOF, the Subscribers have hereunto set their hands and seals this _____ day of _____, 198____, at Fort Lauderdale, Florida.

PHILIP R. CONNOR, JR.

JOSEPH A. HUBERT

LINDA A. ROPER

STATE OF FLORIDA

COUNTY OF BROWARD

BEFORE ME the undersigned authority, personally appeared PHILIP R. CONNOR, JR., JOSEPH A. HUBERT and LINDA P. ROPER, who, being by me first duly sworn, acknowledged that they executed the foregoing Articles of Incorporation for the purposes therein expressed, this _____ day of _____, 198____.

NOTARY PUBLIC

My Commission Expires:

EXHIBIT "D"

BY-LAWS
OF
 OCEAN DUNES CONDOMINIUM ASSOCIATION, INC.
A CORPORATION NOT FOR PROFIT

1. IDENTITY

These are the By-Laws of OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State of Florida on the 3rd day of March, 1980. OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, hereinafter called "ASSOCIATION", has been organized for the purpose of administering said ASSOCIATION and the operation and management of OCEAN DUNES, a Condominium, an apartment project established in accordance with the Condominium Act of the State of Florida upon the following described property, situate, lying and being in Palm Beach County, Florida, to-wit:

The South 200 feet of the North 1600 feet of Section 33, Township 46 South, Range 43 East, lying East of State Road A-1-A, in Palm Beach County, Florida.

(a) The provisions of these By-Laws are applicable to said CONDOMINIUM, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Articles of Incorporation and contained in the formal Declaration of Condominium for OCEAN DUNES, a Condominium.

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

(c) The office of the ASSOCIATION shall be at 3015 South Ocean Boulevard, Highland Beach, Florida 33431.

(d) The fiscal year of the ASSOCIATION shall be the calendar year.

(e) The seal of the ASSOCIATION shall bear the name of the ASSOCIATION, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation, an impression of which seal is as follows:

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

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

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

(c) The vote of the owners of a DWELLING owned by more than one person other than husband and wife 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 DWELLING and filed with the Secretary of the ASSOCIATION, and such Certificate shall be valid until revoked by subsequent Certificate. If such a Certificate

— EXHIBIT C —

is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

(d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting. ~~However, no person shall be designated to hold more than five (5) proxies.~~

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

(f) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, 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 DWELLINGS represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

(a) The Annual Members' Meeting shall be held at the office of the ASSOCIATION at 8:00 o'clock P.M. Eastern Standard Time, on such date in the first Tuesday in Feb. of each year as the Board shall determine for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; ~~provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Tuesday.~~

(b) Special Members' Meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a written request from members of the ASSOCIATION owning a majority of the DWELLINGS.

(c) Notice of all members' meetings, regular or special, shall be given by the President, Vice-President or Secretary of the ASSOCIATION, or other Officer of the ASSOCIATION in absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member; receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in Articles of Incorporation, these By-Laws or the Declaration of Condominium, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

(d) At meetings of membership the President, or in his absence, the Vice-President, shall preside.

(e) The order of business at Annual Members' meeting shall be:

- (i) Calling of the roll and certifying proxies
- (ii) Proof of notice of meeting or waiver of notice
- (iii) Reading of minutes
- (iv) Reports of Officers
- (v) Reports of Committees
- (vi) Appointment by Chairman of Inspectors of Election
- (vii) Election of Directors
- (viii) Unfinished business
- (ix) New business
- (x) Adjournment

4. BOARD OF DIRECTORS

(a) The Board of Directors of the ASSOCIATION shall consist of three (3) persons. At least a majority of the Board of Directors shall be members of the ASSOCIATION, or shall be authorized representatives, officers or employees of a corporate member of the ASSOCIATION.

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

~~(i) OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, hereinafter referred to as THE DEVELOPER, of the CONDOMINIUM, shall at the beginning of the election of the Board of Directors, designate and select the number of the members of the Board of Directors which he shall be entitled to designate and select in accordance with the provisions of these Bylaws, and upon such designation and selection by the DEVELOPER, by written instrument presented to the meeting at which such election is held, such individuals so designated and selected by the DEVELOPER, shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected in accordance with the provisions of these Bylaws.~~

~~(ii) All members of the Board of Directors whom THE DEVELOPER, shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a majority plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION immediately following the designation and selection of the members of the Board of Directors whom THE DEVELOPER, shall be entitled to designate and select.~~

~~(iii) Vacancies in the Board of Directors shall be filled by the remaining Directors, except should any vacancy in the Board of Directors be created in any Directorship previously filled by any person designated and selected by the DEVELOPER, such vacancy shall be filled by the DEVELOPER, designating and selecting, by written instrument delivered to any Officer of the ASSOCIATION, the successor Director to fill the vacated Directorship for the unexpired term thereof.~~

~~(iv) THE DEVELOPER, shall have the right to appoint or elect a majority or more of the members of the Board of Directors of the ASSOCIATION, to wit, until fifteen percent (15%) of the Condominium units have been sold and closed to unit owners other~~

~~than DEVELOPER, THE DEVELOPER, shall have the right to appoint or elect members of the Board. When unit owners other than the DEVELOPER own fifteen percent (15%) or more of the units in the Condominium, the unit owners other than the DEVELOPER shall be entitled to elect no less than one third of the members of the Board of Directors of the ASSOCIATION. Unit owners other than THE DEVELOPER, are entitled to elect not less than a Majority of the members of the Board of Directors of the Association:~~

~~(1) Three years after 50 percent of the units have been conveyed to purchasers;~~

~~(2) Three months after 90 percent of the units have been conveyed to purchasers;~~

~~(3) When all the units have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by THE DEVELOPER, in the ordinary course of business; or~~

~~(4) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by THE DEVELOPER in the ordinary course of business, whichever occurs first.~~

~~THE DEVELOPER is entitled to elect at least one (1) member of the Board of Directors of the ASSOCIATION as long as THE DEVELOPER holds for sale in the ordinary course of business at least five percent (5%) of the units.~~

~~(v) Within sixty (60) days after unit owners other than THE DEVELOPER are entitled to elect a member or members of the Board of Directors the ASSOCIATION shall call and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the unit owners for this purpose. Such meeting may be called and the notice given by any unit owner if the ASSOCIATION fails to do so.~~

(vi) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Regular meetings of the Board of Directors shall be open to all unit owners. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the date named for such meeting, unless notice is waived. Notice of regular meetings shall also be posted conspicuously forty-eight (48) hours in advance for the attention of unit owners except in an emergency.

(vii) Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Special meetings of the Board shall be open to all unit owners. Not less than three (3) days notice of a meeting shall be given to each Director, personally, by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Notice of special meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of unit owners except in an emergency.

~~(viii) A Director may be removed at any special or regular meeting by the majority vote of those present except that a Director designated by OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, may only be removed by OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, during the period OCEAN DUNES DEVELOPMENT CORP., a Florida corporation, has the authority to designate Directors.~~

(ix) The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election,

at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

(x) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

(xi) A quorum at a Director's meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Condominium. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of the attendance, if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

(xii) The Presiding Officer of Directors' meetings shall be the President, or in his absence, the Vice-President.

5. POWERS OF ASSOCIATION

(a) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including DWELLINGS in the CONDOMINIUM, as may be necessary or convenient in the operation and management of the CONDOMINIUM, and in accomplishing the purpose set forth in the Declaration of Condominium.

(b) To contract for the management and maintenance of the condominium property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

(c) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the ASSOCIATION, the Declaration of Condominium and the regulations hereinafter promulgated governing use of the property in the CONDOMINIUM.

(d) To pay all taxes and assessments which are liens against any part of the CONDOMINIUM other than DWELLINGS and the appurtenances thereto, and to assess the same against the members and their respective DWELLINGS subject to such liens.

(e) To carry insurance for the protection of the members and the ASSOCIATION against casualty and liability, which insurance policies shall be made available for inspection by unit owners at reasonable times.

(f) To pay all costs of power, water, sewer and other utility services rendered to the CONDOMINIUM and not billed to the owners of the separate PRIVATE DWELLINGS.

(g) To employ personnel for reasonable compensation to perform the services required for proper administration of the purpose of the ASSOCIATION.

(h) To operate jointly a recreation area on leasehold property. To maintain said leasehold premises. To pay taxes, insurance and all expenses concerning the operation thereof and to purchase personal property for use on said leasehold premises, and to assess the members of the ASSOCIATION for any of the foregoing expenses regarding said club in the manner as may be prescribed by the Declaration of Condominium of said lease.

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

(j) All of the powers and duties of the ASSOCIATION shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the ASSOCIATION, these By-Laws and the Declaration of Condominium. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these By-Laws and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing the following:

(i) To make, levy and collect assessments against any member and members' DWELLINGS to defray the costs of the CONDOMINIUM, and to use the proceeds of said assessments granted unto the ASSOCIATION.

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

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

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

(v) To approve or disapprove proposed purchaser and lessee of DWELLINGS in the manner specified in the Declaration of Condominium, Articles of Incorporation and By-Laws of OCEAN DUNES, a Condominium.

(vi) In any legal action in which the ASSOCIATION may be exposed to liability in excess of insurance coverage protecting it and the unit owners, notice shall be given of the exposure within a reasonable time to all unit owners who may be exposed to the liability and they shall have the right to intervene and defend.

6. TRANSFER OF CONTROL TO ASSOCIATION

~~Within a maximum of thirty (30) days, or sooner, after unit owners other than the DEVELOPER elect a majority of the members of the Board of Director of the ASSOCIATION, the Developer shall relinquish control of the ASSOCIATION and shall deliver to the ASSOCIATION all property of the unit owners and of the ASSOCIATION held by or controlled by the DEVELOPER, including but not limited to the following items, if applicable, as to each CONDOMINIUM operated by the ASSOCIATION.~~

(a) The original, a certified copy or a photocopy of the recorded Declaration of Condominium, if a photocopy is provided, the same shall reflect the recording information and shall be certified by affidavit by the DEVELOPER or officer or agent of the DEVELOPER as being a true and complete copy of the actual recorded Declaration, the ASSOCIATION Articles of Incorporation, By-Laws, minute books and other corporate books and records of the ASSOCIATION, if any, and any house rules and regulations which may have been promulgated.

(b) Resignation of officers and members of the Board of Directors who may be required to resign for reason of the requirement that the DEVELOPER relinquish control of the ASSOCIATION.

(c) An accounting or accountings for ASSOCIATION funds. The DEVELOPER shall be liable to the ASSOCIATION for all of the funds of the ASSOCIATION that are not properly expended and which were collected during the period of time that the DEVELOPER controlled the Board of Directors of the ASSOCIATION.

(d) ASSOCIATION funds or control thereof.

(e) All tangible personal property that is represented by the DEVELOPER to be part of the COMMON ELEMENTS or that is ostensibly part of the COMMON ELEMENTS or that is property of the ASSOCIATION, and inventories of these properties.

(f) A copy of the plans and specifications utilized in the construction of improvements and the supplying of equipment to the CONDOMINIUM and for the construction and installation of all mechanical components serving the improvements and the site, with a certificate in affidavit form of the DEVELOPER or of his agent or of an architect or engineer authorized to practice in this state that such plans and specifications represent to the best of their knowledge and belief that actual plans and specifications utilized in and about the construction and improvements of the CONDOMINIUM and for the construction and installation of the mechanical components serving the improvements. In the event that the CONDOMINIUM shall have been declared a CONDOMINIUM more than three (3) years after the completion of the construction of the improvements, then the requirements of this sub-section (f) shall not apply. If, however, the improvements on the CONDOMINIUM submitted to CONDOMINIUM shall have been remodeled within three (3) years prior to the date of the creation of the CONDOMINIUM, then the requirements of this paragraph (f) shall apply to the plans and specifications utilized in and about the remodeling.

(g) Insurance policies.

(h) Copies of any certificates of occupancy which may have been issued within one (1) year of the date of creation of the CONDOMINIUM.

(i) Any other permits issued by governmental bodies applicable to the CONDOMINIUM and which are currently in force or were issued within one (1) year prior to the date upon which the unit owners other than the DEVELOPER took control of the ASSOCIATION.

(j) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective.

(k) A roster of unit owners and their addresses and telephone numbers, if known, as shown on the DEVELOPER'S records.

(l) Leases of the COMMON ELEMENTS, or in which the ASSOCIATION is lessor or lessee.

(m) Employment contracts in which the ASSOCIATION is one of the contracting parties.

~~(n) Service contracts in which the ASSOCIATION is one of the contracting parties or service contracts in which the ASSOCIATION or the unit owners have directly or indirectly an obligation or responsibility to pay some or all of the fee or charge of the person or persons performing the services.~~

~~(o) Other contracts in which the ASSOCIATION is one of the contracting parties.~~

~~Provided, however, that if the DEVELOPER holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the DEVELOPER:~~

~~(a) Assessment of the DEVELOPER as a unit owner for capital improvements.~~

~~(b) Any action by the ASSOCIATION that would be detrimental to the sales of units by the DEVELOPER, provided, however, that an increase in assessments for COMMON ELEMENTS without discrimination against the DEVELOPER shall not be deemed to be detrimental to the sales of units.~~

7. OFFICERS

(a) The executive officers of the ASSOCIATION shall be a President, who shall be a Director, a Vice-President who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by the vote of the Directors at any meeting. Any person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the ASSOCIATION.

(b) The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the 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 members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the ASSOCIATION.

(c) The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have the custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an ASSOCIATION and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. The Treasurer shall maintain accounting records, including assessment rolls and accounts of the members, according to good accounting practices which shall be open to inspection by

unit owners or their authorized representatives at reasonable times. Such records shall include:

(i) A record of all receipts and expenditures.

(ii) An account for each unit which shall designate the name and address of the unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account, and the balance due. Furthermore, the Treasurer shall perform all other duties incident to the office of Treasurer.

(f) The compensation of all officers and employees of the ASSOCIATION shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the ASSOCIATION, nor preclude the contracting with a Director for the management of the CONDOMINIUM.

8. FISCAL MANAGEMENT

The provisions for fiscal management of the ASSOCIATION set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

(a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each DWELLING. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

(b) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the ASSOCIATION, including but not limited to the following items:

(i) Common expense budget, which shall include, without limiting the generality of the foregoing the estimated amounts necessary for maintenance and operation of COMMON ELEMENTS and LIMITED COMMON ELEMENTS, landscaping, street and walkways, office expense, swimming pool, utility service, casualty insurance, liability insurance, administration and reserves (operation and replacement).

(ii) Proposed assessments against each member. Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before December 15 of the year prior to which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. At the time such copies are furnished to each member, the unit owners shall also be given written notice of the time and place at which such meeting of the Board of Directors shall be held and such meeting shall be open to the unit owners.

(iii) If a budget is adopted by the Board of Directors which requires assessment against the unit owners in any fiscal or calendar year exceeding 115% of such assessments for the preceding year, upon written application of ten per cent (10%) of the unit owners, a special meeting of the unit owners shall be held upon not less than ten (10) days' written notice to each unit owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting unit owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors.

(iv) The revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all unit

owners. The Board of Directors may in any event propose a budget to the unit owners at a meeting of members or by writing, and if such budget or proposed budget be approved by the unit owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be reexamined by the unit owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this section. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the CONDOMINIUM property or in respect of anticipated expenses by the CONDOMINIUM ASSOCIATION which are not anticipated to be incurred on a regular or annual basis and there shall be excluded from such computation assessment for betterments to the CONDOMINIUM property if the By-Laws so provide or allow the establishment of reserves, or assessments for betterments to be imposed by the Board of Directors. The Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the unit owners.

(b) Nothing herein contained shall at any time restrict the right of the Board of Directors to levy additional assessment in the event that the budget originally adopted shall appear to be insufficient to defray costs and expenses of operation and management, upon giving notice to the unit owners as herein provided, or in the event of emergencies.

(c) The depository of the ASSOCIATION shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the ASSOCIATION shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

(d) ~~An-audit~~ Review of the accounts of the ASSOCIATION shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member, or their personal representative, not later than April 1 of the year following the year for which the report was made.

(e) Fidelity bonds shall be required by the Board of Directors from all officers and employees of the ASSOCIATION and from any contractor handling or responsible for ASSOCIATION funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the ASSOCIATION.

9. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, and these By-Laws, or with the Statutes of the State of Florida.

10. AMENDMENTS TO BY-LAWS

Amendments to the By-Laws will be proposed and adopted in the following manner:

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

(b) A resolution adopting a proposed amendment must receive approval of 66-2/3% of all the Directors and 66-2/3% of the votes of the entire membership of the ASSOCIATION. Directors and members not present at the meetings considering the amendment may express their approval in writing.

(c) Initiation. An amendment may be proposed by either the Board of Directors or by the membership of the ASSOCIATION, and

after being proposed and approved by one of such bodies, it must be approved by the other.

(d) Effective date. An amendment when adopted shall become effective only after being recorded in the Public Records of Palm Beach County, Florida.

(e) These By-Laws shall be amended, if necessary, so as to make the same consistent with the provision of the Declaration of Condominium.

(f) A copy of each amendment shall be certified by the President and Secretary of the corporation and recorded in the Public Records of Palm Beach County, Florida.

The foregoing were adopted as the By-Laws of OCEAN DUNES CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, under the laws of the State of Florida, at the first meeting of the Board of Directors, on the 18th day of March, 1980.

Secretary

Approved:

President