DECLARATION OF CONDOMINIUM

OF

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HIBISCUS I, A CONDOMINIUM

This Declaration of Condominium is made this 15th day of October, 1982, by Tree of Life Community Projects, Inc. a Florida corporation whose address is A1A South St Augustine Beach, Fla 32084. (the "Sponsor").

The Sponsor makes the following declarations.

1. Submission of Real Property to Condominium Ownership. By this Declaration the Sponsor submits the real property described in Exhibit "A-1" and owned by the Sponsor in fee simple absolute subject to the matters set forth therein, if any, to the condominium form of ownership in the manner provided in Chapter 718 of the Florida Statutes (the "Condominium Act").

2. Name. The name of the condominium is Hibiscus I, a Condominium.

3. Definitions. The terms used in this Declaration of Condominium and its exhibits shall have the meaning stated in the Condominium Act and as follows unless the context otherwise requires:

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

3.2 "Association" means the entity which is responsible for the operation of the Condominium Property, and known as Hibiscus Owners Association I, Inc., a non-profit Florida corporation, and its successors.

3.3 "Board" means the Board of Directors of the Association, which has been duly elected and qualified in accordance with the Bylaws.

3.4 "Bylaws" means the bylaws for the government of the Association as amended from time to time.

3.5 "Common Elements" shall include: (a) the portions of the Condominium Property not included in the Units; (b) tangible personal property owned by the Association and required or useful for the maintenance and operation of the Common Elements; (c) easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Units and the Common Elements; (d) an easement of support in every portion of a Unit which contributes to the support of a building; and (e) the property and installation required for the furnishing of utilities and other services to more than one Unit or to the Common Elements.

3.6 "Common Expenses" means the expenses for which the Unit Owners are liable to the Association, including the expenses of the operation, maintenance, repair or replacement of the Common Elements and the Recreation and Other Facilities and beach area, the cost of carrying out the powers and duties of the Association and all expenses and assessments properly incurred by the Association for the Condominium Property and any facilities serving the Condominium Property.

3.7 "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.

3.8 "Condominium Property" means the parcel of real property described in Exhibit "A-1" attached hereto together with all improvements built or to be built thereon, as the same may be expanded from time to time in accordance with the provisions of paragraph 4.9 relating to additional phases.

3.9 "Declaration of Condominium" means this Declaration of Condominium and all Exhibits attached hereto, as the same may be amended from time to time.

3.10 "Institutional Mortgagee" means Banks, Savings and Loan Associations, Insurance Companies, FHA and VA Approved Mortgage Lenders and Bankers, Real Estate Investment Trusts the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), servicing agents of FHLMC and FNMA and other lending institutions or companies, which shall include the Sponsor, any assignee of a purchase money mortgage held by Sponsor and the servicing agent of such assignee, or anyone designated by the Sponsor.

3.11 "Insurance Trustee" means a national bank, having trust powers, which is designated by the Association under paragraph 8 hereof to hold policies of insurance, receive the proceeds thereof and disburse the same in accordance with paragraph 8. Until such time as the Association designates an Insurance Trustee, the Board shall perform the duties of the Insurance Trustee contained in paragraph 8.

3.12 "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 other Units.

3.13 "Person" means any individual, corporation, partnership, association, joint venture, trust, estate, unincorporated organization or other entity.

3.14 "Phase II" means the real property described in Exhibit "A-2" and the improvements constructed and to be constructed thereon which may be submitted to this Declaration as provided in paragraph 4.9 by an amendment to the Declaration. After such amendment, Phase II shall be part of the Condominium Property as if originally submitted in this Declaration.

3.15 "Phase III" means the real property described in Exhibit "A-3" and the improvements constructed and to be constructed thereon which may be submitted to this Declaration as provided in paragraph 4.9 by an amendment to the Declaration. After such amendment, Phase III shall be part of the Condominium Property as if originally submitted in this Declaration.

3.16 "Phase IV" means the real property described in Exhibit "A-4" and the improvements constructed and to be constructed thereon which may be submitted to this Declaration as provided in paragraph 4.9 by an amendment to the Declaration. After such amendment, Phase IV shall be part of the Condominium Property as if originally submitted in this Declaration.

3.17 "Phase V" means the real property described in Exhibit "A-5" and the improvements constructed and to be constructed thereon which may be submitted to this Declaration as provided in paragraph 4.9 by an amendment to the Declaration. After such amendment, Phase V shall be part of the Condominium Property as if originally submitted in this Declaration.

3.18 "Recreation and Other Facilities" means the facilities described in paragraph 4.5.

3.19 "Sponsor" means TREE OF LIFE COMMUNITY PROJECTS, INC., its assignees, nominees and successors.

3.20 "Time Share Agent" means the Person designated by the Time Sharing Declaration described in paragraph 4.10 to manage the Time Share Unit(s) and represent the owners thereof.

3.21 "Time Share Estate" means an undivided interest in a Unit and the furniture, furnishings and other personal property therein together with the right to use and occupy the Unit and its furnishings during one or more specific periods of time.

3.22 "Time Share Unit" means a Unit in which Time Share Estates have been created.

3.23 "Unit" means a part of the Condominium Property which is to be subject to exclusive private ownership as defined in the Condominium Act, and includes Time Share Units.

3.24 "Unit Owner" or "Owner of Unit" means the record owner of a Unit. If the Unit is or becomes a Time Share Unit, the term "Unit Owner" or "Owner of Unit" shall mean all the owners of Time Share Estates in the Time Share Unit as if there were one owner of the Time Share Unit.

4. Development Plan. The condominium is described and established as follows:

4.1 Survey, Plot Plan and Graphic Description; Units. A survey of the land described in Exhibit "A-1", a graphic description of the improvements in which Units are located, a typical floor plan of each unit, and a plot plan are attached hereto as Exhibit "B" and made a part hereof and together with this Declaration are in sufficient detail to identify the Common Elements, Limited Common Elements and each Unit and their relative locations and approximate dimensions. Each Unit is identified by a number. The Units are numbered 101, 102, 103, 104, 201, 202, 203 and 204 and no Unit bears the same description as any other Unit.

4.2 Certificate of Surveyor. A certificate of a surveyor authorized to practice in the State of Florida is set forth in Exhibit "C" attached hereto and made a part hereof stating that the construction of the improvements is substantially complete so that the exhibits described in paragraph 4.1, together with the provisions of the Declaration describing the Condominium Property, are an accurate representation of the location and dimensions of the improvements and that the identification, location and dimensions of the Common Elements and of each Unit can be determined therefrom.

4.3 Share of Common Elements and Common Expenses. There shall be appurtenant to each Unit an equal undivided share of the Common Elements. The undivided shares in the Common Elements which are appurtenant to each Unit shall be stated as a fraction, the numerator of which shall be one, and the denominator of which shall be the total number of Units contained in the Condominium Property. The proportion and manner of sharing Common Expenses and owning Common Surplus shall also be the same as the undivided shares in the Common Elements.

Phases II, III, IV and V or any one or more of them from time to time may be submitted to condominium ownership in any

order, at the Sponsor's discretion. Sponsor makes no commitment, and shall not be required to construct or submit to condominium ownership any one or more phases. If any additional phase is submitted to condominium ownership as a part of this Condominium, the Common Elements appurtenant to such additional phase shall be merged with the Common Elements appurtenant to Phase I and any other Phase previously submitted to condominium ownership in this Condominium and each Unit Owner shall own an equal undivided interest in all the Common Elements of the submitted phases and share all the Common Expenses and Common Surplus of the submitted phases. The undivided share in the Common Elements appurtenant to each Unit shall be a fraction, the numerator of which shall be one, and the denominator of which shall be the total number of units contained in all phases submitted to condominium ownership in this condominium. The proportion and manner of sharing Common Expenses and owning Common Surplus shall be the same as the undivided shares in the Common Elements.

4.4 Easements.

(a) The Unit Owners in the aggregate shall be entitled to equal and full use and enjoyment of all of the Common Elements except as they may be limited herein or as they may be restricted by the rules and regulations adopted by the Board, which usage shall always be in recognition of the mutual rights and responsibilities of each of the Unit Owners. Without limiting the generality of the foregoing, the rights of the Unit Owners in and to the Common Elements are expressly subordinated to the rights of parties furnishing utility (including without limitation electrical, gas, water sewer and telephone) services and cable or master antenna television services pursuant to easements, whether exclusive or non-exclusive, granted by the Sponsor or the Association over, under, across, in or through the Common Elements or any part thereof. The Sponsor and the Association jointly and severally hereby reserve the right to grant such utility easements for the purpose of installing and maintaining such services, lines, cables and facilities which are reasonably necessary to the Condominium Property.

(b) In the event that any Unit shall encroach upon any of the Common Elements or upon any other Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Condominium Property, or for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist to the extent of that encroachment for so long as the encroachment shall exist.

(c) Each Unit Owner and their guests, invitees and domestic help, and all delivery, pick-up and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Sponsor to serve the Condominium Property, holders of mortgage liens on the Condominium Property or any Unit and such other persons as the Sponsor may from time to time designate, shall have a non-exclusive and perpetual right of:

(i) ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, boardwalks, lobbies, stairways, hallways, walkways and lanes, and like passageways as the same may from time to time exist upon the Common Elements;

(ii) ingress and egress and for vehicular traffic over, through and across such portions of the Common Elements as may be from time to time

graded and/or paved and intended for such purposes, but the same shall not give or create in any person the right to park upon any portion of the Condominium Property not designated as a parking area;

(iii) ingress, egress, drainage, utilities and cable television facilities over, under, across and through the land described on Exhibit "A-6" as the "Roadway Easement," provided, however, Sponsor reserves the right to alter and relocate the Roadway Easement or any portion thereof so long as the relocated easement continues to give access to Highway A1A and the Condominium Property;

(iv) ingress and egress for pedestrian traffic over, through and across a dune walkover constructed or to be constructed by Sponsor over lands of Sponsor lying East of Phase I for the purpose of giving access to the beach; provided, however, Sponsor reserves the right to alter and relocate the dune walkover, or any portion thereof, so long as the relocated dune walkover gives access to the beach and the Condominium Property.

(d) Sponsor reserves a non-exclusive, perpetual, transferable and indefeasible easement for access, ingress, egress (including without limitation pedestrian paths, walkways and boardwalks), parking and vehicular traffic (but only over such portions paved and/or graded and designated for such purposes), drainage, irrigation lines and facilities, utilities (including without limitation electrical, gas, water, sewer, telephone and cable or master antenna television services) over, under, across and through the Common Elements of the Condominium Property and the land described on Exhibit "A-6" as the "Roadway Easement," for the benefit of the land described as Phases I through V inclusive (regardless of whether any one or more of such parcels are made a part of this condominium), and for the benefit of the land underlying the Recreation and Other Facilities and any land owned by Sponsor adjacent to the foregoing lands.

4.5 Recreation and Other Facilities. Sponsor intends to construct a dune walkover (for the purpose of giving access to the ocean and beach), a swimming pool, at least one tennis court, an irrigation pump with related lines and facilities, various boardwalks, decks and patios, and an access road upon the "Roadway Easement." Sponsor may, but shall not be obligated to, construct additional facilities including, but not limited to additional tennis courts, tennis pavilion, racquetball courts, reception center and a clubhouse. The foregoing facilities shall be hereafter referred to as "Recreation and Other Facilities." The Recreation and Other Facilities may be added to, expanded or relocated without the consent of the Association, any Unit Owner or any mortgagee. The Recreation and Other Facilities shall remain the sole and exclusive property of Sponsor, subject to the provisions of this paragraph. Unit Owners shall have the right to use the Recreation and Other Facilities, and the beach area extending East of Phases II, III and IV, but Sponsor reserves the right to grant similar privileges to other condominiums and owners or occupants of lands in the vicinity of the Recreation and Other Facilities (including but not limited to Phases II through V, inclusive, and regardless of whether such phases become part of this condominium). The expense of maintenance, taxes, insurance, repairs and operation of the Recreation and Other Facilities and beach area shall be the responsibility of the Sponsor so long as the Sponsor owns such facilities, but in consideration of the rights granted to Unit Owners, each Unit shall be assessed by the Association, as a common expense, and each Unit Owner agrees to pay the Association as a Common Expense, a propor-

tionate share of the cost of maintenance, operation, utilities, insurance and taxes upon the Recreation and Other Facilities and the beach area, and the Association shall reimburse Sponsor for such proportionate share of such costs. The proportion for sharing the expense shall be based upon the number of Units in the Condominium Property entitled to use the Recreation and Other Facilities compared to the total number of units in all condominiums that are given the right to use such facilities; until such time as other condominiums are given the right to use such facilities, this condominium shall bear the entire amount of such expense. Sponsor reserves the right, but shall have no obligation, to amend the Declaration of Condominium, to enlarge the Common Elements by submitting one or more of the Recreation and Other Facilities, any portion thereof, or any interest therein, to the terms of the Declaration of Condominium, or in the alternative, to convey to the Association, without charge, one or more of the Recreation and Other Facilities, any portion thereof, or any interest therein. An amendment to the Declaration of Condominium made pursuant to this paragraph need be signed and acknowledged only by the Sponsor and need not be approved by the Association, other Unit Owners, or lienors or mortgagees of Units or of the Condominium Property, whether or not such signatures are required elsewhere for an amendment. Such amendment shall divest Sponsor of the interest in the Recreation and Other Facilities specified in the amendment and will vest title in the Unit Owners as part of the Common Elements without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements that are appurtenant to the Units. Notwithstanding the duty of Sponsor to maintain and repair the Recreation and Other Facilities, Sponsor shall not be liable for injury or damage (except its proportionate share of maintenance and repair) caused by any latent condition of such facilities, or caused by the elements, the Association, or any Unit Owner, his lessees, or his or their family members, guests, servants, invitees, contractors or other persons. The Association and Unit Owners shall indemnify and save harmless Sponsor from and against any and all loss, liability, claims, demands and expenses (including, but not limited to reasonable attorney's fees) resulting from any act or omission of the Association, any Unit Owner, his lessees, or his or their family members, guests, servants, invitees or contractors.

4.6 Unit Boundaries. Each Unit shall include that part of the building containing the Unit that lies within the boundaries of the Unit, as follows:

(a) Upper and Lower Boundaries. The upper boundary of a Unit shall be the horizontal plane of the unfinished ceiling and the lower boundary shall be the horizontal plane of the unfinished floor. The upper and lower boundaries shall be extended to their intersection with the perimetrical boundaries of the Units.

(b) Perimeter Boundaries. The perimeter boundaries of the Unit shall be the vertical planes of the unfinished interior of the walls (excluding the walls bounding the front and rear balcony/deck/patio/porch areas) bounding the Unit extended to the intersection with each other and with the upper and lower boundaries.

(c) Windows and Doors; Awnings, etc. Exterior windows and frames, exterior glass doors and frames and casings are deemed to be part of the Unit. Awnings, shades or similar items installed on or about the exterior of windows or doors or in or about the front and/or rear balcony/deck/patio/porch areas shall be deemed part of the Unit notwithstanding that same may be affixed to or a part of a Common Element or Limited Common Element. Unless installed by the Sponsor, however, no such awn-

ings, shades or similar items shall be installed unless approved in accordance with paragraph 5.1(b).

(d) Heat and Air Conditioning. Air conditioning and heating equipment and facilities appurtenant to and serving an individual Unit are deemed to be part of the Unit.

(e) Multiple Ownership of Units. Contiguous Units owned by the same person may be altered so as to integrate them into one dwelling for living purposes provided that such alteration shall be at the expense of such person, shall not interfere with the enjoyment of the Common Elements by others and shall otherwise comply with the provisions of paragraph 5.2(c). In no event shall such multiple ownership change the respective undivided share in the Common Elements, or proportion of sharing Common Expenses and owning Common Surplus of such Units.

4.7 Limited Common Elements and Parking Spaces.

(a) All balconies, decks, patios or porches, together with appurtenant stairways, and any structure attached to the exterior main walls of the building that serve only the particular Unit adjacent to such structure shall be a Limited Common Element for the benefit and use of that particular Unit only. Notwithstanding the foregoing, owners of side by side, second floor, adjacent units shall each have the right of emergency ingress and egress over the rear deck (i.e., the deck area adjacent to Bedroom #2) and appurtenant stairways of both such units.

(b) The Association shall assign at least one parking space to each Unit. The Unit Owner shall have the exclusive right to use such space(s) as long as he owns his Unit, but such space(s) shall not become a Limited Common Element and it shall not be transferrable upon sale or other conveyance of the Unit, without the Association's prior written approval. The Association may reassign spaces upon any sale or other transfer of a Unit, but at all times, at least one parking space shall be assigned to each Unit.

(c) Nothing herein contained shall be construed as relieving any Unit Owner from any portion of any Assessment for Common Expenses made against the Unit and the cost and maintenance of Limited Common Elements shall be included as part of the Common Expense applicable to all Units.

4.8 Amendment of Plans.

(a) Alteration of Unit Plans. Sponsor reserves the right to change the interior design of Units, and to alter the boundaries between Units, and to combine one or more Units into one Unit, so long as Sponsor owns the Units so altered. If more than one Unit is concerned, the Sponsor shall apportion between the Units the shares in the Common Elements which are appurtenant to the Units concerned. Notwithstanding anything contained herein, no material exterior changes shall be made by Sponsor in any building containing Units owned by persons other than Sponsor without prior consent of any Institutional Mortgagee having a first lien upon a Unit or Time Share Estate in the building in which the exterior change is made.

(b) Amendment of Declaration of Condominium. If Sponsor shall make any changes in Units or in the Road-

way Easement so authorized, such changes shall be reflected by an amendment to this Declaration of Condominium. An amendment of this Declaration of Condominium reflecting such alteration by Sponsor need be signed and acknowledged only by the Sponsor and need not be approved by the Association, other Unit Owners, or lienors or mortgagees of other Units or of the Condominium Property, whether or not such signatures are elsewhere required for an amendment.

4.9 Additional Phases.

(a) Amendment. The Sponsor and its successors and assigns shall have the right (but without obligation to do so) in its sole discretion without consent or joinder of the Association or any Unit Owner or the holder of any lien on any Unit or the Condominium Property, at any time and from time to time prior to December 31, 1992, to submit to the provisions of the Florida Condominium Act and to subject to, and include within the provisions of, the condominium documents by amendment in the form hereinafter mentioned, additional Units, including Time Share Units, Limited Common Elements and Common Elements described in this paragraph. Such amendment need only be signed and acknowledged by the Sponsor, notwithstanding any provision herein to the contrary regarding amendments. Any additional phase submitted to this Condominium shall be submitted within three years following the submission of the preceding phase.

(b) Description. The additional phases which may be submitted to condominium ownership are described as Phase II, Phase III, Phase IV and Phase V. The real property contained in each of the foregoing phases is described in Exhibits "A-2", "A-3","A-4", and "A-5", respectively of this Declaration. A plot plan and survey of the additional phases is contained in Exhibit "B" of this Declaration.

(c) Phase II. Phase II will consist of eight (8) or ten (10) Units or Time Share Units, each containing approximately 1038 square feet of enclosed floor space.

(d) Phase III. Phase III will consist of eight (8) Units or Time Share Units, each containing approximately 1038 square feet of enclosed floor space.

(e) Phase IV. Phase IV will consist of eight (8) Units or Time Share Units, each containing approximately 1038 square feet of enclosed floor space.

(f) Phase V. Phase V will consist of twelve (12), fourteen (14) or sixteen (16) Units or Time Share Units, each containing approximately 1038 square feet of enclosed floor space.

(g) Adjustment. Each Unit's undivided interest in the Common Elements and the share of Common Expenses and Common Surplus will be adjusted as each subsequent phase is added as described in paragraph 4.3.

(h) Recreation and Other Facilities. Any Recreation and Other Facilities which may be ultimately owned as Common Elements by all Unit Owners or owned by the Association are described in paragraph 4.5. Sponsor has not committed to furnish any personal property, although Sponsor, in its discretion, may do so. Sponsor intends to develop the dune walkover, swimming pool and at least one tennis court as described in paragraph 4.5, even if additional phases are not developed.

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(i) Ownership. Each Unit shall have an equal membership vote (one vote per Unit) and ownership in the Association. Each Unit shall continue to have one vote notwithstanding the addition of each subsequent phase

(j) Time Share Estates. Time Share Estates may be created in any phase in accordance with paragraph 4.10.

(k) Notice. The Sponsor shall notify owners of existing Units of the commencement of, or the decision not to add, one or more additional phases. Notice shall be by certified mail addressed to each Unit Owner (or in the case of a Time Share Unit, to the Time Share Agent) at the address of his Unit or at his last known address.

(l) Failure to Submit. If one or more phases ar not submitted to condominium ownership, Units which are submitted to condominium ownership will be entitled to one hundred (100%) percent ownership of all Common Elements within the phases actually developed and submitted to condominium ownership, in accordance with paragraph 4.3 and one hundred (100%) percent of the membership vote and ownership in the Association, subject to the provisions of paragraph 7.7.

(m) Additional Land. The Sponsor may, but shall not be required to, convey any additional lands or facilities to the Unit Owners or the Association after the completion of the first phase or any subsequent phase.

(n) Alteration. Notwithstanding anything contained in this paragraph 4.9, the Sponsor reserves the right, at any time prior to submitting the phase in question to condominium ownership, to alter the phase described herein without the consent or joinder of the Association or any Unit Owner or the holder of any lien on any Unit or the Condominium Property so long as such amendment is not material and adverse to the interests of Unit Owners in phases previously submitted to this condominium and does not pertain to the information required to be contained in the original Declaration of Condominium pursuant to Section 718.403 of the Florida Statutes.

4.10 Time Sharing Declaration. The Sponsor hereby expressly reserves the right to create fifty-one (51) Time Share Estates in fee simple in each Unit in each phase of the condominium and to make each Unit a Time Share Unit. Each owner of a Time Share Estate shall own an undivided 1/51st interest in fee simple in the Time Share Unit and its furnishings and shall have the exclusive right of possession and use of the Unit for a specified period of time each year. The minimum duration of the recurring periods of possession and use shall be seven (7) days. To create a Time Share Unit and convey Time Share Estates in such Unit, the Sponsor shall cause to be prepared and recorded in the Official Records of St. Johns County, Florida, a Time Sharing Declaration for the particular Unit(s) which would describe the applicable conditions and obligations pertaining to the Time Share Estates. Neither the Association, nor any Unit Owner or mortgagee shall be required to consent to or join in such Time Sharing Declaration in order to make the Time Sharing Declaration effective. No Unit may be converted to a Time Share Unit by any person other than the Sponsor; provided however, Sponsor may assign its rights to convert Units to Time Share Units to any Person to which the Sponsor conveys substantially all Units which it owns in the Condominium Property. In the event all the Time Share Estates in a Time Share Unit become owned at any time by one Person, the Unit will cease to be a Time Share Unit.

5. Maintenance, Alteration and Improvement. Responsibility for the maintenance of the Condominium Property and restrictions upon the alteration and improvement thereof shall be as follows:

5.1 Common Elements.

(a) By the Association. The maintenance, repairs and operation of the Common Elements (which includes Limited Common Elements) shall be the responsibility of the Association and the expenses associated therewith shall be designated a Common Expense, except as otherwise provided in paragraph 5.2(b) hereof.

(b) Alteration and Improvement. After the completion of the improvements, including the Common Elements contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the Common Elements (including Limited Common Elements) without prior approval in writing by the owners of not less than seventy-five (75%) percent of the Units; in the event a Unit is a Time Share Unit, the owners of the Time Share Unit shall be deemed to have approved such alteration or improvement if the Time Share Agent gives his written approval for the Time Share Unit. Any such alteration or improvement shall not interfere with the rights of any Unit Owners without their consent. The cost of such work shall not be assessed against an Institutional Mortgagee that acquires its title as a result of holding a mortgage upon the Unit or Time Share Estate 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 not so assessed shall be assessed to other Unit Owners in the shares that their shares in the Common Elements bear to each other. There shall be no change in the shares and rights of Unit Owners in the Common Elements altered or further improved, whether or not the Unit Owner contributes to the cost of such alteration or improvements.

5.2 Units.

(a) By Association. The Association shall maintain, repair and replace as a Common Expense:

(1) All portions of a Unit, except interior surfaces, contributing to the support of the building, which portions shall include but not be limited to 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 portions of a Unit maintained by the Association; and all such facilities contained within a Unit that service part or parts of the Condominium Property other than the Unit within which such facilities are contained.

(3) All incidental damages caused to a Unit by such work.

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

(1) To maintain, repair, and replace at his sole and personal expense everything within the boundaries of his Unit which is not required to be maintained by the Association pursuant to paragraph 5.2(a), and all of the following items: the paint, finish, cover, wall paper and decorations of all

walls, floors and ceilings; all built-in shelves, cabinets, counters, storage areas and closets; all hot water heaters, mechanical, ventilating, heating and air conditioning equipment serving the individual Unit (whether located within the boundaries of the Unit or not); any refrigerators, stoves, ovens, disposals, dishwashers and other kitchen equipment; all bathroom fixtures, equipment and apparatus; whirlpool bath and appurtenant fixtures and equipment; all electrical, plumbing, telephone and television fixtures, apparatus, equipment, outlets, switches, wires, pipes, and conduit located within and/or serving only the particular Unit; all interior and permitted exterior lights, bulbs and lighting fixtures serving the particular Unit; all electrical lines between the particular Unit and its individual service panel or meter, and all water and waste lines between the Unit and the point at which said lines connect with the main lines (whether located within the boundaries of the Unit or not); all interior and exterior doors, walls, partitions and room dividers; all furniture, furnishings and personal property contained within a Unit; all exterior and interior windows and screening, all awnings, shades and similar items, (whether located within the boundaries of the Unit or not); all exterior windows and doors and screening shall be maintained in such manner as to preserve a uniform appearance to the exterior of the building containing the Unit; with respect to any Time Share Unit, the foregoing duties shall be performed by the Time Share Agent.

(2) To promptly report to the Association any defect or need for repairs, the responsibility for the remedying of which is that of the Association.

(c) Alteration and Improvement. Subject to the other provisions of paragraph 5.2, which in all cases shall supersede and have the priority over the provisions of this subsection when in conflict therewith, a Unit Owner (or in the case of a Time Share Unit, the Time Share Agent acting within the authority granted him by the owners of Time Share Estates within such Unit and only with the concurrence of the Association) may make such alteration or improvement to the Unit at his sole and personal cost as he may be advised, provided all work shall be done without disturbing the rights of other Unit Owners and further provided that a Unit Owner shall not enclose, paint, decorate or make any other changes or alterations that would change the appearance of any portion of the exterior of the building nor make any changes or alterations to any interior boundary wall, exterior wall, balcony, deck, porch or patio, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service, without first obtaining approval in writing of the Board. All alterations and improvements must be in compliance with all existing building codes. No alteration may cause an increase in any insurance premium to be paid by the Association.

(d) Right of Entry By Association; Failure of Unit Owner to Repair. An agent of the Association may enter into any Unit upon reasonable notice and during reasonable hours to inspect such Unit and, if needed, for the maintenance, repair or replacement of (i) any Common Elements; or (ii) any portion of a Unit which the Association has the responsibility of maintaining; or (iii) for making emergency repairs to items which the Unit Owner is responsible for maintaining but which must be made immediately to prevent damage to the Common Ele-

ments or another Unit or Units; or (iv) any items which are the responsibility of the Unit Owner and which the Unit Owner, after reasonable notice, has failed to make. All costs of any repairs or maintenance described in subparagraphs (iii) and (iv) shall be assessed against the concerned Unit Owner as a special assessment and may be collected in the same manner as any other assessment herein provided for. The Association shall not, in exercising its rights hereunder, be liable to a Unit Owner for trespass or otherwise for entry into a Unit in accordance with this subsection.

6. Assessments. The making and collection of assessments against Unit Owners for Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

6.1 Share of Common Expense. Each Unit Owner shall be liable for a share of the Common Expenses and shall share in the Common Surplus in the same proportion as his ownership of the Common Elements, but the same shall not vest or create in any Unit Owner the right to withdraw or receive distribution of his share of the Common Surplus. In the event one or more additional phases are submitted to condominium ownership, each Unit's proportionate share of the Common Expenses and Common Surplus shall be as set stated in paragraph 4.3. Each owner of a Time Share Estate shall be liable only for the portion of the Time Share Unit's share of Common Expense and special assessments and shall be entitled only to the portion of the Time Share Unit's Common Surplus equal to the undivided interest of the owner of the Time Share Estate in the Time Share Unit and such owner shall not be jointly and severally liable with all other owners of Time Share Estates in such Time Share Unit for the Time Share Unit's entire share of Common Expense and special assessment.

6.2 Payments. Assessments and installments thereon must be paid on or before ten (10) days after the day when the same shall become due; all sums not so paid shall bear interest until paid at the highest rate then allowed by law. All payments on account shall be first applied to interest and then to the assessment payment first due. If any installment of an assessment remains unpaid thirty (30) days after the same shall become due, the Board may declare the entire annual assessment as to that delinquent Unit Owner due and payable in full as if the entire amount were originally assessed. Assessments and installments thereon shall be payable at such times as prescribed in the Bylaws or by the Board.

6.3 Lien for Assessments. The Association shall have a lien on each Unit and all tangible personal property, fixtures and equipment for any unpaid assessments and interest, which lien shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien. With respect to Time Share Units, the lien shall attach only to the Time Share Estate(s) of the owner who is delinquent and such lien shall not encumber the Time Share Estate of any other owner in the Time Share Unit. Said lien shall be effective from and after the time of recording in the public records of St. Johns County, Florida, a claim of lien stating the description of the Unit or Time Share Estate, the name of the record owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association or by a managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for assessment may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure the Association shall be entitled as a matter of

law to the appointment of a receiver to rent the Unit or Time Share Estate and to collect the rent. The Association may also sue to recover a money judgment for unpaid assessments without waiving the lien securing the same. Each unpaid assessment, together with interest, costs and attorney's fees, shall also be the personal obligation of the person who was the owner of the Unit or Time Share Estate at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them, or required by applicable law. A lien of the Association for unpaid assessments on any Unit or Time Share Estate will be subordinate to the lien of any first mortgage on that Unit or Time Share Estate recorded prior to the date the claim of lien for said unpaid assessment is recorded. Where an Institutional Mortgagee or other purchaser of a Unit or Time Share Estate obtains title to the Unit or Time Share Estate as a result of the foreclosure of the mortgage or as a result of a conveyance in lieu of foreclosure of the Institutional Mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association pertaining to such Unit or Time Share Estate which became due prior to acquisation of title in the manner above provided, unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of said mortgage. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses or collectible from all of the Unit Owners including the purchaser at foreclosure, its successors and assigns.

6.4 Special Assessments. The Board may impose special or individual assessments on Unit Owners to meet expenses not anticipated to be incurred on a regular or annual basis or to cover the cost and expense of maintenance, repairs or replacements of a Unit for which the Unit Owner is responsible as provided in paragraphs 5.2(d)(iii) and (iv). In addition, any Time Share Unit shall be subject to an assessment by the Association for any period of time that the Association acts as the managing entity of the Time Share Unit in order to pay for and perform the operation and maintenance of the Time Share Unit.

7. Association. The operation of the Condominium Property shall be by Hibiscus Owner's Association I, Inc., a corporation not for profit, organized and existing under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit "D".

7.2 Bylaws. A copy of the Bylaws of the Association is attached as Exhibit "E".

7.3 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 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.

7.4 Membership and Voting Rights. The members of the Association shall consist of all of the record owners of Units and all record owners of Time Share Estates. A member will be entitled to one vote for each Unit owned by him; the owners of Time Share Estates in a Time Share Unit shall be entitled in the aggregate to one vote for the Time Share Unit in which the Time Share Estates are held and such vote shall be exercised by the Time Share Agent. The manner of exercising such voting rights shall be determined by the Bylaws.

If a Unit or Time Share Estate is owned by one person his right to vote shall be established by the record title to his Unit or Time Share Estate. If a Unit or Time Share Estate is owned by more than one person, the person entitled to cast the vote for the Unit or Time Share Estate shall be designated by a certificate signed by all of the record owners of the Unit or Time Share Estate and filed with the Secretary of the Association. If a Unit or Time Share Estate is owned by a corporation, the person entitled to cast the vote for the Unit or Time Share Estate shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary of the corporation. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by the owner thereof, and a certificate designating the person entitled to cast the vote of a Time Share Unit may be revoked by a majority in interest of the owners of Time Share Estates in such Unit. A vote may be exercised in person or by proxy.

7.5 Transfer of Control. The initial board of directors, as set forth in the Articles of Incorporation, shall manage all of the affairs of this condominium and shall approve all of the decisions of the Association and shall serve as the directors of the Association until the Sponsor voluntarily relinquishes control or until the first annual members' meeting which shall be held not later than five (5) years after the conveyance of the first condominium unit.

Provided, however, when Unit Owners other than the Sponsor own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the Unit Owners shall be entitled to elect not less than one-third (1/3), but no more than two-fifths (2/5), of the members of the Board. Unit Owners other than the Sponsor shall be entitled to elect not less than a majority of the members of the Board three (3) years after sales by the Sponsor have been closed on fifty (50%) percent of the Units that will be operated ultimately by the Association, or 120 days after sales have been closed by the Sponsor on seventy (70%) percent of the Units that will be operated ultimately by the Association, or three (3) months after sales by the Sponsor have been closed on ninety percent (90%) of the Units that will be operated ultimately by the Association, or when all of the Units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the other Units are being offered for sale by the Sponsor in the ordinary course of business, or when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Sponsor in the ordinary course of business, whichever shall first occur. The Sponsor shall be entitled to elect not less than one (1) member of the Board so long as the Sponsor holds for sale in the ordinary course of business five percent (5%) or more of the Units. For the purpose of determining whether a Unit is owned by the Sponsor when it has become a Time Share Unit, the Unit shall be deemed to be owned by the Sponsor until fifty-one percent (51%) of the Time Share Estates in the Time Share Unit have been sold.

Upon election to the Board of the first Unit Owner other than the Sponsor, the Sponsor shall forward to the Florida Division of Land Sales and Condominiums the name and mailing address of the said Unit Owner member of the Board.

7.6 Management Agreement. The Association may, within the discretion of the Board, enter into a contract with any person or may join with other condominium associations and entities in contracting with any person for the services relating to the maintenance and operation of the Condominium

Property and to the extent permitted by law, this Declaration and the Bylaws, may authorize such person to perform the powers and duties of the Association.

7.7 Additional Condominiums. The Association may be the condominium association responsible for the operation and management of any condominium created by a declaration of condominium submitting to condominium ownership other property adjacent to the Condominium Property (that is, any property contained within the land described as Phases II through V, inclusive, and any land adjacent to such property). In such event, the owners of any condominium units in any such separate condominium shall automatically be members of the Association. The Association shall maintain separate accounting records for each separate condominium operated by it in accordance with generally accepted accounting principles. The operation of such separate condominiums by the Association shall not constitute and is not intended to result in a merger of the Common Elements with the common elements of such additional condominiums.

8. Insurance. The insurance which shall be carried shall be governed by the following provisions:

8.1 Policies. All insurance policies shall be purchased by the Association and each Unit Owner shall be deemed to have appointed the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance as required hereby and of doing such acts and executing such documents as required by paragraph 8.10 hereof. All policies shall provide for the issuance of certificates of insurance to each Unit Owner and Institutional Mortgagee, and mortgagee endorsements to each Institutional Mortgagee holding a mortgage upon a Unit. Such policies and endorsements shall be deposited with the Insurance Trustee who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. All insurance policies and fidelity bonds required to be purchased by the Association shall provide that the same shall not lapse, be cancelled (including cancellation for non-payment of premium) or be materially modified without at least 10 days prior written notice to the Association, the Insurance Trustee, each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy (or, alternatively, which has requested such notice in writing), and to each servicer of a first mortgage on behalf of the Federal National Mortgage Association.

8.2 Coverage. The following coverage shall be obtained by the Association:

(a) The buildings and all other insurable improvements upon the Condominium Property and all personal property owned by the Association shall be insured in an amount equal to 100% of the current replacement cost thereof (exclusive of excavation, foundations, land and other items normally excluded from coverage) as determined annually by the insurance company affording such coverage. The term "building" as used in this subparagraph shall include, without limitation, all fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed or replacements thereof, in accordance with the original plans and specifications. All hazard insurance policies obtained by the Association shall provide that the term "building" wherever used in the said policies shall include the above defined fixtures, installations and additions and that the Unit Owners shall be additional insureds with respect to such fixtures, installations, and additions. Such cover-

age shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism, malicious mischief, windstorm, water damage, and all perils normally covered by the standard "all risk" endorsement where such coverage is available.

(b) General liability insurance covering all common areas, limited common areas and public ways on the Condominium Property in amounts generally required by private institutional mortgage investors for projects similar in construction, location or use. However, such coverage shall be for at least $1,000,000.00 for each bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of insureds for property damage, water damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common areas, hired automobile, non-owned automobile, off-premises employee coverage and legal liability arising from lawsuits related to employment contracts of the Association.

(c) Workman's compensation insurance as required by law.

(d) All liability insurance shall contain cross liability endorsements to cover liabilities of the Association, Unit Owners or Time Share Estate Owners as a group to an individual Unit Owner or Time Share Estate Owner and of one Unit Owner or Time Share Estate Owner against another.

(e) If the Condominium Property is located in an area designed by the Federal Emergency Management Agency (or other federal agency legally empowered to so designate property) as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, flood insurance on the buildings and all other improvements described in paragraph 8.2(a), in an amount deemed appropriate by the Association, but not less than the lesser of: (1) the maximum flood insurance coverage available for all buildings and the aforesaid other improvements within any portion of the Condominium Property located within a designated flood hazard area; or (2) one hundred (100%) percent of current replacement costs of all such buildings and other improvements.

(f) Blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association (including the officers, employees and agents of a management agent to whom the Association has delegated some or all of the responsibility for handling Association funds), in amounts based upon the best business judgment of the Association but not less than the estimated maximum funds, including reserve funds, in the custody of the Association or management agent at any given time during the term of each bond. Provided that in no event shall the aggregate amount of such bonds be less than a sum equal to three months' aggregate assessments on all units plus reserve funds. All such fidelity bonds shall name the Association as an obligee and shall contain waivers by the insurers of all defenses based upon the exclusion from the definition of "employees," or similar terms, of persons serving without compensation.

(g) All such additional insurance coverage, special endorsements or bond coverage as shall be required from time to time by the most recent regulations and guidelines of the Federal National Mortgage Association.

8.3 Common Expense. Premiums upon all insurance policies and fidelity bonds (except for premiums on fidelity bonds maintained by a management agent covering its own officers, employees and agents) purchased by the Association shall be paid by the Association and charged as Common Expenses.

8.4 Casualty Losses. All insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners, Time Share Estate Owners and their respective Institutional Mortgagees as their respective interests may appear. All insurance policies purchased by the Association shall provide that all proceeds payable as a result of casualty losses shall be paid to the Insurance Trustee which shall be designated from time to time by the Board. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the failure to collect any insurance proceeds. The only duties of the Insurance Trustee shall be to hold policies of insurance which are obtained by the Association in accordance herewith, to receive the proceeds thereof and to hold the same in trust for the purposes elsewhere stated herein, for the benefit of the Association, the Unit Owners, Time Share Estate Owners and their respective Institutional Mortgagees, in the following shares (which shares need not be set forth upon the records of the Insurance Trustee):

(a) Common Elements. Proceeds on account of damage to Common Elements in the same proportion as the undivided shares in the Common Elements which are appurtenant to each of the Units.

(b) Units. Proceeds on account of damage to Units shall be held in undivided shares in the following manner:

(1) Partial destruction when the building is restored: for the Unit Owners of the damaged Units in proportion to the costs of repairing the damage suffered by each damaged Unit. Upon the request of the Insurance Trustee, the Association shall certify to the Insurance Trustee the appropriate portions as aforesaid, and each Unit Owner shall be bound thereby and the Insurance Trustee may rely upon such certification.

(2) Total destruction when one of the buildings is destroyed, or partially destroyed and is not to be restored: for all Unit Owners in such building the share of each being determined by multiplying such proceeds by a fraction, the numerator of which is the undivided share in the Common Elements appurtenant to the Unit and the denominator of which is the total undivided share of the Common Elements appurtenant to all Units in such building.

(c) Endorsements. Notwithstanding anything to the contrary contained herein, in the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then for the Unit Owner as their interests may appear.

8.5 Distribution of Proceeds of Insurance. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of Institutional Mortgagees, the Unit Owners and Owners of Time Share Estates through the Time Share Agent after first paying or making provision for payment of the expenses of the Insurance Trustee in the following manner:

(a) Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the Association.

(b) No Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed first to any Institutional Mortgagee(s) having a lien on the Unit(s), affected to the extent of its interest. The proceeds shall then be applied to the clearing, grading and dressing up of the area where the unreconstructed Unit(s) was (were) located and any surplus paid to the Unit Owner(s) and Time Share Agent. This is a covenant for the benefit of any Institutional Mortgagee and may be enforced by it.

(c) Certificate. In making distribution to Unit Owners, their Institutional Mortgagees and Time Share Agent, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Unit Owners and Time Share Agent and their respective shares of the distribution. Upon request of the Insurance Trustee, the Association shall forthwith deliver such certificates.

8.6 Reconstruction. If any part of the Common Elements or any Unit or Units, or part thereof, shall be damaged, such damaged portion shall be promptly reconstructed or repaired unless such destruction renders one-half or more of the Units untenantable and the owners of seventy-five (75%) percent or more of the Units vote against such reconstruction or repair at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days after final adjustment; provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit or Time Share Estate of the condominium. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications to be prepared by an architect selected by the Board. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the improvements on the Condominium Property were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands. The Insurance Trustee may rely upon a certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

8.7 Unit Owner. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner or Time Share Estate Owners acting through the Time Share Agent, as

the case may be, shall be responsible for reconstruction and repair. In all other instances, the responsibility of reconstruction and repair shall be that of the Association.

8.8 Association. Immediately after a casualty causing damage for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bond as the Board may desire. If the proceeds of insurance policies are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) assessment shall be made against all Units in sufficient amounts to provide funds for the payment of such costs.

8.9 Disbursement. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessment against Units (which shall be deposited by the Association with the Insurance Trustee), shall be disbursed in payment of such costs in the following manner:

(a) Unit Owners. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner or Time Share Estate Owners acting through the Time Share Agent shall be disbursed to such contractors, suppliers and personnel performing such reconstruction or repair work, in such amounts and at such times as the Unit Owner or Time Share Agent, with the approval of the Board, may direct, or if there is a mortgagee endorsement, then to such payees as the Unit Owner or Time Share Agent and the Institutional Mortgagee direct. Nothing contained herein shall be construed to limit or modify the responsibility of the Unit Owner or Time Share Estate Owners acting through the Time Share Agent to make such reconstruction or repair.

(b) Association. The balance of the construction fund shall be applied by the Insurance Trustee to the payment of the costs of reconstruction and repair and shall be paid to or for the account of the Association from time to time as the work progresses. The Insurance Trustee shall make such payments upon the written request of the Association, accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association, and by an architect in charge of the work, who shall be selected by the Association, setting forth (i) that the sum then requested either has been paid by the Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, and that the sum requested does not exceed the value of the services and materials described in the certificate and (ii) that except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's, mechanic's, materialmen's or similar lien upon such work, the Common Elements or any Unit, and (iii) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of insurance proceeds (and assessments, if any) remaining in the hands of the Insurance Trustee after the payment of the sum so requested.

(c) Proceeds. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Association.

8.10 Adjustment. Each Unit Owner, Time Share Estate Owner and Time Share Agent shall be deemed to have delegated to the Association his right to adjust with insurance companies all losses under policies purchased by the Association subject to the rights of Institutional Mortgagees having a mortgage upon the Unit, and to collect and appropriately dispose of the proceeds of such policies, to negotiate losses and to execute releases of liability. Notwithstanding the foregoing, the Association may, but shall not be obligated to, name as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into an Insurance Trust Agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance.

8.11 Institutional Mortgagees. In the event a mortgagee endorsement has been issued as to a Unit or Time Share Estate, the share of the Unit Owner or Time Share Estate Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then the Unit Owner or Time Share Estate Owner as their interests may appear; provided, however, that no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner or Time Share Estate Owner and Institutional Mortgagee pursuant to the provisions of this Declaration of Condominium.

8.12 Contents. Each Unit Owner shall be responsible for insuring the contents of his Unit which belong to him, any improvements made by him within his Unit and any portion of his Unit for which he has the responsibility of maintenance, repair and replacement as provided in this Declaration of Condominum except such fixtures, installations, additions or other items which are insured by the Association as provided in paragraph 8.2 hereof. For Time Share Units, the Time Share Agent shall obtain casualty and liability insurance as provided in the Time Sharing Declaration.

8.13 Time Share Units. For the purpose of determining whether a certain fraction or percentage of Unit Owners have consented for any purpose in Section 8, a Time Share Unit shall be deemed to have one Unit Owner and the Time Share Agent's written approval shall be required to evidence the consent of the owners of the Time Share Estates in such Unit.

9. Condemnation. Condemnation of the Condominium Property or any portion thereof shall be handled in the following manner:

9.1 Awards. The taking of Condominium Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners or Time Share Estate Owners, the Unit Owners and Time Share Estate Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a special assessment shall be made against a defaulting Unit Owner or Time Share Estate Owner in

the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that owner.

9.2 Determination Whether to Continue Condominium. Whether the condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after a casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty. Provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit or Time Share Estate of the condominium.

9.3 Disbursement of Funds. If the condominium is terminated after condemnation, the proceeds of the awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the condominium is terminated after a casualty. If the condominium is not terminated after condemnation, the size of the condominium will be reduced; first the mortgagees of condemned Units and Time Share Estates and then the Owners of condemned Units and Time Share Estates as their interest may appear will be made whole and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

9.4 Unit Reduced But Tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Restoration of Unit. The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the owner(s) of the Unit.

(b) Distribution to Surplus. The balance of the award, if any, shall be distributed first to each Institutional Mortgagee of the Unit or Time Share Estate, as its interest may appear, and then to the owner of the Unit or Time Share Estate.

9.5 Unit Made Untenantable. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Payment of Award. The award for the Unit shall be paid first to each Institutional Mortgagee of the Unit or Time Share Estate, as its interest may appear, and the balance to the Unit Owner or Time Share Estate Owner.

(b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the remaining Unit Owners in the manner approved by the Board.

(c) Adjustment of Shares in Common Elements. Provided that each Institutional Mortgagee holding a

first mortgage upon any Unit or Time Share Estate and at least two-thirds (2/3) of the Unit Owners (other than the Sponsor) have given their prior written approval, the shares in the Common Elements appurtenant to the Units that continue as part of the condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Units. This shall be done by restating the shares of continuing Units in the Common Elements as fractions in accordance with paragraph 4.3.

(d) Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the owner and to condition the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for those purposes shall be raised by assessments against all of the Unit Owners who will continue as owners of Units after the changes in the condominium effected by the taking. The assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes affected by the taking, provided that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners (other than the Sponsor) shall give their prior written approval of any changes in shares of Unit Owners in the Common Elements, as provided in 9.5(e).

(e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Association within 30 days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Units; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the owners in the Common Elements as they exist prior to the changes effected by the taking.

9.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board. The balance of the awards for taking of Common Elements, if any, shall be distributed to the Association.

9.7 Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements that are effected by condemnation shall be evidenced by an amendment of the Declaration of Condominium that need be approved only by a majority of the Board, provided that nothing herein shall be deemed to alter the requirement set forth in Section 9 that each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate and two-thirds (2/3) of the Unit Owners give prior written approval to changes in the pro-rata interest or obligation of Unit Owners or the pro-rata share of ownership in the Common Elements.

9.8 Time Share Units. For the purpose of determining whether a certain fraction or percentage of Unit Owners have consented for any purpose in Section 9, a Time Share Unit shall be deemed to have one Unit Owner and the Time Share Agent's written approval shall be required to evidence the consent of the owners of the Time Share Estates in such Unit.

10. Use Restrictions. The use of the Condominium Property shall be in accordance with the following provisions as long as the condominium exists and the buildings in useful condition exist upon the land.

10.1 Units. No Unit may be subdivided or partitioned. Each of the Units shall be occupied only by the individual owner, members of a family, their servants, guests, lessees and tenants as a residence and for no other purposes, except as follows. The Sponsor may use any Unit for model, sales office or display purposes and may lease or rent Units owned by the Sponsor. In addition, the Sponsor is expressly permitted to create Time Share Units and Time Share Estates which may be freely conveyed, exchanged, leased, rented or otherwise transferred.

10.2 Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

10.3 Nuisances. Unit Owners, residents and lessees shall use their reasonable efforts under the circumstances to avoid unreasonable disturbances or nuisances which would disturb other Unit Owners.

10.4 Unlawful Use. No Unit or Common Elements may be used for any unlawful, immoral or improper purpose.

10.5 Insurance. No activity shall be done or maintained in any Unit or upon any Common Elements which will increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board.

10.6 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Association as provided by its Bylaws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium Property.

10.7 Exterior Appearance. The exterior appearance of a Unit or any Common Element (including Limited Common Elements) may not be changed without prior written approval of the Board.

11. Proviso, Pending Completion. Until the Sponsor has completed all of the contemplated improvements on Phases I through V of the Condominium Property and closed the sales of all of the Units and Time Share Estates or until December 31, 1992 whichever occurs last, neither the Unit Owners, Time Share Estate Owners nor the Association nor the use of the Condominium Property shall interfere with the sale of the Units or Time Share Estates or the completion of any improvements in Phases I through V (regardless of whether or not Phases II through V or any one or more of such phases are submitted to condominium ownership or made a part of this condominium). Sponsor may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property, the display of signs and the leasing of Units.

12. Ownership of Common Elements and Association. The ownership of an undivided share in the Common Elements which is appurtenant to a Unit cannot be separated from the Unit or conveyed or encumbered except with the Unit and a conveyance or encumbrance of a Unit shall pass the title to the Common Elements appurtenant to it whether or not separately described. The

shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements shall lie. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as appurtenant to his Unit. Nothing herein shall be construed to prevent the creation of Time Share Units and Time Share Estates.

13. Compliance and Default. Each Unit Owner and Time Share Estate Owner and the Association shall be governed by and shall comply with the terms of this Declaration of Condominium, the Bylaws and the rules and regulations adopted pursuant thereto, and said documents as they may be amended from time to time. Each Unit Owner and Time Share Estate Owner shall comply with decisions of the Association made pursuant to authority granted to the Association in the said documents. Failure of the Unit Owner or Time Share Estate Owner to comply therewith shall entitle the Association or other Owners to the following relief in addition to other remedies provided in this Declaration of Condominium and the Condominium Act, including the recovery of damages, injunctive relief, or both, to the extent allowed by law; and Unit Owners and Time Share Estate Owners shall have similar rights of action against the Association:

13.1 Enforcement. The Association and any aggrieved Unit Owner or Time Share Estate Owner are hereby empowered to enforce this Declaration of Condominium and the Bylaws and rules and regulations of the Association by such means as are provided by the laws of the State of Florida.

13.2 Negligence. A Unit Owner or Time Share Estate 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, his lessees, or his or their guests, invitees, employees, contractors or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit, or of the Common Elements or of the Limited Common Elements.

13.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or Time Share Estate Owner to comply with the terms of the Declaration of Condominium, Bylaws, and rules and regulations adopted purruant thereto, and said documents as they may be amended from time to time, the prevailing party shall be entitled to recover the cost of the proceeding and such reasonable attorneys' fees as may be awarded by the court, provided no attorneys' fees may be recovered against the Association in any action.

13.4 No Waiver of Rights. The failure of the Sponsor, or the Association, or any Unit Owner or Time Share Estate Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration of Condominium, the Bylaws, or the rules and regulations adopted pursuant thereof, shall not constitute a waiver of the right to do so thereafter.

14. Disclaimers.

14.1 Representations. Except as provided herein, no representation, warranty or commitment has been made by the Sponsor or any other party in its behalf to any Unit Owner or Time Share Estate Owner, either prior to or subsequent to the purchase of his Unit or Time Share Estate with respect to the time of construction, location, nature and extent of any recreational facilities or other amenities within the Conde-

minium Property or any land owned by Sponsor lying adjacent thereto.

14.2 Warranty. The Sponsor specifically disclaims any intent to have made any warranty or representation, express or implied, in connection with the Units, the Condominium Property, or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Guaranties obtained and warranties obtained from the manufacturers of all appliances and equipment, as specified by said manufacturers and subcontractors, may be enforced by either the Association or the Unit Owner or Time Share Agent. The Sponsor has constructed or will construct the buildings and improvements on Phase I substantially in accordance with Exhibit "B" and those plans and specifications on file with the architect responsible for the design of the improvements, and it is hereby agreed that this is the full extent of Sponsor's liability and responsibility except as otherwise specifically provided by Florida Statutes Chapter 718. The foregoing is expressly in lieu of all other warranties, express or implied by law or otherwise, provided however that nothing contained herein shall diminish any warranty imposed by law under Florida Statutes, Chapter 718.

15. Amendment.

15.1 By Sponsor. An amendment to this Declaration of Condominium made by the Sponsor shall be evidenced by a certificate setting forth such amendment executed by the Sponsor with the formalities of a deed (including recording data identifying this Declaration of Condominium) and shall become effective when such certificate is recorded according to law. In addition to other provisions contained in this Declaration of Condominium relating to amendments by the Sponsor, as long as the Sponsor owns five percent (5%) or more of the Units the Sponsor may amend this Declaration of Condominium for any purpose including, but not limited to, any amendment required by the Division of Land Sales and Condominiums, or by FNMA, FHLMC or any Institutional Mortgagee, and such amendment shall be effective without the joinder of any Unit Owners, Time Share Estate Owners, mortgagees of the Association; provided, however, that any amendment to the Declaration of Condominium pursuant to this paragraph 15.1 which would be material and adverse to interests of Unit Owners shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate to the extent such Units or Time Share Estates are affected by such material amendment; and further provided, that no amendment pursuant to this paragraph 15.1 shall adversely affect the lien or priority of any previously recorded mortgage to an Institutional Mortgagee; and further provided that any amendment relating to the additional phases which may be submitted to condominium ownership shall be made subject to and in accordance with paragraph 4.9 of this Declaration of Condominium.

15.2 By Unit Owners. An amendment to this Declaration of Condominium made by Unit Owners shall be evidenced by: (a) a certificate setting forth such amendment executed by the appropriate officers of the Association, with the formalities of a deed (including the recording data identifying this Declaration of Condominium); and (b) an affidavit (to be attached to the certificate) executed by the appropriate officers of the Association certifying that the owners of seventy-five percent (75%) or more of the Units voted in favor of the amendment. Such amendment shall become effective when it is recorded according to law. No amendment shall be adopted or become effective pursuant to this paragraph 15.2 which adversely affects the lien or priority of

any previously recorded mortgage to an Institutional Mortgagee. An amendment made by Unit Owners need not be executed by the Unit Owners. This Declaration of Condominium shall not be amended without the approval of the Sponsor and without the joinder of the Sponsor in the certificate referred to in (a) above if any of the following conditions exist: (i) the Sponsor owns five percent (5%) or more of the Units; or (ii) such amendment purports to modify, restrict, limit or otherwise affect any right of the Sponsor hereunder, including without limitation the rights of Sponsor to amend this Declaration of Condominium unilaterally as set forth heretofore and any other rights of Sponsor hereunder. Notwithstanding anything contained herein, any amendment pursuant to this paragraph 15.2 which would be material and adverse to the interests of Unit Owners, shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Unit to the extent such Units or Time Share Estates are affected by such material amendment.

15.3 By Association. Whenever it shall appear that there is an error or omission in the Declaration of Condominium and the Sponsor owns less than five percent (5%) of the Units, then the Board may correct such error or omission by resolution adopted by a majority vote of the Board at any duly called meeting thereof. Such amendment shall become effective when it is recorded according to law; provided, however, that the provisions of paragraph 15.1 requiring approval of amendments by each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate affected by the amendment shall also apply to any amendment made pursuant to this paragraph.

15.4 Consolidation. Sponsor presently owns the property described as Phases II through V inclusive, and the adjacent land, including the land lying between Highway A1A and the Atlantic Ocean and extending northward. The declarations, articles of incorporation, bylaws and common elements of any two or more independent condominiums lying within such property may be merged with this condominium to form a single condominium upon the approval of eighty (80%) percent of all the Unit Owners (which may include Sponsor) of each condominium and of all record owners of liens upon Units within such condominiums and upon the recording of an amendment to the declarations, articles of incorporation and bylaws of the condominiums to be merged stating that such condominiums will constitute one condominium.

15.5 Time Share Units. For the purpose of determining whether the owners of a specified percentage of the Units have consented to an amendment, or whether the owners of any particular Time Share Unit have consented, a Time Share Unit shall be deemed to have one Unit Owner and the Time Share Agent's approval shall be deemed to be the approval of the owner of the Time Share Unit. For the purpose of determining whether the Sponsor owns a Time Share Unit, the Sponsor shall be deemed to own a Time Share Unit until fifty-one (51%) percent of the Time Share Estates in such Unit have been sold.

16. Termination.

16.1 Unit Owner. This Declaration of Condominium may be terminated in the manner provided for in Chapter 718, Florida Statutes (the "Condominium Act"). Notwithstanding any amendments to the Condominium Act, however, a vote of one hundred percent (100%) of the Unit Owners shall be required to terminate this Declaration of Condominium; provided, however, if an election is made not to reconstruct after damage in accordance with paragraph 8.6, or after condemnation in accordance with paragraph 9.2, then this Declaration of Condominium may

be terminated by a vote of persons who own seventy-five percent (75%) or more of the Units; provided, however, that not withstanding anything to the contrary contained in this Declaration of Condominium or any amendments hereto, this Declaration of Condominium shall not be abandoned or terminated for any reason without the prior written approval of each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate.

16.2 General. Upon termination of the condominium, the mortgagee and lienor of a Unit or Time Share Estate shall have a mortgage and lien solely and exclusively upon the undivided share of the Owner's tenancy in common in and to the lands and other properties and rights which the Owner may receive by reason of such termination. The termination of the condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to the facts affecting the termination, which certificate shall become effective upon being recorded in public records of St. Johns County, Florida.

16.3 Amendment. This section concerning termination cannot be amended without consent of all Unit Owners and of all record owners of mortgages upon the Units or Time Share Estates.

16.4 Time Share Units. For the purpose of determining whether owners of one hundred (100%) percent or seventy-five (75%) percent or more of the Units have consented to an Amendment, a Time Share Unit shall be deemed to have one Unit Owner and the Time Share Agent's approval shall be deemed to be the approval of the owners of the Time Share Unit. Any termination of this Declaration of Condominium shall also terminate any Time Sharing Declaration.

17. Additional Rights of Institutional Mortgagees. In addition to any rights provided elsewhere in this Declaration of Condominium, any Institutional Mortgagee (which term shall, when used in this section, be deemed to include any guarantor or insuror of a mortgage) having a lien upon any Unit or Time Share Estate who makes a request in writing to the Association for the items provided in this paragraph shall have the following rights:

17.1 Annual Financial Statements of Association. To be furnished with at least one copy of the annual financial statement and report of the Association, including a detailed statement of annual carrying charges, or income collected, and operating expenses; such financial statement and report to be furnished within sixty (60) days following the end of each calendar year.

17.2 Notice of Meetings. To be given notice of any proposed action which would require the consent of a specified percentage of mortgage holders; and to be given notice by the Association of the call of a meeting of the Unit Owners to be held for any purpose, including but not limited to the purpose of considering any proposed amendment to this Declaration of Condominium or to the Articles of Incorporation or Bylaws of the Association, which notice shall state the nature of the amendment being proposed; and to designate a representative to attend all such meetings.

17.3 Notice of Defaults. To be given written notice of any default of any owner of a Unit or Time Share Estate encumbered by a mortgage held by such Institutional Mortgagee in the performance of such mortgagor's obligations under the Declaration of Condominium, Articles, Bylaws or Regulations which is not cured within sixty (60) days. Such notice will be given in writing and be sent to the principal office of such Institutional Mortgagee, or to the place which it may designate in writing to the Association from time to time.

17.4 Insurance Endorsements. To be given an endorsement of the policies covering the Common Elements and Limited Common Elements requiring that such Institutional Mortgagee be given any notice of cancellation provided for in such policy.

17.5 Examination of Books and Records. Upon reasonable notice, to examine the books and records of the Association during normal business hours.

17.6 Notice of Damage. To be given timely written notice of any damage or loss to, or taking of, the Common Elements or any Unit, or of any notice by an authority that the Common Elements or any Unit will be the subject of condemnation proceedings.

18. Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase or word or other provision of this Declaration of Condominium, the Articles, the Bylaws, the Rules and Regulations of the Association, and any exhibits attached hereto, shall not affect the remaining portions thereof.

19. Covenants Running with the Land. All provisions of this Declaration of Condominium and all attachments thereto shall be construed to be covenants running with the land and with any part thereof and interest therein, and every Unit Owner, Time Share Estate Owner and claimant of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound thereby.

IN WITNESS WHEREOF, the Sponsor has executed this Declaration of Condominium this 15th day of October, 1982.

Signed, sealed and delivered
in the presence of:

TREE OF LIFE COMMUNITY PROJECTS, INC.

Witness

By _____
Its President

Witness as to
Tree of Life Community
Projects, Inc.

Attest _____
Its Secretary

STATE OF FLORIDA }
}
COUNTY OF St. Johns }

The foregoing instrument was acknowledged before me this 15 day of October, 1982, by L. Peter Johnson, the President and Livio Caruso, the Secretary of TREE OF LIFE COMMUNITY PROJECTS, INC., a corporation, on behalf of the Corporation.

at Large.

Notary Public, State of Florida

My Commission Expires:

[Notarial Seal]

JOINDER OF MORTGAGEE

ATLANTIC NATIONAL BANK OF FLORIDA, a national banking association, herein called the Mortgagee, the owner and holder of a mortgage, which mortgage is recorded in Official Records Volume 522, Page 210, Public Records of St. Johns County, Florida, upon the certain parcels of land in St. Johns County, Florida, among other lands, more particularly described on Exhibits "A-1," "A-2," A-3," "A-4," "A-5," and "A-6," attached hereto and made a part hereof, and more particularly described in the Financing Statement, which is recorded in Official Records Volume 522, Page 223, Public Records of St. Johns County, Florida, joins in the making of the Declaration of Condominium of Hibiscus I, a Condominium, and consents to the terms and provisions contained in said Declaration.

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed in its name by its proper officers thereunto duly authorized this 25th day of January, 1983.

Signed, Sealed and Delivered
In the Presence of:

ATLANTIC NATIONAL BANK OF FLORIDA

By _____
Its Vice President

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 25th day of January, 1983, by Jeffrey O. Russell Robert H. Aberly of ATLANTIC NATIONAL BANK OF FLORIDA, a national banking association, on behalf of the association.

_____
Notary Public, State of Florida at Large
My Commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Sept. 21 1983
Bonded by American Ins. & Casualty Company

OFFICE OF CLERK

RICHARD P. CLARSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1848 NALDO AVENUE
JACKSONVILLE, FLORIDA 32207

July 28, 1982

LEGAL DESCRIPTION OF HIBISCUS I, A CONDOMINIUM, PHASE I

A portion of the South, 208 feet of the North 600 feet of Government Lot 5, Section 1, Township 5 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: For a Point of Reference commence at the point where the southerly line of the Northerly 600 feet of said Government Lot 5 (as found monumented according to survey by Waverly J. Ray & Associates dated December 17, 1974) intersects the easterly right-of-way line of State Road A-1-A (a 100-foot right-of-way as now established), and run thence North 89° 33' 52" East along said southerly line, a distance of 667.36 feet to a point for the Point of Beginning.

From the Point of Beginning thus described run North 0° 59' 16" West, a distance of 194.0 feet to a point; run thence North 89° 33' 52" East along a line being parallel to and 16.89 feet (as measured at right angles) southerly of the northerly line of the said Southerly 208 feet of the Northerly 600 feet of Government Lot 5, a distance of 130.42 feet to a point; run thence South 0° 26' 08" East, a distance of 44.74 feet to a point; run thence North 89° 33' 52" East, a distance of 46.39 feet to a point; run thence South 45° 26' 08" East, a distance of 45.97 feet to a point; run thence North 89° 33' 52" East, a distance of 83.77 feet to a point; run thence South 04° 46' 33" East, a distance of 49.57 feet to a point; run thence South 0° 26' 08" East, a distance of 84.64 feet to a point on said southerly line of the South 600 feet of Government Lot 5; run thence South 89° 33' 52" West along last mentioned southerly line, a distance of 265.64 feet to the Point of Beginning.

The land thus described contains 0.967 acres, more or less.

EXHIBIT "A"-1

OFFICE OF CIR COURT

RICHARD P. CLARKSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1843 NALDO AVENUE
JACKSONVILLE, FLORIDA 32207

July 28, 1982

LEGAL DESCRIPTION OF HIBISCUS I, A CONDOMINIUM, PHASE II

A portion of the South 208 feet of the North 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: For a Point of Reference commence at the point where the southerly line of the northerly 600 feet of said Government Lot 5 (as found monumented according to survey by Waverly J. Kay & Associates dated December 17, 1974) intersects the easterly right-of-way line of State Road A-1-A (a 100-foot right-of-way as now established), and run thence North 89° 33' 52" East along said southerly line, a distance of 932.63 feet to a point for the Point of Beginning.

From the Point of Beginning thus described run North 0° 26' 08" West, a distance of 64.64 feet to a point; run thence North 4° 46' 33" West, a distance of 28.44 feet to a point; run thence North 89° 33' 52" East along a line parallel to and 93.0 feet (as measured at right angles) northerly of the southerly line of said northerly 600 feet of Government Lot 5, a distance of 555 feet more or less to the mean high water line of the Atlantic Ocean; run thence in a southerly direction along said mean high water line, a distance of 95 feet more or less to a point that bears North 89° 33' 52" East, 570 feet, more or less, from the Point of Beginning; run thence South 89° 33' 52" West along the southerly line of said northerly 600 feet of Government Lot 5, a distance of 570 feet, more or less, to the Point of Beginning.

The land thus described contains 1.2 acres, more or less.

EXHIBIT "A" - 2

OFFICE PH 904 2048

RICHARD P. CLARSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1643 NALDO AVENUE
JACKSONVILLE, FLORIDA 32207

July 28, 1982

LEGAL DESCRIPTION OF HIBISCUS I, A CONDOMINIUM, PHASE III

A portion of the South 208 feet of the North 600 feet of Government Lot 5, Section 15, Township 6 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: For a Point of Reference commence at the point where the southerly line of the northerly 600 feet of said Government Lot 5 (as found monumented according to survey by Waverly J. Ray & Associates dated December 17, 1974) intersects the easterly right-of-way line of State Road A-1-A (a 100-foot right-of-way as now established), and run thence North 89° 33' 52" East along said southerly line, a distance of 932.83 feet to a point; run thence North 0° 26' 08" West, a distance of 64.64 feet to a point; run thence North 4° 46' 33" West, a distance of 28.44 feet to a point for the Point of Beginning.

From the Point of Beginning thus described continue North 4° 46' 33" West, a distance of 21.13 feet to a point; run thence North 0° 26' 08" West, a distance of 59.94 feet to a point; run thence North 89° 33' 52" East, a distance of 64.12 feet to a point; run thence North 44° 33' 52" East, a distance of 48.09 feet to a point of the northerly line of said southerly 208 feet of the northerly 600 feet of Government Lot 5; run thence North 89° 33' 52" East along last mentioned northerly line, a distance of 460 feet, more or less, to the mean high water line of the Atlantic Ocean; run thence in a southerly direction along said mean high water line, a distance of 115 feet, more or less, to a point that bears North 89° 33' 52" East, 555 feet, more or less, from the Point of Beginning; run thence South 89° 33' 52" West along a line parallel to and 93.0 feet (as measured at right angles) northerly of the southerly line of said northerly 600 feet of Government Lot 5, a distance of 555 feet, more or less, to the Point of Beginning.

The land thus described contains 1.4 acres, more or less.

EXHIBIT "A"-3

OFFICE PH 396 3888

RICHARD P. CLARSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1043 NALDO AVENUE
JACKSONVILLE, FLORIDA 32207

July 2h, 1982

LEGAL DESCRIPTION OF HIBISCUS I, A CONDOMINIUM, PHASE IV

A portion of the North 600 feet of Government Lot 5, Section 15, Township 3 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: For a Point of Reference commence at the point where the southerly line of the northerly 600 feet of said Government Lot 5 (as found monumented according to survey by Waverly J. Ray & Associates dated December 17, 1974) intersects the easterly right-of-way line of State Road A-1-A (a 100-foot right-of-way as now established), and run thence North 89° 33' 52" East along said southerly line, a distance of 932.83 feet to a point; run thence North 0° 26' 08" West, a distance of 64.64 feet to a point; run thence North 4° 46' 33" West, a distance of 49.57 feet to a point for the Point of Beginning.

From the Point of Beginning thus described run South 89° 33' 52" West, a distance of 82.77 feet to a point; run thence North 45° 26' 08" West a distance of 45.97 feet to a point; run thence North 44° 33' 52" East, a distance of 156.17 feet to a point on a line parallel to and 257.0 feet (as measured at right angles) northerly of the southerly line of said northerly 600 feet of Government Lot 5; run thence North 89° 33' 52" East along last mentioned line, a distance of 550 feet, more or less, to the mean high water line of the Atlantic Ocean; run thence in a southerly direction along said mean high water line, a distance of 50 feet, more or less to a point on a line that is parallel to and 208.0 feet (as measured at right angles) northerly of the southerly line of said northerly 600 feet of Government Lot 5; run thence South 89° 33' 52" West along last mentioned line, a distance of 460 feet, more or less, to a point; run thence South 44° 33' 52" West, a distance of 48.08 feet to a point; run thence South 89° 33' 52" West, a distance of 64.12 feet to a point; run thence South 0° 26' 08" East, a distance of 59.94 feet to the Point of Beginning.

The land thus described contains 0.9 acres, more or less.

EXHIBIT "A"-4

OFFICE PH 398 8048

RICHARD P. CLARSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1643 NALDO AVENUE
JACKSONVILLE, FLORIDA 32207

July 28, 1982

LEGAL DESCRIPTION OF HIBISCUS I, A CONDOMINIUM, PHASE V

A portion of the South 208 feet of the North 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: For a Point of Reference commence at the point where the southerly line of the northerly 600 feet of said Government Lot 5 (as found monumented according to survey by Waverly J. Rey & Associates dated December 17, 1974) intersects the easterly right-of-way line of State Road A-1-A (a 100-foot right-of-way as now established), and run thence North 89° 33' 52" East along said southerly line, a distance of 279.0 feet to a point for the Point of Beginning.

From the Point of Beginning thus described run North 0° 26' 08" West, a distance of 208.0 feet to a point on the northerly line of said southerly 208 feet of the northerly 600 feet of Government Lot 5; run thence North 89° 33' 52" East along said northerly line, a distance of 297.0 feet to a point; run thence South 29° 45' 09" West, a distance of 240.63 feet to a point on the southerly line of said northerly 600 feet of Government Lot 5; run thence South 89° 33' 52" West along said southerly line, a distance of 176.0 feet to the Point of Beginning.

The land thus described contains 1.129 acres, more or less.

EXHIBIT "A"-5

OFFICE PH 646 8888

RICHARD P. CLARSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1649 NALDO AVENUE
JACKSONVILLE, FLORIDA 32207

July 28, 1982

LEGAL DESCRIPTION OF ROADWAY EASEMENT

A portion of the South 208 feet of the North 600 feet of Government Lot 5, Section 15, Township 6 South, Range 30 East St. Johns County, Florida, being more particularly described as follows: For a Point of Reference Commence at the point where the southerly line of the northerly 600 feet of said Government Lot 5 (as found monumented according to survey by Waverly J. Ray & Associates dated December 17, 1974) intersects the easterly right-of-way line of State Road A-1-A (a 100-feet right-of-way as now established) and run thence North 12° 08' 10" West along said easterly right-of-way line, a distance of 212.41 feet to the point where said easterly right of way line intersects the northerly line of the said South 208 feet of the North 600 feet of Government Lot 5, for the Point of Beginning.

From the Point of Beginning thus described run thence North 89° 33' 52" East along said northerly line, a distance of 718.66 feet to a point; run thence South 0° 26' 08" East, a distance of 10.69 feet to a point; run thence South 89° 33' 52" West along a line being parallel to and 10.69 feet (as measured at right angles) southerly of said northerly line, a distance of 40.0 feet to a point; run thence South 09° 59' 10" East, a distance of 6.40 feet to a point; run thence South 89° 33' 52" West along a line being parallel to and 23.0 feet (as measured at right angles) southerly of the northerly line of the said southerly 208 of the northerly 600 feet of Government Lot 5, a distance of 674.38 feet to a point on said easterly right-of-way line; run thence North 12° 08' 10" West along last mentioned easterly right-of-way line, a distance of 23.49 feet to the Point of Beginning.

EXHIBIT "A"-6

METHOD OF IDENTIFYING UNITS

Each building bears a separate identifying number as shown on this plot plan.

The units in each building shall have three digit numbers. The first digit represents the building number. The second digit will be zero. The third digit identifies the particular unit in the building.

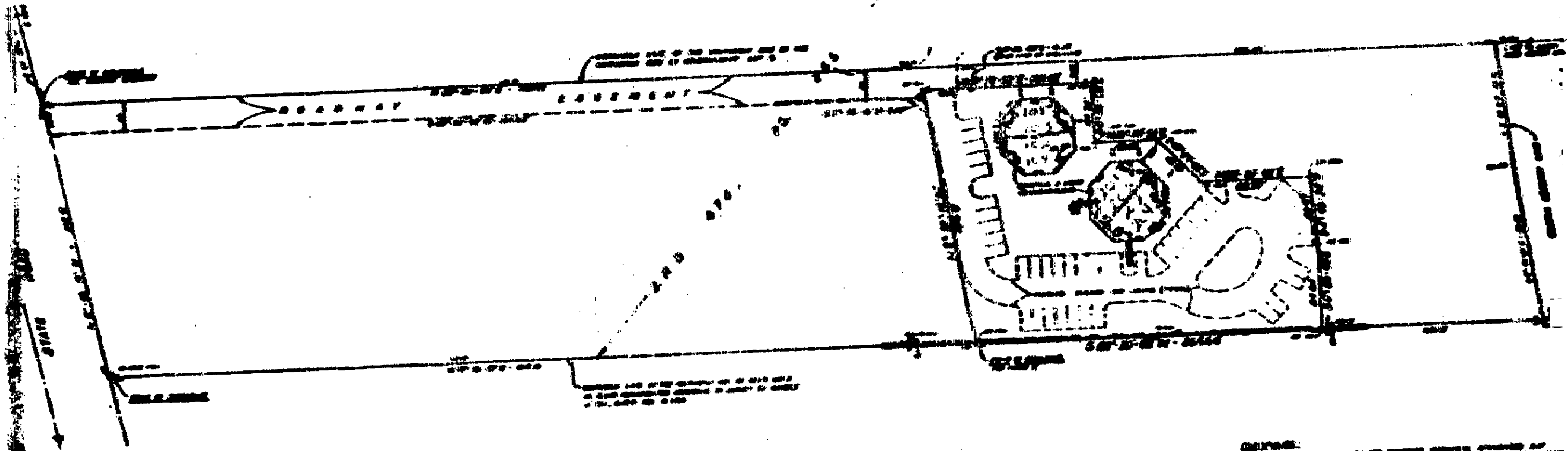
Units in each building can be located as follows: When facing the rear of each building, the rear being that portion of each building containing the stairways to the upper stories, the odd-numbered units shall be on the left-hand side of each building and the even-numbered units shall be on the right-hand side of each building. The lowest numbered units are on the ground level of each building and the units continue to be numbered in ascending order until the top level of each building is reached.

For example, building number 1 has 2 stories, with 2 units on each floor. Units 101 and 103 are on the left side of the building and Units 102 and 104 are on the right. Units 101 and 102 are on the first floor and Units 103 and 104 are on the second floor.

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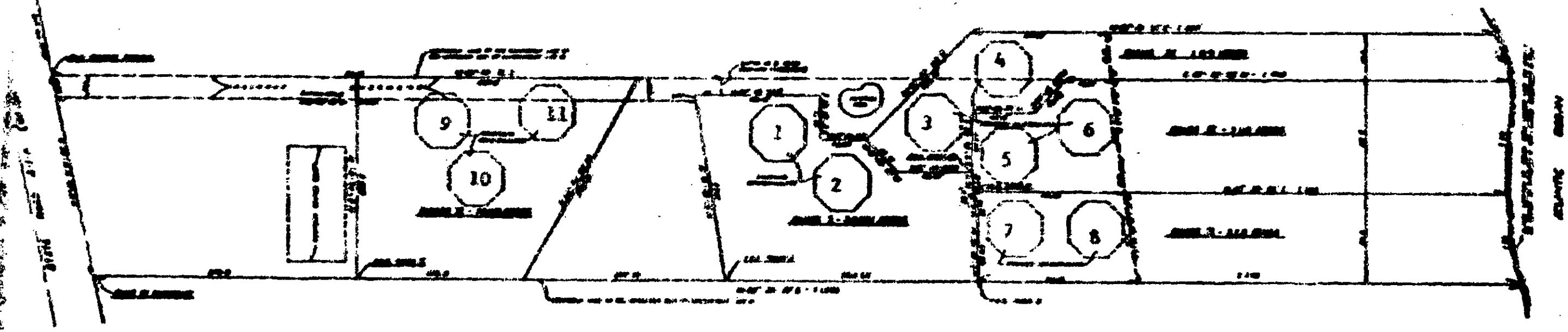
p. 2 of 6



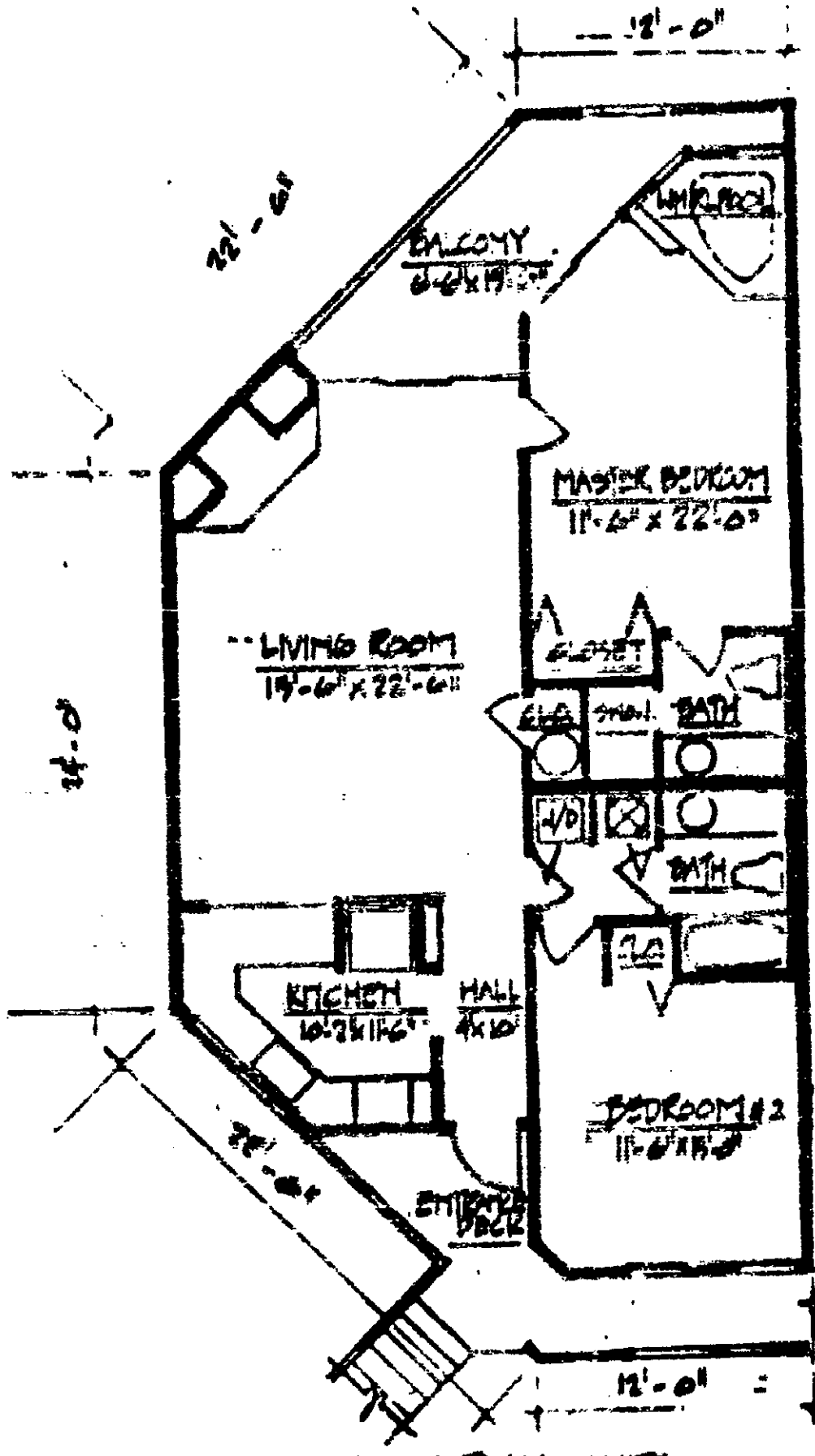
HIBISCUS I, a Condominium

OFF. REC. 570 PAGE 166

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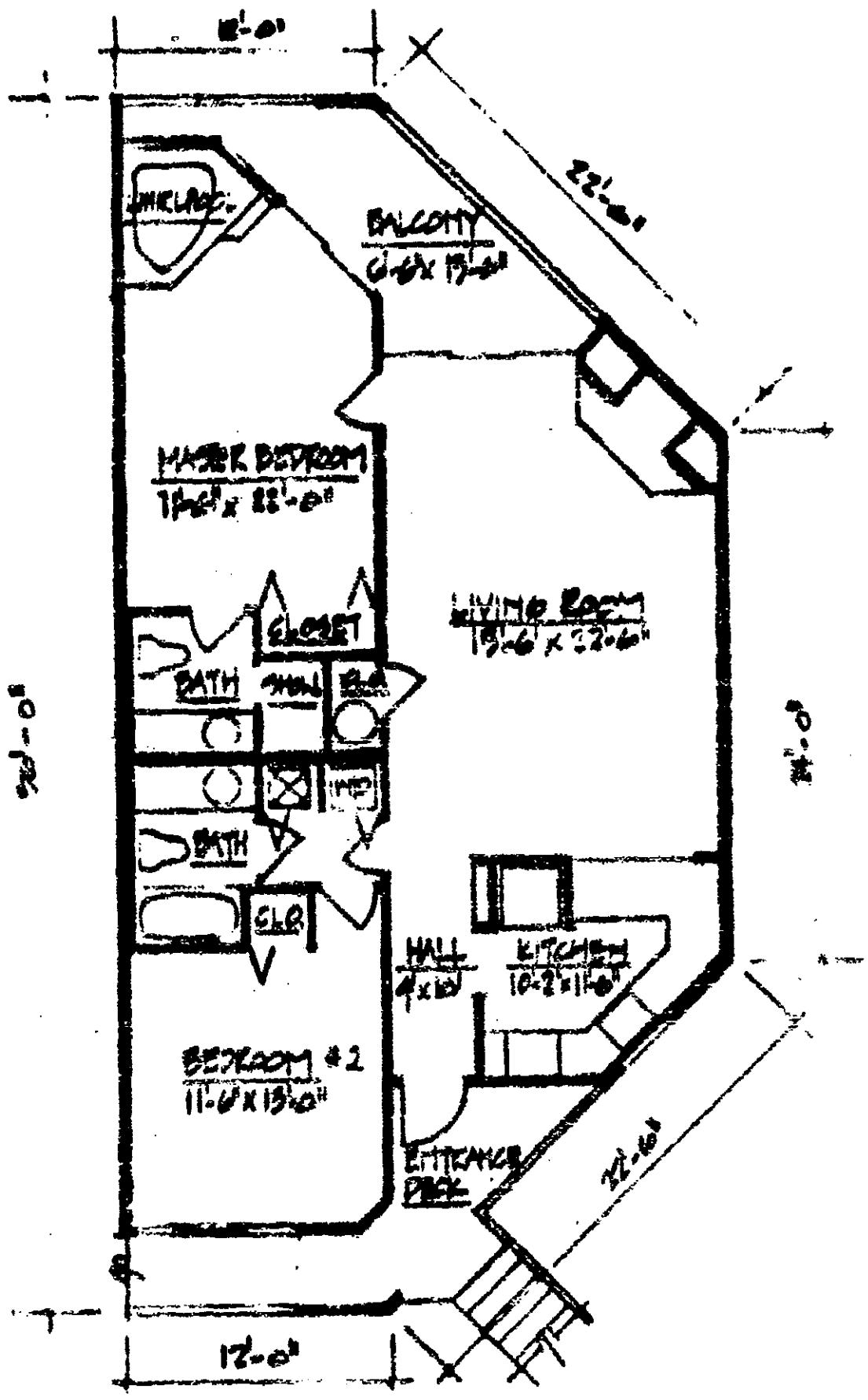
Entrance decks, balconies and appurtenant stairways are Limited Common Elements.



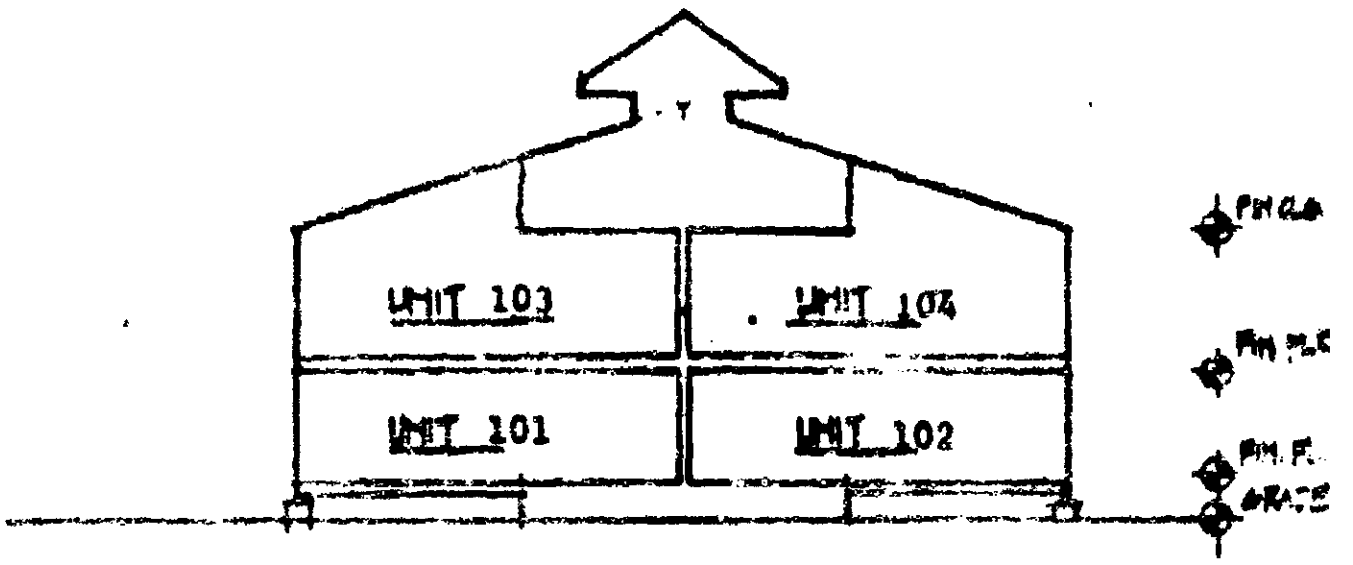
TYPICAL FLOOR PLAN - UNITS 101, 103, 201, 203

SCALE: 1/8" = 1'-0"

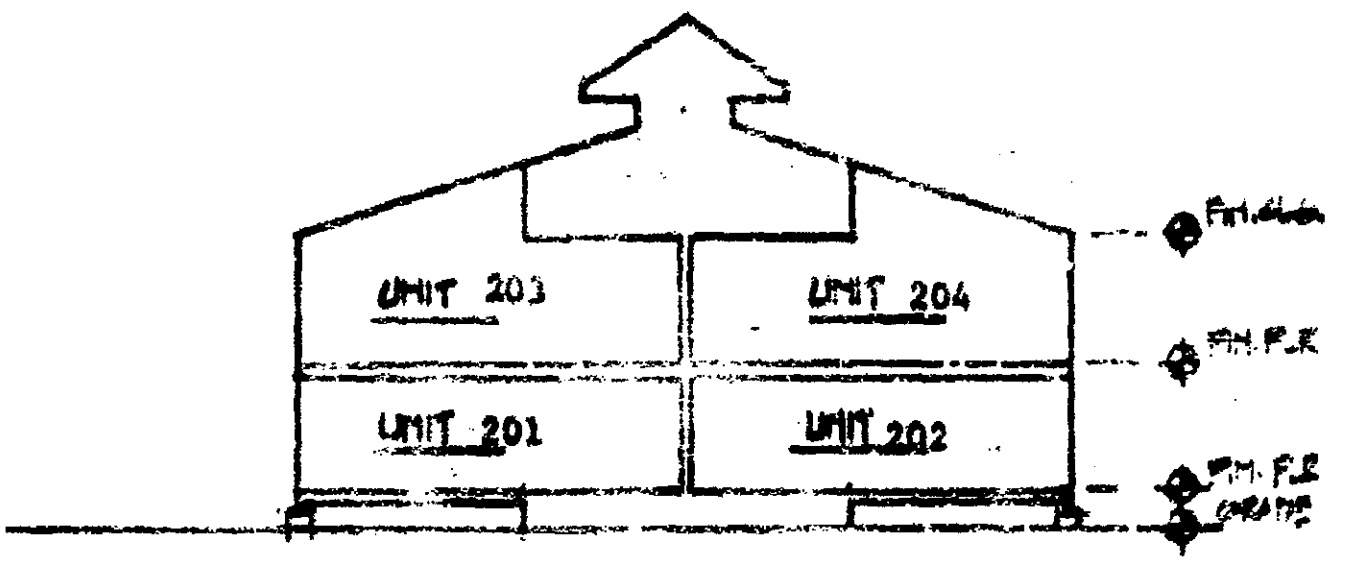
Entrance decks, balconies and appurtenant stairways are Limited Common Elements



TYPICAL FLOOR PLAN- UNITS 102, 104, 202, 204
SCALE: 1/8" = 1'-0"



SECTION - BLDG 1
SCALE: 1/16" = 1'-0"



SECTION - BLDG # 2
SCALE: 1/16" = 1'-0"

RICHARD P. CLARSON AND ASSOCIATES INC.
ENGINEERS — LAND SURVEYORS
1649 HALSO AVENUE
JACKSONVILLE, FLORIDA 32207

SURVEYOR'S CERTIFICATE

The undersigned, Park D. Privett, Jr.
a registered land surveyor authorized to practice in the State of Florida, hereby certifies with respect to Hibiscus I, a Condominium, that the construction of the improvements is substantially complete so that the material attached to the Declaration, together with the provisions of the Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each unit can be determined from these materials.

Professional Land Surveyor
No: 4841
State of Florida

DATED: October 15, 1982

EXHIBIT C

EASEMENT

This Instrument Prepared By

Public Records of
St. Johns County, FL
Clerk# 99026209
O.R. 1414 PG 765
11:17AM 06/03/1999
REC $9.00 SUR $1.50
Doc Stamps $0.70

Sec. 15, Twp 8 S, Rge 30E
Parcel I.D
.# 175880-0000
(Maintained by County Appraiser)

Name: Ocean Gate Development, Inc.
Co. Name: (Same)
Address: 4730 A1A South
St. Augustine, Florida

Form 3722-A (Stocked) Rev. 7/94

The undersigned, in consideration of the payment of $1.00 and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, grant and give to St. Johns County Utilities, its licensees, agents, successors, and assigns, an easement forever for the construction, operation and maintenance of underground water and sewer utility facilities to be installed from time to time; with the right to reconstruct, improve, add to, enlarge, as well as, the size of and remove such facilities or any of them within an easement 10 feet in width described as follows:

10 feet in width on wither side of water meter, water meter box, and water and sewer lines as installed by Grantee from time to time on the property described in:

EXHIBIT A

Together with the right of ingress and egress to said premises at all times; the right to clear the land and keep it cleared of all trees, undergrowth and other obstructions within the easement area; and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, streets or highways adjoining or through said property.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument on MAY 18, 1999

Signed, sealed and delivered
in the presence of :

Joy Day
(Witness' Signature)
Print Name Joy Day

Joy Day
(Witness' Signature)
Print Name Joy Day

OCEAN GATE DEVELOPMENT INC
(Corporate's name)
By: [signature]
(President's signature)
Print Name: ROBERT JL LAWRENCE
Print Address: 509 TURNBERRY LN
ST AUGUSTINE FL 32084

Attest: [signature]
(Secretary's signature)
Print Name: ROGER W. McCLAIN
Print Address: 221 SUMMERHOUSE RD
ST AUGUSTINE FL 32086
(Corporate Seal)

STATE OF FLORIDA AND THE COUNTY OF ST JOHNS. The foregoing instrument was acknowledged before me this 18th day of MAY, 1999 by ROBERT JL LAWRENCE and ROGER W McCLAIN respectively, the President and Secretary of OCEAN GATE DEVELOPMENT INC FLORIDA corporation, on behalf of said corporation, who are personally known to me or have My Commission Expires: (Type of Identification)

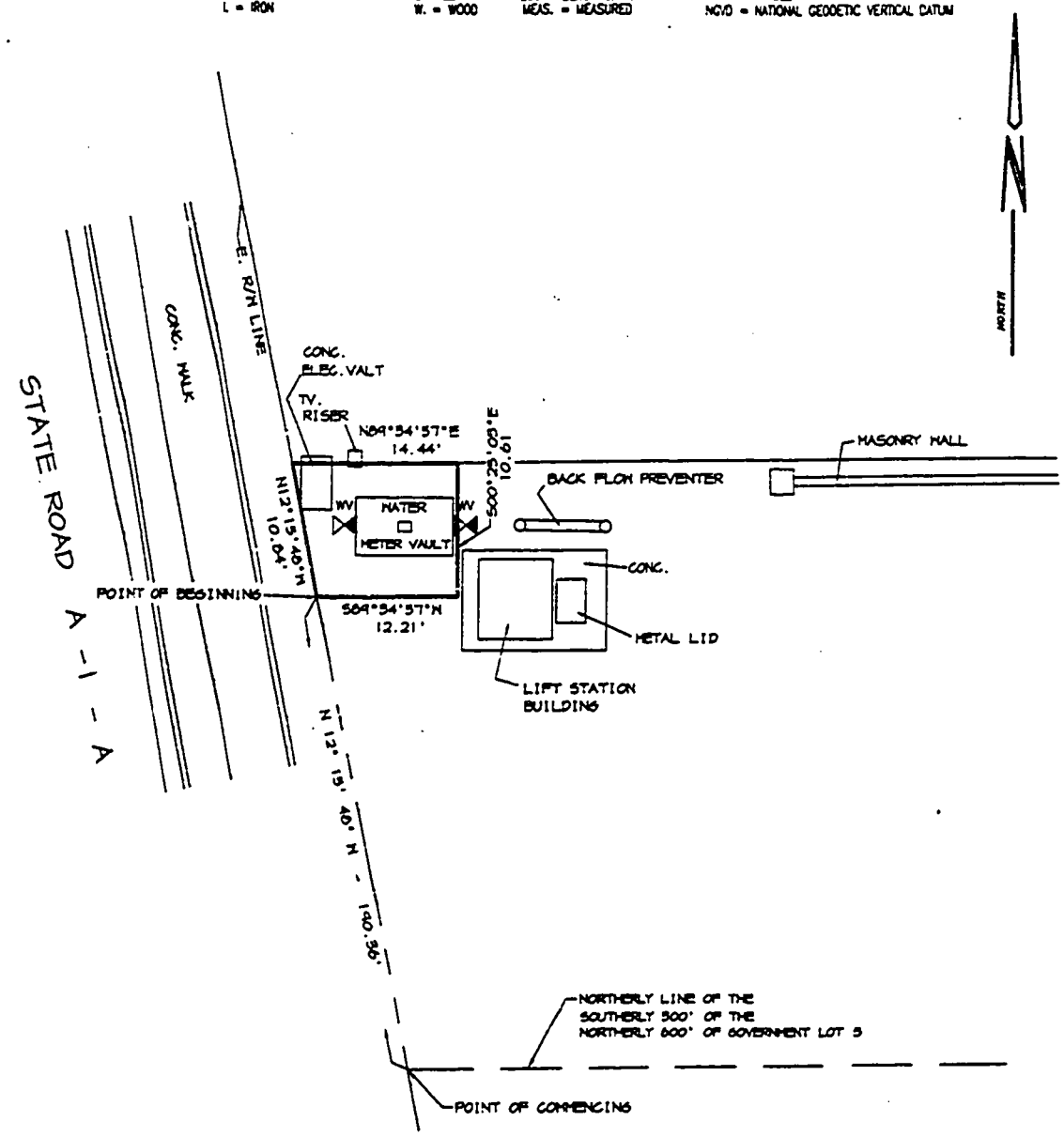
Laura A. Waller
Notary Public, Signature

Print Name Laura A. Waller

EXHIBIT "A"

NOTES: 1. NO UNDERGROUND UTILITIES, INSTALLATIONS OR IMPROVEMENTS HAVE BEEN LOCATED, EXCEPT AS SHOWN.
2. NO INSTRUMENTS OF RECORD REFLECTING EASEMENTS, RIGHTS OF WAY AND/OR OWNERSHIP WERE FURNISHED THIS SURVEYOR EXCEPT AS SHOWN.
3. BEARINGS BASED ON E. R/W LINE A-1-A = N 12°15'48"W

4. ABBREVIATIONS: R/W = RIGHT OF WAY; CONC. = CONCRETE; MON. = MONUMENT; I = IRON; T = TANGENT; R = RADIUS; L = LENGTH; W. = WOOD; ℄ = CENTERLINE; FND. = FOUND; BM. = BENCH MARK; MEAS. = MEASURED; Δ = CENTRAL ANGLE; ELEV.EL. = ELEVATION; MH = MANHOLE; NGVD = NATIONAL GEODETIC VERTICAL DATUM



0 5 10 20

SCALE IN FEET

SCALE: 1" = 10'

SKETCH

NOT A SURVEY

MAY 12, 1999

DESCRIPTION— WATERMETER VAULT EASEMENT:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 190.36 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 10.84 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 14.44 FEET; THENCE SOUTH 00 DEGREES 25 MINUTES 03 SECONDS EAST 10.61 FEET; THENCE SOUTH 89 DEGREES 34 MINUTES 57 SECONDS WEST 12.21 FEET TO THE POINT OF BEGINNING.

JONES & PELLICER, INC. LB# 6444
906 ANASTASIA BLVD. SUITE A
ST. AUGUSTINE, FLORIDA 32084
(904) 824-6115 FAX (904) 824-6453

Work Order No. 7219-7-136

EASEMENT

This Instrument Prepared By

Name: JL Marrero

Co. Name: FPL Co.

Address: 303 Hastings Road

St. Augustine Florida

Form 3722-A (Stocked) Rev. 7/94

6 73 Sec. 15 , Twp 8 S, Rge 30 E

Parcel I.D .# 175880-0000 (Maintained by County Appraiser)

Public Records of
St. Johns County, FL
Clerk# 99026208
O.R. 1414 PG 764
11:16AM 06/03/1999
REC $5.00 SUR $1.00
Doc Stamps $0.70

Reserved for Circuit Court

The undersigned, in consideration of the payment of $1.00 and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, grant and give to Florida Power & Light Company, its licensees, agents, successors, and assigns, an easement forever for the construction, operation and maintenance of overhead and underground electric utility facilities (including wires, poles, guys, cables; conduits and appurtenant equipment) to be installed from time to time; with the right to reconstruct, improve, add to, enlarge, change the voltage, as well as, the size of and remove such facilities or any of them within an easement 10 feet in width described as follows:

10 feet in width on either side of utility lines as installed by Grantee from time to time on the property described as : Ocean Gate and Hibiscus on 4730 and 4780 A1A South.

Together with the right to permit any other person, firm or corporation to attach wires to any facilities hereunder and lay cable and conduit within the easement and to operate the same for communications purposes; the right of ingress and egress to said premises at all times; the right to clear the land and keep it cleared of all trees, undergrowth and other obstructions within the easement area; to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution; and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, streets or highways adjoining or through said property.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument on May 6, 1999

Signed, sealed and delivered in the presence of:

(Witness' Signature)

Print Name Joy Day (Witness)

(Witness' Signature)

Print Name Joy Day (Witness)

Ocean Gate Investments Inc
(Corporate's name)

By: _____ (President's signature)

Print Name: Robert J.L. Lawrence

Print Address: 4730 A1A South
St. Aug Fl 32084

Attest: _____ (Secretary's signature)

Print Name: Roger W. McCann

Print Address: 5950 Lewis Speedway
St Augustine FL 32095

(Corporate Seal)

STATE OF Florida AND COUNTY OF St. Johns. The foregoing instrument was acknowledged before me this 6th day of May, 1999 by Robert J.L. Lawrence, and Roger W. McCann respectively the _____ President and _____ Secretary of Ocean Gate Investments, Inc., a Florida corporation, on behalf of said corporation, who are personally known to me or have produced _____ as identification, and who did (did not) take an oath.

My Commission Expires: October 16, 2000 (Type of Identification)

Laura A Waller
Notary Public, Signature

Laura A Waller
My Commission CC594990
Expires October 16 2000

Print Name Laura Waller

EASEMENT

Form 3722 (Stocked) Rev. 6/80

Date JUNE 16 19 86

ER No. 993-7-130
Pole No. _____

Sec. 15 Twp. 8S Rge. 30E

86 17998

O.R. 711 PG 0317

The undersigned, owner (s) of the premises described below, in consideration of the payment of $1.00 and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, grant and give to Florida Power & Light Company, its licensees, agents, successors, and assigns, an easement forever for the construction, operation and maintenance of overhead and underground electric utility facilities (including wires, poles, guys, cables, conduits and appurtenant equipment) to be installed from time to time, with the right to reconstruct, improve, add to, enlarge, change the voltage, as well as, the size of and remove such facilities or any of them, on the property described as follows:

EASEMENT FOR HIBISCUS: A description of the centerline of an easement for the installation and maintenance of underground electric lines for Florida Power and Light Company lying in the Northerly 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, lying Easterly of State Road A-1-A and being more particularly described as follows:

For a Point of Commencement use the intersection of the Southerly line of said Northerly 600 feet of Government Lot 5 and the East right-of-way line of said State Road A-1-A; thence North 12° 08' 10" West along said Easterly right-of-way line, 165.95 feet to the Point of Beginning of said centerline description of a 15 foot easement lying 7.5 feet distance and at right angles from said centerline; thence North 34° 37' 59" East, 27.56 feet; thence North 89° 27' 50" East, 236.54 feet; thence South 63° 00' 30" East, 69.38 feet; thence North 82° 06' 40" East, 157.75 feet to Reference Point "A"; thence continue North 82° 06' 40" East 4.0 feet; thence North 88° 18' 10" East, 193.74 feet to Reference Point "C"; thence continue North 88° 18' 70" East, 43.96 feet, thence North 02° 24' 50" West, 125.15 feet to a transformer site and point of termination of this run; then start again at Reference Point "C"; thence South 11° 09' 10" East, 131.93 feet, to the P. C. of a curve to the left having a radius, chord and chord

(continued on back)

together with the right to permit any other person, firm, or corporation to attach wires to any facilities hereunder and lay cable and conduit within the easement and to operate the same for communications purposes with the right of ingress and egress to said premises at all times, to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the easement area; to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution, and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, streets or highways adjoining or through said property.

IN WITNESS WHEREOF, the undersigned has signed and sealed this agreement on JUNE 16, 1986.

Signed, sealed and delivered in the presence of:

Louise S Clark

Community Projects, Inc.
D/B/A HIBISCUS
By _____ (SEAL)
VICE PRESIDENT
ATTEST:
SECRETARY (SEAL)

_____ (SEAL)

_____ (SEAL)

STATE OF FLORIDA AND COUNTY OF St Johns

The foregoing instrument was acknowledged before me this 16th day of June, 1986,

by Harlan L. Hicks and IRWIN CHIASSO

respectively the VICE President and SECRETARY Secretary of Community Projects, Inc., a Florida corporation, on behalf of the corporation.

_____
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES: NOTARY PUBLIC, STATE OF FLORIDA
My Commission Expires July 24, 1989

STATE OF FLORIDA AND COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 19__,

by _____

_____
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES:

bearing of 33.06 feet, 41.69 feet and South 50° 14' 35" East; thence around the arc of said curve 45.11 feet to the P. T. of said curve; thence South 89° 20' 00" East, 228.05 feet; thence North 30° 40' 00" East, 42.3 feet; thence North 26° 10' 28" West, 16.0 feet to Reference Point "D"; thence continue North 26° 10' 28" West, 35.37 feet; thence North 46° 44' 39" West, 17.66 feet to Reference Point "E"; thence North 26° 10' 20" East, 35.79 feet; thence North 9° 29' 11" East, 53.0 feet; thence North 19° 03' 52" East, 93.95 feet; thence North 16° 52' 22" West, 93.01 feet; thence North 37° 21' 21" West, 14.0 feet to the Point of Termination of this run.

Thence begin again at Reference Point "A", said following centerline description is for a 10 foot easement, lying 5 feet distance and at right angles to said centerline; thence North 29° 45' 0" West, 52.76 feet to Reference Point "B"; thence North 39° 22' 12" East, 30.53 feet to the Point of Termination of this run; thence begin again at Reference Point "B"; thence North 81° 46' 59" West, 25.75 feet to the Point of Termination of this run.

Thence begin again at Reference Point "D"; said following centerline description is for a 10 foot easement lying 5 feet distant and at right angles to said centerline; thence North 89° 33' 52" East, 53 feet; thence North 29° 44' 43" East, 38.16 feet to Reference Point "F"; thence North 33° 15' 16" East, 25.24 feet to the Point of Termination of this run; then begin again at Reference Point "F"; thence South 53° 17' 20" East, 20.7 feet to the Point of Termination of this run; thence begin again at Reference Point "E"; thence North 46° 44' 39" West, 17.66 feet to the Point of Termination of this run and the end of this description.

Legal Description Prepared By:

FLORIDA DOCUMENTARY STAMP TAX PAID
Date JUL 21 [illegible] • 50
CARL "BUD" MARKEL
Clerk Circuit Court St. Johns County
By [signature] Deputy Clerk

Paul L. Taylor, P. L. S.
Registered Surveyor #2674FL
150 South Dixie Highway
St. Augustine, Florida 32084
1-904-824-1427

FLORIDA POWER & LIGHT CO.
POST OFFICE DRAWER 440
ST. AUGUSTINE, FLORIDA 32085

Public Records of
St. Johns County, FL
Clerk# 99029492
O.R. 1419 PG 843
10:28AM 06/22/1999
REC $365.00 SUR $46.00

THIS INSTRUMENT PREPARED BY
AND RECORD AND RETURN TO:

OCEAN GATE DEVELOPMENT INC.
4730 A1A SOUTH
ST. AUGUSTINE, FL 32084
ATTN: ROBERT J. LAWRENCE

DECLARATION OF CONDOMINIUM

OF

OCEAN GATE PHASE II, A CONDOMINIUM

This Declaration of Condominium (the "Declaration" or "Declaration of Condominium") is made this 11 day of ~~March~~ JUNE, 1999, by Ocean Gate Development Inc., a Florida corporation, whose address is 4730-B Highway A1A South, St. Augustine, FL 32084 (the "Developer").

The Developer makes the following declarations.

1. Submission of Real Property to Condominium Ownership. Developer, being the owner of the fee simple title to the property described in Exhibit A attached hereto, for itself, its successors, grantees and assigns, hereby submits to the condominium form of ownership and use the land described in Exhibit A hereof, the improvements now and hereafter situated thereon, and the easements and rights appurtenant thereto pursuant to Chapter 718, Florida Statutes, 1995, as amended through the date hereof (the "Condominium Act"). The land submitted to condominium is located in St. Johns County, Florida and consists of a parcel of real property (the "Land") upon which will be situated residential improvements (the "Buildings") and common facilities which are submitted hereby to condominium ownership. All restrictions, reservations, covenants, conditions, easements and limitations of record contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, shall run perpetually unless terminated as provided herein, and shall be binding upon all Unit Owners (as hereinafter defined). In consideration of receiving and by acceptance of a grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions hereof, and the Articles of Incorporation and the Bylaws of Ocean Gate Phase II Condominium Association, Inc. (the "Phase II Association"). Both the benefits provided and the burdens imposed shall run with each Unit and the interests in Common Elements as defined herein.

2. Name. The name by which the condominium is to be identified is OCEAN GATE PHASE II, A CONDOMINIUM. The street address of the condominium is 4730-B Highway A1A South, St. Augustine, FL 32084.

3. Definitions. The terms used in this Declaration of Condominium and its exhibits shall have the meaning stated in the Condominium Act and as follows unless the context otherwise requires:

3.1 "Amendment" means an amendment of this Declaration, in accordance with the provisions hereof.

3.2 "Assessment" means a proportionate share of the funds required for the payment of Common Expenses including, without limitation, Special Assessments, which from time to time is assessed directly against each Unit Owner.

3.3 "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Phase II Association, to be recorded in St. Johns County, Florida, as they now exist and may be amended from time to time hereafter.

3.4 "Board" means the Board of Directors of the Phase II Association, which has been duly elected and qualified in accordance with the Bylaws.

3.5 "Bylaws" means the bylaws for the government of the Phase II Association as they now exist and may be amended from time to time.

3.6 "Charge" means the obligation of a Unit Owner to pay or reimburse the money to the Phase II Association that cannot be secured as an Assessment pursuant to F.S. 718.116, but which will, if the charge is not paid, give rise to a cause of action against the Unit Owner pursuant to this Declaration.

3.7 "Common Elements" shall include: (a) the portions of the Condominium Property not included in the Units, exclusive of the Leased Amenities (as hereinafter defined) and the Recreation and Other Facilities owned by the Developer; (b) tangible personal property owned by the Phase II Association and required or useful for the maintenance and operation of the Common Elements; (c) easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements; (d) an easement of support in every portion of a Unit which contributes to the support of a building; (e) the property and installation required for the furnishing of utilities and other services to more than one Unit or to the Common Elements; (f) easements for ingress and egress serving the Condominium Property; (g) all other improvements owned or held for the common use, benefit and enjoyment of all Unit Owners; and (h) any other parts of the Condominium Property designated to be Common Elements in this Declaration or any amendment thereto.

3.8 "Common Expenses" means the expenses for which the Unit Owners are liable to the Phase II Association, including the expenses of the operation, maintenance, administration, repair and replacement of the Common Elements, the payment of rent to the Developer for the Leased Amenities, the payment to Hibiscus (as hereinafter defined) for rent for the Hibiscus Facilities (as hereinafter defined), the cost of carrying out the powers and duties of the Phase II Association and all expenses and assessments properly incurred by the Phase II Association for the Condominium Property and any facilities serving the Condominium Property.

3.9 "Common Surplus" means the excess of all receipts of the Phase II Association, collected on behalf of the Condominium including, but not limited to Assessments, rents, profits and revenues on account of the Common Elements, over the amount of Common Expenses.

3.10 "Condominium" means OCEAN GATE PHASE II, A CONDOMINIUM.

3.11 "Condominium Lease" means that certain Condominium Recreation Lease of the Leased Amenities between the Developer, as Lessor, and Ocean Gate Condominium Master Association Inc., a Florida not-for-profit corporation, as Lessee.

3.12 "Condominium Documents" means this Declaration and the attached exhibits setting forth the nature of the property rights in the Condominium and the covenants running with the land governing these rights. All of the Condominium Documents will be subject to the provisions of this Declaration. The order of priority of the Condominium Documents will be as follows: (1) this Declaration; (2) Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations.

3.13 "Condominium Property" means the parcel of real property described in Exhibit "A" attached hereto, together with all improvements built or to be built thereon, and the easements and rights appurtenant thereto.

3.14 "Declaration of Condominium" or "Declaration" means this Declaration of Condominium and all Exhibits attached hereto, as the same may be amended from time to time.

3.15 "Developer" means Ocean Gate Development, Inc., a Florida corporation, and the successors and assigns of its development rights.

3.16 "Hibiscus" means the condominium resort development adjacent to this Condominium and commonly known as Hibiscus.

3.17 "Hibiscus Facilities" means those recreational amenities which are a part of Hibiscus and which Unit Owners are entitled to use pursuant to that certain Declaration and Grant of Easement dated as of January 5, 1996, and recorded in Official Records Book 1149, Page 918, of the Public Records of St. Johns County, Florida (the "Hibiscus Agreement").

3.18 "Institutional Mortgagee" means banks, savings and loan associations, insurance companies, FHA and VA approved mortgage lenders and bankers, real estate investment trusts, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), servicing agents of FHLMC and FNMA and other lending institutions or companies, which shall include the Developer, any assignee of a purchase money mortgage held by Developer and the servicing agent of such assignee, or anyone designated by the Developer.

3.19 "Insurance Trustee" means a national bank, having trust powers, which is designated by the Phase II Association under Section 9 hereof to hold policies of insurance, receive the proceeds thereof and disburse the same in accordance with Section 9. Until such time as the Phase II Association designates an Insurance Trustee, the Board shall perform the duties of the Insurance Trustee contained in Section 9.

3.20 "Leased Amenities" means those certain Recreation and Other Facilities described in Paragraph 4.6 hereof which are owned by the Developer and leased to the Master Association pursuant to the Condominium Lease, and more fully described in the Master Condominium Declaration.

3.21 "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 other Units.

3.22 "Master Association" means OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC., a not for profit Florida corporation, and its successors, the entity responsible for the operation of Ocean Gate II, a Condominium of which this Condominium is a part.

3.23 "Phase II Association" means OCEAN GATE PHASE II CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, the entity which is responsible for the operation and maintenance of this Condominium, including without limitation, the collection of assessments for rent owed the Developer under the Condominium Lease for the Leased Amenities and for other duties and obligations set forth herein and in the Articles and Bylaws of the Phase II Association.

3.24 "Recreation and Other Facilities" means the facilities described in paragraph 4.7 of the Master Condominium Declaration.

3.25 "Developer" means Ocean Gate Development Inc., its assignees, nominees and successors.

3.26 "Special Assessment" means any assessment levied against any Unit Owners other than those assessments required by a budget adopted annually.

3.27 "Unit" means a part of the Condominium Property which is to be subject to exclusive private ownership as defined in the Condominium Act.

3.28 "Unit Owner or Owner of Unit" means the record owner of a Unit.

4. Development Plan. The Condominium is described and established as follows:

4.1 Survey, Plot Plan and Graphic Description; Units. A survey of the land described in **Exhibit "A"**, a graphic description of the improvements in which Units are located, a typical floor plan of each unit, and a plot plan are attached hereto as composite **Exhibit "B"** and made a part hereof, and together with this Declaration are in sufficient detail to identify the Common Elements, Limited Common Elements and each Unit and their relative locations and approximate dimensions. An identification of each Unit is set forth on **Exhibit "D"** attached hereto.

4.2 Certificate of Surveyor. A certificate of a surveyor authorized to practice in the State of Florida is set forth in **Exhibit "C"** attached hereto and made a part hereof stating that the construction of the improvements is substantially complete so that the exhibits described in paragraph 4.1, together with the provisions of this Declaration describing the Condominium Property, are an accurate representation of the location and dimensions of the improvements and that the identification, location and dimensions of the Common Elements and of each Unit can be determined therefrom. As provided in Section 718.104 of the Condominium Act, completed Units within each substantially completed Building in the Condominium may be conveyed to purchasers notwithstanding that other Buildings in the Condominium are not substantially completed. If Buildings to be located in the Condominium are not substantially completed at the time this Declaration is recorded, the Certificate of Surveyor described above (the "Certificate") shall specifically state which Units and which Buildings are completed, including certification that all planned improvements, including but not limited to, landscaping, utility services, and

access to the Units and Common Element facilities serving the Building in which the Units to be conveyed are located, have been substantially completed. A site plan attached as Schedule 1 to such Certificate shall show as completed the Buildings so described in the Certificate. If the Certificate attached to this Declaration as originally recorded states that less than all of the Buildings in the Condominium are completed, then when and as such Buildings are completed, a Certificate in the form described above shall be completed and filed in the public records of St. Johns County, Florida as an Amendment to this Declaration. An Amendment of this Declaration for the purpose of adding a Certificate of Surveyor upon completion of a Building need be signed and acknowledged only by the Developer and need not be approved by the Phase II Association, or the Unit Owners, or lienors or mortgagees of Units or of the Condominium Property, whether or not such signatures are elsewhere required for an Amendment. No Unit of the Condominium shall be conveyed until such time as a Certificate, as described above, including certification that all planned improvements, including but not limited to, landscaping, utility services and access to the Unit, and Common Element facilities serving the Building in which the Units to be conveyed are located, have been substantially completed, and such Certificate is recorded with this Declaration or as an Amendment thereto.

4.3 Share of Common Elements and Common Expenses. There shall be appurtenant to each Unit an undivided share of the Common Elements. The undivided shares, stated as a percentage, in the Common Elements which are appurtenant to each Unit shall be calculated on a pro-rata basis based upon the square footage of each Unit as set forth in Exhibit "D" attached hereto and made a part hereof. The proportion and manner of sharing Common Expenses and owning Common Surplus shall also be as set forth in Exhibit "D".

4.4 Easements.

(a) The Unit Owners in the aggregate shall be entitled to equal and full use and enjoyment of all of the Common Elements except as they may be limited herein or as they may be restricted by the rules and regulations adopted by the Board, which usage shall always be in recognition of the mutual rights and responsibilities of each of the Unit Owners. Without limiting the generality of the foregoing, the rights of the Unit Owners in and to the Common Elements are expressly subordinated to the rights of parties furnishing utility (including without limitation electrical, gas, water, sewer and telephone) services and cable or master antenna television services pursuant to easements, whether exclusive or non-exclusive, granted by the Developer or the Phase II Association over, under, across, in or through the Common Elements or any part thereof. The Developer and the Phase II Association jointly and severally hereby reserve the right to grant such utility easements for the purpose of installing and maintaining such services, lines, cables and facilities which are reasonably necessary for the operation or maintenance of the Condominium Property, and to grant such other permits, licenses and easements over, under and through the Common Elements for utilities, roads or other purposes which are reasonably necessary or useful for the proper maintenance or operation of the Condominium Property.

(b) In the event that any Unit shall encroach upon any of the Common Elements or upon any other Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Condominium Property, or for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist in favor of the Phase II Association or in such Unit Owner, as applicable, to the extent of that encroachment for so long as the encroachment shall exist.

(c) Each Unit Owner and their guests, invitees, licensees, lessees, and domestic help, and all delivery, pick-up and fire protection services, police and other authorities of the law, United States

mail carriers, representatives of utilities authorized by the Developer to serve the Condominium Property, holders of mortgage liens on the Condominium Property or any Unit, owners of other condominium units within the Ocean Gate development contiguous to or in the vicinity of the Condominium Property, or any additional condominium or subsequent phase thereof, and such other persons as the Developer may from time to time designate, shall have a non-exclusive and perpetual easement for:

(i) ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, boardwalks, lobbies, stairways, elevators, hallways, walkways and lanes, and like passageways as the same may from time to time exist upon the Common Elements;

(ii) ingress and egress and for vehicular traffic and parking over, through and across the Roadways described on Exhibit "A-1" or such portions of the Common Elements as may be from time to time graded and/or paved and intended for such purposes (the "Roadway Easement"), which Roadway Easement may be altered or moved by Developer during construction of the Condominium, but the same shall not give or create in any person the right to park upon any portion of the Condominium Property not designated as a parking area;

(iii) ingress and egress and for drainage, utilities and cable television facilities over, under, across and through the roadways, as now or hereafter existing, such portions of the Common Elements as Developer may designate for such purposes from time to time, together with vehicular parking rights on such portions of said roadways as are paved, marked and designated for parking, and which parking spaces have not been assigned for the exclusive use of specific Units in this or any other condominium. Notwithstanding the foregoing, Developer reserves the right to alter and relocate the Roadway Easement or any portion thereof so long as the relocated easement continues to give access to Highway A1A and the Condominium Property;

(iv) ingress and egress and for drainage, utilities, cable television facilities, and ingress and egress for vehicular traffic and vehicular parking on, over, under, across and through the land described on Exhibit A-1 of the Declaration of Condominium for Ocean Gate I, a condominium recorded at Official Records Volume 570, Page 129, Public Records of St. Johns County, Florida (the "Ocean Gate I Land"). Provided that such easements and rights shall be exercised only with respect to such portions of the Ocean Gate I Land as may be set aside, paved or otherwise designated for such purposes, it being understood however that the paved roadway and parking areas on the Ocean Gate I Land are to be used also by Unit Owners in Ocean Gate II to whom parking spaces may be assigned by the Developer or the Master Association.

(v) ingress and egress for pedestrian traffic on, over, through and across a dune walkover and gazebo, and the boardwalk adjacent thereto, for the purpose of giving access to the beach, which facilities are owned by Hibiscus and the right to use is provided under the Hibiscus Agreement.

(d) There shall be appurtenant, and pass with title to each Unit, the right, shares, and interest provided by the Condominium Act which shall be deemed to include, without limitation, an exclusive easement for the use of the air space occupied by the Units as they exist at any particular time (as shown on Exhibit B hereto), and as the Units may lawfully be altered or reconstructed from time to time, and which easements shall be terminated automatically in any air space which is permanently vacated from time to time.

(e) Developer reserves a non-exclusive, perpetual, transferable and indefeasible easement for access, ingress, egress (including without limitation pedestrian paths, walkways and boardwalks), parking and vehicular traffic (but only over such portions paved and/or graded and designated for such purposes), drainage, irrigation lines and facilities, utilities (including without limitation electrical, gas, water, sewer, telephone and cable or master antenna television services) over, under, across and through the Common Elements of the Condominium Property and the land described on Exhibit "A-1" as the "Roadway Easement," and for the benefit of the underlying Recreation and Other Facilities and any land owned by Developer adjacent to the foregoing lands, or any other land designated by Developer in the vicinity of the foregoing lands.

(f) Developer, for itself and its successors and assigns, reserves easements over the Condominium Property as necessary to complete future development, if any, including construction access and utilities.

(g) The Unit Owners in the aggregate shall be entitled to equal and full use and enjoyment of the non-exclusive easements in favor of the Developer and in common with the other parties entitled to use such easements for pedestrian and vehicular access, utilities, dune walkover access, parking, and such other rights as are set forth in that certain Declaration and Grant of Easements, recorded in Official Records Book 1149, Page 918, of the public records of St. Johns County, Florida, and in that certain Grant of Recreation Easement dated April 11, 1997 between Hibiscus and the Developer, and to be recorded in the public records of St. Johns County, Florida.

4.5 The Developer reserves the right, but not the obligation, to develop additional phases of this Condominium as provided in Section 5 hereof, and to develop other condominiums and/or other residential developments upon lands adjacent to the Condominium Property. In the event of such additional development, the Developer reserves the right to grant further non-exclusive easements over the common roads to property owners adjacent to the Land described on Exhibit "A". Developer shall grant such easements to such adjacent property owners, and such adjacent property owners shall enter into an agreement with the Master Association agreeing to pay a pro rata share of the maintenance and repairs for the common roads and setting forth the method of computation of the respective contributions to the maintenance and repairs thereof.

4.6 Leased Amenities. The Master Association has entered into that certain Condominium Lease attached hereto as Exhibit "E" with the Developer, pursuant to which the Master Association has leased the Leased Amenities for the enjoyment, recreation, use and benefit of the Unit Owners. The Leased Amenities shall be those Recreation and Other Facilities owned by Developer and leased to the Master Association pursuant to the terms of the Condominium Lease. The Condominium Lease imposes obligations on the Master Association for the rent, operation, replacement, maintenance, and covenants and restrictions regarding use of the Leased Amenities. The Master Association reserves the right to amend or modify the terms of the Condominium Lease, including without limitation, adding additional condominiums to this Condominium which shall have the right to use the Leased Amenities, leasing additional Recreation and Other Facilities to be constructed by the Developer in connection with the development of additional condominiums subject to this Declaration, and modifying the terms of the Condominium Lease regarding rent, operation, replacement, maintenance, and such other provisions as the Master Association may deem necessary or desirable from time to time. The Master Association shall separately assess all Unit Owners for the payment of rent owed the Developer under the Condominium Lease. The Phase II Association shall assess, collect and remit the rent owed by the Phase II Unit Owners under the Condominium Lease directly to the Developer.

4.7 Unit Boundaries. Each Unit shall include that part of the Building containing the Unit that lies within the boundaries of the Unit, as follows:

(a) Upper and Lower Boundaries. The upper boundary of a Unit shall be the horizontal plane of the unfinished ceiling and the lower boundary shall be the horizontal plane of the unfinished floor. The upper and lower boundaries shall be extended to their intersection with the perimetrical boundaries of the Units.

(b) Perimeter Boundaries. The perimeter boundaries of a Unit shall be the vertical planes of the unfinished interior of the walls (excluding the walls bounding the front and rear balcony/deck/patio/porch areas) bounding the Unit extended to the intersection with each other and with the upper and lower boundaries.

(c) Exterior Awnings. Awnings, shades or similar items installed on or about the exterior of windows or doors or in or about the front and/or rear balcony/deck/patio/porch areas shall be deemed part of the Unit notwithstanding that same may be affixed to or a part of a Common Element or Limited Common Element. Unless installed by the Developer, however, no such awnings, shades or similar items shall be installed unless approved by the Master Association.

(d) Mechanical Equipment. All air conditioning and heating equipment and facilities, water heaters, heat pumps, and other mechanical equipment appurtenant to and serving an individual Unit are deemed to be part of the Unit.

(e) Multiple Ownership of Units. Contiguous Units owned by the same person may be altered so as to integrate them into one dwelling for living purposes provided that such alteration shall be at the expense of such person, shall not interfere with the enjoyment of the Common Elements by others and shall otherwise comply with the provisions of paragraph 5.2(b). In no event shall such multiple ownership change the respective undivided share in the Common Elements, or proportion of sharing Common Expenses and owning Common Surplus of such Units.

4.8 Appurtenances and Possession and Enjoyment of Condominium Parcels.

(a) There shall pass with each Unit as appurtenances thereto:

(i) An undivided share in the Common Elements and Common Surplus, as more fully described in Exhibit "D" attached hereto and made a part hereof, together with the non-exclusive right to use the Common Elements and the exclusive right to use those portions of the Common Elements reserved herein and/or granted elsewhere to a certain Unit as Limited Common Elements;

(ii) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time;

(iii) Membership of the Unit Owner in the Master Association, and the right to use the comon elements and Leased Amenities within the Master Condominium, any rights to use the Hibiscus Facilities subject to the terms of the Hibiscus Agreement, and to access properties

owned by the Master Association, subject to the rules and regulations as adopted from time to time by the Master Association; and

(iv) Membership of the Unit Owner in the Phase II Association and the right to use the Common Elements, subject to the rules and regulations as adopted from time to time by the Phase II Association.

(b) Each Unit Owner is entitled to the exclusive possession of his Unit subject to the provisions of this Declaration. He shall be entitled to the use of the Common Elements, in accordance with the provisions of this Declaration and the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of other Unit Owners. There shall be a joint use of the Common Elements and a mutual easement for that purpose is hereby created.

4.9 Limited Common Elements and Parking Spaces.

(a) All balconies, decks, patios or porches, railings, windows, front doors, together with appurtenant stairways, exterior storage compartments and any structure attached to the exterior main walls of the Building that serve only the particular Unit adjacent to such structure shall be a Limited Common Element for the benefit and use of that particular Unit only. Exterior windows and frames, exterior glass doors and frames and casings are also deemed to be Limited Common Elements.

Notwithstanding the foregoing, owners of second or third floor Units shall have the right of ingress and egress over all stairways, elevators and accesses thereto.

(b) The Phase II Association shall assign at least one parking space to each Unit. The Unit Owner shall have the exclusive right to use such space(s) as long as he owns his Unit, but such space(s) shall be a Limited Common Element and it shall not be transferable upon sale or other conveyance of the Unit, without the Phase II Association's prior written approval. The Phase II Association may reassign spaces upon any sale or other transfer of a Unit, but at all times, at least one parking space shall be assigned to each Unit.

(c) Nothing herein contained shall be construed as relieving any Unit Owner from any portion of any assessment for Common Expenses made against the Unit, and the cost of maintenance, repair or replacement of Limited Common Elements shall be included as part of the Common Expense applicable to all Units.

4.10 Amendment of Plans.

(a) Alteration of Unit Plans. Developer may not change the interior design of Units, alter the boundaries between Units, or combine one or more Units into one Unit, without prior consent of any Institutional Mortgagee having a first lien upon the Unit, a majority of all of the record Unit Owners, and the affected Unit Owners.

(b) Amendment of Declaration of Condominium. If Developer shall make any changes in Units or in the Roadway Easement so authorized, such changes shall be reflected by an Amendment to this Declaration of Condominium. An Amendment of this Declaration of Condominium reflecting such alteration by Developer need be signed and acknowledged only by the Developer and need not be approved

by the Phase II Association, other Unit Owners, or lienors or mortgagees of other Units or of the Condominium Property, whether or not such signatures are elsewhere required for an Amendment.

5. Maintenance, Alteration and Improvement. Responsibility for the maintenance, repairs and replacement of the Condominium Property, and property of Owners located or situated within the Condominium, and restrictions upon the alteration and improvement thereof shall be as follows:

5.1 Common Elements.

(a) Maintenance of Common Elements and Limited Common Elements. The Phase II Association shall be responsible for, and shall assess against and collect from all Unit Owners the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements and the Limited Common Elements. The Phase II Association shall, at the expense of all Unit Owners, repair any and all incidental damage to Units resulting from maintenance, repairs, and/or replacement of or to Common Elements and Limited Common Elements.

(b) Alteration and Improvement. After the completion of the improvements, including the Common Elements contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the Common Elements (including Limited Common Elements) without prior approval in writing by the owners of not less than seventy-five (75%) percent of the Units. Any such alteration or improvement shall not interfere with the rights of any Unit Owners without their consent. The cost of such work shall not be assessed against an Institutional Mortgagee that acquires its title as a result of holding 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 not so assessed shall be assessed to authorizing Owners in the shares that their shares in the Common Elements bear to each other. There shall be no change in the shares and rights of Unit Owners in the Common Elements altered or further improved, whether or not the Unit Owner contributes to the cost of such alteration or improvements.

5.2 Units.

(a) Maintenance by the Phase II Association. The Phase II Association shall maintain, repair and replace as a Common Expense:

(i) All portions of a Unit, except interior surfaces, contributing to the support of the Building, which portions shall include but not be limited to load-bearing columns and load-bearing walls;

(ii) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of a Unit maintained by the Phase II Association; and all such facilities contained within a Unit that service part or parts of the Condominium Property other than the Unit within which such facilities are contained; and

(iii) All incidental damages caused to a Unit by such work.

(b) Maintenance By the Unit Owner. The responsibility of the Unit Owner shall include:

(i) To maintain, repair, and replace at his sole and personal expense everything within the boundaries of his Unit which is not required to be maintained by the Phase II Association pursuant to paragraph 5.2 (a), and all of the following items: the paint, finish, cover, wall paper and decorations of all walls, floors and ceilings, all built-in shelves, cabinets, counters, storage areas and closets; all hot water heaters, mechanical, ventilating, heating and all air conditioning equipment serving the individual Unit (whether located within the boundaries of the Unit or not) including fireplaces, if any; any refrigerators, stoves, ovens, disposal, dishwashers and other kitchen equipment; all bathroom fixtures, equipment and apparatus; whirlpool bath, if any, and appurtenant fixtures and equipment; all electrical, plumbing, telephone and television fixtures, apparatus, equipment, outlets, switches, wires, pipes, and conduit located within and/or serving only the particular Unit; all interior and permitted exterior lights, bulbs and lighting fixtures serving the particular Unit; all electrical lines between the particular Unit and its individual service panel or meter, and all water and waste lines between the Unit and the point at which said lines connect with the main lines (whether located within the boundaries of the Unit or not); all interior doors, 1/2 walls, partitions and room dividers; all furniture, furnishings and personal property contained within a Unit; all interior windows, all awnings, shades and similar items, (whether located within the boundaries of the Unit or not).

(ii) To promptly report to the Phase II Association any defect or need for repairs, the responsibility for the remedying of which is that of the Phase II Association.

(c) Alteration and Improvement. Subject to the other provisions of paragraph 5.2, which in all cases shall supersede and have the priority over the provisions of this subsection when in conflict therewith, a Unit Owner may make such alteration or improvement to the Unit at his sole and personal cost as he may be advised, provided all work shall be done without disturbing the rights of other Unit Owners and further provided that a Unit Owner shall not enclose, paint, decorate or make any other changes or alterations that would change the appearance of any portion of the exterior of the building nor make any changes or alterations to any interior boundary wall, exterior wall, balcony, deck, porch or patio, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service, without first obtaining approval in writing of the Board. All alterations and improvements must be in compliance with all existing building codes. No alteration may cause an increase in any insurance premium to be paid by the Phase II Association.

(d) Indemnification of Phase II Association and Unit Owners. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Phase II Association and all other Unit Owners harmless from any liability or damage to the Condominium Property and expenses arising therefrom and shall be solely responsible for the maintenance, repair and insurance thereof from and after the date of installation or construction thereof, as may be required by the Phase II Association, including, without limitation, any costs, expenses or liability associated with the repair, replacement, removal or reinstallation of said additions, alterations or improvements regardless of the impetus, cause or reason for the same. The provisions of this paragraph shall not apply to the Developer.

(e) Right of Entry By Phase II Association; Failure of Unit Owner to Repair. The Phase II Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or any common elements or any portion of a unit to be maintained by the Phase II Association pursuant to this Declaration or as necessary to prevent damage to the common elements or to a Unit or Units. All costs of any repairs or

maintenance described in this subsection shall be assessed as a Special Assessment and may be collected in the same manner as any other Assessment herein provided for. The Phase II Association shall not, in exercising its rights hereunder, be liable to a Unit Owner for trespass or otherwise for entry into a Unit in accordance with this subsection. The liability for any damage done by the Phase II Association shall be the responsibility of the Unit Owner of the Unit being repaired or maintained unless such damage is created by the gross negligence or willful misconduct of the Phase II Association.

6. Restraint Upon Separation and Partition of Common and Limited Common Elements.

(a) The undivided share in the Common and/or Limited Common Elements which is appurtenant to a Unit shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described.

(b) A share in the Common and/or Limited Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Unit.

(c) The shares in the Common and/or Limited Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common and/or Limited Common Elements shall lie.

7. Assessments. To provide the funds necessary for proper operation and management of the Condominium, the Phase II Association has been granted the right to make, levy and collect Assessments and Special Assessments against all Unit Owners and Units. The making and collection of Assessments against Unit Owners for Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

7.1 Authority to Impose. The Phase II Association, through its Board of Directors, shall have the power to determine and fix the sums necessary to provide for the Common Expenses, including the expense allocable to services being rendered by a management company with whom the Phase II Association may contract. The Assessment shall be assessed annually but shall initially be payable monthly in advance; however, the Board of Directors shall have the power to establish other collection procedures. In addition, the Board of Directors shall have the power to levy Special Assessments against Units in their respective percentages if a deficit should develop in the payment of Common Expenses during any period that the level of Assessments has not been guaranteed by the Developer. The Board of Directors of the Phase II Association may include sums to establish reasonable reserves against future contingencies in each annual Assessment which reserves may be waived or reduced upon the approval of a majority of the total voting interests voting at a duly called meeting of the Phase II Association.

7.2 Share of Common Expense. Each Unit Owner shall be liable for a share of the Common Expenses and shall share in the Common Surplus in the same proportion as his ownership of the Common Elements, as provided in paragraph 4.3 hereof, but the same shall not vest or create in any Unit Owner the right to withdraw or receive distribution of his share of the Common Surplus.

7.3 Payments. All Assessments and installments thereon, must be paid on or before ten (10) days after the day when the same shall become due; all sums not so paid shall bear interest until paid at the highest rate then allowed by law. All payments on account shall be first applied to interest, late fees, and then to the Assessment payment first due. If any installment of an Assessment remains unpaid thirty (30) days after the same shall become due, the Board may declare the entire annual Assessment as to that delinquent Unit Owner due and payable in full as if the entire amount were originally assessed and

may foreclose the lien for such Assessments granted in Section 8.4 hereof. Assessments and installments thereon shall be payable at such times as prescribed in the Bylaws or by the Board, from time to time.

7.4 Lien for Assessments. The Phase II Association is hereby granted a lien on each Unit for any unpaid Assessments together with interest in the amount of ten percent (10%) per annum, which lien shall also secure reasonable attorneys' fees and costs incurred by the Phase II Association incident to the collection of such Assessment or enforcement of such lien and a late fee in the amount of five percent (5%) of the unpaid installment or as otherwise determined by the Board. Said lien shall be effective immediately and shall be perfected by recording a claim of lien in the public records of St. Johns County, Florida, stating the description of the Unit, the name of the record Unit Owner thereof, the name and address of the Phase II Association, the amount due and the dates when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Phase II Association or by a managing agent of the Phase II Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for Assessments may be foreclosed by suit brought in the name of the Phase II Association in like manner as a foreclosure of a mortgage on real property. The Unit Owner hereby assigns the rents from such Unit as additional security for repayment of any such claim of lien. In the event of foreclosure, the Phase II Association shall be entitled as a matter of law to the appointment of a receiver to rent the Unit and to collect the rent. The Phase II Association may also sue to recover a money judgment for unpaid Assessments without waiving the lien securing the same. Each unpaid Assessment, together with interest, costs and attorneys' fees, shall also be the personal obligation of the person who was the owner of the Unit at the time the Assessment fell due. Additionally, a Unit Owner shall be jointly and severally liable with the previous Owner for all unpaid Assessments that came due up to the time of the conveyance. This liability is without prejudice to any right the Owner may have to recover from the previous Owner, the amounts paid by such Owner. A lien of the Phase II Association for unpaid Assessments on any Unit will be subordinate to the lien of any first mortgage on that Unit recorded prior to the date the claim of lien for said unpaid Assessment is recorded. The lien of the Phase II Association shall also secure all advances for taxes and payments on account of superior mortgages, liens or encumbrances made by the Phase II Association to preserve and protect its lien, together with interest thereon as specified hereinabove.

7.5 No Election of Remedies. Institution of a suit at law to attempt to effect collection of the payment of any delinquent Assessment shall not be deemed to be an election by the Phase II Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

7.6 Special Assessments. The Board may impose special or individual Assessments on Unit Owners to meet expenses not anticipated to be incurred on a regular or annual basis or to cover the cost and expense of maintenance, repairs or replacements of a Unit for which the Unit Owner is responsible hereunder.

7.7 Time for Payment. Unless otherwise determined by the Board, the Assessment levied against the Owner of each Unit and his Unit shall be payable monthly on the first day of each month beginning at the time of conveyance of the Unit to a third party.

7.8 Annual Budget. The Board shall establish an annual budget (the "Annual Budget") in advance for each fiscal year which shall estimate all expenses for the forthcoming fiscal year required for the proper operation, management and maintenance of the Condominium, including, when deemed

necessary or advisable by the Board, a reasonable allowance for contingencies and reserves. The Board is authorized to adopt a consolidated Annual Budget to budget for the expenses for the proper operation, management and maintenance of any additional lands added to the Condominium.

7.9 Reserve Fund. The Board, in establishing each Annual Budget, shall include therein a sum to be collected and maintained as a reserve fund for the capital expenditures, deferred maintenance and replacement of Common Elements and personal property held for the joint use and benefit of the Unit Owners. The amount to be reserved shall be determined by the Board or as may be required under the provisions of the Condominium Act and may be waived or reduced by a majority of votes of the Unit Owners at a duly called meeting of the Unit Owners, for the next fiscal year following such meeting. A vote to waive or reduce reserves must be taken for each fiscal year reserves are reduced or waived.

7.10 Use of the Phase II Association Funds. Except as provided herein with regard to reserve accounts, all monies and assessments collected by the Phase II Association shall be treated as the separate property of the Phase II Association, and such monies may be applied by the Phase II Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and Bylaws. As the monies for Assessments are paid to the Phase II Association by any Unit Owner (but not any monies collected therein for reserves), the same may be commingled. For purposes of facilitating allocation of funds into their proper accounts, the Phase II Association may require Unit Owners to pay operating expenses and reserve escrows by separate instrument. Although all funds and other assets of the Phase II Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the members of the Phase II Association, no member of the Phase II Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit.

7.11 Creation and Enforcement of Charges. The Phase II Association shall have a cause of action against Unit Owners to secure payment to the Phase II Association by Unit Owners of all charges, costs, and expenses to the Phase II Association that cannot be secured as Assessments, regular or special, under F.S. § 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with its costs and attorneys' fees, including appeals, incurred in collection.

8. Phase II Association. The Phase II Association represents all of the Owners in the Condominium. The Condominium shall be operated by OCEAN GATE PHASE II CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, organized and existing under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

8.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Phase II Association is attached as **Exhibit "G".**

8.2 Bylaws. A copy of the Bylaws of the Phase II Association is attached as **Exhibit "H".**

8.3 Limitation Upon Liability. Notwithstanding the duty of the Phase II Association, to maintain and repair parts of the Condominium Property, the Phase II Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the Condominium Property to be maintained and repaired by the Phase II Association, or caused by the elements or other owners or persons.

8.4 Membership and Voting Rights. The members of the Phase II Association shall consist of all of the record Owners of Units. Voting rights shall be allocated based upon the Unit Member's percentage share interest in the Common Elements so that 100% of the voting rights will be allocated among each of the Unit Owner's based upon each Unit Owner's percentage share interest in the Common Elements set forth on Exhibit "D". A member will be entitled to one vote for each Unit owned by him, but such vote shall be counted as a vote of the percentage of voting rights allocated to such Unit Owner as set forth on Exhibit "D" so that the voting rights for each Unit are the same as the Unit's undivided interest in the Common Elements. The manner of exercising such voting rights shall be determined by the Bylaws. If a Unit is owned by one person his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Phase II Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary of the corporation. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by the owner thereof.

8.5 Transfer of Control. The initial Board of Directors, as set forth in the Articles of Incorporation, shall manage all of the affairs of this Condominium and shall approve all of the decisions of the Phase II Association and shall serve as the directors of the Phase II Association until the Developer voluntarily relinquishes control or until the first annual members' meeting which shall be held not later than one (1) year after the recording of this Declaration. Provided, however, when Unit Owners other than the Developer own fifteen percent (15%) of the Units that will be operated ultimately by the Phase II Association, the Unit Owners shall be entitled to elect not less than one-third (1/3), of the members of the Board. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board upon (a) three (3) years after sales by the Developer have been closed on fifty (50%) percent of the Units that will be operated ultimately by the Phase II Association, or (b) three (3) months after sales by the Developer have been closed on ninety percent (90%) of the Units that will be operated ultimately by the Phase II Association, or (c) when all of the Units that will be operated ultimately by the Phase II Association have been completed and some of them have been sold and none of the other Units are being offered for sale by the Developer in the ordinary course of business, or (d) 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, or (e) seven (7) years after recordation of the Declaration, whichever shall first occur. The Developer shall be entitled to elect not less than one (1) member of the Board so long as the Developer holds for sale in the ordinary course of business five percent (5%) or more of the Units.

Upon the election to the Board of the first Unit Owner other than the Developer, the Developer shall forward to the Florida Division of Land Sales and Condominiums the name and mailing address of the said Unit Owner member of the Board.

8.6 Management Agreement. The Phase II Association may, within the discretion of the Board, enter into a contract with any person or may join with other condominium associations and entities in contracting with any person for the services relating to the maintenance and operation of the Condominium Property and to the extent permitted by law, this Declaration and the Bylaws, may authorize such person to perform the powers and duties of the Phase II Association. The contractor or manager may be authorized to determine the budget, make Assessments for Common Expenses and collect Assessments as provided by this Declaration, the Bylaws and Exhibits to this Declaration. Each Unit Owner, his heirs,

successors and assigns shall be bound by the Management Agreement for the purposes therein expressed, including without limitation:

(a) Adopting, ratifying, confirming, and consenting to the execution of the Management Agreement by the Phase II Association.

(b) Covenanting and promising to perform each and every covenant, promise and undertaking to be performed by the Unit Owners as provided in the Management Agreement.

(c) Ratifying, confirming and approving each and every provision of the Management Agreement, and acknowledge that all of the terms and provisions thereof are reasonable.

(d) Agreeing that the persons acting as directors and officers of the Phase II Association entering into such an agreement have not breached any of their duties or obligations to the Phase II Association.

9. Insurance. The insurance which shall be carried shall be kept in force at all times and shall be governed by the following provisions:

9.1 Policies. All insurance policies shall be purchased by the Phase II Association, and each Unit Owner shall be deemed to have appointed the Phase II Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Phase II Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance as required hereby and of doing such acts and executing such documents as required by paragraph 8.10 hereof. All policies shall provide for the issuance of certificates of insurance, on an Accord 27 form or its equivalent, to each Unit Owner and Institutional Mortgagee, and mortgagee endorsements to each Institutional Mortgagee holding a mortgage upon a Unit. Such policies and endorsements shall be deposited with the Insurance Trustee, who must first acknowledge, pursuant to an escrow agreement, that the policies and any proceeds thereof will be held in accordance with the terms hereof. All insurance policies and fidelity bonds required to be purchased by the Phase II Association shall provide that the same shall not lapse, be canceled (including cancellation for non-payment of premium) or be materially modified without at least 10 days prior written notice to the Phase II Association, the Insurance Trustee, each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy (or, alternatively, which has requested such notice in writing), and to each service of a first mortgage on behalf of the Federal National Mortgage Association. All insurance policies purchased by the Phase II Association shall be for the benefit of the Phase II Association, and the Unit Owners, and their respective Institutional Mortgagees as their respective interests may appear.

9.2 Coverage. The following coverage shall be obtained by the Phase II Association:

(a) The buildings and all other insurable improvements upon the Condominium Property and all personal property owned by the Phase II Association shall be insured in an amount equal to 100% of the current replacement cost thereof (exclusive of excavation, foundations, land and other items normally excluded from coverage) as determined annually by the insurance company affording such coverage. The term "building" as used in this subparagraph shall include, without limitation, all fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed or replacements thereof, in accordance with the original plans and specifications. All hazard insurance policies obtained by the Phase II Association shall provide that the term "building" wherever used in the said policies shall include the above defined fixtures, installations and additions and that the Unit Owners shall be additional insurers with

respect to such fixtures, installations, and additions. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism, malicious mischief, windstorm, water damage, and all perils normally covered by the standard "all risk" endorsement where such coverage is available.

(b) General liability insurance covering all Common Elements, Limited Common Elements and public ways on the Condominium Property in amounts generally required by private institutional mortgage investors for projects similar in construction, location or use. However, such coverage shall be for at least $1,000,000.00 for each bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of insurers for property damage, water damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, Limited Common Elements, hired automobile, non-owned automobile, off-premises employee coverage and legal liability arising from lawsuits related to employment contracts of the Phase II Association.

(c) Workmen's compensation insurance as required by law.

(d) All liability insurance shall contain cross liability endorsements to cover liabilities of the Phase II Association Unit Owners as a group to an individual Unit Owner and of one Unit Owner against another.

(e) If the Condominium Property is located in an area designed by the Federal Emergency Management Agency (or other federal agency legally empowered to so designate property) as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, flood insurance on the buildings and all other improvements described in paragraph 8.2(a), in an amount deemed appropriate by the Phase II Association, but not less than the lessor of: (1) the maximum flood insurance coverage available for all buildings and the aforesaid other improvements within any portion of the Condominium Property located within a designated flood hazard area; or (2) one hundred (100%) percent of current replacement costs of all such buildings and other improvements.

(f) Blanket fidelity bonds for all officers, directors, trustees and employees of the Phase II Association and all other persons handling or responsible for funds of or administered by the Phase II Association (including the officers, employees and agents of a management agent to whom the Phase II Association has delegated some or all of the responsibility for handling the Phase II Association funds), in amounts based upon the best business judgment of the Phase II Association but not less than the estimated maximum funds, including reserve funds, in the custody of the Phase II Association or management agent at any given time during the term of each bond. Provided that in no event shall the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds. All such fidelity bonds shall name the Phase II Association as an obligee and shall contain waivers by the insurers of all defenses based upon the exclusion from the definition of "employees," or similar terms, of persons serving without compensation.

(g) All such additional insurance coverage, special endorsements or bond coverage as shall be required from time to time by the most recent regulations and guidelines of the Federal National Mortgage Association.

9.3 Optional Coverage. The Phase II Association may purchase and carry such other insurance coverage, other than title insurance, as the Board of Directors of the Phase II Association, in its sole discretion, may determine from time to time to be in the best interests of the Phase II Association and Unit Owners, including without limitation, Directors' liability insurance coverage.

9.4 Premiums. Premiums upon all insurance policies and fidelity bonds (except for premiums on fidelity bonds maintained by a management agent covering its own officers, employees and agents) purchased by the Phase II Association shall be paid by the Phase II Association and charged as Common Expenses.

9.5 Casualty Losses. All insurance policies purchased by the Phase II Association shall provide that all proceeds payable as a result of casualty losses shall be paid to the Insurance Trustee which shall be designated from time to time by the Board, or, if no Insurance Trustee is designated, to the Phase II Association. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the failure to collect any insurance proceeds. The only duties of the Insurance Trustee shall be to hold policies of insurance which are obtained by the Phase II Association in accordance herewith, to receive the proceeds thereof and to hold the same in trust for the purposes elsewhere stated herein, for the benefit of the Phase II Association, and the Unit Owners, and their respective Institutional Mortgagees, in the following shares (which shares need not be set forth upon the records of the Insurance Trustee):

(a) Common Elements. Proceeds on account of damage to Common Elements in the same proportion as the undivided shares in the Common Elements which are appurtenant to each of the Units.

(b) Units. Proceeds on account of damage to Units shall be held in undivided shares in the following manner:

(i) Partial destruction when the building is restored: for the Unit Owners of the damaged Units in proportion to the costs of repairing the damage suffered by each damaged Unit. Upon the request of the Insurance Trustee, the Phase II Association shall certify to the Insurance Trustee the appropriate portions as aforesaid, and each Unit Owner shall be bound thereby and the Insurance Trustee may rely upon such certification.

(ii) Total destruction when one of the buildings is destroyed, or partially destroyed and is not to be restored: for all Unit Owners in such building the share of each being determined by multiplying such proceeds by a fraction, the numerator of which is the undivided share in the Common Elements appurtenant to the Unit and the denominator of which is the total undivided share of the Common Elements appurtenant to all Units in such building.

(c) Endorsements. Notwithstanding anything to the contrary contained herein, in the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then for the Unit Owner as their interests may appear.

9.6 Distribution of Proceeds of Insurance. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of Institutional Mortgagees and the Unit Owners after first paying or making provision for payment of the expenses of the Insurance Trustee in the following manner:

(a) Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the Phase II Association.

(b) No Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed first to any Institutional Mortgagee(s) having a lien on the Unit(s) affected to the extent of its interest in accordance with an estoppel letter from said Institutional Mortgagee. The proceeds shall then be applied to the clearing, grading and dressing up of the area where the unreconstructed Unit(s) was (were) located and any surplus paid to the Unit Owner(s). This is a covenant for the benefit of any Institutional Mortgagee and may be enforced by it.

(c) Certificate. In making distribution to Unit Owners and their Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of the Phase II Association as to the names of the Unit Owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Phase II Association shall forthwith deliver such certificate.

9.7 Reconstruction. If any part of the Common Elements or any Unit or Units, or part thereof, shall be damaged, such damaged portion shall be promptly reconstructed or repaired unless such destruction renders one-half or more of the Units untenantable and the owners of seventy-five (75%) percent or more of the Units vote against such reconstruction or repair at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days after final adjustment; provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit of the condominium. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications to be prepared by an architect selected by the Board. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the improvements on the Condominium Property were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands. The Insurance Trustee may rely upon a certificate of the Phase II Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Phase II Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

9.8 Unit Owner. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair. In all other instances, the responsibility of reconstruction and repair shall be that of the Phase II Association.

9.9 Phase II Association. Immediately after a casualty causing damage for which the Phase II Association has the responsibility of maintenance and repair, the Phase II Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bond as the Board may desire. If the proceeds of insurance policies are not sufficient to defray the estimated costs of reconstruction and repair by the Phase II Association (including the aforesaid fees and premiums, if any) assessment shall be made against all Units in sufficient amounts to provide funds for the payment of such costs.

9.10 Disbursement. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Phase II Association from assessment against Units (which shall be deposited by the Phase II Association with the Insurance Trustee), shall be disbursed in payment of such costs in the following manner:

(a) Unit Owners. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be disbursed to such contractors, suppliers and personnel performing such reconstruction or repair work, in such amounts and at such times as the Unit Owner may direct, or if there is a mortgagee endorsement, then to such payees as the Unit Owner and the Institutional Mortgagee direct. Nothing contained herein shall be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair.

(b) Phase II Association. The balance of the construction fund shall be applied by the Insurance Trustee to the payment of the costs of reconstruction and repair and shall be paid to or for the account of the Phase II Association from time to time as the work progresses. The Insurance Trustee shall make such payments upon the written request of the Phase II Association, accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Phase II Association, and by an architect in charge of the work, who shall be selected by the Phase II Association, setting forth (i) that the sum then requested either has been paid by the Phase II Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, and that the sum requested does not exceed the value of the services and materials described in the certificate and (ii) that except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's, mechanic's, material-men's or similar lien upon such work, the Common Elements or any Unit, and (iii) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of insurance proceeds (and assessments, if any) remaining in the hands of the Insurance Trustee after the payment of the sum so requested.

(c) Proceeds. It shall be presumed that the first moneys disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Phase II Association.

9.11 Adjustment. Each Unit Owner shall be deemed to have delegated to the Phase II Association his right to adjust with insurance companies all losses under policies purchased by the Phase II Association subject to the rights of Institutional Mortgagees having a mortgage upon the Unit, and to collect and appropriately dispose of the proceeds of such policies, to negotiate losses and to execute releases of liability. Notwithstanding the foregoing, the Phase II Association may, but shall not be obligated to, name as an insured, on behalf of the Phase II Association, the Phase II Association's authorized representative, including any trustee with whom the Phase II Association may enter into an Insurance Trust Agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance.

9.12 Institutional Mortgagees. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then the Unit Owner as their interests may appear; provided, however, that

no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and Institutional Mortgagee pursuant to the provisions of this Declaration of Condominium.

9.13 Contents. Each Unit Owner shall be responsible for insuring the contents of his Unit which belong to him, any improvements made by him within his Unit and any portion of his Unit for which he has the responsibility of maintenance, repair and replacement as provided in this Declaration of Condominium.

10. Condemnation. Condemnation of the Condominium Property or any portion thereof shall be handled in the following manner:

10.1 Awards. The taking of Condominium Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a special assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that owner.

10.2 Determination Whether to Continue Condominium. Whether the condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after a casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty. Provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit of the condominium.

10.3 Disbursement of Funds. If the condominium is terminated after condemnation, the proceeds of the awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the condominium is terminated after a casualty. If the condominium is not terminated after condemnation, the size of the condominium will be reduced; first the mortgagees of condemned Units and then the Owners of condemned Units as their interest may appear will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

10.4 Unit Reduced But Tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Restoration of Unit. The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the owner(s) of the Unit.

(b) Distribution to Surplus. The balance of the award, if any, shall be distributed first to each Institutional Mortgagee of the Unit, as its interest may appear, and then to the owner of the Unit.

10.5 Unit Made Untenantable. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Payment of Award. The award for the Unit shall be paid first to each Institutional Mortgagee of the Unit, as its interest may appear, and the balance to the Unit Owner

(b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the remaining Unit Owners in the manner approved by the Board.

(c) Adjustment of Shares in Common Elements. Provided that each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate and at least two-thirds (2/3) of the Unit Owners (other than the Developer) have given their prior written approval, the shares in the Common Elements appurtenant to the Units that continue as part of the condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Units in the manner set forth in Section 4.3 hereof.

(d) Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the owner and to condition the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for those purposes shall be raised by Assessments against all of the Unit Owners who will continue as owners of Units after the changes in the condominium effected by the taking. The Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes affected by the taking, provided that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners (other than the Developer) shall give their prior written approval of any changes in shares of Unit Owners in the Common Elements, as provided in 9.5(c).

(e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Phase II Association within 30 days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the owners in the Common Elements as they exist prior to the changes effected by the taking.

10.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements useable in the manner approved by the Board. The balance of the awards for taking of Common Elements, if any, shall be distributed to the Phase II Association.

10.7 Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements that are effected by condemnation shall be evidenced by an amendment of the Declaration of Condominium that need be approved only by a majority of the Board, provided that nothing herein shall be deemed to alter the requirement set forth in Section 12.5(c) that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners

give prior written approval to changes in the pro-rata interest or obligation of Unit Owners or the pro-rata share of ownership in the Common elements.

11. Use Restrictions. The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists and the buildings in useful condition exist upon the land.

11.1 Units. No Unit may be subdivided or partitioned. Each of the Units shall be occupied only by the individual owner, members of a family, their servants, guests, lessees and tenants as a residence and for no other purposes, except as follows. The Developer may use any Unit for model, sales office or display purposes and may lease or rent Units owned by the Developer.

11.2 Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

11.3 Nuisances. Unit Owners, residents and lessees shall use their reasonable efforts under the circumstances to avoid unreasonable disturbances or nuisances which would disturb other Unit Owners.

11.4 Unlawful Use. No Unit or Common Elements may be used for any unlawful, immoral or improper purpose.

11.5 Insurance. No activity shall be done or maintained in any Unit or upon any Common Elements which will increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board.

11.6 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Phase II Association as provided by its Bylaws. Copies of such regulations and amendments thereto shall be furnished by the Phase II Association to all Unit Owners and residents of the Condominium Property.

11.7 Exterior Appearance. The exterior appearance of a Unit or any Common Element (including Limited Common Elements) may not be changed without prior written approval of the Board.

12. Proviso, Pending Completion. Until the Developer has completed all of the contemplated improvements on the Condominium Property and closed the sales of all of the Units or until December 31, 2001 whichever occurs last, neither the Unit Owners nor the Phase II Association nor the use of the Condominium Property shall interfere with the sale of the Units or the completion of any improvements in the Condominium or other condominiums within the "Hibiscus" development. Developer may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including but not limited to maintenance of sales office, the showing of the property, the display of signs and the leasing of Units.

13. Ownership of Common Elements and the Phase II Association. The ownership of an undivided share in the Common Elements which is appurtenant to a Unit cannot be separated from the Unit or conveyed or encumbered except with the Unit and a conveyance or encumbrance of a Unit shall pass the title to the Common Elements appurtenant to it whether or not separately described. The shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common

Elements shall lie. The share of a Unit Owner in the funds and assets of the Phase II Association cannot be assigned, hypothecated or transferred in any manner, except as appurtenant to his Unit.

14. Compliance and Default. Each Unit Owner and the Phase II Association shall be governed by and shall comply with the terms of this Declaration of Condominium, the Articles of Incorporation and the Bylaws of the Phase II Association, and the Rules and Regulations adopted pursuant thereto, as said documents may be amended from time to time. Each Unit Owner shall comply with decisions of the Phase II Association made pursuant to authority granted to said the Phase II Association in the said documents. Failure of the Unit Owner to comply therewith shall entitle the Phase II Association, or other Owners to the following relief in addition to other remedies provided in this Declaration of Condominium and the Condominium Act, including the recovery of damages, injunctive relief, or both, to the extent allowed by law; and Unit Owners shall have similar rights of action against the Phase II Association.

14.1 Enforcement. The Phase II Association is hereby empowered to enforce this Declaration of Condominium, and any applicable Articles of Incorporation, Bylaws, and Rules and Regulations of the Phase II Association by such means as are provided by the laws of the State of Florida.

14.2 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, his lessees, or his or their guests, invitees, employees, contractors or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Phase II Association.

14.3 Compliance. In the event a Unit Owner or occupant fails to maintain a Unit or the Limited Common Elements appurtenant to the Unit, or fails to cause such Unit or Limited Common Elements to be maintained or fails to observe and perform all applicable provisions of the Declaration, the Bylaws, and the Articles of Incorporation of the Phase II Association and/or the applicable rules and regulations, covenants and restrictions, or any other agreement, document or instrument affecting the Condominium Property or administered by the Phase II Association shall have the right to proceed in a court of equity to require performance and/or compliance, to sue in a court of law for damages to collect from the Unit Owner and the Unit the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance and to enforce collection by judgment lien and/or any other manner permitted by law. The Phase II Association shall have the further irrevocable right of access to each Unit upon reasonable notice and during reasonable hours, when necessary for maintenance, repair or replacement of any Common Elements, or of any portion of a Unit to be maintained by the Phase II Association pursuant to this Declaration or as necessary to prevent damage to the Common Elements, or to a Unit or Units and may exercise this right by allowing such access to Units by the Phase II Association.

In addition to or instead of the above, the Phase II Association shall have the right to levy fines against Unit Owners for any violation of this Declaration, Articles of Incorporation, Bylaws and/or rules or regulations established by the Phase II Association. Any reference to a fine contained in this Declaration shall not be construed as a limitation, and fines may be imposed for the violation of any provision herein.

14.4 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of this Declaration of Condominium, or the Articles and Bylaws of the Phase II Association, or any rules and regulations adopted pursuant thereto, as said documents may be amended from time to time, the prevailing party shall be entitled to recover the cost of the proceeding and such reasonable attorneys' fees as may be awarded by the court, provided no attorneys' fees may be recovered against the Master Association, or the Phase II Association.

14.5 No Waiver of Rights. The failure of the Developer, the Phase II Association, or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration of Condominium, the Articles, the Bylaws, or the rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

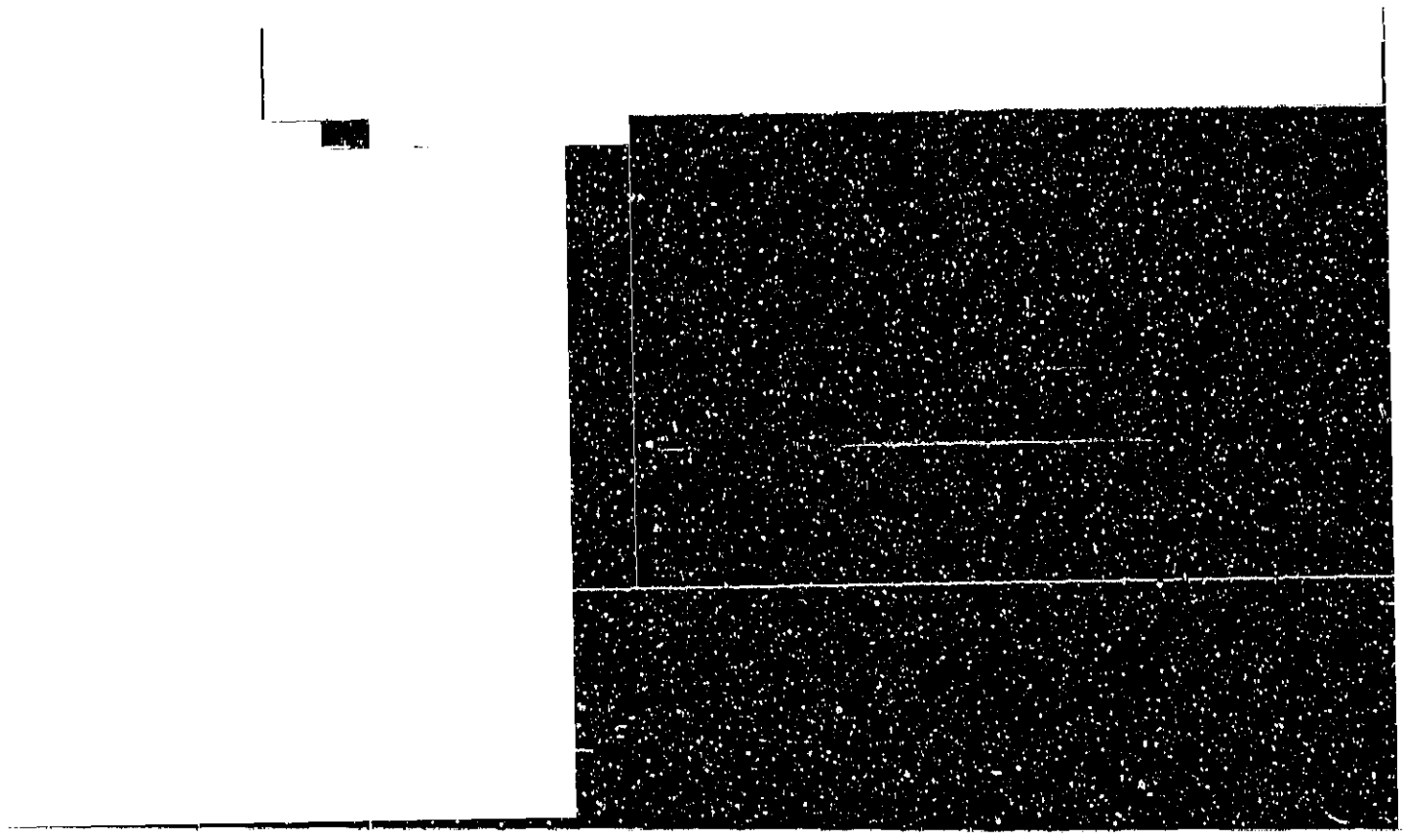
15. Disclaimers.

15.1 Representations. Except as provided herein, no representation, warranty or commitment has been made by the Developer or any other party in its behalf to any Unit Owner, either prior to or subsequent to the purchase of his Unit with respect to the time of construction, location, nature and extent of any Common Elements of the Condominium Property or any land lying adjacent thereto or in the vicinity thereof.

15.2 Warranty. Except as otherwise specifically provided in Florida Statutes Chapter 718, the Developer specifically disclaims any intent to have made any warranty or representation, express or implied, in connection with the Units, the Condominium Property, or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Guaranties obtained and warranties obtained from the manufacturers of all appliances and equipment, as specified by said manufacturers and subcontractors, may be enforced by the Phase II Association or the Unit Owner. The Developer has constructed or will construct the buildings and improvements substantially in accordance with Exhibit "B" and those plans and specifications on file with the architect responsible for the design of the improvements, and it is hereby agreed that this is the full extent of Developer's liability and responsibility. The foregoing is expressly in lieu of all other warranties, express or implied by law or otherwise, provided however that nothing contained herein shall diminish any warranty imposed by law under Florida Statutes, Chapter 718.

16. Amendment.

16.1 By Developer. An Amendment to this Declaration of Condominium made by the Developer shall be evidenced by a certificate setting forth such Amendment executed by the Developer with the formalities of a deed (including recording data identifying this Declaration of Condominium) and shall become effective when such certificate is recorded according to law. In addition to other provisions contained in this Declaration of Condominium relating to Amendments by the Developer, as long as the Developer owns five percent (5%) or more of the Units the Developer may amend this Declaration of Condominium for any purpose including, but not limited to, any Amendment required by the Division of Land Sales and Condominiums, or by NMA, FHLMC or any Institutional Mortgagee, and such Amendment shall be effective without the joinder of any Unit Owners, mortgagees or the Phase II Association; provided, however, that any Amendment to the Declaration of Condominium pursuant to this paragraph 16.1 which would be material and adverse to interests of Unit Owners shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit to the extent such Units are affected by such material Amendment; and further provided, that no Amendment pursuant to this paragraph 16.1 shall adversely affect the lien or priority of any previously recorded mortgage to an Institutional Mortgagee. Notwithstanding any provision to the contrary set forth in this Section or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Phase II Association, the Developer may amend this Declaration to add any surveyor's certificate(s), to add additional lands to the Condominium and/or to amend the documents as required by an Institutional Mortgagee, without the joinder or consent of any association or Unit Owner.



16.2 By Unit Owners. An Amendment to this Declaration of Condominium made by Unit Owners shall be evidenced by: (a) a certificate setting forth such Amendment executed by the appropriate officers of the Phase II Association, with the formalities of a deed (including the recording data identifying this Declaration of Condominium); and (b) an affidavit (to be attached to the certificate) executed by the appropriate officers of the Phase II Association certifying that the owners of seventy-five percent (75%) or more of the Units voted in favor of the Amendment. Such Amendment shall become effective when it is recorded according to law. No Amendment shall be adopted or become effective pursuant to this paragraph 16.2 which adversely affects the lien or priority of any previously recorded mortgage to an Institutional Mortgagee. An Amendment made by Unit Owners need not be executed by the Unit Owners. This Declaration of Condominium shall not be amended without the approval of the Developer and without the joinder of the Developer in the certificate referred to in (a) above if any of the following conditions exist: (i) the Developer owns five percent (5%) or more of the units; or (ii) such Amendment purports to modify restrict, limit or otherwise affect any right of the Developer hereunder, including without limitation the rights of Developer to amend this Declaration of Condominium unilaterally as set forth heretofore and any other rights of Developer hereunder. Notwithstanding anything contained herein, any Amendment pursuant to this paragraph 16.2 which would be material and adverse to the interests of Unit Owners, shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit to the extent such Units are affected by such material Amendment.

16.3 By the Phase II Association. Whenever it shall appear that there is an error or omission in the Declaration of Condominium and the Developer owns less than five percent (5%) of the Units, then the Board may correct such error or omission by resolution adopted by a majority vote of the Board at any duly called meeting thereof. Such Amendment shall become effective when it is recorded according to law; provided, however, that the provisions of paragraph 16.1 requiring approval of Amendments by each Institutional Mortgagee holding a first mortgage upon any Unit affected by the Amendment shall also apply to any Amendment made pursuant to this paragraph.

16.4 Consolidation. Developer presently either owns or has the right to acquire land adjacent to the condominium, including the land lying between Highway A1A and the Atlantic Ocean and extending northward. The declarations, articles of incorporation, bylaws and common elements of any two or more dependent condominiums lying within such property may be merged with this condominium to form a single condominium upon the approval of eighty (80%) percent of all the Unit Owners (which may include Developer) of each condominium and of all record owners of liens upon Units within such condominiums and upon the recording of an Amendment to the declarations, articles of incorporation and bylaws of the condominiums be merged stating that such condominiums will constitute one condominium.

16.5 Prohibited Amendments. Except as otherwise provided in this Declaration, no Amendment shall be passed which shall:

(a) Except as set forth in Section 5 above and subject to the provisions thereof, change the configuration or the size of any Unit in any material fashion, materially alter or modify the appurtenances to such Unit, nor change the proportional percentage by which a Unit Owner shares the Common Expenses and owns the Common Surplus unless the record owner thereof and all record owners of liens thereon shall join in the execution of such Amendment and unless a majority of record owners of all Units approve the Amendment; and

(b) Materially impair or prejudice the rights and priorities of any Institutional Mortgagee or otherwise violate a Federal National Mortgage Association or Federal Home Loan Mortgage



Corporation requirement without prior written consent of such Institutional Mortgagee, which consent shall not be unreasonably withheld.

(c) In any way affect any of the rights, privileges, powers or options of the Developer without the prior written consent of the Developer or the Phase II Association.

(d) Discriminate against any Unit Owner or against any Unit or class or group of Units comprising part of the Condominium Property, unless the record owners of all affected Units and Institutional Mortgagees thereon shall join in the execution and acknowledgment of the Amendment.

(e) Adversely affect the lien or priority of any previously recorded mortgage to an Institutional Mortgagee.

(f) Change the rights and privileges of the Developer without the Developer's written approval.

(g) Change the rights of any Unit or Common Element to commercial use without Developer's written consent.

17. Termination.

17.1 Unit Owner. This Declaration of Condominium may be terminated in the manner provided for Chapter 718, Florida Statutes The "Condominium Act"). Notwithstanding any amendments to the Condominium Act, however, a vote of one hundred percent (100%) of the Unit Owners shall be required to terminate this Declaration of Condominium; provided, however, if an election is made not to reconstruct after damage in accordance with paragraph 11.7, or after condemnation in accordance with paragraph 12.2, then this Declaration of Condominium may be terminated by a vote of persons who own seventy-five percent (75%) or more of the Units; provided, however, that notwithstanding anything to the contrary contained in this Declaration of Condominium or any Amendments hereto, this Declaration of Condominium shall not be abandoned or terminated for any reason without the prior written approval of each Institutional Mortgagee holding a first mortgage upon any Unit.

17.2 General. Upon termination of the Condominium, the mortgagee and any lienor of a Unit shall have a mortgage and/or lien solely and exclusively upon the undivided share of the Owner's tenancy in common in and to the lands and other properties and rights which the Owner may receive by reason of such termination. The termination of the Condominium shall be evidenced by a certificate of the Phase II Association executed by its president and Secretary certifying as to the facts affecting the termination, which certificate shall become effective upon being recorded in public records of St. Johns County, Florida.

17.3 Amendment. This section concerning termination cannot be amended without consent of four-fifths (4/5ths) of the Unit Owners' voting interests and of all record owners of mortgages upon the Units.

17.4 Shares of Owner After Termination. After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Phase II Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the Unit Owners. Such undivided shares of the Unit Owners shall

be the same as the undivided shares in the Common Elements appurtenant to the Owner's Units prior to the termination.

18. Additional Rights of Institutional Mortgagees. In addition to any rights provided elsewhere in this Declaration of Condominium, any Institutional Mortgagee (which term shall, when used in this section, be deemed to include any guarantor or insurer of a mortgage) having a lien upon any Unit who makes a request in writing to the Phase II Association for the items provided in this paragraph shall have the following rights:

18.1 Annual Financial Statements of Association. To be furnished with at least one copy of the annual financial statement and report of the Phase II Association, including a detailed statement of annual carrying charges, or income collected, and operating expenses; such financial statement and report to be furnished within sixty (60) days following the end of each calendar year.

18.2 Notice of Meetings. To be given notice of any proposed action which would require the consent of a specified percentage of mortgage holders; and to be given notice by the Phase II Association of the call of a meeting of the Unit Owners to be held for any purpose, including but not limited to the purpose of considering any proposed Amendment to this Declaration of Condominium or to the Articles of Incorporation or Bylaws of the Phase II Association, which notice shall state the nature of the Amendment being proposed; and to designate a representative to attend all such meetings.

18.3 Notice of Defaults. To be given written notice of any default of any owner of a Unit encumbered by a mortgage held by such Institutional Mortgagee in the performance of such mortgagor's obligations under the Declaration of Condominium, Articles, Bylaws or Regulations which is not cured within sixty (60) days. Such notice will be given in writing and be sent to the principal office of such Institutional Mortgagee, or to the place which it may designate in writing to the Phase II Association from time to time.

18.4 Insurance Endorsements. To be given an endorsement of the policies covering the Common Elements and Limited Common Elements requiring that such Institutional Mortgagee be given any notice of cancellation provided for in such policy.

18.5 Examination of Books and Records. Upon reasonable notice, to examine the books and records of the Phase II Association during normal business hours.

18.6 Notice of Damage. To be given timely written notice of any damage or loss to, or taking of, the Common Elements or any Unit, or of any notice by an authority that the Common Elements or any Unit will be the subject of condemnation proceedings.

19. Remedy for Violations. The remedies for violation of the provisions of this Declaration provided by the Condominium Act shall remain in full force and effect. In addition thereto, should the Phase II Association find it necessary or desirable to institute legal actions, upon a finding by a court in favor of the Association, the defendant Unit Owner shall reimburse the Phase II Association, for its costs of suit, including reasonable attorneys' fees and costs at both trial and appellate level, incurred by it in bringing such action.

20. Gender/Plural Usage. 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.

[redacted]

21. Execution of Documents Required by Government. The Developer's plan for the development of this Condominium may require from time to time the execution of certain documents required by any governmental agency having jurisdiction over this Condominium. To the extent that said documents require the joinder of the Unit Owners, the Phase II Association by its duly authorized officers may, as the agent or the attorney-in-fact for the Unit Owners, execute, acknowledge and deliver such documents, and the Unit Owners, by virtue of their acceptance of deeds to their Units, irrevocably nominate, constitute and appoint the Phase II Association, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable.

22. Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase or word or other provision of this Declaration of Condominium, the Articles, the Bylaws, the Rules and Regulations of the Master Association, or the Phase II Association, and any exhibits attached hereto, shall not affect the remaining portions thereof.

23. Covenants Running with the Land. All provisions of this Declaration of Condominium and all attachments thereto shall be construed to be covenants running with the land, or equitable servitudes upon the land and with any part thereof, as the case may be, and interest therein, and every Unit Owner and claimant of the Condominium Property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound thereby.

IN WITNESS WHEREOF, the Developer has executed this Declaration of Condominium this 4th day of March, 1999.

Signed, sealed and delivered in the presence of:

Witnesses:

Wynne R. Evans
Name: Wynne L. Evans

Matt Campbell
Name: Matt Campbell

OCEAN GATE DEVELOPMENT, INC., a Florida corporation

By: Bob Armbrecht
Its: President

[redacted]

[redacted]

[redacted]

OR1419PG 872

STATE OF FLORIDA)
)
COUNTY OF ST. JOHNS)

The foregoing instrument was acknowledged before me this 11 day of ~~March~~ JUNE Law, 1999, by ROBERT J. LAWRENCE, the PRESIDENT of OCEAN GATE DEVELOPMENT, INC., a Florida corporation, on behalf of the Corporation.

Laura A. Waller
Notary Public, State of Florida at Large.

[Notarial Seal]

NOTARY PUBLIC STATE OF FLORIDA
Laura A Waller
My Commission CC594090
Expires October 16 2000

Exhibits to Declaration of Condominium
Exhibit A - Legal Description
Exhibit A-1 - Site Plan showing Roadway Easement
Exhibit B - Survey, Plot plan, Floor plans
Exhibit C - Surveyor Certificate
Exhibit D - Identification of each Unit and Percentage Interest in Common Elements
Exhibit E - Condominium Recreation Lease
Exhibit F - Leased Amenities
Exhibit G - Phase II Association Articles of Incorporation
Exhibit H - Phase II Association Bylaws

[redacted]

[redacted]

[redacted]

OR1419PG 873

Exhibit A

Legal Description

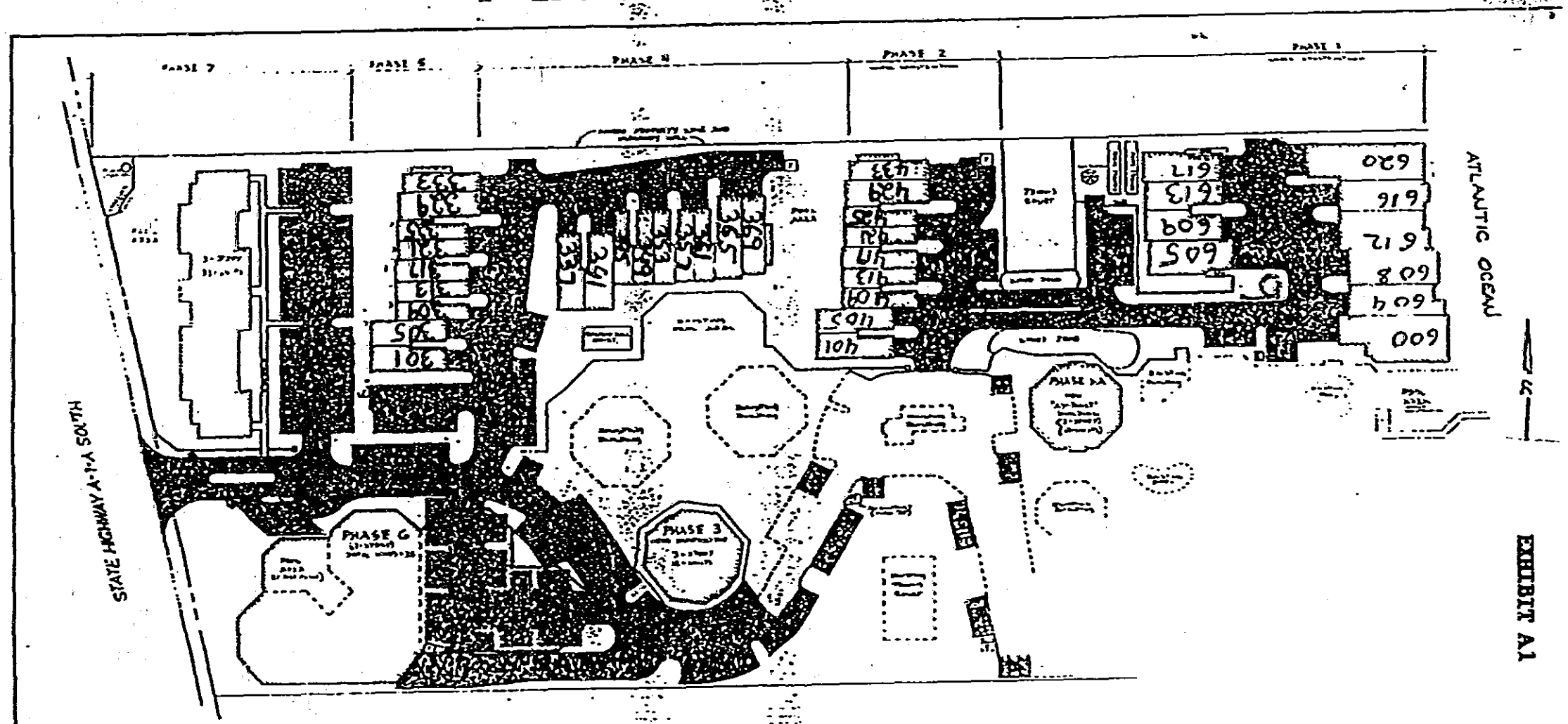
Phase Two

A parcel of land lying and being in Government Lot 5 Section 15, Township 8 South, Range 30 East, St. Johns County, Florida said parcel being more particularly described as follows:

For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A North 12°13'28" West 201.20 feet; North 89°34'57" East 643.07 feet to the Point of Beginning; thence continue North 89°34'57" East 137.00 feet; thence South 00°25'03" East 153.00 feet; thence South 89°34'57" West 20.00 feet; thence South 00°25'03" East 40.39 feet; thence North 88°38'46" West 65.90 feet to a point of curve, said curve having a radius of 82.00 feet, a chord distance of 76.78 feet and a chord distance of 76.78 feet and a chord bearing of South 63°26'13" West; thence Southwesterly along said curve concave Southeasterly, an arc distance of 79.91 feet; thence North 45°26'08" West 14.43 feet; thence North 00°25'03" West 67.95 feet; thence North 89°34'57" East 28.00 feet; thence North 00°25'03" West 147.04 feet to the Point of Beginning. Said parcel containing 0.64 acres more or less.

JK2 99723.7 58092 00735
3/3/99 1:33 pm

[redacted]



LEGEND:

PARKING RATIO			
TOTAL			
ACCESSIBLE PARKING			

NOTES:

MODIFIED
SITE PLAN

OCEAN GATE RESORT
AND HIBISCUS II

FOR: ROBERT J. LAURENCE, PRESIDENT
4780 STATE HWY A1A SOUTH
ST. AUGUSTINE, FLORIDA

MAY 22, 1992
SCALE: 1" = 40'

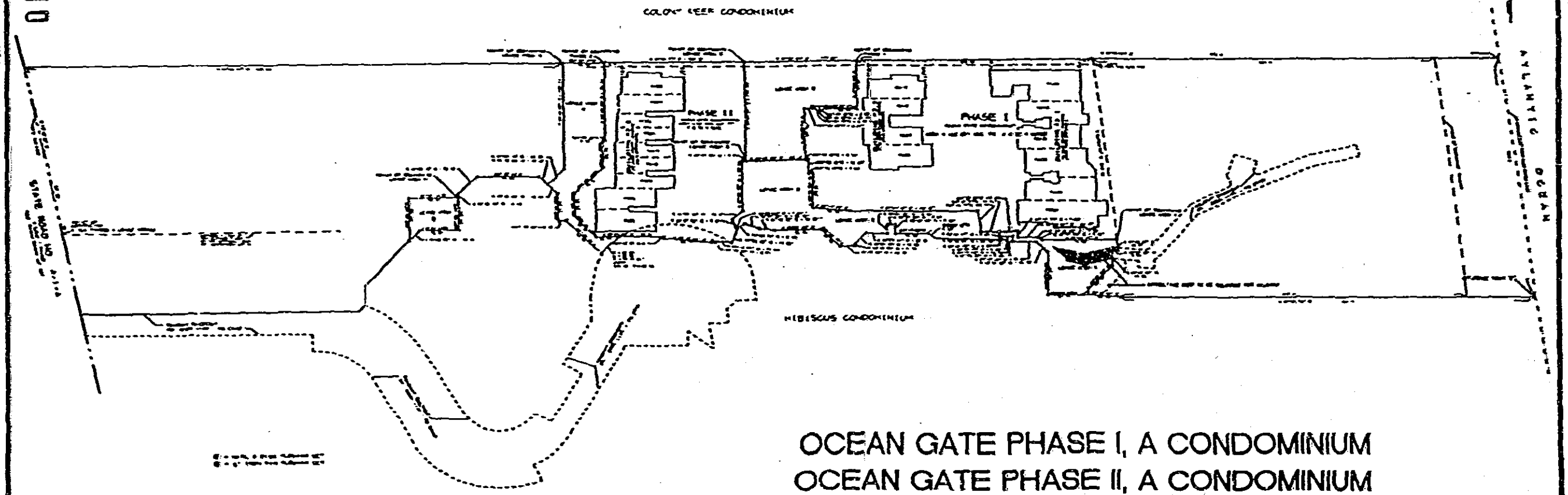
SHEET 1 OF 5

EXHIBIT A1

OR1419PG 874

OR1419PG 875

Exhibit B



OCEAN GATE PHASE I, A CONDOMINIUM
OCEAN GATE PHASE II, A CONDOMINIUM

J&P JONES & PHILCHER, INC. 908 ANASTASIA BLVD. SUITE A. ST. AUGUSTINE, FLORIDA 32084 (904) 824-8115 (904) 824-6453(FAX) CIVIL ENGINEERS & LAND SURVEYORS

revisions:

abbreviations:

project:
OCEAN GATE RESORT
4130-B STATE HWY. A1A SOUTH
ST. JOHNS COUNTY, FLORIDA

WILLIAM E. ROBBINS P.L.S. (FLA. 3241)

sheet title:
BOUNDARY SURVEY

scale: 1" = 80'

OCEAN GATE PHASE II, A CONDOMINIUM

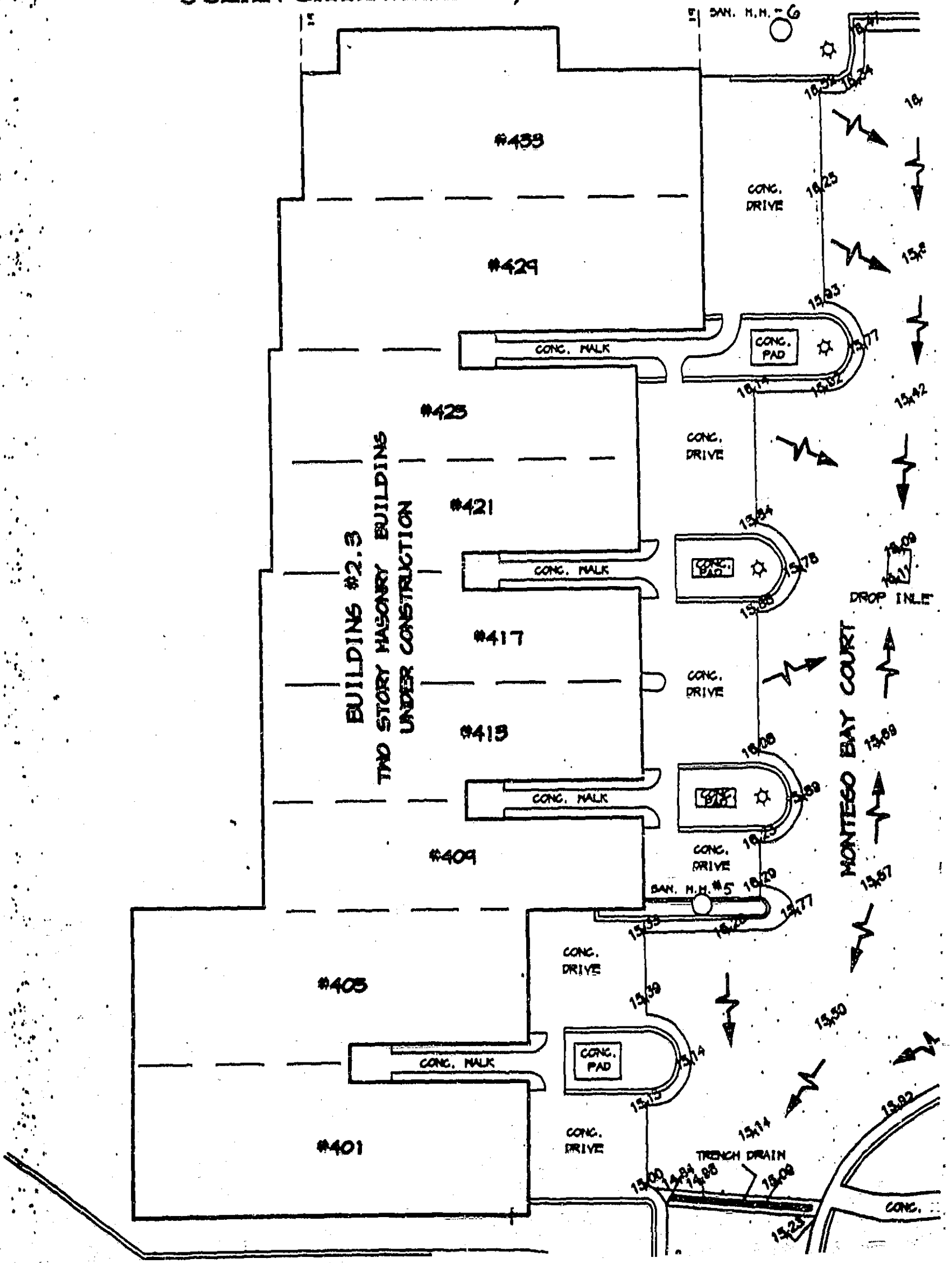
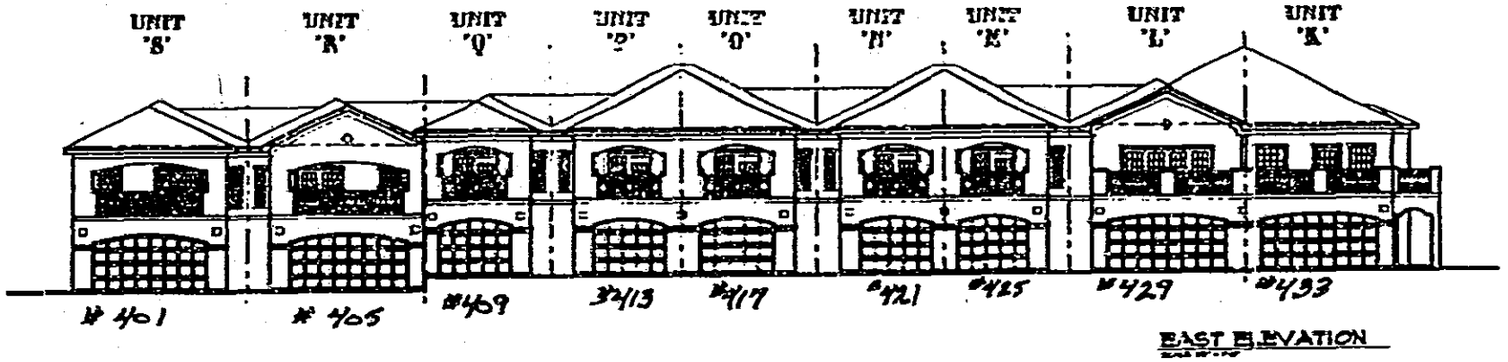


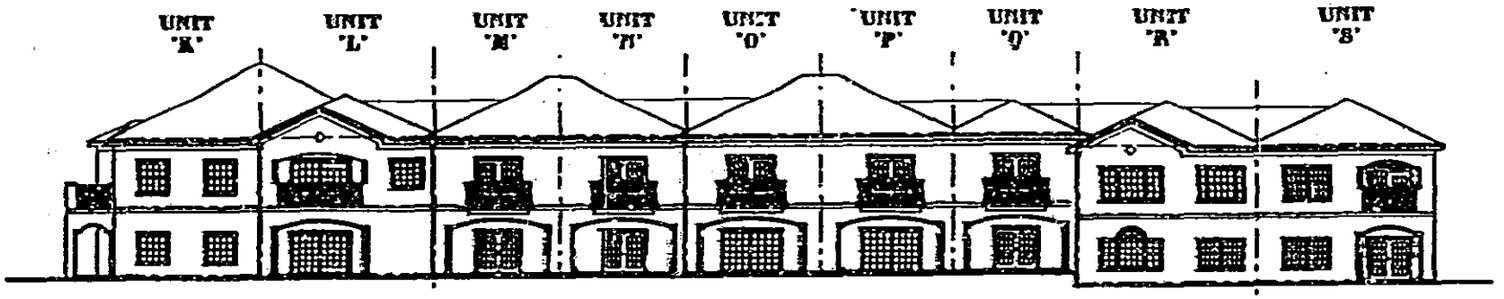
Exhibit B

OR1419PG 877



EAST ELEVATION

Mauregao Bay Court.



WEST ELEVATION

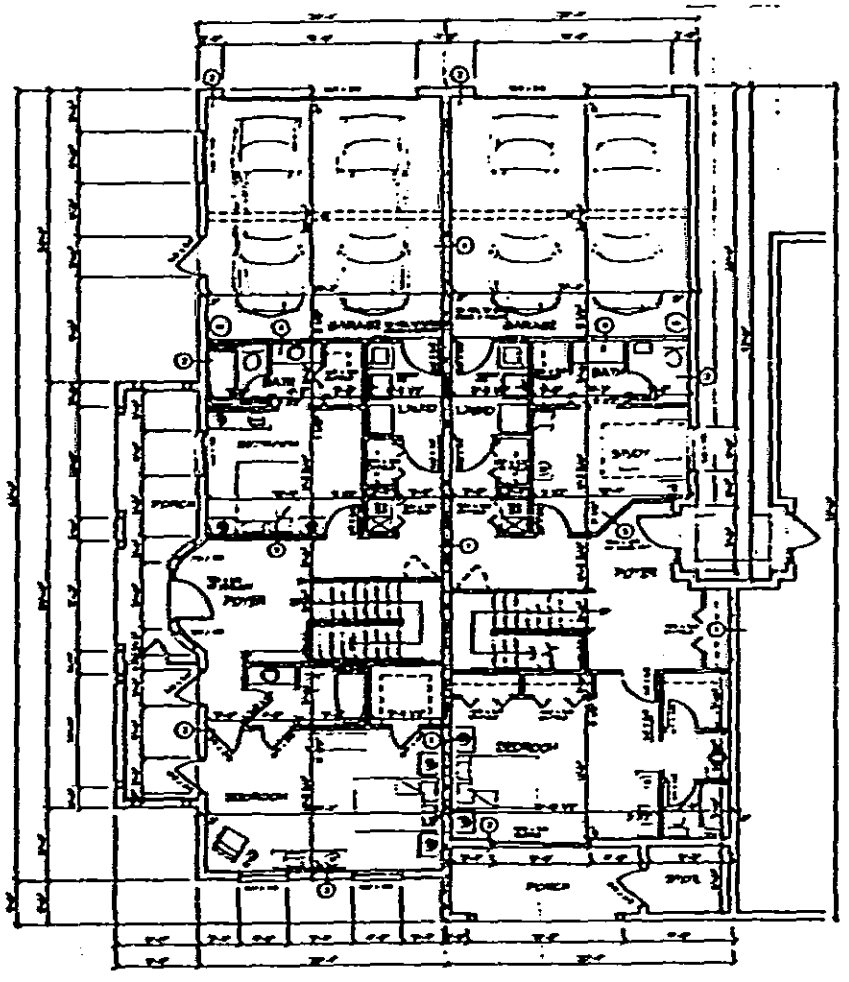
Exhibit B

OR1419PG 878

PHASE II BUILDINGS

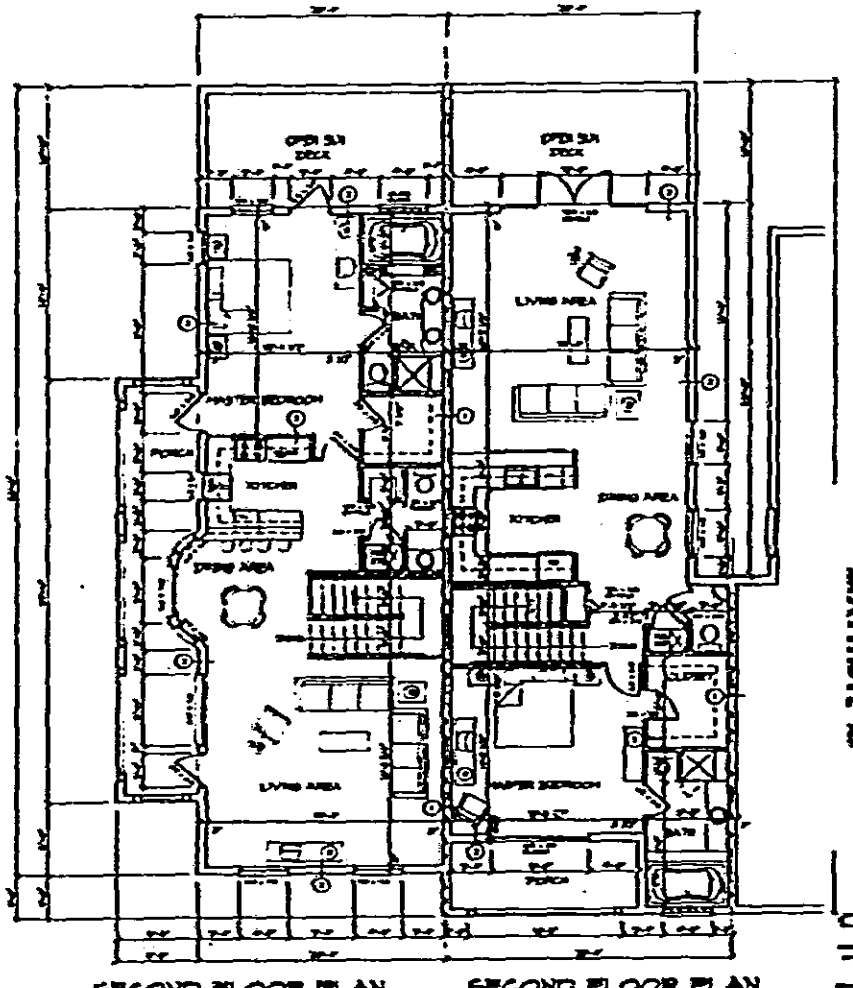
Ocean Palace Resort

A1.1



FIRST FLOOR PLAN

FIRST FLOOR PLAN



SECOND FLOOR PLAN

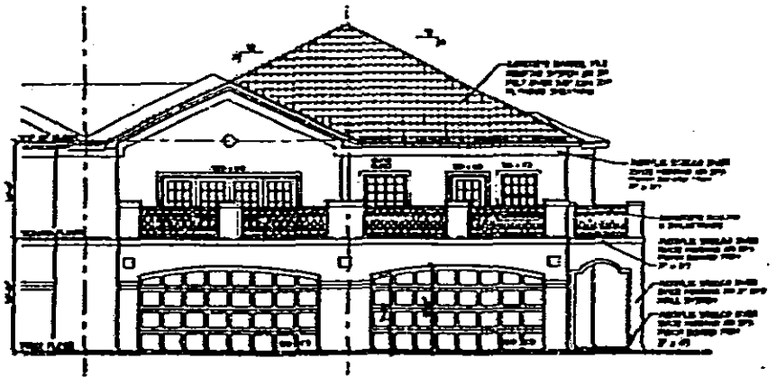
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Exhibit B

OR 1419PG 879

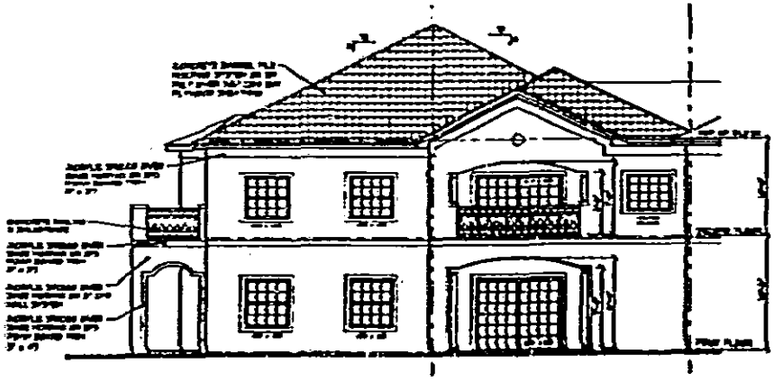
PHASE II
BUILDING 5

Ocean Gate Resort



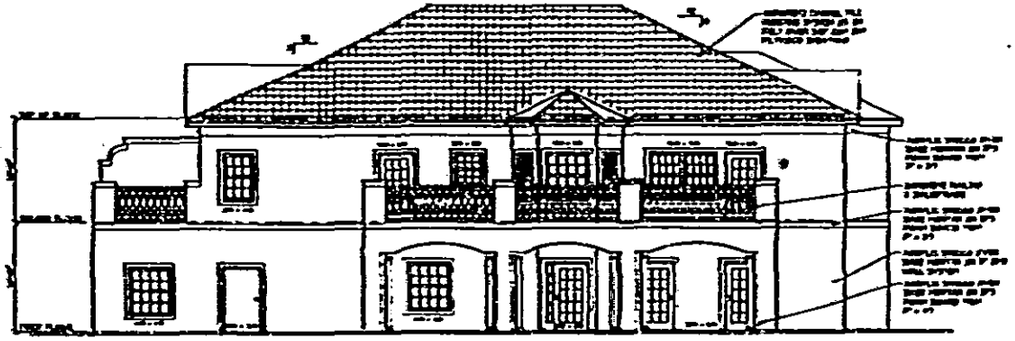
EAST ELEVATION

EAST ELEVATION

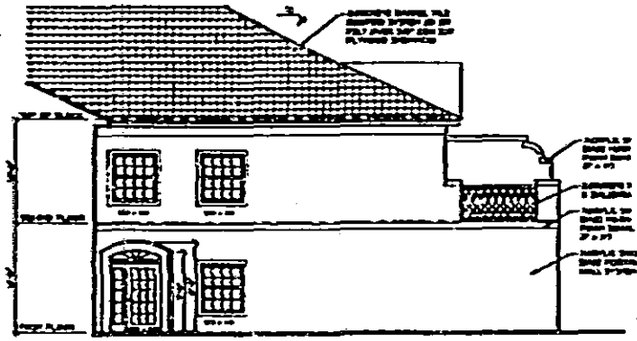


WEST ELEVATION

WEST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION

Exhibit B

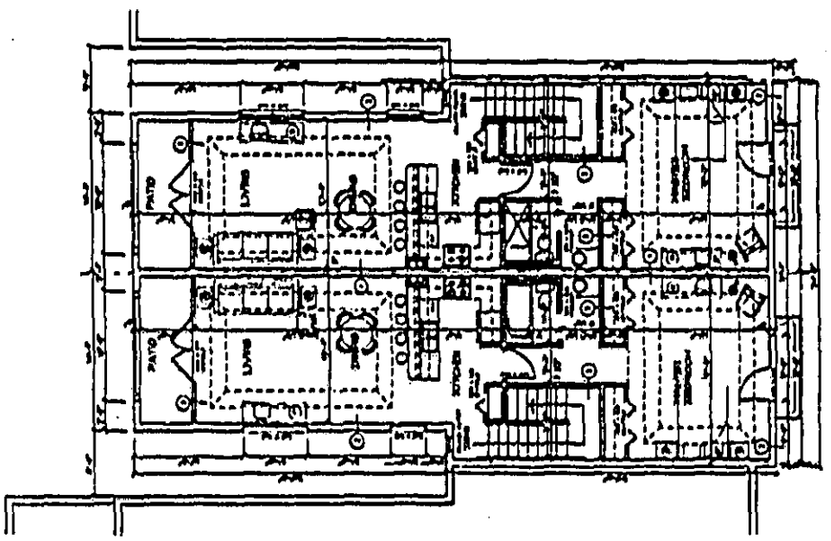
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PHASE II
BUILDING 5

Ocean Gate Resort

A 13

Exhibit B


SECOND FLOOR PLAN
SECOND FLOOR PLAN

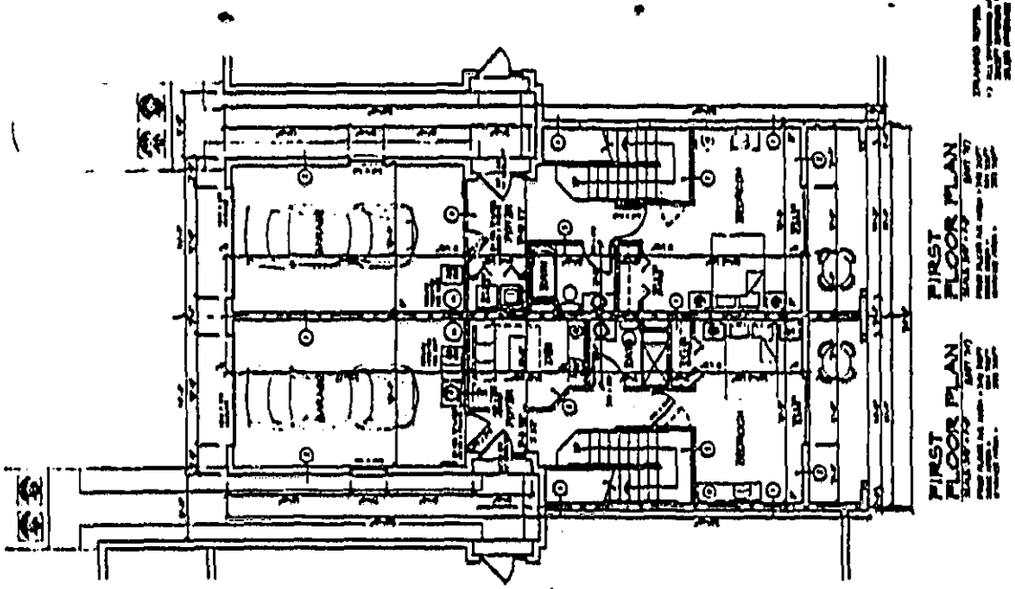
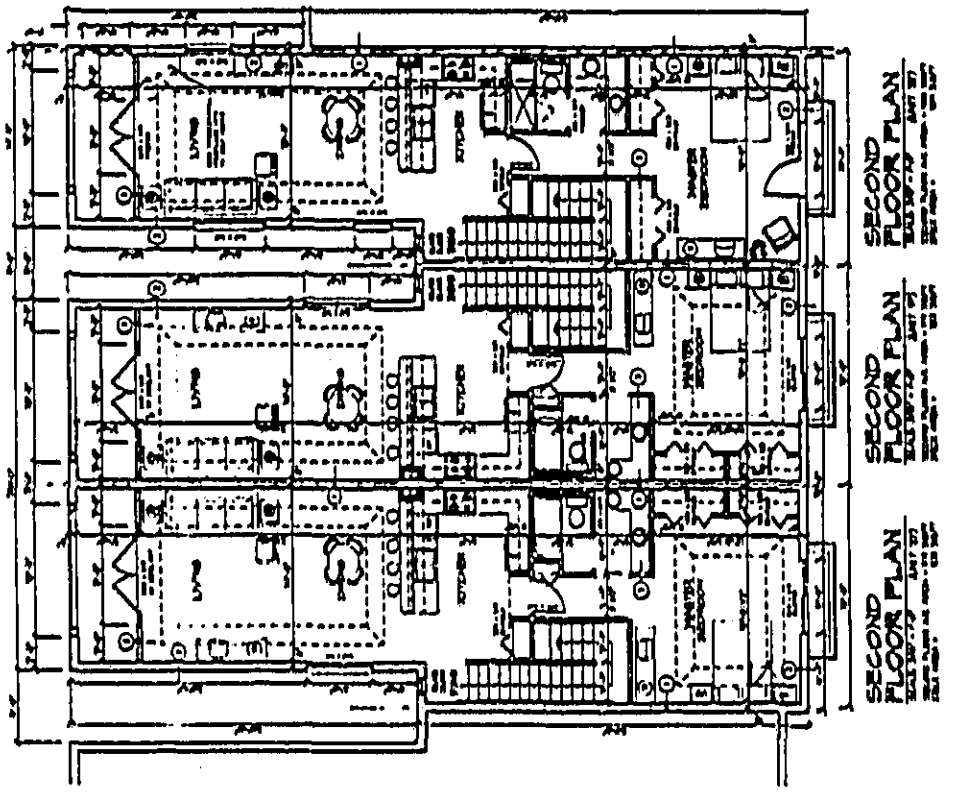

FIRST FLOOR PLAN
FIRST FLOOR PLAN

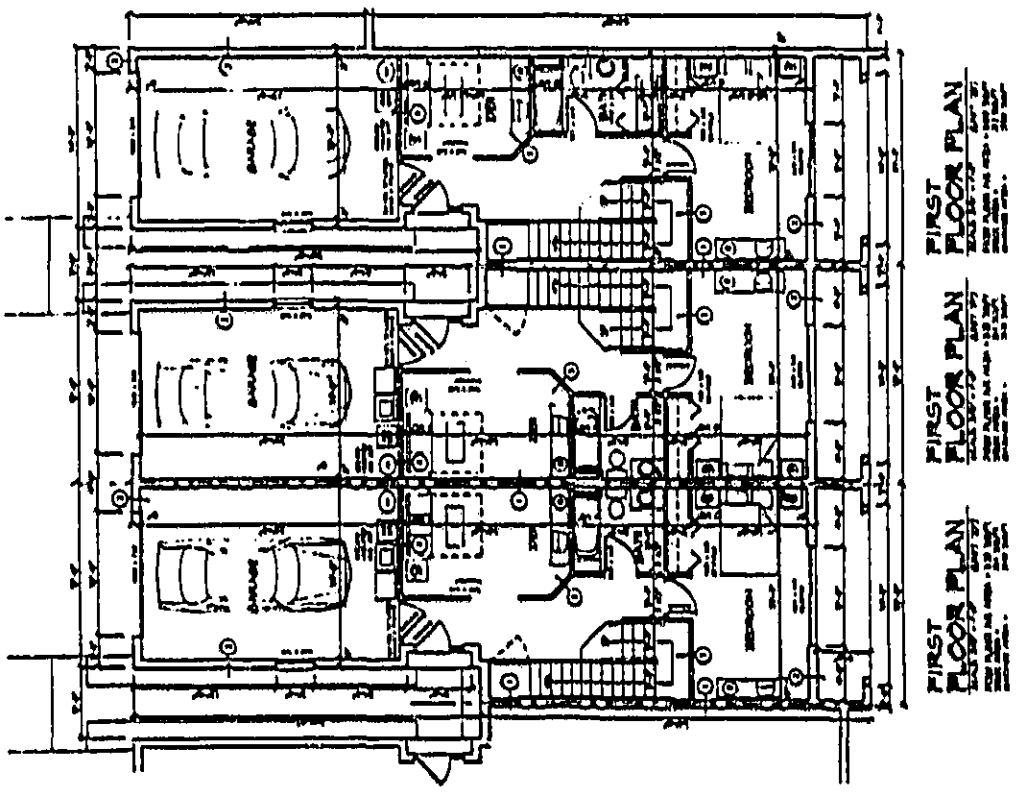
Exhibit B

OR1419PG 882

Exhibit B

OR1419PG 883



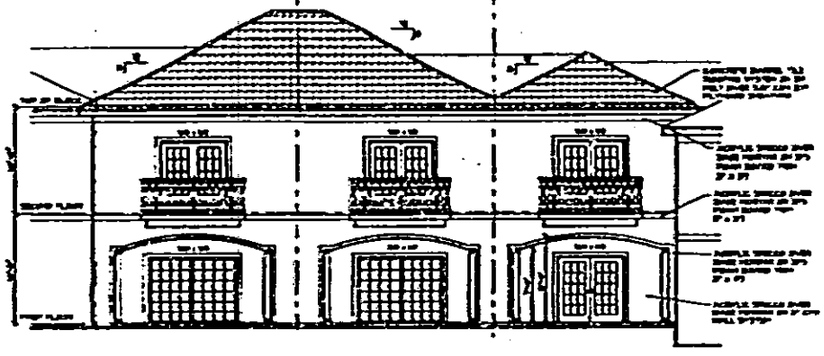




EAST ELEVATION

EAST ELEVATION

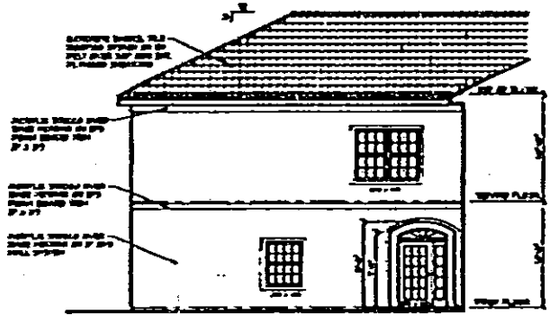
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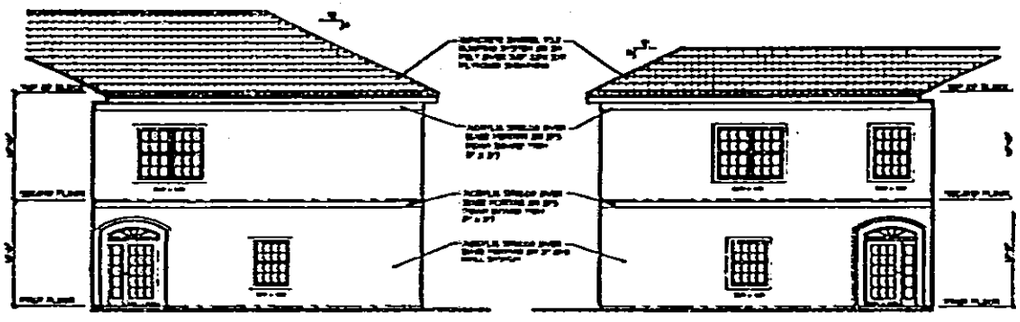
WEST ELEVATION

WEST ELEVATION

WEST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION

NORTH ELEVATION

DRAWING NOTES:

1) ALL DIMENSIONS ARE TO FACE OF WOOD STUD UNLESS OTHERWISE NOTED. EXTERIOR DIMENSIONS TO BE TAKEN FROM FACE OF EXTERIOR FINISH MATERIAL. INTERIOR DIMENSIONS TO BE TAKEN FROM FACE OF GYPSUM WALLBOARD.

2) ALL DIMENSIONS ARE SHOWN TO BE TAKEN TO THE NEAREST 1/2 INCH OR 1/2 INCH INCREMENT UNLESS OTHERWISE NOTED.

3) [9] SEE DRAWING SHEET A-6 FOR GENERAL DESCRIPTION OF STEEL CONSTRUCTION AND TYPICAL CONNECTIONS.

4) ALL MATERIALS SHALL HAVE A FLAME SPREAD RATING NOT TO EXCEED 200 AS DETERMINED BY ASTM E-84 TESTING METHOD OR A CLASS "C" MINIMUM RATING AS DEFINED BY THE UNIFORM BUILDING CODE STANDARD NO. 42-1. ALL INTERIOR WALL AND CEILING FINISH MATERIALS SHALL BE TESTED AND IDENTIFIED AS SHOWN IN UBC STANDARD 8-1. ALL EXPOSED WOOD SHALL BE OF A DENSITY AND NOMINAL THICKNESS NOT LESS THAN THAT REQUIRED FOR USE OF APPROVED FIRE RETARDANT TREATED WOOD IN ACCORDANCE WITH UBC STANDARD 32-5.

5) [4] ALL EXTERIOR WOOD & STEEL COMPONENTS SHALL HAVE A PAINTED FINISH. SEE SHEET A-6 FOR GENERAL DESCRIPTION OF EXTERIOR FINISHES.

6) ALL EXTERIOR WALLS SHALL BE CONSTRUCTED OF 2X6 WOOD STUDS @ 16" O.C. WITH R-19 INSULATION UNLESS OTHERWISE NOTED.

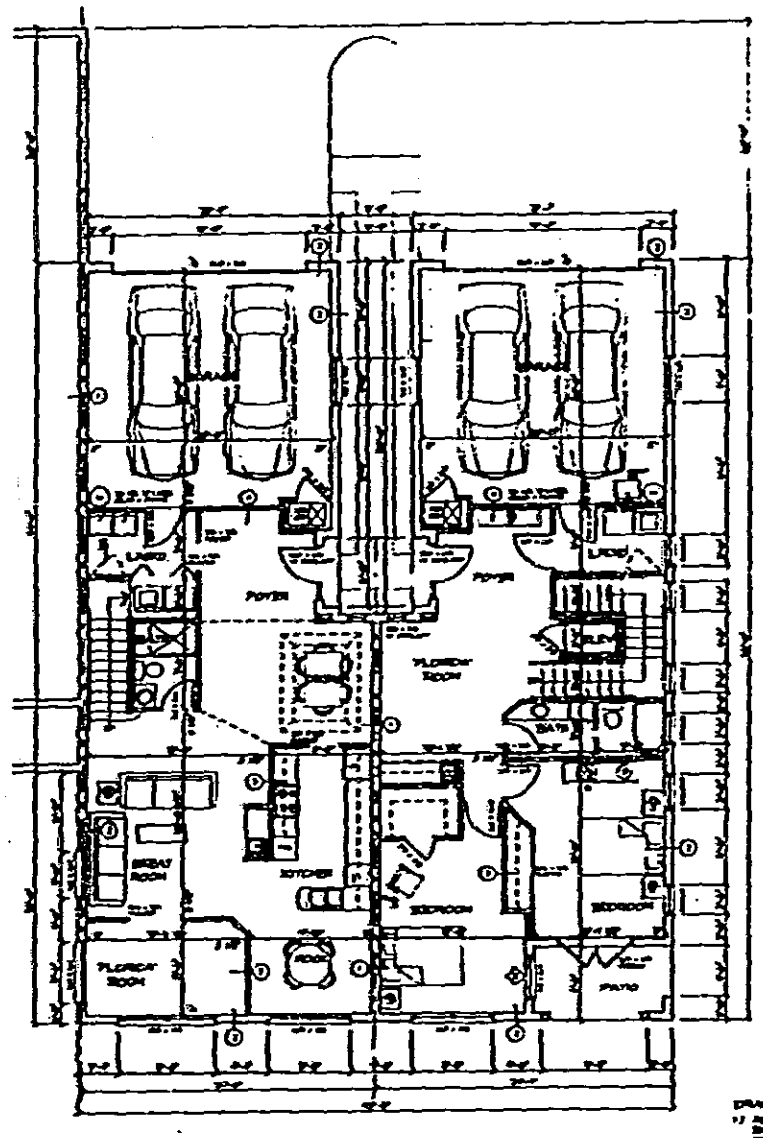
Exhibit B

OR1419PG 884

PHASE II
BUILDING 3

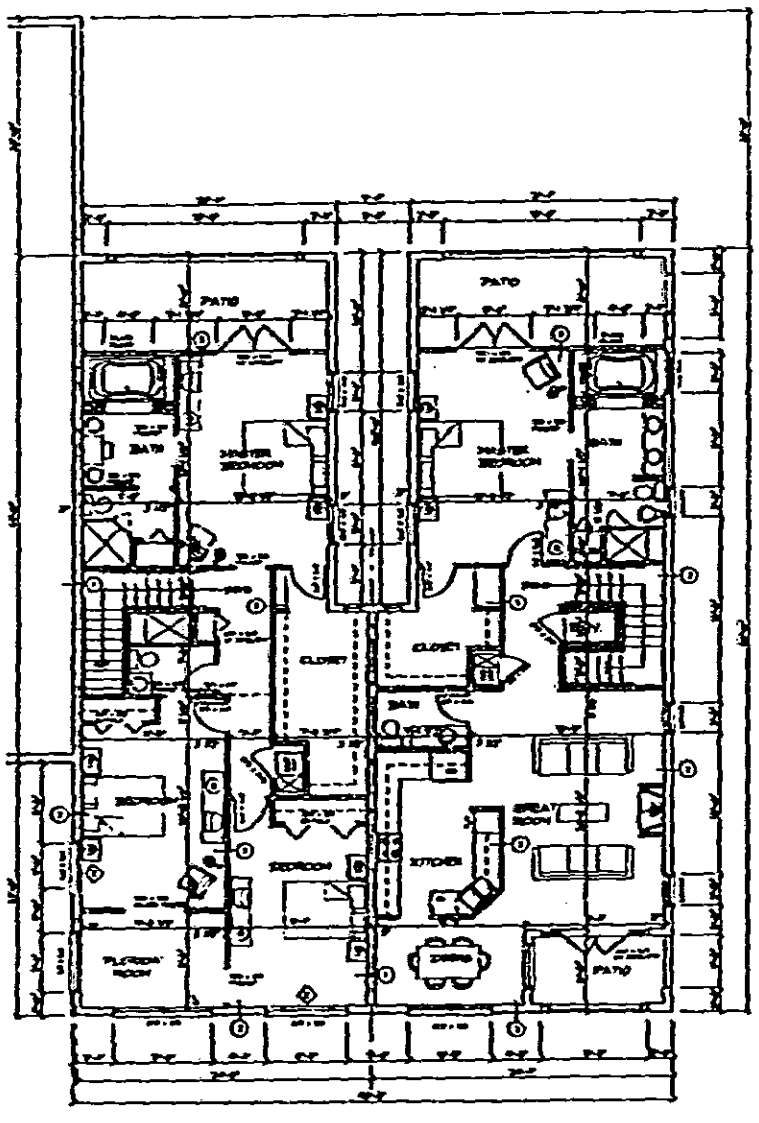
Ocean Gate Resort

A7



FIRST FLOOR PLAN

FIRST FLOOR PLAN



SECOND FLOOR PLAN

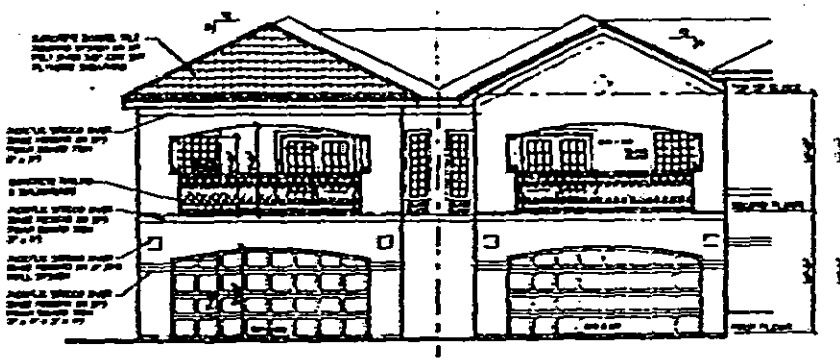
SECOND FLOOR PLAN

Exhibit B OR14119PG 885

PHASE II
BUILDING 5

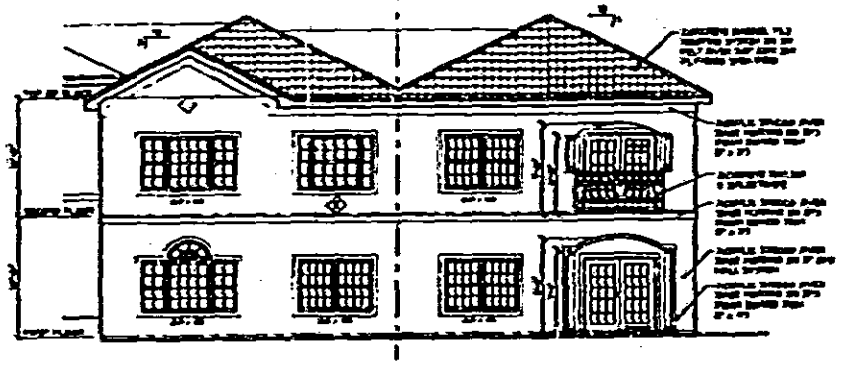
Ocean Palace Resort

A5



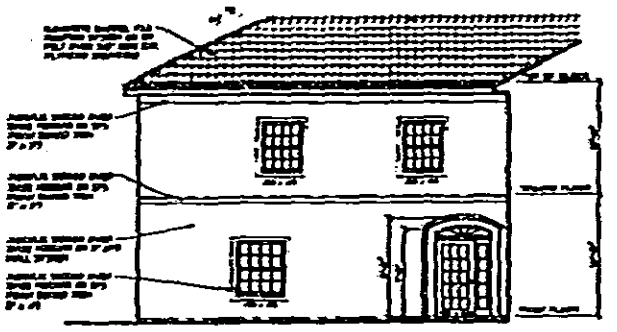
EAST ELEVATION

EAST ELEVATION

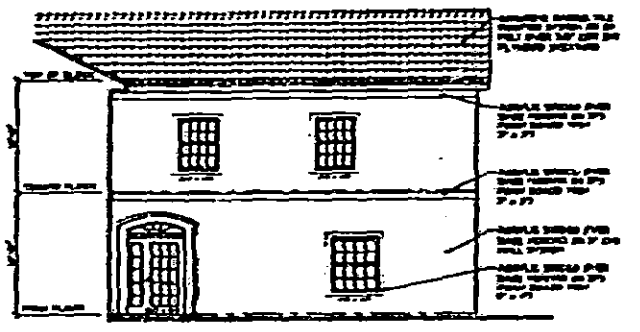


WEST ELEVATION

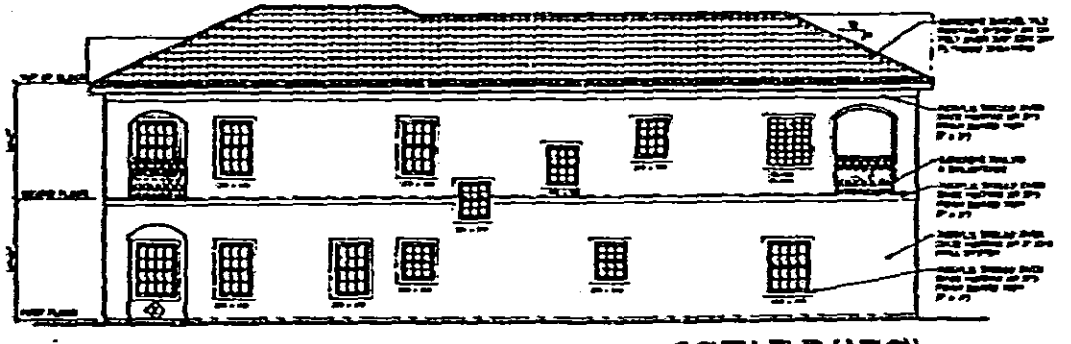
WEST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION



SOUTH ELEVATION

DRAWING NOTES

1) [illegible]

2) [illegible]

3) [illegible]

4) [illegible]

5) [illegible]

Exhibit B

OR1419PG 886

PHASE II
BUILDING 5

Ocean Gate Resort

A-9

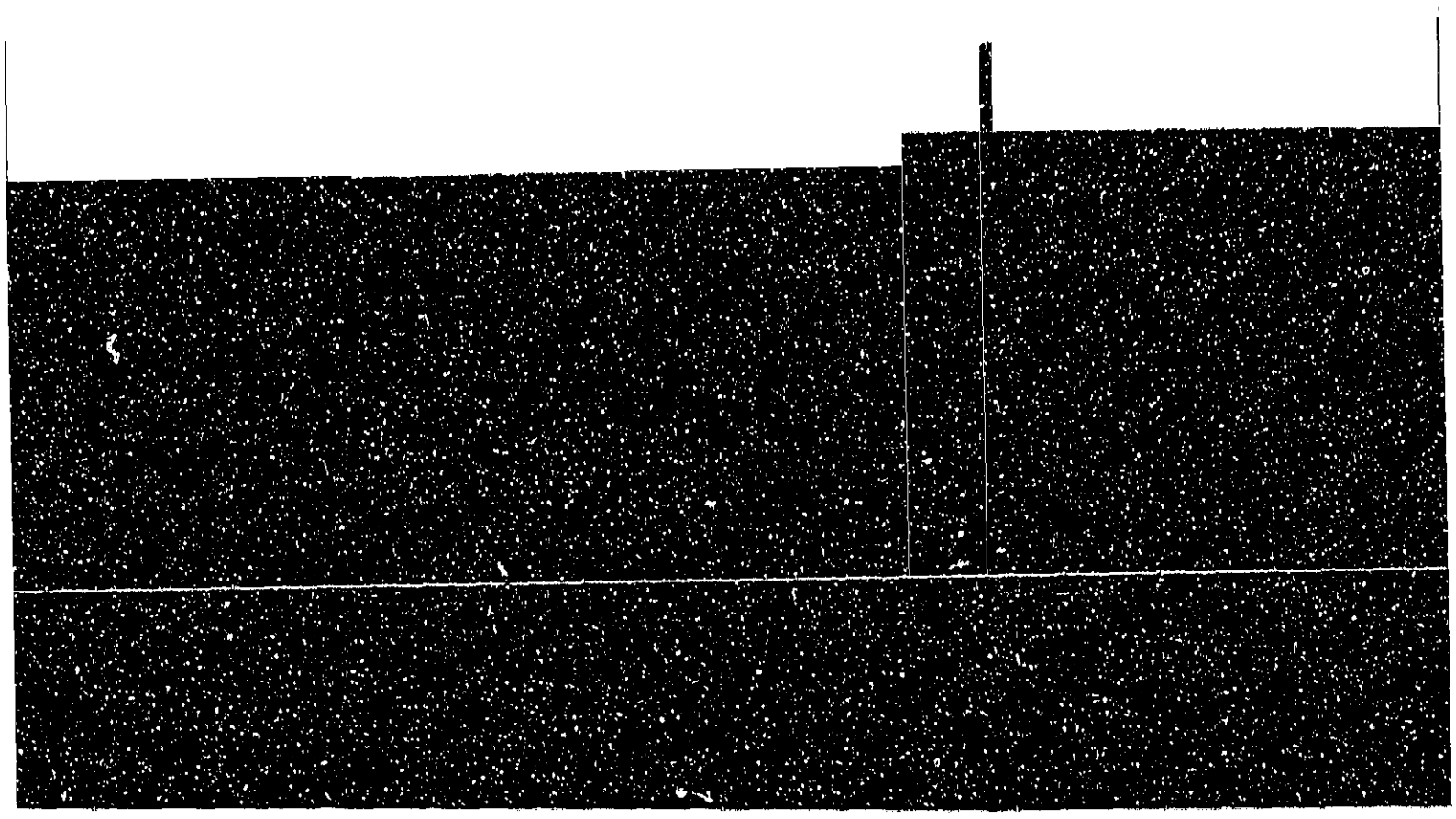


Exhibit C

Condominium Certificate of Surveyor

I, _____, of _____ County, Florida, do hereby certify that I am a Registered Land Surveyor, Certificate #_____, authorized and licensed to practice in the state of florida, and that construction of the improvements of (insert building #) of Ocean Gate Phase II, a condominium is substantially complete so that the attached survey, plot plan, and graphic description of improvements, together with the provisions of the declaration of condominium describing the Ocean Gate Phase II condominium property, present an accurate representation of the location and dimensions of the improvements constituting _____ of _____, and that the identification, location, and dimensions of the common elements and of each unit in _____ of _____ can be determined from these materials.

I further certify that the attached survey meets the minimum technical standards set forth in Florida Statutes Section 427.027 (1997). I further certify that all planned improvements, including, but not limited to, landscaping, utility services, and access to each unit in (insert building #) in (name of condominium) and the common element facilities serving (insert building #) in (name of condominium), have been substantially completed.

Dated:_____

_____
Registered Land Surveyor
#_____

Executed certificate of surveyor in this form will be recorded pursuant to an Amendment of Declaration of Condominium of Ocean Gate Phase II, a Condominium, upon substantial completion of the improvements.

Exhibit D

OR1419PG 888

Percentage of Ownership Interest for Phase II

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment per Unit
Phase 2	401	3	2.5	2270	2270/16838	2.603	408.60
	405	3	3	2402	2402/16838	2.754	432.36
	409	2	2	1569	1569/16838	1.799	282.42
	413	2	2	1622	1622/16838	1.86	291.96
	417	2	2	1628	1628/16838	1.867	293.04
	421	2	2	1468	1468/16838	1.683	264.24
	425	2	2	1465	1465/16838	1.68	263.70
	429	3	3.5	2228	2228/16838	2.555	401.04
	433	3	3.5	2186	2186/16838	2.507	393.48
Totals Phase 2				16838		19.308	3,030.84

Exhibit E

CONDOMINIUM RECREATION LEASE

This Condominium Recreation Lease (the "Lease") is made this 8th day of March, 1999, between Ocean Gate Development, Inc., a corporation organized and existing under the laws of the State of Florida, with its principal office located at 4730-B Highway A1A South, St. Augustine, Florida 32084, (the "Lessor" or "Developer"), and Ocean Gate Condominium Master Association, Inc., a nonprofit corporation organized and existing under the laws of the State of Florida, with its principal office located at 4730-B Highway A1A South, St. Augustine, Florida 32084, (the "Lessee" or the "Master Association").

In consideration of the promises and covenants herein made, the payment of Ten and No/100 Dollars ($10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

SECTION I
DEVELOPER

The Lessor is the promoter and developer of Ocean Gate Resort, a development consisting of Ocean Gate Phase I, a Condominium, Ocean Gate Phase II, a Condominium, and Ocean Gate Phase III, a Condominium (collectively, the "Condominiums") located in St. Johns County, Florida.

SECTION II
LEASE OF PREMISES

Lessor by these presents hereby leases, rents, lets and demises to Lessee, its successors and assigns, the following described property and improvements located within the resort development but which are not subject to condominium and are situated in St. Augustine, St. Johns County, Florida and legally described on Composite Exhibit "A" attached hereto and incorporated herein by reference (the "Leased Amenities").

SECTION III
LESSEE ASSOCIATION

Lessee is a master condominium association formed pursuant to the laws of the State of Florida (the "Declaration") and to manage and maintain the Leased Amenities being demised under this Lease and other appurtenant improvements to be erected on the property described in the Declaration.

SECTION IV
RIGHTS OF DEVELOPER

Until Developer shall have completed the development and sale of all condominium units in the Condominiums, Developer shall have the following rights, notwithstanding any other provisions of this Lease to the contrary:

a. The right to use, occupy, and demonstrate on a nonexclusive basis, all portions of the Leased Amenities for the purposes of promoting and aiding in the sale or rental of living units on or to be constructed on land constituting the Condominiums. Such rights may not be exercised in an unreasonable manner inconsistent with the rights of Lessee and the Unit Owners within the Condominiums to use, occupy, and enjoy such portions of the Leased Amenities. The exercise of such rights by Developer shall not reduce, abate, or suspend Lessee's obligation to pay rent, to repair and maintain such portions of the Leased Amenities, to pay taxes and insurance premiums thereon and utilities therefor, or to perform in full all of its covenants and promises herein made.

b. Display and erect signs, billboards, and placards; and store, keep, exhibit, and distribute printed, audio, and visual promotional materials in and about the premises.

c. Establish and promulgate rules and regulations not inconsistent with any of the provisions of this Lease concerning the use of the Leased Amenities.

SECTION V
DEVELOPER AND LESSOR NOT TO BE CONSIDERED SAME ENTITY

Although Lessor of the Leased Amenities demised hereby may be the same entity as the Developer of the Condominiums, Lessee agrees that Lessor and Developer shall never, for any purpose, be construed or considered as being one and the same. No act of commission or omission by Developer shall ever be construed or considered as:

(1) a breach by Lessor of any of its promises and covenants in this Lease;

(2) an actual, implied, or constructive failure by Lessor to deliver possession of the Leased Amenities to Lessee;

(3) an actual, implied or constructive eviction of Lessee from the Leased Amenities by Lessor or any one acting by, through, under, or for it; or

(4) an excuse, justification, waiver, or indulgence by Lessor to Lessee with regard to Lessee's prompt, full, complete, and continued performance of its covenants and promises.

SECTION VI
TERM OF LEASE

This Lease, in its executed and recorded form, commences on the first day of the month succeeding the month in which some of the Leased Amenities are completed and are available for use and expires ninety-nine (99) years thereafter, unless terminated prior to such date in accordance with the terms and conditions of this Lease.

SECTION VII
RESTRICTIONS ON TITLE

Lessor covenants that it owns the property on Composite Exhibit "A" in fee simple.

Lessee assumes and agrees to take title subject specifically, but not limited to, to the following:

a. Conditions, restrictions, limitations and easements of record on the date of this Lease.

b. All zoning and subdivision ordinances, if any, affecting the land described on Composite Exhibit "A."

c. Questions of locations, measurement, and survey.

d. Real estate taxes and county special tax district assessments for the year in which this Lease is executed and each year thereafter.

e. Terms and conditions of the Declaration and exhibits attached to this Lease.

The Leased Amenities are subject to such easements for public utilities as appear of public record as of the date of this Lease, and Lessor shall have, at all times, the exclusive right to create, over or under such of the Leased Amenities, for any and all public utilities, easements from time to time as Lessor, in its discretion, shall deem appropriate, free and clear of the provisions of this Lease, provided only that such future easements shall be for the purpose, in whole or in part, of supplying utilities or for providing access for the construction of additional improvements on the property located within the confines of the Condominiums.

SECTION VIII
IMPROVEMENTS TO BE INCLUDED IN LEASE

Lessor agrees that it will cause improvements for use as recreational facilities to be constructed on the demised premises at its own cost and expense, which facilities will be deemed part and parcel of the demised premises and will include a swimming pool of approximately 17,000 gallons located within Ocean Gate Phase II, a Condominium, a swimming pool of approximately 17,000 gallons located within Ocean Gate Phase III, a Condominium, a pool deck, tennis court, racquetball court, and such other Leased Amenities as are itemized in the attached Exhibit "B" incorporated herein by reference.

SECTION IX
SHARED USE OF LEASED AMENITIES

THE LEASED AMENITIES MAY ALSO BE USED, SUBJECT TO THE SAME RULES AND REGULATIONS APPLICABLE HEREUNDER, BY UNIT OWNERS WITHIN

THE ADJACENT HIBISCUS DEVELOPMENT AND BY UNIT OWNERS WITH OCEAN GATE I, A CONDOMINIUM. SUCH UNIT OWNERS SHALL SHARE EQUALLY IN THE COST OF MAINTENANCE AND OPERATION OF THE LEASED AMENITIES. THE MINIMUM NUMBER OF UNITS THAT WILL BE REQUIRED TO PAY RENT UNDER THIS LEASE SHALL BE FORTY-ONE (41). THE MAXIMUM NUMBERS OF UNITS WITHIN THIS CONDOMINIUM THAT WILL BE SERVED BY THE LEASED AMENITIES SHALL NOT EXCEED EIGHTY-SIX (86), IN ADDITION TO THE NUMBER OF UNITS WITHIN HIBISCUS AND OCEAN GATE I, A CONDOMINIUM.

SECTION X
RENTAL

On the commencement of the term of this Lease, Lessee covenants with Lessor that it will pay to Lessor, or to the designee of Lessor, a sum of money per month payable in advance on the first day of the month this Lease commences and on the first day of each and every succeeding month thereafter during the term of this Lease, for the use of the Leased Amenities. The monthly rental shall be an amount equal to the actual cost to repair or replace any of the Leased Amenities and to reimburse Lessor for any actual costs incurred in maintaining, repairing, protecting, or preserving any of the Leased Amenities. The monthly rental shall be assessed and collected from the Unit Owners by Lessee as a Common Expense and assessed against each Unit in accordance with the schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. Until all of the Leased Amenities are completed, rent shall be prorated and paid only for the Leased Amenities which are completed and are available for use.

Rent shall be payable at such places as Lessor may specify in writing from time to time, and a place once specified as the place for payment of rent shall be such until it shall have been changed by written notice to Lessee by Lessor.

All rent shall be payable in current legal tender of the United States, as such tender is constituted by law at the time the rent becomes due.

The Developer, as named in the Declaration, shall not be assessed by Lessee or be required to pay to Lessee any money allocated to rent of the Leased Amenities for Units that are owned by Developer in finished buildings. Similarly, Lessor agrees to accept a lesser amount of rental from Lessee for the period of time equal to the rental for the particular condominium units owned by Developer in finished buildings as provided for in this section.

Lessee covenants and agrees with Lessor that no damage or destruction to any building or improvement by fire, windstorm, or other casualty shall be deemed to entitle Lessee to surrender possession of the premises or to terminate this Lease, or to violate any of its provisions, or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms of this Lease.

SECTION XI
LEASE SECURITY

Lessee is a condominium association formed to conduct and administer the affairs of this Condominium in accordance with Florida Statutes Chapter 718. Pursuant to the general plan of condominium ownership, each individual Unit Owner, in addition to receiving title to the individual Unit and a percentage ownership interest in the Common Elements appurtenant thereto, shall become a member of the Lessee Master Association, and each member shall have the right to use and enjoy the Leased Amenities. Accordingly, for and in consideration of Lessor's agreement to allow each member to use and enjoy the Leased Amenities, Lessee covenants and warrants to Lessor that prior to admitting any Unit Owner in the Master Association, it will acquire from the Unit Owner and deliver to Lessor a pledge of the Unit Owner's interest in the Unit to secure Lessee's obligations under this Lease, and the Unit Owner shall agree to pay a share of the Common Expenses of the condominium to which the Unit is subject, of which the rent, taxes, insurance, maintenance, and administrative fee for the Leased Amenities under this Lease is a part (the "Pledge Agreement"). Notwithstanding the foregoing, the lien on each Unit, to secure payment to Lessor of the rent hereunder, shall be subordinate to the lien of any mortgage of an institutional lender. A copy of the pledge agreement is attached hereto as Exhibit "D". Lessor and Lessee, and each Unit Owner in the Condominiums, agree to the terms, conditions, and form of the Pledge Agreement. Failure of the Master Association to secure the Pledge Agreement and deliver it to Lessor shall not be construed to mean that the title to the subject Unit passes free and clear of the pledge. In the event of such failure, title to the individual's Unit shall be automatically subject to the Pledge Agreement, the same as if it had been executed and delivered to Lessor in accordance with this section.

In the event any Unit Owner is delinquent, this shall not preclude the other Unit Owners of the Condominiums from the use of the Leased Amenities; provided, however, that it shall be the obligation of Lessee to enforce the collection of the Assessment pertaining to the recreational facilities which are a part of the Common Expenses of each Condominium, in accordance with the provisions contained in each Declaration.

SECTION XII
CONSENT OF UNIT OWNERS AS AUTOMATIC

Each and every person, whether real or corporate, who shall take any interest whatsoever in or to any Units in the Condominiums after the recording of this Lease, by acceptance, delivery, or recording of the deed, contract, grant, assignment, or other instrument granting, conveying, or providing for such interest, or by the mere first exercise of the rights or uses granted herein, shall be deemed to consent to and ratify, without further act being required, the provisions of this Lease to the same effect and extent as if such person or persons had executed this Lease with the formalities required in a deed for the purpose of subordinating and/or subjecting such person's or persons' interest, in full, to the terms of this Lease.

SECTION XIII
MANAGEMENT OF PREMISES

Lessor has promulgated Rules and Regulations and reserves the right to amend such Rules and Regulations, as to the use of the Leased Amenities. The initial Rules and Regulations, and all amendments and revisions thereto, shall be posted in a conspicuous place in the recreation area. The Rules and Regulations shall be deemed an integral part of this Lease. The Master Association and its members specifically covenant and agree to be bound by all such Rules and Regulations and such parties shall obey them and be responsible for their being obeyed by any member's family, guests, and invitees.

Should a Unit Owner fail to pay an Assessment for Common Expenses as required under the terms of the Declaration, whereby the Assessment becomes delinquent, the Lessee may deny the Unit Owner and/or the authorized user of the Leased Amenities the use and enjoyment of the Leased Amenities until such time as all Assessments are paid. The Lessee shall further have the right, in its sole discretion, to suspend any Unit Owner and/or authorized user of the Leased Amenities from the use of the Leased Amenities of a period not to exceed five (5) days for any infraction of the promulgated rules and regulations pertaining to the Leased Amenities. Should the rights of the Unit Owner or the authorized user of the Leased Amenities to use them be suspended, there shall be no reduction in the Assessments due and payable by the Unit Owner.

SECTION XIV
USE OF PREMISES

The Leased Amenities, during the continuance of this Lease, may be used and occupied only for recreational purposes and are for the joint and common use of all of the individual Unit Owners in the Condominiums.

Lessee shall make deposits for and pay all bills and charges for utilities and services used in and about the Leased Amenities, including water, sewage, gas, electricity, and telephone.

Lessor grants to the Lessee the right to grant concessions and licenses to persons on such terms and conditions and for such purposes as the Lessee determines, to provide facilities and services on the Leased Amenities for Lessee. The Lessee also shall have the right to cause coin vending machines and coin-operated equipment and pay telephones to be installed on the demised premises in such location as it determines in its sole discretion.

The Leased Amenities shall be used only for recreational and/or leisure-time purposes and activities subject to the Rules and Regulations promulgated by Lessee from time to time. Lessee and/or individual Unit Owners agree that the Leased Amenities during the term of this Lease shall be used only and exclusively for lawful purposes, and that they will not use or permit or suffer anyone to use the premises or improvements for any purposes in violation of the laws of the United States, the State of Florida, or the

ordinances and regulations of St. Johns County, Florida, or the rules and regulations of any other governmental body having jurisdiction.

SECTION XV
MAINTENANCE OF PREMISES

Lessee has the obligation to maintain the Leased Amenities in good order, condition and repair. Lessor has no obligation whatsoever to maintain the Leased Amenities or any of the improvements. Lessee agrees to prevent waste, damage, or injury to the Leased Amenities. At the expiration of the Lease, Lessee shall surrender the premises in good condition, reasonable wear and tear excepted. Lessor agrees that all buildings, electrical systems, water systems, air conditioning systems, fixtures, pool pumps, equipment, and all other items of personalty within, on and serving the Leased Amenities shall be under the full control of Lessee or its agents, and that all operation, upkeep, repairs, and replacement of such items shall be done by and at Lessee's expense. Lessee further agrees that it shall provide at its expense any and all utility services required or necessary in the operation of the Leased Amenities. Lessee shall not change the design, color, materials, or appearance of the improvements, now or hereafter placed on the Leased Amenities, without Lessor's prior written approval.

SECTION XVI
USE OF RECREATIONAL FACILITIES

Each Unit Owner in the Condominiums, together with spouses and other members of the Unit Owner's immediate family who are in residence in the Unit may use the Leased Amenities. Where a corporation is a Unit Owner, the use of the Leased Amenities shall be limited at any one time to such officer, director, or employee of the corporation who is in actual residence, and such individual shall be deemed to be the Unit Owner for the purposes of this section. Guests and invitees of a Unit Owner, whether in temporary residence in the Condominium or not, may only be permitted to use the Leased Amenities, if at all, with the written permission of the Lessee, subject to the terms and conditions as the Lessee may determine in its sole discretion, including the payment of additional compensation, it being understood and agreed that the Leased Amenities are primarily designed for the use and enjoyment of Unit Owner, and the use by others may be required to be limited or not permitted at all during certain times of the day, or certain days, weeks, or months of the year.

The Lessee shall determine the foregoing in its sole discretion, including the manner and method in which the Leased Amenities are to be used and under what circumstances. Where a Unit Owner owns more than one parcel, the family in residence in each Unit shall be entitled to the use of the Leased Amenities, whether the family in residence be a lessee of the Unit or otherwise. When a party owns one Unit and leases it, the lessee of the Unit shall be entitled to the use of the Leased Amenities and such lessee's rights thereto shall be the same as though the lessee were the Unit Owner; and during the term of such lease, the Unit Owner shall not be entitled to the use of the Leased Amenities.

SECTION XVII
NONPAYMENT OF RENT

If any rent payable by Lessee to Lessor shall be and remain unpaid for more than thirty (30) days after it is due or payable, or if Lessee shall violate or default in any of the other covenants, agreements, stipulations, or conditions, then Lessor may declare this Lease forfeited and the term ended. Rent shall not be relinquished or extinguished for the balance of the term of this Lease. Lessee will pay, in addition to the fees and other sums agreed to be paid under this Lease, such additional funds as the court may adjudge, including reasonable attorneys' fees in any suit or action instituted by Lessor to enforce the provisions of this Lease or the collection of the rent due Lessor hereunder.

SECTION XVIII
DUTY OF LESSEE TO ASSESS AND PAY

It shall be the duty of Lessee to assess its Unit Owners in accordance with its Articles of Incorporation and Bylaws, in such amounts as shall be necessary to pay its obligations regarding the operation and maintenance of the Leased Amenities, to pay the rent due hereunder to Lessor, and to otherwise perform its covenants and promises under this Lease.

SECTION XIX
HOLDING OVER

In the event Lessee remains in possession of the Leased Amenities, after the expiration of this Lease without the execution of a new lease, it shall be deemed to be occupying the premises as a Lessee from month to month, subject to all the conditions, provisions, and obligations of this Lease.

SECTION XX
TAXES

As part of the consideration of this Lease, Lessee will pay any and all real estate taxes, personal property taxes, local assessments, and assessments of special tax districts levied on the land and improvements constituting the Leased Amenities during the term of this Lease and shall pay such taxes prior to the date on which they become delinquent.

SECTION XXI
DEMOLITION

Lessee shall not demolish any of the buildings, structures, or improvements now or hereafter placed or constructed on the demised premises constituting the Leased Amenities, without the consent in writing of Lessor, which consent Lessor may withhold in its absolute discretion or grant on such terms as it shall deem appropriate.

SECTION XXII
INSURANCE

The Lessee shall cause the Leased Amenities to be covered by fire and extended coverage insurance, in such amounts and in such form, and with such company as Lessor requires, and with a loss-payable provision in favor of Lessor. Such policies shall be for the interest of Lessor and its mortgagees, as their interests may appear.

Lessee shall obtain a comprehensive public liability policy insuring Lessee for liability arising out of the use and operation of the Leased Amenities, in such amounts, in such form, and with such companies as Lessor shall require.

Lessee, shall also obtain workmens' compensation insurance and such other insurance as deemed advisable and as may be required by Lessor.

Lessee shall also obtain rent insurance wherein Lessor shall be the named insured to insure against loss of all or any part of the rental due under this Lease from Lessee to Lessor by virtue of rental being temporarily and/or permanently discontinued by fire, wind, storm, or other hazards to the demised premises and/or any structures now or thereafter situated on the premises.

SECTION XXIII
INSURANCE PREMIUMS

Lessee will pay the premiums for all insurance policies which it is required and obligated to purchase any under the terms of this Lease, and will deliver the policies and the evidence of payment to Lessor within the time herein limited. Nothing herein contained shall ever be construed as rendering Lessor personally liable for the payment of any such insurance premiums, but, if at any time during the continuance of this Lease, Lessee shall fail, refuse, or neglect to procure any of the policies of insurance required in and by this instrument to be procured by Lessee, or to give and maintain the policies in full force and effect or to pay the premiums promptly when due, the amount or amounts of money paid as the premium or premiums, plus interest at the rate of eighteen percent (18%) per year, shall be collectible as though it were then matured, and shall be due and payable forthwith; in lieu thereof, and notwithstanding the procurement and renewal of policies by Lessor, this Lease at the option of Lessor, may be terminated and declared at an end, and all rights, estate, and interest of Lessee, in such event, shall immediately cease and become null and void.

SECTION XXIV
INSURANCE PROCEEDS

In the event proceeds of insurance shall be payable under a policy or policies of fire and extended coverage insurance as to the Leased Amenities, and as often as such insurance proceeds shall be payable, they shall be paid to Lessor and the sum so paid shall be deposited by Lessor in an account in a bank in St. Augustine, Florida as Lessor

determines, and such sums shall be available to Lessee for the purposes of reconstruction, repair, and replacement. Such sums shall be made readily available by Lessor for such reconstruction, repair, and replacement and shall be paid out of the account from time to time by Lessor in such amounts as it determines in its sole discretion. The extent of the reconstruction, repair, and replacement shall be subject to Lessor's approval. Should Lessor determine at any time that there are not sufficient sums on hand in the bank account to pay for the reconstruction, repair, and replacement in its entirety, Lessee will immediately and forthwith deposit into the bank account such additional funds as may be reasonably required to pay for the repairs, as determined by Lessor. On completion of the reconstruction, repair, and replacement, and the securing of such receipted bills and full and final waivers of lien, and such other documents as Lessor may require, if any, the remaining balance, if any, shall be retained by Lessor as its property, unless Lessee of the Leased Amenities was required to deposit additional funds, in which event the remaining fund shall be returned to Lessee.

On the occurrence of any damage to any portion of the Leased Amenities and all personal property now or hereafter placed thereon, whether or not the casualty causing such damage is insured against, and whether or not, if insured, any proceeds are paid therefor, the foregoing provisions shall apply.

Lessee at Lessee's cost and expense, shall repair, reconstruct, and replace any and all property and equipment, both real and personal, so damaged, so as to restore the same in first class condition, as required and approved by Lessor. Such work shall commence not later than thirty (30) days after the occurrence of damage, and shall be diligently prosecuted. The foregoing time limitations shall be extended due to any loss of time by reason of any act of nature, war, civil commotion and disorder, material shortages, strikes, or other extenuating circumstances over which Lessee has no control. Failure to comply with any provisions of this section shall be deemed a material breach of this Lease by Lessee.

SECTION XXV
COVENANT TO HOLD LESSOR HARMLESS

Lessor shall be held harmless by Lessee from any liability for damages to any person or property in, on, or about the Leased Amenities and the adjoining sidewalks, including the person and property of Lessee, Lessee's agents, employees, and all persons on the Leased Amenities at Lessee's invitation. All property kept, stored, or maintained in, on or serving the Leased Amenities shall be so kept, stored, or maintained at the risk of Lessee.

SECTION XXVI
MECHANICS LIENS

All persons are put on notice of the fact that Lessee shall never, under any circumstances, have the power to subject the interest of Lessor in the Leased Amenities to pay any mechanics' or materialmen's liens of any kind, and all persons dealing with Lessee are put on notice that they must look wholly to the interest of Lessee in the Leased

Amenities and not to that of Lessor. Lessee will not permit or suffer to be filed or claimed against the interest of Lessor in the Leased Amenities during the continuance of this Lease any claim or lien of any kind and, if such be claimed or filed, it shall be the duty of Lessee within thirty (30) days after the claim shall have been filed among the published records of St. Johns County, Florida or within thirty (30) days after Lessor shall have been given notice of such claim and shall have transmitted notice of the receipt of such to the Lessee (whichever thirty (30) days expires first), to cause the Leased Amenities to be released from such claim either by payment or posting of bonds or the payment into court of the amount necessary to relieve and release the Leased Amenities from such claim or in any other manner in which, as a matter of law, will result, within the thirty (30) days, in the release of Lessor and its interest in the Leased Amenities from such claim or lien; and Lessee covenants and agrees, within the period of thirty (30) days, to so cause the premises and Lessor's interest therein to be relieved from the legal effect of such claim or the lien.

SECTION XXVII
LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS

If Lessee shall fail to pay the costs of maintenance and repair, or if it shall fail to take out, maintain, and deliver insurance policies, or if it shall fail to perform any other act on its part covenanted to be performed by it, then Lessor may, but shall not be obligated to do so and without notice of demand on Lessee, perform the act so omitted or not performed by Lessee. If such performance by Lessor shall constitute in whole or in part, the payment of money, such money so paid by Lessor, together with interest thereon at the rate of eighteen (18%) per year and reasonable attorneys' fees incurred by Lessor in and about the collection of the sums, shall be deemed additional rent and shall be payable to Lessor on demand or, at the option of Lessor, may be added to any rent then due or thereafter becoming due under this Lease. Lessee covenants to pay any such sums with interest and reasonable attorneys' fees, and Lessor shall have, in addition to any and all other rights and remedies herein provided, the same rights and remedies in the event of nonpayment as in the case of default by Lessee in the payment of rent.

SECTION XXVIII
INDEMNIFICATION OF LESSOR

Lessee agrees to indemnify Lessor from and against any and all claims, debts, demands, or obligations that may be made against Lessor or against Lessor's title in the Leased Amenities arising by reason of or in connection with the making of this Lease, and in and to the Leased Amenities, and Lessee's use, occupancy, and possession of the Leased Amenities. If it becomes necessary for Lessor to defend any action seeking to impose any such liability, Lessee will pay to Lessor all costs and reasonable attorneys' fees incurred by Lessor in effecting such defense in addition to any other sums that Lessor may be called on to pay by reason of the entry of a judgment against Lessor in the litigation in which such sum is asserted.

SECTION XXIX
CUMULATIVE REMEDIES

The various rights, remedies, powers, options, elections, preferences, pledges, and liens of Lessor set forth in this Lease shall be construed as cumulative and no one of them shall be construed as being exclusive of the others or exclusive of any rights or priorities allowed by law or by this Lease, and the exercise of one or more shall not be construed as a waiver of the others.

SECTION XXX
NONLIABILITY OF LESSOR

Lessor shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises leased.

SECTION XXXI
LESSOR'S COVENANTS

Lessor agrees that, at all times during the term of this Lease, it will keep current any mortgages or encumbrances against the Leased Amenities. In the event Lessor is in default of any of its obligations under this section, Lessee may make payment for Lessor and deduct such payment from the next ensuing rental payment or payments, provided that prior to payment Lessee gives thirty (30) days' written notice to Lessor of its intention to make such payment.

SECTION XXXII
ASSIGNMENT OF LEASE

Lessee may not assign or sublease its interest in this Lease. In the event a Unit Owner in the Condominiums sells the Unit and the Unit Owner desires to be relieved of all personal liability and obligations under this Lease and under the terms of the Pledge Agreement, then the Unit Owner shall obtain a Pledge Agreement executed by the third-party purchaser and deliver it to Lessor. By the third-party purchaser's execution of the Pledge Agreement, the third-party purchaser shall be deemed to have assumed responsibility for the performance of obligations under this Lease. On full compliance with the foregoing, the seller of the Unit shall be released of personal liability under this Lease and under the individual Pledge Agreement.

SECTION XXXIII
FORECLOSURE OF PLEDGE AGREEMENT

The foreclosure or other action to enforce the pledges obtained by and from the individual Unit Owners as provided for in this Agreement shall not be considered as a termination or cancellation of this Lease or to operate an extinguishment of any other lien not created herein or provided for by law, except such pledges that have been foreclosed

shall not stand as security for any amounts realized and actually collected by Lessor in foreclosure or such other action.

Foreclosure by Lessor or any other action by Lessor to enforce the liens provided for by law shall not be considered or construed as a termination or cancellation of this Lease, or to operate as an extinguishment of such liens, except such liens shall not stand as security for any amounts realized and actually collected by Lessor in foreclosure or such other action.

SECTION XXXIV
TERMINATION OF LESSEE ASSOCIATION

A voluntary or involuntary termination of the Master Association shall not terminate this Lease, but on termination of the Master Association, all of the Unit Owners of the Condominiums, as Unit Owners or as tenants in common, or otherwise, shall automatically and by operation of this Lease, jointly and severally, collectively constitute Lessee and shall jointly and severally be obligated to perform each of Lessee's covenants, promises, and undertakings. On a Unit Owner's acquiring an interest in Lessee's rights under this Lease, the Unit Owner's rights may thereafter be assigned only if there then be no default in any of the provisions of this Lease and only if such assignment be in connection with a sale, transfer, or hypothecation of all rights in the property that was, prior to termination, Condominium property.

In the event any Condominium operated by the Master Association is terminated as provided in the Declaration, then and in such event, this Lease shall terminate and Lessor's lien on the Condominium shall terminate and be discharged.

SECTION XXXV
TRANSFER OF CONDOMINIUM PARCEL

The transfer of the fee title to each Unit in the Condominium, whether voluntary or by operation of law, terminating the Condominium Unit Owner's membership in the Master Association, shall terminate the Condominium Unit Owner's rights to the use and enjoyment of the Leased Amenities, it being understood and agreed that the condominium Unit Owner's rights and privileges under this Lease are not assignable.

The owner of a Unit, identified in this Lease as a member of the Master Association, is entitled to the rights and privileges and use of the Leased Amenities, and shall be required to make all payments under the terms of this Lease.

SECTION XXXVI
OPTION TO PURCHASE; RIGHT OF FIRST REFUSAL

Lessor hereby grants Lessee an option to purchase the Leased Amenities on any anniversary date of this Lease after the tenth (10th) anniversary, at a price to be determined by agreement between the Lessor and the Lessee.

If the Lessor wishes to sell its interest and has received a bona fide offer to purchase it, the Lessor shall send the Lessee and each Unit Owner a copy of the executed offer. For 90 days following receipt of the offer by the Lessee or Unit Owners, the Lessee or Unit Owners have the option to purchase the interest on the terms and conditions in the offer. The option shall be exercised, if at all, by notice in writing given to the Lessor within the 90-day period. If the Lessee or Unit Owners do not exercise the option, the Lessor shall have the right, for a period of 60 days after the 90-day period has expired, to complete the transaction described in the offer to purchase. If for any reason such transaction is not concluded within the 60 days, the offer shall have been abandoned, and the provisions of this subsection shall be reimposed.

The option shall be exercised upon approval by owners of two-thirds of the units served by the leased property.

SECTION XXXVII

This Lease is and shall remain subordinate to any mortgage held by an institutional lender.

SECTION XXXVIII
CONSTRUCTION

Nothing contained in this Lease shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties, it being understood and agreed that neither the method of computation of rent nor any other provisions nor any acts of the parties shall be deemed to create any relationship between the parties other than the relationship of Lessor and Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this agreement as of the day and year first above written.

"LESSOR"

OCEAN GATE DEVELOPMENT, INC., a Florida corporation

By: _____
Robert J. L. Laurence
Its President

"LESSEE"

OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC., a Florida not-for-profit corporation

By: _____
Robert J. L. Laurence
Its President

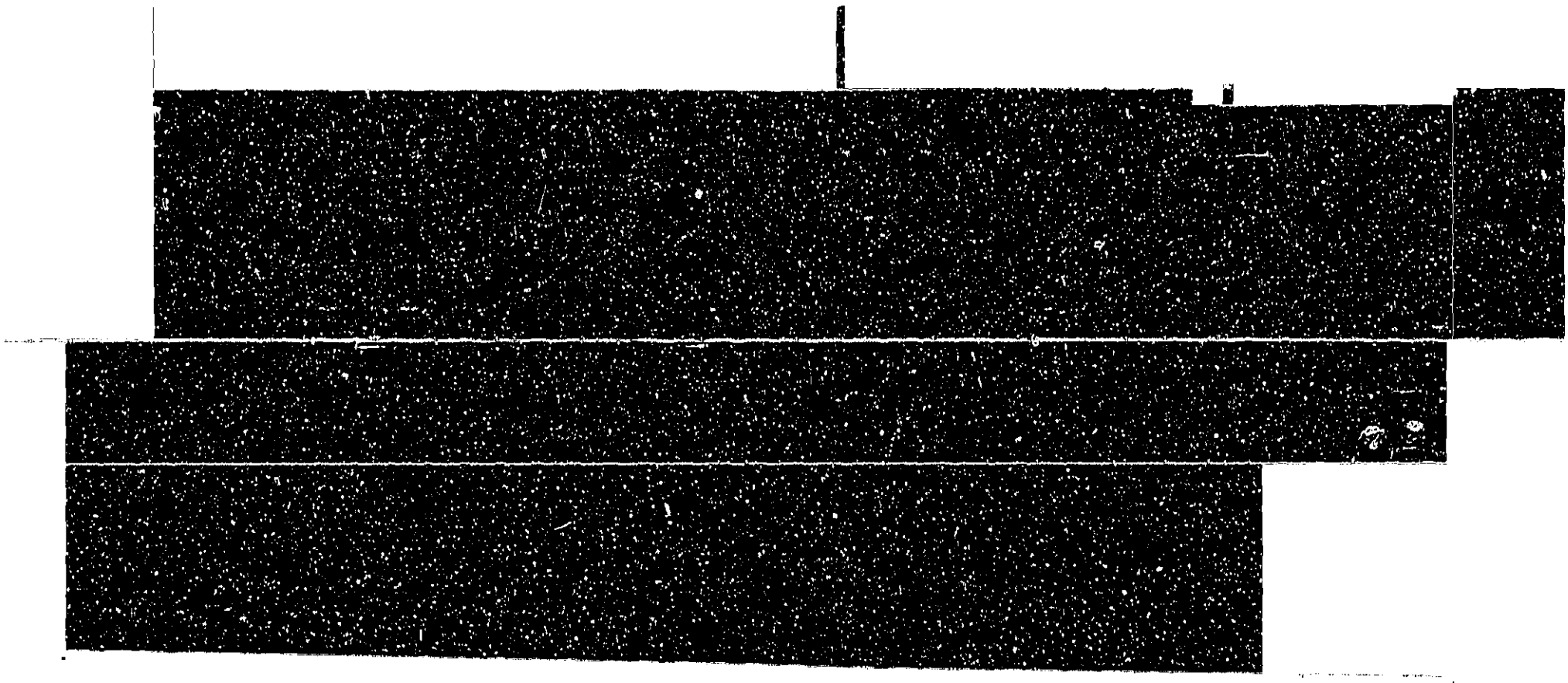


Exhibit A

LEASE NO. 3 - TENNIS COURT

A parcel of land lying and being in Government Lot 5 Section 15, Township 8 South, Range 30 East, St. Johns County, Florida said parcel being more particularly described as follows:

For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A; thence North 12°13'28" West 201.20 feet; thence North 89°34'57" East 780.07 feet to the Point of Beginning; thence continuing North 89°34'57" East 127.00 feet; thence South 00°25'03" East 58.00 feet; thence South 89°34'57" West 56.00 feet; thence South 00°25'03" East 65.00 feet; thence South 89°34'57" West 71.00 feet; thence North 00°25'03" West 123.00 feet to the Point of Beginning. Said parcel containing 0.28 acres more or less.

LEASE NO. 4 - POOL & WATER FEATURES

A parcel of land lying and being in Government Lot 5 Section 15, Township 8 South, Range 30 East, St. Johns County, Florida said parcel being more particularly described as follows:

For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A North 12°13'38" West 201.20 feet; thence North 89°34'57" East 643.07 feet; thence South 00°25'03" East 32.04 feet to the Point of Beginning; thence continue South 00°25'03" East 115.00 feet; thence South 89°34'57" West 28.00 feet; thence South 00°25'03" East 67.95 feet; thence South 45°26'08" West 39.91 feet; thence South 89°33'52" West 8.25 feet; thence North 00°26'08" West 23.02 feet; thence North 23°53'19" East 144.52 feet; thence North 89°33'57" East 5.00 feet to the Point of Beginning. Said parcel containing 0.12 acres more or less.

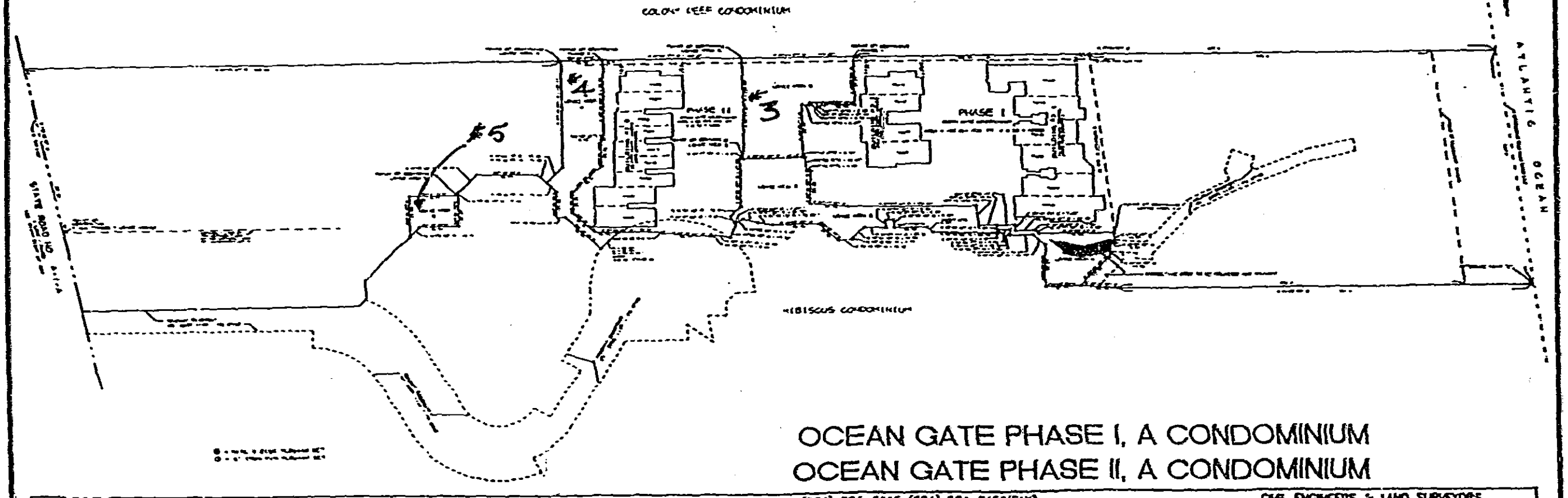
LEASE NO. 5 - RACQUET BALL COURTS

A parcel of land lying and being in Government Lot 5 Section 15, Township 8 South, Range 30 East, St. Johns County, Florida said parcel being more particularly described as follows:

For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence North 89°33'52" East 389.01 feet to the Point of Beginning; thence South 44°33'52" West 15.71 feet; thence North 00°26'08" West 52.11 feet; thence North 89°33'52" East 54.00 feet; thence South 00°26'08" East 41.00 feet; thence South 89°33'52" West 42.89 feet to the Point of Beginning. Said parcel containing 0.05 acres more or less.

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Exhibit B



OCEAN GATE PHASE I, A CONDOMINIUM
OCEAN GATE PHASE II, A CONDOMINIUM

J&P JONES & PHILCER, INC. 906 ANASTASIA BLVD. SUITE A, ST. AUGUSTINE, FLORIDA 32084 (904) 824-6115 (904) 824-8453(FAX) CIVIL ENGINEERS & LAND SURVEYORS

revisions:

abbreviations:

project:
OCEAN GATE RESORT
4150-B STATE HWY. A1A SOUTH
ST. JOHNS COUNTY, FLORIDA

BOUNDARY SURVEY

SCALE: 1" = 80'

Exhibit B

Amenities List

Phase 2

Pool - Depth of 3 feet shallow end and depth of 5 feet at the deep end approx. 17,000 gallons with a four foot deck around it.

Tennis Court - 80 feet by 40 feet lighted.

Phase 3

Racquetball Court - 22 feet by 48 feet four walled structure for racquetball.

Exhibit C

Percentage of Ownership Interest for Phase I

	Unit Numbers	Bedrooms	Baths	Sq Ft. Unit	% Ownershi in Phase	% Ownership in Master Assn.	Assessment Per Unit
Phase 1	600	3	3.5	4491	4491/36178	5.150	808.38
	604	3	3.5	3189	3189/36178	3.657	574.02
	608	3	3.5	3511	3511/36178	4.026	631.98
	612	3	3.5	3119	3119/36178	3.577	561.42
	616	3	3.5	2984	2984/36178	3.422	537.12
	620	3	3.5	5785	5785/36178	6.634	1,041.30
	605	3	3.5	4219	4219/36178	4.838	759.42
	609	3	3.5	2880	2880/36178	3.303	518.40
	613	3	3.5	2890	2890/36178	3.314	520.20
	617	3	3.5	3110	3110/36178	3.566	559.80
Totals Phase I				36178		41.487	6,512.04

Percentage of Ownership Interest for Phase II

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment per Unit
Phase 2	401	3	2.5	2270	2270/16838	2.603	408.60
	405	3	3	2402	2402/16838	2.754	432.36
	409	2	2	1569	1569/16838	1.799	282.42
	413	2	2	1622	1622/16838	1.86	291.96
	417	2	2	1628	1628/16838	1.867	293.04
	421	2	2	1468	1468/16838	1.683	264.24
	425	2	2	1465	1465/16838	1.68	263.70
	429	3	3.5	2228	2228/16838	2.555	401.04
	433	3	3.5	2186	2186/16838	2.507	393.48
Totals Phase 2				16838		19.308	3,030.64

Percentage of Ownership Interest for Phase III

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment Per Unit
Phase 3	337	3	2.5	2516	2516/34190	2.885	452.88
	341	3	3	2394	2394/34190	2.745	430.92
	345	2	2	1538	1538/34190	1.764	276.84
	349	2	2	1602	1602/34190	1.837	288.36
	353	2	2	1602	1602/34190	1.837	288.36
	357	2	2	1446	1446/34190	1.658	260.28
	361	2	2	1446	1446/34190	1.658	260.28
	365	3	2.5	2226	2226/34190	2.553	400.68
	369	3	2.5	2325	2325/34190	2.666	418.50
	301	3	2.5	2325	2325/34190	2.666	418.50
	305	3	2.5	2226	2226/34190	2.553	400.68
	309	2	2	1446	1446/34190	1.658	260.28
	313	2	2	1446	1446/34190	1.658	260.28
	317	2	2	1602	1602/34190	1.837	288.36
	321	2	2	1602	1602/34190	1.837	288.36
	325	2	2	1538	1538/34190	1.764	276.84
	329	3	3	2394	2394/34190	2.745	430.92
	333	3	2.5	2516	2516/34190	2.885	452.88
Totals Phase 3				34190		39.206	6,154.20

Exhibit D

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, dated as of _____ 19__, made by_____ _____ ("Pledgor"), to and in favor of **OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC.**, a Florida corporation (the "Association").

WHEREAS, the Association is the master condominium association responsible for the operation and maintenance of the recreational amenities pursuant to that certain Condominium Recreation Lease (the "Lease"), dated as of March 8, 1998 for the Leased Amenities (as defined therein); and

WHEREAS, Pledgor is the owner of all right, title and interest in and to that certain Unit No. ____ in Ocean Gate Phase II, a Condominium, together with an undivided interest in all common elements appurtenant thereto (the "Unit"); and

WHEREAS, the Lease requires Pledgor to pay its share of the assessments assessed by the Association for the maintenance, operation, and repair of the Leased Amenities in consideration of Pledgor's right to use the Leased Amenities (the "Obligations"); and

WHEREAS, Section XI the Lease provides that Pledgor shall pledge all of its right, title, and interest in the Unit to the Association to secure repayment of any assessments assessed by the Association against the Unit pursuant to the Lease;

WHEREAS, capitalized terms not otherwise defined herein are used with the meaning given those terms in the Lease;

NOW THEREFORE, in order to secure Pledgor's Obligations to the Association as set forth in the Lease, Pledgor hereby agrees as follows:

SECTION 1 Pledge. For value received and to secure payment and performance of the Pledgor's Obligations and all costs and expenses incurred by the Association to obtain, preserve, perfect and enforce the security interest granted herein and to maintain, preserve and collect the property subject to the security interest, Pledgor hereby grants to the Association a continuing security interest in and lien upon Pledgor's interest in the Unit (the "Pledged Collateral").

SECTION 2 Remedies upon Default. In the event Pledgor shall fail to pay any assessment owed the Association, the Association may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for in the Lease or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code (the "Code") in effect in the State of Florida at that time.

IN WITNESS WHEREOF, Pledgor has executed this Pledge Agreement as of the date first above written.

By:_____
Name:_____
Unit No.:_____

By:_____
Name:_____
Unit No.:_____

Exhibit F

DECLARATION OF CONDOMINIUM OF
OCEAN GATE PHASE II, A CONDOMINIUM

Phase 2

Pool - Depth of 3 feet shallow end and depth of 5 feet at the deep end approx. 17,000 gallons with a four foot deck around it.

Tennis Court - 80 feet by 40 feet lighted.

Phase 3

Racquetball Court - 22 feet by 48 feet four walled structure for racquetball.

Exhibit G

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ARTICLES OF INCORPORATION
OF
OCEAN GATE PHASE II CONDOMINIUM ASSOCIATION, INC.,
a Florida not-for-profit corporation

The undersigned, acting as incorporator of a corporation under the Florida General Corporation Act, adopts the following Articles of Incorporation:

Article I - Name

The name of this corporation is OCEAN GATE PHASE II CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation.

Article II - Duration

This corporation shall have perpetual existence.

Article III - Purpose

This corporation is organized for the purpose of transacting any or all lawful business. The powers and duties of the corporation include those set forth in Florida Statutes Section 718.111, Florida Statutes Chapter 607 and 617, and those set forth in the Declaration of Condominium of Ocean Gate Phase II, a Condominium and in the bylaws of the corporation.

Article IV - Principal and Registered Office and Registered Agent

The street address of the principal office of the corporation is 4730-B Highway A1A South, St. Augustine, Florida 32084, and the address of the initial registered office of this corporation is 50 N. Laura Street, Suite 2800, Jacksonville, FL 32202, and the name of the initial registered agent at that address is Alan C. Sheppard, Jr., Esq.

Article V - Initial Board of Directors

This corporation shall have Three (3) directors initially. Thereafter, the number of directors may be increased from time to time in the manner provided by the Bylaws, but shall never be fewer than three. The name and address of the initial directors of this corporation are:

Name	Address
Roger W. McClain	4730-B Highway A1A South St. Augustine, FL 32084

Leslie Gallagher — 4730-B Highway A1A South, St. Augustine, FL 32084

Robert J.L. Laurence — 4730-B Highway A1A South, St. Augustine, FL 32084

Article VI - Incorporator

The name and address of the person signing these articles is:

Name	Address
Robert J.L. Laurence	4730-B Highway A1A South St. Augustine, Florida 32084

Article VII - Indemnification

The corporation shall have the power to indemnify all officers and directors and former officers and directors to the fullest extent possible under Florida law or as may be more fully set forth in the By-laws.

Article VIII - Amendment

This corporation reserves the right to amend or repeal any provision contained in these Articles of Incorporation or any amendment hereto, and any right conferred upon the shareholders is subject to this reservation.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 8th day of March 1999.

Incorporator

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 8th day of March, 1999, by Robert J.L. Laurence who is personally known to me.

Print Name: Nancy Hoffmann
Notary Public, State of Florida
Commission Number
My Commission Expires:

[SEAL]

NANCY HOFFMANN
MY COMMISSION # CC 678048
EXPIRES: September 3, 2000
Bonded Thru Notary Public Underwriters

JK2 98564.2 99093 00715
3/3/99 1:13 pm

ACKNOWLEDGMENT AND ACCEPTANCE

Having been named to accept service of process for the above-stated corporation at the place designated in this certificate, I hereby accept such designation to act as registered agent and agree to comply with the provisions of Florida Statutes relative to keeping open said office.

Registered Agent

Exhibit H

BY-LAWS
OF
OCEAN GATE
PHASE II CONDOMINIUM ASSOCIATION, INC.

A Corporation Not for Profit
under the Laws of the State of Florida

These are the By-Laws of Ocean Gate Phase II Condominium Association, Inc. (hereinafter called the "Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium created pursuant to Chapter 718, Florida Statutes, as amended (hereinafter called the "Condominium Act").

SECTION 1. ASSOCIATION.

1.1 Office. The office of the Association shall be 4730-B Highway A1A South, St. Augustine, FL 32084, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise attached to the instrument or document being sealed.

1.4 Terms. Except as otherwise defined herein, all terms used herein shall have the same definitions as attributed to them in the Declaration of Condominium of OCEAN GATE PHASE II, A CONDOMINIUM (the "Condominium").

SECTION 2. INTENTIONALLY OMITTED.

SECTION 3. MEMBERS.

3.1 Qualification. The members of the Association shall consist of all Unit Owners of Units of OCEAN GATE PHASE II, A CONDOMINIUM.

3.2 Membership. Membership in the Association shall be established by recording in the public records of St. Johns County, Florida, a deed or other instrument establishing a record title to a Unit, and delivery to the Association of a copy of such instrument. The grantee in such instrument shall immediately become a member of the Association. The membership of any prior Owner of the same Unit shall be terminated upon delivery to the Association of a copy of the deed or other instrument as aforesaid.

3.3 Designation of Voting Representative. If a Unit is owned by more than one Person, the Unit Owner entitled to cast the vote appurtenant to said Unit shall be designated by all of the record owners of the Unit. A Voting Member must be designated by a statement filed with the Secretary of the Association, in writing, signed by all of the record owners of the Unit as the person entitled to cast the vote for all of such Unit. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If a designation of a Voting Member is not filed with the

Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).

3.4 Restraint Upon Alienation of Assets. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Unit.

SECTION 4. MEMBER'S MEETINGS.

4.1 Place. All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

4.2 Membership List. At least ten (10) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by Unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member. Changes in the list of Voting Members may be made pursuant to Section 2.3 of these By-Laws.

4.3 Regular Meetings. Regular meetings of the members of the Association shall be held on the first business day of the month of March of each year.

4.4 Special Meetings.

4.4.1 Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, of either a majority of the Board of Directors or of a majority of the Voting Members. Such request shall state the purpose of the proposed meeting.

4.4.2 If an adopted budget of the Association requires assessments against the Unit Owners in any fiscal or calendar year which exceed one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application of ten percent (10%) of the Voting Interests to the Board of Directors, shall call a special meeting of the Unit Owners within thirty (30) days upon not less than ten (10) days' written notice to each Unit Owner.

4.4.3 A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by ten percent (10%) of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting.

4.4.4 If any part of the Common Elements of the Condominium Property or any Unit or Units, or part thereof, shall be damaged, such that one-half or more of the Units are rendered untenantable, a special meeting of the Unit Owners shall be called by the President of the Association. Such damage shall be reconstructed or repaired pursuant to the Declaration unless a vote of seventy-five (75%) percent or more of the Voting Interests at such special meeting shall vote against such repair or reconstruction.

4.4.5 Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

4.5 Notice. Written notice of every meeting, special or regular, of the members of the Association, stating the time, place and object thereof, shall be delivered to each Condominium Unit or

mailed to each Voting Member at such member's address as shown in the books of the Association at least fourteen (14) continuous days prior to such meeting. No notice shall be required to be given to a person who becomes a Voting Member during such fourteen day period. A notice of each meeting shall be posted in the office of the Association during the entire fourteen day period.

4.6 Participation. All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting.

4.7 Transfer of Control of the Association. 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 1/3, but no more than two-fifths (2/5), 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 upon the earlier to occur of the following:

(a) Three (3) years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(b) Three (3) months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(c) When all of the Units that will be operated by ultimately by the Association 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;

(d) 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; or

(e) Seven (7) years after recordation of the Declaration of Condominium which ever occurs first. The Developer is entitled to elect at least one 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 in the Condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-Owned Units in the same manner as any other Unit Owner except for the purposes of acquiring control of the Association or selecting the majority members of the Board of Directors.

4.8 Proxies. At any meeting of the members of the Association (except a meeting for the election of members of the Board), the Voting Member shall be entitled to vote in person or by limited proxy substantially conforming to a limited proxy form adopted by the Division. No proxy shall be valid unless it is granted to a person who is a Unit Owner. No person may cast more than five proxy votes. Proxies are effective only for the specific meeting for which originally given, and any adjourned meetings. A proxy is not valid for more than 90 days from the date of the meeting for which it was given and is revocable at the pleasure of the person granting the proxy.

4.9 Voting Interests. Each Member of the Association shall be entitled to one vote, but each Member's vote shall be counted as the Member's percentage share of ownership in the Common Elements of the Condominium. At all times, 100% of the voting interests (the "Voting Interests") shall be allocated among the Members based upon each Member's percentage share of ownership in the Common Elements of the Condominium. Each Member's Voting Interest shall equal the same percentage of all of the Members Voting Interests as such Member's percentage share ownership interest of the Common Elements of the Condominium. Each Member shall vote all of his Voting Interest with each vote, so that each vote of his Voting Interest shall be counted as a vote of the Member's percentage share of the total voting interest of all Members. By way of example only, if a Member owns a 30% interest in the Common Elements of the Condominium, then such Member's vote shall be counted as 30% of the Voting Interest of the Condominium.

4.10 Vote Required to Transact Business. When a quorum is present at any meeting, a vote of the majority of the Voting Interests present and voting shall decide any question brought before the meeting. If the question is one which requires more than a majority vote by express provision of the Condominium Act or the Declaration of Condominium, Articles of Incorporation or these By-Laws (hereinafter collectively referred to herein as the "Condominium Documents"), such express provision shall govern and control the number of votes required.

A majority of the Voting Interests of the Association present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute or the Condominium Documents. If a quorum is not present at any meeting, the Voting Members may adjourn the meeting from time to time. Any business may be transacted at any adjourned meeting which could have been transacted at the meeting called.

SECTION 5. DIRECTORS.

5.1 Number. The affairs of the Association shall be managed by a Board of Directors, consisting of three (3) directors.

5.2 Term. Each director shall be elected to serve for a term of one (1) year or until his successor shall be elected and shall qualify, except that directors elected prior to the Unit Owners' Initial Meeting shall serve only until such meeting.

5.3 First Board of Directors. The first Board of Directors shall consist of three (3) persons appointed by Developer, who shall hold office and exercise all powers of the Board at the pleasure of Developer but not later than the Unit Owners' Initial Meeting.

5.4 Vacancy and Replacement. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors at a special meeting of directors duly called for this purpose, shall by closed ballot vote choose a successor or successors who shall hold office for the unexpired term in respect to which such vacancy occurred. If the remaining directors are unable to agree on a successor, then the Association shall hold an election in accordance with the provisions hereof.

5.5 Election of Directors. Election of Directors for the Board of Directors, shall be conducted in the following manner:

5.5.1 Method. The Board of Directors shall be elected by closed ballot or voting machine.

5.5.2 Proxies. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise.

5.5.3 Notice.

(1) Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election.

(2) Any Unit Owner or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than 40 days before a scheduled election.

(3) Together with an agenda of the meeting, the Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper.

5.5.4 Handling of Ballots. Since the voting rights of each of the Unit Owners is based upon the percentage of ownership of the Common Elements set forth in Exhibit D, there shall be a different color ballot for each percentage voting interest and the percentage of each voting interest for each Unit shall be stated on the outer envelope next to the Unit number. Accompanying the ballot shall be an outer envelope addressed to the person or entity authorized to receive the ballots and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name of the voter and the Unit or Unit Numbers being voted, and shall contain a signature space for the voter. Once the ballot is completed the voter shall place the completed ballot in the smaller inner envelope and seal the envelope. The inner envelope shall be placed within the outer larger envelope, and the outer envelope shall then be sealed. Each inner envelope shall contain only one ballot, but if a person is entitled to cast more than one ballot, the separate inner envelopes required may be enclosed within a single outer envelope. The voter shall sign the exterior of the outer envelope in the space provided for such signature. The envelope shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

The written ballot shall indicate in alphabetical order by surname, each and every Unit Owner or other eligible person who desires to be a candidate for the Board of Directors and who gave written notice to the Association not less than forty (40) days before a scheduled election, unless such person has prior to the mailing of the ballot, withdrawn his candidacy in writing. No ballot shall indicate which candidates are incumbents on the Board. No write-in candidate shall be permitted. No ballot shall provide a space for the signature of or any other means of identifying a voter. All ballot forms utilized by the Association, both those mailed to voters or cast in a meeting, shall be uniform in color and appearance.

Any envelopes containing ballots shall be collected by the Association and shall be transported to the location of the duly called meeting of the Unit Owners. The Association shall have made available at the meeting additional blank ballots for distribution to eligible voters who have not cast their votes. Each ballot distributed at the meeting shall be placed in an inner and outer envelope in the manner provided above. Each envelope and ballot shall be handled in the following manner, either by the Board or by a person or persons appointed by the Board. At the meeting, as a first order of business, ballots not yet cast shall be collected. Next the signature and Unit identification on the outer envelope shall be checked against a list of qualified voters, unless previously validated as provided below. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted. The voter shall be checked off the list as having voted. Then, in the presence of any Unit Owners in attendance, and regardless of whether a quorum is present, all inner envelopes shall first be removed from the outer envelopes and shall be placed into a receptacle. Upon the commencement of the opening of the outer envelopes the polls shall be closed and no more ballots shall be accepted. The inner envelope shall then be opened and the ballots shall be removed and counted in the presence of the Unit Owners. Any envelope containing more than one ballot shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted. All envelopes or ballots whether disregarded or not shall be retained with the official records of the Association.

If the Association should desire to verify the outer envelope information in advance of the meeting they may do so at a meeting noticed in the manner required for the noticing of Board Meetings, which shall be open to all Unit Owners and which shall be held on the date of the election. An impartial committee designated by the Board may verify the signature and Unit identification on the outer envelope and check the same against the list of qualified voters. These voters shall be checked off the list as having voted. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted.

5.5.5 Candidacy. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Written notice shall be effective when received by the Association. Written notice shall be accomplished in accordance with one or more of the following methods: (a) by certified mail, return receipt requested, directed to the Association; or (b) by personal delivery to the Association; or (c) by regular U.S. Mail, facsimile, telegram or other method of delivery to the Association.

(1) Upon the request of a candidate, the Association shall issue a written receipt acknowledging delivery of the written notice.

(2) Upon the request of a candidate, the Association shall include an information sheet, no larger than 8 1/2" x 11" furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be born by the Association. Any candidate desiring the Association to mail or personally deliver copies of an information sheet to the eligible voters must furnish the information sheet to the Association not less than thirty-five (35) days before the election. The Association shall not edit, alter or otherwise modify the content of the information sheet provided by a candidate. However, if consented to in writing by the candidates involved, two or more candidate information sheets may be consolidated into a single page. The original copy provided by the candidate shall become a part of the official records of the Association.

5.5.6 Quorum. There is no quorum requirement or minimum number of votes necessary for election of the members of the Board of Directors, however, at least 20 percent of the Voting Interests must cast a ballot in order to have a valid election of members of the Board of Directors.

5.5.7 Necessity of Elections. Notwithstanding the provisions of this section to the contrary, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

5.5.8 Improper Voting. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. Any Unit Owner violating this provision may be fined by the Association. A Unit Owner who needs assistance in casting the ballot for the reasons stated in section 101.051, Florida Statutes may obtain assistance in casting the ballot.

5.5.9 Date of the Election. The regular election shall occur on the date of the annual meeting of the Association.

5.5.10 Interim Vacancies. Any vacancy occurring on the Board prior to the expiration of a term, except in the case of a vacancy caused by recall, may be filled by the affirmative vote of the majority of the Board of Directors, even if the remaining directors constitute less than a quorum or by the sole remaining director. In the alternative, a Board may, in its discretion, hold an election to fill the vacancy in which case the election procedures must conform to the requirements set forth herein. Balloting is not necessary to fill any vacancy unless there are two or more eligible candidates for that vacancy. A Board member appointed or elected pursuant to a vacancy shall fill that vacancy until the next regularly scheduled election for any position, regardless of whether the Board Seat to which the member was elected or appointed is scheduled to be filled at that election. If, however, upon appointment, the Association has already mailed or delivered the first notice of election pursuant to this section, the Board member appointed or elected as provided herein shall serve until the next election scheduled in the future for any position.

A regular or general election shall be an election to fill a vacancy caused by expiration of a term in office. A regular or general election shall occur at the time and place at which the annual meeting is scheduled to occur, regardless of whether a quorum is present.

5.5.11 Nominating Committees. The Board of Directors shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board. The Board may create or appoint a search committee which shall not have the authority to nominate any candidate, but may encourage qualified persons to become candidates for the Board.

5.5.12 Tie Votes. If two or more candidates for the same position receive the same number of votes, which would result in one or more candidates not serving or serving a lesser period of time, the Association shall conduct a run-off election in accordance with the procedures set forth herein. Within seven (7) days of the date of the election at which the tie vote occurred, the Association shall mail or personally deliver to the voters a notice of a run-off election. The only candidates eligible for the run-off election to the Board position are the run-off candidates who received the tie vote at the previous election. The notice shall inform the voters of the date scheduled for the run-off election to occur, shall include a ballot conforming to the requirements of this rule, and shall include copies of any candidate information sheets previously submitted by those candidates to the Association. The run-off election must be held not less than twenty-one (21) days nor more than thirty (30) days after the date of election at which the tie vote occurred.

5.5.13 Voters Needing Special Assistance. Any voter who requires assistance to vote by reason of blindness, disability or inability to read or write, may request the assistance of a member of the Board of Directors or other Unit Owner to assist in casting his vote. If the election is by voting machine, any such voter, before retiring to the voting booth may have a member of the Board of Directors or other Unit Owner or representative without suggestion or interference, identify the specific vacancy or vacancies and the candidates for each. If a voter requests the aide of any such individual, the two shall retire to the voting booth for the purpose of casting the vote according to the voter's choice. All voting machines shall meet the requirements set forth in Rule 61B-23.0021(12) Florida Administrative Code.

5.6 Removal. Directors may be removed with or without cause by an affirmative vote of a majority of the Voting Interests. A special meeting of the Voting Members may be called for this purpose by 10% of the Voting Interests upon giving notice of such meeting to all Voting Members as provided in Section 3.5 hereof, such notice to state the purpose of the special meeting. No director shall continue to serve on the Board, if, during his term of office, his membership in the Association is terminated for any reason. Once removed from office, a director may no longer serve as an officer of the Association, unless such officer is reelected to the Board of Directors at a subsequent meeting for such purpose.

5.7 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, at the meeting at which they were elected or as soon thereafter as may be practicable. The Annual Meeting of the Board shall be held at the same place as the Voting Members meeting. The Board of Directors shall have, without limitation, the following powers and duties:

5.7.1 Assessments. To make and collect Assessments and Special Assessments against members to pay the expenses incurred by the Association and the power to make and assess members for capital improvements and replacements to the Common Elements, Units, or other portions of the Condominium Property pursuant to the Declaration of Condominium. Such expenses include, without limitation, expenses of the operation, maintenance, administration, repair, and replacement of the Condominium Property, the payment of rent to the Developer for the Leased Amenities, and the payment of rent to the appropriate neighboring association for use of the Hibiscus Facilities. The Association shall collect and remit to the Developer from each subassociation the rent payments owed by each of the Unit Owners for the Leased Amenities and the rent owed for use of the Hibiscus Facilities.

5.7.2 Disburse. To use and disburse the proceeds of Assessments and Special Assessments in the exercise of its powers and duties.

5.7.3 Maintain the Condominium Property. To maintain, repair, replace and operate the Condominium Property in the manner provided by the Declaration of Condominium.

5.7.4 Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.

5.7.5 Insure. To insure and keep insured the Condominium Property in the manner set forth in the Declaration of Condominium and to purchase such other insurance as the Board may deem advisable in its discretion from time to time, including officers' and directors' liability insurance.

5.7.6 Enforce. To enjoin or seek damages from any Unit Owner for violation of these By-Laws and the terms and conditions of the Declaration of Condominium.

5.7.7 Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Common Elements and to authorize such contractor and manager or either of them to use or exercise any of the powers it possesses; provided, however, the Association shall retain at all times the powers and duties granted to it by the Condominium Act.

5.7.8 Regulate. To make reasonable rules and regulations concerning the use and occupancy of the Condominium Property consistent with the Condominium Documents.

5.7.9 Contracts. To enter into any contracts, management agreements, employment agreements, service agreements, purchase and sale contracts, or any other agreements allowed under Florida law and to which the Board of Directors deems in the best interest of the Association or the Condominium.

5.8 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

5.9 Compensation. The directors shall not be entitled to any compensation for service as directors.

SECTION 6. DIRECTORS MEETINGS.

6.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were elected or as soon thereafter as may be practicable. The Annual Meeting of the Board shall be held at the same place as the Voting Members meeting.

6.2 Regular Meetings. Regular Meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of all regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least 48 hours in advance of the time named for such meeting. Adequate notice of all regular meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Condominium Property at least 48 continuous hours preceding the meeting for the attention of the Unit Owners except in an emergency.

6.3 Special Meetings. Special meetings of the Board may be called by the President on 48 hours notice to each director. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) directors.

6.4 Waiver of Notice. No notice of a Board meeting shall be required if the directors meet by unanimous written consent. The directors may, by resolution duly adopted, establish regular monthly, quarter-annual or semi-annual meetings. If such resolution is adopted, no notice of such regular meetings of the Board shall be required.

6.5 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted.

6.6 Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute

the act of a Board, except when approval by a greater number of directors is required by the Condominium Documents.

6.7 Joinder in Meeting by Approval of Minutes. The joinder of a director in any action taken at a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director except for the purpose of determining a quorum.

6.8 Presiding Officer. The presiding officer of a directors' meeting shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

SECTION 7. OFFICERS.

7.1 Officers. The executive officers of the Association shall be a President, Vice President, and a Treasurer/Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two of said offices may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

7.2 Qualification. No person shall be entitled to hold office except a member of the Board.

7.3 Term. The officers of the Association shall hold office concurrently with their term as directors of the Association, and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the Voting Members of the Association in accordance with the special meeting provisions of Section 3.4 hereof.

7.4 The President. (a) The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

(b) The President shall also automatically serve as a director of Ocean Gate Master Condominium Association, Inc., whose term as director shall commence and terminate simultaneously with his term as President of this Association.

7.5 The Secretary.

7.5.1 The Secretary shall keep the minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose.

7.5.2 The Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

7.5.3 The Secretary shall be custodian of the corporate records and of the seal of the corporation.

7.5.4 The Secretary shall keep a register of the name and post office address of each member and each Voting Member.

7.5.5 In general, the Secretary shall perform all duties incident to the office of the Secretary and such other duties as may be assigned by the President or by the Board of Directors.

7.6 The Vice President. The Vice President shall have all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

7.7 The Treasurer.

7.7.1 The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors or these By-Laws.

7.7.2 The Treasurer shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board an account of all transactions completed as Treasurer, and of the financial condition of the corporation.

7.8 Vacancies. If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term. If the remaining directors are unable to agree on a successor, the Association shall hold an election in accordance with the provisions hereof.

7.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from the date so fixed. The acceptance of a resignation shall not be required to make it effective.

SECTION 8. APPROVAL BY VOTING MEMBERS.

8.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association:

Matter to be approved		Approval Required
(1)	Adjustment of pro-rata shares in the Common Elements appurtenant to the Units after condemnation.	2/3 of the Voting Interests of Voting Members owning Units in the Condominium.
(2)	Adjustment in pro-rata share of Common Expenses, Assessments and Common Surplus after condemnation.	2/3 of the Voting Interests of Voting Members owning Units in the Condominium.
(3)	Alterations or further improvements to the Condominium Property after completion of improvements.	3/4 of the Voting Interests of Voting Members in the Condominium.
(4)	Waiver or reduction of reserves.	A majority of the Voting Interests of the Voting Members.
(5)	Approval of changes in configuration or size of Units.	The affected Unit Owner and a majority of Voting Interests of the other Unit Owners.

(6)	Amendment of By-Laws and Articles of Incorporation.	3/4 of the Voting Interests of the Voting Members.
(7)	Amendment of the Declaration	3/4 of the Voting Interests of the Voting Members owning Units in the Condominium the Declaration of which is to be amended.
(8)	Termination of Condominium	100% of the Voting Interests of the Voting Members owning Units in the Condominium which is to be terminated except as provided in item 11 of this Section 8.1.
(9)	Election of Directors and Officers.	a majority of Voting Interests of the Voting Members.
(10)	Removal of Directors and Officers.	a majority of Voting Interests of the Voting Members.
(11)	Election not to reconstruct or repair Common Elements or any Unit in the event of a casualty rendering 50% or more of the Units untenantable, or after a condemnation taking 50% or more of the Units.	3/4 of the Voting Interests of the Voting Members in the Condominium.

SECTION 9. CONDUCT OF MEETING.

All meetings of the members and of the Board shall be governed by Robert's Rules of Order.

SECTION 10. FISCAL MANAGEMENT.

The provisions for fiscal management of OCEAN GATE PHASE II, A CONDOMINIUM, as set forth in the Declaration of Condominium, are supplemented by the following provisions:

10.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

10.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements and for the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account. Each Unit Owner except Developer shall upon becoming a member of the Association contribute to the Current Expense Account a sum equal to 1/12 of the annual Assessment with respect to his Unit.

10.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements shall be held in the Reserve Fund Account.

10.2 (a) Budget. The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Common Expenses and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by the Condominium Act. If an adopted budget requires an Assessment against the Unit Owners in any

year of an amount exceeding 115% of the Assessments for the preceding year, and if Unit Owners of 10% of the Voting Interests file objections to the budget within thirty (30) days after the date of adoption thereof, the Board of Directors shall call a special meeting of the Unit Owners and a majority vote of the Voting Interests shall be required to ratify the budget. If not ratified, the budget shall be revised so as to provide for an Assessment of not more than 115% of the prior year's Assessments.

(b) (1) Notwithstanding the foregoing, the portion of the budget representing Assessments for the Master Association shall not be included in the budget for purposes of calculation of the percentage increase of the budget.

(2) In determining whether the Assessment exceeds 115% of similar Assessments in a prior year, reasonable reserves for repairs or replacements, expenses which cannot be reasonably anticipated to be incurred on a regular or annual basis, and Assessments for betterments shall not be considered in the computation.

(c) (1) The Estimated Operating Budget which is Attachment 3 to the Prospectus is the budget the Developer intends to adopt as the formal budget for the Condominium. The Unit Owners of Units that have been sold by the Developer will be assessed for Common Expenses at the rates as stated in said budget, and the Developer will be assessed for the amounts by which the Common Expenses exceed the amounts assessed against the Owners of Units sold by the Developer.

(2) In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds $10,000.00. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates of or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the members of an Association have, by a majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection.

(3) Prior to turnover of control of the Association by the Developer to the Unit Owners other than the Developer pursuant to s. 718.301, Florida Statutes, the Developer may vote to waive the reserves or reduce the funding of reserves for the first 2 years of the operation of the Association and the vote to waive or reduce reserves must be taken each fiscal year, after which time reserves may only be waived or reduced upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the Association.

During this period, no provisions will be made for capital improvements or replacements, or for Reserve Funds other than the payment of one month's current assessments as a working capital contribution to the Association paid by each Unit at the time of its respective sale by the Developer and as set forth in the Estimated Operating Budget for the Condominium. It is further understood and agreed that the Developer's liability for current expenses as specified herein shall be limited to that necessary to maintain the Condominium in reasonably good condition, normal wear and tear excepted, expressly recognizing that such normal wear and tear will occur. It is further and specifically understood and agreed that incident to such normal wear and tear the Condominium will not remain in its original new unused condition and Developer expressly and specifically shall be under no duty or obligation to maintain it in such condition and shall have no duty or obligation to replace or refurbish the

Condominium, or any portion thereof, except as included in the aforesaid duty to maintain the Condominium in reasonably good condition, normal wear and tear excepted.

(4) If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

(5) Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer pursuant to s. 718.301, Florida Statutes, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the Association.

10.3 Assessments. Assessments shall be made against all Unit Owners and collected in accordance with the provisions of Section 7 of the Declaration of Condominium, relating to assessments by the Master Association. Assessments against all Unit Owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 15 preceding the year for which the Assessments are made. Such Assessments shall be payable in twelve (12) equal monthly installments on the first day of each month of the year for which the Assessments are made. The Board of Directors shall annually adopt a budget for use during that year. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended Assessment. The budget and Assessments therefor may be amended at any time by the Board of Directors.

10.4 Depository. The funds of the Association will be deposited in such banks or savings and loan associations as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons as authorized by the Board.

10.5 Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this section, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks, and the President, Secretary/Treasurer of the Association. The Association shall bear the cost of the bonding.

SECTION 11. RULES AND REGULATIONS.

11.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements or the Condominium Property. The Secretary shall from time to time post in a conspicuous place on the Condominium Property, a copy of such rules and regulations. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

11.2 As to Condominium Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, a copy thereof shall be posted in a conspicuous place on the Condominium Property, and shall be delivered to each Unit. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

11.3 A copy of the initial rules and regulations for the Condominium Property is attached hereto as Annex I.

11.4 Fines. Upon reasonable notice and an opportunity for hearing the Association may levy a fine against the Unit Owner of a Unit or its occupant, licensee, or invitee, for failure to abide by any provision of the Declaration, the Association By-Laws, or Rules of the Association. This section does not apply to unoccupied Units.

11.4.1 No fine shall become a lien against a Unit.

11.4.2 No fine shall exceed $100.00 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing (as set forth below), provided that no such fine may exceed an aggregate amount of $1,000.00.

11.4.3 Prior to the levying of such a fine, the Unit Owner and, if applicable, any licensee or invitee must be given reasonable notice of at least fourteen (14) days and an opportunity for hearing. The notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A statement of the provisions of the Declaration, Association By-Laws, or Association Rules which have allegedly been violated; and

(3) A short and plain statement of the matters asserted by the Association.

11.4.4 A party against whom the Association seeks to levy a fine is entitled to a hearing held before a committee of other Unit Owners. Said party shall have the opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. If the committee of other Unit Owners does not agree with the fine, it shall not be levied.

SECTION 12. DEFAULT.

12.1 Foreclosure. In the event a Unit Owner does not pay any Assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting in its own behalf, or through the Manager acting on behalf of the Association, may foreclose the lien encumbering said Unit Owner's Parcel created by non-payment of the required monies in the same manner as mortgage liens are foreclosed pursuant to the provisions of the Declaration.

12.2 Association Expenses. If the Association becomes the owner of a Condominium Unit by reason of foreclosure, it may offer said Unit for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it from monthly Assessments and Charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Condominium Unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be added to Common Surplus.

12.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Condominium Documents, to

sue for damages, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

12.4 Consent to the Foregoing Provisions. Each Unit Owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and injunctive relief, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner's right to enjoy his Condominium Parcel free from unreasonable restraint and nuisance.

SECTION 13. MORTGAGE OF UNIT.

13.1 The Association shall maintain a suitable register for the recording of the name and address of mortgagees of Condominium Units. Any mortgagee of a Condominium Unit, may, but is not obligated to, notify the Association in writing, of its mortgage, in which case its name and address will be entered in the register. If notice of default is thereafter given any member, under any applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the mortgagee named in the register.

SECTION 14. AMENDMENT OF BY-LAWS.

14.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a three-fourths (3/4) vote of the Voting Interests of the Association. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Condominium.

ANNEX I

INITIAL RULES AND REGULATIONS OF THE CONDOMINIUM

1) The sidewalks, entrances, stairways, and like portions of the common elements shall not be obstructed or used for any purpose other than for ingress and egress to and from the premises, nor shall any carts, carriages, chairs, tables or any other similar objects be stored therein.

2) The personal property of unit residents must be stored in their perspective units or in storage areas provided within the condominium.

3) No garbage cans, supplies, recycling bins or bottles, or any other articles shall be placed on the balconies or entrances to units, nor shall any clothing, rugs, mops, laundry or other articles of any kind be hung from railings, balconies, or decks. All garbage and trash must be deposited in areas designated for such purpose.

4) Disturbing noises shall not be permitted.

5) No signs, advertisement, notice or other lettering shall be exhibited or displayed on, or upon, any part of the premises which may be seen from common areas. Additionally, no structure or building, awning, canopy, screening, shutter or other projection shall be attached to or placed upon the outside walls, doors, balconies or roof of the buildings or on the common elements. The exterior appearance of the balconies and decks may not be altered in any way without permission of the Board.

6) No combustible or explosive substances shall be kept in any unit or in any storage area, except such as may be required for normal uses.

7) No pets or animals may be kept or maintained in or about the condominium property except small dogs, small cats, small birds, and fish hereinafter referred to as "Pets". A conditional license to maintain 2 pets as defined above in the owners' unit is granted subject to the following conditions and reservations.

a) Dogs must be kept on a leash at all times while on the common areas.

b) Pets must not be walked near the buildings, walkways, shrubbery, gardens or other public spaces, nor on the ocean side of the condominium property, except to take to beach. Pets may be walked only in pet walk areas designated by the association. Owners are required to clean up after pets.

c) An owner is fully responsible for any damage to persons, property or other pets caused by his or her pet. In the event of any damage to the condominium property caused by a pet, the decision of the Association as to the amount of the damage shall be determinative and the unit owner shall be subject to assessment by the Association for the amount of damage.

d) No pets may weigh over 45 pounds.

e) No pet may be brought into or on the condominium property by guests, renters or visitors.

The above conditional license is subject to revocation and termination at any time by the Association upon their sole determination that such "Pet" is vicious or is annoying other residents or is otherwise a nuisance. Additional pets or larger pets may be allowed subject to written approval of the Association or its' agent.

8) No vehicle shall be parked in such a manner as to impede ready access to another owners unit. All owners and their invites shall obey all parking and traffic regulations promulgated by the Association. No unit owners shall park boats, trailers, trucks or campers or any commercial vehicles on the condominium property, except in areas that may be designated from time to time. No vehicle which cannot operate on its own power shall remain on the premises for more than 24 hours, and no repairs to vehicles shall be made on the premises.

9) The rules for all recreational facilities shall be posted and shall be observed by all owners and guests. All children under the age of 14 must be supervised by an adult while on condominium facilities.

10) In cases of unit being rented in a rental pool, minimum 1 week rental stay is allowed. In the case of short term rental, an adult must be present at all times with children. Renting to one adult chaperoning a group of young people will not be permitted.

11) Each owner, for himself, his family, his guests and tenants and any other resident of the property, agrees to comply with and abide by all Rules and Regulations set forth above and as amended by the Board of Directors from time to time.

12) The above Rules and Regulations and procedures shall in no way amend or alter the article of Incorporation, Declaration of Condominium or by-laws of the Condominium, but shall only be supplemental thereto. In the event of conflict, the order of authority shall be the Declaration, Articles of Incorporation, the by-laws and these Rules; Regulations and procedures.

13) These rules may be amended or additional rules promulgated, by the Board of Directors of the Association at any time upon due notice to all residents.

14) In the event of resolution of these Rules and Regulations, or of any of the provisions of the Declaration, Articles of Incorporation or by-laws, the Association may impose reasonable fines not to exceed $50.00 in each instance and or suspend certain use privileges in the recreational facilities and voting rights in the Condominium Association, but only after a hearing before the Board of Directors or before a Rules Committee appointed by the Board for this purpose. All alleged violators shall be entitled to cross examine witnesses and may be represented by council of their choice. The Board of Committee shall make written findings of fact.

15) There are not restrictions on children.

Public Records of
St. Johns County, FL
Clerk# 99044762
O.R. 1441 PG 1873
01:03PM 09/20/1999
REC $49.00 SUR $6.50

THIS INSTRUMENT PREPARED BY AND RECORD AND RETURN TO:

Alan C. Sheppard, Jr., Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
50 North Laura Street, Suite 2800
Jacksonville, FL 32202-3650

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "Agreement") is made this 17 day of June, 1999, by **OCEAN GATE DEVELOPMENT, INC.**, a Florida corporation ("Grantor"), whose address is 4730-B Highway A1A South, St. Augustine, FL 32084, in favor of **OCEAN GATE PHASE I CONDOMINIUM ASSOCIATION, INC.**, a Florida not-for-profit corporation (the "Association"), and **ARSENIO** and **NICOLINA CARABETTA, THOMAS J. KLINEHOFFER** and **LYNN C. KLINEHOFFER, GREGORY J. PITTMAN** and **SUSI K. PITTMAN, H. KIRBY BLANKENSHIP** and **BONNIE I. BLANKENSHIP, FARRELL MCNEELY** and **SHARON MCNEELY, and GERARD D. GRISSOM** and **MARY JOYCE GRISSOM** (collectively, the "Unit Owners") (collectively, the Association and the Unit Owners are referred to herein as the "Grantee") whose address is 4730-B Highway A1A South, St. Augustine, Florida 32084.

RECITALS:

A. Grantor is the fee simple owner of certain real property located in St. Johns County, Florida, such property being more particularly described on attached Exhibit A ("Grantor's Property").

B. The Association is the entity which is responsible for the operation and maintenance of the real property which is subject to condominium pursuant to that certain Declaration of Condominium of Ocean Gate Phase I, a Condominium, recorded in the public records of St. Johns County, Florida (the "Declaration"), and which is located adjacent to Grantor's Property, such property being more particularly described on attached Exhibit B ("Grantee's Property")

C. The Unit Owners are the fee simple owners of certain Units and of an undivided percentage interest in the Common Elements of the Condominium (as such terms are defined in the Declaration).

D. Grantee has requested an easement for ingress and egress over and across certain portions of Grantor's Property for the benefit of Grantee's Property, and Grantor has agreed to grant such an easement to Grantee on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for $10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants Grantee the following-described easement upon the terms and conditions set forth in this Agreement:

1. Recitals. The foregoing recitals are true and correct and incorporated herein by reference.

2. Definitions. In addition to the defined terms otherwise set forth in this Agreement, the capitalized terms set forth below shall have the following meanings:

a. "Access Road" shall mean all existing roadways, bridges and gate features, if any, currently located or which may be located or relocated in the future on Grantor's Property, and which are intended to provide access to the Grantee's Property.

b. "Legal Requirements" shall mean any and all applicable federal, state, county and municipal laws, ordinances, regulations, codes, rules or orders including without limitation, requirements relating to minimum lot size, handicapped and regular parking, building setbacks, fire codes, lot coverage ratios, frontage, site plan approval, access to public right-of-way, and any other environmental protection, land use, and zoning laws and regulations.

c. "Permittees" shall mean all persons from time to time entitled to the use and occupancy of any portion of Grantee's Property under any lease, deed or other arrangement whereunder such person has acquired a right to the use and occupancy of any portion of Grantee's Property, and their respective officers, directors, employees, agents, contractors, customers, visitors, invitees, licensees and concessionaires.

3. Easement. Subject to the terms and conditions of this Agreement and for the benefit of Grantee's Property, Grantor hereby grants Grantee and Permittees a non-exclusive, perpetual easement for pedestrian and vehicular ingress and egress over and across the Access Road. This Easement is intended and deemed to include full unfettered access to the Grantees on, over, and across the roadways and walkways currently located on or to be located or relocated on that portion of the Grantor's Property intended to provide pedestrian and vehicular access from the Access Parcel described in that certain Declaration and Grant of Easement dated as of January 5, 1996, and recorded in Official Records Book 1149, Page 918, of the Public Records of St. Johns County, Florida (the "Hibiscus Easement") to that certain boardwalk and dune walkover described in that certain Supplementary Declaration and Grant of Easement (Dune Walkover) dated as of April 11, 1997, and recorded in Official Records Book 1238, Page 1483, of the Public Records of St. Johns County, Florida.

4. Use and Alteration. Grantor shall not construct, erect or maintain any barriers, walls, curbs, or blockades on, over or about the Access Road which would interfere with the rights granted pursuant to the foregoing easement. Notwithstanding the foregoing, Grantor hereby reserves the right, after receiving the prior written consent of Grantee which shall not be unreasonably withheld or delayed, to, at Grantor's sole cost and expense and without obstructing Grantee's access, construct, change, modify, alter, remove, replace or relocate the Access Road as Grantor deems necessary and/or desirable; provided that all of the foregoing shall be in compliance with applicable Legal Requirements, and further provided that the easement granted herein is relocated and is not obstructed from use as contemplated under such easement.

5. Miscellaneous.

a. Successors and Assigns. The easement granted herein shall be deemed to run with title to the Grantee's Property in perpetuity. This Agreement shall be binding upon Grantor and Grantee and, upon the respective heirs, personal representatives, successors in title, successors and assigns, and all other persons, parties or legal entities claiming by, through or Grantor or Grantee.

b. No Dedication. Nothing contained in this Agreement shall be deemed to constitute a dedication of Grantor's Property, or any portion or portions thereof, to any governmental body or agency or to the general public, or construed to create any rights in or for the benefit of any persons other than the Grantee and Permittees, it being the intention that this Agreement shall be strictly limited to and for the purposes herein expressed.

c. Time of Essence. Time is of the essence with respect to the performance of any covenants and agreements contained in this Agreement.

d. Governing Law. This Agreement shall be governed by the laws of the State of Florida.

e. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement, and all of which shall constitute one agreement.

THIS EASEMENT AGREEMENT HAS BEEN PREPARED WITHOUT THE BENEFIT OF A TITLE SEARCH OR SURVEY.

IN WITNESS WHEREOF, Grantor has executed this Agreement for the purposes stated herein as of the date first above written.

Witnesses:

Name: Robert M. Chadwick

Name: Dorothy Burr

Grantor:

Ocean Gate Development, Inc., a Florida corporation

By: Robert J.L. Laurence
President

JUN-15-1999 10:46 LLGEM 904 353 1673 P.05/13

514471 0562

OR1441PG1877

JOINDER AND CONSENT TO EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that Construction Lending Corporation of America, a Delaware corporation (the "Lender"), the owner and holder of the following described mortgage (the "Mortgage"):

> Mortgage from Ocean Gate Development, Inc., a Delaware corporation, dated June 13, 1997 to the Lender of the Grantor's Property and recorded June 23, 1997 in Official Records book 1247, page 249, of the Public Records of St. Johns County, Florida

hereby joins in and consents to the terms and conditions of that certain Easement Agreement (the "Easement") made by Ocean Gate Development, Inc., as Grantor, to which this joinder is attached, for the limited purpose of subordinating the lien, effect and terms and conditions of the foregoing Mortgage to the Easement and to the terms, conditions and agreements set forth therein. The Easement may not be modified, amended or terminated without the prior written consent of Lender.

IN WITNESS WHEREOF, the Lender has caused this presents to be executed as of the 16th day of June, 1999.

Witnesses:

Jennifer B. Preston

Name: Jennifer B. Preston

Dawn C Gourley

Name: Dawn C Gourley

Construction Lending Company of America

By:

Print Name: Kristen L. Belt

Title: Vice President

STATE OF Florida)
COUNTY OF Seminole)

The foregoing instrument was acknowledged before me this 30 day of June, 1999, by Robert J.L. Laurence, the President of Ocean Gate Development, Inc., a Florida corporation, on behalf of the corporation. He/she either [X] is personally known to me or [ ] has produced a _____ state driver's license as identification.

Pamella B. Gesell
Notary Public, State of Florida
Commission No. CC 533093
My Commission Expires 02/23/00
1-800-3-NOTARY - Fla. Notary Service & Bonding Co.

Pamella B Gesell
Notary Public, State of Florida
Printed Name: Pamella B. Gesell
Commission No.: CC 533093
My commission expires: 2-23-00

[NOTARIAL SEAL]

STATE OF Florida)
COUNTY OF Seminole)

The foregoing instrument was acknowledged before me this 18 day of June, 1999, by Preston L Bolt, the Vice President of Construction Lending Corporation of America, a Delaware corporation, on behalf of the corporation. He/she either [✓] is personally known to me or [ ] has produced a N/A state driver's license as identification.

Dawn C Gourley
Notary Public, State of Florida
Printed Name: Dawn C Gourley
Commission No.: 4-29-02
My commission expires: CC738232

[NOTARIAL SEAL]

Dawn C Gourley
My Commission CC738232
Expires April 29, 2002

EXHIBIT A

Legal Description of Grantor's Property

EXHIBIT A

DESCRIPTION - LEASE AREA 2:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 800 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 18 MINUTES 48 SECONDS WEST 301.20 FEET , THENCE NORTH 84 DEGREES 54 MINUTES 37 SECONDS EAST 780.97 FEET; THENCE SOUTH 00 DEGREES 54 MINUTES 31 SECONDS EAST 120.90 FEET, TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE NORTH 84 DEGREES 01 MINUTE 50 SECONDS EAST 62.17 FEET; THENCE NORTH 84 DEGREES 49 MINUTES 49 SECONDS EAST 2.74 FEET; THENCE SOUTH 02 DEGREES 58 MINUTES 28 SECONDS EAST 18.00 FEET; THENCE SOUTH 84 DEGREES 49 MINUTES 09 SECONDS EAST 4.90 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 09 SECONDS WEST 34.86 FEET; THENCE SOUTH 84 DEGREES 17 MINUTES 42 SECONDS EAST 84.48 FEET; THENCE NORTH 84 DEGREES 37 MINUTES 15 SECONDS EAST 136.83 FEET; THENCE SOUTH 04 DEGREES 16 MINUTES 12 SECONDS EAST 22.47 FEET; THENCE NORTH 84 DEGREES 29 MINUTES 37 SECONDS EAST 14.51 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS EAST 64.73 FEET; THENCE SOUTH 46 DEGREES 54 MINUTES 12 SECONDS EAST 4.07 FEET; THENCE NORTH 84 DEGREES 17 MINUTES 58 SECONDS EAST 30.58 FEET; THENCE SOUTH 05 DEGREES 24 MINUTES 14 SECONDS EAST 4.19 FEET; THENCE NORTH 86 DEGREES 27 MINUTES 09 SECONDS EAST 8.91 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 48 SECONDS EAST 8.64 FEET; THENCE NORTH 84 DEGREES 37 MINUTES 11 SECONDS EAST 28.21 FEET; THENCE NORTH 44 DEGREES 21 MINUTES 18 SECONDS EAST 16.40 FEET; THENCE SOUTH 02 DEGREES 20 MINUTES 56 SECONDS WEST 1.74 FEET; THENCE SOUTH 84 DEGREES 48 MINUTES 30 SECONDS WEST 15.73 FEET; THENCE NORTH 46 DEGREES 09 MINUTES 14 SECONDS WEST 27.45 FEET; THENCE SOUTH 84 DEGREES 58 MINUTES 04 SECONDS WEST 48.16 FEET; THENCE NORTH 81 DEGREES 19 MINUTES 48 SECONDS WEST 16.36 FEET; THENCE NORTH 78 DEGREES 57 MINUTES 02 SECONDS WEST 18.73 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 24 SECONDS WEST 8.13 FEET; THENCE NORTH 70 DEGREES 58 MINUTES 30 SECONDS WEST 1.84 FEET; THENCE NORTH 20 DEGREES 27 MINUTES 59 SECONDS WEST 4.07 FEET; THENCE NORTH 46 DEGREES 51 MINUTES 10 SECONDS EAST 18.24 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 54 SECONDS WEST 57.35 FEET; THENCE SOUTH 84 DEGREES 47 MINUTES 20 SECONDS EAST 4.07 FEET TO THE POINT OF BEGINNING; CONTAINING 10,449.42 SQUARE FEET OR 0.28 ACRES, MORE OR LESS.

THE WRITING/TYPING & PRINTING
WAS UNSATISFACTORY FOR
REPRODUCTION AT THE TIME
OF IMAGING

DESCRIPTION - LEASE AREA 1: OCEAN FRONT POOL

A PARCEL OF LAND IN GOVERNMENT LOT 3, SECTION 15, TOWNSHIP 6 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 3 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET ; THENCE NORTH 84 DEGREES 54 MINUTES 57 SECONDS EAST 1150.40 FEET; THENCE SOUTH 08 DEGREES 30 MINUTES 56 SECONDS EAST 215.48 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 07 DEGREES 08 MINUTES 03 SECONDS EAST 12.57 FEET; THENCE SOUTH 83 DEGREES 27 MINUTES 28 SECONDS WEST 5.51 FEET; THENCE SOUTH 04 DEGREES 28 MINUTES 22 SECONDS WEST 17.48 FEET; THENCE SOUTH 44 DEGREES 26 MINUTES 14 SECONDS WEST 44.28 FEET; THENCE SOUTH 84 DEGREES 00 MINUTES 34 SECONDS WEST 57.11 FEET; THENCE NORTH 00 DEGREES 02 MINUTES 56 SECONDS WEST 49.37 FEET; THENCE NORTH 46 DEGREES 21 MINUTES 25 SECONDS WEST 16.70 FEET; THENCE SOUTH 84 DEGREES 47 MINUTES 42 SECONDS WEST 24.32 FEET; THENCE NORTH 01 DEGREES 38 MINUTES 25 SECONDS WEST 7.05 FEET; THENCE SOUTH 84 DEGREES 14 MINUTES 52 SECONDS WEST 12.72 FEET; THENCE SOUTH 00 DEGREES 28 MINUTES 17 SECONDS WEST 4.56 FEET; THENCE SOUTH 84 DEGREES 41 MINUTES 14 SECONDS WEST 1.47 FEET; THENCE NORTH 02 DEGREES 24 MINUTES 44 SECONDS WEST 9.97 FEET; THENCE NORTH 84 DEGREES 24 MINUTES 37 SECONDS EAST 14.37 FEET; THENCE SOUTH 08 DEGREES 14 MINUTES 27 SECONDS EAST 7.02 FEET; THENCE NORTH 88 DEGREES 52 MINUTES 01 SECOND EAST 20.19 FEET; THENCE SOUTH 78 DEGREES 15 MINUTES 04 SECONDS EAST 1.96 FEET; THENCE SOUTH 45 DEGREES 57 MINUTES 52 SECONDS EAST 4.45 FEET; THENCE NORTH 84 DEGREES 30 MINUTES 42 SECONDS EAST 78.88 FEET TO THE POINT OF BEGINNING; CONTAINING 4,217.78 SQUARE FEET OR 0.10 ACRES, MORE OR LESS.

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WAS UNSATISFACTORY FOR
REPRODUCTION AT THE TIME
OF IMAGING

DESCRIPTION - LEASE AREA 2:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET , THENCE NORTH 84 DEGREES 34 MINUTES 57 SECONDS EAST 780.97 FEET; THENCE SOUTH 00 DEGREES 54 MINUTES 21 SECONDS EAST 120.50 FEET, TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE NORTH 84 DEGREES 01 MINUTE 30 SECONDS EAST 62.17 FEET; THENCE NORTH 84 DEGREES 48 MINUTES 49 SECONDS EAST 2.74 FEET; THENCE SOUTH 02 DEGREES 38 MINUTES 23 SECONDS EAST 16.00 FEET; THENCE SOUTH 84 DEGREES 40 MINUTES 09 SECONDS EAST 4.90 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 08 SECONDS WEST 39.66 FEET; THENCE SOUTH 84 DEGREES 17 MINUTES 42 SECONDS EAST 54.46 FEET; THENCE NORTH 84 DEGREES 57 MINUTES 15 SECONDS EAST 156.55 FEET; THENCE SOUTH 04 DEGREES 16 MINUTES 12 SECONDS EAST 22.97 FEET; THENCE NORTH 84 DEGREES 24 MINUTES 37 SECONDS EAST 14.91 FEET; THENCE SOUTH 58 DEGREES 26 MINUTES 58 SECONDS EAST 84.73 FEET; THENCE SOUTH 46 DEGREES 34 MINUTES 12 SECONDS EAST 4.07 FEET; THENCE NORTH 84 DEGREES 17 MINUTES 58 SECONDS EAST 56.55 FEET; THENCE SOUTH 58 DEGREES 24 MINUTES 19 SECONDS EAST 9.13 FEET; THENCE NORTH 86 DEGREES 27 MINUTES 04 SECONDS EAST 8.91 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 48 SECONDS EAST 8.66 FEET; THENCE NORTH 84 DEGREES 57 MINUTES 11 SECONDS EAST 28.21 FEET; THENCE NORTH 44 DEGREES 21 MINUTES 18 SECONDS EAST 16.40 FEET; THENCE SOUTH 02 DEGREES 20 MINUTES 56 SECONDS WEST 1.74 FEET; THENCE SOUTH 86 DEGREES 48 MINUTES 56 SECONDS WEST 19.78 FEET; THENCE NORTH 46 DEGREES 08 MINUTES 19 SECONDS WEST 27.48 FEET; THENCE SOUTH 84 DEGREES 58 MINUTES 04 SECONDS WEST 48.16 FEET; THENCE NORTH 81 DEGREES 18 MINUTES 48 SECONDS WEST 16.28 FEET; THENCE NORTH 78 DEGREES 21 MINUTES 08 SECONDS WEST 16.78 FEET; THENCE SOUTH 88 DEGREES 52 MINUTES 24 SECONDS WEST 9.15 FEET; THENCE NORTH 70 DEGREES 55 MINUTES 50 SECONDS WEST 1.84 FEET; THENCE NORTH 20 DEGREES 27 MINUTES 58 SECONDS WEST 9.07 FEET; THENCE NORTH 46 DEGREES 31 MINUTES 10 SECONDS EAST 15.24 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 34 SECONDS WEST 57.55 FEET; THENCE SOUTH 84 DEGREES 47 MINUTES 20 SECONDS EAST 4.07 FEET TO THE POINT OF BEGINNING; CONTAINING 10,445.42 SQUARE FEET OR 0.28 ACRES, MORE OR LESS.

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OR1441PG1883

EXHIBIT B

Legal Description of Grantee's Property

FR 124514.1 58858 68756
6/14/99 6:51 PM

JUN-15-1999 10:49 LLEEM 904 353 1673 P.12/13

EXHIBIT B

DESCRIPTION - PHASE 1.

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 5 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF AIA; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF AIA, NORTH 12 DEGREES 13 MINUTES 48 SECONDS WEST 201.30 FEET; THENCE NORTH 09 DEGREES 54 MINUTES 57 SECONDS EAST 647.96 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 84 DEGREES 54 MINUTES 37 SECONDS EAST 693 FEET PLUS OR MINUS TO THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE SOUTHEASTERLY, 282 FEET PLUS OR MINUS ALONG SAID MEAN HIGH WATER LINE TO A POINT, SAID POINT BEING REFERENCE POINT "B" ; THENCE RETURN TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 38 MINUTES 52 SECONDS EAST 89.54 FEET; THENCE NORTH 84 DEGREES 57 MINUTES 14 SECONDS WEST 32.14 FEET; THENCE NORTH 00 DEGREES 17 MINUTES 48 SECONDS EAST 2.52 FEET; THENCE NORTH 84 DEGREES 44 MINUTES 59 SECONDS WEST 13.14 FEET; THENCE SOUTH 00 DEGREES 34 MINUTES 10 SECONDS WEST 2.22 FEET; THENCE NORTH 84 DEGREES 59 MINUTES 09 SECONDS WEST 8.27 FEET; THENCE SOUTH 00 DEGREES 47 MINUTES 54 SECONDS EAST 60.43 FEET; THENCE NORTH 84 DEGREES 48 MINUTES 48 SECONDS EAST 2.74 FEET; THENCE SOUTH 03 DEGREES 58 MINUTES 23 SECONDS EAST 16.00 FEET; THENCE SOUTH 84 DEGREES 40 MINUTES 09 SECONDS EAST 4.90 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 08 SECONDS WEST 34.88 FEET; THENCE SOUTH 84 DEGREES 17 MINUTES 42 SECONDS EAST 94.48 FEET; THENCE NORTH 84 DEGREES 57 MINUTES 18 SECONDS EAST 136.89 FEET; THENCE SOUTH 09 DEGREES 16 MINUTES 12 SECONDS EAST 22.47 FEET; THENCE NORTH 84 DEGREES 39 MINUTES 37 SECONDS EAST 94.00 FEET; THENCE SOUTH 08 DEGREES 14 MINUTES 27 SECONDS EAST 7.02 FEET; THENCE NORTH 89 DEGREES 52 MINUTES 01 SECONDS EAST 30.15 FEET; THENCE SOUTH 78 DEGREES 19 MINUTES 24 SECONDS EAST 1.43 FEET; THENCE SOUTH 48 DEGREES 57 MINUTES 32 SECONDS EAST 4.48 FEET; THENCE NORTH 84 DEGREES 30 MINUTES 42 SECONDS EAST 74.88 FEET; THENCE SOUTH 07 DEGREES 08 MINUTES 08 SECONDS EAST 12.37 FEET; THENCE SOUTH 66 DEGREES 27 MINUTES 28 SECONDS WEST 5.81 FEET; THENCE SOUTH 04 DEGREES 36 MINUTES 23 SECONDS WEST 17.48 FEET; THENCE SOUTH 44 DEGREES 36 MINUTES 14 SECONDS WEST 44.28 FEET; THENCE SOUTH 88 DEGREES 22 MINUTES 54 SECONDS EAST 39.76 FEET; THENCE NORTH 84 DEGREES 59 MINUTES 52 SECONDS EAST 481 FEET PLUS OR MINUS TO SAID MEAN HIGH WATER LINE, SAID POINT BEING REFERENCE POINT "B"; CONTAINING 182,881.00 SQUARE FEET OR 4.20 ACRES, MORE OR LESS.

IMAGING MEMO
THE WRITING/TYPING & PRINTING
WAS UNSATISFACTORY FOR
REPRODUCTION AT THE TIME
OF IMAGING

Draft

THIS INSTRUMENT PREPARED BY AND RECORD AND RETURN TO:

Douglas G. Stanford, Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
50 North Laura Street, Suite 2800
Jacksonville, Florida 32202

Recorded in Public Records St. Johns County, FL
Clerk# 97016096 O.R. 1238 PG 1491 04:08PM 05/09/1997
Recording $29.00 Surcharge $4.00 Doc Stamps $0.70

GRANT OF TEMPORARY EASEMENT FOR CONSTRUCTION OF DUNE WALKOVER

THIS GRANT OF TEMPORARY EASEMENT FOR CONSTRUCTION OF DUNE WALKOVER is made this 11th day of April, 1997, by:

HIBISCUS OWNERS ASSOCIATION I, INC., a Florida corporation not for profit ("Hibiscus Association I"), whose address is 4780 A-1-A South, St. Augustine, Florida 32084, and

HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida corporation not for profit ("Hibiscus Association II"), whose address is 4780 A-1-A South, St. Augustine, Florida 32084, to and in favor of

OCEAN GATE DEVELOPMENT, INC., a Florida corporation ("Ocean Gate"), whose address is 4730 A-1-A South, St. Augustine, Florida 32084,

R E C I T A L S :

A. Ocean Gate is the owner of the "Undeveloped Tracts" as described in, and subject to, that certain Declaration and Grant of Easements dated as of January 5, 1996, and recorded in Official Records Book 1149, page 918, public records of St. Johns County, Florida (the "Declaration"), and is the owner of "Parcel Z" as described in, and subject to, that certain Supplementary Declaration and Grant of Easement [Dune Walkover] dated April 11, 1997, and recorded in Official Records Book 1238, page 1483, public records of St. Johns County, Florida (the "Supplementary Declaration").

B. The Undeveloped Tracts and Parcel Z share common boundaries with certain existing residential properties known as Hibiscus I, a condominium under Declaration of Condominium of Hibiscus I, a Condominium, recorded in Official Records Book 570, page 129 of the Public Records of St. Johns County, Florida ("Hibiscus I"), and Hibiscus II, a condominium under Declaration of Condominium of Hibiscus II, a Condominium, recorded in Official Records Book 689, page 1457 of the Public Records of St. Johns County, Florida ("Hibiscus II"). The Declaration of Condominium for Hibiscus I and the Declaration of Condominium for Hibiscus II are referred to collectively as the "Condominium Declarations." Hibiscus I is governed by Hibiscus Owners Association I, Inc., a Florida corporation not for profit ("Hibiscus Association I"), which is the "Association" referred to in the Condominium Declaration applicable to Hibiscus I. Hibiscus II is governed by

Declaration applicable to Hibiscus I. Hibiscus II is governed by Hibiscus Condominium Association II, Inc., a Florida corporation not for profit ("Hibiscus Association II"), which is the "Association" referred to in the Condominium Declaration applicable to Hibiscus II.

C. Hibiscus Association I and Hibiscus Association II are the owners of the real property described on attached Exhibit A (the "Hibiscus Property").

D. Hibiscus Association I and Hibiscus Association II desire to grant to Ocean Gate a temporary easement over and across the Hibiscus Property for the construction of a Dune Walkover, as defined below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Hibiscus Association I and Hibiscus Association and Ocean Gate agree as follows:

1. Grant of Temporary Easement. Hibiscus Association I and Hibiscus Association II hereby grant, to and for the use, benefit and enjoyment of Ocean Gate, a temporary non-exclusive easement for the construction of the Dune Walkover within the Hibiscus Property, with rights of ingress and egress for purposes of the foregoing, over and upon the Hibiscus Property, together with the rights, privileges and appurtenances which may be required for the enjoyment of such easement.

2. Construction of Dune Walkover. Ocean Gate intends to construct the Dune Walkover within portions of the Undeveloped Tracts, Parcel Z and the Hibiscus Property. Ocean Gate will notify Hibiscus Association I and Hibiscus Association II of Ocean Gate's intention to commence construction of the Dune Walkover, and will provide a copy of the plans and specifications for the same for informational purposes. Construction of the Dune Walkover will be diligently prosecuted to completion, and performed and completed in a good and workmanlike manner. After completion of construction of the Dune Walkover, Ocean Gate will, as soon as reasonably possible, restore the surrounding walkways, boardwalks, decks, landscaping, planting and other surface or subsurface improvements affected by such construction as nearly the same condition existing prior to such construction as is practical taking into account the design of the Dune Walkover and its relationship with existing or planned improvements located on or adjacent to the Hibiscus Property or Parcel Z. All construction and restorative work will be carried out in full compliance with applicable governmental requirements, and at the sole cost and expense of Ocean Gate. Ownership of the Dune Walkover will be deemed vested in Hibiscus Association I and Hibiscus Association II.

3. Temporary Nature of Grant; Termination of Easement. The foregoing grant of easement is temporary in nature, and this instrument and the easement granted herein (but not Ocean Gate's obligation to restore as provided in paragraph 2 above or Ocean

Gate's indemnification as provided in paragraph 5 below, which shall expressly survive termination of this instrument) will terminate automatically upon the first to occur of (a) recordation of a Notice of Easement Relocation and Supplementary Grant of Easement by Ocean Gate and Hibiscus Association I and Hibiscus Association II, as contemplated in the Declaration and Supplementary Declaration or (b) that date which is 2 years after the date hereof.

4. Compliance with Applicable Laws. Use of the easement herein granted will be only in full compliance with applicable laws.

5. Attorneys Fees. In the event that any dispute resulting in litigation, mediation or arbitration concerning this instrument arises between or among the parties to this instrument or any grantors or beneficiaries of the easement granted or declared herein, the prevailing party in any such dispute shall be entitled to recover its reasonable attorneys fees and costs from the non-prevailing party.

6. Indemnification. Ocean Gate, its successors in title, successors and assigns, as the owner of Parcel Z, hereby indemnifies and agrees to hold harmless Hibiscus Association I and Hibiscus Association II from and against any and all liability, loss, cost, damage or expense, including construction liens or claims, and physical damage to existing improvements located on the Hibiscus Property, loss or damage to personal property, or death or personal injury to persons within Parcel Z or the Hibiscus Property, arising as a result of construction activity within the Hibiscus Property relating to construction of the Dune Walkover as provided in paragraph 2 above. The foregoing obligations of indemnification include, without limitation, Ocean Gate's restoration obligations as set forth in paragraph 2 above.

IN WITNESS WHEREOF, Hibiscus Association I, Hibiscus Association II and Ocean Gate have executed this instrument as of the day and year first above written.

HIBISCUS OWNERS ASSOCIATION I, INC., a Florida corporation not for profit

Printed Name: G. DAVID SEEGERS

By: James N. Boehne
Printed Name: JAMES N. BOEHNE
Title: President

Printed Name: Peggy L. Massey

JK2 80094.3 5HC90 00735
2/20/90 4:05 pm

HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida corporation not for profit

Printed Name: G. DAVID JEFFERS

By: James Lyons
Printed Name: James Lyons
Title: President

Barbara Stout
Printed Name: BARBARA STOUT

OCEAN GATE DEVELOPMENT, INC., a Florida corporation

Printed Name: DOUGLAS G. STANFORD

By: Robert J. L. Laurence
President

K. Christine Hilmoth
Printed Name: K. Christine Hilmoth

STATE OF FLORIDA)
COUNTY OF St Johns)

The foregoing instrument was acknowledged before me this 11th day of April, 1997, by James N. Borden, the President of HIBISCUS OWNERS ASSOCIATION I, INC., a Florida corporation not for profit, on behalf of the corporation. He is personally known to me or has produced a Florida state driver's license as identification.

Loretta D Massey
Printed Name: Loretta D Massey
NOTARY PUBLIC, State of Florida
Commission No.: CC345298
My Commission Expires: 11/7/98

[NOTARIAL SEAL]

STATE OF FLORIDA)
COUNTY OF St Johns)

The foregoing instrument was acknowledged before me this 11th day of April, 1997, by James Lyons, the President of HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida corporation not for profit, on behalf of the corporation. He is personally known to me or has produced a Florida state driver's license as identification.

Loretta D Massey
Printed Name: Loretta D Massey
NOTARY PUBLIC, State of Florida
Commission No.: CC345298
My Commission Expires: 11/7/98

[NOTARIAL SEAL]

[DUPLICATE SIGNATURE PAGES ATTACHED]

Printed Name: O. DAVID SELLERS

Printed Name: Peggy L. Massey

HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida corporation not for profit

By: _____
Printed Name: JURIS LUZINS
Title: President

Printed Name: DOUGLAS G. STANFORD

Printed Name: K. Christine Wilmoth

OCEAN GATE DEVELOPMENT, INC., a Florida corporation

By: _____
Robert J. L. Laurence
President

STATE OF FLORIDA)
COUNTY OF ST. JOHNS)

The foregoing instrument was acknowledged before me this 6 day of APRIL, 1997, by TERRY WHITE, the VOV President of **HIBISCUS OWNERS ASSOCIATION I, INC.**, a Florida corporation not for profit, on behalf of the corporation. He is personally known to me or has produced a _____ state driver's license as identification.

Printed Name: LAURA A. WALLER
NOTARY PUBLIC, State of FL
Commission No.: CC594090
My Commission Expires: 10/16/00

[NOTARIAL SEAL]
Laura A Waller
My Commission CC594090
Expires October 16 2000

STATE OF FLORIDA)
COUNTY OF ST. JOHNS)

The foregoing instrument was acknowledged before me this 6 day of APRIL, 1997, by JURIS LUZINS, the _____ President of **HIBISCUS CONDOMINIUM ASSOCIATION II, INC.**, a Florida corporation not for profit, on behalf of the corporation. He is personally known to me or has produced a FL state driver's license as identification.

Printed Name: LAURA A. WALLER
NOTARY PUBLIC, State of FL
Commission No.: CC594090
My Commission Expires: 10/16/00

[NOTARIAL SEAL]
Laura A Waller
My Commission CC594090
Expires October 16 2000

[DUPLICATE SIGNATURE PAGES ATTACHED]

STATE OF FLORIDA)
COUNTY OF Duval)

The foregoing instrument was acknowledged before me this 21st day of February, 1997, by Robert J. L. Laurence, the President of **OCEAN GATE DEVELOPMENT, INC.**, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a _____ state driver's license as identification.

Printed Name: Douglas G. Stanford
NOTARY PUBLIC, State of Florida
Commission No.:
My Commission Expires:

DOUGLAS G. STANFORD
NOTARY PUBLIC STATE OF FLORIDA
EXPIRES: April 23, 1998
Bonded Thru Notary Public Underwriters

JND 60094.3 56092 00733
2/20/97 4:05 pm

EXHIBIT A to Grant of Temporary Easement

A parcel of land lying and being in Government Lot 5 Section 15, Township 8 South, Range 30 East, St. Johns County, Florida.

For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A North 12 degrees, 13 minutes, 28 seconds West 201.20 feet; thence North 89 degrees, 34 minutes, 57 seconds East 1147.18 feet; thence South 06 degrees, 35 minutes, 11 seconds East 281.31 feet to the Point of Beginning; thence continue South 06 degrees, 35 minutes, 11 seconds East 7.54 feet; thence South 89 degrees, 33 minutes, 52 seconds West 82.70 feet; thence North 00 degrees, 26 minutes, 08 seconds West 7.50 feet; thence North 89 degrees, 33 minutes, 52 seconds East 81.90 feet, to the Point of Beginning.

JNP 97314.1 9809 00739
3/10/97 4:30 pm

(6)

Rutherf

THIS INSTRUMENT PREPARED BY
AND RECORD AND RETURN TO:

Douglas G. Stanford, Esq.
LeBoeuf, Lamb, Greene & MacRae,
L.L.P.
50 North Laura Street, Suite 2800
Jacksonville, Florida 32202

Recorded in Public Records St. Johns County, FL
Clerk# 97016095 O.R. 1238 PG 1483 04:08PM 05/09/1997
Recording $33.00 Surcharge $4.50 Doc Stamps $0.70

SUPPLEMENTARY DECLARATION AND GRANT OF EASEMENT
[DUNE WALKOVER]

THIS SUPPLEMENTARY DECLARATION AND GRANT OF EASEMENT is made this 11th day of April, 1997, by **OCEAN GATE DEVELOPMENT, INC.**, a Florida corporation ("Declarant"), whose address is 4730 A-1-A South, St. Augustine, Florida 32084.

R E C I T A L S :

A. Declarant is the owner of the "Undeveloped Tracts" as described in, and subject to, that certain Declaration and Grant of Easements dated as of January 5, 1996, and recorded in Official Records Book 1149, page 918, public records of St. Johns County, Florida (the "Declaration"). The Undeveloped Tracts include, among other parcels, certain property described as "Tract A" in the Declaration.

B. The Declaration establishes, among other things, an easement for a dune walkover over and across portions of Tract A for the use, maintenance, repair and construction and reconstruction and replacement of a dune walkover, gazebo, decks and other related improvements (the "Dune Walkover") now or hereafter located on such portions of Tract A (the "Walkover Easement").

C. The Undeveloped Tracts share common boundaries with certain existing residential properties known as Hibiscus I, a condominium under Declaration of Condominium of Hibiscus I, a Condominium, recorded in Official Records Book 570, page 129 of the Public Records of St. Johns County, Florida ("Hibiscus I"), and Hibiscus II, a condominium under Declaration of Condominium of Hibiscus II, a Condominium, recorded in Official Records Book 689, page 1457 of the Public Records of St. Johns County, Florida ("Hibiscus II"). The Declaration of Condominium for Hibiscus I and the Declaration of Condominium for Hibiscus II are referred to collectively as the "Condominium Declarations." Hibiscus I is governed by Hibiscus Owners Association I, Inc., a Florida

corporation not for profit ("Hibiscus Association I"), which is the "Association" referred to in the Condominium Declaration applicable to Hibiscus I. Hibiscus II is governed by Hibiscus Condominium Association II, Inc., a Florida corporation not for profit ("Hibiscus Association II"), which is the "Association" referred to in the Condominium Declaration applicable to Hibiscus II.

D. Hibiscus Association I and Hibiscus Association II have this date conveyed to Declarant the real property described on attached Exhibit A ("Parcel Z").

E. Certain portions of the Dune Walkover are now or hereafter may be located within Parcel Z.

F. Declarant desires to subject Parcel Z to an easement to exist in conjunction with, and for the same purposes as, the Walkover Easement.

NOW, THEREFORE, Declarant hereby creates, declares and grants, to and for the use, benefit and enjoyment of (i) Hibiscus Association I; (ii) Hibiscus Association II; (iii) each Unit Owner as defined in the Condominium Declarations; (iv) and the owners of lots or units hereafter located within the Undeveloped Tracts, their respective successors in title, successors and assigns, guests, invitees, employees, licensees, tenants, lessees, agents, independent contractors, fire protection services, police and other authorities of the law, and holders of mortgage liens (collectively, the "Walkover Beneficiaries"), a perpetual non-exclusive easement for the use, maintenance, repair and construction and reconstruction and replacement of the Dune Walkover as now or hereafter located within Parcel Z, with rights of ingress and egress for purposes of the foregoing, over and upon the Parcel Z, together with the rights, privileges and appurtenances which may be required for the enjoyment of such easement (the "Parcel Z Walkover Easement").

The foregoing declaration and grant of easement will be subject to the following terms, covenants and conditions:

1. Common Use. The use, benefit and enjoyment of the Parcel Z Walkover Easement by the Walkover Beneficiaries will be in common with the rights of Declarant and its successors in title as the owner of Parcel Z (the "Parcel Z Owner"), provided, however, that ownership of Parcel Z by the Parcel Z Owner will not result in a merger of title or termination of the easement granted herein as to the Parcel Z Owner, its successors in title, successors and assigns. The Parcel Z Owner will have the continuing right to use Parcel Z for any purpose which does not unreasonably hamper or interfere with the Parcel Z Walkover Easement granted above.

2. Relationship to Walkover Easement Established in Declaration. It is the express intent of Declarant that the Parcel Z Walkover Easement declared pursuant to this instrument will supplement, and exist contemporaneously and in conjunction with, the Walkover Easement declared pursuant to the Declaration, and those portions of the Dune Walkover now or hereafter located within Parcel Z will be considered integral to those portions of the Dune Walkover now or hereafter located within Tract A. The terms, covenants and conditions set forth in the Declaration governing ownership rights and obligations of the "Dune Walkover Owner" relating to the improvements constituting the Dune Walkover, and as set forth in Part VI of the Declaration, entitled Allocation and Assessment of Costs and Expenses, governing the allocation and assessment of costs of maintaining, repairing, replacing and insuring the Dune Walkover, are hereby adopted in this instrument as to those portions of the Dune Walkover now or hereafter located within Parcel Z. For purposes of the foregoing, any reference to the "Walkover Parcel" in the Declaration will be deemed to refer also to that portion of Parcel Z on which the Dune Walkover is now or hereafter located.

3. Dune Walkover Relocation. Declarant hereby reserves the exclusive right to relocate any portion of the Dune Walkover now or hereafter located within Parcel Z, and upon relocation of such portion of the Dune Walkover, the Parcel Z Walkover Easement declared herein will be deemed relocated within Parcel Z to a location that is seven and one-half feet on either side of the center line of such relocated portion of the Dune Walkover (the "Easement Relocation Parcel"). Declarant will be entitled, without the consent or joinder of any Walkover Beneficiary, to record an instrument setting forth the description of the Easement Relocation Parcel, and upon such recordation, the Parcel Z Walkover Easement automatically will be relocated to the Easement Relocation Parcel, and the initial location of the Parcel Z Walkover Easement as set forth in this instrument will be forever released from the Parcel Z Walkover Easement. Declarant will notify Hibiscus Association I and Hibiscus Association II of Declarant's intention to relocate such portion of the Dune Walkover, and will provide a copy of the plans and specifications for the same for informational purposes. All Dune Walkover construction will be diligently prosecuted to completion, and performed and completed in a good and workmanlike manner. After completion of construction of such portion of the relocated Dune Walkover, Declarant will, as soon as reasonably possible, restore the surrounding walkways, boardwalks, decks, landscaping, planting and other surface or subsurface improvements affected by such construction to the condition existing prior to such construction. All relocation construction and restorative work will be carried out in full compliance with applicable governmental requirements, and at the sole cost and expense of Declarant.

4. Duration of Easement. The easement created, declared and granted herein will run with title to the land, and will be perpetual in duration.

5. Compliance with Applicable Laws. Use of the easement herein created, declared and granted, and in performance of the obligations herein established, will be only in full compliance with applicable laws.

6. Attorneys Fees. In the event that any dispute resulting in litigation, mediation or arbitration concerning this instrument arises between or among the parties to this instrument or any grantors or beneficiaries of the easement granted or declared herein, the prevailing party in any such dispute shall be entitled to recover its reasonable attorneys fees and costs from the non-prevailing party.

7. Indemnification. Declarant, its successors in title, successors and assigns, as the owner of Parcel Z, hereby indemnifies and agrees to hold harmless the Walkover Beneficiaries and the Dune Walkover Owner from and against any and all liability, loss, cost, damage or expense, including construction liens or claims, and physical damage to the Dune Walkover, loss or damage to personal property, or death or personal injury to persons within Parcel Z, arising as a result of construction activity within Parcel Z relating to relocation of the Dune Walkover as provided in paragraph 3 above. The foregoing obligations of indemnification include, without limitation, the restoration obligations of the Declarant as set forth in paragraph 3 above.

IN WITNESS WHEREOF, Declarant has executed this instrument as of the day and year first above written.

DECLARANT:

OCEAN GATE DEVELOPMENT, INC., a Florida corporation

By: _____
Robert L. Laurence
President

_____
Printed Name: Douglas G. Stanford

_____
Printed Name: K Caroline Holbrook

STATE OF FLORIDA)
COUNTY OF Duval)

O.R. 1238 PG 1487

The foregoing instrument was acknowledged before me this 21st day of February, 1997, by Robert J. L. Laurence, the President of **OCEAN GATE DEVELOPMENT, INC.**, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a _____ state driver's license as identification.

Printed Name: Douglas G. Stanford
NOTARY PUBLIC, State of Florida
Commission No.:
My Commission Expires:

DOUGLAS G. STANFORD
MY COMMISSION # CC 363328
EXPIRES: April 23, 1999
Bonded Thru Notary Public Underwriters

DNE 79743.3 58092 00735
2/20/97 4:00 pm

CONSENT AND JOINDER

THE UNDERSIGNED hereby join in the execution of the foregoing Supplementary Declaration for the purpose of evidencing the consent and agreement of the undersigned to the terms, covenants and conditions of the foregoing Supplementary Declaration.

Dated this 11th day of April, 1997.

Printed Name: G. DAVID SELLERS

Printed Name: BARBARA STOUT

HIBISCUS OWNERS ASSOCIATION I, INC., a Florida corporation not for profit

By: James H. Roche
Printed Name: JAMES H. ROCHE
Title: President

Printed Name: G. DAVID SELLERS

Printed Name: BARBARA STOUT

HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida corporation not for profit

By: [illegible]
Printed Name: [illegible]
Title: President

STATE OF FLORIDA)
COUNTY OF St Johns)

The foregoing instrument was acknowledged before me this 11th day of April, 1997, by James H. Roche the President of **HIBISCUS OWNERS ASSOCIATION I, INC.**, a Florida corporation not for profit, on behalf of the corporation. He is personally known to me or has produced a personally known state driver's license as identification.

Printed Name: [illegible]
NOTARY PUBLIC, State of Fla
Commission No.: CC364248
My Commission Expires: 11/7/98

[NOTARIAL SEAL]

JK2 79743.3 58092 00735
2/20/97 4:00 pm

STATE OF FLORIDA)
COUNTY OF St Johns)

The foregoing instrument was acknowledged before me this 11-4 day of October, 1997, by Chris Evans, the President of HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida corporation not for profit, on behalf of the corporation. He is personally known to me or has produced personally known as identification.

Loretta Massey
Printed Name: Loretta Massey
NOTARY PUBLIC, State of FL
Commission No.: CC376296
My Commission Expires: 1-17-98

[NOTARIAL SEAL]

EXHIBIT A

PARCEL Z:

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A run North 12° 13' 28" West 201.20 feet; thence North 89° 34' 57" East 1147.18 feet; thence South 05° 35'11" East 197.73 feet to the Point of Beginning; thence South 89° 33' 52" West 39.26 feet; thence North 63 49' 12" West 19.52 feet; thence North 00° 26' 08" West 15.00 feet; thence North 45° 26' 08" West 32.53 feet; thence South 00 26' 08" East 68.00 feet; thence North 89° 33' 52" East 81.09 feet; thence North 06° 35' 11" West 20.42 feet to the Point of Beginning.

Recorded in Public Records St. Johns County, FL
Clerk# 96001401 O.R. 1149 PG 918 11:11AM 01/12/96
Recording $105.00 Surcharge $13.50

600 00 (7)

THIS INSTRUMENT PREPARED BY AND RECORD AND RETURN TO:

**Douglas G. Stanford, Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
50 North Laura Street, Suite 2800
Jacksonville, Florida 32202**

DECLARATION AND GRANT OF EASEMENTS

THIS **DECLARATION AND GRANT OF EASEMENTS** made as of January 5, 1996, by **IRWIN CARASSO**, a married man conveying his separate non-homestead property, and **COMMUNITY PROJECTS, INC.**, a Florida corporation, formerly known as Tree of Life Community Projects, Inc. (the "Declarants"), whose address is Post Office Box 3825, St. Augustine, Florida 32085.

R E C I T A L S :

A. Declarants are the owners of the real property described on attached Exhibit A-1 ("Tract A"), Exhibit A-2 ("Tract B"), Exhibit A-3 ("Tract C"), Exhibit A-4 (Tract D"), Exhibit B (the "Access Parcel"), Exhibit C (the "Recreation Parcel"), and the "Recreation and Other Facilities," as hereinafter defined. Tract A, Tract B, Tract C and Tract D collectively are referred to as the "Undeveloped Tracts."

B. The Undeveloped Tracts, the Access Parcel, the Recreation Parcel and the Recreation and Other Facilities share common boundaries with certain existing residential properties known as Hibiscus I, a condominium under Declaration of Condominium of Hibiscus I, a Condominium, recorded in Official Records Book 570, page 129 of the Public Records of St. Johns County, Florida ("Hibiscus I"), and Hibiscus II, a condominium under Declaration of Condominium of Hibiscus II, a Condominium, recorded in Official Records Book 689, page 1457 of the Public Records of St. Johns County, Florida ("Hibiscus II"). The Declaration of Condominium for Hibiscus I and the Declaration of Condominium for Hibiscus II are referred to collectively as the "Declarations." Hibiscus I is governed by Hibiscus Owners Association I, Inc., a Florida corporation not for profit ("Hibiscus Association I"), which is the "Association" referred to in the Declaration applicable to Hibiscus I. Hibiscus II is governed by Hibiscus Condominium Association II, Inc., a Florida corporation not for profit ("Hibiscus Association II"), which is the "Association" referred to in the Declaration applicable to Hibiscus II.

C. Declarants intend to convey title to the Undeveloped Tracts, and to convey title to the Access Parcel, the Recreation Parcel, and the "Recreation and Other Facilities" as defined and described in paragraph 4.5 of each of the Declarations (the "Recreation and Other Facilities," which term includes the Recreation Parcel), subject to or benefitted by certain easements and servitudes, as hereinafter created, declared and granted.

NOW, THEREFORE, Declarants hereby create, declare and grant the following easements and servitudes, subject to the terms, covenants and conditions set forth below:

I. EASEMENT FOR INGRESS AND EGRESS AND PARKING

1. Declaration and Grant of Easement. Declarants hereby create, declare and grant, to and for the use, benefit and enjoyment of the owners of the Undeveloped Tracts, their successors in title, successors and assigns, their respective guests, invitees, employees, licensees, tenants, lessees, agents, independent contractors, fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities and others serving the Undeveloped Tracts, and holders of mortgage liens on all or any part of the Undeveloped Tracts (collectively, the "Access Beneficiaries"), a perpetual non-exclusive easement for vehicular and pedestrian ingress and egress and parking over and across the Access Parcel (the "Access and Parking Easement"). The use, benefit and enjoyment of the Access Parcel by the Access Beneficiaries will be in common with the rights of Declarants and their successors in title as the owners of the Access Parcel (the "Access Parcel Owner"), and with rights granted prior to the date hereof to the owners of units in Hibiscus I and the owners of units in Hibiscus II pursuant to the Declarations.

2. Purpose. The Access and Parking Easement will be and exist for the purposes of providing in favor of the Access Beneficiaries the right of ingress and egress, on foot or by vehicle, over and across all portions of the Access Parcel improved with pavement, sidewalks, or other traffic surface, and the right to park within those portions of the Access Parcel that are not used for the through-passage of motor vehicles, provided that all parking will be limited to specifically marked spaces, and will comply with all applicable governmental requirements, and will be subject to rights of Hibiscus I owners and Hibiscus II owners as established under the Declarations prior to the date hereof. The owner of the Undeveloped Tracts and its successors in title (the "Undeveloped Tracts Owner") may construct, at its own expense, additional paved areas within the Access Parcel for purposes of providing access or parking in accordance with the terms of this Declaration, provided, however, that any additional parking areas shall be constructed substantially as set forth on Sheet 2 of 3 of map prepared by Paul L. Taylor, P.L.S., Job No. K-154, last revised February 4, 1988.

3. Access Restrictions and Regulations. The Access Parcel Owner may adopt and change from time to time reasonable rules and conditions, including without limitation, the installation of speed bumps, stop signs and other traffic control measures, which will allow the Access Beneficiaries reasonable access to the Undeveloped Tracts; provided, however, that the Access Parcel Owner will not have the power or authority to adopt or attempt to enforce any rule which would have the effect of terminating or unreasonably restricting the Access and Parking Easement hereby granted for parking or as a way of passage or access to and from the Undeveloped Tracts to the public right of way of State Road A1A, except that, not more than one (1) time every twelve (12) months, the Access Parcel Owner may erect appropriate barriers to restrict public access to the Access Parcel for the purpose of preventing any *de facto* dedication of the Access Parcel to public use, it being the intention of the Declarants that the Access Parcel will be and remain private property at all times, notwithstanding the grant of easements set forth above.

4. Construction Traffic. It is contemplated that construction vehicles and equipment ("Construction Traffic") will cross over portions of the Access Parcel during construction of improvements on the Undeveloped Tracts or within the Access Parcel. Construction Traffic over the Access Parcel will be restricted to the conditions set forth below. Construction Traffic will not be permitted access over the Access Parcel for access to construction sites within Tract A or Tract B except over that portion of the Access Parcel lying within three hundred (300) feet of State Road A1A, unless access to Tract A or Tract B otherwise is not reasonably possible due to prior improvements constructed on Tract A, in which event Construction Traffic will be permitted access over such additional portions of the Access Parcel as may be necessary to provide adequate access to construction sites located within Tract A or Tract B. Notwithstanding the foregoing, Construction Traffic relating to construction on Tract D will be permitted access over the Access Parcel only as far as the easterly terminus of the Tract D boundary, and Construction Traffic relating to construction on Tract C will be permitted access over the Access Parcel only as far as the easterly terminus of the Tract C boundary. To the extent that any Construction Traffic causes damage to or excess wear and tear of improvements located within the Access Parcel, the Undeveloped Tracts Owner will be obligated to restore such damage or excess wear and tear in accordance with the terms and conditions set forth in Part I, paragraph 7 below.

5. Operation and Maintenance. The Access Parcel Owner will at all times maintain in good repair, and manage and operate, and replace as often as necessary, all pavement, sidewalks, curbs, gutters, traffic control improvements, traffic lighting, and directional signage now or hereafter located within the Access Parcel. All maintenance obligations of the Access Parcel Owner will be performed in accordance with first class property management practices, and subject to all permit requirements, rules, and regulations promulgated by all local, state and federal

authorities having jurisdiction. If the Access Parcel Owner fails to perform the foregoing obligations, then, upon not less than thirty (30) days prior written notice given to the Access Parcel Owner, any Access Beneficiary may proceed to perform such obligations, but shall have no obligation to do so, and shall not be deemed to have assumed such obligations by undertaking such obligations on behalf of the Access Parcel Owner.

6. Insurance of Access Parcel. The Access Parcel Owner will at all times maintain adequate liability insurance covering loss of personal property, death or personal injury incurred by any Access Beneficiary on or about the Access Parcel, and, to the extent available, adequate casualty insurance covering physical damage to or destruction of improvements located within the Access Parcel. Notwithstanding the foregoing insurance obligations, the Access Parcel Owner will have no liability to any Access Beneficiary for loss of personal property, death or personal injury incurred by any Access Beneficiary on or about the Access Parcel unless such loss, death or injury arose as a result of the negligence, recklessness or misconduct of the Access Parcel Owner.

7. Construction of Additional Paved Areas for Roadways and Parking. To the extent that the Undeveloped Tracts Owner constructs any additional paved areas for vehicular ingress and egress or parking, as provided in Part I, paragraph 2 above, or restorative work is required for existing improvements within the Access Parcel due to construction activity within the Undeveloped Tracts, as provided in Part I, paragraph 4 above, such improvements or restoration will be at the sole cost and expense of the Undeveloped Tracts Owner making such improvements. The Undeveloped Tracts Owner making such improvements will notify the Access Parcel Owner of the Undeveloped Tracts Owner's intention to construct such improvements, and will provide a copy of the plans and specifications for the same for informational purposes. All construction will be diligently prosecuted to completion, and performed and completed in a good and workmanlike manner, and will be conducted in a manner that will not unreasonably interfere with the use and occupancy of the Access Parcel by all parties entitled thereto. After completion of construction of such improvements, the Undeveloped Tracts Owner making such improvements will, as soon as reasonably possible, restore the surrounding pavement, curbs and gutters, sidewalks, landscaping, planting and other surface or subsurface improvements affected by such construction (including excess wear and tear) to the condition existing prior to such construction. Any such restorative work will be conducted and completed in consultation with the Access Parcel Owner, and will be diligently prosecuted to completion, at the sole cost and expense of the Undeveloped Tracts Owner making such improvements. All such construction or restorative work will be carried out in full compliance with applicable governmental requirements.

8. Insurance During Construction. The Undeveloped Tracts Owner conducting any construction activity within the Access Parcel or on the Undeveloped Tracts will, during the period of such

construction activity, maintain adequate liability insurance covering loss of personal property, death or personal injury incurred by any person on or about the Access Parcel arising from such construction activity.

II. EASEMENT FOR UTILITIES

1. Declaration and Grant of Easement. Declarants hereby create, declare and grant, to and for the use, benefit and enjoyment of the Undeveloped Tracts Owner, its successors in title, successors and assigns, public or private entities providing water, sewer, electrical, cable, television, telephone, or similar utilities, and holders of mortgage liens on all or any part of the Undeveloped Tracts (collectively, the "Utilities Beneficiaries"), a perpetual non-exclusive easement for utilities over, under and across the Access Parcel (the "Utilities Easement"). The use, benefit and enjoyment of the Access Parcel by the Utilities Beneficiaries will be in common with the rights of the Access Parcel Owner, and with rights granted prior to the date hereof to the owners of units in Hibiscus I and the owners of units in Hibiscus II pursuant to the Declarations.

2. Purpose. The Utilities Easement will be and exist for the purposes of providing a right in favor of the Utilities Beneficiaries to construct, install, erect, maintain, use and connect to utilities, telecommunications facilities. wires, cables, conduits, sanitary sewers, water mains, gas, sewer, electric and water lines, other public conveniences or utilities over, under and across the Access Parcel. The Utilities Easement will include the right to enter upon the Access Parcel for the purposes of maintenance, repair, replacement, use, and connection to, utility lines and facilities under, over and across the Access Parcel. Tie-in of new utility lines and facilities serving the Urdeveloped Tracts to existing lines and facilities located within the Access Parcel will be subject to approval of and conditions established by the applicable utility service provider.

3. Utility Restrictions. All utility lines and facilities located within the Access Parcel, other than those consisting of lighting fixtures, signal switch boxes, or transformer pads, if any, will be installed and maintained underground; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing, improving or replacing the same.

4. Construction and Maintenance of Improvements. All utility lines and facilities serving the Undeveloped Tracts will be constructed, installed, maintained and repaired at the sole cost and expense of the Undeveloped Tracts Owner making such improvements. The Undeveloped Tracts Owner making such improvements will provide written notice to the Access Parcel Owner of the Undeveloped Tracts Owner's intention to construct, install, maintain or repair the utility lines and facilities prior to

commencement of such construction, installation, maintenance or repair. All construction, installation, maintenance and repair activities will be diligently prosecuted to completion, and performed and completed in a good and workmanlike manner, and will be conducted in a manner that will not unreasonably interfere with the use and occupancy of the Access Parcel by all parties entitled thereto. After completion of construction of such improvements, the Undeveloped Tracts Owner making such improvements will, as soon as reasonably possible, restore the surrounding pavement, curbs and gutters, sidewalks, landscaping, planting and other surface or subsurface improvements affected by such construction (including excess wear and tear) to the condition existing prior to such construction. Any such restorative work will be conducted and completed in consultation with the Access Parcel Owner, and will be diligently prosecuted to completion, at the sole cost and expense of the Undeveloped Tracts Owner making such improvements. All such construction and restorative work will be carried out in full compliance with applicable governmental requirements.

5. Insurance During Construction. The Undeveloped Tracts Owner conducting any utilities construction or repair activity within the Access Parcel will, during the period of such construction or repair activity, maintain adequate liability insurance covering loss of personal property, death or personal injury incurred by any person on or about the Access Parcel arising from such construction activity.

III. EASEMENT FOR DUNE WALKOVER

1. Declaration and Grant of Easement. Declarants hereby create, declare and grant, to and for the use, benefit and enjoyment of (i) Hibiscus Association I; (ii) Hibiscus Association II; (iii) each Unit Owner as defined in the Declarations; (iv) and the Undeveloped Tracts Owner, and the owners of lots or units hereafter located within the Undeveloped Tracts, their respective successors in title, successors and assigns, guests, invitees, employees, licensees, tenants, lessees, agents, independent contractors, fire protection services, police and other authorities of the law, and holders of mortgage liens (collectively, the "Walkover Beneficiaries"), a perpetual non-exclusive easement for the use, maintenance, repair and construction and reconstruction and replacement of the dune walkover, gazebo, decks and other improvements, now or hereafter located within the parcel described on attached Exhibit D (the "Walkover Parcel," said parcel being a part of Tract A), with rights of ingress and egress for purposes of the foregoing, over and upon the Walkover Parcel, together with the rights, privileges and appurtenances which may be required for the enjoyment of such easement (the "Walkover Easement"). The dune walkover, gazebo and decks, and any other improvements now or hereafter located within the Walkover Parcel are referred to herein as the "Dune Walkover." The use, benefit and enjoyment of the Walkover Easement by the Walkover Beneficiaries will be in common with the rights of Declarants and their successors in title as the

owners of Tract A (the "Tract A Owner"), provided, however, that it is the express intent of Declarants that the ownership of both Tract A and the Walkover Parcel by the Tract A Owner shall not result in a merger of title or termination of the easements granted herein as to the Tract A Owner, its successors in title, successors and assigns. The Tract A Owner will have the continuing right to use the Walkover Parcel for any purpose which does not unreasonably hamper or interfere with the easements granted above.

2. Pedestrian Easement over Recreation Parcel. Declarants hereby create, declare and grant, to and for the use, benefit and enjoyment of the Walkover Beneficiaries, a perpetual non-exclusive easement for pedestrian ingress and egress over and across those portions of the Recreation Parcel that are now or hereafter improved with sidewalks, walkways or decks, for the sole purpose of providing pedestrian access to the Dune Walkover (the "Pedestrian Access Easement"). The owner of the Recreation Parcel may erect fences, gates or other barriers as may be required for safety purposes around the pool areas within the Recreation Parcel, but such fences, gates or barriers will be designed to allow Walkover Beneficiaries to pass through for the purposes of the Pedestrian Access Easement only. Rights, if any, of Walkover Beneficiaries to use the facilities within the Recreation Parcel as otherwise may be provided in the Declarations or other instruments shall not be affected or limited by the foregoing declaration and grant of easement.

3. Dune Walkover Improvements Ownership. Contemporaneously with Declarants' conveyance of Tract A to a third party, Declarants intend to convey full ownership interest in the Dune Walkover to Hibiscus Association I and Hibiscus Association II. Accordingly, title to Tract A as conveyed at any time hereafter and from time to time will be deemed to exclude the Dune Walkover. The owner from time to time of the Dune Walkover is referred to herein as the "Dune Walkover Owner."

4. Dune Walkover Maintenance and Repair. The Dune Walkover Owner will at all times maintain the Dune Walkover in good repair and, if necessary, replace all or any part of the Dune Walkover that may be damaged or destroyed. All maintenance, repair and replacement obligations will be performed in accordance with first class property management practices, and subject to all permit requirements, rules, and regulations promulgated by all local, state and federal authorities having jurisdiction. If the Dune Walkover Owner fails to perform the foregoing maintenance and repair obligations, then, upon not less than thirty (30) days prior written notice given to the Dune Walkover Owner, any Walkover Beneficiary may proceed to perform such maintenance and repair obligations, but shall have no obligation to do so, and shall not have assumed such obligations by undertaking such obligations on behalf of the Dune Walkover Owner.

5. Insurance of Dune Walkover. The Dune Walkover Owner will at all times maintain adequate liability insurance covering loss of

V. RIGHT TO USE RECREATION AND OTHER FACILITIES

1. Assignment of Right and Declaration and Grant of Easement. Community Projects, Inc., as Sponsor under the Declaration of Condominium of Hibiscus I, a Condominium and the Declaration of Condominium of Hibiscus II a Condominium, as described above (the "Declarations"), pursuant to the rights reserved to it as Sponsor in paragraphs 4.5 of each of the foregoing named Declarations, herein declares that the owners of Tract B and the owners of Tract D, their successors in title, successors and assigns, their respective guests, invitees, employees, licensees, tenants, and lessees shall have the right to use the "Recreation and Other Facilities" as defined and described in paragraphs 4.5 of the above referenced Declarations. The use and enjoyment of the Recreation and Other Facilities shall be in common with the rights of Community Projects, Inc., and its successors and assigns as the owners of the Recreation and Other Facilities, and with the rights granted prior to the date hereof to the owners of units in Hibiscus I Condominium and the owners of units in Hibiscus II Condominium pursuant to the Declarations.

2. Operation and Maintenance. The owner of the Recreation and Other Facilities will at all times maintain in good repair, manage, operate, and replace as often as necessary the Recreation and Other Facilities. All maintenance obligations will be performed in accordance with first class property management practices, and subject to all permit requirements, rules, and regulations promulgated by all local, state and federal authorities having jurisdiction.

3. Insurance of Recreation and Other Facilities. The owner of the Recreation and Other Facilities will at all times maintain adequate liability insurance covering loss of personal property, death or personal injury incurred by any party having a right to use the Recreation and Other Facilities on or about the Recreation and Other Facilities and, to the extent available, adequate casualty insurance covering the physical damage to or destruction of improvements located on the Recreation or Other Facilities. Notwithstanding the foregoing insurance obligations, the owner of the Recreation and Other Facilities will have no liability to any person having a right to use the Recreation and Other Facilities for loss of personal property, death or personal injury incurred by any party having a right to use the Recreation and Other Facilities on or about the Recreation of Other Facilities unless such loss, death or injury arose as a result of the negligence, recklessness or misconduct of the owner of the Recreation and Other Facilities.

The obligations of Declarants hereunder with respect to the Access Parcel, the Undeveloped Parcels and the Recreation and Other Facilities as described herein are covenants running with title to such lands. Upon conveyance of title to the Access Parcel, the Undeveloped Parcels and the Recreation and Other Facilities, Declarants shall be released from any further obligation hereunder.

personal property, death or personal injury incurred by any Walkover Beneficiary on or about the Dune Walkover, and, to the extent available, adequate casualty insurance covering physical damage to or destruction of the Dune Walkover. Notwithstanding the foregoing insurance obligations, the Dune Walkover Owner will have no liability to any Walkover Beneficiary for loss of personal property, death or personal injury incurred by any Walkover Beneficiary on or about the Walkover Parcel unless such loss, death or injury arose as a result of the negligence, recklessness or misconduct of the Dune Walkover Owner.

6. Dune Walkover Relocation. Notwitnstanding the provisions of Part III, paragraph 3 above, Declarants hereby assign to the Tract A Owner, its successors in title, successors and assigns, the exclusive right to relocate the Dune Walkover, such right of relocation having been reserved to Declarants pursuant to the Declarations. Upon any relocation of the Dune Walkover, the Walkover Easement declared herein will be deemed relocated within Tract A to a location that is seven and one-half feet on either side of the center line of such relocated Dune Walkover. The Tract A Owner will be entitled, without the consent or joinder of any Walkover Beneficiary, to record an instrument setting forth the description of the relocated Walkover Easement. The Tract A Owner will notify Hibiscus Association I and Hibiscus Association II of the Tract A Owner's intention to relocate the Dune Walkover, and will provide a copy of the plans and specifications for the same for informational purposes. All Dune Walkover construction will be diligently prosecuted to completion, and performed and completed in a good and workmanlike manner. After completion of construction of the relocated Dune Walkover, the Tract A Owner will, as soon as reasonably possible, restore the surrounding walkways, boardwalks, decks, landscaping, planting and other surface or subsurface improvements affected by such construction to the condition existing prior to such construction. All relocation construction and restorative work will be carried out in full compliance with applicable governmental requirements, and at the sole cost and expense of the Tract A Owner. Ownership of the relocated Dune Walkover will be deemed vested in the Dune Walkover Owner. Upon request, the Tract A Owner will provide such documentation as the Dune Walkover Owner reasonably may request to evidence or confirm such continuing ownership of the relocated Dune Walkover in the Dune Walkover Owner.

IV. EASEMENT FOR SIGNAGE

1. Declaration and Grant of Easement. Declarants hereby create, declare and grant, to and for the use, benefit and enjoyment of Hibiscus Association I and Hibiscus Association II (together, the "Sign Beneficiaries"), a perpetual, unobstructed and exclusive easement for the use, maintenance, repair and construction and reconstruction and replacement of a sign identifying Hibiscus I and Hibiscus II (the "Hibiscus Sign") and the planting and maintenance of landscaping associated with the

Hibiscus Sign, over and upon the parcel described on attached Exhibit E (the "Sign Parcel," said parcel being a part of Tract C), with rights of ingress and egress for purposes of the foregoing, over and upon the Sign Parcel, together with the rights, privileges and appurtenances which may be required for the enjoyment of such easement.

2. Hibiscus Sign Ownership. Contemporaneously with Declarants' conveyance of Tract C to a third party, Declarants intend to convey full ownership interest in the Hibiscus Sign to the Sign Beneficiaries. Accordingly, title to Tract C as conveyed at any time hereafter and from time to time will be deemed to exclude the Hibiscus Sign. The owner from time to time of the Hibiscus Sign is referred to herein as the "Sign Owner."

3. Sign Maintenance and Repair. The Sign Owner shall, at its sole cost and expense, maintain the Hibiscus Sign and landscaping in good order and repair, and, if necessary, replace all or any part of the Hibiscus Sign that may be damaged or destroyed. All maintenance, repair and replacement obligations will be performed in accordance with first class property management practices, and subject to all permit requirements, rules, and regulations promulgated by all local, state and federal authorities having jurisdiction.

V. RIGHT TO USE RECREATION AND OTHER FACILITIES

1. Declaration and Grant of Right of Use. Community Projects, Inc., as Sponsor under the Declaration of Condominium of Hibiscus I, a Condominium, and the Declaration of Condominium of Hibiscus II a Condominium, as described in Recital B above (the "Declarations"), pursuant to the rights reserved to it as Sponsor in paragraphs 4.5 of each of the foregoing named Declarations, herein declares that the owners of Tract B and the owners of Tract D, their successors in title, successors and assigns, their respective guests, invitees, employees, licensees, tenants, lessees and mortgagees shall have, and are hereby granted, the perpetual and non-exclusive right to use the Recreation and Other Facilities to the same extent granted to the owners of units in Hibiscus I and the owners of units in Hibiscus II pursuant to the Declarations. The use and enjoyment of the Recreation and Other Facilities shall be in common with the rights of Community Projects, Inc., and its successors and assigns as the owners of the Recreation and Other Facilities, and with the rights granted prior to the date hereof to the owners of units in Hibiscus I and the owners of units in Hibiscus II pursuant to the Declarations.

2. Operation and Maintenance. The owner of the Recreation and Other Facilities will at all times maintain in good repair, manage, operate, and replace as often as necessary the Recreation and Other Facilities. All maintenance obligations will be performed in accordance with first class property management practices, and subject to all permit requirements, rules, and

regulations promulgated by all local, state and federal authorities having jurisdiction. The owner of the Recreation and Other Facilities may establish reasonable rules and regulations for the use of the Recreation and Other Facilities by all persons entitled thereto, provided that any such rule or regulation shall apply equally to, and without differentiation among, the owners of units in Hibiscus I, the owners of units in Hibiscus II, the owners of units in Tract B, or the owners of units in Tract D.

3. Insurance of Recreation and Other Facilities. The owner of the Recreation and Other Facilities will at all times maintain adequate liability insurance covering loss of personal property, death or personal injury incurred by any party having a right to use the Recreation and Other Facilities on or about the Recreation and Other Facilities and, to the extent available, adequate casualty insurance covering the physical damage to or destruction of improvements located on the Recreation or Other Facilities. Notwithstanding the foregoing insurance obligations, the owner of the Recreation and Other Facilities will have no liability to any person having a right to use the Recreation and Other Facilities for loss of personal property, death or personal injury incurred by any party having a right to use the Recreation and Other Facilities on or about the Recreation of Other Facilities unless such loss, death or injury arose as a result of the negligence, recklessness or misconduct of the owner of the Recreation and Other Facilities.

VI. ALLOCATION AND ASSESSMENT OF COSTS AND EXPENSES

1. Allocation of Costs and Expenses. The actual costs and expenses incurred by the Access Parcel Owner and the Dune Walkover Owner in the performance of their respective obligations for maintaining, repairing, replacing and insuring the Recreation and Other Facilities, the Dune Walkover, and the improvements located within the Access Parcel, or by any party entitled to perform such obligations upon failure of the Access Parcel Owner or the Dune Walkover Owner to do so (each, a "Performing Party"), shall be born by the Undeveloped Tracts Owner, its successors in title, successors and assigns, Hibiscus Association I, and Hibiscus Association II, in proportion to the actual number of residential units located within the Undeveloped Tracts, Hibiscus I, and Hibiscus II, respectively. Notwithstanding the foregoing, with respect to costs associated with the Recreation and other Facilities only, the allocation will be made among Hibiscus Association I, Hibiscus Association II, the owner of Tract B, and the owner of Tract D, their successors in title, successors and assigns, in proportion to the actual number of residential units located within Tract B, Tract D, Hibiscus I and Hibiscus II, respectively. Costs and expenses will be evidenced by receipts, invoices, statements or work orders showing the materials provided and work performed, or insurance coverage provided, and the cost thereof, as the case may be, without premium or service charge added by the Performing Party. The foregoing provisions shall not apply to any first mortgagee that may succeed to title to the

Undeveloped Tracts or any part thereof, by foreclosure or deed in lieu of foreclosure, but shall apply to any subsequent purchaser of all or any part of the Undeveloped Tracts from any such mortgagee.

2. Assessment of Costs and Expenses. Upon determination of the actual cost and expense of an obligation for which a Performing Party is entitled to allocate, and determination of the allocated share of such cost and expense chargeable to the parties responsible therefor, as provided in Part VI, paragraph 1 above, the Performing Party may deliver to Hibiscus I, Hibiscus II and the Undeveloped Tracts Owner, its successors in title (each, an "Assessed Party"), a statement for the allocated share of such costs and expenses due from such Assessed Party to the Performing Party. Such statement shall be accompanied by evidence of such cost and expense and an explanation of the method of calculating the allocation. Each Assessed Party shall pay to the Performing Party the amount of such statement within thirty (30) days after the Assessed Party's receipt thereof. Failure of an Assessed Party to timely pay such statement will entitle the Performing Party to cause the amount of such unpaid statement to accrue interest from the due date thereof until paid at the highest rate permissible under Florida law, and to take appropriate action at law or in equity against the Assessed Party to collect the amount of such unpaid statement and accrued interest thereon, together with reasonable attorneys' and paralegal's fees incurred in collection, at trial, on appeal or in bankruptcy proceedings.

3. Assignment of Cost Sharing Obligations. At any time hereafter and from time to time, the Undeveloped Tracts Owner may identify all or any part of the Undeveloped Tracts (each such identified part or parcel being referred to as a "Separated Parcel"), and subject such Separated Parcel to an association or associations comprised of the owners of units or lots located within such Separated Parcel (each, an "Owners Association"). Thereafter, the Undeveloped Tracts Owner may assign its obligations as an Assessed Party as to a Separated Parcel to the Owners Association for such Separated Parcel. Upon recordation of such an assignment containing an assumption by such Owners Association of the obligations of the Undeveloped Tracts Owner as to such Separated Parcel, such Owners Association will be solely responsible as an Assessed Party as to such Separated Parcel, and the Undeveloped Tracts Owner, its successors in title, including any individual owners of units or lots, as to such Separated Parcel, will be released from their respective obligations hereunder.

VI. GENERAL PROVISIONS

1. Easements Subject to Declarations. The easements created, declared and granted herein are subject to existing rights and easements as set forth in the Declarations.

2. Duration of Easements. The easements created, declared and granted herein will run with title to the land, and will be perpetual in duration.

3. Compliance with Applicable Laws. Use of the easements herein created, declared and granted, and in performance of the obligations herein established, shall be only in full compliance with applicable laws.

4. Indemnification.

(a) The Undeveloped Tracts Owner, its successors in title, successors and assigns (but excluding any individual owners of lots or units located within the Undeveloped Tracts and any Owners Association), hereby indemnifies and agrees to hold harmless the Access Parcel Owner from and against any and all liability, loss, cost, damage or expense, including construction liens or claims, and physical damage to the Access Parcel, loss or damage to personal property, or death or personal injury to the persons within the Access Parcel, arising as a result of construction activity within the Access Parcel or on the Undeveloped Tracts conducted by the Undeveloped Tracts Owner. The foregoing obligations of indemnification include, without limitation, the restoration obligations of the Undeveloped Tracts Owner as set forth in Part I, paragraph 7, and Part II, paragraph 4, above.

(b) The Tract A Owner, its successors in title, successors and assigns (but excluding any individual owners of lots or units located within Tract A or any Owners Association), hereby indemnifies and agrees to hold harmless the Walkover Beneficiaries and the Dune Walkover Owner from and against any and all liability, loss, cost, damage or expense, including construction liens or claims, and physical damage to the Dune Walkover, loss or damage to personal property, or death or personal injury to the persons within the Walkover Parcel, arising as a result of construction activity within the Walkover Parcel relating to relocation of the Dune Walkover as provided in Part III, paragraph 6 above. The foregoing obligations of indemnification include, without limitation, the restoration obligations of the Tract A Owner as set forth in Part III, paragraph 6 above.

5. Reserved Rights. The Access Parcel Owner reserves for itself the right and privilege to pave over, park, use and occupy and to grant to others the right to use and occupy (i) the surface and air space over the Access Parcel for any purpose which is not inconsistent with the easement rights herein created, declared and granted, and (ii) the subsurface of the Access Parcel for other utility services or other purposes, including, without limitation, the right to install, construct, operate, maintain, repair, replace and remove telecommunications, telephone, telegraph, electric, gas and drainage facilities, provided such use will not materially interfere with the easement rights herein created, declared and granted.

6. **Release of Declarants**. The obligations of Declarants hereunder with respect to the Access Parcel, the Undeveloped Parcels and the Recreation and Other Facilities as described herein are covenants running with title to such lands. Upon conveyance of title to the Access Parcel, the Undeveloped Parcels and the Recreation and Other Facilities, Declarants shall be released from any further obligations hereunder.

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IN WITNESS WHEREOF, this deed has been executed as of the date first above written.

Signed, sealed and delivered in the presence of:

Tony Donadio
Print: TONY DONADIO

Lisa Langlo
Print: LISA LANGLO

Tony Donadio
Print: TONY DONADIO

Lisa Langlo
Print: LISA LANGLO

Irwin Carasso (SEAL)
Print: Irwin Carasso

COMMUNITY PROJECTS, INC.,
a Florida corporation

By: Irwin Carasso
Irwin Carasso
Its President

(Corporate Seal)

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 199_, by Irwin Carasso, as President of Community Projects, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a valid California Driver's License as identification.

_____
Print: _____
Notary Public, State and County Aforesaid

My commission expires: _____
Serial No _____

(Notarial Seal)

See attachment

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Barbara

On 12-20-95 (DATE) before me, Lee Ann Ware Notary Public (NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC")

personally appeared Frank Cassso (NAME(S) OF SIGNER(S))

☑ personally known to me - ~~OR~~ ☐ ~~proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

LEE ANN WARE
COMM. #1061783
NOTARY PUBLIC - CALIFORNIA
SANTA BARBARA COUNTY
COMM. EXPIRES MAY 7, 1998

Lee Ann Ware
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☑ CORPORATE OFFICER
President
(TITLE)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))
Community Projects, Inc.

DESCRIPTION OF ATTACHED DOCUMENT

Warranty Deed
(TITLE OR DESCRIPTION OF ATTACHED DOCUMENT)

2
(NUMBER OF PAGES)

(ADDITIONAL INFORMATION)

Witnesses
Tony Ponedio
Lisa Langlo

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

O.R. 1149 PG 0934

State of California

County of Santa Barbara

On 12-20-95 (DATE) before me, Lee Ann Ashe Notary Public (NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC")

personally appeared Irwin Carasso (NAME(S) OF SIGNER(S))

[X] personally known to me ~~- OR - [ ] proved to me on the basis of satisfactory evidence~~

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Lee Ashe

(SIGNATURE OF NOTARY)

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

[X] INDIVIDUAL

[ ] CORPORATE OFFICER

[ ] PARTNER(S) [ ] LIMITED [ ] GENERAL

[ ] ATTORNEY-IN-FACT

[ ] TRUSTEE(S)

[ ] GUARDIAN/CONSERVATOR

[ ] OTHER

SIGNER IS REPRESENTING:

DESCRIPTION OF ATTACHED DOCUMENT

Warranty Deed

(TITLE OR TYPE OF DOCUMENT)

2

(NUMBER OF PAGES)

(ADDITIONAL INFORMATION)

witnesses
Tony Deandrea
Lita Langlois

(DATE OF DOCUMENT)

EXHIBITS ATTACHED

EXHIBIT A-1 - Description of Tract A
EXHIBIT A-2 - Description of Tract B
EXHIBIT A-3 - Description of Tract C
EXHIBIT A-4 - Description of Tract D
EXHIBIT B - Description of Access Parcel
EXHIBIT C - Description of Recreation Parcel
EXHIBIT D - Description of Walkover Parcel
EXHIBIT E - Description of Sign Parcel

EXHIBIT A-1

TRACT "A":

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way of A1A; thence run along the Easterly right of way line of A1A South 12°13'28" East 95.01 feet to the Point of Beginning; thence North 89°33'52" East 300.76 feet; thence North 44°33'52" East 10.52 feet; thence North 00°26'08" West 24.17 feet; thence North 44°33'52" East 86.83 feet; thence North 89°33'52" East 42.89 feet; thence North 00°26'08" West 41.00 feet; thence North 44°33'52" East 28.28 feet; thence North 89°33'52" East 65.53 feet; thence South 45°26'08" East 28.28 feet; thence South 00°26'08" East 31.00 feet; thence North 89°33'52" East 8.25 feet; thence South 45°26'08" East 54.34 feet to a point on a curve to the right, said curve having a radius of 82.00 feet, chord distance of 76.78 feet and a chord bearing of North 63°26'13" East; thence Northeasterly along said curve concave Southeasterly an arc length of 79.91 feet; thence South 89°26'46" East 172.60 feet; thence North 89°33'52" East 29.51 feet; thence North 44°33'52" East 17.93 feet; thence North 89°33'52" East 30.84 feet; thence South 41°00'15" East 9.19 feet; thence South 00°26'08" East 12.53 feet; thence North 89°33'52" East 41.00 feet; thence South 45°26'08" East 13.31 feet; thence North 88°24'42" East 54.41 feet; thence North 01°35'18" West 4.00 feet; thence North 89°33'52" East 15.05 feet; thence South 00°26'08" East 4.00 feet; thence North 89°33'52" East 29.94 feet; thence South 45°26'08" East 32.53 feet; thence South 00°26'08" East 15.95 feet; thence South 69°49'12" East 19.52 feet; thence North 89°33'52" East 39.26 feet; thence South 06°35'11" East 20.42 feet; thence North 89°33'52" East 431 feet plus or minus to the Mean High Water line of the Atlantic Ocean, said point being Reference Point "B"; thence begin again at the Point of beginning; thence along the Easterly right of way line of A1A North 12°13'28" West 296.21 feet; thence North 89°34'57" East 1520 feet plus or minus to the Mean High Water line of the Atlantic Ocean; thence South Easterly 282 feet plus or minus along said Mean High Water line to Reference Point "B" and the last call of this description.

EXHIBIT A-2

Tract "B":

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A run South 12°13'28" East 95.01 feet; thence North 89°33'52" East 300.76 feet; thence North 44°33'52" East 10.52 feet; thence North 00°26'08" West 24.17 feet; thence North 44°33'52" East 86.83 feet; thence North 89°33'52" East 42.89 feet; thence North 00°26'08" West 41.00 feet; thence North 44°33'52" East 28.28 feet; thence North 89°33'52" East 65.53 feet; thence South 45°26'08" East 28.28 feet; thence South 00°26'08" East 31.00 feet; thence North 89°33'52" East 8.25 feet; thence South 45°26'08" East 54.34 feet to a point on a curve to the right; thence along a curve concave Southeasterly along said curve having a radius of 82.00 feet, an arc length of 79.91 feet, chord distance of 76.78 feet and a chord bearing of North 63°26'13" East to the Point of Beginning; thence South 88°38'46" East 172.60 feet; thence South 00°26'08" East 59.29 feet; thence South 44°40'05" West 18.59 feet; thence South 89°33'52" West 64.96 feet; thence North 09°12'18" West 20.69 feet to a point on a curve; thence along a curve concave Southwesterly said curve having a radius of 80.00 feet, a chord distance of 89.09 feet and a chord bearing of North 53°02'35" West; thence Northwesterly along said curve an arc length of 94.48 feet to a point on a curve; thence Northwesterly along a curve concave Southwesterly along said curve having a radius of 82.00 feet, a chord distance of 34.92 feet and a chord bearing of North 79°02'51" West; thence North Easterly along said curve an arc length of 20.75 feet to the Point of Beginning.

EXHIBIT A-3

Tract "C":

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along said Easterly right of way line of A1A South 12°13'28" East 120.54 feet to the Point of Beginning; thence North 89°33'52" East 243.82 feet; thence South 00°26'08" East 20.00 feet to a point on a curve; thence along said curve concave Southwesterly said curve having a radius of 80.50 feet, a chord distance of 80.50 feet and a chord bearing of South 60°26'09" East; thence Southeasterly along said curve an arc length of 84.30 feet; thence South 30°26'08" East 78.00 feet to a point on a curve; thence along said curve concave Northeasterly along said curve having a radius of 108.53 feet, a chord distance of 40.09 feet and a chord bearing of South 41°04'48" East; thence Southeasterly along said curve an arc length of 40.33 feet; thence South 00°26'08" East 24.72 feet; thence South 89°33'52" West 340.47 feet to a point on the Easterly right of way line of A1A; thence along the Easterly right of way line of A1A North 12°13'28" West 186.88 feet to the Point of Beginning.

EXHIBIT A-4

TRACT "D":

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way of A1A run South 12°13'28" East 95.01 feet; thence North 89°33'52" East 300.76 feet; thence North 44°13'52" East 10.52 feet to a point on a curve; thence along said curve concave Southwesterly having a radius of 145.50 feet, chord distance of 89.95 feet; and chord bearing of South 48°26'19" East; thence Southwesterly along said curve an arc length of 91.45 feet; thence South 30°26'08" East 13.00 feet to the Point of Beginning; thence North 59°33'52" East 25.00 feet; thence North 79°14'08" East 128.39 feet; thence South 30°33'52" West 20.00 feet; thence South 59°26'08" East 10.26 feet; thence South 30°33'52" West 15.00 feet; thence South 59°26'08" East 22.69 feet; thence South 30°33'52" West 65.09 feet; thence North 59°26'08" West 20.00 feet to a point on a curve; thence along said curve concave Northeasterly along said curve having a radius of 43.53 feet; chord distance of 75.01 feet and chord bearing of North 89°56'04" West; thence Northwesterly along said curve for an arc length of 90.41 feet; thence North 30°26'08" West 65.00 feet to the Point of Beginning.

ROADWAY EASEMENT:

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida: For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way line of A1A run South 12°13'28" East 95.01 feet to the Point of Beginning; thence North 89°33'52" East 300.76 feet; thence North 44°33'52" East 10.52 feet to a point on a curve; thence Southeasterly along a curve concave Southwesterly along said curve having a radius of 145.50 feet, an arc length of 91.45 feet, chord distance of 89.95 feet and a chord bearing of South 48°26'19" East; thence South 30°26'08" East 78.00 feet to a point on a curve; thence Southeasterly along a curve concave Northeasterly along said curve having a radius of 43.53 feet, an arc length of 90.41 feet, chord distance of 75.01 feet and a chord bearing of South 89°56'04" East; thence South 59°26'08" East 20.00 feet; thence North 30°33'52" East 65.09 feet; thence North 59°26'08" West 22.69 feet; thence North 30°33'52" East 60.00 feet; thence North 00°26'08" West 29.00 feet to a point on a curve; thence Northeasterly along a curve concave Southeasterly along said curve having a radius of 204.00 feet, an arc length of 40.14 feet, chord distance of 40.08 feet and a chord bearing of North 11°07'40" East to a point on a curve; thence Northeasterly along a curve concave Southeasterly along said curve having a radius of 82.00 feet, an arc length of 110.91 feet, chord distance of 102.65 feet and a chord bearing of North 67°06'18" East to a point on a curve; thence Southeasterly along a curve concave Southwesterly along said curve having a radius of 80.00 feet, an arc length of 94.48 feet, chord distance of 89.09 feet and a chord bearing of South 53°02'35" East; thence South 07°56'08" East 31.00 feet; thence South 89°33'52" West 20.00 feet; thence South 44°33'52" West 15.00 feet; thence South 00°26'08" East 16.69 feet; thence South 89°33'52" West 19.83 feet; thence South 09°59'16" East 30.00 feet; thence North 51°17'18" West 34.84 feet; thence South 00°26'08" East 18.00 feet; thence South 89°33'52" West 67.78 feet; thence South 30°33'52" West 118.47 feet to a point on a curve; thence Southwesterly along a curve concave Northwesterly along said curve having a radius of 88.53 feet, an arc length of 54.08 feet, chord distance of 53.24 feet and chord bearing of South 48°03'52" West; thence South 24°26'08" East 20.00 feet to a point on a curve; thence Northwesterly along a curve concave Northeasterly along said curve having a radius of 108.53 feet, an arc length of 159.11 feet, chord distance of 145.24 feet and a chord bearing of North 72°26'05" West; thence North 30°26'08" West 78.00 feet to a point on a curve; thence Northwesterly along a curve concave Southwesterly along said curve having a radius of 80.50 feet, an arc length of 84.30 feet, chord distance of 80.50 feet and a chord bearing of North 60°26'08" West; thence North 00°26'08" West 20.00 feet; thence South 89°33'52" West 243.82 feet to the Easterly right of way line of A1A; thence North 12°13'28" West 25.53 feet along the Easterly right of way of A1A to the Point of Beginning.

EXHIBIT C

(Recreation Parcel)

PARCEL 6

A parcel lying in the Southerly 300 feet of the Northerly 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St., Johns County, Florida lying Easterly of State Road No. A1A and being more particularly described as follows:

For a Point of Commencement use the intersection of the East right-of-way line of said State Road No. A1A and the Northerly line of the Southerly 300 feet of the Northerly 600 feet of said Government lot 5; thence North 89°33'52" East along said Northerly line 824.62 feet to the Point of Beginning; thence continue North 89°33'52" East, 77.10 feet; thence South 0°26'08" East, 6.84 feet; thence North 89°33'52" East, 38 feet; thence South 45°26'08" East 37 feet; thence North 68°07'16" East, 48.98 feet; thence North 89°33'52" East, 37 feet; thence South 45°26'08" East 39.6 feet; thence South 0°26'08" East, 40 feet; thence South 44°33'52" West, 65.04 feet; thence North 45°26'08" West, 69.98 feet; thence South 89°33'52" West, 36.11 feet; thence South 44°33'52 West, 55.69 feet; thence South 0°26'08" East, 64.89 feet; thence North 45°26'08" West, 45.97 feet; thence South 89°33'52" West, 48.39 feet; thence North 0°26'52" West, 151.44 feet to the Point of Beginning.

EXHIBIT D

WALKWAY EASEMENT:
A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way line of A1A run South 12°13'28" East 95.01 feet; thence North 89°33'52" East 300.76 feet; thence North 44°33'52" East 10.52 feet; thence North 00°26'08" West 24.17 feet; thence North 44°33'52" East 86.83 feet; thence North 89°33'52" East 42.89 feet; thence North 00°26'08" West 41.00 feet; thence North 44°33'52" East 28.28 feet; thence North 89°33'52" East 65.53 feet; thence South 45°26'08" East 28.28 feet; thence South 00°26'08" East 31.00 feet; thence North 89°33'52" East 8.25 feet; thence South 45°26'08" East 54.04 feet to a point on a curve to the right; thence along a curve concave to the Southeast said curve having a radius of 82.00 feet, chord distance of 76.78 feet and a chord bearing of North 63°26'13" East; thence Northeasterly along said curve an arc distance of 79.91 feet; thence South 88°36'46" East 172.60 feet; thence North 89°33'52" East 29.51 feet; thence North 44°33'52" East 17.93 feet; thence North 89°33'52" East 30.64 feet; thence South 41°00'15" East 9.19 feet; thence South 00o26'08" East 12.53 feet; thence North 89o33'52" East 41.00 feet; thence South 45o26'08" East 13.31 feet; thence North 88°24'42" East 54.41 feet; thence North 01°35'18" West 4.00 feet; thence North 89°33'52" East 15.05 feet; thence South 00°26'08" East 4.00 feet; thence North 89°33'52" East 29.94 feet; thence South 45°26'08" East 13.11 feet to the Point of Beginning; thence South 76°19'44" East 35.60 feet; thence North 75°15'31" East 30.96 feet; thence South 85°09'03" East 38.21 feet; thence North 42°37'52" East 69.44 feet; thence North 63°09'53" East 51.51 feet; thence North 23°06'34" West 12.33 feet; thence North 18°21'55" East 25.70 feet; thence South 71°38'05" East 25.80 feet; thence South 18°21'55" West 12.80 feet; thence South 60°22'18" East 6.32 feet; thence North 66°53'26" East 60.56 feet; thence North 76°45'39" East 49.59 feet; thence South 13°14'21" East 14.00 feet; thence South 76°45'39" West 48.38 feet; thence South 66°53'26" West 92.45 feet; thence South 63°09'53" West 46.66 feet; thence South 42°37'52" West 71.20 feet; thence South 04°50'57" West 9.82 feet; thence North 85°09'03" West 17.50 feet; thence North 04°50'57" East 7.80 feet; thence North 85°09'03 West 26.73 feet; thence South 75°15'31" West 32.09 feet; thence North 76°19'44" West 21.46 feet; thence North 00°26'08" West 4.15 feet; thence North 45°26'08" West 19.42 feet to the Point of Beginning.

EXHIBIT E

LAND SCAPE AND EXISTING SIGN EASEMENT:
A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida: For a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of A1A; thence along the Easterly right of way line of A1A run South 12°13'28" East 120.54 feet to the Point of Beginning; Thence North 89°33'52" East 58.14 feet; thence South 00°26'08" East 92.05 feet; thence South 77°46'32" West 38.11 feet to a point on the Easterly right of way line of A1A; thence along the Easterly right of way line of A1A North 12°13'28" West 101.99 feet to the Point of Beginning.

ORB 664 PAGE 2086

This Instrument Was Prepared By:
SHARON S. ROBERTS
[illegible], ADE, BIRCHFIELD & JOHNSON, P.A.
Attorneys at Law
[illegible] Independent Square
Jacksonville, Florida 32202

85 1537

ASSIGNMENT AND EASEMENT

THIS ASSIGNMENT AND EASEMENT made and entered into this 16th day of January, 1985, by COMMUNITY PROJECTS, INC. (formerly known as TREE OF LIFE COMMUNITY PROJECTS, INC.), a Florida corporation, ("Sponsor") and HIBISCUS OWNERS ASSOCIATION I, INC. ("Association I") to HIBISCUS CONDOMINIUM ASSOCIATION II, INC. ("Association II");

W I T N E S S E T H :

RECITALS. Association I is a homeowners association created pursuant to Chapter 718, Florida Statutes, to administer Hibiscus I, a Condominium ("Hibiscus I") pursuant to Declaration of Condominium recorded in Official Records Book 570, page 129, of the public records of St. Johns County, Florida (the "Hibiscus I Declaration"). The Hibiscus I Declaration reserved to Sponsor and for the benefit of certain lands, including the land now or hereafter constituting Hibiscus II, a Condominium ("Hibiscus II") pursuant to the Declaration of Condominium of Hibiscus II, a Condominium, recorded or to be recorded in the public records of St. Johns County, Florida (the "Hibiscus II Declaration"), rights of access, ingress, egress and parking over those portions of the common elements of Hibiscus I set aside for such purposes as shown on Exhibit "A" attached hereto and by this reference made a part hereof (the "Easement Areas"). Sponsor is the owner of certain real property located adjacent to the common elements of Hibiscus I and Hibiscus II (hereinafter called the "Servient Property"). Sponsor and Association I desire to grant to Association II and to the owners of the units and common elements of Hibiscus II, their successors and assigns, an easement for encroachments upon the Servient Property and the Easement Area, of any stairways and walkways constructed on the Hibiscus II property in accordance with the plans and specifications for the original improvements to be constructed thereon, and to ratify and confirm the rights of access, ingress, egress and parking over the Easement Areas.

NOW THEREFORE, in consideration of the foregoing and pursuant to rights reserved by Sponsor in the Hibiscus I Declaration; and in order to effectuate the privileges reserved therein for the benefit of Hibiscus II property; and in order to reasonably regulate and manage the parking on the Easement Area, and to authorize reasonable encroachments on the Servient Property, the undersigned hereby make the following grants, assignments, covenants and agreements:

1. Sponsor and Association I hereby grant and assign to Association II, the perpetual right and privilege to the exclusive use of parking spaces located in the Easement Area and identified and numbered on Exhibit "A" attached hereto as Parking Spaces 12 through 42, inclusive, for the use of the owners and residents (and their guests and invitees) of the Units located in Buildings A, B, C and D, as identified in the Hibiscus II Declaration; reserving, however, for the exclusive use of owners and residents (and their guests and invitees) of Units of Hibiscus I, the exclusive use of the Parking Spaces identified and numbered on Exhibit "A" as Parking spaces 44, 45, 46, 47, 59, 60, 61 and 62. All Parking Spaces not assigned by this Agreement for the exclusive use of Units in Hibiscus I or Hibiscus II may be used for overflow parking for Hibiscus I or Hibiscus II or other condominiums in the Hibiscus development.

2. Pursuant to the Hibiscus II Declaration, Association II may further specifically assign to the owners and residents of particular Units in Buildings A, B, C and D, the Parking Spaces assigned by this Agreement for their exclusive use. Pursuant to the Hibiscus I Declaration, Association I may further specifically assign to the owners and residents of particular Units in Hibiscus I, the Parking Spaces assigned by this Agreement for their exclusive use.

3. Association II and the owners and residents (and their guests and invitees) of Buildings A, B, C and D located in Hibiscus II to which such Parking Spaces may be assigned, shall have a perpetual right of ingress and egress over and across the

Easement Area for the purpose of having access to the parking spaces described herein, and the Condominium Units served thereby.

4. Sponsor and Association I hereby grant and assign to Association II and to the owners of the Units and common elements of Hibiscus II, their successors and assigns, a perpetual right, privilege and easement for the construction, maintenance, repair and replacement of any walkways, stairways, paths, boardwalks, or other pedestrian walkways (and for ingress and egress to and over the foregoing) reasonably necessary to serve the Hibiscus II property as shown on the Plans and Specifications for construction of the original improvements within Hibiscus II, which may encroach upon the Servient Property or the Easement Area (provided that such encroachments do not prohibit the use of the Easement Area for parking and driveway purposes).

5. Nothing in this Assignment shall be deemed to limit or diminish in any way, or to substitute for, any other rights of access, ingress, egress and parking which are reserved in the Hibiscus I Declaration for the benefit of Sponsor, the Hibiscus II property, or any other property.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year first above written.

Signed, sealed and delivered in the presence of:

COMMUNITY PROJECTS, INC.

By: _____
Its President

HIBISCUS OWNERS ASSOCIATION I, INC.

By: _____
Its President

STATE OF FLORIDA
COUNTY OF DUVAL

Before me personally appeared L. Peter Johnson, the President of Community Projects, Inc., to me well known to be the individual and officer described in and who executed the foregoing instrument and he acknowledges the execution thereof to be his own free act and deed as such officer thereunto duly authorized; and that the official seal of said corporation is duly affixed thereto, and the said instrument is the act and deed of said corporation.

Witness my hand and official seal this 18th day of January, 1985.

Notary Public, State of Florida
at Large

My Commission Expires: [illegible]

STATE OF FLORIDA

COUNTY OF DUVAL

Before me personally appeared L. Peter Johnson, the President of Hibiscus Owners Association I, Inc., to me well known to be the individual and officer described in and who executed the foregoing instrument and he acknowledges the execution thereof to be his own free act and deed as such officer thereunto duly authorized; and that the official seal of said corporation is duly affixed thereto, and the said instrument is the act and deed of said corporation.

Witness my hand and official seal this 18th day of January, 1985.

Notary Public, State of Florida
at Large

My Commission Expires: [illegible]

PARKING PLAN

EXHIBIT "A"

This Instrument Was Prepared By:
SHARON S. ROBERTS
MARTIN, ADE, BIRCHFIELD & JOHNSON, P.A.
Attorneys at Law
3000 Independent Square
Jacksonville, Florida 32202

85 1536

AMENDMENT TO DECLARATION OF CONDOMINIUM OF HIBISCUS I, A CONDOMINIUM

ORB 664 PG 2083

THIS AMENDMENT is made this 18th day of January, 1985, by COMMUNITY PROJECTS, INC. (formerly known as TREE OF LIFE COMMUNITY PROJECTS, INC.), a Florida corporation, whose address is Post Office Box 3825, St Augustine, FL 32085 ("Sponsor").

W I T N E S S E T H :

RECITALS. Sponsor executed the Declaration of Condominium of Hibiscus I, a Condominium (the "Declaration"), recorded in Official Records Book 570, page 129 of the public records of St. Johns County, Florida. Pursuant to rights reserved in the Declaration to relocate a Roadway Easement originally described therein, Sponsor desires to amend in its entirety Exhibit "A-6" of the Declaration and to relocate the Roadway Easement to an alternate parcel of property described on Exhibit "A" hereof. As required by the Declaration, the relocated Roadway Easement will continue to provide access to Highway A-1-A and to the Condominium Property;

NOW THEREFORE, in order to relocate the Roadway Easement pursuant to the foregoing and to rights reserved in the Declaration, Sponsor hereby amends the Declaration as follows:

1. Exhibit "A-6" of the Declaration (describing the Roadway Easement) is hereby amended by substituting therefor, the legal description of the property described on Exhibit "A" attached to this Amendment and by this reference made a part hereof. The Declaration is hereby amended to provide that all references to the property described on Exhibit "A-6" shall be deemed to refer to the property described on Exhibit "A" of this Amendment, and all the rights, privileges and easements for access, ingress, egress, parking and vehicular traffic, granted or reserved in the Declaration over the property described in Exhibit "A-6" shall be deemed to be and hereby are granted and reserved over the property described in Exhibit "A" of this Amendment (including the right of Sponsor to assign spaces which may be paved and set aside for parking in the Roadway Easement

for the exclusive use of Units in this Condominium or the owners of any other improvements constructed upon the land described as Phases I through V inclusive, or any owners association responsible for the maintenance or operation of such parcels, regardless of whether such parcels are made a part of this Condominium).

2. In consideration of the relocation of the Roadway Easement pursuant to this Amendment, all rights and easements granted or reserved over the property originally described in Exhibit "A-6" of the Declaration are hereby terminated and released.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year first above written.

Signed, sealed and delivered
in the presence of:

COMMUNITY PROJECTS, INC.

By: _____
Its: President

STATE OF FLORIDA)
)
COUNTY OF Duval)

The foregoing instrument was acknowledged before me this 18th day of January, 1985 by L. Peter Johnson as President of Community Projects, Inc., a Florida corporation, on its behalf.

_____
Notary Public, State of Florida at Large.

My Commission Expires:
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES JUNE 1, 1987

PAUL L. TAYLOR
PROFESSIONAL LAND SURVEYOR

OFFICE
141 KING ST.
ST. AUGUSTINE, FL 32084

MAILING ADDRESS
PAUL L. TAYLOR
7 PARK TERRACE DR.
ST. AUGUSTINE, FL 32084

A part of the South 301.02 feet of the North 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, lying Easterly of State Road A-1-A and being more particularly described as follows:

Commence at the intersection of the Southerly line of said North 600 feet of said Government Lot 5 and the Easterly right-of-way of said State Road A-1-A; thence North 12° 08' 10" West along said Easterly right-of-way line, 186.88 feet to the Point of Beginning (P.O.B.) of said Amended Easement; thence continue North 12° 08' 10" West, 25.53 feet; thence North 89° 33' 52" East, 300.76 feet; thence North 44° 33' 52" East to a point on a curve to the right having a radius, chord and chord bearing of 145.5 feet, 145.5 feet and South 48° 26' 08" East; thence Southeasterly around the arc of the curve, 152.37 feet to the P.T.; thence South 30° 26' 08" East, 78 feet to the P.C. of a curve to the left having a radius, chord and chord bearing of 43.53 feet, 75.01 feet and South 89° 56' 08" East; thence Southerly around the arc of said curve, 90.41 feet to the P.T.; thence South 59° 26' 08" East, 20.0 feet; thence North 30° 33' 52" East, 65.09 feet; thence North 59° 26' 08" West, 22.96 feet; thence North 30° 33' 52" West, 60 feet; thence North 0° 26' 08" West, 29 feet to the P.C. of a curve to the right having a radius, chord and chord bearing of 204 feet, 40.12 feet and North 11° 42' 27" East; thence around the arc of said curve, 40.18 feet to a point of compound curve, said curve to the right having a radius, chord and chord bearing of 82 feet, 102.65 feet and North 67° 06' 18" East; thence around the arc of said curve, 110.92 feet to another point of compound curve said curve to the right having a radius, chord and chord bearing of 80 feet, 87.14 feet and South 53° 52' 40" East; thence around the arc of said curve, 92.15 feet to the P.T. Thence South 7° 56' 08" East, 33 feet; thence South 89° 33' 52" West, 20 feet; thence South 44° 33' 52" West, 15 feet; thence South 0° 26' 08" East, 16.69 feet; thence South 89° 33' 52" West, 19.83 feet; thence South 9° 59' 16" East, 30.0 feet; thence North 51° 17' 18" West, 34.36 feet; thence South 0° 26' 08" East, 18 feet; thence South 89° 33' 52" West, 67.78 feet; thence South 30° 33' 52" West, 118.47 feet to the P.C. of a curve to the right having a radius, chord and chord bearing of 88.53 feet, 53.24 feet and South 48° 03' 52" West; thence Southwesterly around said arc, 54.08 feet; thence South 24° 26' 08" East, 20 feet to a point on a curve having the same radius point as the last curve and being to the right and having a radius, chord and chord bearing of 108.53 feet, 145.24 feet and North 72° 26' 08" West; thence Northwesterly around the arc, 159.11 feet to the P.T.; thence North 30° 26' 08" West, 78 feet to the P.C. of a curve to the left having a radius, chord and chord bearing of 80.5 feet, 80.5 feet and North 60° 26' 08" West; thence Northwesterly around the arc of said curve 84.30 feet to the P.T.; thence North 0° 26' 08" West, 20 feet; thence South 89° 33' 52" West, 243.82 feet to the East right-of-way line of said State Road A-1-A and the Point of Beginning.

Less and Except:

A parcel lying in the Northerly 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, lying Easterly of State Road A-1-A; and being more particularly described as follows:

Commence at the intersection of the Easterly right-of-way line of said State Road A-1-A and the Southerly line of the North 600 feet of said Government Lot 5; thence North 89° 33' 52" East along said Southerly line, 548.88 feet; thence North 0° 26' 08" West, 206.90 feet to the Point of Beginning; thence South 88° 39' 10" East, 69.5 feet; thence North 46° 20' 50" East, 21 feet; thence North 9° 54' 10" West, 42 feet; thence North 80° 24' 10" West; 38 feet; thence South 74° 05' 50" West, 32 feet; thence South 10° 04' 47" West, 52.61 feet to the Point of Beginning. This legal description intends to describe the unpaved area in which the sales office is now established.

Paul L. Taylor, P.L.S.
Registered Surveyor #2674

EXHIBIT "A"

This Instrument Was Prepared By:
MATT [illegible] PENSON, P.A.
[illegible]
[illegible]

85 25097

DECLARATION OF CONDOMINIUM

OF

HIBISCUS II, A CONDOMINIUM

OR 689 PAGE 1457

This Declaration of Condominium is made this 10th day of November, 1985, by Community Projects, Inc., a Florida corporation whose address is Post Office Box 3825, St. Augustine, Florida 32085, (the "Sponsor").

The Sponsor makes the following declarations.

1. Submission of Real Property to Condominium Ownership. By this Declaration the Sponsor submits the real property described in Exhibit "A" and owned by the Sponsor in fee simple absolute subject to the matters set forth therein, if any, to the condominium form of ownership in the manner provided in Chapter 718 of the Florida Statutes (the "Condominium Act").

2. Name. The name of the condominium is Hibiscus II, a Condominium.

3. Definitions. The terms used in this Declaration of Condominium and its exhibits shall have the meaning stated in the Condominium Act and as follows unless the context otherwise requires:

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

3.2 "Association" means the entity which is responsible for the operation of the Condominium Property, and known as Hibiscus Condominium Association II, Inc., a non-profit Florida corporation, and its successors.

3.3 "Board" means the Board of Directors of the Association, which has been duly elected and qualified in accordance with the Bylaws.

3.4 "Bylaws" means the bylaws for the government of the Association as amended from time to time.

3.5 "Common Elements" shall include: (a) the portions of the Condominium Property not included in the Units; (b) tangible personal property owned by the Association and required or useful for the maintenance and operation of the Common Elements; (c) easements through Units for conduits,

ducts, plumbing, wiring and other facilities for the furnishing of utility services to Units and the Common Elements; (d) an easement of support in every portion of a Unit which contributes to the support of a building; and (e) the property and installation required for the furnishing of utilities and other services to more than one Unit or to the Common Elements.

3.6 "Common Expenses" means the expenses for which the Unit Owners are liable to the Association, including the expenses of the operation, maintenance, repair or replacement of the Common Elements and the Recreation and Other Facilities and beach area, the cost of carrying out the powers and duties of the Association and all expenses and assessments properly incurred by the Association for the Condominium Property and any facilities serving the Condominium Property.

3.7 "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.

3.8 "Condominium Property" means the parcel of real property described in Exhibit "A" attached hereto together with all improvements built or to be built thereon.

3.9 "Declaration of Condominium" means this Declaration of Condominium and all Exhibits attached hereto, as the same may be amended from time to time.

3.10 "Institutional Mortgagee" means Banks, Savings and Loan Associations, Insurance Companies, FHA and VA Approved Mortgage Lenders and Bankers, Real Estate Investment Trusts the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), servicing agents of FHLMC and FNMA and other lending institutions or companies, which shall include the Sponsor, any assignee of a purchase money mortgage held by Sponsor and the servicing agent of such assignee, or anyone designated by the Sponsor.

3.11 "Insurance Trustee" means a national bank, having trust powers, which is designated by the Association under paragraph 8 hereof to hold policies of insurance, receive the proceeds thereof and disburse the same in accordance with paragraph 8. Until such time as the Association designates an Insurance Trustee, the Board shall perform the duties of the Insurance Trustee contained in paragraph 8.

3.12 "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 other Units.

3.13 "Person" means any individual, corporation, partnership, association, joint venture, trust, estate, unincorporated organization or other entity.

3.14 "Recreation and Other Facilities" means the facilities described in paragraph 4.5.

3.15 "Sponsor" means Community Projects, Inc., its assignees, nominees and successors.

3.16 "Unit" means a part of the Condominium Property which is to be subject to exclusive private ownership as defined in the Condominium Act.

3.17 "Unit Owner" or "Owner of Unit" means the record owner of a Unit.

4. Development Plan. The condominium is described and established as follows:

4.1 Survey, Plot Plan and Graphic Description; Units. A survey of the land described in Exhibit "A", a graphic description of the improvements in which Units are located, a typical floor plan of each unit, and a plot plan are attached hereto as Exhibit "B" and made a part hereof and together with this Declaration are in sufficient detail to identify the Common Elements, Limited Common Elements and each Unit and their relative locations and approximate dimensions. An identification of each Unit is set forth on Exhibit "D" attached hereto.

4.2 Certificate of Surveyor. A certificate of a surveyor authorized to practice in the State of Florida is set forth in Exhibit "C" attached hereto and made a part hereof stating that the construction of the improvements is substantially complete so that the exhibits described in paragraph 4.1, together with the provisions of the Declaration describing the Condominium Property, are an accurate representation of the location and dimensions of the improvements and that the identification, location and dimensions of the Common Elements and of each Unit can be determined therefrom. As provided in Section 718.104 of the Florida Statutes, completed Units within each substantially completed Building in the Condominium may be conveyed to purchasers notwithstanding that other Buildings in the Condominium are not substantially completed. If Buildings to be located in the Condominium are not substantially completed at the time this Declaration is recorded, the Certificate of Surveyor described above (the "Certificate") shall specifically state

which Units and which Buildings are completed, including certification that all planned improvements, including but not limited to, landscaping, utility services, and access to the Units and Common Element facilities serving the Building in which the Units to be conveyed are located, have been substantially completed. A site plan attached as Schedule 1 to such Certificate shall show as completed the Buildings as described in the Certificate. If the Certificate attached to this Declaration as originally recorded states that less than all of the Buildings in the Condominium are completed, then when and as such Buildings are completed, a Certificate in the form described above shall be completed and filed in the public records of St. Johns County, Florida as an Amendment to this Declaration. An Amendment of this Declaration for the purpose of adding a Certificate of Surveyor upon completion of a Building need be signed and acknowledged only by the Sponsor and need not be approved by the Association, or other Unit Owners, or lienors or mortgagees of other Units or of the Condominium Property, whether or not such signatures are elsewhere required by an Amendment. No Unit of the Condominium shall be conveyed until such time as a Certificate, as described above, including certification that all planned improvements, including but not limited to, landscaping, utility services and access to the Unit, and Common Element facilities serving the Building in which the Units to be conveyed are located, have been substantially completed, and such Certificate is recorded with this Declaration or as an Amendment thereto.

4.3 Share of Common Elements and Common Expenses. There shall be appurtenant to each Unit an undivided share of the Common Elements. The undivided shares, stated as a percentage, in the Common Elements which are appurtenant to each Unit shall be as set forth in Exhibit "D" attached hereto and made a part hereof. The proportion and manner of sharing Common Expenses and owning Common Surplus shall also be as set forth in Exhibit "D".

4.4 Easements.

(a) The Unit Owners in the aggregate shall be entitled to equal and full use and enjoyment of all of the Common Elements except as they may be limited herein or as they may be restricted by the rules and regulations adopted by the Board, which usage shall always be in recognition of the mutual rights and responsibilities of each of the Unit Owners. Without limiting the generality of the foregoing, the rights of the Unit Owners in and to the Common Elements are expressly subordinated to the rights of parties furnishing utility (including

without limitation electrical, gas, water, sewer and telephone) services and cable or master antenna television services pursuant to easements, whether exclusive or non-exclusive, granted by the Sponsor or the Association over, under, across, in or through the Common Elements or any part thereof. The Sponsor and the Association jointly and severally hereby reserve the right to grant such utility easements for the purpose of installing and maintaining such services, lines, cables and facilities which are reasonably necessary to the Condominium Property, and to grant such other permits, licenses and easements over, under and through the Commmon Elements for utilities, roads or other purposes which are reasonably necessary or useful for the proper maintenance or operation of the Condominium Property.

(b) In the event that any Unit shall encroach upon any of the Common Elements or upon any other Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Condominium Property, or for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist to the extent of that encroachment for so long as the encroachment shall exist.

(c) Each Unit Owner and their guests, invitees and domestic help, and all delivery, pick-up and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Sponsor to serve the Condominium Property, holders of mortgage liens on the Condominium Property or any Unit, owners of other condominium units within the "Hibiscus" development contiguous to or in the vicinity of the Condominium Property owners of other condominium units within the "Hibiscus" development contiguous to or in the vicinity of the Condominium Property and such other persons as the Sponsor may from time to time designate, shall have a non-exclusive and perpetual right of:

(i) ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, boardwalks, lobbies, stairways, hallways, walkways and lanes, and like passageways as the same may from time to time exist upon the Common Elements;

(ii) ingress and egress and for vehicular traffic and parking over, through and across such

portions of the Common Elements as may be from time to time graded and/or paved and intended for such purposes, but the same shall not give or create in any person the right to park upon any portion of the Condominium Property not designated as a parking area;

(iii) ingress, egress, drainage, utilities and cable television facilities over, under, across and through the land described on Exhibit "A-2" as the "Roadway Easement," together with vehicular parking rights on such portions of the property described in Exhibit "A-2" as are paved, marked and designated for parking, and which parking spaces have not been assigned for the exclusive use of specific Units in this or any other condominium. Notwithstanding the foregoing, Sponsor reserves the right to alter and relocate the Roadway Easement or any portion thereof so long as the relocated easement continues to give access to Highway A1A and the Condominium Property;

(iv) ingress, egress, drainage, utilities, cable television facilities, ingress and egress for vehicular traffic and vehicular parking on, over, under, across and through the land described on Exhibit A-1 of the Declaration of Condominium for Hibiscus I, a condominium recorded at Official Records Volume 570, Page 129, Public Records of St. Johns County, Florida (the "Phase I Land"). Provided that such easements and rights shall be exercised only with respect to such portions of the Phase I Land as may be set aside, paved or otherwise designated for such purposes, it being understood however that the paved roadway and parking areas on the Phase I Land are to be used also by Unit Owners in Hibiscus II to whom parking spaces may be assigned by the Sponsor or the Association.

(v) ingress and egress for pedestrian traffic over, through and across a dune walkover constructed or to be constructed by Sponsor over lands of Sponsor lying East of the Condominium for the purpose of giving access to the beach; provided, however, Sponsor reserves the right to alter and relocate the dune walkover, or any portion thereof, so long as the relocated dune walkover gives access to the beach and the Condominium Property.

(d) Sponsor reserves a non-exclusive, perpetual, transferable and indefeasible easement for access, ingress, egress (including without limitation pedestrian paths, walkways and boardwalks), parking and vehicular traffic (but only over such portions paved and/or graded

and designated for such purposes), drainage, irrigation lines and facilities, utilities (including without limitation electrical, gas, water, sewer, telephone and cable or master antenna television services) over, under, across and through the Common Elements of the Condominium Property and the land described on Exhibit "A-2" as the "Roadway Easement," for the benefit of the land described on Exhibit "A-1", and for the benefit of the land underlying the Recreation and Other Facilities and any land owned by Sponsor adjacent to the foregoing lands, or any other land designated by Sponsor in the vicinity of the foregoing lands.

4.5 Recreation and Other Facilities. Sponsor has heretofore constructed a dune walkover and gazebo (for the purpose of giving access to the ocean and beach), a swimming pool, a tennis court, an irrigation pump with related lines and facilities, various boardwalks, decks and patios, and an access road upon the "Roadway Easement." Sponsor also intends to construct a club house, two spas and an additional swimming pool. Sponsor may, but shall not be obligated to, construct additional facilities including, but not limited to additional tennis courts, an additional swimming pool, racquetball courts, paddle tennis courts and spas. The foregoing facilities shall be hereafter referred to as "Recreation and Other Facilities." The Recreation and Other Facilities may be added to, expanded or relocated without the consent of the Association, any Unit Owner or any mortgagee. The Recreation and Other Facilities shall remain the sole and exclusive property of Sponsor, subject to the provisions of this paragraph. Unit Owners shall have the right to use the Recreation and Other Facilities, and the beach area extending to the east but Sponsor reserves the right to grant similar privileges to other condominiums and owners or occupants of lands in the vicinity of the Recreation and Other Facilities. The expense of maintenance, taxes, insurance, repairs and operation of the Recreation and Other Facilities and beach area shall be the responsibility of the Sponsor so long as the Sponsor owns such facilities, but in consideration of the rights granted to Unit Owners, each Unit shall be assessed by the Association, as a common expense, and each Unit Owner agrees to pay the Association as a Common Expense, a proportionate share of the cost of maintenance, operation, utilities, insurance and taxes upon the Recreation and Other Facilities and the beach area, and the Association shall reimburse Sponsor for such proportionate share of such costs. The proportion for sharing the expense shall be based upon the number of Units in the Condominium Property entitled to use the Recreation and Other Facilities compared to the total number of units in all condominiums

that are given the right to use such facilities; until such time as other condominiums are given the right to use such facilities, this condominium and Hibiscus I, a condominium, shall bear the entire amount of such expense. That is to say that as among separate condominium regimes having the right to use the Recreation and other Facilities, the proportion for sharing the expenses thereof shall be based on the number of units in each regime; however, as among unit owners, in a particular regime, the manner of sharing such allocated share of such expenses shall be based on the unit owner's percentage ownership of the common elements of the condominium of which his unit is a part. Sponsor shall either amend the Declaration of Condominium, to enlarge the Common Elements by submitting one or more of the Recreation and Other Facilities, any portion thereof, or any interest therein, to the terms of the Declaration of Condominium, or in the alternative, without charge shall convey one or more of the Recreation and Other Facilities, any portion thereof, or any interest therein to the Association, or to the Association together with associations of other condominiums having the right to use the Recreation and Other Facilities, or to an umbrella association whose members are unit owners of all condominiums having the right to use the Recreation and Other Facilities. Such amendment or conveyance transferring ownership of all the Recreation and Other Facilities shall occur on or before the earlier of the following dates: (a) ten years after the date of the recording of this Declaration; or (b) the date of the transfer, from Sponsor to Unit Owners other than Sponsor, of control of condominium associations representing owners of at least 200 condominium units having the right to use the Recreation and Other Facilities. An amendment to the Declaration of Condominium made pursuant to this paragraph need be signed and acknowledged only by the Sponsor and need not be approved by the Association, other Unit Owners, or lienors or mortgagees of Units or of the Condominium Property, whether or not such signatures are required elsewhere for an amendment. Such amendment shall divest Sponsor of the interest in the Recreation and Other Facilities specified in the amendment and will vest title in the Unit Owners as part of the Common Elements without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements that are appurtenant to the Units. Notwithstanding the duty of Sponsor to maintain and repair the Recreation and Other Facilities, Sponsor shall not be liable for injury or damage (except its proportionate share of maintenance and repair) caused by any latent condition of such facilities, or caused by the elements, the Association, or any Unit Owner, his lessees, or his or their family members, guests, servants, invitees, contractors or other persons. The Associa-

tion and Unit Owners shall indemnify and save harmless Sponsor from and against any and all loss, liability, claims, demands and expenses (including, but not limited to reasonable attorney's fees) resulting from any act or omission of the Association, any Unit Owner, his lessees, or his or their family members, guests, servants, invitees or contractors. Sponsor has heretofore erected a sales office/reception center within the "Hibiscus" development which shall be deemed a part of the Recreation and Other Facilities upon Sponsor's election after Sponsor ceases to utilize same as a sales office.

4.6 Unit Boundaries. Each Unit shall include that part of the building containing the Unit that lies within the boundaries of the Unit, as follows:

(a) Upper and Lower Boundaries. The upper boundary of a Unit shall be the horizontal plane of the unfinished ceiling and the lower boundary shall be the horizontal plane of the unfinished floor. The upper and lower boundaries shall be extended to their intersection with the perimetrical boundaries of the Units.

(b) Perimeter Boundaries. The perimeter boundaries of the Unit shall be the vertical planes of the unfinished interior of the walls (excluding the walls bounding the front and rear balcony/deck/patio/porch areas) bounding the Unit extended to the intersection with each other and with the upper and lower boundaries.

(c) Windows and Doors; Awnings, etc. Exterior windows and frames, exterior glass doors and frames and casings are deemed to be part of the Unit. Awnings, shades or similar items installed on or about the exterior of windows or doors or in or about the front and/or rear balcony/deck/patio/porch areas shall be deemed part of the Unit notwithstanding that same may be affixed to or a part of a Common Element or Limited Common Element. Unless installed by the Sponsor, however, no such awnings, shades or similar items shall be installed unless approved in accordance with paragraph 5.1(b).

(d) Heat and Air Conditioning. Air conditioning and heating equipment and facilities appurtenant to and serving an individual Unit are deemed to be part of the Unit.

(e) Multiple Ownership of Units. Contiguous Units owned by the same person may be altered so as to integrate them into one dwelling for living purposes pro-

vided that such alteration shall be at the expense of such person, shall not interfere with the enjoyment of the Common Elements by others and shall otherwise comply with the provisions of paragraph 5.2(c). In no event shall such multiple ownership change the respective undivided share in the Common Elements, or proportion of sharing Common Expenses and owning Common Surplus of such Units.

4.7 Limited Common Elements and Parking Spaces.

(a) All balconies, decks, patios or porches, together with appurtenant stairways, exterior storage compartments and any structure attached to the exterior main walls of the building that serve only the particular Unit adjacent to such structure shall be a Limited Common Element for the benefit and use of that particular Unit only. Notwithstanding the foregoing, owners of second or third floor Units shall have the right of ingress and egress over all stairways and accesses thereto.

(b) The Association shall assign at least one parking space to each Unit. The Unit Owner shall have the exclusive right to use such space(s) as long as he owns his Unit, but such space(s) shall not become a Limited Common Element and it shall not be transferrable upon sale or other conveyance of the Unit, without the Association's prior written approval. The Association may reassign spaces upon any sale or other transfer of a Unit, but at all times, at least one parking space shall be assigned to each Unit.

(c) Nothing herein contained shall be construed as relieving any Unit Owner from any portion of any assessment for Common Expenses made against the Unit and the cost and maintenance of Limited Common Elements shall be included as part of the Common Expense applicable to all Units.

4.8 Amendment of Plans.

(a) Alteration of Unit Plans. Sponsor reserves the right to change the interior design of Units, and to alter the boundaries between Units, and to combine one or more Units into one Unit, so long as Sponsor owns the Units so altered. If more than one Unit is concerned, the Sponsor shall apportion between the Units the shares in the Common Elements which are appurtenant to the

Units concerned. Notwithstanding anything contained herein, no material exterior changes shall be made by Sponsor in any building containing Units owned by persons other than Sponsor without prior consent of any Institutional Mortgagee having a first lien upon a Unit in the building in which the exterior change is made.

(b) Amendment of Declaration of Condominium. If Sponsor shall make any changes in Units or in the Roadway Easement so authorized, such changes shall be reflected by an amendment to this Declaration of Condominium. An amendment of this Declaration of Condominium reflecting such alteration by Sponsor need be signed and acknowledged only by the Sponsor and need not be approved by the Association, other Unit Owners, or lienors or mortgagees of other Units or of the Condominium Property, whether or not such signatures are elsewhere required for an amendment.

5. Maintenance, Alteration and Improvement. Responsibility for the maintenance of the Condominium Property and restrictions upon the alteration and improvement thereof shall be as follows:

5.1 Common Elements.

(a) By the Association. The maintenance, repairs and operation of the Common Elements (which includes Limited Common Elements) shall be the responsibility of the Association and the expenses associated therewith shall be designated at Common Expenses, except as otherwise provided in paragraph 5.2(b) hereof.

(b) Alteration and Improvement. After the completion of the improvements, including the Common Elements contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the Common Elements (including Limited Common Elements) without prior approval in writing by the owners of not less than seventy-five (75%) percent of the Units. Any such alteration or improvement shall not interfere with the rights of any Unit Owners without their consent. The cost of such work shall not be assessed against an Institutional Mortgagee that acquires its title as a result of holding 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 not so assessed shall be assessed to other

Unit Owners in the shares that their shares in the Common Elements bear to each other. There shall be no change in the shares and rights of Unit Owners in the Common Elements altered or further improved, whether or not the Unit Owner contributes to the cost of such alteration or improvements.

5.2 Units.

(a) By Association. The Association shall maintain, repair and replace as a Common Expense:

(1) All portions of a Unit, except interior surfaces, contributing to the support of the building, which portions shall include but not be limited to 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 portions of a Unit maintained by the Association; and all such facilities contained within a Unit that service part or parts of the Condominium Property other than the Unit within which such facilities are contained.

(3) All incidental damages caused to a Unit by such work.

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

(1) To maintain, repair, and replace at his sole and personal expense everything within the boundaries of his Unit which is not required to be maintained by the Association pursuant to paragraph 5.2(a), and all of the following items: the paint, finish, cover, wall paper and decorations of all walls, floors and ceilings; all built-in shelves, cabinets, counters, storage areas and closets; all hot water heaters, mechanical, ventilating, heating and air conditioning equipment serving the individual Unit (whether located within the boundaries of the Unit or not) including fire place, if any; any refrigerators, stoves, ovens, disposals, dishwashers and other kitchen equipment; all bathroom fixtures, equipment and apparatus; whirlpool bath, if any, and appurtenant fixtures and equipment; all electrical, plumbing, telephone and television fixtures, apparatus, equipment, outlets, switches,

wires, pipes, and conduit located within and/or serving only the particular Unit; all interior and permitted exterior lights, bulbs and lighting fixtures serving the particular Unit; all electrical lines between the particular Unit and its individual service panel or meter, and all water and waste lines between the Unit and the point at which said lines connect with the main lines (whether located within the boundaries of the Unit or not); all interior and exterior doors, walls, partitions and room dividers; all railings, porches, balconies and exterior storage compartments which are a part of the Limited Common Elements appurtenant to the Unit; all furniture, furnishings and personal property contained within a Unit; all exterior and interior windows and screening, all awnings, shades and similar items, (whether located within the boundaries of the Unit or not); all exterior windows and doors including screening and window coverings shall be maintained in such manner as to preserve a uniform appearance to the exterior of the building containing the Unit.

(2) To promptly report to the Association any defect or need for repairs, the responsibility for the remedying of which is that of the Association.

(c) Alteration and Improvement. Subject to the other provisions of paragraph 5.2, which in all cases shall supersede and have the priority over the provisions of this subsection when in conflict therewith, a Unit Owner may make such alteration or improvement to the Unit at his sole and personal cost as he may be advised, provided all work shall be done without disturbing the rights of other Unit Owners and further provided that a Unit Owner shall not enclose, paint, decorate or make any other changes or alterations that would change the appearance of any portion of the exterior of the building nor make any changes or alterations to any interior boundary wall, exterior wall, balcony, deck, porch or patio, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service, without first obtaining approval in writing of the Board. All alterations and improvements must be in compliance with all existing building codes. No alteration may cause an increase in any insurance premium to be paid by the Association.

(d) Right of Entry By Association; Failure of Unit Owner to Repair. An agent of the Association may enter into any Unit upon reasonable notice and during reasonable hours to inspect such Unit and, if needed, for the maintenance, repair or replacement of (i) any Common Elements; or (ii) any portion of a Unit which the Association has the responsibility of maintaining; or (iii) for making emergency repairs to items which the Unit Owner is responsible for maintaining but which must be made immediately to prevent damage to the Common Elements or another Unit or Units; or (iv) any items which are the responsibility of the Unit Owner and which the Unit Owner, after reasonable notice, has failed to make. All costs of any repairs or maintenance described in subparagraphs (iii) and (iv) shall be assessed against the concerned Unit Owner as a special assessment and may be collected in the same manner as any other assessment herein provided for. The Association shall not, in exercising its rights hereunder, be liable to a Unit Owner for trespass or otherwise for entry into a Unit in accordance with this subsection.

6. Assessments. The making and collection of assessments against Unit Owners for Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

6.1 Share of Common Expense. Each Unit Owner shall be liable for a share of the Common Expenses and shall share in the Common Surplus in the same proportion as his ownership of the Common Elements, but the same shall not vest or create in any Unit Owner the right to withdraw or receive distribution of his share of the Common Surplus.

6.2 Payments. Assessments and installments thereon must be paid on or before ten (10) days after the day when the same shall become due; all sums not so paid shall bear interest until paid at the highest rate then allowed by law. All payments on account shall be first applied to interest and then to the assessment payment first due. If any installment of an assessment remains unpaid thirty (30) days after the same shall become due, the Board may declare the entire annual assessment as to that delinquent Unit Owner due and payable in full as if the entire amount were originally assessed. Assessments and installments thereon shall be payable at such times as prescribed in the Bylaws or by the Board.

6.3 Lien for Assessments. The Association shall have a lien on each Unit and all tangible personal property, fixtures and equipment for any unpaid assessments and interest,

which lien shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien. Said lien shall be effective from and after the time of recording in the public records of St. Johns County, Florida, a claim of lien stating the description of the Unit, the name of the record owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association or by a managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for assessment may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure the Association shall be entitled as a matter of law to the appointment of a receiver to rent the Unit and to collect the rent. The Association may also sue to recover a money judgment for unpaid assessments without waiving the lien securing the same. Each unpaid assessment, together with interest, costs and attorney's fees, shall also be the personal obligation of the person who was the owner of the Unit at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them, or required by applicable law. A lien of the Association for unpaid assessments on any Unit will be subordinate to the lien of any first mortgage on that Unit recorded prior to the date the claim of lien for said unpaid assessment is recorded. Where an Institutional Mortgagee or other purchaser of a Unit obtains title to the Unit as a result of the foreclosure of the mortgage or as a result of a conveyance in lieu of foreclosure of the Institutional Mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association pertaining to such Unit which became due prior to acquistion of title in the manner above provided, unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of said mortgage. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses or collectible from all of the Unit Owners including the purchaser at foreclosure, its successors and assigns.

6.4 Special Assessments. The Board may impose special or individual assessments on Unit Owners to meet expenses not anticipated to be incurred on a regular or annual basis or to cover the cost and expense of maintenance, repairs or replacements of a Unit for which the Unit Owner is responsible as provided in paragraphs 5.2(d)(iii) and (iv).

7. Association. The operation of the Condominium Property shall be by Hibiscus Condominium Association II, Inc., a corporation not for profit, organized and existing under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit "E".

7.2 Bylaws. A copy of the Bylaws of the Association is attached as Exhibit "F".

7.3 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 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.

7.4 Membership and Voting Rights. The members of the Association shall consist of all of the record owners of Units. A member will be entitled to one vote for each Unit owned by him. The manner of exercising such voting rights shall be determined by the Bylaws. If a Unit is owned by one person his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary of the corporation. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by the owner thereof.

7.5 Transfer of Control. The initial board of directors, as set forth in the Articles of Incorporation, shall manage all of the affairs of this condominium and shall approve all of the decisions of the Association and shall serve as the directors of the Association until the Sponsor voluntarily relinquishes control or until the first annual members' meeting which shall be held not later than one (1) year after the recording of this Declaration.

Provided, however, when Unit Owners other than the Sponsor own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the Unit Owners shall be entitled to elect not less than one-third (1/3), but no more than two-fifths (2/5), of the members of the Board. Unit Owners other than the Sponsor shall be entitled to elect not less than a majority of the members of the Board three (3) years after sales by the Sponsor have been closed on fifty (50%) percent of the Units that will be operated ultimately by the Association, or 4 months after sales have been closed by the Sponsor on seventy-five (75%) percent of the Units that will be operated ultimately by the Association, or three (3) months after sales by the Sponsor have been closed on ninety percent (90%) of the Units that will be operated ultimately by the Association, or when all of the Units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the other Units are being offered for sale by the Sponsor in the ordinary course of business, or when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Sponsor in the ordinary course of business, whichever shall first occur. The Sponsor shall be entitled to elect not less than one (1) member of the Board so long as the Sponsor holds for sale in the ordinary course of business five percent (5%) or more of the Units.

Upon election to the Board of the first Unit Owner other than the Sponsor, the Sponsor shall forward to the Florida Division of Land Sales and Condominiums the name and mailing address of the said Unit Owner member of the Board.

7.6 Management Agreement. The Association may, within the discretion of the Board, enter into a contract with any person or may join with other condominium associations and entities in contracting with any person for the services relating to the maintenance and operation of the Condominium Property and to the extent permitted by law, this Declaration and the Bylaws, may authorize such person to perform the powers and duties of the Association.

7.7 Additional Condominiums. The Association may be the condominium association responsible for the operation and management of any condominium created by a declaration of condominium submitting to condominium ownership other property adjacent to or in the vicinity of the Condominium Property. In such event, the owners of any condominium units in any such separate condominium shall automatically be members of the Association. The Association shall maintain

separate accounting records for each separate condominium operated by it in accordance with generally accepted accounting principles. The operation of such separate condominiums by the Association shall not constitute and is not intended to result in a merger of the Common Elements with the common elements of such additional condominiums.

8. Insurance. The insurance which shall be carried shall be governed by the following provisions:

8.1 Policies. All insurance policies shall be purchased by the Association and each Unit Owner shall be deemed to have appointed the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance as required hereby and of doing such acts and executing such documents as required by paragraph 8.10 hereof. All policies shall provide for the issuance of certificates of insurance to each Unit Owner and Institutional Mortgagee, and mortgagee endorsements to each Institutional Mortgagee holding a mortgage upon a Unit. Such policies and endorsements shall be deposited with the Insurance Trustee who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. All insurance policies and fidelity bonds required to be purchased by the Association shall provide that the same shall not lapse, be cancelled (including cancellation for non-payment of premium) or be materially modified without at least 10 days prior written notice to the Association, the Insurance Trustee, each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy (or, alternatively, which has requested such notice in writing), and to each servicer of a first mortgage on behalf of the Federal National Mortgage Association.

8.2 Coverage. The following coverage shall be obtained by the Association:

(a) The buildings and all other insurable improvements upon the Condominium Property and all personal property owned by the Association shall be insured in an amount equal to 100% of the current replacement cost thereof (exclusive of excavation, foundations, land and other items normally excluded from coverage) as determined annually by the insurance company affording such coverage. The term "building" as used in this subparagraph shall include, without limitation, all fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the

perimeter walls, floors, and ceilings of the individual units initially installed or replacements thereof, in accordance with the original plans and specifications. All hazard insurance policies obtained by the Association shall provide that the term "building" wherever used in the said policies shall include the above defined fixtures, installations and additions and that the Unit Owners shall be additional insureds with respect to such fixtures, installations, and additions. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism, malicious mischief, windstorm, water damage, and all perils normally covered by the standard "all risk" endorsement where such coverage is available.

(b) General liability insurance covering all common areas, limited common areas and public ways on the Condominium Property in amounts generally required by private institutional mortgage investors for projects similar in construction, location or use. However, such coverage shall be for at least $1,000,000.00 for each bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of insureds for property damage, water damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common areas, hired automobile, non-owned automobile, off-premises employee coverage and legal liability arising from lawsuits related to employment contracts of the Association.

(c) Workmen's compensation insurance as required by law.

(d) All liability insurance shall contain cross liability endorsements to cover liabilities of the Association Unit Owners as a group to an individual Unit Owner and of one Unit Owner against another.

(e) If the Condominium Property is located in an area designed by the Federal Emergency Management Agency (or other federal agency legally empowered to so designate property) as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, flood insurance on the buildings and all other improvements described in para-

graph 8.2(a), in an amount deemed appropriate by the Association, but not less than the lessor of: (1) the maximum flood insurance coverage available for all buildings and the aforesaid other improvements within any portion of the Condominium Property located within a designated flood hazard area; or (2) one hundred (100%) percent of current replacement costs of all such buildings and other improvements.

(f) Blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association (including the officers, employees and agents of a management agent to whom the Association has delegated some or all of the responsibility for handling Association funds), in amounts based upon the best business judgment of the Association but not less than the estimated maximum funds, including reserve funds, in the custody of the Association or management agent at any given time during the term of each bond. Provided that in no event shall the aggregate amount of such bonds be less than a sum equal to three months' aggregate assessments on all units plus reserve funds. All such fidelity bonds shall name the Association as an obligee and shall contain waivers by the insurers of all defenses based upon the exclusion from the definition of "employees," or similar terms, of persons serving without compensation.

(g) All such additional insurance coverage, special endorsements or bond coverage as shall be required from time to time by the most recent regulations and guidelines of the Federal National Mortgage Association.

8.3 Common Expense. Premiums upon all insurance policies and fidelity bonds (except for premiums on fidelity bonds maintained by a management agent covering its own officers, employees and agents) purchased by the Association shall be paid by the Association and charged as Common Expenses.

8.4 Casualty Losses. All insurance policies purchased by the Association shall be for the benefit of the Association, and the Unit Owners, and their respective Institutional Mortgagees as their respective interests may appear. All insurance policies purchased by the Association shall provide that all proceeds payable as a result of casualty losses shall be paid to the Insurance Trustee which shall be designated from time to time by the Board. The Insurance

Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the failure to collect any insurance proceeds. The only duties of the Insurance Trustee shall be to hold policies of insurance which are obtained by the Association in accordance herewith, to receive the proceeds thereof and to hold the same in trust for the purposes elsewhere stated herein, for the benefit of the Association, and the Unit Owners, and their respective Institutional Mortgagees, in the following shares (which shares need not be set forth upon the records of the Insurance Trustee):

(a) Common Elements. Proceeds on account of damage to Common Elements in the same proportion as the undivided shares in the Common Elements which are appurtenant to each of the Units.

(b) Units. Proceeds on account of damage to Units shall be held in undivided shares in the following manner:

(1) Partial destruction when the building is restored: for the Unit Owners of the damaged Units in proportion to the costs of repairing the damage suffered by each damaged Unit. Upon the request of the Insurance Trustee, the Association shall certify to the Insurance Trustee the appropriate portions as aforesaid, and each Unit Owner shall be bound thereby and the Insurance Trustee may rely upon such certification.

(2) Total destruction when one of the buildings is destroyed, or partially destroyed and is not to be restored: for all Unit Owners in such building the share of each being determined by multiplying such proceeds by a fraction, the numerator of which is the undivided share in the Common Elements appurtenant to the Unit and the denominator of which is the total undivided share of the Common Elements appurtenant to all Units in such building.

(c) Endorsements. Notwithstanding anything to the contrary contained herein, in the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then for the Unit Owner as their interests may appear.

8.5 Distribution of Proceeds of Insurance. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of Institutional Mortgagees and the Unit Owners after first paying or making provision for payment of the expenses of the Insurance Trustee in the following manner:

(a) Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the Association.

(b) No Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed first to any Institutional Mortgagee(s) having a lien on the Unit(s) affected to the extent of its interest. The proceeds shall then be applied to the clearing, grading and dressing up of the area where the unreconstructed Unit(s) was (were) located and any surplus paid to the Unit Owner(s). This is a covenant for the benefit of any Institutional Mortgagee and may be enforced by it.

(c) Certificate. In making distribution to Unit Owners and their Institutional 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. Upon request of the Insurance Trustee, the Association shall forthwith deliver such certificate.

8.6 Reconstruction. If any part of the Common Elements or any Unit or Units, or part thereof, shall be damaged, such damaged portion shall be promptly reconstructed or repaired unless such destruction renders one-half or more of the Units untenantable and the owners of seventy-five (75%) percent or more of the Units vote against such reconstruction or repair at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days after final adjustment; provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit of the condominium. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications to be prepared by an architect selected by the Board. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or

basis of a proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the improvements on the Condominium Property were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands. The Insurance Trustee may rely upon a certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

8.7 Unit Owner. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair. In all other instances, the responsibility of reconstruction and repair shall be that of the Association.

8.8 Association. Immediately after a casualty causing damage for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bond as the Board may desire. If the proceeds of insurance policies are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) assessment shall be made against all Units in sufficient amounts to provide funds for the payment of such costs.

8.9 Disbursement. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessment against Units (which shall be deposited by the Association with the Insurance Trustee), shall be disbursed in payment of such costs in the following manner:

(a) Unit Owners. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be disbursed to such contractors, suppliers and personnel performing such reconstruction or repair work, in such amounts and at such times as the Unit Owner may direct, or if there is a mortgagee endorsement, then to such payees as the Unit Owner and the Institutional Mortgagee direct. Nothing contained herein shall be

construed to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair.

(b) Association. The balance of the construction fund shall be applied by the Insurance Trustee to the payment of the costs of reconstruction and repair and shall be paid to or for the account of the Association from time to time as the work progresses. The Insurance Trustee shall make such payments upon the written request of the Association, accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association, and by an architect in charge of the work, who shall be selected by the Association, setting forth (i) that the sum then requested either has been paid by the Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, and that the sum requested does not exceed the value of the services and materials described in the certificate and (ii) that except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's, mechanic's, materialmen's or similar lien upon such work, the Common Elements or any Unit, and (iii) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of insurance proceeds (and assessments, if any) remaining in the hands of the Insurance Trustee after the payment of the sum so requested.

(c) Proceeds. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Association.

8.10 Adjustment. Each Unit Owner shall be deemed to have delegated to the Association his right to adjust with insurance companies all losses under policies purchased by the Association subject to the rights of Institutional Mortgagees having a mortgage upon the Unit, and to collect and appropriately dispose of the proceeds of such policies, to negotiate losses and to execute releases of liability. Notwithstanding the foregoing, the Association may, but shall

not be obligated to, name as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into an Insurance Trust Agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance.

8.11 Institutional Mortgagees. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then the Unit Owner as their interests may appear; provided, however, that no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and Institutional Mortgagee pursuant to the provisions of this Declaration of Condominium.

8.12 Contents. Each Unit Owner shall be responsible for insuring the contents of his Unit which belong to him, any improvements made by him within his Unit and any portion of his Unit for which he has the responsibility of maintenance, repair and replacement as provided in this Declaration of Condominum except such fixtures, installations, additions or other items which are insured by the Association as provided in paragraph 8.2 hereof.

9. Condemnation. Condemnation of the Condominium Property or any portion thereof shall be handled in the following manner:

9.1 Awards. The taking of Condominium Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a special assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that owner.

9.2 Determination Whether to Continue Condominium. Whether the condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after a casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty. Provided, however, that the condominium shall not be abandoned or

terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit of the condominium.

9.3 Disbursement of Funds. If the condominium is terminated after condemnation, the proceeds of the awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the condominium is terminated after a casualty. If the condominium is not terminated after condemnation, the size of the condominium will be reduced; first the mortgagees of condemned Units and then the Owners of condemned Units as their interest may appear will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

9.4 Unit Reduced But Tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Restoration of Unit. The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the owner(s) of the Unit.

(b) Distribution to Surplus. The balance of the award, if any, shall be distributed first to each Institutional Mortgagee of the Unit, as its interest may appear, and then to the owner of the Unit.

9.5 Unit Made Untenantable. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Payment of Award. The award for the Unit shall be paid first to each Institutional Mortgagee of the Unit, as its interest may appear, and the balance to the Unit Owner.

(b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the remaining Unit Owners in the manner approved by the Board.

(c) Adjustment of Shares in Common Elements. Provided that each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate and at least two-thirds (2/3) of the Unit Owners (other than the Sponsor) have given their prior written approval, the shares in the Common Elements appurtenant to the Units that continue as part of the condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Units.

(d) Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the owner and to condition the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for those purposes shall be raised by assessments against all of the Unit Owners who will continue as owners of Units after the changes in the condominium effected by the taking. The assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes affected by the taking, provided that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners (other than the Sponsor) shall give their prior written approval of any changes in shares of Unit Owners in the Common Elements, as provided in 9.5(c).

(e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Association within 30 days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the owners in the Common Elements as they exist prior to the changes effected by the taking.

9.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements useable in the manner approved by the Board. The balance of the awards for taking of Common Elements, if any, shall be distributed to the Association.

9.7 Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements that are effected by condemnation shall be evidenced by an amendment of the Declaration of Condominium that need be approved only by a majority of the Board, provided that nothing herein shall be deemed to alter the requirement set forth in Section 9 that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners give prior written approval to changes in the pro-rata interest or obligation of Unit Owners or the pro-rata share of ownership in the Common Elements.

10. Use Restrictions. The use of the Condominium Property shall be in accordance with the following provisions as long as the condominium exists and the buildings in useful condition exist upon the land.

10.1 Units. No Unit may be subdivided or partitioned. Each of the Units shall be occupied only by the individual owner, members of a family, their servants, guests, lessees and tenants as a residence and for no other purposes, except as follows. The Sponsor may use any Unit for model, sales office or display purposes and may lease or rent Units owned by the Sponsor.

10.2 Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

10.3 Nuisances. Unit Owners, residents and lessees shall use their reasonable efforts under the circumstances to avoid unreasonable disturbances or nuisances which would disturb other Unit Owners.

10.4 Unlawful Use. No Unit or Common Elements may be used for any unlawful, immoral or improper purpose.

10.5 Insurance. No activity shall be done or maintained in any Unit or upon any Common Elements which will increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board.

10.6 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Association as provided by its Bylaws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium Property.

10.7 Exterior Appearance. The exterior appearance of a Unit or any Common Element (including Limited Common Elements) may not be changed without prior written approval of the Board.

11. Proviso, Pending Completion. Until the Sponsor has completed all of the contemplated improvements on the Condominium Property and closed the sales of all of the Units or until December 31, 1988 whichever occurs last, neither the Unit Owners nor the Association nor the use of the Condominium Property shall interfere with the sale of the Units or the completion of any improvements in the Condominium or other condominiums within the "Hibiscus" development. Sponsor may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property, the display of signs and the leasing of Units.

12. Ownership of Common Elements and Association. The ownership of an undivided share in the Common Elements which is appurtenant to a Unit cannot be separated from the Unit or conveyed or encumbered except with the Unit and a conveyance or encumbrance of a Unit shall pass the title to the Common Elements appurtenant to it whether or not separately described. The shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements shall lie. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as appurtenant to his Unit.

13. Compliance and Default. Each Unit Owner and the Association shall be governed by and shall comply with the terms of this Declaration of Condominium, the Bylaws and the rules and regulations adopted pursuant thereto, and said documents as they may be amended from time to time. Each Unit Owner shall comply with decisions of the Association made pursuant to authority granted to the Association in the said documents. Failure of the Unit Owner to comply therewith shall entitle the Association or other Owners to the following relief in addition to other remedies provided in this Declaration of Condominium and the Condominium Act, including the recovery of damages, injunctive relief, or both, to the extent allowed by law; and Unit Owners shall have similar rights of action against the Association:

13.1 Enforcement. The Association and any aggrieved Unit Owner are hereby empowered to enforce this Declaration of Condominium and the Bylaws and rules and regulations of the Association by such means as are provided by the laws of the State of Florida.

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, his lessees, or his or their guests, invitees, employees, contractors or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit, or of the Common Elements or of the Limited Common Elements.

13.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration of Condominium, Bylaws, and rules and regulations adopted pursuant thereto, and said documents as they may be amended from time to time, the prevailing party shall be entitled to recover the cost of the proceeding and such reasonable attorneys' fees as may be awarded by the court, provided no attorneys' fees may be recovered against the Association in any action.

13.4 No Waiver of Rights. The failure of the Sponsor, or the Association, or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration of Condominium, the Bylaws, or the rules and regulations adopted pursuant thereof, shall not constitute a waiver of the right to do so thereafter.

14. Disclaimers.

14.1 Representations. Except as provided herein, no representation, warranty or commitment has been made by the Sponsor or any other party in its behalf to any Unit Owner, either prior to or subsequent to the purchase of his Unit with respect to the time of construction, location, nature and extent of any recreational facilities or other amenities within the Condominium Property or any land lying adjacent thereto or in the vicinity thereof.

14.2 Warranty. Except as otherwise specifically provided in Florida Statutes Chapter 718, the Sponsor specifically disclaims any intent to have made any warranty or

representation, express or implied, in connection with the Units, the Condominium Property, or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Guaranties obtained and warranties obtained from the manufacturers of all appliances and equipment, as specified by said manufacturers and subcontractors, may be enforced by either the Association or the Unit Owner. The Sponsor has constructed or will construct the buildings and improvements substantially in accordance with Exhibit "B" and those plans and specifications on file with the architect responsible for the design of the improvements, and it is hereby agreed that this is the full extent of Sponsor's liability and responsiblity. The foregoing is expressly in lieu of all other warranties, express or implied by law or otherwise, provided however that nothing contained herein shall diminish any warranty imposed by law under Florida Statutes, Chapter 718.

15. Amendment.

15.1 By Sponsor. An amendment to this Declaration of Condominium made by the Sponsor shall be evidenced by a certificate setting forth such amendment executed by the Sponsor with the formalities of a deed (including recording data identifying this Declaration of Condominium) and shall become effective when such certificate is recorded according to law. In addition to other provisions contained in this Declaration of Condominium relating to amendments by the Sponsor, as long as the Sponsor owns five percent (5%) or more of the Units the Sponsor may amend this Declaration of Condominium for any purpose including, but not limited to, any amendment required by the Division of Land Sales and Condominiums, or by FNMA, FHLMC or any Institutional Mortgagee, and such amendment shall be effective without the joinder of any Unit Owners, mortgagees or the Association; provided, however, that any amendment to the Declaration of Condominium pursuant to this paragraph 15.1 which would be material and adverse to interests of Unit Owners shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit to the extent such Units are affected by such material amendment; and further provided, that no amendment pursuant to this paragraph 15.1 shall adversely affect the lien or priority of any previously recorded mortgage to an Institutional Mortgagee.

15.2 By Unit Owners. An amendment to this Declaration of Condominium made by Unit Owners shall be evidenced by: (a) a certificate setting forth such amendment executed by the appropriate officers of the Association, with the formalities

of a deed (including the recording data identifying this Declaration of Condominium); and (b) an affidavit (to be attached to the certificate) executed by the appropriate officers of the Association certifying that the owners of seventy-five percent (75%) or more of the Units voted in favor of the amendment. Such amendment shall become effective when it is recorded according to law. No amendment shall be adopted or become effective pursuant to this paragraph 15.2 which adversely affects the lien or priority of any previously recorded mortgage to an Institutional Mortgagee. An amendment made by Unit Owners need not be executed by the Unit Owners. This Declaration of Condominium shall not be amended without the approval of the Sponsor and without the joinder of the Sponsor in the certificate referred to in (a) above if any of the following conditions exist: (i) the Sponsor owns five percent (5%) or more of the Units; or (ii) such amendment purports to modify, restrict, limit or otherwise affect any right of the Sponsor hereunder, including without limitation the rights of Sponsor to amend this Declaration of Condominium unilaterally as set forth heretofore and any other rights of Sponsor hereunder. Notwithstanding anything contained herein, any amendment pursuant to this paragraph 15.2 which would be material and adverse to the interests of Unit Owners, shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit to the extent such Units are affected by such material amendment.

15.3 By Association. Whenever it shall appear that there is an error or omission in the Declaration of Condominium and the Sponsor owns less than five percent (5%) of the Units, then the Board may correct such error or omission by resolution adopted by a majority vote of the Board at any duly called meeting thereof. Such amendment shall become effective when it is recorded according to law; provided, however, that the provisions of paragraph 15.1 requiring approval of amendments by each Institutional Mortgagee holding a first mortgage upon any Unit affected by the amendment shall also apply to any amendment made pursuant to this paragraph.

15.4 Consolidation. Sponsor presently either owns or has the right to acquire land adjacent to the Condominium, including the land lying between Highway A1A and the Atlantic Ocean and extending northward. The declarations, articles of incorporation, bylaws and common elements of any two or more independent condominiums lying within such property may be merged with this condominium to form a single condominium upon the approval of eighty (80%) percent of all the Unit Owners (which may include Sponsor) of each condominium and of

all record owners of liens upon Units within such condominiums and upon the recording of an amendment to the declarations, articles of incorporation and bylaws of the condominiums to be merged stating that such condominiums will constitute one condominium.

16. Termination.

16.1 Unit Owner. This Declaration of Condominium may be terminated in the manner provided for in Chapter 718, Florida Statutes (the "Condominium Act"). Notwithstanding any amendments to the Condominium Act, however, a vote of one hundred percent (100%) of the Unit Owners shall be required to terminate this Declaration of Condominium; provided, however, if an election is made not to reconstruct after damage in accordance with paragraph 8.6, or after condemnation in accordance with paragraph 9.2, then this Declaration of Condominium may be terminated by a vote of persons who own seventy-five percent (75%) or more of the Units; provided, however, that notwithstanding anything to the contrary contained in this Declaration of Condominium or any amendments hereto, this Declaration of Condominium shall not be abandoned or terminated for any reason without the prior written approval of each Institutional Mortgagee holding a first mortgage upon any Unit.

16.2 General. Upon termination of the condominium, the mortgagee and lienor of a Unit shall have a mortgage and lien solely and exclusively upon the undivided share of the Owner's tenancy in common in and to the lands and other properties and rights which the Owner may receive by reason of such termination. The termination of the condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to the facts affecting the termination, which certificate shall become effective upon being recorded in public records of St. Johns County, Florida.

16.3 Amendment. This section concerning termination cannot be amended without consent of all Unit Owners and of all record owners of mortgages upon the Units.

17. Additional Rights of Institutional Mortgagees. In addition to any rights provided elsewhere in this Declaration of Condominium, any Institutional Mortgagee (which term shall, when used in this section, be deemed to include any guarantor or insuror of a mortgage) having a lien upon any Unit who makes a request in writing to the Association for the items provided in this paragraph shall have the following rights:

17.1 Annual Financial Statements of Association. To be furnished with at least one copy of the annual financial statement and report of the Association, including a detailed statement of annual carrying charges, or income collected, and operating expenses; such financial statement and report to be furnished within sixty (60) days following the end of each calendar year.

17.2 Notice of Meetings. To be given notice of any proposed action which would require the consent of a specified percentage of mortgage holders; and to be given notice by the Association of the call of a meeting of the Unit Owners to be held for any purpose, including but not limited to the purpose of considering any proposed amendment to this Declaration of Condominium or to the Articles of Incorporation or Bylaws of the Association, which notice shall state the nature of the amendment being proposed; and to designate a representative to attend all such meetings.

17.3 Notice of Defaults. To be given written notice of any default of any owner of a Unit encumbered by a mortgage held by such Institutional Mortgagee in the performance of such mortgagor's obligations under the Declaration of Condominium, Articles, Bylaws or Regulations which is not cured within sixty (60) days. Such notice will be given in writing and be sent to the principal office of such Institutional Mortgagee, or to the place which it may designate in writing to the Association from time to time.

17.4 Insurance Endorsements. To be given an endorsement of the policies covering the Common Elements and Limited Common Elements requiring that such Institutional Mortgagee be given any notice of cancellation provided for in such policy.

17.5 Examination of Books and Records. Upon reasonable notice, to examine the books and records of the Association during normal business hours.

17.6 Notice of Damage. To be given timely written notice of any damage or loss to, or taking of, the Common Elements or any Unit, or of any notice by an authority that the Common Elements or any Unit will be the subject of condemnation proceedings.

18. Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase or word or other provision of this Declaration of Condominium, the Articles, the Bylaws, the Rules and Regulations of the Association, and any exhibits attached hereto, shall not affect the remaining portions thereof.

19. Covenants Running with the Land. All provisions of this Declaration of Condominium and all attachments thereto shall be construed to be covenants running with the land and with any part thereof and interest therein, and every Unit Owner and claimant of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound thereby.

IN WITNESS WHEREOF, the Sponsor has executed this Declaration of Condominium this 20th day of NOVEMBER, 1985.

Signed, sealed and delivered in the presence of:

COMMUNITY PROJECTS, INC.

Witness

By Dorothy J. Aldrich
Its VICE PRESIDENT

Witness as to Community Projects, Inc.

Attest Irwin Carasso
Its SECRETARY

STATE OF FLORIDA)
)
COUNTY OF St. Johns)

The foregoing instrument was acknowledged before me this 20th day of November, 1985, by Dorothy F. Aldrich, the Vice-President and Irwin Carasso, the Secretary of COMMUNITY PROJECTS, INC., a corporation, on behalf of the Corporation.

Notary Public, State of Florida at Large.

NOTARY PUBLIC, STATE OF FLORIDA
My Commission Expires July 24, 1989

My Commission Expires:

[Notarial Seal].

EXHIBIT A-1

TO DECLARATION OF CONDOMINIUM

Legal Description

JOINDER OF MORTGAGEE

Barnett Bank of Jacksonville, N.A. herein called the Mortgagee, the owner and holder of a mortgage upon that certain parcel of land in St. Johns County, Florida, more particularly described on Exhibit "A-1" attached hereto and made a part hereof, which mortgage is recorded in Official Records Volume 664, Page 2091, public records of St. Johns County, Florida, joins in the making of the Declaration of Condominium of Hibiscus II, a Condominium, for the purpose of consenting to the terms and provisions contained in said Declaration.

IN WITNESS WHEREOF, the mortgagee has caused this instrument to be executed in its name by its proper officers thereunto duly authorized this 20th day of November, 1985.

Signed, Sealed and Delivered
In the Presence Of:

Barnett Bank of Jacksonville, N.A.

Debra S. Savage

By Jerry E. Pate

Its Vice President

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 20th day of November, 1985, by Jerry E. Pate, the Vice President of Barnett Bank of Jacksonville, N.A., a banking corporation under the laws of the United States, on behalf of said banking corporation.

Notary Public, State and
County Aforesaid

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Dec. 20, 1987

EXHIBIT "A-1"

Legal Description of Hibiscus II, a Condominium

PARCEL 1:

A portion of the Southerly 301.02ft.of the Northerly 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows:

Commence at the intersection of the Southerly line of said Northerly 600 feet of said Government Lot 5 and the Easterly right-of-way line of State Road No. A-1-A; thence North 89° 33' 52" East, 932.83 feet along said Southerly line to the Point of Beginning; thence North 0° 26' 08" West, 64.64 feet; thence North 4° 46' 33" West, 49.57 feet; thence South 89° 33' 52" West, 82.77 feet, thence North 45° 26' 08" West, 4.47 feet; thence North 0° 26' 08" West, 64.89 feet; thence North 44° 33' 52" East, 55.69 feet; thence North 89° 33' 52" East, 36.11 feet; thence South 45° 26' 08" East, 69.98 feet; thence North 44° 33' 52" East, 65.04 feet; thence North 89° 33' 52" East, 58.90 feet to an iron pipe on the Coastal Construction Setback line; thence North 89° 33' 52" East, 365.0 feet to the Mean high water line of the Atlantic Ocean, said point being reference point "A"; thence begin again at the Point of Beginning; thence North 89° 33' 52" East, 168.32 feet to an iron pipe on the Coastal Construction Setback line; thence North 89° 33' 52" East, ± 400 feet to the Mean high water line of the Atlantic Ocean; thence Northwesterly ± 224 feet along said Mean high water line to reference point "A" and the last call of this description.

AND

PARCEL 2:

A portion of the South 301.02 feet of the North 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida lying Easterly of State Road A-1-A and being more particularly described as follows:

Commence at the intersection of the Southerly line of said North 600 feet of said Government Lot 5 and the Easterly right-of-way line of said State Road A-1-A; thence North 12° 08' 10" West along said Easterly right-of-way line, 212.41 feet; thence North 89° 33' 52" East, 300.76 feet; thence North 44° 33' 52" East, 10.49 feet to a point on a curve to the right and having a radius, chord and chord bearing of 145.5 feet, 3.14 feet South 65° 49' 03" East; thence Southerly around the arc of said curve, 3.14 feet to the Point of Beginning; thence North 44° 33' 52" East, 91.19 feet; thence North 89° 33' 52" East, 37.11 feet; thence South 45° 25' 08" East, 35.38 feet; thence North 44° 33' 52" East, 67.20 feet; thence North 89° 33' 52" East, 37.11 feet; thence South 45° 26' 08" East, 52.44 feet to a point on a curve to the right and having a radius, chord and chord bearing of 204 feet, 40.12 feet and South 11° 42' 47" West ; thence Southerly around the arc of the curve 40.18 feet; thence South 0° 26' 08" East, 29.0 feet; thence South 89° 33' 52" West, 115.83 feet; thence South 44° 33' 52" West, 30.27 feet; thence South 89° 33' 52" West, 51.86 feet to a point on a curve to the left having a radius, chord and chord bearing of 145.5 feet; 64.48 feet and North 52° 23' 55" West; thence Northerly around the arc of said curve, 65.02 feet to the Point of Beginning.

EXHIBIT A-2

TO DECLARATION OF CONDOMINIUM

Roadway Easement

EXHIBIT "A-2"
ROADWAY EASEMENT

Hibiscus II, A Condominium
Amended Roadway and Parking Easement

A part of the South 301.02 feet of the North 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, lying Easterly of State Road A-1-A and being more particularly described as follows:

Commence at the intersection of the Southerly line of said North 600 feet of said Government Lot 5 and the Easterly right-of-way of said State Road A-1-A; thence North 12° 08' 10" West along said Easterly right-of-way line, 186.88 feet to the Point of Beginning (P.O.B.) of said Amended Easement; thence continue North 12° 08' 10" West, 25.53 feet; thence North 89° 33' 52" East, 300.76 feet; thence North 44° 33' 52" East, 10.99 feet to a point on a curve to the right having a radius, chord and chord bearing of 145.5 feet, 145.5 feet and South 48° 26' 08" East; thence Southeasterly around the arc of the curve, 152.37 feet to the P.T.; thence South 30° 26' 08" East, 78 feet to the P.C. of a curve to the left having a radius, chord and chord bearing of 43.53 feet, 75.01 feet and South 89° 56' 08" East; thence Southerly around the arc of said curve, 90.41 feet to the P.T.; thence South 59° 26' 08" East, 20.0 feet; thence North 30° 33' 52" East, 65.09 feet; thence North 59° 26' 08" West, 22.96 feet; thence North 30° 33' 52" West, 60 feet; thence North 0° 26' 08" West, 29 feet to the P.C. of a curve to the right having a radius, chord and chord bearing of 204 feet, 40.12 feet and North 11° 42' 27" East; thence around the arc of said curve, 40.18 feet to a point of compound curve, said curve to the right having a radius, chord and chord bearing of 82 feet, 102.65 feet and North 67° 06' 18" East; thence around the arc of said curve, 110.92 feet to another point of compound curve said curve to the right having a radius, chord and chord bearing of 80 feet, 87.14 feet and South 53° 52' 40" East; thence around the arc of said curve, 92.15 feet to the P.T. Thence South 7° 56' 08" East, 33 feet; thence South 89° 33' 52" West, 20 feet; thence South 44° 33' 52" West, 15 feet; thence South 0° 26' 08" East, 16.69 feet; thence South 89° 33' 52" West, 19.83 feet; thence South 9° 59' 16" East, 30.0 feet; thence North 51° 17' 16" West, 34.36 feet; thence South 0° 26' 08" East, 18 feet; thence South 89° 33' 52" West, 67.78 feet; thence South 30° 33' 52" West, 118.47 feet to the P.C. of a curve to the right having a radius, chord and chord bearing of 88.53 feet, 53.24 feet and South 48° 03' 52" West; thence Southwesterly around said arc, 54.08 feet; thence South 24° 26' 08" East, 20 feet to a point on a curve having the same radius point as the last curve and being to the right and having a radius, chord and chord bearing of 108.53 feet, 145.24 feet and North 72° 26' 08" West; thence Northwesterly around the arc, 159.11 feet to the P.T.; thence North 30° 26' 08" West, 78 feet to the P.C. of a curve to the left having a radius, chord and chord bearing of 80.5 feet; 80.5 feet and North 60° 26' 08" West; thence Northwesterly around the arc of said curve 84.30 feet to the P.T.; thence

(continued)

North 0° 26' 08" West, 20 feet; thence South 89° 33' 52" West, 243.82 feet to the East right-of-way line of said State Road A-1-A and the Point of Beginning.

Less and Except:

A parcel lying in the Northerly 600 feet of Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, lying Easterly of State Road A-1-A; and being more particularly described as follows:

Commence at the intersection of the Easterly right-of-way line of said State Road A-1-A and the Southerly line of the North 600 feet of said Government Lot 5; thence North 89° 33' 52" East along said Southerly line, 548.88 feet; thence North 0° 26' 08" West, 206.90 feet to the Point of Beginning; thence South 88° 39' 10" East, 69.5 feet; thence North 46° 20' 50" East, 21 feet; thence North 9° 54' 10" West, 42 feet; thence North 80° 24' 10" West; 38 feet; thence South 74° 05' 50" West, 32 feet; thence South 10° 04' 47" West, 52.61 feet to the Point of Beginning. This legal description intends to describe the unpaved area in which the sales office is now established.

Paul L. Taylor

Paul L. Taylor, P.L.S.
Registered Surveyor #2574

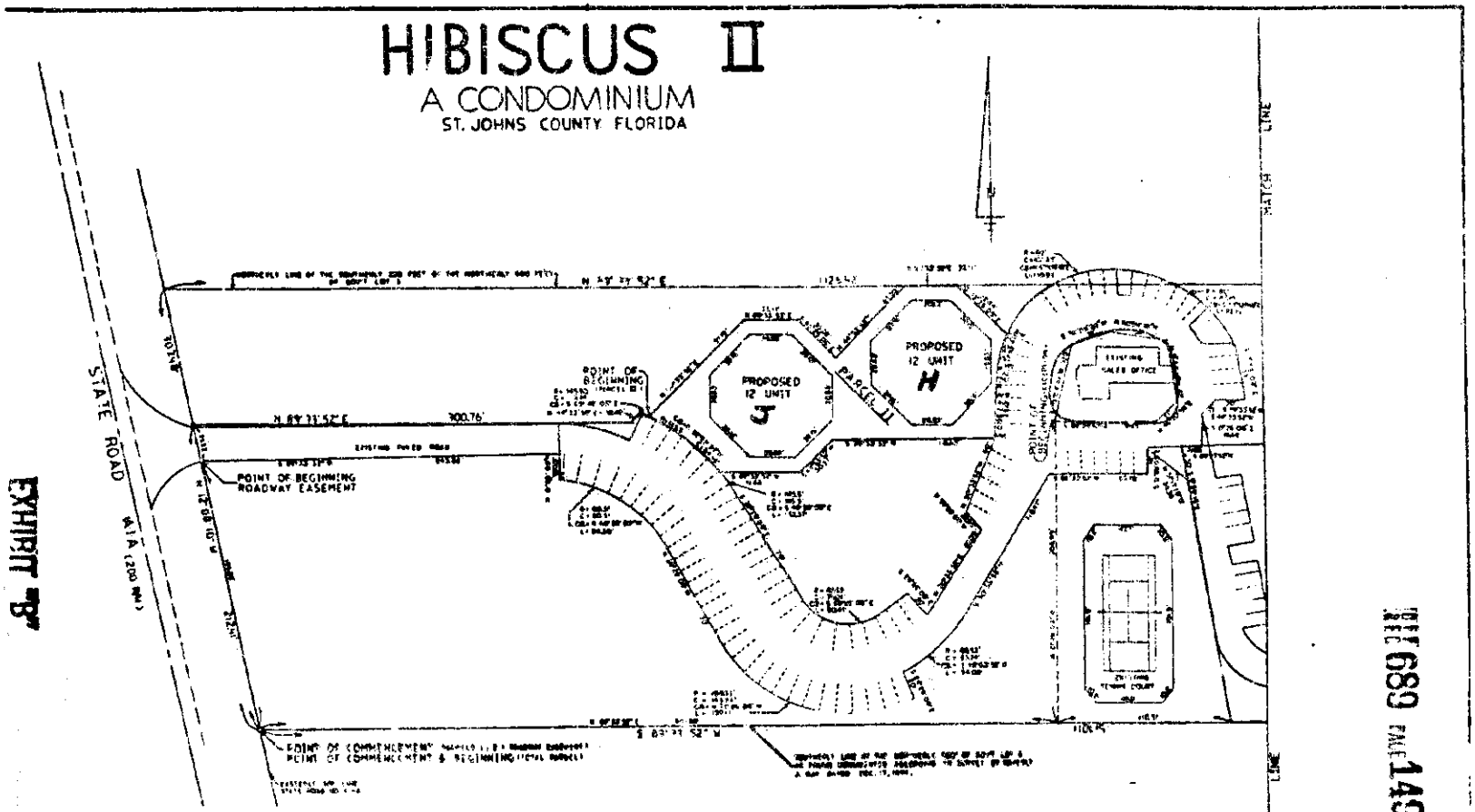
EXHIBIT "B"

SURVEY AND PLOT PLAN

HIBISCUS II

A CONDOMINIUM

ST. JOHNS COUNTY FLORIDA



SURVEYORS CERTIFICATE
FOR BARNETT BANK OF JACKSONVILLE, N.A.

SCALE

BOUNDARY SURVEY AND SITE PLAN	
SHEET 1 of 2	PAUL L. TAYLOR LAND SURVEYOR
DRAWN: [illegible]-84	

EXHIBIT "B"

ORB 689 PAGE 1499

HIBISCUS II

A CONDOMINIUM

ST. JOHNS COUNTY FLORIDA

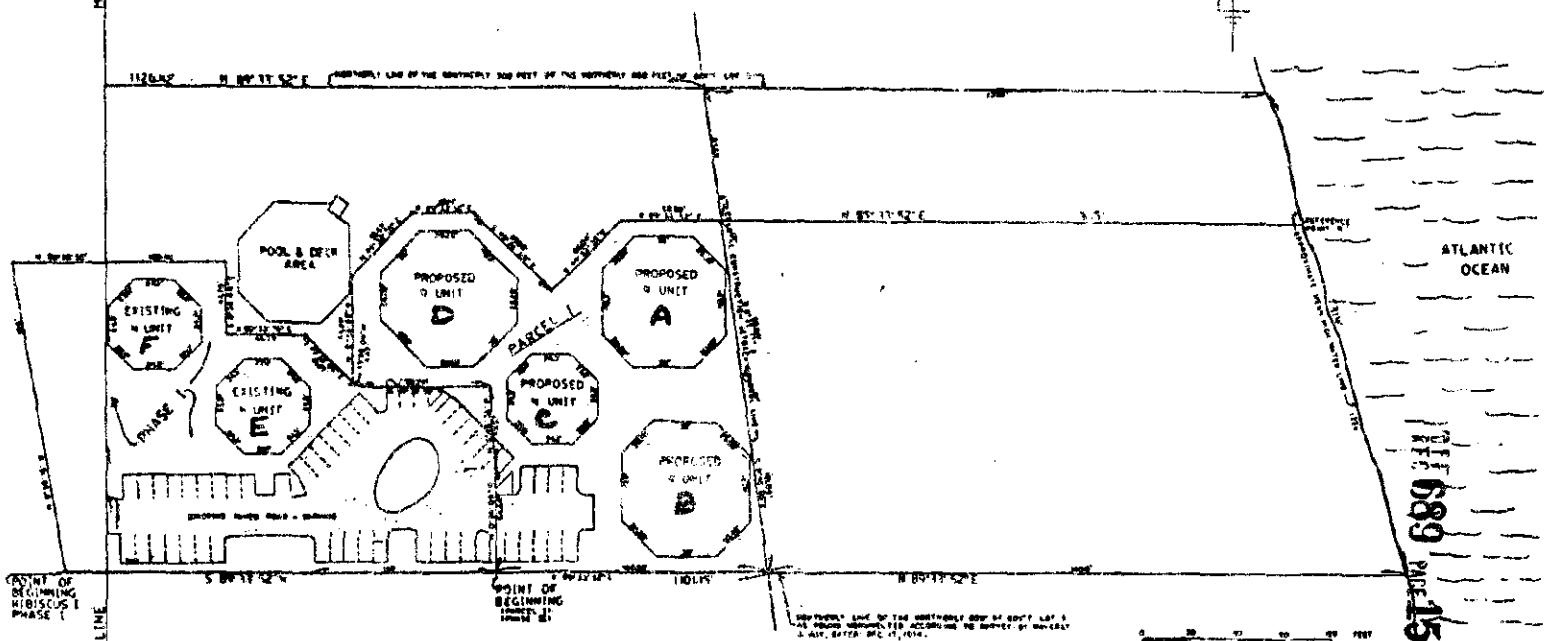


EXHIBIT "B"

SURVEYORS CERTIFICATE

FOR BARNETT BANK OF JACKSONVILLE, N.A.

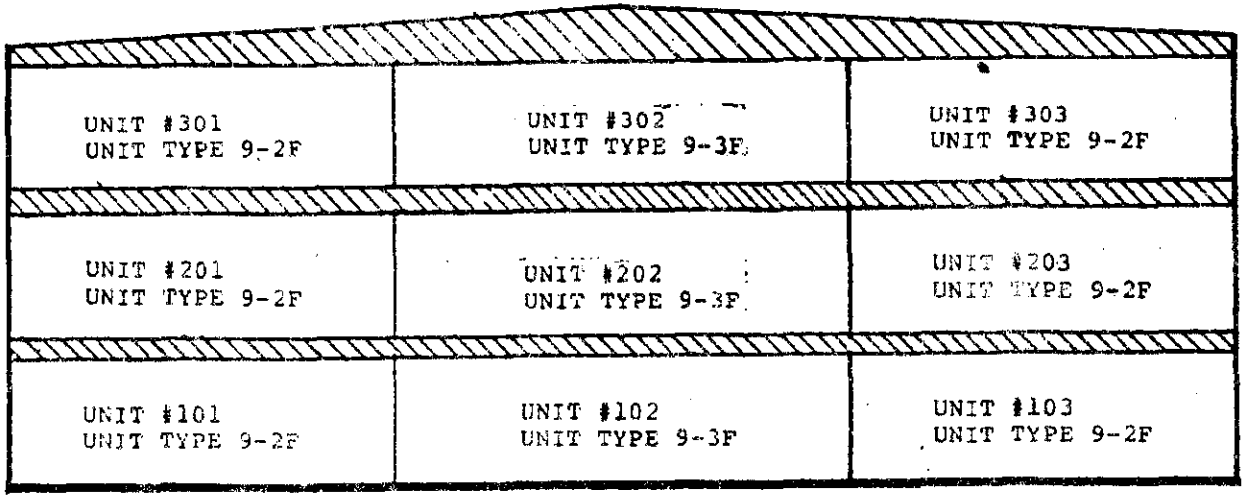
BOUNDARY SURVEY AND SITE PLAN

SHEET 2 OF 2

DRAWN: 11-29-84

PAUL L. TAYLOR
LAND SURVEYOR

PAGE 689 BOOK 1500



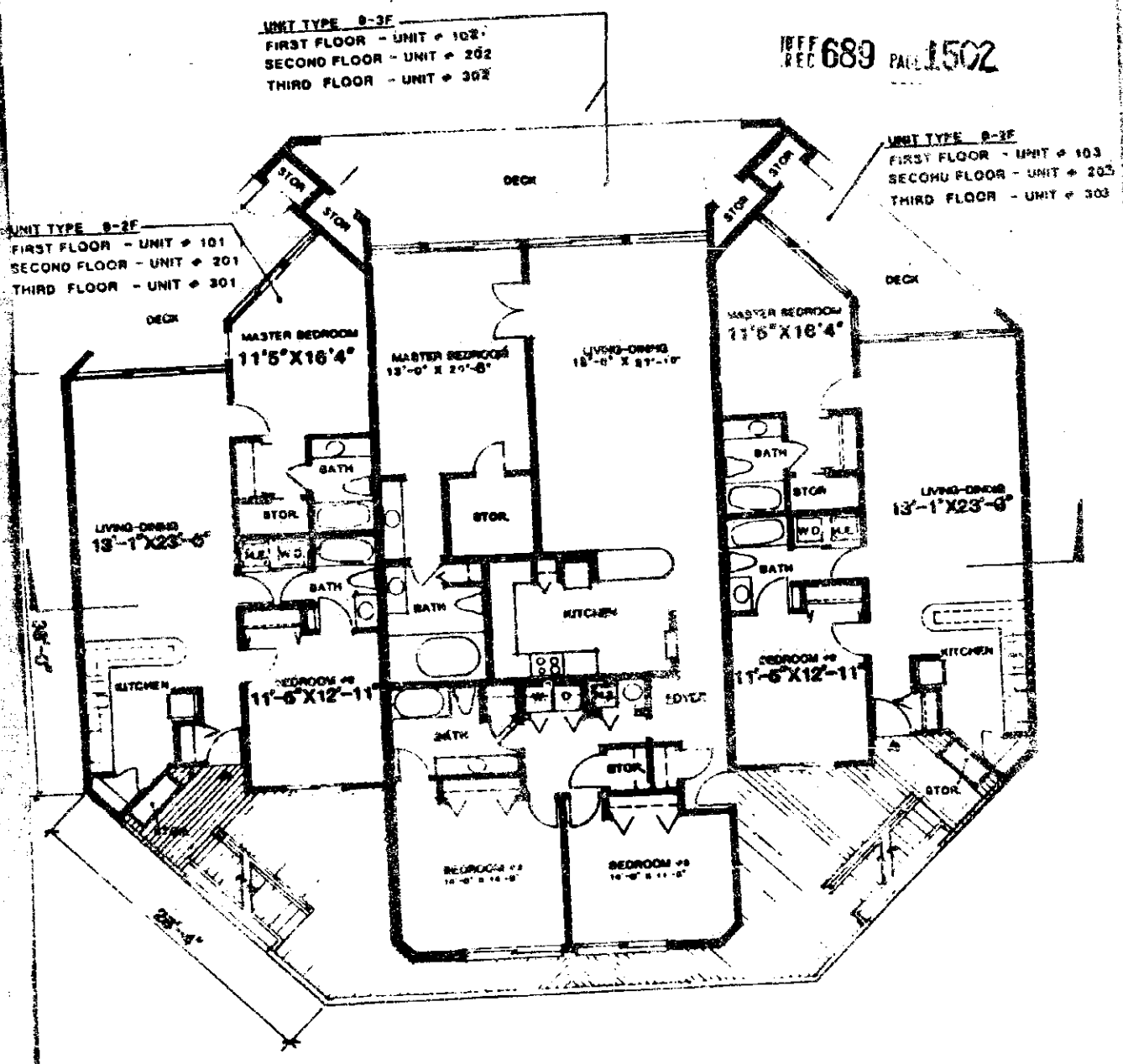
BUILDING SECTION
9 UNIT BLDG.

BUILDINGS A, B & D

UNIT NUMBERING SYSTEM:
BUILDING LETTER (A,B OR D) PRECEDES
UNIT NUMBER. E.G. A-101 (FIRST FLOOR,
UNIT TYPE (9-2F)

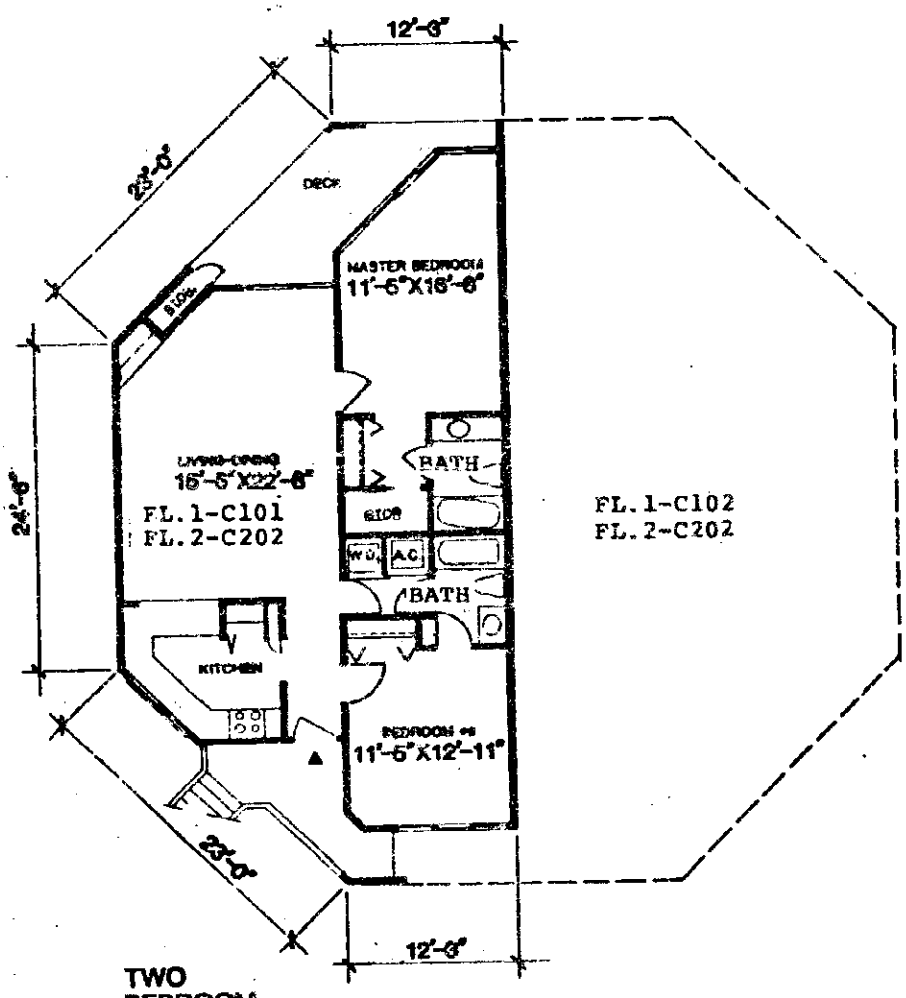
REF 689 PAGE 1501

OFF REC 689 PAGE 1502

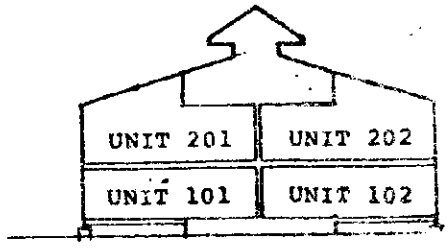


FLOOR PLAN
9 UNIT BLDG.
BUILDINGS A, B, D

HIBISCUS II prepared by:
Clements - Rumpel Associates
5/85

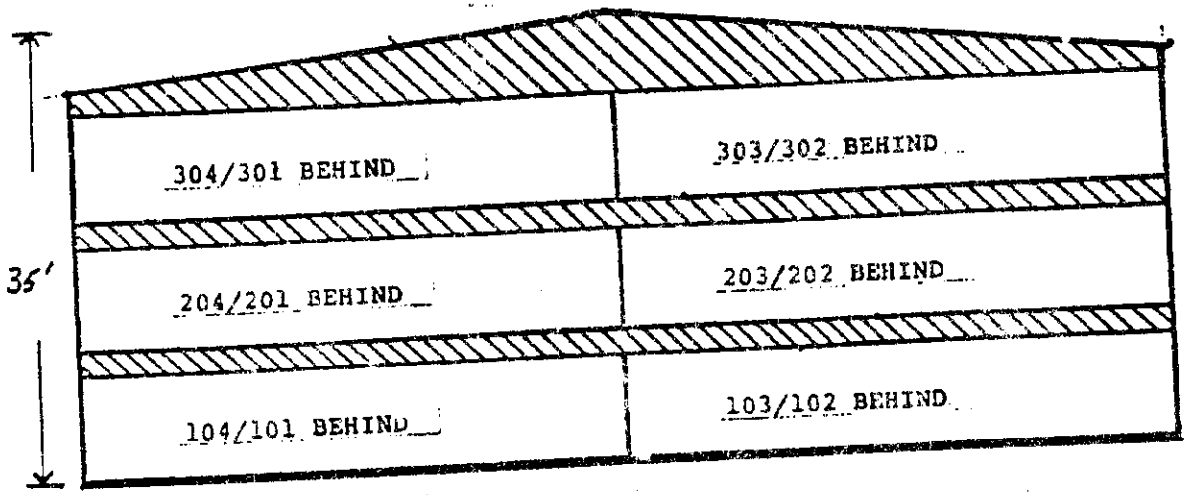


TWO BEDROOM FLAT
1065 SF
UNIT TYPE 4-2F
BUILDING C



SECTION - BLDG. C

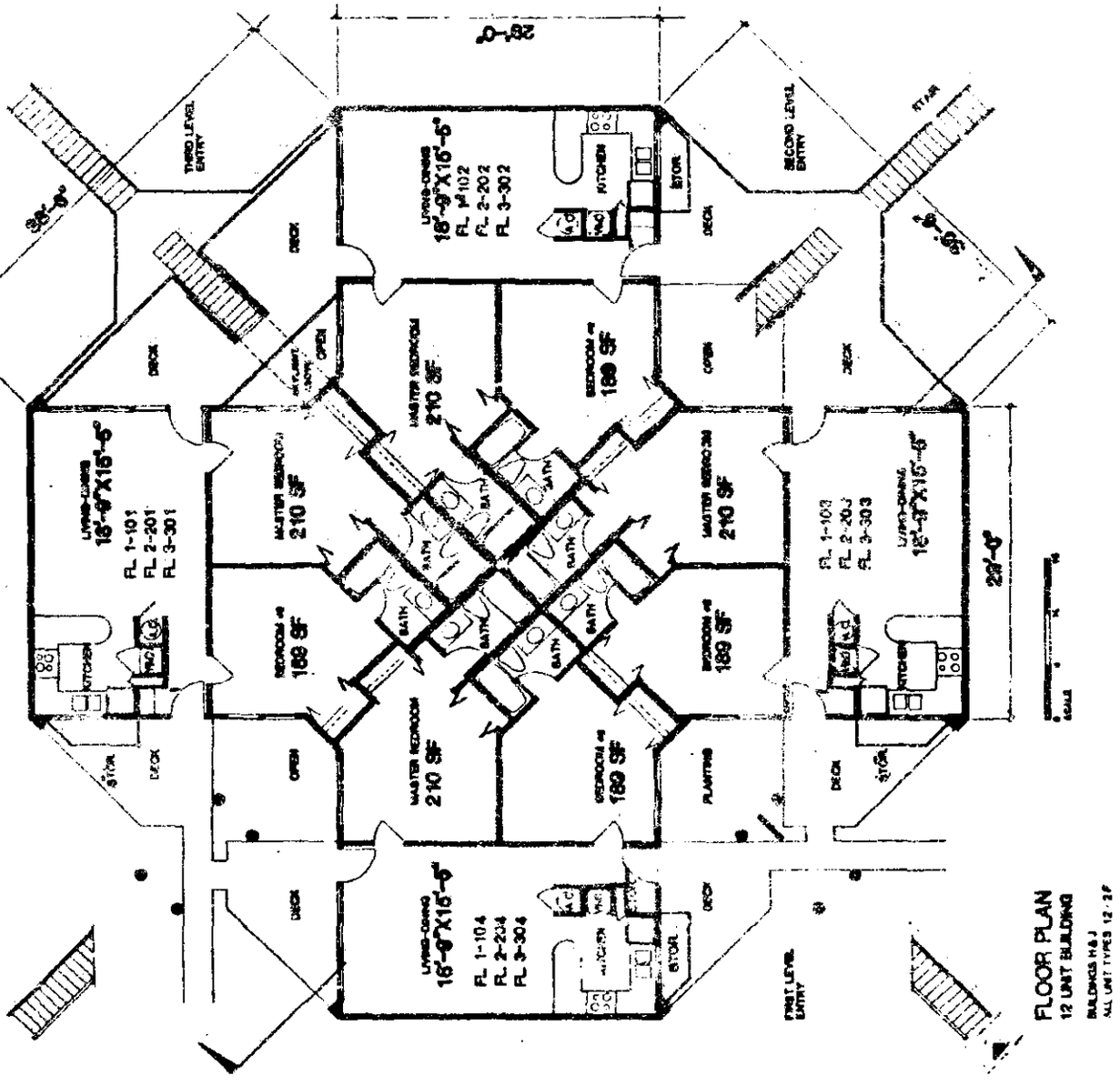
HIBISCUS II prepared by:
CLEMENTS - RUMPEL ASSOCIATES
11/84



BUILDING SECTION
12 UNIT BLDG.
BUILDINGS H & J.

UNIT NUMBERING SYSTEM:
BUILDING LETTER (H OR J) PRECEDES
UNIT NUMBER. E.G. H-101 (1ST FLOOR,
UNIT TYPE 12-2F

REF 689 PAGE 1504

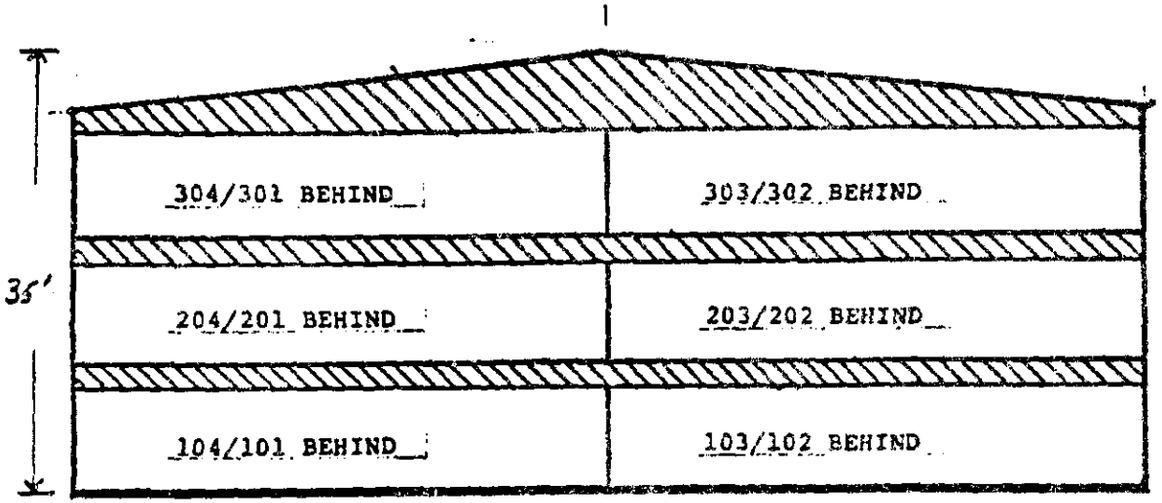


HIBISCUS II prepared by:
CLEMENTS - RUMPEL ASSOCIATES
11/84

EXHIBIT C

TO DECLARATION OF CONDOMINIUM

Certificate of Surveyor



BUILDING SECTION
12 UNIT BLDG.
BUILDINGS H & J

UNIT NUMBERING SYSTEM:
BUILDING LETTER (H OR J) PRECEDES
UNIT NUMBER. E.G. H-101 (1ST FLOOR,
UNIT TYPE 12-2F

EXHIBIT A
Sheet Nbr 4

BK689 PG1507

EXHIBIT D

TO DECLARATION OF CONDOMINIUM

Identification of each Unit together with share of common elements and common expense

SURVEYOR'S CERTIFICATE

The undersigned, a registered land surveyor authorized to practice in the State of Florida, hereby certifies with respect to HIBISCUS II, a Condominium, (the "Condominium") that the construction of buildings H and J in the Condominium, and the following Units located therein (as shown on Schedule 1 attached hereto):

H-101	H-201	J-101	J-201	J-301	H-301
H-102	H-202	J-102	J-202	J-302	H-302
H-103	H-203	J-103	J-203	J-303	H-303
H-104	H-204	J-104	J-204	J-304	H-304

and all planned improvements relating thereto, including but not limited to landscaping, utility services, access to Units in the buildings and common element facilities serving the buildings in which the foregoing Units are located, have been substantially completed so that the material attached to the Declaration, together with the provisions of the Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements; and that the indentification, location and dimensions of the common elements and of each Unit in the aforesaid buildings can be determined from these materials.

Paul L. [illegible]
Professional Land Surveyor
No. 2674, State of Florida

(Seal)

Dated: November 19, 1985

Sworn to and subscribed before me
this 19th day of November, 1985.

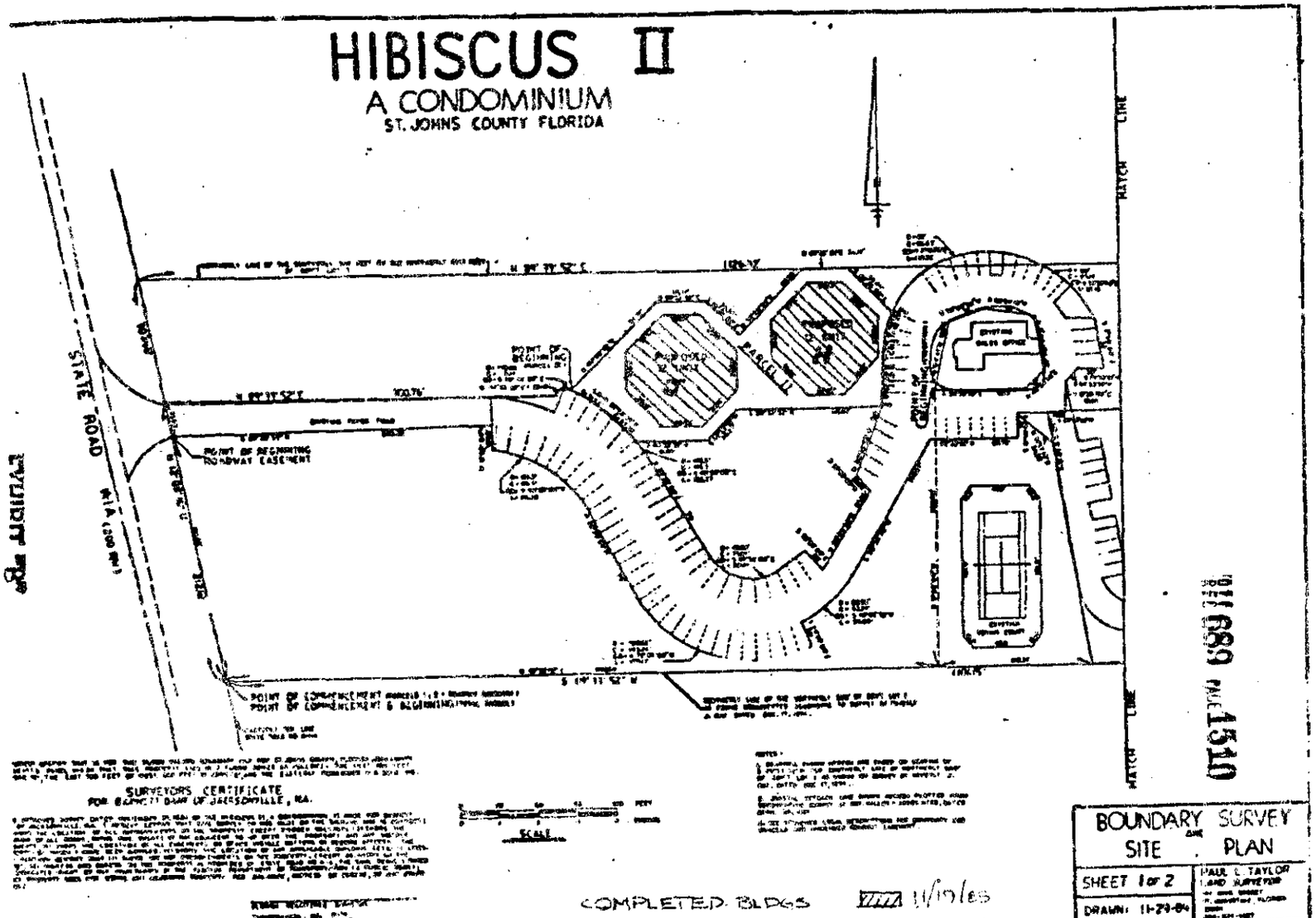
Carol Stuart
Notary Public, State of Florida
at Large.
My Commission expires: 9/29/89

COMPOSITE
EXHIBIT "A"
PAGE 1

HIBISCUS II

A CONDOMINIUM

ST. JOHNS COUNTY FLORIDA



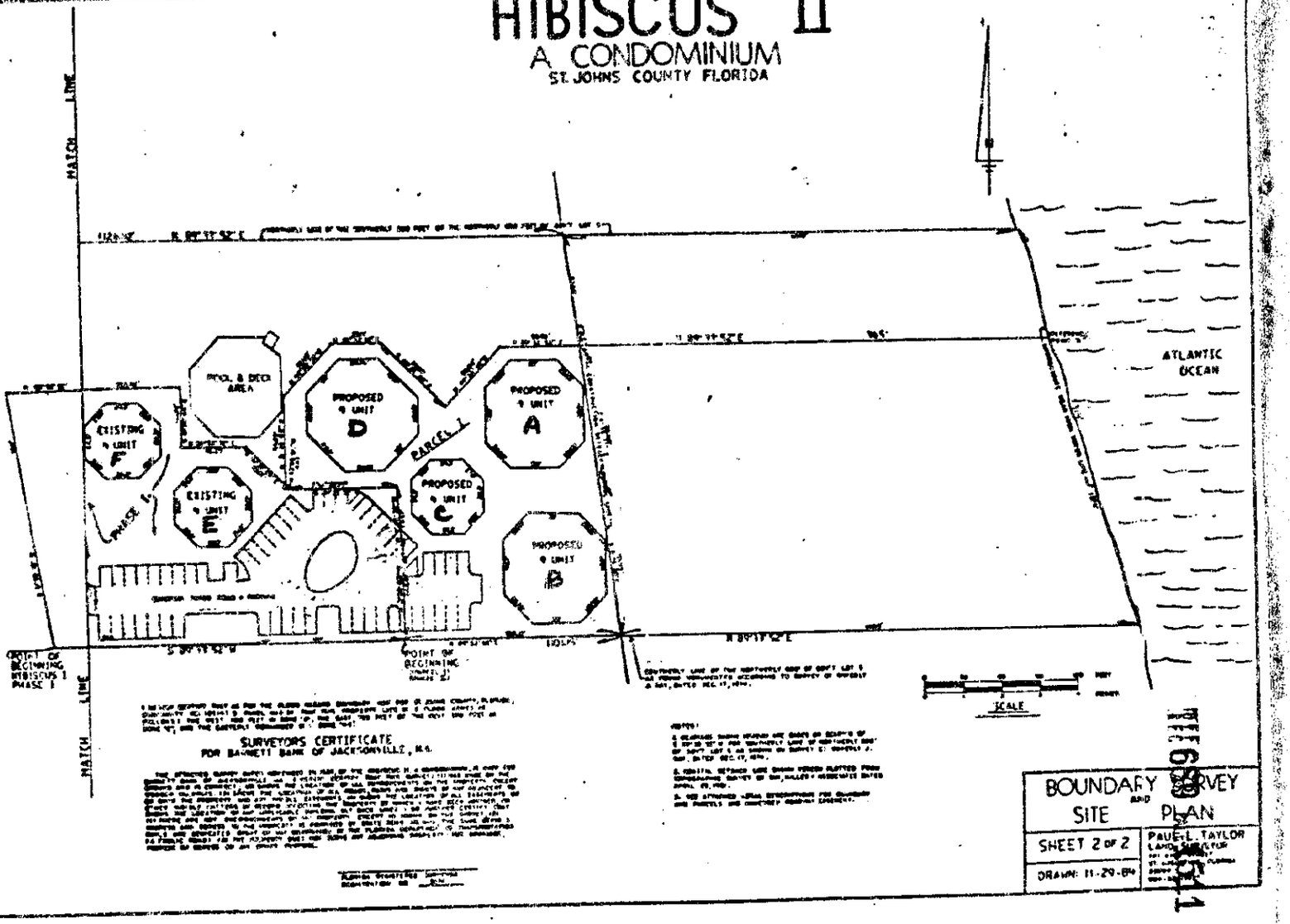
OR 669 PAGE 1510

HIBISCUS II

A CONDOMINIUM

ST. JOHNS COUNTY FLORIDA

EXHIBIT "B"



SURVEYORS CERTIFICATE
FOR BARNETT BANK OF JACKSONVILLE, N.A.

BOUNDARY SURVEY AND SITE PLAN

SHEET 2 OF 2

DRAWN: 11-29-84

PAUL L. TAYLOR
LAND SURVEYOR

REC 698 PG 1411

EXHIBIT "C"
TO
DECLARATION OF CONDOMINIUM
OF HIBISCUS II, A CONDOMINIUM

The following schedule is a representation of the undivided share of Common Elements appurtenant to each Unit and the manner of sharing common expenses and owning common surplus for each Unit (stated as a percentage). Each unit is allocated a share of the Common Elements based on the relative size of the Units and their relative proximity to the ocean. Also set out opposite each Unit Number is the estimated assessment for each unit during the first fiscal year of operation of the Association.

Schedule of Unit Owner's Expense

The estimated assessment for each unit during the first fiscal year of operation of the Association is set forth below.

Unit Number	Unit Type	Undivided Share of Common Elements	Monthly Assessment	Total Annual Assessment
A-101	9-2F	2.07%	$127.00	$1,524.00
A-102	9-3F	2.42%	148.00	1,776.00
A-103	9-2F	2.07%	127.00	1,524.00
A-201	9-2F	2.07%	127.00	1,524.00
A-202	9-3F	2.43%	148.00	1,776.00
A-203	9-2F	2.07%	127.00	1,524.00
A-301	9-2F	2.07%	127.00	1,524.00
A-302	9-3F	2.43%	148.00	1,776.00
A-303	9-2F	2.07%	127.00	1,524.00
B-101	9-2F	2.07%	127.00	1,524.00
B-102	9-3F	2.42%	148.00	1,776.00
B-103	9-2F	2.07%	127.00	1,524.00
B-201	9-2F	2.07%	127.00	1,524.00
B-202	9-3F	2.43%	148.00	1,776.00
B-203	9-2F	2.07%	127.00	1,524.00
B-301	9-2F	2.07%	127.00	1,524.00
B-302	9-3F	2.43%	148.00	1,776.00
B-303	9-2F	2.07%	127.00	1,524.00
C-101	4-2F	2.07%	127.00	1,524.00
C-102	4-2F	2.07%	127.00	1,524.00
C-201	4-2F	2.07%	127.00	1,524.00
C-202	4-2F	2.07%	127.00	1,524.00
D-101	9-2F	2.07%	127.00	1,524.00

D-102	9-3F	2.42%	148.00	1,776.00
D-103	9-2F	2.07%	127.00	1,524.00
D-201	9-2F	2.07%	127.00	1,524.00
D-202	9-3F	2.42%	148.00	1,776.00
D-203	9-2F	2.07%	127.00	1,524.00
D-301	9-2F	2.07%	127.00	1,524.00
D-302	9-3F	2.42%	148.00	1,776.00
D-303	9-2F	2.07%	127.00	1,524.00
H-101	12-2F	1.36%	83.00	996.00
H-102	12-2F	1.36%	83.00	996.00
H-103	12-2F	1.36%	83.00	996.00
H-104	12-2F	1.36%	83.00	996.00
H-201	12-2F	1.36%	83.00	996.00
H-202	12-2F	1.36%	83.00	996.00
H-203	12-2F	1.36%	83.00	996.00
H-204	12-2F	1.36%	83.00	996.00
H-301	12-2F	1.36%	83.00	996.00
H-302	12-2F	1.36%	83.00	996.00
H-303	12-2F	1.36%	83.00	996.00
H-304	12-2F	1.36%	83.00	996.00
J-101	12-2F	1.36%	83.00	996.00
J-102	12-2F	1.36%	83.00	996.00
J-103	12-2F	1.36%	83.00	996.00
J-104	12-2F	1.36%	83.00	996.00
J-201	12-2F	1.36%	83.00	996.00
J-202	12-2F	1.36%	83.00	996.00
J-203	12-2F	1.36%	83.00	996.00
J-204	12-2F	1.36%	83.00	996.00
J-301	12-2F	1.36%	83.00	996.00
J-302	12-2F	1.36%	83.00	996.00
J-303	12-2F	1.36%	83.00	996.00
J-304	12-2F	1.36%	83.00	996.00
TOTALS		100.00%	$6118.00	$73,416.00

EXHIBIT "E"

ARTICLES OF INCORPORATION

OR 689 PAGE 1515 NC6352

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ARTICLES OF INCORPORATION 1979 NOV 27 PM 4:05
OF
HIBISCUS CONDOMINIUM ASSOCIATION II, SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

ARTICLE I.

Name

The name of the corporation shall be Hibiscus Condominium Association II, Inc. For convenience the corporation shall be referred to in this instrument as the Association.

ARTICLE II.

Purpose

A. The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, for the operation of Hibiscus II, a Condominium, to be located on the property more particularly described in the Declaration of Condominium establishing such condominium, recorded or to be recorded among the public records of St. Johns County, Florida (hereinafter referred to as the "Condominium").

B. The Association shall make no distributions of income to its members, directors or officers.

ARTICLE III.

Powers

The powers of the Association shall include all of the common law and statutory powers of a corporation not for profit including, but not limited to those set forth in Chapter 617 and Chapter 718, Florida Statutes, as presently existing or as may be amended from time to time, together with those powers conferred by the Declaration of Condominium, these Articles of Incorporation and the Bylaws of the Association.

ARTICLE IV.

Members

A. The members of the Association shall consist of all of the record owners of units in the Condominium, and after termination of the Condominium shall consist of those who are members at the time of such termination and their successors and assigns.

B. Change of ownership in the Association shall be established by recording in the public records of St. Johns County, Florida, a deed or other instrument establishing a record title to a unit in the Condominium and the delivery to the Association of a copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

D. A member shall be entitled to one vote for each unit owned by him, except there shall be no vote for any unit owned by the Association. The manner of exercising voting rights shall be determined by the Bylaws of the Association.

ARTICLE V.

Directors

The affairs of the Association shall be managed by a Board of Directors consisting of no less than three (3) Directors, nor more than seven (7) Directors. Each Director shall be a person entitled to cast a vote in the Association, except as otherwise provided herein or in the Bylaws. The initial Board of Directors shall consist of three (3) members. The names and addresses of the persons who are to serve as the initial Board of Directors are as follows:

NAME	ADDRESS
Irwin Carasso	Route 1, Box 93 A1A South St. Augustine, FL 32084
L. Peter Johnson	1549 Beach Avenue Atlantic Beach, FL 32233
Gordon Hein	P.O. Box 410 St. Augustine, FL
Paul W. Gardner	7 San Rafael Ct. St. Augustine, FL 32084

The initial Board of Directors shall serve until the annual meeting of the members held within one (1) year after the recording of the Declaration of Condominium, or until a special election meeting of the members to be held in accordance with the Bylaws upon the occurrence of one of the following events, whichever occurs first:

When unit owners other than Community Projects, Inc. (the "Sponsor") own fifteen (15%) percent or more of the units, such unit owners shall be entitled to elect not less than one-third (1/3) but not more than two-fifths (2/5) of the members of the Board. Unit owners other than the Sponsor shall be entitled to elect no less than a majority of the members of the Board: three (3) years after sales by the Sponsor have been closed on fifty percent (50%) of the units; or three (3) months after sales by the Sponsor have been closed on ninety per cent (90%) of the units or four (4) months after sales have been closed by the Sponsor on seventy-five percent (75%) of the units; or when all of the units have been completed and some of them have been sold and none of the other units are being offered for sale by the Sponsor in the ordinary course of business, or when some of the units have been sold and none of the others are being offered for sale by the Sponsor in the ordinary course of business; or when the Sponsor voluntarily relinquishes control of the Association, whichever shall first occur, but in no event later than three (3) years after the first conveyance of a Unit to a purchaser. In any event, however, the Sponsor shall be entitled to elect not less than one (1) member of the Board so long as the Sponsor holds for sale in the ordinary course of business five percent (5%) or more units.

Thereafter the Directors shall be elected annually by the members in the manner provided in the Bylaws.

ARTICLE VI.

Officers

The affairs of the Association are to be managed by a President, one or more Vice Presidents, a Treasurer, a Secretary and such other officers as the Bylaws of the Association may provide from time to time. The names of the initial officers are as follows:

NAME	OFFICE
L. Peter Johnson	President
Paul W. Gardner	Vice President
Irwin Carasso	Vice President/Secretary
Gordon Hein	Treasurer

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The foregoing shall hold office until the first meeting of the Board of Directors held within one (1) year after the recording of the Declaration of Condominium, or the first meeting of the Board of Directors held following a special election meeting of the members as provided in Article V of these Articles of Incorporation and the Bylaws, whichever occurs first. Commencing with said meeting of the Board of Directors, such officers will be elected annually by the Board of Directors to hold office until the next annual meeting of the Board of Directors or until their successors are elected and qualified. In the event of a vacancy in any such office, whether prior to or after the above described first meeting of the Board of Directors, or following the special election meeting of the members, whichever occurs first, such vacancy shall be filled by a majority, even though less than a quorum of the Board of Directors.

ARTICLE VII.

Indemnification and Insurance

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged grossly negligent or criminally culpable in the performance of his duties; provided, that in the event of settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such directors or officers may be entitled.

B. The Board of Directors may, and shall if reasonably available, purchase liability insurance to insure all directors, officers or agents, past and present against all expenses and liabilities as set forth above. The premiums for such insurance shall be paid by the unit owners as a part of the Common Expenses.

ARTICLE VIII.

Bylaws

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

ARTICLE IX.

Amendments

Amendments to the Articles of Incorporation shall 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 for the adoption of a proposed amendment may be proposed either by the Board of Directors or by a majority vote of the members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary prior to such meeting. A resolution adopting a proposed amendment must bear the approval of not less than a majority of the Board of Directors and not less than a majority vote of the members of the Association.

(c) In the alternative, an amendment may be made by an agreement signed and acknowledged by all the record owners of units in the manner required for the execution of a deed.

(d) Notwithstanding anything to the contrary contained herein, the initial Board of Directors shall have the right to amend these Articles of Incorporation without the consent of any member so long as no such amendment shall adversely affect the rights or powers of the holder of any previously recorded mortgage upon any unit or adversely affect any member.

(e) No amendment shall make any changes in the qualfications for membership nor the voting rights of members, nor any change in Article IV, Section C hereof, without approval in writing by all members and the written consent of all record owners of mortgages upon the Condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium, nor shall any amendment be made which modifies, restricts or otherwise affects the rights and powers of the initial Board of Directors or of the developer of the Condominium.

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1984 NOV 27 PM 4:05
TALLAHASSEE, FLORIDA

(f) A copy of each amendment shall be certified by the Secretary of State, State of Florida, and be recorded in the public records of St. Johns County, Florida.

ARTICLE X.

Term

The term of the Association shall be perpetual unless the Declaration is terminated pursuant to the terms thereof or pursuant to any applicable provision of the Florida Statutes.

ARTICLE XI.

Subscribers

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

NAME	ADDRESS
Norma McCormick	333 Laurina Street, #231 Jacksonville, Florida 32216
Carol A. Jackman	2764 Kiowa Avenue Orange Park, FL 32073
Donna E. Just	3830 University Blvd. South Jacksonville, Florida 32216

IN WITNESS WHEREOF, the subscribers have hereunto affixed their signatures this 15th day of November, 1984.

Norma W. McCormick
Norma McCormick

Carol A. Jackman
Carol A. Jackman

Donna E. Just
Donna E. Just

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

BEFORE ME personally appeared NORMA McCORMICK, to me well known and known to me to be the person described in and who executed the foregoing Articles of Incorporation of The Hibiscus Condominium Association II, Inc. and acknowledged before me that she signed said Articles of Incorporation for the uses and purposes therein set forth.

WITNESS my hand and official seal at Jacksonville, Duval County, Florida, this 15th day of November, 1984.

Notary Public, State of Florida at Large.

Notary Public, State of Florida
My Commission Expires Dec. 21, 1987

My Commission Expires: _____

[Notarial Seal]

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

BEFORE ME personally appeared CAROL A. JACKMAN, to me well known and known to me to be the person described in and who executed the foregoing Articles of Incorporation of The Hibiscus Condominium Association II, Inc. and acknowledged before me that she signed said Articles of Incorporation for the uses and purposes therein set forth.

WITNESS my hand and official seal at Jacksonville, Duval County, Florida, this 15th day of November, 1984.

Notary Public, State of Florida at Large.

Notary Public, State of Florida
My Commission Expires Dec. 21, 1987

My Commission Expires: _____

[Notarial Seal]

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1984 NOV 27 PM 4:05

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

BEFORE ME personally appeared DONNA E. JUST, to me well known and known to me to be the person described in and who executed the foregoing Articles of Incorporation of The Hibiscus Condominium Association II, Inc. and acknowledged before me that she signed said Articles of Incorporation for the uses and purposes therein set forth.

WITNESS my hand and official seal at Jacksonville, Duval County, Florida, this 15th day of November, 1984.

Notary Public, State of Florida at Large.

Notary Public, State of Florida
My Commission Expires Dec. 21, 1987

My Commission Expires: _____

[Notarial Seal]

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CERTIFICATE DESIGNATING
PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN THIS STATE
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

1979 NOV 27 PM 4:05
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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

First -- That HIBISCUS CONDOMINIUM ASSOCIATION II, INC. desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Articles of Incorporation at St. Augustine, County of St. Johns, State of Florida, has named: GORDON HEIN, located at 20 Cordova Street, City of St. Augustine, County of St. Johns, State of Florida, as its agent to accept service of process within this state.

ACKNOWLEDGMENT: (MUST BE SIGNED BY DESIGNATED AGENT)

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

By Gordon Hein
Gordon Hein, Registered Agent

EXHIBIT "F"

BYLAWS

BYLAWS

OF

HIBISCUS CONDOMINIUM ASSOCIATION II, INC.

A FLORIDA CORPORATION NOT FOR PROFIT

ARTICLE I

IDENTITY

Section 1. Condominium. These are the Bylaws of HIBISCUS CONDOMINIUM ASSOCIATION II, INC., (the "Association"), a non-profit Florida corporation, as provided for in Chapter 718, Florida Statutes, which has been organized for the purpose of administering Hibiscus II, a Condominium, located on the property described in the Declaration of Condominium of Hibiscus II, a Condominium, (the "Condominium") filed or to be filed in the public records of St. Johns County, Florida, and as amended from time to time.

Section 2. Office. The office of the Association shall be in St. Johns County, Florida, at the site of the Condominium or such other place as may be designated by the Board of Directors (the "Board").

Section 3. Registered Agent. For the purpose of service of process, the Association has designated a registered agent, which designation may be changed from time to time.

Section 4. Seal. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "Corporation Not For Profit" and the year of incorporation.

ARTICLE II

MEMBERS

Section 1. Qualification. The members of the Association shall consist of all of the record owners of Condominium units (hereinafter "unit").

Section 2. Change of Membership. Change of membership in the Association shall be established by recording in the public records of St. Johns County, Florida, a deed or other instrument establishing a record title to a unit in the Condominium and the delivery to the Association of a copy of such instrument, the owner designated by such instrument thereby becoming a member of

the Association. The membership of the prior owner shall be thereby terminated.

Section 3. Voting Rights. A member will be entitled to one vote for each residential unit owned by him. The manner of exercising such voting rights shall be determined by these Bylaws. The term "majority" as used in these Bylaws and other Condominium instruments in reference to voting by unit owners, Association members, and the Board of Directors, means more than fifty (50%) percent.

Section 4. Designation of Voting Representative. If a unit is owned by one person his right to vote shall be established by the record title to his unit. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary of the corporation. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner thereof.

Section 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 by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record owners is specifically required by the Declaration or these Bylaws.

Section 6. Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

ARTICLE III

MEMBERS' MEETINGS

Section 1. Annual Members' Meeting. There shall be an annual meeting of the members of the Association. The initial members' meeting shall be held within one (1) year after the recording of the Declaration of Condominium. Thereafter, the annual members' meeting shall be held in April of each year beginning with the second calendar year after the recording of the Declaration of Condominium at a date, place and time to be

determined by the Board for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members.

Section 2. Special Members' Meeting. Special members' meetings shall be held whenever called by a majority of the Board of Directors and must be called by such Directors upon receipt of a written request from members entitled to cast ten (10%) percent of the votes of the entire membership.

Section 3. Notice of All Members' Meetings. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given unless waived in writing. Such notice shall be in writing and furnished to each member not less than fourteen (14) days nor more than sixty (60) days in advance of the date of the meeting and by posting at a conspicuous place on the Condominium property a notice of the meeting at least fourteen (14) days but not more than sixty (60) days in advance of the date of the meeting. Unless a member waives in writing the right to receive notice of the annual meeting by mail, the notice to each member shall be furnished by mailing the same by certified mail to each member at his address as it appears on the books of the Association and the post office receipt shall be retained as proof of such mailing. Notice of a particular meeting may be waived at any time prior to the date upon which notice for that particular meeting, as described herein, is required to be given.

Section 4. Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the Association. The acts approved by a plurality vote of those present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater vote is required by the Declaration of Condominium or these Bylaws. 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 member for the purpose of determining a quorum.

Section 5. Action Without A Meeting. Whenever the vote of members at a meeting is required for any action of the Association, the meeting and the vote of members may be dispensed with, if members representing seventy-five (75%) percent of the votes of the Association shall agree in writing to such action being taken.

Section 6. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event

shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it. Each proxy shall state the name of the person voting by proxy, the name of the person authorized to vote the proxy for him and the date on which the proxy was given. Proxies must be filed with the Secretary before the appointed time for the meeting for which the proxy is given or any adjournment thereof. Provided, however, that no one person may be designated to hold proxies of more than five (5) members.

Section 7. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 8. Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

(a) Calling of the roll and certifying of proxies.

(b) Proof of notice of meeting or waiver of notice.

(c) Reading and disposal of any unapproved minutes.

(d) Reports of officers.

(e) Reports of Committees.

(f) Election of Directors.

(g) Unfinished Business.

(h) New Business.

(i) Adjournment.

ARTICLE IV

DIRECTORS

Section 1. Powers. The business and affairs of the Association shall be managed by the Board, which, in addition to the powers conferred by these Bylaws, may exercise all powers and

do all acts and things in behalf of the Association as are not by statute or by the Articles of Incorporation of the Association (the "Charter") or by these Bylaws or by the Declaration of Condominium specifically directed or required to be exercised or done by the members, including, without limitation, the following:

1.1 The Association has a lien on each condominium unit for any unpaid assessments with interest and for reasonable attorneys' fees incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the unit at the foreclosure sale and to hold, lease, mortgage or convey it.

1.2 In addition to its rights to purchase units at a lien foreclosure sale, the Association generally has the power to purchase units in the Condominium and to acquire, hold, lease, mortgage and convey such units.

Section 2. Composition and Qualifications. The initial Board and their term of office shall be as set forth in the Charter, notwithstanding any terms and provisions in these Bylaws to the contrary. The Board, other than the initial Board, shall be elected by the members at the annual meeting of the members held within one (1) year after the recording of the Declaration of Condominium, or at the first "special election meeting" (as defined in Article IV, Section 3, of these Bylaws) whichever occurs first, and each Director shall serve until the next annual meeting of the members or until his successor shall be elected and shall qualify. Except for the initial Board and any Director on the initial Board who may succeed himself in office, each Director shall be a person entitled to cast a vote in the Association. The Board shall be composed of three (3) Directors initially. The number of Directors may be increased or decreased by amendment to this provision of the Bylaws, but shall never be less than three (3) nor more than seven (7).

Section 3. Election of Directors.

(a) Except as provided in subsection (d) hereof, commencing with the first annual meeting of members to be held within one (1) year after the recording of the Declaration of Condominium, members of the Board shall be elected by a plurality vote of the members present in person or by proxy at the annual meeting of the members of the Association, and entitled to vote.

(b) Except as provided in subsection (c), vacancies on the Board occurring between annual meetings of members shall be filled by the remaining Directors,

although less than a quorum. Provided however, a vacancy in the seat of any member of the initial Board or any Board member nominated or designated by (the "Sponsor") shall require concurrence of the Sponsor.

(c) Any Director (other than a member of the initial Board or a Board member nominated or designated by the Sponsor) may be removed by concurrence of a majority of the members of the Association at a special meeting of the members called for that purpose by at least ten percent (10%) of the members giving notice of the meeting in the manner provided for herein for special meetings. The vacancy on the Board so created shall be filled by the members of the Association at the same meeting.

(d) A "special election meeting" of the members shall be called for the following purposes at the following times:

(1) When unit owners other than the Sponsor own fifteen percent (15%) or more of the units that will be operated ultimately by the Association, the unit owners other than the Sponsor shall be entitled to elect not less than one-third (1/3) but no more than two-fifths (2/5) of the members of the Board.

(2) Unit owners other than the Sponsor shall be entitled to elect no less than a majority of the members of the Board:

(i) three years after sales by the Sponsor have been closed of fifty percent (50%) of the units that will be operated ultimately by the Association; or

(ii) three (3) months after sales by the Sponsor have been closed of ninety per cent (90%) of the units that will be operated ultimately by the Association; or

(iii) four (4) months after sales by the Sponsor have been closed of seventy-five percent (75%) of the units that will be operated ultimately by the Association; or

(iv) when all of the units that will be operated ultimately by the Association have

been completed and some of them have been sold and none of the others are being offered for sale by the Sponsor in the ordinary course of business; or

(v) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Sponsor in the ordinary course of business; or

(vi) when the Sponsor voluntarily relinquishes control of the Association;

whichever shall first occur, but in no event later than three (3) years after the first conveyance of a unit to a purchaser.

(3) Any Director elected by unit owners other than the Sponsor pursuant to subsections (d)(1) and (d)(2) shall serve for the unexpired term of the Director that is replaced. The Sponsor shall determine, prior to the "special election meeting", which Sponsor appointed Board member shall resign to create the necessary vacancy for the special election meeting.

(4) Upon election to the Board of the first unit owner other than the Sponsor, the Sponsor shall forward to the Florida Division of Land Sales and Condominiums the name and mailing address of the said unit owner member of the Board.

(5) Notwithstanding anything herein to the contrary, the Sponsor shall be entitled to elect not less than one (1) member of the Board of Directors of the Association as long as the Sponsor holds for sale in the ordinary course of business five percent (5%) of the units of the Condominium operated by the Association.

(6) Within sixty (60) days after unit owners other than the Sponsor are entitled to elect a member of the Board, the Association shall call and give notice of not less than thirty (30) days nor more than forty (40) days 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.

(7) If the Directors or the Association fail to fill vacancies on the Board, as described herein, sufficient to constitute a quorum in accordance with these Bylaws, any unit owner may apply to the circuit court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the circuit court, the unit owner shall mail to the Association and post in a conspicuous place on the Condominium property a notice describing the intended action giving the Association or Directors the opportunity to fill the vacancies as described herein. If during the above described thirty days the Association or Directors fail to fill the vacancies, the unit owner may proceed with the petition in the circuit court. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted board of administration, and shall serve until the Association or Directors fill vacancies on the Board sufficient to constitute a quorum.

(e) Prior to or not more than sixty (60) days after the time that the unit owners other than the Sponsor elect a majority of the members of the Board, the Sponsor shall relinquish control of the Association and the unit owners shall accept control and the Sponsor shall simultaneously deliver to the Association all property of the unit owners and of the Association held by or controlled by the Sponsor including but not limited to the items required to be delivered pursuant to Chapter 718, Florida Statutes.

Section 4. Meetings. (a) Annual meetings of the Board will be held immediately following the annual meeting of the members commencing within one (1) year after the recording of the Declaration of Condominium. Regular meetings may be held without notice to Directors at such time and determined from time to time by the Board. (b) Special meetings of the Board may be called by the President on three days' notice to each Director, either personally, by mail or by telegram. Special meetings shall be called by the President or the Secretary in like manner and on like notice on the written request of two Directors. (c) Notice of any and all meetings of the Board may be waived by written waivers signed by all Directors. Meetings of the Board shall be open to all unit owners and notices of

meetings shall be posted conspicuously forty-eight (48) hours in advance on the Condominium property for the attention of unit owners except in an emergency. Notice of any meeting in which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

Section 7. Quorum. At all meetings of the Board a majority of the Directors shall be necessary to and shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board except as otherwise specifically provided by statute, the Charter or these Bylaws. If a quorum shall not be present at any meeting, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Compensation. The Board shall receive no salary as Directors except for such fee for attendance at meetings of the Board as shall be set by the members. Provided however, that nothing herein shall prohibit a Director from serving the Association in any other capacity and receiving compensation therefor.

Section 9. Committees. The Board may appoint such committees, including an Executive Committee, with such duties and powers as the Board may determine.

ARTICLE V

OFFICERS

Section 1. Officers and Election. The executive officers of the Association shall be a President who shall be a director, a Vice-President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board and who may be preemptively removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary to properly manage the affairs of the Association.

Section 2. President. 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. He shall serve as chairman of all Board and members' meetings.

Section 3. Vice President. 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 duties as shall be prescribed by the Directors.

Section 4. Secretary. 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 other notices required by law. 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 the Association and as may be required by the Directors or the President.

Section 5. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and provide for collection of assessments, and he shall perform all other duties incident to the office of Treasurer.

Section 6. Compensation. The compensation, if any, of all officers shall be fixed by the members at their annual meeting. No officer who is a designee of the Sponsor shall receive any compensation for his services as such.

Section 7. Indemnification of Directors and Officers.

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged grossly negligent or criminally culpable in the performance of these duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board approves such

settlement and reimbursement as being for the best interests of the Association. 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 VI

FISCAL MATTERS

Section 1. Annual Statement. The Board shall present at each annual meeting, and when called for by the vote of the members at any special meeting of the members, a full and clear statement of the business and condition of the Association. The annual statement shall include profit and loss statements and balance sheets prepared in accordance with sound business practices and with generally accepted accounting principles uniformly applied, and a report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications, and shall show the amounts of expenses by accounts and expense classifications including, if applicable, but not limited to, the following:

(a) Costs of security;

(b) Professional and management fees and expenses;

(c) Taxes;

(d) Costs for recreation facilities;

(e) Expenses for refuse collection and utility services;

(f) Expenses for lawn care;

(g) Costs for building maintenance and repair;

(h) Insurance costs;

(i) Administrative and salary expenses; and

(j) General reserves, maintenance reserves and depreciation reserves.

On or before March 1 of each year the Board shall furnish, by mail or personal delivery, to each unit owner a copy of the complete financial report. Any holder of a first mortgage upon a Unit shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Section 3. Fidelity Bonds. The Association shall obtain and pay for fidelity bonds in such amounts as the Board may require for all officers, directors, employees and volunteers who control or disburse funds of the Association. The expense of such bonds shall be a common expense.

Section 4. Assessments. The Board shall fix and determine the sums necessary and adequate for the continued ownership, operation and maintenance of the Condominium including common expenses, the payment for any items of betterment, and the establishment of appropriate reserve funds as the Board shall determine. Common expenses which are to be the subject of said assessment shall be defined annually by the Board and shall include all items of expense pertaining to the operation and maintenance of the Common Elements of the Condominium, the operation of this Association and its expenses, and lawful expenses authorized by Chapter 718, Florida Statutes, the Declaration, the Charter and these Bylaws. Such common expenses shall include but not be limited to: provision for property taxes and assessments of the Condominium (until such time as any of such taxes or assessments are made against units individually, and thereafter as to such taxes or assessments, if any, as may be assessed against the condominium as a whole), insurance premiums for fire, windstorm and extended coverage insurance on the Condominium as described in paragraph 8 of the Declaration of Condominium such personal property of the Condominium that is part of its Common Elements), which may include a deductible provision, premiums for adequate public liability insurance, legal and accounting fees, management fees, operating expenses of the condominium and this Association, maintenance, repairs and replacements, (but only as to the Common Elements except as may be otherwise authorized by the Declaration), charges for utilities and water used in common for the benefit of the Condominium, cleaning and janitor service of the Common Elements, expenses and liabilities incurred by the Association in connection with the indemnification of officers and directors provided for herein and in and about the enforcement of its rights or duties against the members or others, and the creation of reasonable contingency or reserve requirements for the protection of the members. There shall be excluded from common expenses, charges for utilities separately charged and metered to each unit and consumed

therein and any charges for alterations, repairs, painting or maintenance within the interior of any unit or otherwise, which are the responsibility of the unit owner, except for such charges for alteration, repairs, painting or maintenance which are the obligation of the unit owner and which must be made for the protection of the Common Elements of the Condominium but have not been made by such unit owner.

Section 5. Payment. Regular assessments shall be paid by the members on a monthly basis. The standard of assessments for the first year of operation (or prorata part thereof) shall be as set forth in a projected operating budget certified by the Sponsor to be the then existing projected operating budget of the Condominium. Said assessment shall be computed thereafter in the manner set forth herein and in the Declaration. When the assessment is fixed by the Board it shall be retroactive to the first of that fiscal year and the owners of units will be credited with any accrued monthly assessment charges for that year with the sums they have theretofore paid in that year. Monthly assessment charges once fixed shall continue until changed by the Board hereunder and shall be due and payable without notice or demand no later than the tenth (10th) day of each month of the month due. With respect to changed assessments and/or demands for retroactive arrearages, notice in writing must be given to each of the members thereof and payment will be due and payable without further or other notice within ten (10) days of the posting of such a notice as provided for the service of notices herein.

Section 6. Adjustment. The assessment fixed and to be fixed hereunder is and shall be based upon a projection and estimate by the Board and may be in excess of or less than the actual sums required. In such event, the Board by appropriate action, may increase or decrease the amount of any assessment and make such adjustments respecting the reserves as they shall determine, including an assessment against each member of his proportionate share of any deficiency or the crediting to each member of his proportionate share of any excess of the actual sums required together with reasonable reserves.

Section 7. Time for Determining. After the initial determination of the annual cash requirements of the Association, determinations thereafter shall be made on a fiscal or calendar year basis (as the Board may determine) by the Board as soon as reasonably practicable after the end of the first and each subsequent year of operation of the Association.

Section 8. Special Assessments. Special assessments, if required, shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments can be of two kinds: (i) those chargeable to all members in the same proportions as regular assessments to meet expenses not anticipated to be incurred on a regular or annual basis, including but not limited to, assessments to meet shortages or emergencies, or construct, reconstruct, repair or replace all or any part of the Common Elements (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the members at a duly convened meeting; and (ii) those assessed against one member alone to cover repairs or maintenance for which such member is responsible and which he has failed to make, which failure impairs the value of or endangers the Common Elements or the Condominium or which are for expenses incident to the abatement of a nuisance within his unit.

Section 9. Annual Budget of Common Expenses. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including but not limited to the following: administration of the Association, management fees, maintenance, taxes on Association property, insurance, security, other expenses including, but not limited to those relating to the recreational facilities, operating capital, reserves and fees payable to the Florida Division of Land Sales and Condominiums. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance, including but not limited to the following: roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula based upon estimated life and estimated replacement cost of each reserve item. The proposed budget shall be mailed by first class mail to the unit owners not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered, together with a written notice of the time and place at which such meeting shall be held, and such meeting shall be open to all unit owners. If a budget is adopted by the Board which requires regular assessments against the members in any fiscal or calendar year exceeding 115% of such regular assessments for the preceding year, upon written application of ten (10%) percent of the members, a special meeting of the members shall be held upon not less than ten (10) days written notice to each member, but within thirty (30) days of the delivery of such application to the Board or any member thereof, at which special meeting members may consider and enact a revision of the

budget, or recall any and all members of the Board and elect their successors. In either case, the revision of the budget or the recall of any and all members of the Board shall require a vote of not less than a majority of the total number of votes of all members of the Association. The Board may in any event propose a budget to the members at a meeting of the members or by writing, and if such budget or proposed budget be approved by a vote of a majority of members attending the meeting, or by a majority of the Association by a writing, such budget shall not thereafter be reexamined by the members in the manner hereinabove set forth nor shall the Board be recalled under the terms of this section. In determining whether regular assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; reasonable reserve funds for repair or replacement of the Condominium property, and the payment of any items of betterment to the Condominium property. Provided, however, that so long as the Sponsor is in control of the Board, 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 members.

Section 10. Default in Assessment. In the event of a default by a member in the payment of any assessment, the Association may take such action as the Board deems appropriate. The Association shall have all rights and remedies provided by law including but not being limited to those provided by Chapter 718, Florida Statutes, and the liability of the owner of a unit shall include liability for a reasonable attorney's fee and for court costs incurred by the Association incident to the collection of such assessment or enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the unit owner shall be required to pay a reasonable rental for the unit pending foreclosure and sale, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. At any judicial sale held in the proceedings to enforce said lien, the Association may bid in, acquire, hold, lease, mortgage and convey the unit, as the Board may determine. Nothing herein contained shall bar a suit to recover a money judgment for unpaid assessments without waiving the lien securing the same.

Section 11. Fiscal Year. The fiscal year of the Association shall be the calendar year.

ARTICLE VII

AMENDMENTS OF BYLAWS AND CHARTER

Section 1. Bylaws. These Bylaws may be amended, altered, rescinded or added to by resolution adopted by a three-fifths vote of the Board at any duly called meeting thereof at which notice of such proposed amendment shall have been given or waived by written waiver. Any such amendment to be valid must be annexed to a duly recorded amendment to the Declaration.

Section 2. Charter. The Charter may be amended, altered or added to in the manner described in the Charter, provided that no members' meeting shall amend, alter or add to the Charter unless prior written notice of said meeting specifying the proposed change has been given to all members at least fourteen (14) days prior to the meeting or said notice is waived by written waiver. Notwithstanding anything in these Bylaws, the Charter, or the Declaration to the contrary, the initial Board shall have the right to amend the Charter so long as no such amendment shall adversely affect the rights or powers of any previously recorded mortgage or adversely affect the owner of any unit.

Section 3. Proviso. Notwithstanding anything in this Article or in these Bylaws to the contrary, no amendment to these Bylaws or the Charter may be made which modifies, restricts or otherwise affects, or purports to affect, the rights and powers of the initial Board or which modifies, restricts or otherwise affects, or purports to affect, the rights and powers of the Sponsor under these Bylaws, the Charter or the Declaration.

Section 4. Proviso. Notwithstanding anything in this Article or in these Bylaws to the contrary, no material amendment may be made to these Bylaws or the Charter, including but not limited to any amendment which would change the percentage interests of unit owners in the Condominium, except with the prior written approval of each institutional holder of a first mortgage on any unit of the Condominium.

ARTICLE VIII

BOOKS AND RECORDS

Section 1. Records to be Kept. The Association shall maintain accounting records according to generally accepted

accounting principles and said records shall be open to inspection by unit owners or their authorized representatives at reasonable times. Written summaries of such records shall be supplied at least annually to unit owners or their authorized representatives. Such records shall include:

(a) A record of all receipts and expenditures.

(b) 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.

(c) A register for the names of any mortgage holders or lien holders on units who have requested in writing that they be registered and to whom the Association will give notices as described in the Declaration of Condominium. No responsibility by the Association is assumed with respect to said register except that it will give notice to any institutional mortgagee or lienor therein, if so required.

Section 2. Insurance. A copy of each insurance policy obtained by the Association shall be made available for inspection by unit owners at reasonable times.

Section 3. Transfers. The Secretary shall act as the transfer agent to record all transfers of the ownership of units and the registration of all institutional mortgagees and lienholders in the aforedescribed books.

ARTICLE IX

MISCELLANEOUS

Section 1. Validity. If any bylaw or part thereof shall be adjudged invalid, the same shall not affect the validity of any other bylaw or part thereof.

Section 2. Rules and Regulations. In addition to the restrictions set forth in the Declaration, the Board may from time to time adopt rules and regulations for the operation of the Condominium and all members shall abide thereby. Provided however, that said rules and regulations shall be equally applicable to all members similarly situated and shall be uniform in their application and effect.

Section 3. Construction. Wherever the masculine or singular form of the pronoun is used in these Bylaws it shall be construed to mean masculine or feminine, singular or plural, wherever the context so requires or admits, and shall include and apply to a corporation.

Section 4. Notices. Except as otherwise required by Article III, Section 3 for notices of annual or special members meetings, or as otherwise required herein or by law, whenever notices are required to be given to any Director or member, such notice may be given in writing, by mail, by depositing the same in post office or letter box, in a post-paid sealed envelope, addressed to such Director or member at such address as appears on the books of the Association, and such notice shall be deemed to be given at the time same shall be thus mailed. A waiver of any notice required hereunder signed by the person or persons entitled to such notice, whether before or after the time stated, shall be deemed equivalent thereto.

Section 5. Designation of Manager. The Board or officers may designate a manager or other persons, as they may select, to assist them in carrying out the duties and functions assigned to them herein or in the Charter; provided however, that the Board and officers shall at all times retain the powers and duties granted to them by law, and shall at all times remain primarily responsible for their respective duties, functions and obligations imposed hereunder and under the Charter.

Section 6. Transfer Expense. The Board is authorized to charge a fee to any unit owner requesting approval from the Association in connection with the sale or lease or other transfer of ownership or occupancy of his unit. The fee shall not exceed $50.00.

Section 7. Availability of Records. The Association shall make available to unit owners, lenders and the holders, insurers and guarantors of the first mortgage on any unit, current copies of the Declaration of Condominium of Hibiscus II, a Condominium, the Articles of Incorporation of Hibiscus Condominium Association II, Inc. and these Bylaws and other rules governing the Condominium, and other books, records and financial statements of the Association. The Association shall also make available to prospective purchasers current copies of said Declaration, Articles of Incorporation and Bylaws and other rules governing the Condominium, and the most recent financial statement of the Association. As used herein, "available" shall mean available for inspection, upon request, during

normal business hours or under other reasonable circumstances.

Section 8. Lender's Notices. Upon written request to the Association identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any mortgage holder, insurer, or guarantor of a mortgage upon a Unit of the Condominium will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Condominium Property or the Unit encumbered by its mortgage.

(b) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

Public Records of St. Johns County, FL Clerk # 2005021990, O.R. 2401 PG 839,
03/24/2005 at 02:20 PM REC. $17.00 SUR. $18.50 Doc. D $.70

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(4)

Prepared by/ return to:
John B. Bamberg
Post Office Box 2210
St. Augustine, FL 32085

BOUNDARY LINE AND CONVEYANCE AGREEMENT

THIS INDENTURE made this 1st day of February, 2005, between FLAG DEVELOPMENT CORPORATION ("Flag"), and SEA BREEZE VILLAS DEVELOPMENT COMPANY ("SDC");

RECITALS

WHEREAS, the developer Community Projects, Inc. created Hibiscus I, a Condominium, by recording a Declaration of Condominium of Hibiscus I, a Condominium, in OR Book 570, at Page 129, of the public records of St. Johns County, Florida; and

WHEREAS, Section 4.4 of the Hibiscus I declaration established an easement for ingress, egress, drainage, utilities and cable television facilities over, under, across and through a Roadway Easement described in Exhibit "A-6" of the declaration; for the benefit of the Hibiscus I Unit Owners, the owners' guests and invitees, and such other persons as Community Projects, Inc. should from time to time designate; and

WHEREAS, Community Projects, Inc. amended the Declaration of Condominium of Hibiscus I, a Condominium, to move the Roadway Easement to its present location, as described in Exhibit A of the amendment, as recorded in OR Book 664, at Page 2083, of the public records of St. Johns County, Florida; and

WHEREAS, Community Projects, Inc. then created Hibiscus II, a Condominium, by recording a Declaration of Condominium of Hibiscus II, a Condominium, in OR Book 689, at Page 1457, of the public records of St. Johns County, Florida; and

WHEREAS, Section 4.4 of the Hibiscus II declaration provided an easement for ingress, egress, drainage, utilities and cable television facilities over, under, across and through the Roadway Easement, as described in Exhibit "A-2" of the declaration; for the benefit of the Hibiscus II Unit Owners, the owners' guests and invitees, owners of other condominium units within the "Hibiscus" development, and such other persons as Community Projects, Inc. should from time to time designate; and

WHEREAS, Irwin Carasso and Community Projects, Inc. made a Declaration and Grant of Easements which defined the rights of the undeveloped tracts A, B, C and D of the "Hibiscus" development as they related to the use of the easements established by the

Sections 4.4, and the use of the Recreation and Other Facilities created under the Sections 4.5 of the Hibiscus I and Hibiscus II declarations, including the use of the Roadway Easement; as recorded in OR Book 1149, at Page 918, of the public records of St. Johns County, Florida; and

WHEREAS, Irwin Carasso and Community Projects, Inc. then conveyed to Ocean Gate Development, Inc. the undeveloped tracts A, B, C, and D, Community Projects, Inc.'s easement interest in the Pedestrian Access Easement to the Dune Walkover, an easement for the use of the Recreation and Other Amenities by the Tracts B and D unit owners, and Community Projects, Inc.'s easement interest over the Roadway Easement, by Warranty Deed recorded in OR Book 1149, at Page 944; and

WHEREAS, Community Projects, Inc. and Irwin Carasso then conveyed to Hibiscus I and Hibiscus II the remaining real property they owned in the Hibiscus development, expressly excepting out all of the real property described in the deed to Ocean Gate Development, Inc.; by Warranty Deed, recorded in OR Book 1181, at Page 375; and

WHEREAS, Ocean Gate Development, Inc. assigned all of its right, title and interest in the Roadway Easement to Flag Development, Inc., by an Assignment of Rights, recorded in OR Book 1529, at Page 1698; and

WHEREAS, Flag Development, Inc. now desires to convey its easement interest over the Roadway Easement, that relates to that portion of the easement that has been designated for the use of Tract C; to the owner of Tract C, Sea Breeze Villas Development Company, in exchange for Sea Breeze Villas Development Company providing on-site parking for its thirty-two Unit Owners within the boundary line established between Tract C and the Roadway Easement; and

WHEREAS, Sea Breeze Villas Development Company is willing to provide such on- site parking for its thirty-two Unit Owners;

THEREFORE, for and in consideration of the sum of $10.00 and other valuable consideration, receipt whereof is hereby acknowledged; the parties hereby affirm and agree to the boundary line described in Exhibit A attached hereto as depicting the property line between the parties; and hereby grant, convey and confirm unto the other party hereto all that certain land situated on the respective sides of the agreed upon boundary line.

And hereby reaffirm the easements for the use by both parties of such portions of the Roadway Easement as may be from time to time graded and/or paved and intended for pedestrian traffic, vehicular traffic and parking, and for the use of the Roadway Easement for utilities and drainage, and the Dune Walkover for access to the beach. This grant is subject to all provisions of declarations of condominium of record, declarations of covenants, restrictions and conditions of record, and all easements of record, pertaining to the Roadway Easement and the Dune Walkover.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To have and to hold, the land on each side of the boundary line in fee simple forever.

Further, Sea Breeze Villas Development Company, its successors in title, successors and assigns (but excluding any individual owners of units and any owners association), hereby indemnifies and agrees to hold harmless Flag Development Corporation from and against any and all claims, liability, loss, cost, damage or expense, including reasonable attorneys' fees, arising out of the use of the property conveyed hereunder.

IN WITNESS WHEREOF, the said parties have signed, sealed and delivered these presents the day and year first above written.

WITNESSES:

Susan Harrison
Susan Harrison
Print name

Eddie Ansell
Print name

Susan Harrison
Susan Harrison
Print name

Eddie Ansell
Print name

SEA BREEZE VILLAS DEVELOPMENT CO.

JONATHAN B. BAMBERG
It's President

FLAG DEVELOPMENT CORPORATION

JOHN M. WILLIAMS
It's President

STATE OF FLORIDA

COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 9th day of ~~February~~ MARCH, 2005, by Jonathan B. Bamberg, President of Sea Breeze Villas Development, Company; who was identified by personally known; and by John M. Williams, President of Flag Development Corporation; who was identified by personally known; who executed the foregoing instrument as the act of the corporations.

Notary Seal:

Susan M. Harrison
Notary Public

Susan Harrison
My Commission DD200182
Expires May 25, 2007

EXHIBIT A

Tract C

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida, and being more particularly described as follows:

For a point of commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right of way line of State Road A-1-A; thence along said Easterly right of way line of A-1-A South 12 degrees 13 minutes 28 seconds East 120.54 feet to the Point of Beginning; thence North 89 degrees 33 minutes 52 seconds East 243.82 feet to a point on a curve to the right, concave Southerly, with radius of 100.50 feet; thence Southerly on said curve to the right through a central angle of 60 degrees 00 minutes 00 seconds an arc distance of 105.24 feet (chord bearing South 60 degrees 26 minutes 08 seconds East, 100.50 feet); thence South 30 degrees 26 minutes 08 seconds East 78.00 feet to a point of a curve to the left, concave Northerly, with radius of 88.53 feet; thence Southerly on said curve to the left through a central angle of 83 degrees 59 minutes 55 seconds an arc distance of 129.79 feet (chord bearing South 72 degrees 26 minutes 04 seconds East, 118.47 feet); thence South 24 degrees 26 minutes 08 seconds East 20.00 feet; thence South 00 degrees 26 minutes 08 seconds East 10.25 feet; thence South 89 degrees 33 minutes 52 seconds West 452.49 feet to a point on the Easterly right-of-way line of A-1-A; thence North 12 degrees 13 minutes 28 seconds West on said Easterly right-of- way line 186.88 feet to the Point of Beginning.

LESS AND EXCEPT

A parcel of land lying and being in Government Lot 5, Section 15, Township 8 South, Range 30 East, St. Johns County, Florida; for a Point of Commencement begin at the intersection of the Northerly line of the Southerly 300 feet of the Northerly 600 feet of Government Lot 5 and the Easterly right-of-way line A-1-A; thence along said Easterly right-of-way ling of A-1-A, South 12 degrees 13 minutes 28 seconds East 307.42 feet; thence South 89 degrees 33 minutes 52 seconds East 340.47 feet to the Point of Beginning of the herein described parcel of land; thence North 00 degrees 26 minutes 08 seconds West 24.72 feet to a point on a non tangent curve, thence on said non tangent curve, concave Northerly, with radius of 108.53 feet through a central angle of 62 degrees 42 minutes 40 seconds an arc distance of 118.79 feet (chord bearing South 83 degrees 04 minutes 43 seconds East, 112.95 feet); thence South 00 degrees 26 minutes 08 seconds East 10.25 feet; thence South 89 degrees 33 minutes 52 seconds West 112.02 feet to the Point of Beginning.

7211

(7)

Prepared by/return to:
John B. Bamberg
Post Office Box 2210
St. Augustine, Fl 32085

Public Records of
St. Johns County, FL
Clerk# 02-061166
O.R. 1833 PG 27
03:42PM 10/18/2002
REC $29.00 SUR $4.00
Doc Stamps $0.70

BOUNDARY LINE AGREEMENT AND CONVEYANCE

THIS INDENTURE made this 27th day of July, 2002, by HIBISCUS OWNERS ASSOCIATION I, INC., a Florida not for profit corporation, 4780 Highway AlA S., St. Augustine, Fl 32080; and HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida not for profit corporation, 4780 Highway AlA S., St. Augustine, Fl 32080; and VILLAS OF OCEAN GATE CONDOMINIUM ASSOCIATION, INC., a Florida not for profit corporation, 4780-B Highway AlA South, St. Augustine, Fl 32085; and FLAG DEVELOPMENT CORPORATION, P.O. Box 14, Bostwick, Fl 32007; hereinafter called the "PARTIES";

WITNESSETH: That whereas the property lines separating the property owned by the parties hereto have various encroachments back and forth across said property lines, and in order to correct said encroachments, the parties hereto, for and in consideration of the sum of $10.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby adopt and establish the boundary line set out in Exhibit A attached hereto as depicting the property lines between and amongst the parties hereto; and hereby grant, convey and confirm unto the other parties hereto all that certain land situated on their sides of the agreed upon boundary line, as depicted on Exhibit B, attached hereto.

Subject to all provisions of the declarations of condominiums, covenants and easements of record, pertaining to the parties hereto.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To have and to hold, the same in fee simple forever.

IN WITNESS WHEREOF, the said parties have signed, sealed and delivered these presents the day and year first above written.

WITNESSES:

Patricia Masters
PATRICIA MASTERS
Print name

T.D. White
T.D. WHITE
Print name

HIBISCUS OWNERS ASSOCIATION I, INC., a Florida n/f/p corporation

By: Elizabeth Stevenson
ELIZABETH STEVENSON
Print name

Its (Vice) President

WITNESSES:

G David Sellers
Print name

T.D. White
T.D. WHITE
Print name

HIBISCUS CONDOMINIUM ASSOCIATION II, INC., a Florida n/f/p corporation

By: Louise Legum
Louise Legum
Print name
Board Member

Its (Vice) President

WITNESSES:

Elizabeth Albertson
Elizabeth Albertson
Print name

Melissa A Gianotti
MELISSA A GIANOTTI
Print name

VILLAS OF OCEAN GATE CONDOMINIUM ASSOCIATION, INC. a Florida n/f/p corporation

By: John M. Williams
John M. Williams
Print name

Its (Vice) President

WITNESSES:

Elizabeth Albertson
Elizabeth Albertson
Print name

Melissa A Gianotti
MELISSA A GIANOTTI
Print name

FLAG DEVELOPMENT CORPORATION, a Florida corporation

By: John M. Williams
John M. Williams
Print name

Its (Vice) President

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 27th day of July, 2002, by Elizabeth Stevenson, (Vice) President of HIBISCUS OWNERS ASSOCIATION I, INC., who was identified by Personally Known; who executed the foregoing instrument as the act of the corporation.

NOTARY SEAL
CATHLEEN M. SELLERS
MY COMMISSION # DD 055051
EXPIRES: December 28, 2005
Bonded Thru Budget Notary Services

Cathleen M Sellers
Notary Public
Cathleen M. Sellers Print name

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 27th day of July, 2002, by Louie Legum, (Vice) President of HIBISCUS CONDOMINIUM ASSOCIATION II, INC.; who was identified by Personally Known; who executed the foregoing instrument as the act of the corporation.

NOTARY SEAL
CATHLEEN M. SELLERS
MY COMMISSION # DD 055051
EXPIRES: December 28, 2005
Bonded Thru Budget Notary Services

Cathleen M. Sellers
Notary Public
Cathleen M Sellers Print name

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 27th day of July, 2002, by John M. Williams, (Vice) President of VILLAS OF OCEAN GATE CONDOMINIUM ASSOCIATION, INC.; who was identified by Personally Known; who executed the foregoing instrument as the act of the corporation.

NOTARY SEAL

CATHLEEN M. SELLERS
MY COMMISSION # DD 055051
EXPIRES: December 28, 2005
Bonded Thru Budget Notary Services

Cathleen M. Sellers
Notary Public
Cathleen M. Sellers Print name

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 27th day of July, 2002, by John M. Williams, (Vice) President of FLAG DEVELOPMENT CORPORATION; who was identified by Personally Known; who executed the foregoing instrument as the act of the corporation.

NOTARY SEAL



Cathleen M. Sellers
Notary Public
Cathleen M. Sellers Print name

EXHIBIT A

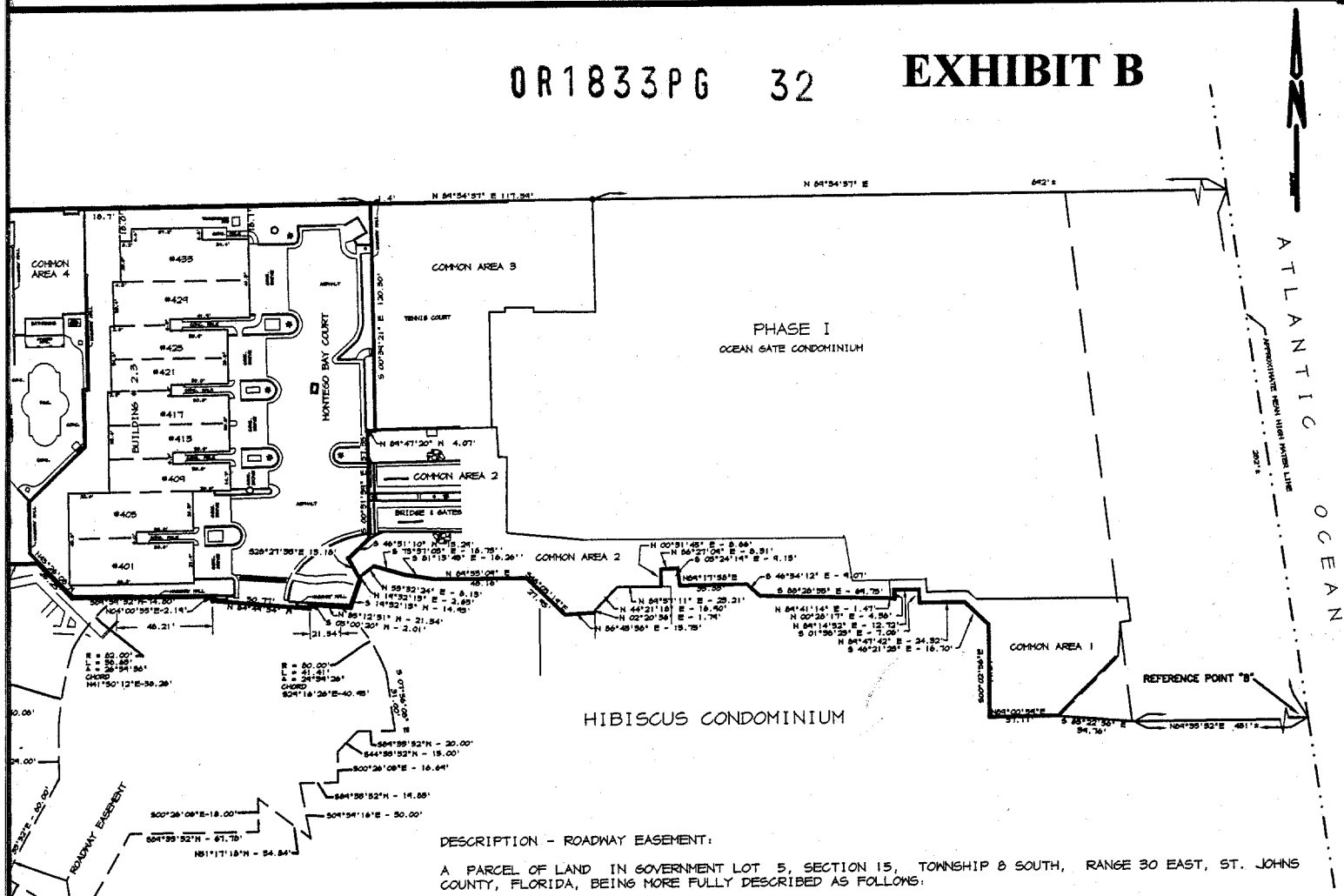
DESCRIPTION - SOUTH BOUNDARY LINE

A LINE IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE, ON THE EASTERLY RIGHT OF WAY LINE OF AIA, SOUTH 12 DEGREES 15 MINUTES 48 SECONDS EAST 95.01 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED LINE; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 290.57 FEET; THENCE NORTH 25 DEGREES 57 MINUTES 52 SECONDS EAST 15.89 FEET; THENCE SOUTH 57 DEGREES 12 MINUTES 16 SECONDS EAST 12.39 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 24.17 FEET; THENCE NORTH 44 DEGREES 33 MINUTES 52 SECONDS EAST 86.83 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 42.89 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 10 SECONDS WEST 28.38 FEET; THENCE NORTH 35 DEGREES 02 MINUTES 54 SECONDS EAST 10.39 FEET; THENCE NORTH 43 DEGREES 09 MINUTES 11 SECONDS EAST 7.80 FEET; THENCE NORTH 34 DEGREES 24 MINUTES 19 SECONDS EAST 23.87 FEET; THENCE NORTH 89 DEGREES 56 MINUTES 57 SECONDS EAST 59.69 FEET; THENCE SOUTH 45 DEGREES 26 MINUTES 08 SECONDS EAST 35.00 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 27.66 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 18.37 FEET; THENCE SOUTH 45 DEGREES 26 MINUTES 08 SECONDS EAST 26.25 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 32 SECONDS EAST 74.80 FEET; THENCE SOUTH 04 DEGREES 00 MINUTES 53 SECONDS WEST 2.19 FEET; THENCE SOUTH 84 DEGREES 49 MINUTES 54 SECONDS EAST 50.77 FEET; THENCE NORTH 05 DEGREES 00 MINUTES 20 SECONDS EAST 2.01 FEET; THENCE SOUTH 85 DEGREES 12 MINUTES 31 SECONDS EAST 21.54 FEET; THENCE NORTH 19 DEGREES 32 MINUTES 13 SECONDS EAST 17.58 FEET; THENCE NORTH 53 DEGREES 32 MINUTES 24 SECONDS EAST 8.13 FEET; THENCE SOUTH 73 DEGREES 37 MINUTES 03 SECONDS EAST 16.73 FEET; THENCE SOUTH 81 DEGREES 13 MINUTES 45 SECONDS EAST 16.26 FEET; THENCE NORTH 89 DEGREES 53 MINUTES 09 SECONDS EAST 48.16 FEET; THENCE SOUTH 46 DEGREES 05 MINUTES 19 SECONDS EAST 27.95 FEET; THENCE NORTH 86 DEGREES 43 MINUTES 38 SECONDS EAST 15.75 FEET; THENCE NORTH 02 DEGREES 20 MINUTES 26 SECONDS EAST 1.79 FEET; THENCE NORTH 44 DEGREES 21 MINUTES 18 SECONDS EAST 16.90 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 11 SECONDS EAST 23.21 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 45 SECONDS EAST 8.66 FEET; THENCE NORTH 86 DEGREES 27 MINUTES 09 SECONDS EAST 8.31 FEET; THENCE OUTH 05 DEGREES 24 MINUTES 19 SECONDS EAST 9.13 FEET; THENCE NORTH 89 DEGREES 17 MINUTES 58 SECONDS EAST 35.33 FEET; THENCE SOUTH 46 DEGREES 54 MINUTES 12 SECONDS EAST 9.07 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS EAST 69.75 FEET; THENCE NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST 1.47 FEET; THENCE NORTH 00 DEGREES 28 MINUTES 17 SECONDS EAST 4.38 FEET; THENCE NORTH 89 DEGREES 14 MINUTES 52 SECONDS EAST 12.72 FEET; THENCE SOUTH 01 DEGREE 38 MINUTES 23 SECONDS EAST 7.06 FEET; NORTH 89 DEGREES 47 MINUTES 42 SECONDS EAST 24.32 FEET; THENCE SOUTH 46 DEGREES 21 MINUTES 23 SECONDS EAST 16.70 FEET; THENCE SOUTH 00 DEGREES 02 MINUTES 56 SECONDS EAST 49.27 FEET; THENCE NORTH 89 DEGREES 00 MINUTES 59 SECONDS EAST 37.11 FEET; THENCE SOUTH 85 DEGREES 22 MINUTES 56 SECONDS EAST 39.76 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 451 FEET PLUS OR MINUS TO THE APPROXIMATE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN, SAID POINT BEING THE EASTERLY END OF SAID LINE.

OR1833PG 32

EXHIBIT B



DESCRIPTION - ROADWAY EASEMENT:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY LINE OF A1A; THENCE ON THE EASTERLY RIGHT OF WAY LINE OF A1A, SOUTH 12 DEGREES 15 FEET 48 SECONDS EAST 95.01 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 300.76 FEET; THENCE NORTH 44 DEGREES 33 MINUTES 52 SECONDS EAST 10.52 FEET TO A POINT ON A CURVE CONCAVE SOUTHWESTERLY WITH RADIUS OF 145.50 FEET; THENCE ON SAID CURVE CONCAVE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 36 DEGREES 00 MINUTES 39 SECONDS, AN ARC DISTANCE OF 91.45 FEET(CHORD-SOUTH 48 DEGREES 26 MINUTES 19 SECONDS EAST-89.95 FEET); THENCE SOUTH 30 DEGREES 26 MINUTES 08 SECONDS EAST 78.00 FEET TO A POINT ON A CURVE CONCAVE NORTHEASTERLY WITH RADIUS OF 43.53 FEET; THENCE ON SAID CURVE CONCAVE NORTHEASTERLY THROUGH A CENTRAL ANGLE OF 118 DEGREES 59 MINUTES 28 SECONDS, AN ARC DISTANCE OF 90.40 FEET(CHORD-SOUTH 89 DEGREES 56 MINUTES 04 SECONDS EAST- 75.01 FEET); THENCE SOUTH 59 DEGREES 26 MINUTES 08 SECONDS EAST 20.00 FEET; THENCE NORTH 30 DEGREES 33 MINUTES 52 SECONDS EAST 65.09 FEET; THENCE NORTH 59 DEGREES 26 MINUTES 08 SECONDS WEST 22.69 FEET; THENCE NORTH 30 DEGREES 33 MINUTES 52 SECONDS EAST 60.00 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 29.00 FEET TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY WITH RADIUS OF 204.00 FEET; THENCE ON SAID CURVE CONCAVE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 11 DEGREES 16 MINUTES 30 SECONDS, AN ARC DISTANCE OF 40.14 FEET(CHORD-NORTH 11 DEGREES 07 MINUTES 40 SECONDS EAST-40.08 FEET) TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY WITH RADIUS OF 82.00 FEET; THENCE ON SAID CURVE CONCAVE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 26 DEGREES 59 MINUTES 38 SECONDS, AN ARC DISTANCE OF 38.63 FEET(CHORD-NORTH 41 DEGREES 50 MINUTES 12 SECONDS EAST-38.28 FEET); THENCE NORTH 89 DEGREES 59 MINUTES 32 SECONDS EAST 48.21 FEET; THENCE SOUTH 04 DEGREES 00 MINUTES 53 SECONDS WEST 2.19 FEET; THENCE SOUTH 84 DEGREES 49 MINUTES 54 SECONDS EAST 50.77 FEET; THENCE NORTH 05 DEGREES 00 MINUTES 20 SECONDS EAST 2.01 FEET; THENCE SOUTH 85 DEGREES 12 MINUTES 31 SECONDS EAST 21.54 FEET TO A POINT ON A CURVE CONCAVE SOUTHWESTERLY WITH RADIUS OF 80.00 FEET; THENCE ON SAID CURVE CONCAVE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 29 DEGREES 34 MINUTES 26 SECONDS, AN ARC DISTANCE OF 41.41 FEET(CHORD-SOUTH 29 DEGREES 16 MINUTES 26 SECONDS EAST-40.95 FEET); THENCE SOUTH 07 DEGREES 56 MINUTES 08 SECONDS EAST 31.00 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 20.00 FEET; THENCE SOUTH 44 DEGREES 33 MINUTES 52 SECONDS WEST 15.00 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 16.64 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 19.83 FEET; THENCE SOUTH 09 DEGREES 59 MINUTES 16 SECONDS EAST 30.00 FEET; THENCE NORTH 51 DEGREES 17 MINUTES 18 SECONDS WEST 34.84 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 18.00 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 67.78 FEET; THENCE SOUTH 30 DEGREES 33 MINUTES 52 SECONDS WEST 118.47 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY WITH RADIUS OF 88.53 FEET; THENCE ON SAID CURVE CONCAVE NORTHWESTERLY THROUGH A CENTRAL ANGLE OF 60 DEGREES 00 MINUTES 00 SECONDS, AN ARC DISTANCE OF 54.08 FEET, (CHORD-SOUTH 48 DEGREES 03 MINUTES 52 SECONDS WEST-53.24 FEET); THENCE SOUTH 24 DEGREES 26 MINUTES 08 SECONDS EAST 20.00 FEET TO A POINT ON A CURVE CONCAVE NORTHEASTERLY WITH RADIUS OF 108.53 FEET; THENCE ON SAID CURVE CONCAVE NORTHEASTERLY THROUGH A CENTRAL ANGLE OF 83 DEGREES 59 MINUTES 56 SECONDS, AN ARC DISTANCE OF 159.11 FEET(CHORD-NORTH 72 DEGREES 26 MINUTES 05 SECONDS WEST-145.24 FEET); THENCE NORTH 30 DEGREES 26 MINUTES 08 SECONDS WEST 78.00 FEET TO A POINT ON A CURVE CONCAVE SOUTHWESTERLY WITH RADIUS OF 80.50 FEET; THENCE ON SAID CURVE CONCAVE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 60 DEGREES 00 MINUTES 00 SECONDS, AN ARC DISTANCE OF 84.30 FEET, (CHORD-NORTH 60 DEGREES 26 MINUTES 08 SECONDS WEST-80.50 FEET); THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 20.00 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 243.82 FEET TO THE EASTERLY RIGHT OF WAY LINE OF A1A; THENCE NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 25.53 FEET ON THE EASTERLY RIGHT OF WAY OF A1A TO THE POINT OF BEGINNING.

ES IN OR. BOOK 1414, PG. 765, IS A "BLANKET EASEMENT"
ICATED BY THIS SURVEY.
IN OR. BOOK 1414, PG. 764, IS A "BLANKET EASEMENT"
ICATED BY THIS SURVEY.

32084 (904) 824-6115 (904) 824-6453(FAX)

CIVIL ENGINEERS & LAND SURVEYORS

RGROUND UTILITIES, INSTALLATIONS OR IMPROVEMENTS HAVE BEEN LOCATED, EXCEPT AS SHOWN.
M PIONEER TITLE INSURANCE COMPANY COMMITMENT NO. CM-1-1340-1793
D IN DEFINING EASEMENTS AND OTHER RECORDINGS.
I AND DISTANCES ARE FROM PLAT OR DESCRIPTION EXCEPT AS SHOWN.
I BASED ON E/W SR. NO. A1A = N12°13'28"W
H WATER AS SHOWN WAS NOT LOCATED IN ACCORDANCE WITH F.S.18-5.021.

WILLIAM F. RICHBOURG P.L.S. NO. 5313
NOT VALID WITHOUT THE ORIGINAL RAISED SEAL AND SIGNATURE OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

sheet title:
BOUNDARY SURVEY

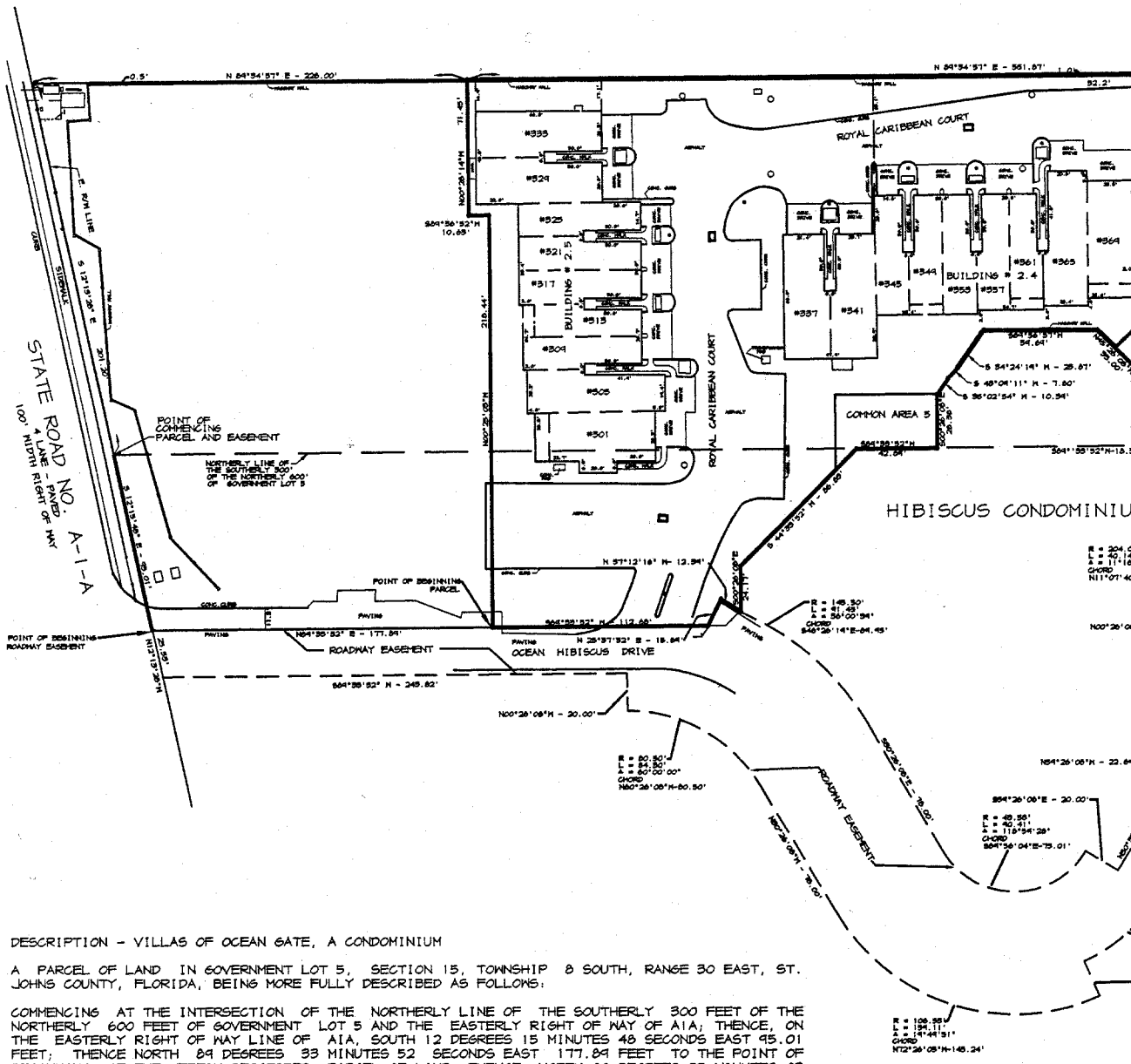
LAST FIELD DATE: OCTOBER 9, 2002

scale: GRAPHIC

project no. 02-198 drawn xxx
drawing no. VOSBN198 check MFR

COLONY REEF CONDOMINIUM

0 50 100
GRAPHIC SCALE



DESCRIPTION - VILLAS OF OCEAN GATE, A CONDOMINIUM

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE, ON THE EASTERLY RIGHT OF WAY LINE OF A1A, SOUTH 12 DEGREES 15 MINUTES 48 SECONDS EAST 95.01 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 177.89 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 218.44 FEET; THENCE SOUTH 89 DEGREES 36 MINUTES 52 SECONDS WEST 10.63 FEET; THENCE NORTH 00 DEGREES 28 MINUTES 14 SECONDS WEST 71.45 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 551.87 FEET; THENCE SOUTH 00 DEGREES 39 MINUTES 21 SECONDS EAST 120.30 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 20 SECONDS WEST 4.07 FEET; THENCE SOUTH 00 DEGREES 31 MINUTES 39 SECONDS EAST 57.35 FEET; THENCE SOUTH 46 DEGREES 51 MINUTES 10 SECONDS WEST 15.29 FEET; THENCE SOUTH 28 DEGREES 27 MINUTES 33 SECONDS EAST 13.18 FEET; THENCE SOUTH 19 DEGREES 32 MINUTES 13 SECONDS WEST 14.95 FEET; THENCE NORTH 85 DEGREES 12 MINUTES 31 SECONDS WEST 21.54 FEET; THENCE SOUTH 05 DEGREES 00 MINUTES 20 SECONDS WEST 2.01 FEET; THENCE NORTH 84 DEGREES 49 MINUTES 54 SECONDS WEST 50.77 FEET; THENCE NORTH 04 DEGREES 00 MINUTES 53 SECONDS EAST 2.19 FEET; THENCE SOUTH 89 DEGREES 59 MINUTES 32 SECONDS WEST 74.80 FEET; THENCE NORTH 45 DEGREES 26 MINUTES 08 SECONDS WEST 26.25 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 18.37 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 27.66 FEET; THENCE NORTH 45 DEGREES 26 MINUTES 08 SECONDS WEST 35.00 FEET; THENCE SOUTH 89 DEGREES 56 MINUTES 57 SECONDS WEST 59.64 FEET; THENCE SOUTH 34 DEGREES 24 MINUTES 19 SECONDS WEST 23.87 FEET; THENCE SOUTH 43 DEGREES 09 MINUTES 11 SECONDS WEST 7.80 FEET; THENCE SOUTH 35 DEGREES 02 MINUTES 54 SECONDS WEST 10.39 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 28.38 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 42.89 FEET; THENCE SOUTH 44 DEGREES 33 MINUTES 52 SECONDS WEST 86.83 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 24.17 FEET; THENCE NORTH 57 DEGREES 12 MINUTES 16 SECONDS WEST 12.39 FEET; THENCE SOUTH 25 DEGREES 57 MINUTES 52 SECONDS WEST 15.89 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 112.68 FEET TO THE POINT OF BEGINNING.

● = NAIL&DISK SET LB#6444
○ = ½" I.PIN SET LB#6444

1. EASEMENT TO ST. JOHNS COUNTY UTILI
COVERING UNDERGROUND UTILITIES NOT
2. EASEMENT TO FLORIDA POWER & LIGHT
COVERING UNDERGROUND UTILITIES NOT

LB 6444 J&P JONES & PELLICER, INC., 906 ANASTASIA BLVD. SUITE A, ST. AUGUSTINE, FLORIDA

revisions:
NO.1

abbreviations:
R/W = RIGHT OF WAY
CONC. = CONCRETE
MON. = MONUMENT
℄ = CENTERLINE
FND. = FOUND
OR = OFFICIAL RECORDS BOOK
T = TANGENT
R = RADIUS
L = LENGTH
Δ = CENTRAL ANGLE
PG. = PAGE
COMP = COMPUTED

project:
VILLAS OF OCEAN GATE, A CONDOMINIUM
4730-B STATE HWY. A1A SOUTH
ST. JOHNS COUNTY, FLORIDA

NOTE
1. NO
2. AM
WAS
3. BEA
4. BEA
5. MEA

6
(3)

Parcel ID No 175880-0000
Grantor's Tax ID No 59-3636209
Grantee's Tax ID No. _____

PUBLIC RECORDS OF
ST JOHNS COUNTY, FL
CLERK #02-010502
O.R. 1721 PG 208
10:55AM 02/21/2002
REC $13.00 SUR $2.00
Doc Stamps $0.70

I+R

Time Warner Cable ← RETURN TO
C/o Rob Cobb
2200 North Ponce de Leon Boulevard, Suite 8
St. Augustine, Florida 32084

SPACE ABOVE THIS LINE FOR RECORDING DATA

EASEMENT FOR CABLE TELEVISION AND COMMUNICATIONS SERVICE

THIS EASEMENT DEED is made and delivered the 21 day of November, 2001 by **Flag Development Corporation Inc. d/b/a Villas of Ocean Gate** (hereinafter referred to as GRANTOR), a Florida corporation, whose address is 4730 A1A South, St Augustine, Florida. 32080 to CABLEVISION INDUSTRIES LIMITED PARTNERSHIP (hereinafter referred to as GRANTEE), a Delaware limited partnership, whose post office address is 2200 North Ponce de Leon Boulevard, Suite 8, St. Augustine, Florida 32084

SEE EXHIBIT 1 ATTACHED HERETO AND INCORPORATED HEREIN

GRANTOR HEREBY GRANTS, bargains and sells to GRANTEE, its agents, successors and assigns, a perpetual, non-exclusive easement forever upon, under, over and across the above-described property for ingress and egress for the purpose of constructing, installing, maintaining, operating, repairing, replacing, relocating, upgrading GRANTEE's cable television and other communications facilities (including, without limitation, wires, conduits, connectors and related equipment) installed or to be installed from time to time, together with the right to reconstruct, improve add to and remove any such facilities, and for the purposes of marketing and delivering the cable television and communications services available through such facilities

In addition, GRANTEE shall have the rights with respect to any utility easements shown on any recorded plat as are sent forth in Section 177 09(29), Florida Statutes (1995), as such statute may be amended from time to time, and GRANTEE shall have such applicable access and easement rights as may be set forth in any deeds, covenants, and declarations pertaining to the property

GRANTEE's use of said easements shall not interfere with existing structures on the Property and GRANTEE shall reasonable cooperate with public utilities and other authorized parties with respect to shared use of this non-exclusive easement

This easement shall be for the benefit of GRANTEE and its lawful successors and assigns and shall be binding upon GRANTOR and its lawful successors and assigns It is the express intent of the parties that this easement shall be construed as a covenant running with the land

GRANTOR hereby covenants with GRANTEE that GRANTOR is the legally constituted entity which has authority pursuant to Florida law to represent the lawful owners of this land, that GRANTOR has good right and legal authority to sell and convey the described interest in land, and that this conveyance complies with GRANTOR's by-laws and all applicable declarations, covenants and restrictions pertaining to the above-described land, as recorded in the public records of St Johns County, Florida

IN WITNESS WHEREOF, GRANTOR has executed and delivered this easement deed in its name and has affixed its seal hereto, by its proper officers, duly authorized to do so, before the undersigned witnesses, on the date first written above

Witness

DAVID MILLIS
Print witness name

Witness

Noema Lusk
Print witness name

Villas of Ocean Gate Condominiums
Flag Development Corporation.

By

As Vice-President

Address 4730 A1A South
St. Augustine, Florida 32080

STATE OF Florida

COUNTY OF Putnam

The foregoing instrument was acknowledged before me this 27th day of November, 2001 by **JOHN M. WILLIAMS** as Vice President of **VILLAS OF OCEAN GATE** a Florida corporation, on behalf of the corporation, who is [✓] personally known to me or who has [ ] produced _____ as identification.

CC 779348
Commission Serial number

Sept. 29, 2002
Commission expiration date

Noema Lee Lusk
Signature

Noema Lee Lusk
Print name

AFFIX SEAL

LEGAL DESCRIPTION

A PARCEL OF LAND LYING AND BEING IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

FOR A POINT OF COMMENCEMENT BEING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY LINE OF STATE ROAD NO. A1A; THENCE SOUTH 12 DEGREES 13 MINUTES 28 SECONDS EAST ON SAID RIGHT OF WAY LINE 95.01 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 300 76 FEET; THENCE NORTH 44 DEGREES 33 MINUTES 52 SECONDS EAST 10.52 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 24.17 FEET; THENCE NORTH 44 DEGREES 33 MINUTES 52 SECONDS EAST 86.83 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 42.89 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 41.00 FEET; THENCE NORTH 44 DEGREES 33 MINUTES 52 SECONDS EAST 28.28 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 65.53 FEET; THENCE SOUTH 45 DEGREES 26 MINUTES 08 SECONDS EAST 28.28 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 31.00 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 8.25 FEET; THENCE SOUTH 45 DEGREES 26 MINUTES 08 SECONDS EAST 54.34 FEET TO A POINT ON A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 82.00 FEET, CHORD DISTANCE OF 28.24 FEET AND A CHORD BEARING OF NORTH 45 DEGREES 26 MINUTES 12 SECONDS EAST; THENCE NORTHEASTERLY ALONG SAID CURVE CONCAVE SOUTHEASTERLY AN ARC LENGTH OF 28.38 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ON A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 82.00 FEET, CHORD DISTANCE OF 50.69 FEET AND A CHORD BEARING OF NORTH 73 DEGREES 21 MINUTES 18 SECONDS EAST; THENCE NORTHEASTERLY ALONG SAID CURVE CONCAVE SOUTHEASTERLY AN ARC LENGTH OF 51.53; THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS EAST 172.60 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 29.51 FEET; THENCE NORTH 44 DEGREES 33 MINUTES 52 SECONDS EAST 17.93 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 30.84 FEET; THENCE SOUTH 41 DEGREES 00 MINUTES 15 SECONDS EAST 9.19 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 12.53 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 41.00 FEET; THENCE SOUTH 45 DEGREES 26 MINUTES 08 SECONDS EAST 13.31 FEET; THENCE NORTH 88 DEGREES 24 MINUTES 42 SECONDS EAST 56.41 FEET; THENCE NORTH 01 DEGREE 35 MINUTES 18 SECONDS WEST 4.00 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 15.05 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 4.00 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 29.94 FEET; THENCE SOUTH 45 DEGREES 26 MINUTES 08 SECONDS EAST 32.53 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST 15.95 FEET; THENCE SOUTH 63 DEGREES 49 MINUTES 12 SECONDS EAST 19.52 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 39.26 FEET; THENCE SOUTH 06 DEGREES 35 MINUTES 11 SECONDS EAST 20.42 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 52 SECONDS EAST 451 FEET MORE OR LESS TO THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN, SAID POINT BEING REFERENCE POINT "B"; THENCE BEGIN AGAIN AT THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 59 MINUTES 32 SECONDS WEST 26.55 FEET; THENCE NORTH 45 DEGREES 24 MINUTES 10 SECONDS WEST 31.29 FEET; THENCE NORTH 01 DEGREE 33 MINUTES 07 SECONDS WEST 27.67 FEET; THENCE NORTH 46 DEGREES 37 MINUTES 47 SECONDS EAST 42.81 FEET; THENCE NORTH 00 DEGREES 41 MINUTES 22 SECONDS WEST 30.92 FEET; THENCE NORTH 86 DEGREES 33 MINUTES 28 SECONDS EAST 2.40 FEET; THENCE NORTH 00 DEGREES 18 MINUTES 32 SECONDS WEST 95.51 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 960 FEET MORE OR LESS TO THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE SOUTHEASTERLY 282 FEET MORE OR LESS ALONG SAID MEAN HIGH WATER LINE TO REFERENCE POINT "B" AND THE LAST CALL OF THIS DESCRIPTION.

OR1518PG1049

EASEMENT

This Instrument Prepared By

Public Records of
St. Johns County, FL
Clerk# 99026209
O.R. 1414 PG 765
11:17AM 06/03/1999
REC $9.00 SUR $1.50
Doc Stamps $0.70

Sec. 15, Twp 8 S, Rge 30E
Parcel I.D
.# 175880-0000
(Maintained by County Appraiser)

Name: Ocean Gate Development, Inc.
Co. Name: (Same)
Address: 4730 A1A South
St. Augustine, Florida

Form 3722-A (Stocked) Rev. 7/94

The undersigned, in consideration of the payment of $1.00 and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, grant and give to St. Johns County Utilities, its licensees, agents, successors, and assigns, an easement forever for the construction, operation and maintenance of underground water and sewer utility facilities to be installed from time to time; with the right to reconstruct, improve, add to, enlarge, as well as, the size of and remove such facilities or any of them within an easement 10 feet in width described as follows:

10 feet in width on wither side of water meter, water meter box, and water and sewer lines as installed by Grantee from time to time on the property described in:

EXHIBIT A

Together with the right of ingress and egress to said premises at all times; the right to clear the land and keep it cleared of all trees, undergrowth and other obstructions within the easement area; and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, streets or highways adjoining or through said property.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument on MAY 18, 1999

Signed, sealed and delivered
in the presence of :

Joy Day
(Witness' Signature)
Print Name Joy Day

Joy Day
(Witness' Signature)
Print Name Joy Day

OCEAN GATE DEVELOPMENT INC
(Corporate's name)
By: [signature]
(President's signature)
Print Name: ROBERT JL LAWRENCE
Print Address: 509 TURNBERRY LN
ST AUGUSTINE FL 32084

Attest: [signature]
(Secretary's signature)
Print Name: ROGER W. McCLAIN
Print Address: 221 SUMMERHOUSE RD
ST AUGUSTINE FL 32086
(Corporate Seal)

STATE OF FLORIDA AND THE COUNTY OF ST JOHNS. The foregoing instrument was acknowledged before me this 18th day of MAY, 1999 by ROBERT JL LAWRENCE and ROGER W McCLAIN respectively, the President and Secretary of OCEAN GATE DEVELOPMENT INC FLORIDA corporation, on behalf of said corporation, who are personally known to me or have My Commission Expires: (Type of Identification)

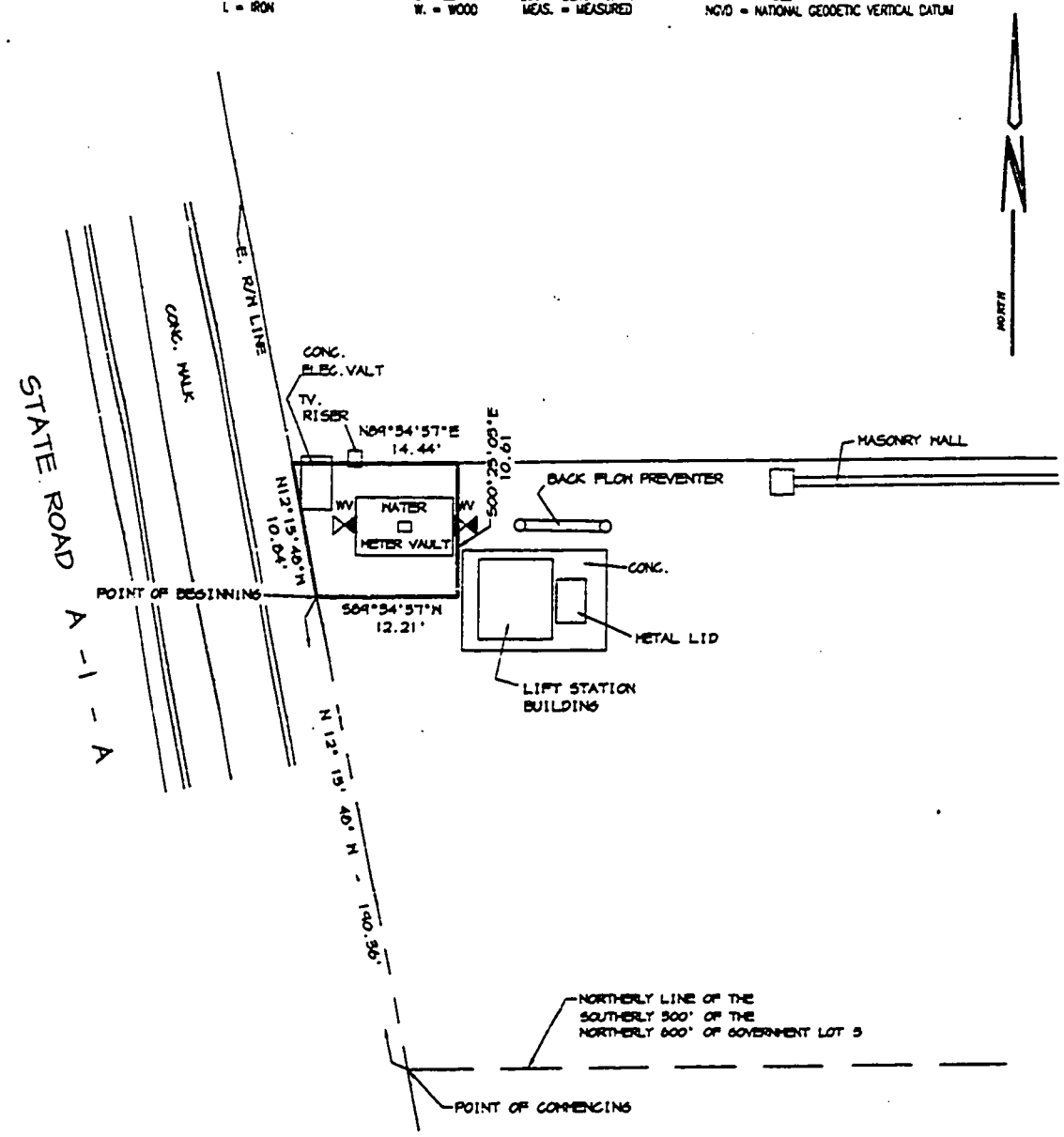
Laura A. Waller
Notary Public, Signature

Print Name Laura A. Waller

EXHIBIT "A"

NOTES: 1. NO UNDERGROUND UTILITIES, INSTALLATIONS OR IMPROVEMENTS HAVE BEEN LOCATED, EXCEPT AS SHOWN.
2. NO INSTRUMENTS OF RECORD REFLECTING EASEMENTS, RIGHTS OF WAY AND/OR OWNERSHIP WERE FURNISHED THIS SURVEYOR EXCEPT AS SHOWN.
3. BEARINGS BASED ON E. R/W LINE A-1-A = N 12°15'48"W

4. ABBREVIATIONS: R/W = RIGHT OF WAY; CONC. = CONCRETE; MON. = MONUMENT; I = IRON; T = TANGENT; R = RADIUS; L = LENGTH; W. = WOOD; ℄ = CENTERLINE; FND. = FOUND; BM. = BENCH MARK; MEAS. = MEASURED; Δ = CENTRAL ANGLE; ELEV.EL. = ELEVATION; MH = MANHOLE; NGVD = NATIONAL GEODETIC VERTICAL DATUM



0 5 10 20

SCALE IN FEET

SCALE: 1" = 10'

SKETCH

NOT A SURVEY

MAY 12, 1999

DESCRIPTION— WATERMETER VAULT EASEMENT:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 190.36 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 10.84 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 14.44 FEET; THENCE SOUTH 00 DEGREES 25 MINUTES 03 SECONDS EAST 10.61 FEET; THENCE SOUTH 89 DEGREES 34 MINUTES 57 SECONDS WEST 12.21 FEET TO THE POINT OF BEGINNING.

JONES & PELLICER, INC. LB# 6444
906 ANASTASIA BLVD. SUITE A
ST. AUGUSTINE, FLORIDA 32084
(904) 824-6115 FAX (904) 824-6453

STATE OF FLORIDA
COUNTY OF ST. JOHNS

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE DOCUMENT ON FILE/ OF RECORD IN MY OFFICE.
WITNESS MY HAND AND OFFICIAL SEAL THIS 16 DAY OF June A.D. 99

CHERYL STRICKLAND, CLERK
BY: [signature] D.C.

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 10TH day of June, 1999, by ROBERT J. L. LAURENCE, the _____ President of OCEAN GATE PHASE I CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation, who either X is personally known to me or _____ has produced identification in the form of _____ driver's license.

Laura A. Waller
Print Name: LAURA A. WALLER
Notary Public, State of FLORIDA
Commission No. CC594090
My Commission Expires: 10/16/00

[SEAL]

NOTARY PUBLIC STATE OF FLORIDA
Laura A Waller
My Commission CC594090
Expires October 16 2000

Exhibit 1

Amendment

AMENDMENT NO. 1 TO DECLARATION OF CONDOMINIUM OF OCEAN GATE PHASE I, A CONDOMINIUM

THIS AMENDMENT NO. 1 TO DECLARATION OF CONDOMINIUM OF OCEAN GATE PHASE I, A CONDOMINIUM, is made and entered into this 7th day of June, 1999, by Ocean Gate Phase I Condominium Association, Inc., a Florida not-for-profit corporation.

The Declaration of Condominium of Ocean Gate Phase I, a Condominium, recorded in Official Records Book ____, Page ____, of the public records of St. Johns County, Florida (the "Declaration") is hereby amended as follows:

1. Section 4.6 of the Declaration entitled "Phase I Amenities" is hereby amended as follows:

"4.6 Phase I Amenities. Developer intends to construct a swimming pool, and secured access gate for the exclusive use of the Phase I Unit Owners, which amenities are referred to herein as the "Phase I Amenities." The Phase I Amenities are not a part of the Condominium. The Phase I Amenities may be added to or expanded without the consent of the Phase I Association, any Unit Owner or any mortgagee. The Phase I Amenities shall remain the sole and exclusive property of Developer, subject to the provisions of this paragraph. Developer has leased the Phase I Amenities to the ~~Master~~ Phase I Association pursuant to the Phase I Amenities Lease attached hereto as Exhibit "E". All Unit Owners shall have the right to use the Phase I Amenities. The expense of maintenance, taxes, insurance, repairs and operation of the Phase I Amenities shall be the responsibility of the Phase I Association under the Phase I Amenities Lease, and in consideration of the rights granted to Unit Owners, each Unit shall be assessed by the Phase I Association, as a Common Expense, and each Unit Owner agrees to pay the Phase I Association as a Common Expense, its proportionate share of the rent for the Phase I Amenities, and the Phase I Association shall then pay the rent owed Developer under the Phase I Lease. Developer may, but shall not be obligated to, either amend the Declaration of Condominium, to enlarge the Common Elements by submitting one or more of the Phase I Amenities, any portion thereof, or any interest therein, to the terms of this Declaration of Condominium, or in the alternative, may, but shall not be obligated to, convey one or more of the Phase I Amenities, any portion thereof, or any interest therein to the Phase I Association. An Amendment to the Declaration of Condominium made pursuant to this paragraph need be signed and acknowledged only by the Developer and need not be approved by the Phase I Association, other Unit Owners, or lienors or mortgagees of Units or of the Condominium Property, whether or not such signatures are required elsewhere for an Amendment. Such Amendment shall divest Developer of the interest in the Phase I Amenities specified in the Amendment and will vest title in the Unit Owners as part of the Common Elements without naming them and without further

conveyance, in the same proportion as the undivided shares in the Common Elements that are appurtenant to the Units. Developer shall not be liable for injury or damage caused by any latent condition of such facilities, or caused by the elements. The Phase I Association and Unit Owners shall indemnify and save harmless Developer from and against any and all loss, liability, claims, demands and expenses (including, but not limited to reasonable attorneys' fees) resulting from any act or omission of the Phase I Association, any Unit Owner, his lessees, or his or their family members, guests, servants, invitees, licensees or contractors."

2. Exhibit A-1 to the Declaration which is a sketch of the roadway easement is hereby substituted and replaced with Exhibit A-1 attached hereto.

3. Exhibit B entitled "Survey, Plot Plan and Floor Plans" is hereby added to the Declaration as set forth on Exhibit B attached hereto.

4. Exhibit C entitled "Surveyor's Certificate" is hereby added to the Declaration in the form attached hereto as Exhibit C.

5. Exhibit D to the Declaration entitled "Identification of Each Unit and Percentage Interest in Common Elements" is hereby amended and substituted with the Exhibit D attached hereto.

6. Exhibit E to the Declaration entitled "Phase I Amenities Lease" is hereby amended to substitute Exhibit A thereto with Exhibit E-1 attached hereto and to substitute and replace Exhibit C thereto with Exhibit E-2 attached hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Amendment has been duly adopted and approved by the Board of Directors of Ocean Gate Phase I Condominium Association, Inc., and in accordance with the requirements of the Declaration and the Bylaws of the Association.

OCEAN GATE PHASE I
CONDOMINIUM ASSOCIATION, INC., a
Florida not-for-profit corporation

Laura A. Waller
Name: LAURA A. WALLER

By: _____
Robert J.L. Laurence
President

Jennifer F. Brown
Name: Jennifer F. Brown

STATE OF FLORIDA
COUNTY OF ST. JOHNS

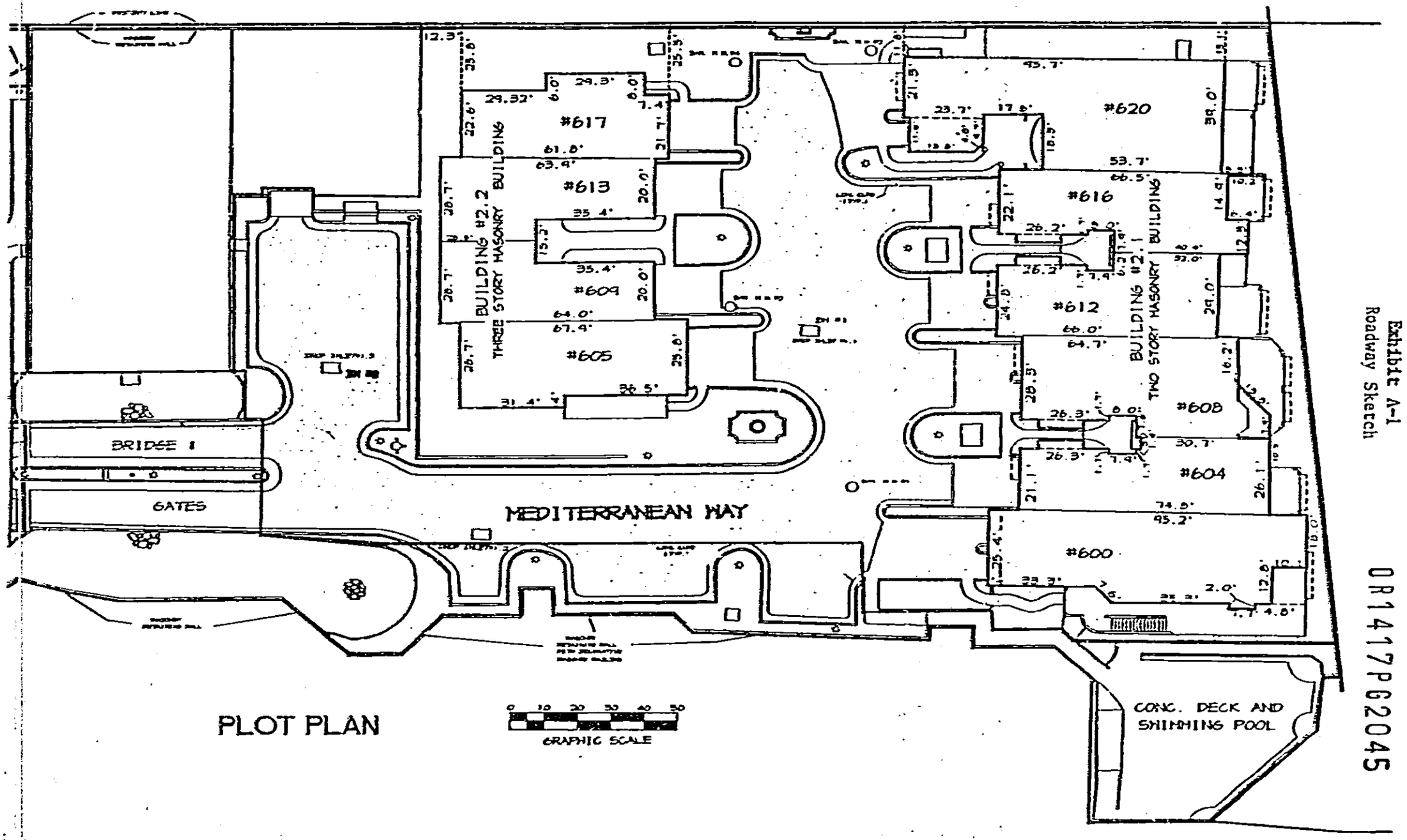
The foregoing instrument was acknowledged before me this 10TH day of June, 1999, by ROBERT J.L. LAURENCE, the _____ President of OCEAN GATE PHASE I CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation, who either X is personally known to me or _____ has produced identification in the form of _____ driver's license.

Laura A. Waller
Print Name: LAURA A. WALLER
Notary Public, State of FLORIDA
Commission No. CC594090
My Commission Expires: 10/16/00

[SEAL]

NOTARY PUBLIC STATE OF FLORIDA
Laura A Waller
My Commission CC594090
Expires October 16 2000

OCEAN GATE PHASE I, A CONDOMINIUM

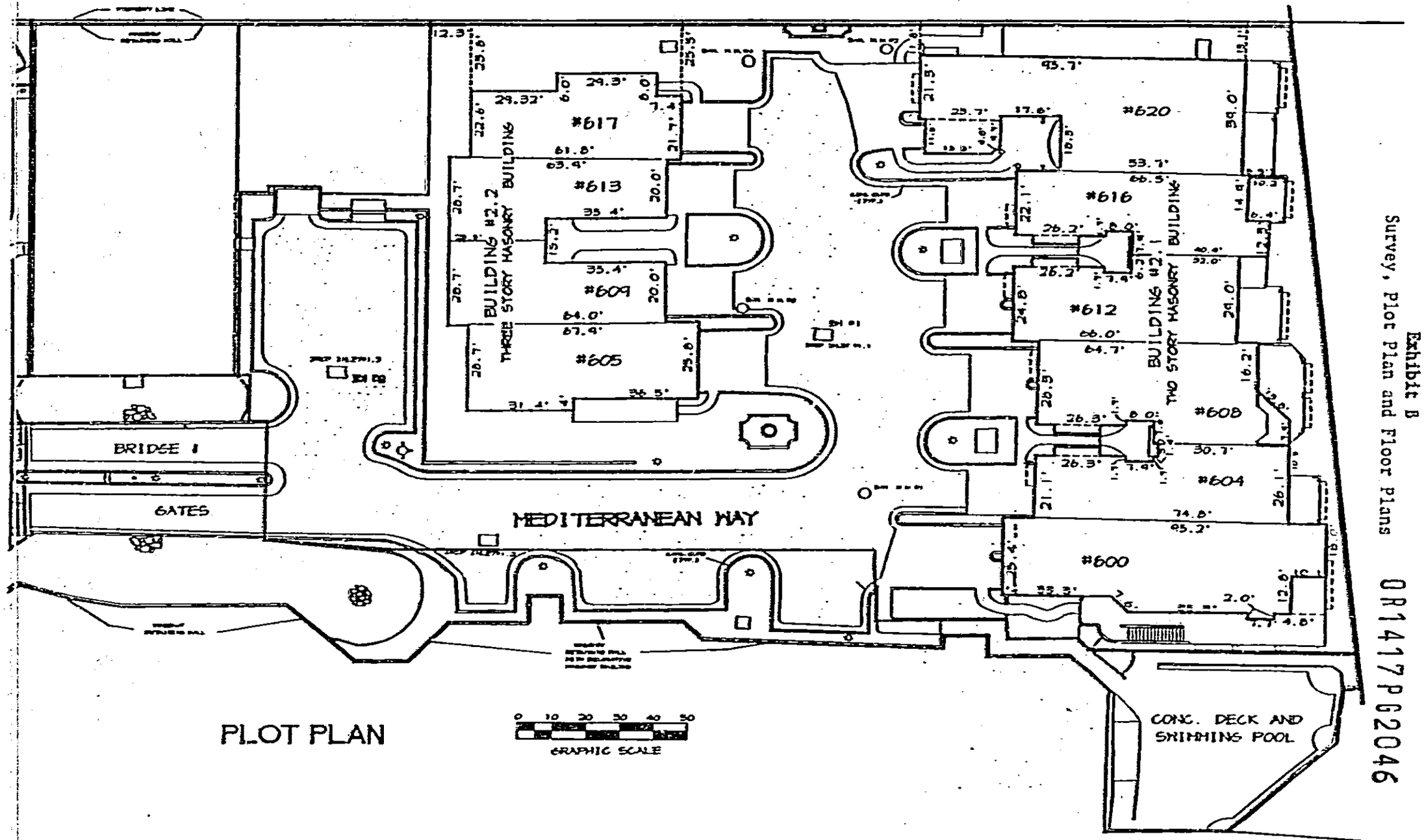


PLOT PLAN

Exhibit A-1
Roadway Sketch

OR1417PG2045

OCEAN GATE PHASE I, A CONDOMINIUM

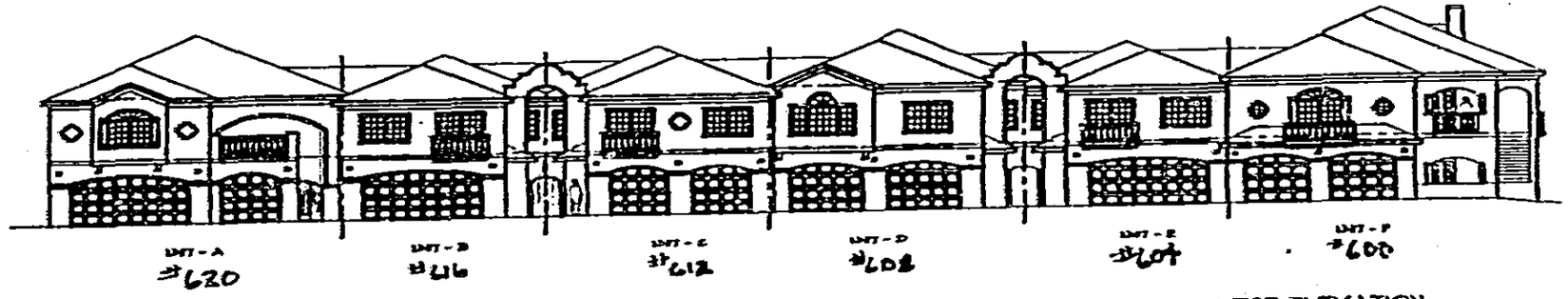


PLOT PLAN

Exhibit B
Survey, Plot Plan and Floor Plans

OR1417PG2046

PHASE III-N



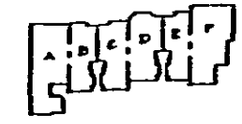
WEST ELEVATION



EAST ELEVATION

MEDITERRANEAN WAY

OR 1417 PG 2047



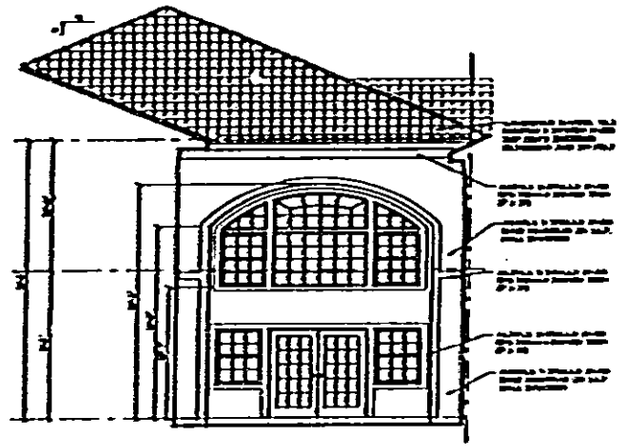
Ocean Gate Resort

DYONG ASSOCIATES

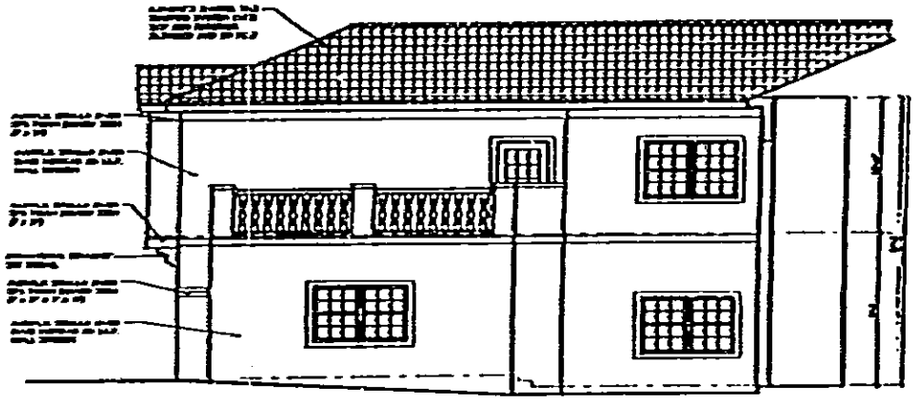
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OR1417PG2049

OR1417P62050



WEST ELEVATION



SOUTH ELEVATION

OR1417PG2051

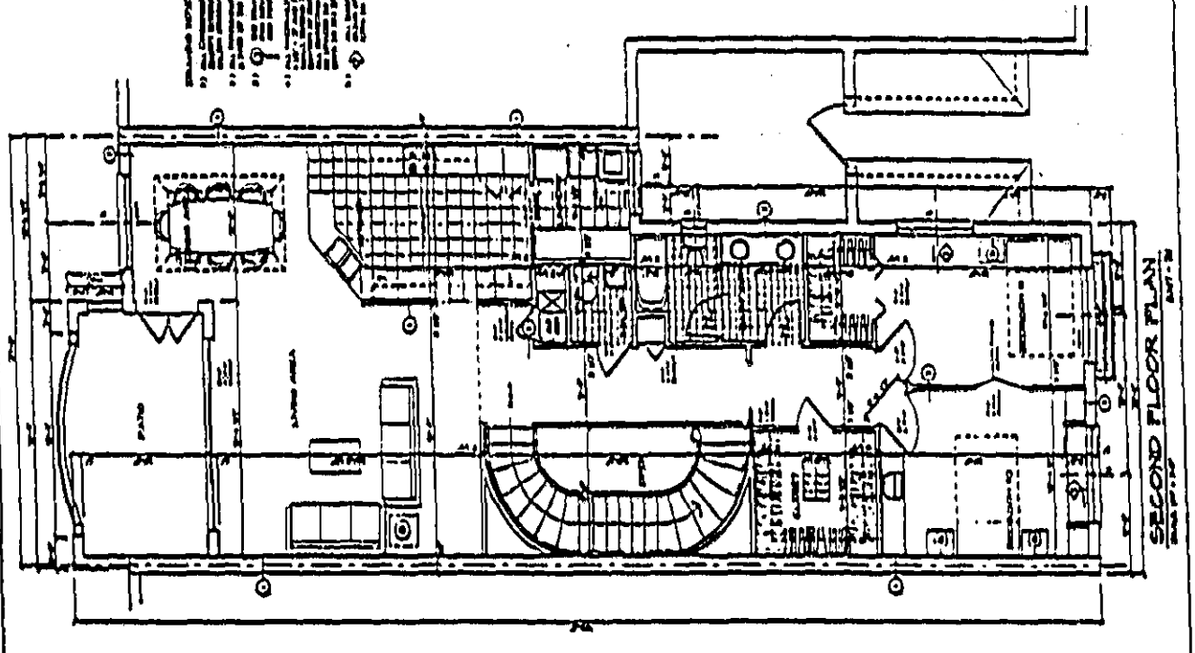
Ocean Estate Resort

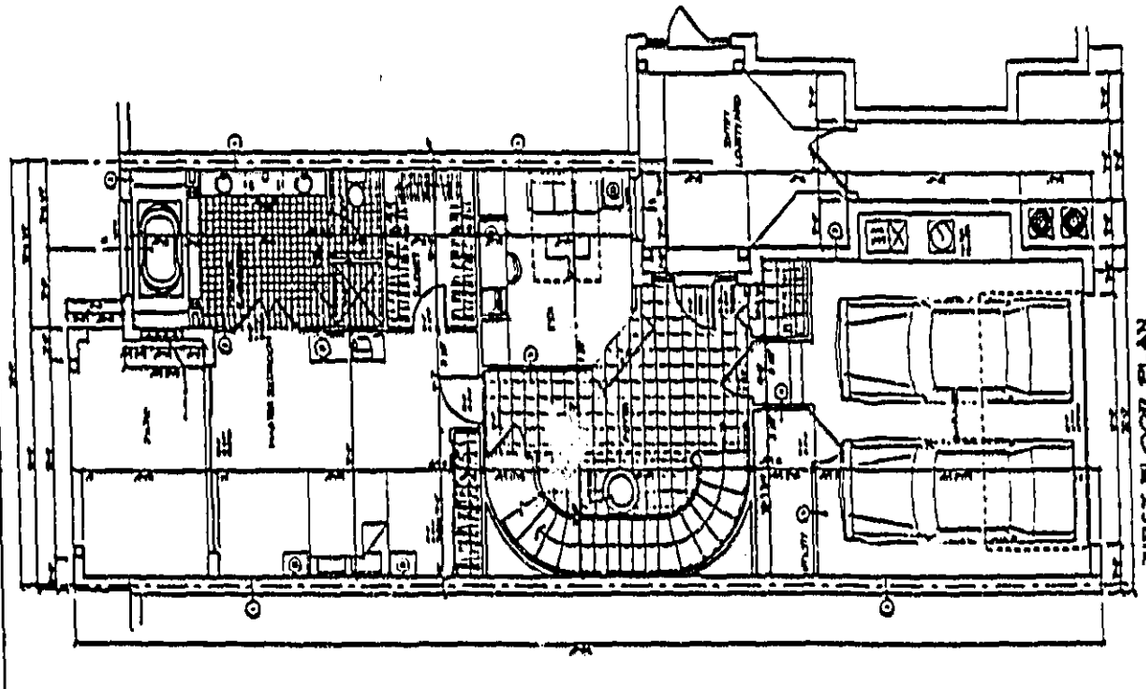
PLAN - A

DAONG ASSOCIATES

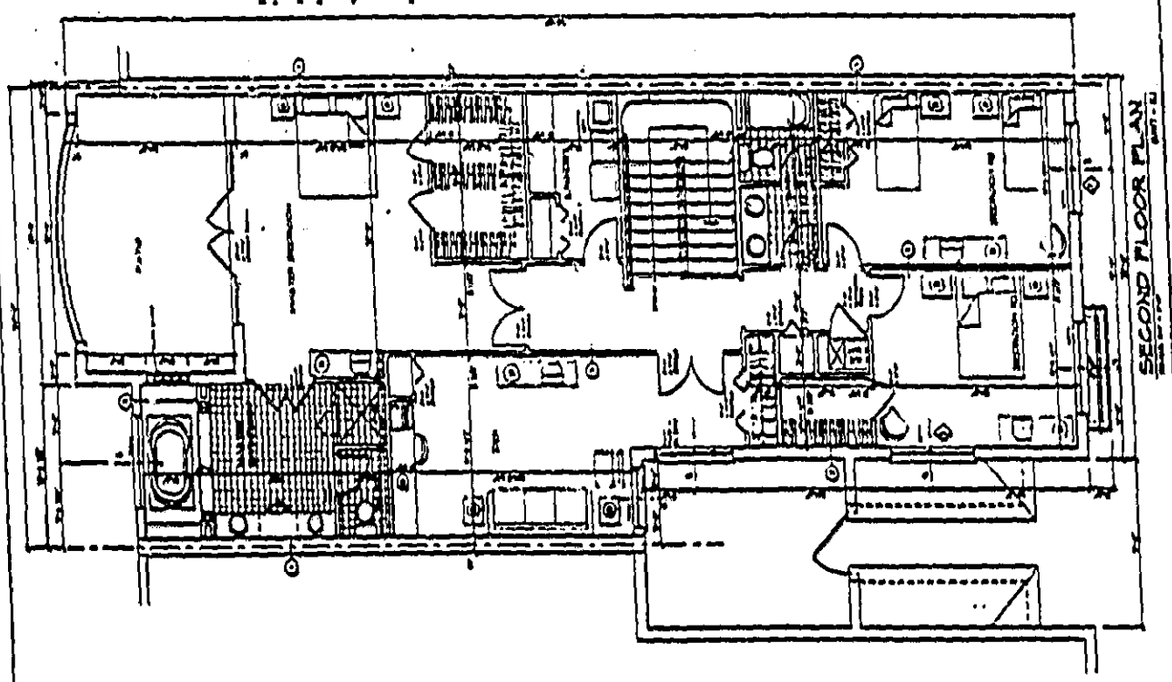
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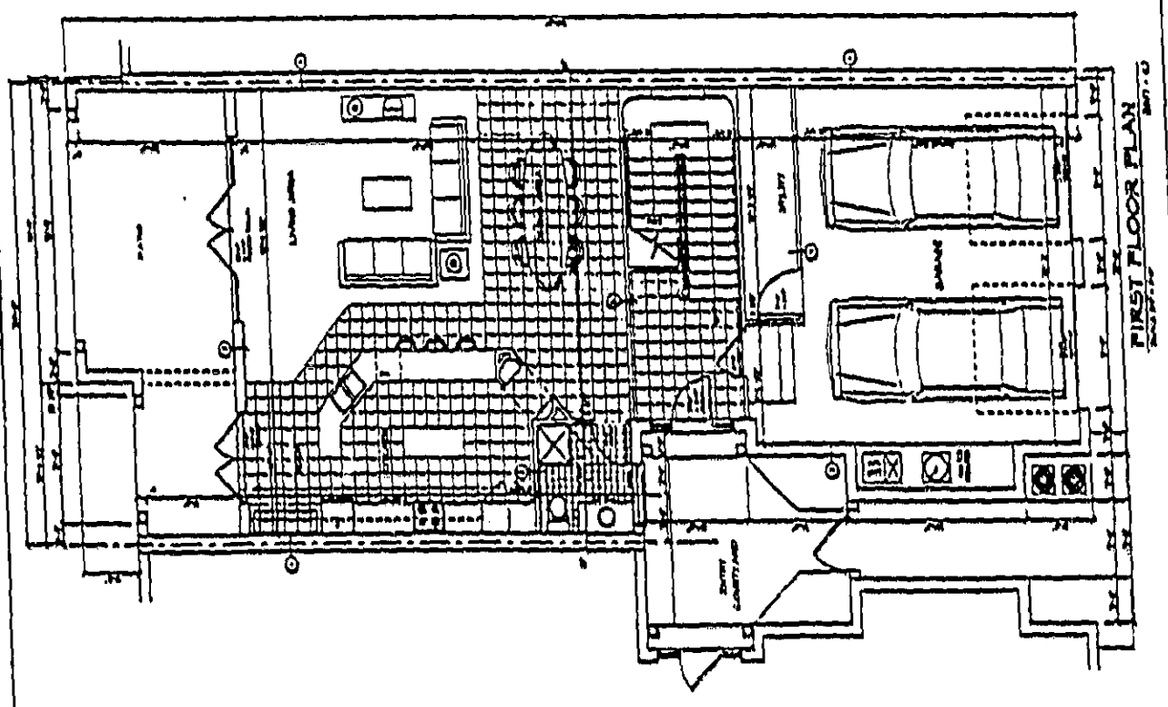
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OR1417PG2053





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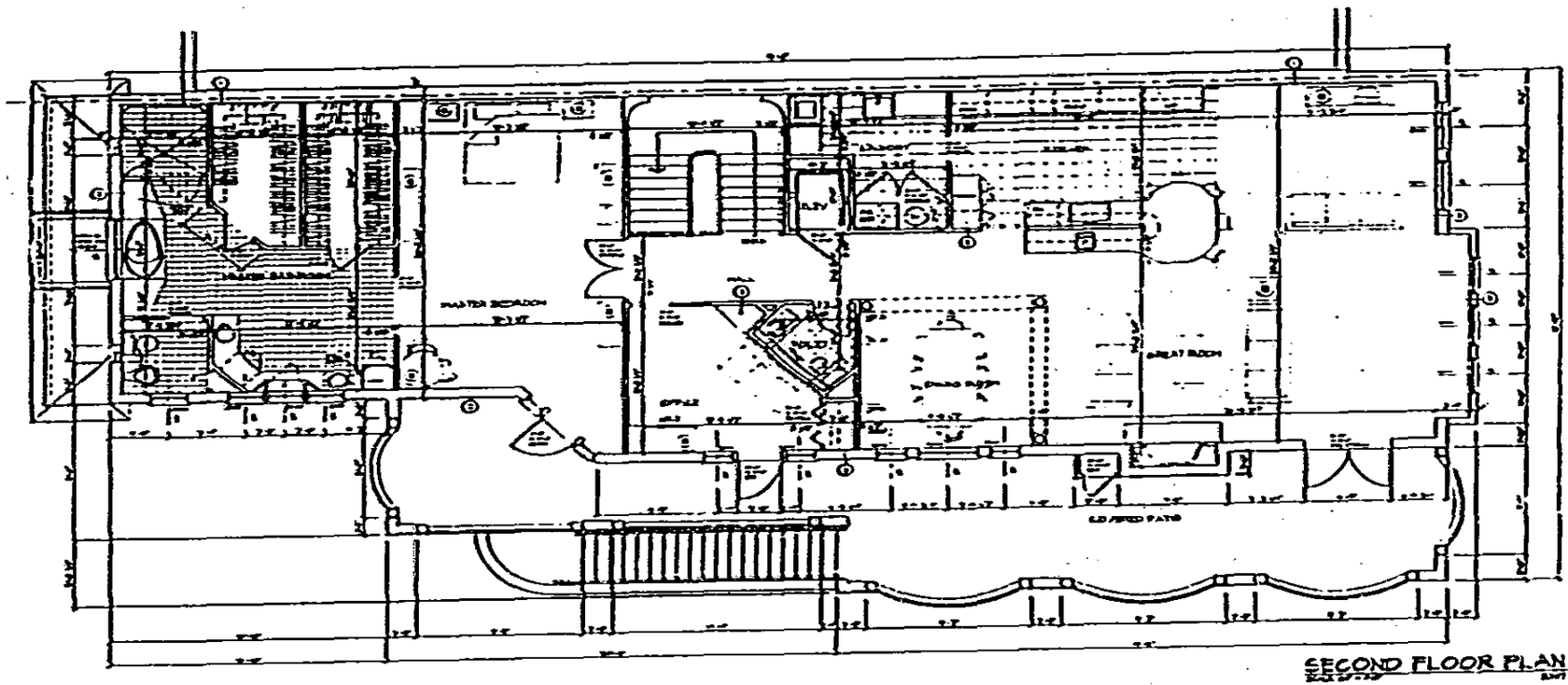
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SECOND FLOOR PLAN

FIRST FLOOR PLAN

OR1417PG2057

OR1417PG2058



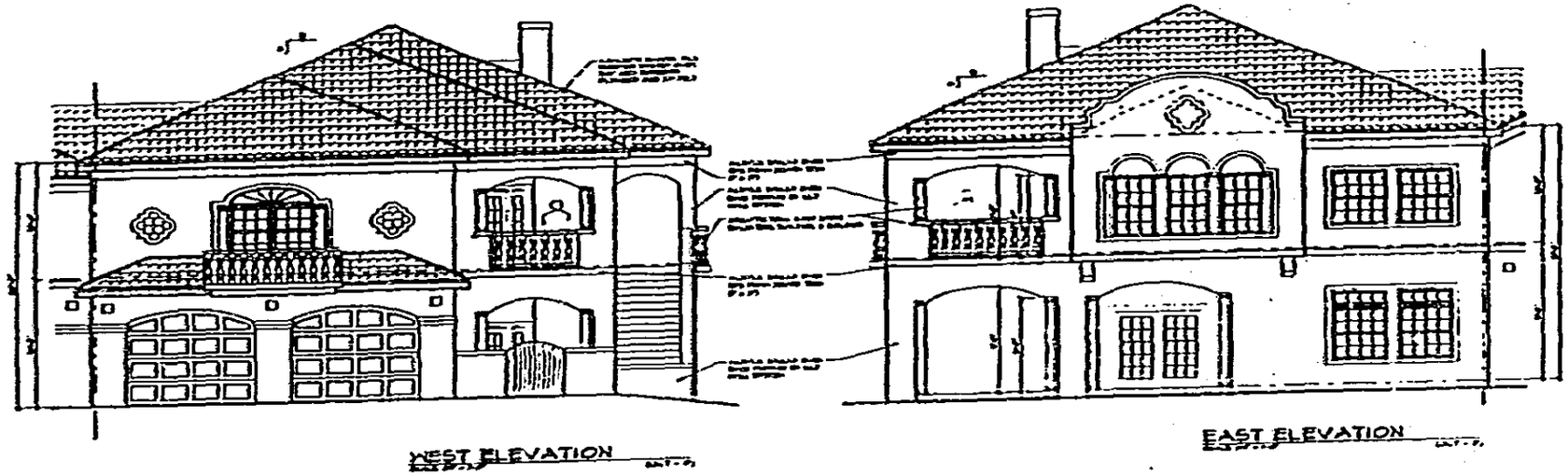
SECOND FLOOR PLAN

OR1417PG2059



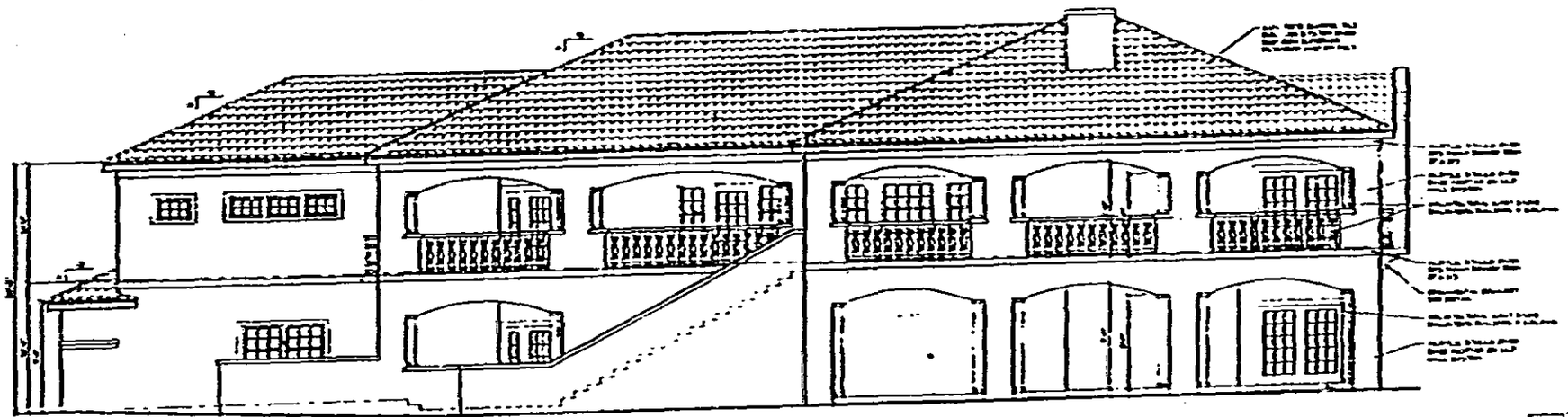
DUONG ASSOCIATES

A1.3



WEST ELEVATION

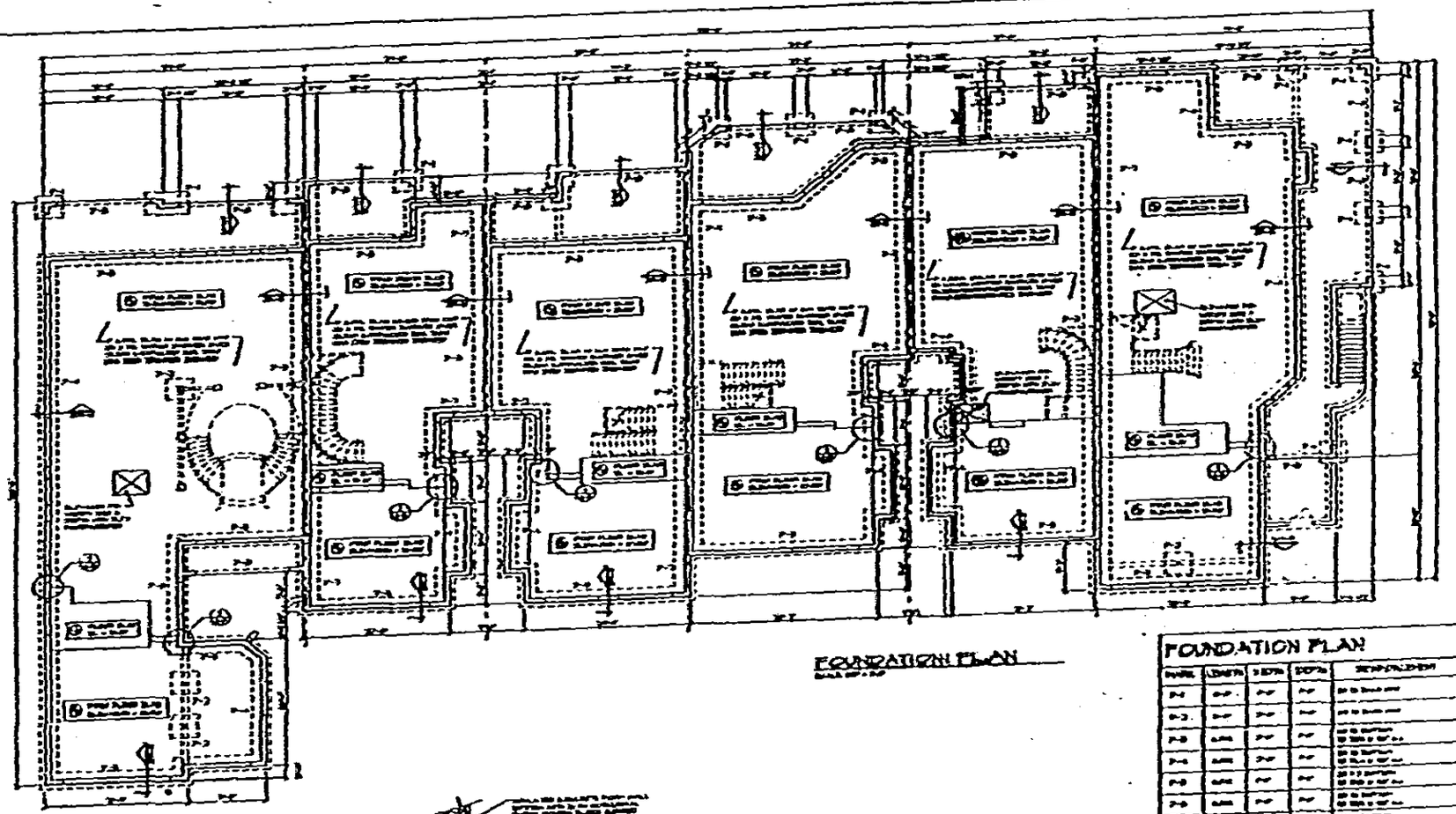
EAST ELEVATION



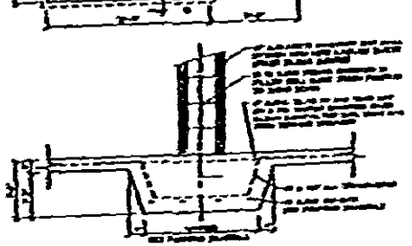
SOUTH ELEVATION

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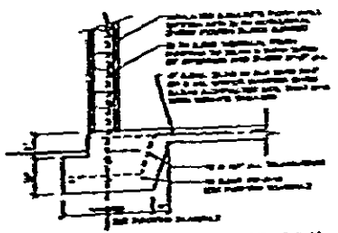
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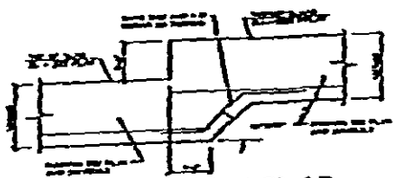
FOUNDATION PLAN



1 FOUNDATION DETAIL



2 FOUNDATION DETAIL



3 STEP TURNDOWN SLAB

FOUNDATION PLAN

MARK	LENGTH	WIDTH	DEPTH	DESCRIPTION	REMARKS
F1	24"	24"	12"	CONTINUOUS FOOTING	
F2	24"	24"	12"	CONTINUOUS FOOTING	
F3	24"	24"	12"	CONTINUOUS FOOTING	
F4	24"	24"	12"	CONTINUOUS FOOTING	
F5	24"	24"	12"	CONTINUOUS FOOTING	
F6	24"	24"	12"	CONTINUOUS FOOTING	
F7	24"	24"	12"	CONTINUOUS FOOTING	
F8	24"	24"	12"	CONTINUOUS FOOTING	
F9	24"	24"	12"	CONTINUOUS FOOTING	
F10	24"	24"	12"	CONTINUOUS FOOTING	

SITE DEVELOPMENT NOTES

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

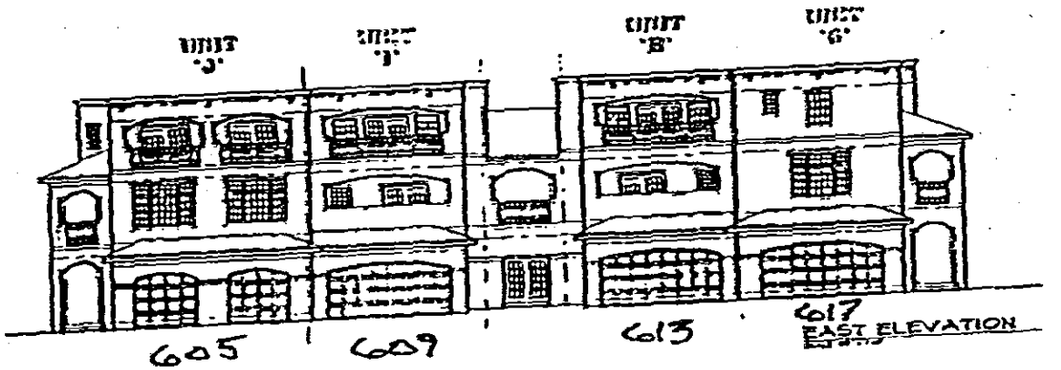
Ocean Pacific Resort

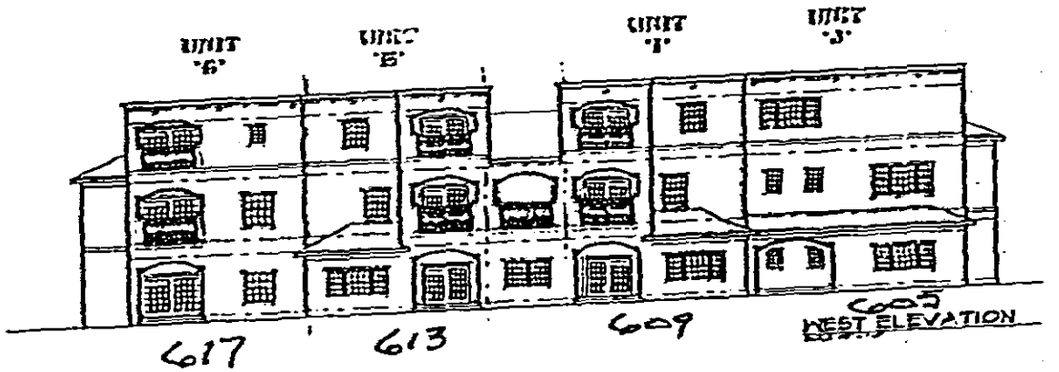
DION & ASSOCIATES

A1.0

ORI417P62061

PHASE I





OR 1417 PG 2062

PHASE II
BUILDING 2

Ocean Walk Resort

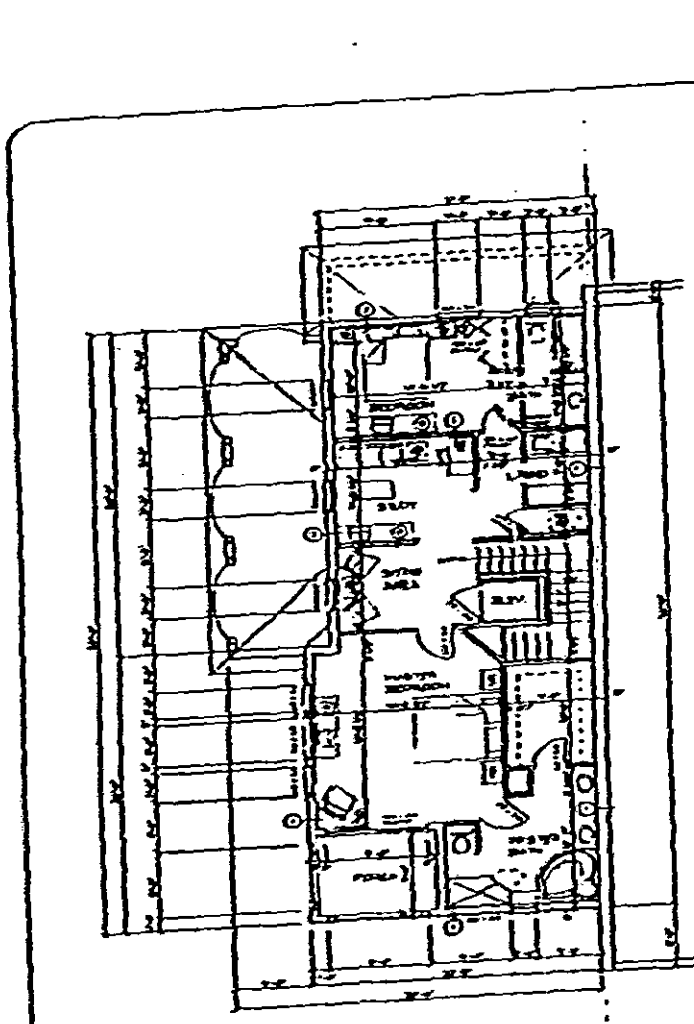
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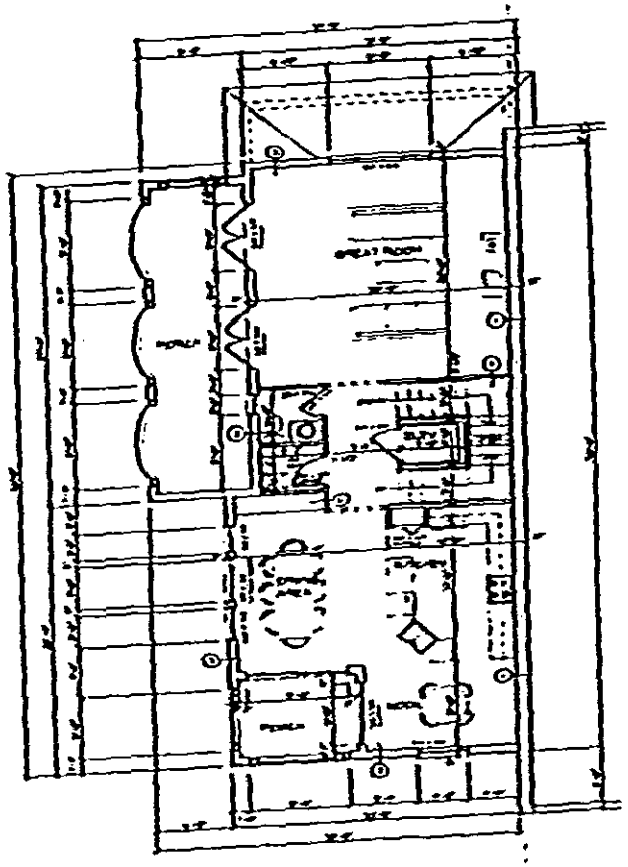
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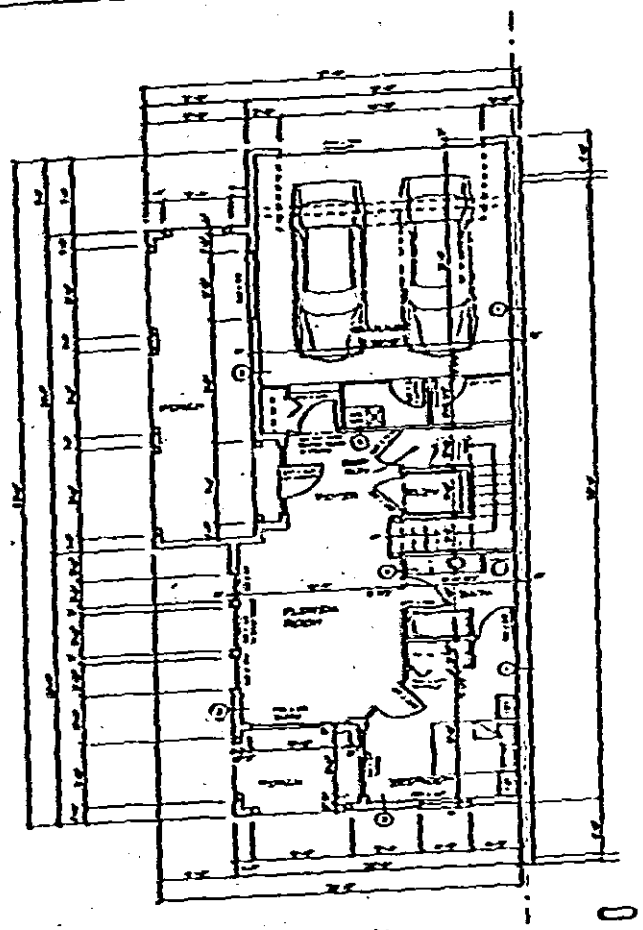
BUILDING PLAN



THIRD FLOOR PLAN



SECOND FLOOR PLAN



FIRST FLOOR PLAN

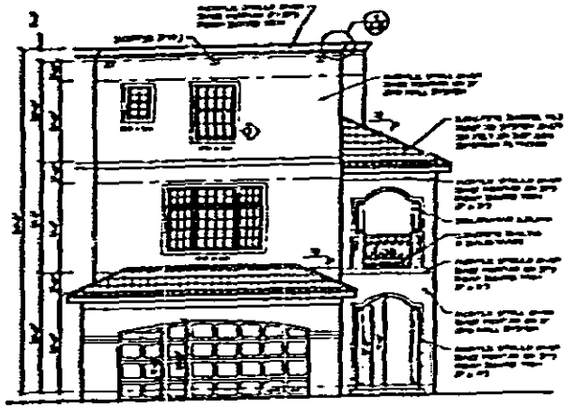
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PHASE II
BUILDING 2

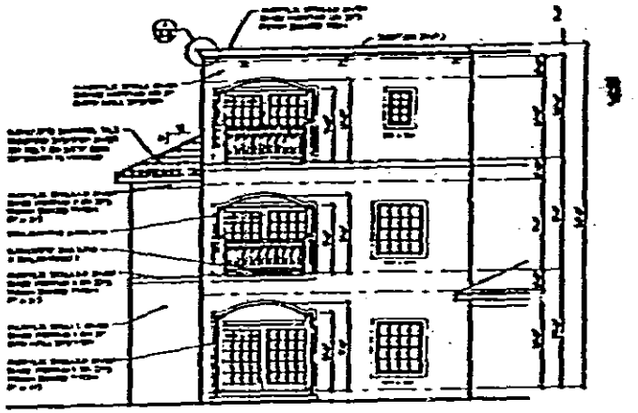
Ocean Palace Resort

DMONG ASSOCIATES

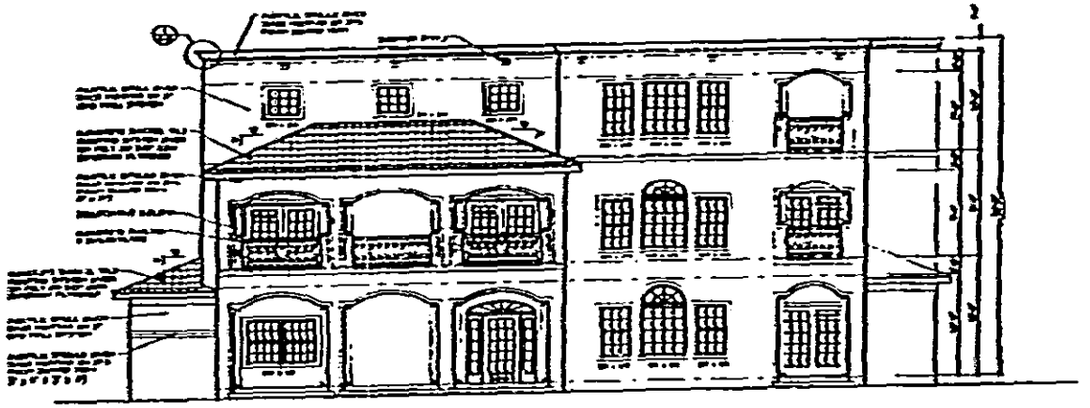
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EAST ELEVATION



WEST ELEVATION



NORTH ELEVATION

OR1417PG2065

PHASE II
BUILDING 2

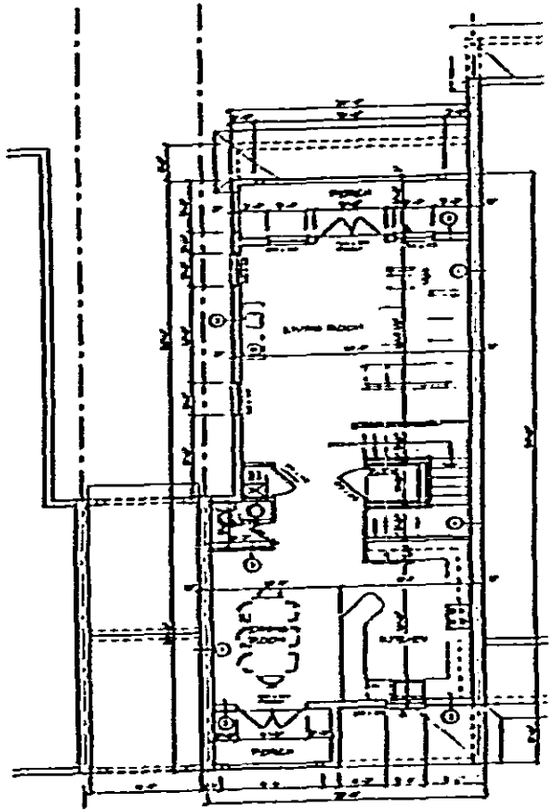
Regency Gate Resort

DeNG ASSOCIATES

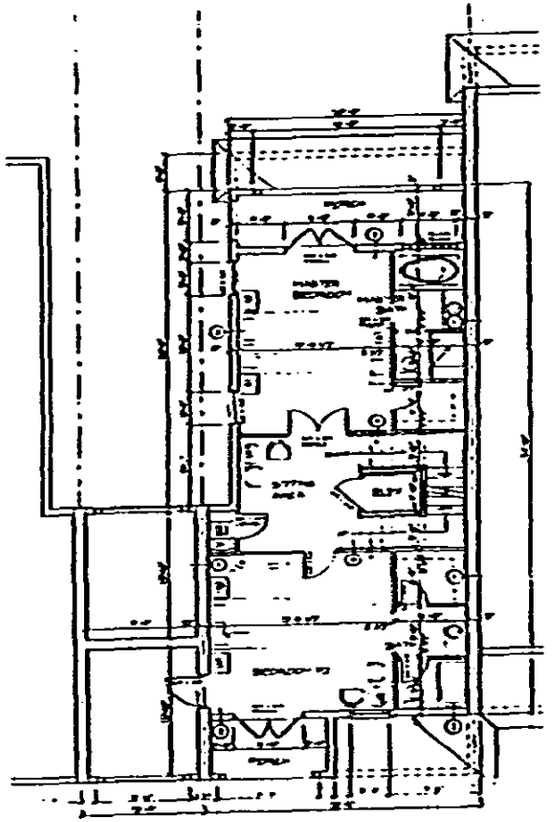
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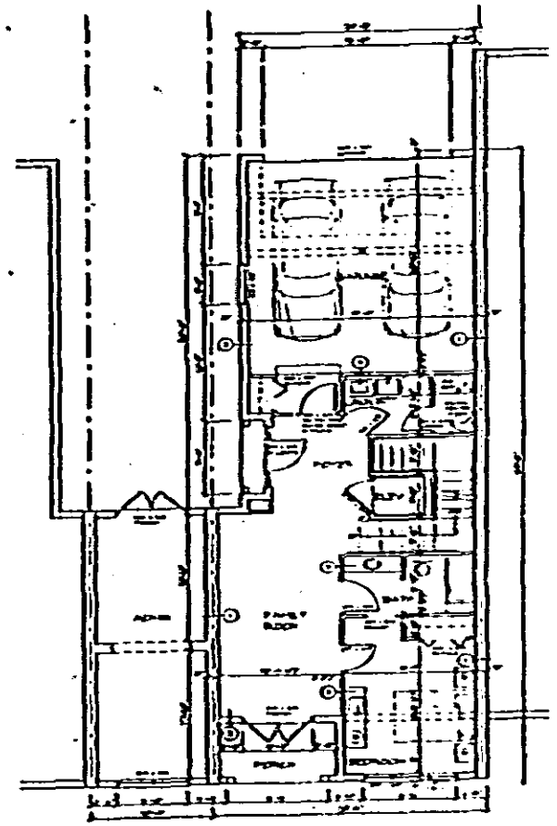
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THIRD FLOOR PLAN



SECOND FLOOR PLAN

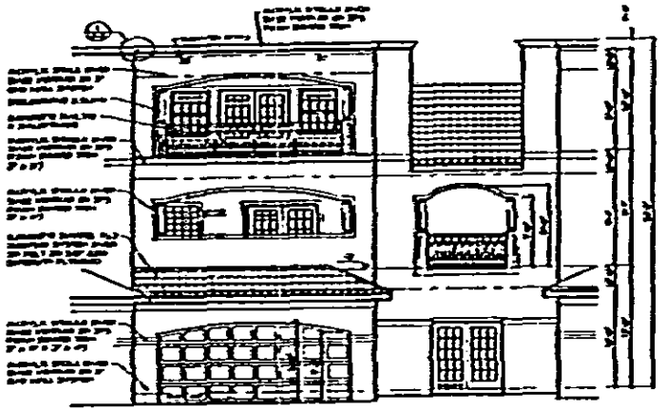


FIRST FLOOR PLAN

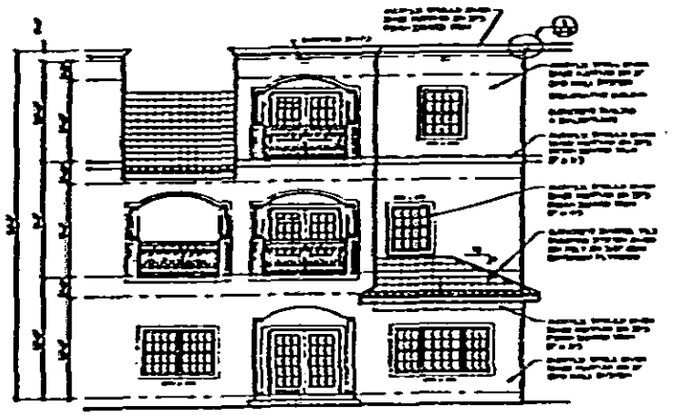
PHASE II
BUILDING 2

DONG ASSOCIATES

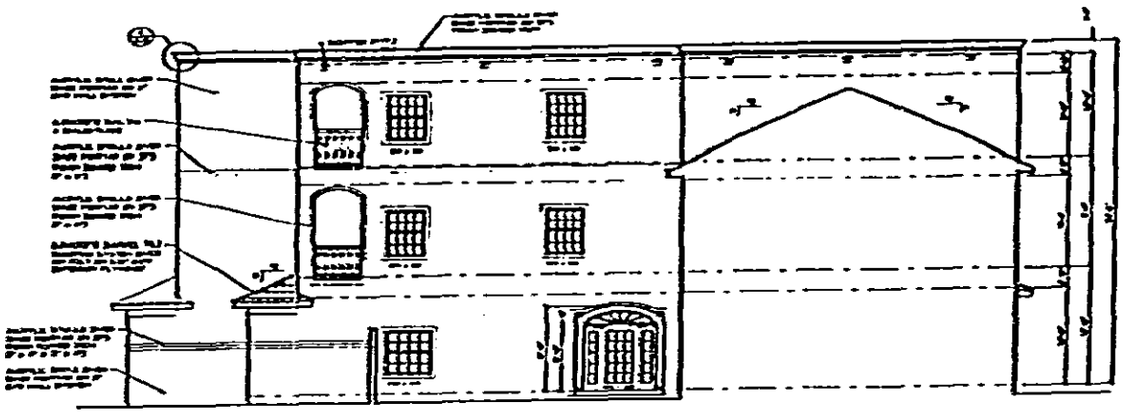
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EAST ELEVATION



WEST ELEVATION



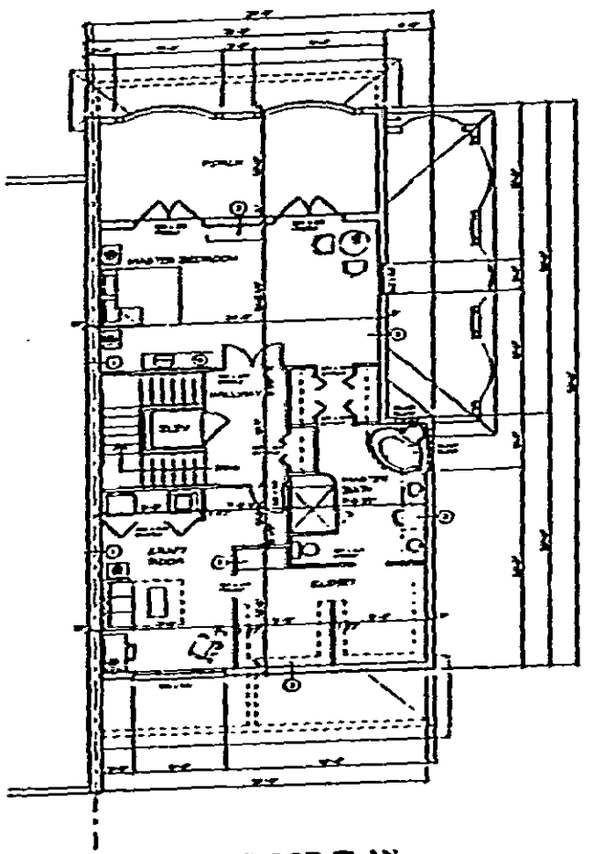
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OR1417PG2069

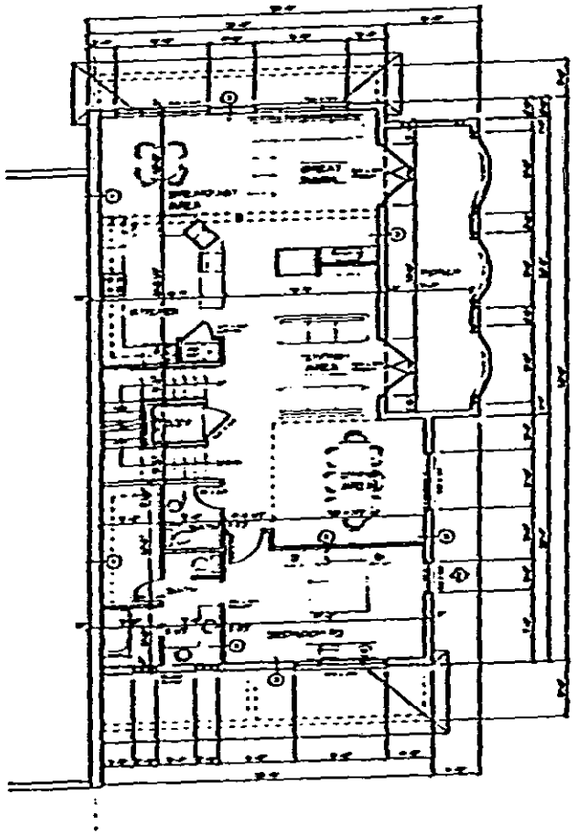
PHASE II
BUILDING 2

DYONG ASSOCIATES

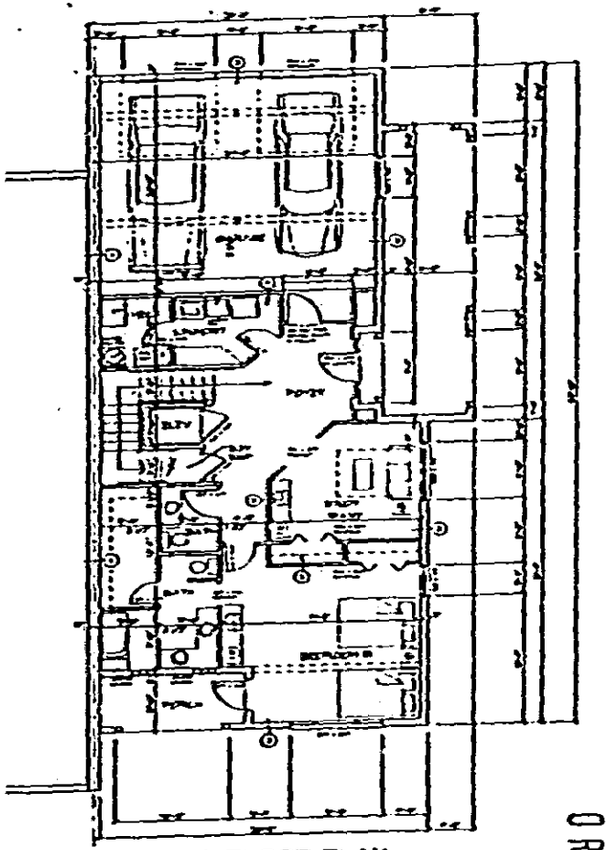
A7



THIRD FLOOR PLAN



SECOND FLOOR PLAN



FIRST FLOOR PLAN

OR1417PG2070

PHASE II
BUILDING 2

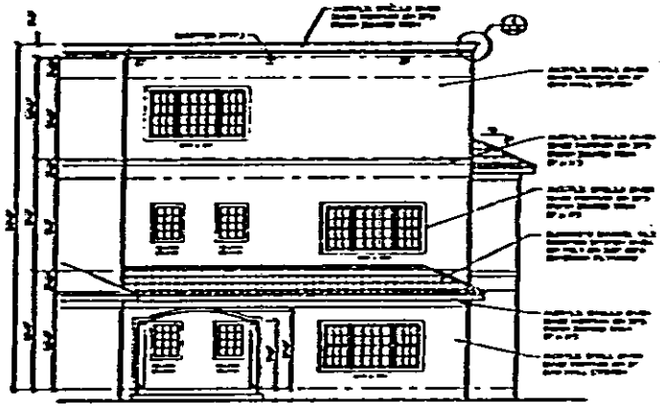
Ocean Isle Resort

DIXON ASSOCIATES

A



EAST ELEVATION



WEST ELEVATION



SOUTH ELEVATION

OR1417PG2071

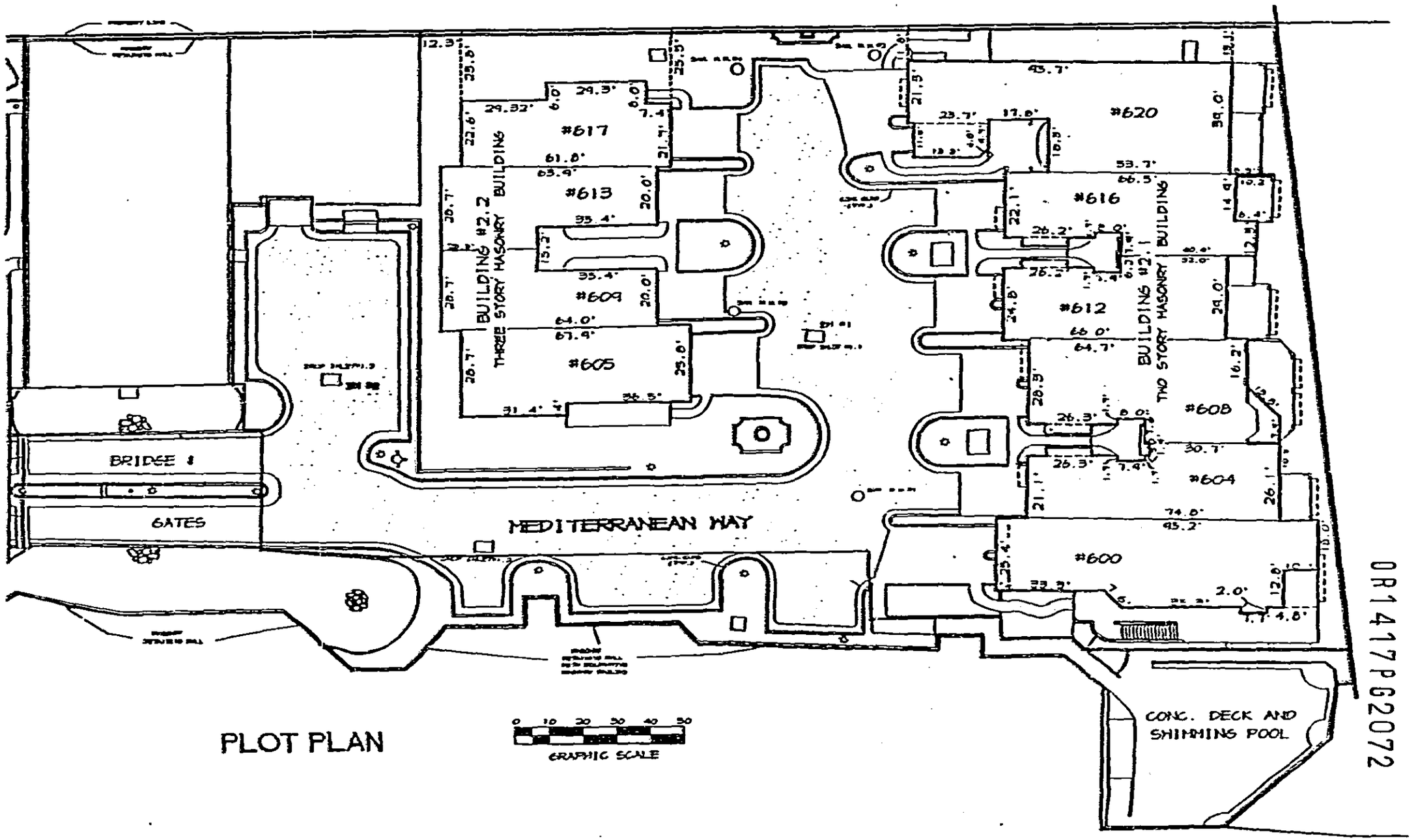
PHASE II
BUILDING 2

Ocean Gate Resort

DANONG ASSOCIATES

A-9

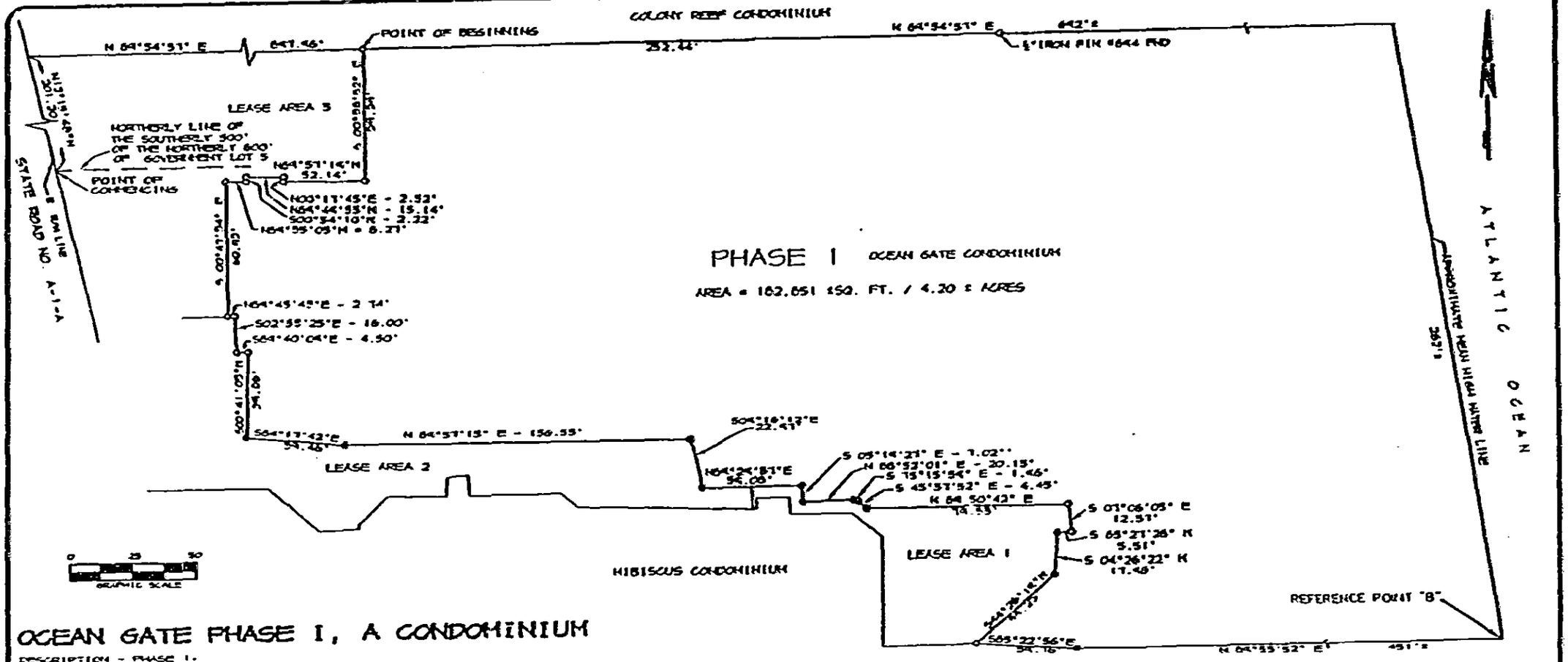
OCEAN GATE PHASE I, A CONDOMINIUM



PLOT PLAN

OR1417PG2072

OR1417PG2073



OCEAN GATE PHASE I, A CONDOMINIUM

DESCRIPTION - PHASE I:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 500 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET; THENCE NORTH 84 DEGREES 54 MINUTES 51 SECONDS EAST 647.46 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 84 DEGREES 54 MINUTES 51 SECONDS EAST 642 FEET PLUS OR MINUS TO THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE SOUTHEASTERLY, 282 FEET PLUS OR MINUS ALONG SAID MEAN HIGH WATER LINE TO A POINT, SAID POINT BEING REFERENCE POINT "B" ; THENCE RETURN TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 56 MINUTES 52 SECONDS EAST 54.54 FEET; THENCE NORTH 84 DEGREES 51 MINUTES 14 SECONDS WEST 52.14 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 45 SECONDS EAST 2.52 FEET; THENCE NORTH 84 DEGREES 44 MINUTES 55 SECONDS WEST 15.14 FEET; THENCE SOUTH 00 DEGREES 34 MINUTES 10 SECONDS WEST 2.22 FEET; THENCE NORTH 84 DEGREES 55 MINUTES 05 SECONDS WEST 8.27 FEET; THENCE SOUTH 00 DEGREES 54 MINUTES 10 SECONDS EAST 80.93 FEET; THENCE NORTH 84 DEGREES 45 MINUTES 45 SECONDS EAST 2.74 FEET; THENCE SOUTH 02 DEGREES 55 MINUTES 25 SECONDS EAST 16.00 FEET; THENCE SOUTH 84 DEGREES 40 MINUTES 04 SECONDS EAST 4.50 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 05 SECONDS WEST 34.06 FEET; THENCE SOUTH 84 DEGREES 17 MINUTES 42 SECONDS EAST 54.46 FEET; THENCE NORTH 84 DEGREES 57 MINUTES 15 SECONDS EAST 156.55 FEET; THENCE SOUTH 04 DEGREES 16 MINUTES 12 SECONDS EAST 22.41 FEET; THENCE NORTH 84 DEGREES 24 MINUTES 53 SECONDS EAST 54.06 FEET; THENCE SOUTH 05 DEGREES 14 MINUTES 27 SECONDS EAST 7.02 FEET; THENCE NORTH 86 DEGREES 52 MINUTES 01 SECONDS EAST 20.15 FEET; THENCE SOUTH 75 DEGREES 15 MINUTES 54 SECONDS EAST 1.46 FEET; THENCE SOUTH 45 DEGREES 57 MINUTES 52 SECONDS EAST 4.45 FEET; THENCE NORTH 84 DEGREES 50 MINUTES 42 SECONDS EAST 14.33 FEET; THENCE SOUTH 01 DEGREES 06 MINUTES 05 SECONDS EAST 12.51 FEET; THENCE SOUTH 83 DEGREES 21 MINUTES 28 SECONDS WEST 5.51 FEET; THENCE SOUTH 04 DEGREES 26 MINUTES 22 SECONDS WEST 17.48 FEET; THENCE SOUTH 44 DEGREES 36 MINUTES 14 SECONDS WEST 44.25 FEET; THENCE SOUTH 65 DEGREES 22 MINUTES 56 SECONDS EAST 54.16 FEET; THENCE NORTH 84 DEGREES 55 MINUTES 52 SECONDS EAST 451 FEET ±/- TO THE MEAN HIGH WATER LINE OF SAID ATLANTIC OCEAN; THENCE NORTHWESTERLY ALONG SAID MEAN HIGH WATER LINE TO POINT BEING REFERENCE POINT "B"; CONTAINING 182,851.00 SQUARE FEET OR 4.2 ACRES, MORE OR LESS.

NOTES:
1. NO UNDERGROUND UTILITIES, INSTALLATIONS OR IMPROVEMENTS HAVE BEEN LOCATED, EXCEPT AS SHOWN.
2. NO INSTRUMENTS OF RECORD REFLECTING EASEMENTS, RIGHTS OF WAY AND/OR OWNERSHIP WERE FURNISHED THIS SURVEYOR EXCEPT AS SHOWN.
3. BEARINGS BASED ON E. R/W S.R. NO. A1A = N12°15'48" E
4. DIMENSIONS ARE TO EDGE AREAS SHOWN OR OVERALL SURVEY MAP.

ABBREVIATIONS:
R/W = RIGHT OF WAY; E = ENCROACH; ℄ = CENTERLINE; Δ = CENTRAL ANGLE
CONC. = CONCRETE; R = RADIUS; FND. = FOUND; ELEV. = ELEVATION
MON. = MONUMENT; C = LENGTH; BM = BENCH MARK; MH = MANHOLE
I.R. = IRON; P.I. = POINT; MEAS = MEASURED; NGVD = NATIONAL GEODETIC VERTICAL DATUM

● = NAIL & DISK PLS#4444 SET
O = ½" IRON PIN PLS#4444 SET

SCALE: 1" = 60' BOUNDARY SURVEY APRIL 8, 1999

FOR: PHASE I
IN: OCEAN GATE CONDOMINIUM

WILLIAM F. RUTHROFF
P.L.S. 4115
LAST FIELD DAT 5/18/99
JOHNS & FIELD
1000 ANASTASIA
ST. AUGUSTINE
(904) 824-41..
INC. LBR 6444
SUITE A
FL 32084
(904) 824-6488

Exhibit C

Condominium Certificate of Surveyor

I, William F. Richbourg, of St. Johns County, Florida, do hereby certify that I am a Registered Land Surveyor, Certificate #5313, authorized and licensed to practice in the State of Florida, and that construction of the improvements of building 2.1 of Ocean Gate Phase I, a Condominium is substantially complete so that the attached survey, plot plan and graphic description of improvements, together with the provisions of the declaration of condominium describing the Ocean Gate Phase I condominium property, present an accurate representation of the location and dimensions of the improvements constituting building 2.1 of Ocean Gate Phase I, and that the identification, location, and dimensions of the common elements and of each unit in building 2.1 of Ocean Gate Phase I can be determined from these materials.

I further certify that the attached survey meets the minimum technical standards set forth in Florida Statutes Section 427.027 (1997). I further certify that all planned improvements, including, but not limited to, landscaping, utility services, and access to each unit in building 2.1 in Ocean Gate Phase I, a condominium, have been substantially completed.

Date: May 10, 1999

William F. Richbourg

Registered Land Surveyor, Certificate #5313

Exhibit D

Percentage of Ownership Interest for Phase I

	Unit Numbers	Bedrooms	Baths	Sq Ft. Unit	% Ownershi in Phase	% Ownership in Master Assn.	Assessment Per Unit
Phase 1	600	3	3.5	4491	4491/36178	5.150	808.38
	604	3	3.5	3189	3189/36178	3.657	574.02
	608	3	3.5	3511	3511/36178	4.026	631.98
	612	3	3.5	3119	3119/36178	3.577	561.42
	616	3	3.5	2984	2984/36178	3.422	537.12
	620	3	3.5	5785	5785/36178	6.634	1,041.30
	605	3	3.5	4219	4219/36178	4.838	759.42
	609	3	3.5	2880	2880/36178	3.303	518.40
	613	3	3.5	2890	2890/36178	3.314	520.20
	617	3	3.5	3110	3110/36178	3.566	559.80
Totals Phase I				36178		41.487	6,512.04

Exhibit E-1
Phase I Amenities Lease

DESCRIPTION - LEASE AREA 1, OCEAN FRONT POOL

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORHTERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF AIA; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF AIA, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET ; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 1150.40 FEET; THENCE SOUTH 06 DEGREES 50 MINUTES 56 SECONDS EAST 215.45 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 07 DEGREES 06 MINUTES 03 SECONDS EAST 12.37 FEET; THENCE SOUTH 83 DEGREES 27 MINUTES 28 SECONDS WEST 5.51 FEET; THENCE SOUTH 04 DEGREES 26 MINUTES 22 SECONDS WEST 17.98 FEET; THENCE SOUTH 44 DEGREES 26 MINUTES 19 SECONDS WEST 44.25 FEET; THENCE, SOUTH 89 DEGREES 00 MINUTES 59 SECONDS WEST 37.11 FEET; THENCE NORTH 00 DEGREES 02 MINUTES 56 SECONDS WEST 49.27 FEET; THENCE NORTH 46 DEGREES 21 MINUTES 23 SECONDS WEST 16.70 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 42 SECONDS WEST 24.32 FEET; THENCE NORTH 01 DEGREE 38 MINUTES 23 SECONDS WEST 7.06 FEET; THENCE SOUTH 89 DEGREES 14 MINUTES 52 SECONDS WEST 12.72 FEET; THENCE SOUTH 00 DEGREES 28 MINUTES 17 SECONDS WEST 4.38 FEET; THENCE SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST 1.47 FEET; THENCE NORTH 02 DEGREES 24 MINUTES 44 SECONDS WEST 9.67 FEET; THENCE NORTH 89 DEGREES 29 MINUTES 37 SECONDS EAST 19.57 FEET; THENCE SOUTH 03 DEGREES 19 MINUTES 27 SECONDS EAST 7.02 FEET; THENCE NORTH 88 DEGREES 52 MINUTES 01 SECOND EAST 20.13 FEET; THENCE SOUTH 75 DEGREES 15 MINUTES 39 SECONDS EAST 1.96 FEET; THENCE SOUTH 45 DEGREES 37 MINUTES 52 SECONDS EAST 4.43 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 42 SECONDS EAST 79.53 FEET TO THE POINT OF BEGINNING; CONTAINING 4,217.78 SQUARE FEET OR 0.10 ACRES, MORE OR LESS.

DESCRIPTION - LEASE AREA 2:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 40 SECONDS WEST 201.20 FEET , THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 780.37 FEET; THENCE SOUTH 00 DEGREES 39 MINUTES 21 SECONDS EAST 120.30 FEET, TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE NORTH 89 DEGREES 01 MINUTE 30 SECONDS EAST 62.17 FEET; THENCE NORTH 89 DEGREES 43 MINUTES 43 SECONDS EAST 2.74 FEET; THENCE SOUTH 02 DEGREES 33 MINUTES 25 SECONDS EAST 16.00 FEET; THENCE SOUTH 89 DEGREES 40 MINUTES 09 SECONDS EAST 4.50 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 03 SECONDS WEST 39.86 FEET; THENCE SOUTH 84 DEGREES 17 MINUTES 42 SECONDS EAST 39.46 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 13 SECONDS EAST 136.53 FEET; THENCE SOUTH 09 DEGREES 16 MINUTES 12 SECONDS EAST 22.97 FEET; THENCE NORTH 89 DEGREES 29 MINUTES 37 SECONDS EAST 19.51 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS EAST 69.75 FEET; THENCE SOUTH 46 DEGREES 54 MINUTES 12 SECONDS EAST 9.07 FEET; THENCE NORTH 89 DEGREES 17 MINUTES 58 SECONDS EAST 35.33 FEET; THENCE SOUTH 05 DEGREES 24 MINUTES 19 SECONDS EAST 9.13 FEET; THENCE NORTH 86 DEGREES 27 MINUTES 09 SECONDS EAST 8.31 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 45 SECONDS EAST 8.66 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 11 SECONDS EAST 29.21 FEET; THENCE NORTH 44 DEGREES 21 MINUTES 18 SECONDS EAST 16.90 FEET; THENCE SOUTH 02 DEGREES 20 MINUTES 36 SECONDS WEST 1.79 FEET; THENCE SOUTH 86 DEGREES 43 MINUTES 36 SECONDS WEST 15.75 FEET; THENCE NORTH 46 DEGREES 05 MINUTES 19 SECONDS WEST 27.95 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 09 SECONDS WEST 48.16 FEET; THENCE NORTH 81 DEGREES 13 MINUTES 45 SECONDS WEST 16.26 FEET; THENCE NORTH 73 DEGREES 37 MINUTES 03 SECONDS WEST 16.73 FEET; THENCE SOUTH 55 DEGREES 52 MINUTES 24 SECONDS WEST 8.13 FEET; THENCE NORTH 70 DEGREES 33 MINUTES 30 SECONDS WEST 1.04 FEET; THENCE NORTH 28 DEGREES 27 MINUTES 33 SECONDS WEST 9.07 FEET; THENCE NORTH 46 DEGREES 51 MINUTES 10 SECONDS EAST 15.29 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 39 SECONDS WEST 57.35 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 20 SECONDS EAST 4.07 FEET TO THE POINT OF BEGINNING; CONTAINING 10,995.42 SQUARE FEET OR 0.25 ACRES, MORE OR LESS.

Exhibit E-2

Percentage of Ownership Interest for Phase I

	Unit Numbers	Bedrooms	Baths	Sq Ft. Unit	% Ownershi in Phase	% Own in Mast
Phase 1	600	3	3.5	4491	4491/36178	5.
	604	3	3.5	3189	3189/36178	3.
	608	3	3.5	3511	3511/36178	4.
	612	3	3.5	3119	3119/36178	3.
	616	3	3.5	2984	2984/36178	3.
	620	3	3.5	5785	5785/36178	6.
	605	3	3.5	4219	4219/36178	4.
	609	3	3.5	2880	2880/36178	3.
	613	3	3.5	2890	2890/36178	3.
	617	3	3.5	3110	3110/36178	3.
Totals Phase I				36178		41

CONSENT AND JOINDER OF LENDER TO AMENDMENT TO DECLARATION AND GRANT OF EASEMENTS

KNOW ALL MEN BY THESE PRESENTS, that:

CONSTRUCTION LENDING CORPORATION OF AMERICA, a Delaware corporation (the "Lender"), the owner and holder of the following described instruments of record (the "Loan Documents"):

> Mortgage from Ocean Gate Development, Inc., a Florida corporation, to Construction Lending Corporation of America, a Delaware corporation, dated June 13, 1997 and recorded in Official Records Book 1247, page 246, Public Records of St. Johns County, Florida, as modified and amended from time to time;

hereby joins in and consents to the terms and conditions of that certain Amendment to Declaration of Ocean Gate Phase I, a Condominium (the "Amendment"), to which this Consent and Joinder is attached, for the purpose of acknowledging its consent to the changes, substitutions, terms and conditions of the Amendment, and of subordinating the lien and encumbrances of the Loan Documents to the Amendment.

IN WITNESS WHEREOF, the Lender has signed and delivered this Consent and Joinder on this 25 day of May, 1999.

Witnesses:

Name: Jennifer Preston

Name: Regina Knight

CONSTRUCTION LENDING CORPORATION OF AMERICA, a Delaware corporation

By:

Name: Preston L. Bell

Its: Vice President

JK 123265 1 00092 00735
5/24/99 2:35 PM

OR1417PG2080

STATE OF Florida)
COUNTY OF Seminole)

The foregoing instrument was acknowledged before me this 25 day of May, 1999, by Preston Bolt, the Vice President of Construction Lending Corporation of America, a Delaware corporation, on behalf of said Corporation. He/she either [X] is personally known to me or [ ] has produced a N/A driver's license as identification.

Carol Monzione
Print Name: Carol Monzione
Notary Public, State of Florida
Commission No.
My Commission Expires:

Carol Monzione
My Commission CC827890
Expires April 19, 2003

[SEAL]

CONSENT AND JOINDER OF LENDER TO AMENDMENT TO DECLARATION AND GRANT OF EASEMENTS

OCEAN GATE DEVELOPMENT, INC., MASTER MORTGAGE by CORNERSTONE MORTGAGE COMPANY, as agent (the "Lender"), the owner and holder of the following described instruments of record (the "Loan Docments"):

> Mortgage from Ocean Gate Development, Inc., a Florida corporation, to Ocean Gate Development, Inc., Master Mortgage, by Cornerstone Mortgage Company, as agent, dated June 13, 1997 and recorded in Official Records Book 1247, page 246, public records of St. Johns County, Florida, as modified and amended from time to time;

hereby joins in and consents to the terms and conditions of that certain Amendment to Declaration of Ocean Gate Phase I, a Condominium (the "Amendment"), to which this Consent and Joinder is attached, for the purpose of acknowledging its consent to the changes, substitutions, terms and conditions of the Amendment and of subordinating the lien and encumbrances of the Loan Documents to the Amendment.

IN WITNESS WHEREOF, the Lender has signed and delivered this Consent and Joinder on this 8th day of June,e 1999.

Witnesses:

Pamela B Gessel
NAME: PAMELA B. GESSEL

Craig Heritage
NAME: CRAIG M. HERITAGE

OCEAN GATE DEVELOPMENT INC., MASTER MORTGAGE BY CORNERSTONE MORTGAGE COMPANY AS AGENT

BY: Mary M Sondgerath
NAME: MARY M. SONDGERATH
ITS: VICE PRESIDENT

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 8TH day of JUN. 1999, by MARY SONDGERATH the V.P. of CORNERSTONE MORTGAGE, a FLORIDA corporation, on behalf of said Corporation. He/She is either (X) is personally known to me or ( ) has produced a _____ driver's license as identification.

Laura A. Waller

Print Name: LAURA A. WALLER

Notary Public, State of Florida

Commision No. CC594090 My commision expires: 10/16/00

NOTARY PUBLIC STATE OF FLORIDA Laura A Waller My Commission CC594090 Expires October 16 2000

(Seal)

I&R Independent

Public Records of
St. Johns County, FL
Clerk# 99028619
O.R. 1417 PG 1928
01:20PM 06/16/1999
REC $9.00 SUR $1.50

OR1417PG2082

Due to insufficient area being provided, this paper is acting as a lead page to the actual document being recorded in order to provide public records information.

CONSENT OF MORTGAGEE AND SUBORDINATION OF MORTGAGE

CONSTRUCTION LENDING CORPORATION OF AMERICA, a **Delaware** corporation, being the holder of that certain mortgage dated **June 13, 1997**, of that certain real property legally described on Exhibit "A" attached hereto (the "Property"), and recorded **June 23, 1997**, in Official Records Book **1247**, page **246**, of the public records of St. Johns County, Florida (the "Mortgage"), hereby consents to the following Declarations of Condominium in accordance with the applicable provisions of Florida Statutes § 718.104 (1997):

A. Declaration of Condominium of Ocean Gate Phase I, a Condominium, dated March 8TH, 1999, to be recorded in the public records of St. Johns County, Florida.

B. Declaration of Condominium of Ocean Gate Phase II, a Condominium, dated March 8TH, 1999, to be recorded in the public records of St. Johns County, Florida.

C. Declaration of Condominium of Ocean Gate Phase III, a condominium, dated March 8TH, 1999, to be recorded in the public records of St. Johns County, Florida.

The Mortgagee hereby subordinates the lien of the Mortgage to each of the forgoing Declarations of Condominium pursuant to the requirements of Florida Statutes § 718.104 (1997).

IN WITNESS WHEREOF the Mortgagee has executed this Consent of Mortgagee and Subordination of Mortgage this **10th** day of **March**, 1999.

CONSTRUCTION LENDING CORPORATION OF AMERICA, a **Delaware** corporation

Karen M. Ledet

By: Karen M. Ledet

Title: Vice President

STATE OF FLORIDA)
)
COUNTY OF SEMINOLE)

The foregoing instrument was acknowledged before me this 10th day of **March, 1999**, by Karen M. Ledet, the **Vice President** of **CONSTRUCTION LENDING CORPORATION OF AMERICA**, a **Delaware** corporation. ~~He~~/she either (✓) is personally known to me ~~or ( ) has produced a _____~~ state driver's license as identification.

Dawn C Gourley

Notary Public, State of Florida

Printed Name: _____

Commission No: _____

My commission expires: _____

Dawn C Gourley
My Commission CC730232
Expires April 29, 2002

STATE OF FLORIDA
COUNTY OF ST. JOHNS

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE DOCUMENT ON FILE/ OF RECORD IN MY OFFICE.
WITNESS MY HAND AND OFFICIAL SEAL THIS 16 DAY OF [illegible]
19 [illegible]

CHERYL STRICKLAND, CLERK
BY: [illegible] D.C.

JHH
Independent

Public Records of
St. Johns County, FL
Clerk# 99028620
O.R. 1417 PG 1930
01:20PM 06/16/1999
REC $9.00 SUR $1.50

OR 1417 PG 2085

Due to insufficient area being provided, this paper is acting as a lead page to the actual document being recorded in order to provide public records information.

CONSENT TO MORTGAGEE AND SUBORDINATION OF MORTGAGE

OCEAN GATE DEVELOPMENT, INC., MASTER MORTGAGE BY CORNERSTONE MORTGAGE COMPANY, AS AGENT, being the holder of that certain mortgage dated June 13, 1997, of that certain real property legally described on Exhibit "A" attached hereto (the "Property"), and recorded June 23, 1997, in Official Records Book 1247, page 246, of the public records of St. Johns County, Florida (the "Mortgage"), hereby consents to the following Declarations of Condominium in accordance with the applicable provisions of Florida statutes 718.104 (1997):

A. Declaration of Condominium of Ocean Gate Phase I, a Condominium, dated June 8th, 1999, to be recorded in the public records of St. Johns County, Florida.

B. Declaration of Condominium of Ocean Gate Phase II, a Condominium dated June 8th, 1999, to be recorded in the public records of St. Johns County, Florida.

C. Declaration of Condominium of Ocean Gate Phase III, a Condominium, dated June 8th, 1999, to be recorded in the public records of St. Johns County, Florida.

The Mortgagee hereby subordinates the lien of the Mortgage to each of the forgoing Declarations of Condominium pursuant to the requirements of Florida Statutes 718.104 (1997).

IN WITNESS WHEREOF the Mortgagee has executed this consent of Mortgagee and Subordination of Mortgage this 8th day of June, 1999.

WITNESSES:

NAME: Patricia B. Gessell

NAME:

OCEAN GATE DEVELOPMENT INC.,
MASTER MORTGAGE BY CORNERSTONE
MORTGAGE COMPANY AS AGENT

BY:

NAME: Mary M. Sondergath

ITS: Vice President

STATE OF FLORIDA
COUNTY OF FLORIDA, (ST. JOHNS)

The foregoing instrument was acknowledged before me this 8TH day of JUNE, 1999, by MARY SONDERGATH the V. P. of CORNERSTONE MORTGAGE, a FLORIDA Corporation, on behalf of said Corporation. He/She is either (X) is personally known to me or ( ) has produced a _____ driver's license as identification.

Laura A. Waller

Print Name: LAURA A. WALLER

Notary Public, State of Florida

Commision No. CC594090 My commision expires: 10/16/00

(Seal)

Laura A Waller
My Commission CC594090
Expires October 16 2000

STATE OF FLORIDA
COUNTY OF [illegible]

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF [illegible] ON FILE/ OF RECORD IN MY OFFICE.
WITNESS MY HAND AND OFFICIAL SEAL THIS 16 DAY OF June 1992

CHERYL STRICKLAND, CLERK
BY: [illegible] D.C.

(84)

Public Records of
St. Johns County, FL
Clerk# 99028618
O.R. 1417 PG 1844
01:20PM 06/16/1999
REC $337.00 SUR $42.50

THIS INSTRUMENT PREPARED BY AND RECORD AND RETURN TO:

Alan C. Sheppard, Jr., Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
50 North Laura Street, Suite 2800
Jacksonville, FL 32202-3650

DECLARATION OF COVENANTS, RESTRICTIONS, AND CONDITIONS

OF

OCEAN GATE RESORT

This Declaration of Covenants, Restrictions, and Conditions of Ocean Gate Resort (the "Declaration") is made this 9th day of June, 1999, by Ocean Gate Development Inc., a Florida corporation, whose address is 4730-B Highway A1A South, St. Augustine, FL 32084 (the "Developer").

The Developer makes the following declarations.

1. Submission of Real Property. Developer, being the owner of the fee simple title to the property described in **Exhibit "A"** attached hereto, for itself, its successors, grantees and assigns, hereby subjects the land described in **Exhibit "A"** hereof, to this Declaration of Covenants, Restrictions and Conditions. All restrictions, reservations, covenants, conditions, easements and limitations of record contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, shall run perpetually unless terminated as provided herein, and shall be binding upon all Unit Owners (as hereinafter defined). In consideration of receiving and by acceptance of a grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions hereof, and the Articles of Incorporation and the Bylaws of Ocean Gate Condominium Master Association, Inc. (the "Master Association"). Both the benefits provided and the burdens imposed shall run with each Unit and the interests in Common Areas as defined herein.

2. Definitions. The terms used in this Declaration of Covenants, Restrictions, and Conditions and its exhibits shall have the meaning stated in the Condominium Act and as follows unless the context otherwise requires:

2.1 "Amendment" means an amendment of this Declaration, in accordance with the provisions hereof.

2.2 "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Master Association as they now exist and may be amended from time to time hereafter.

2.3 "Assessment" means a proportionate share of the funds required for the payment of Common Expenses including, without limitation, Special Assessments, which from time to time is assessed directly against each Unit Owner.

2.4 "Association Documents" means this Declaration and the attached exhibits setting forth the nature of the property rights in the Master Association and the covenants running with the land governing these rights. All of the Association Documents will be subject to the provisions of this Declaration. The order of priority of the Association Documents will be as follows: (1) this Declaration; (2) Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations.

2.5 "Board" means the Board of Directors of the Master Association, which has been duly elected and qualified in accordance with the Bylaws.

2.6 "Bylaws" means the bylaws for the government of the Master Association as they now exist and may be amended from time to time.

2.7 "Charge" means the obligation of a Unit Owner to pay or reimburse the money to the Master Association that cannot be secured as an Assessment pursuant to F.S. 718.116, but which will, if the charge is not paid, give rise to a cause of action against the Unit Owner pursuant to this Declaration.

2.8 "Common Areas" shall include: (a) the portions of the Property not included in the Units or in the common elements or limited common elements of a condominium; (b) tangible personal property owned by the Master Association and required or useful for the maintenance and operation of the Common Areas; (c) easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Areas; (d) an easement of support in every portion of a Unit which contributes to the support of a building; (e) the property and installation required for the furnishing of utilities and other services to more than one Unit or to the Common Areas; (f) easements for ingress and egress serving the Property; (g) all other improvements owned or held for the common use, benefit and enjoyment of all Unit Owners; and (h) any other parts of the Property designated to be Common Areas in this Declaration or any amendment thereto.

2.9 "Common Expenses" means the expenses for which the Unit Owners are liable to the Master Association pursuant to this Declaration, including the expenses of the operation, maintenance, administration, repair and replacement of the Common Areas and the Recreation and Other Facilities and beach area, the payment of rent to the Developer for the Leased Amenities, the payment to Hibiscus (as hereinafter defined) for rent for the Hibiscus Facilities (as hereinafter defined), the cost of carrying out the powers and duties of the Master Association and all expenses and assessments properly incurred by the Master Association for the Property and any facilities serving the Property.

2.10 "Common Surplus" means the excess of all receipts of the Master Association, including, but not limited to assessments, rents, profits and revenues on account of the Common Areas, over the amount of Common Expenses.

2.11 "Condominium Act" means The Florida Condominium Act, Chapter 718 Florida Statutes, as amended from time to time.

2.12 "Condominium Lease" means that certain Condominium Recreation Lease of the Leased Amenities from the Developer to the Master Association.

2.13 "Declaration" means this Declaration of Covenants, Restrictions, and Conditions and all Exhibits attached hereto, as the same may be amended from time to time.

2.14 "Developer" means Ocean Gate Development, Inc., a Florida corporation, and the successors and assigns of its development rights.

2.15 "Hibiscus" means the condominium resort development adjacent to the Property and commonly known as Hibiscus.

2.16 "Hibiscus Facilities" means those recreational amenities which are a part of Hibiscus and which Unit Owners are entitled to use pursuant to that certain Declaration and Grant of Easement dated as of January 5, 1996, and recorded in Official Records Book 1149, Page 918, of the Public Records of St. Johns County, Florida (the "Hibiscus Agreement").

2.17 "Institutional Mortgagee" means banks, savings and loan associations, insurance companies, FHA and VA approved mortgage lenders and bankers, real estate investment trusts, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), servicing agents of FHLMC and FNMA and other lending institutions or companies, which shall include the Developer, any assignee of a purchase money mortgage held by Developer and the servicing agent of such assignee, or anyone designated by the Developer.

2.18 "Insurance Trustee" means a national bank, having trust powers, which is designated by the Master Association under section 8 hereof to hold policies of insurance, receive the proceeds thereof and disburse the same in accordance with section 8. Until such time as the Master Association designates an Insurance Trustee, the Board shall perform the duties of the Insurance Trustee contained in section 13.

2.19 "Leased Amenities" means those certain Recreation and Other Facilities which are owned by the Developer and leased to the Master Association pursuant to the Condominium Lease and are described in **Exhibit "C"** attached hereto.

2.20 "Limited Common Areas" means and includes those Common Areas which are reserved for the use of a certain Unit or Units to the exclusion of other Units.

2.21 "Master Association" means OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC., a not for profit Florida corporation, and its successors, the entity responsible for the operation and the maintenance of the Property, as provided herein, including without limitation, the maintenance and operation of the grounds, access, parking, and roadways used by the Unit Owners and any such additional property designated to be maintained or operated by such association, and the establishment of architectural contracts for future development of the Property.

2.22 "Person" means any individual, corporation, partnership, association, joint venture, trust, estate, unincorporated organization or other entity.

2.23 "Phase I Amenities" means the facilities described in **Exhibit "F"**.

2.24 "Phase I Association" means OCEAN GATE PHASE I CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, the entity which is responsible for the operation and maintenance of the Units located in Phase I, the Phase I Amenities (as defined herein), and any property owned by the Phase I Association, and the collection of assessments for the Leased

Amenities, and for other duties and obligations set forth herein and in the Articles and Bylaws of the Phase I Association.

2.25 "Phase II Association" means OCEAN GATE PHASE II CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, the entity which is responsible for the operation and maintenance of Units located in Phase II, of any property owned by the Phase II Association, and the collection of assessments for use of the Leased Amenities, and for other duties and obligations set forth herein and in the Articles and Bylaws of the Phase II Association.

2.26 "Phase III Association" means OCEAN GATE PHASE III CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, the entity which is responsible for the operation and maintenance of Units located in Phase III, of any property owned by the Phase III Association, the collection of assessments for use of the Leased Amenities, and for other duties and obligations set forth herein and in the Articles and Bylaws of the Phase III Association.

2.27 "Property" means the parcel of real property described in **Exhibit "A"** attached hereto, together with all improvements built or to be built thereon, and the easements and rights appurtenant thereto.

2.28 "Recreation and Other Facilities" means the facilities described in section 3.4.

2.29 "Special Assessment" means any assessment levied against any Unit Owners other than those Assessments required by a budget adopted annually.

2.30 "Unit" means a part of the Property which is to be subject to exclusive private ownership as defined in the Condominium Act.

2.31 "Unit Owner or Owner of Unit" means the record owner of a Unit.

3. Development Plan. Each of the Unit Owners within the Property shall have the following rights and obligations:

3.1 Share of Common Areas and Common Expenses. There shall be appurtenant to each Unit an undivided share of the Common Areas. The undivided shares, stated as a percentage, in the Common Areas which are appurtenant to each Unit shall be calculated on a pro-rata basis based upon the square footage of each Unit as set forth in **Exhibit "B"** attached hereto and made a part hereof. The proportion and manner of sharing Common Expenses and owning Common Surplus shall also be as set forth in **Exhibit "B"**.

3.2 Easements.

(a) The Unit Owners in the aggregate shall be entitled to equal and full use and enjoyment of all of the Common Areas except as they may be limited herein or as they may be restricted by the rules and regulations adopted by the Board, which usage shall always be in recognition of the mutual rights and responsibilities of each of the Unit Owners. Without limiting the generality of the foregoing, the rights of the Unit Owners in and to the Common Areas are expressly subordinated to the rights of parties furnishing utility (including without limitation electrical, gas, water, sewer and telephone) services and cable or master antenna television services pursuant to easements, whether exclusive or non-exclusive, granted by the Developer or the Master Association over, under, across, in or through the Common Areas or any part thereof. The Developer and the Master Association jointly and severally hereby reserve the right to grant such utility easements for the purpose of installing and

maintaining such services, lines, cables and facilities which are reasonably necessary for the operation or maintenance of the Property, and to grant such other permits, licenses and easements over, under and through the Common Areas for utilities, roads or other purposes which are reasonably necessary or useful for the proper maintenance or operation of the Property.

(b) In the event that any Unit shall encroach upon any of the Common Areas or upon any other Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Property, or for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist in favor of the Master Association or in such Unit Owner, as applicable, to the extent of that encroachment for so long as the encroachment shall exist.

(c) Each Unit Owner and their guests, invitees, licensees, lessees, and domestic help, and all delivery, pick-up and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Developer to serve the Property, holders of mortgage liens on the Property or any Unit, owners of other condominium units within the Ocean Gate development contiguous to or in the vicinity of the Property, or any subsequent phase thereof, and such other persons as the Developer may from time to time designate, shall have a non-exclusive and perpetual easement for:

(i) ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, boardwalks, lobbies, stairways, elevators, hallways, walkways and lanes, and like passageways as the same may from time to time exist upon the Common Areas;

(ii) ingress and egress and for vehicular traffic and parking over, through and across the Roadways described on **Exhibit "A-1"** or such portions of the Common Areas as may be from time to time graded and/or paved and intended for such purposes (the "Roadway Easement"), which Roadway Easement may be altered or moved by Developer during construction of the Condominium, but the same shall not give or create in any person the right to park upon any portion of the Property not designated as a parking area;

(iii) ingress and egress and for drainage, utilities and cable television facilities over, under, across and through such portions of the Common Areas as Developer may designate for such purposes from time to time, together with vehicular parking rights on such portions of the property described in **Exhibit "A-1"** as are paved, marked and designated for parking, and which parking spaces have not been assigned for the exclusive use of specific Units. Notwithstanding the foregoing, Developer reserves the right to alter and relocate the Roadway Easement or any portion thereof so long as the relocated easement continues to give access to Highway A1A and the Property;

(iv) ingress and egress and for drainage, utilities, cable television facilities, and ingress and egress for vehicular traffic and vehicular parking on, over, under, across and through the land described on **Exhibit "A-1"** of the Declaration of Condominium for Ocean Gate I, a condominium recorded at Official Records Volume 570, Page 129, Public Records of St. Johns County, Florida (the "Ocean Gate I Land"). Provided that such easements and rights shall be exercised only with respect to such portions of the Ocean Gate I Land as may be set aside, paved or otherwise designated for such purposes, it being understood however that the paved roadway and parking areas on the Ocean Gate I Land are to be used also by Unit Owners in Ocean Gate II to whom parking spaces may be assigned by the Developer or the Master Association.

(v) ingress and egress for pedestrian traffic on, over, through and across a dune walkover and gazebo, and the boardwalk adjacent thereto, for the purpose of giving access to the beach, which facilities are owned by Hibiscus and the right to use is provided under the Hibiscus Agreement.

(d) There shall be appurtenant, and pass with title to each Unit, an exclusive easement for the use of the air space occupied by the Units as they exist at any particular time, and as the Units may lawfully be altered or reconstructed from time to time, and which easements shall be terminated automatically in any air space which is permanently vacated from time to time.

(e) Developer reserves a non-exclusive, perpetual, transferable and indefeasible easement for access, ingress, egress (including without limitation pedestrian paths, walkways and boardwalks), parking and vehicular traffic (but only over such portions paved and/or graded and designated for such purposes), drainage, irrigation lines and facilities, utilities (including without limitation electrical, gas, water, sewer, telephone and cable or master antenna television services) over, under, across and through the Common Areas of the Property and the land described on **Exhibit "A-1"** as the "Roadway Easement," and for the benefit of the underlying Recreation and Other Facilities and any land owned by Developer adjacent to the foregoing lands, or any other land designated by Developer in the vicinity of the foregoing lands.

(f) Developer, for itself and its successors and assigns, reserves easements over the Property as necessary to complete future development, if any, including without limitation, construction access and utilities.

(g) The Unit Owners in the aggregate shall be entitled to equal and full use and enjoyment of the non-exclusive easements in favor of the Developer and in common with the other parties entitled to use such easements for pedestrian and vehicular access, utilities, dune walkover access, parking, and such other rights as are set forth in that certain Declaration and Grant of Easements, recorded in Official Records Book 1149, Page 918, of the public records of St. Johns County, Florida, and in that certain Grant of Recreation Easement dated April 11, 1997 between Hibiscus and the Developer, and to be recorded in the public records of St. Johns County, Florida.

3.3 The Developer reserves the right, but not the obligation, to develop additional other residential developments upon lands included within or adjacent to the Property. In the event of such additional development, the Developer reserves the right to grant further non-exclusive easements over the common roads within the Property to such property owners. Developer shall grant easements to such property owners as Developer shall determine in its sole discretion, and such property owners shall be bound by the terms of this Declaration and, if Developer shall elect, shall enter into an agreement with the Master Association agreeing to pay a pro rata share of the maintenance and repairs for the common roads and setting forth the method of computation of the respective contributions to the maintenance and repairs thereof.

3.4 Recreation and Other Facilities. Developer intends to construct a swimming pool, a tennis court, an irrigation pump with related lines and facilities, various boardwalks, decks and patios, and an access road upon the "Roadway Easement," as shown on the attached plot plan. Developer also intends to construct an additional swimming pool. Developer may, but shall not be obligated to, construct additional facilities including, but not limited to additional tennis courts, a health club facility, an additional swimming pool, racquetball courts, clubhouse, spa, paddle tennis courts and spas. The foregoing facilities shall be hereafter collectively referred to as "Recreation and Other Facilities." The Recreation and Other Facilities may be added to, expanded or relocated by the Developer without the consent of the Master Association, any Unit Owner or any mortgagee. The Recreation and Other Facilities shall remain the sole and exclusive

property of Developer, subject to the provisions of this section. Developer has leased some of the Recreation and Other Facilities to the Master Association pursuant to the Condominium Lease and defined herein as the Leased Amenities. All Unit Owners shall have the right to use the Leased Amenities, and the beach area extending to the east of the Property, but Developer reserves the right to grant similar privileges to owners of additional units within the Ocean Gate Development, to Unit Owners within the Ocean Gate I condominium development, Hibiscus and other condominiums, and owners or occupants of lands in the vicinity of the Recreation and Other Facilities. The unit owners within the Ocean Gate I condominium development shall have the right to use the Leased Amenities but shall not be required to share in any of the costs and expenses related thereto. The use of any Recreation and Other Facilities which are also Phase I Amenities are restricted to use only by Unit Owners within Phase I of the Ocean Gate Development. Developer reserves the right to restrict the use of such Recreation and Other Facilities constructed in the future, to the use by Unit Owners within a particular condominium development within the Ocean Gate Development. The expense of maintenance, taxes, insurance, repairs and operation of the Leased Amenities, and any Recreation and Other Facilities which are or become part of the Property subject to this Declaration, shall be the responsibility of the Master Association, but in consideration of the rights of use granted to Unit Owners, each Unit shall be assessed by the Master Association, as a Common Expense, and each Unit Owner agrees to pay the Master Association as a Common Expense, a proportionate share of the maintenance and repair costs of the Recreation and Other Facilities, and a proportionate share of the rent for the Leased Amenities. The rent for the Leased Amenities shall be collected as an assessment by the Phase I Association, the Phase II Association and the Phase III Association and remitted to the Master Association. The Master Association shall then pay the rent owed Developer under the Condominium Lease. The proportion for sharing the rental expense shall be based upon the number of Units in the Property entitled to use the Leased Amenities compared to the total number of units in all condominiums that are assessed for and given the right to use such facilities; until such time as other condominiums are assessed for and given the right to use such facilities, this Condominium shall bear the entire amount of such expense. That is to say that as among separate condominiums assessed for and having the right to use the Leased Amenities, the proportion for sharing the expenses thereof shall be based on the number of units in each condominium; however, as among unit owners, in a particular condominium, the manner of sharing such allocated share of such expenses shall be based on the unit owner's percentage ownership of the Common Areas of the condominium of which his unit is a part. Notwithstanding the foregoing, the portion of such expenses of the Recreation and Other Facilities which are attributable to the Phase I Amenities shall be assessed separately by the Phase I Association against the Phase I Unit Owners and any other Persons entitled to use the Phase I Amenities. Developer may, but shall not be obligated to, either amend the Declaration, to enlarge the Common Areas by submitting one or more of the Recreation and Other Facilities, any portion thereof, or any interest therein, to the terms of this Declaration, or in the alternative, may, but shall not be obligated to, convey one or more of the Recreation and Other Facilities, any portion thereof, or any interest therein to the Master Association, or to the Phase I Association or another subassociation, together with associations of other condominiums having the right to use the Recreation and Other Facilities, or to an umbrella association whose members are unit owners of all condominiums having the right to use the Recreation and Other Facilities. An Amendment to the Declaration made pursuant to this section need be signed and acknowledged only by the Developer and need not be approved by the Master Association, or lienors or mortgagees of Units or of the Property, whether or not such signatures are required elsewhere for an Amendment. Such Amendment shall divest Developer of the interest in the Recreation and Other Facilities specified in the Amendment and will vest title in the Unit Owners as part of the Common Areas without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Areas that are appurtenant to the Units. Developer shall not be liable for injury or damage caused by any latent condition of such facilities, or caused by the elements, the Master Association, or any Unit Owner, his lessees, or his or their family members, guests, servants, invitees, licensees, contractors or other persons. The Master Association and Unit Owners shall indemnify and save harmless Developer from and against any and all loss, liability, claims, demands and expenses (including, but not limited to reasonable attorneys' fees) resulting from any act or omission of

the Master Association, any Unit Owner, his lessees, or his or their family members, guests, servants, invitees, licensees or contractors. Developer has heretofore erected a sales office/reception center within the "Ocean Gate" development which shall be deemed a part of the Recreation and Other Facilities upon Developer's election after Developer ceases to utilize same as a sales office.

3.5 Leased Amenities. The Master Association has entered into that certain Condominium Lease attached hereto as **Exhibit "C"** with the Developer, pursuant to which the Master Association has leased the Leased Amenities for the enjoyment, recreation, use and benefit of the Unit Owners. The Leased Amenities shall be those Recreation and Other Facilities owned by Developer and leased to the Master Association pursuant to the terms of the Condominium Lease. The Condominium Lease imposes obligations on the Master Association for the rent, operation, repair, replacement, maintenance, and covenants and restrictions regarding use of the Leased Amenities. The Master Association reserves the right to amend or modify the terms of the Condominium Lease, including without limitation, subjecting additional real property to this Declaration which shall have the right to use the Leased Amenities, leasing additional Recreation and Other Facilities to be constructed by the Developer in connection with the development of additional real property subject to this Declaration, and modifying the terms of the Condominium Lease regarding rent, operation, repair, replacement, maintenance, and such other provisions as the Master Association may deem necessary or desirable from time to time. The Master Association shall separately assess all Unit Owners for the payment of rent owed the Developer under the Condominium Lease. Such payments of rent under the Condominium Lease shall be assessed and collected by every subassociation including, without limitation, the Phase I Association, the Phase II Association, and the Phase III Association, and any condominium subassociation created to operate any additional condominiums subject to this Declaration, as applicable, against the Unit Owners within each condominium and remitted to the Master Association for payment to the Developer.

3.6 Possession and Enjoyment of Master Association Property.

(a) Each Unit Owner shall have the following rights and obligations:

(i) An undivided share in the Common Areas and Common Surplus, as more fully described in **Exhibit "B"** attached hereto and made a part hereof, together with the non-exclusive right to use the Common Areas and the exclusive right to use those portions of the Common Areas reserved herein and/or granted elsewhere to a certain Unit as Limited Common Areas;

(ii) The right to use the Leased Amenities and the Hibiscus Facilities, subject to the restrictions in the Condominium Lease and the Hibiscus Agreement, as applicable, and to the rules and regulations as adopted from time to time by the Master Association; and

(iii) Membership of the Unit Owner in the Master Association, and the right to use the Common Areas and to access properties owned by the Master Association, subject to the rules and regulations as adopted from time to time by the Master Association.

(b) Each Unit Owner shall be entitled to the use of the Common Areas, in accordance with the provisions of this Declaration and the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of other Unit Owners. There shall be a joint use of the Common Areas and a mutual easement for that purpose is hereby created.

3.7 Intentionally Omitted.

3.8 Amendment of Plans.

(a) Alteration of Unit Plans. Developer may not change the interior design of Units, alter the boundaries between Units, or combine one or more Units into one Unit, without prior consent of any Institutional Mortgagee having a first lien upon the Unit, a majority of all of the record Unit Owners, and the affected Unit Owners.

(b) Amendment of Declaration. If Developer shall make any changes in Units owned by Developer, such changes shall be reflected by an Amendment to this Declaration. An Amendment of this Declaration reflecting such alteration by Developer need be signed by a majority of all of the record Unit Owners, the affected Unit Owner, and all Institutional Mortgagees and record owners of liens on the Unit.

4. Maintenance, Alteration and Improvement. Responsibility for the maintenance, repairs and replacement of the improvements on the Property, and property of Owners located or situated within the Property, and restrictions upon the alteration and improvement thereof shall be as follows:

4.1 Common Areas.

(a) Maintenance of Common Areas. The Master Association shall be responsible for, and shall assess against and collect from all Unit Owners the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Areas except certain of the Limited Common Areas specified below. The Master Association shall, at the expense of all Unit Owners, repair any and all incidental damage to Units resulting from maintenance, repairs, and/or replacement of or to Common Areas.

(b) Maintenance of Limited Common Areas. The responsibility for, and cost of keeping clean and in orderly condition any patios, balconies or storage areas forming a part of the Limited Common Areas which exclusively serve a certain Unit to the exclusion of other Units, shall be borne by the Owner(s) of the Unit(s) to which the same are appurtenant.

(c) Alteration and Improvement. After the completion of the improvements, including the Common Areas contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the Common Areas (including Limited Common Areas) without prior approval in writing by the owners of not less than seventy-five (75%) percent of the interest in the Common Areas. Any such alteration or improvement shall not interfere with the rights of any Unit Owners without their consent. The cost of such work shall not be assessed against an Institutional Mortgagee that acquires its title as a result of holding 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 not so assessed shall be assessed to authorizing Owners in the shares that their shares in the Common Areas bear to each other. There shall be no change in the shares and rights of Unit Owners in the Common Areas altered or further improved, whether or not the Unit Owner contributes to the cost of such alteration or improvements.

4.2 Units.

(a) The Units shall be maintained by the Unit Owners and/or the condominium subassociations in accordance with the respective Declaration of Condominium for each of Ocean Gate Phase I, a

Condominium, Ocean Gate Phase II, a Condominium, and Ocean Gate Phase III, a Condominium, as applicable.

(b) Alteration and Improvement. Subject to the other provisions of section 4.1, which in all cases shall supersede and have the priority over the provisions of this subsection when in conflict therewith, a Unit Owner may make such alteration or improvement to the Unit at his sole and personal cost as he may be advised, provided all work shall be done without disturbing the rights of other Unit Owners and further provided that a Unit Owner shall not enclose, paint, decorate or make any other changes or alterations that would change the appearance of any portion of the exterior of the building nor make any changes or alterations to any interior boundary wall, exterior wall, balcony, deck, porch or patio, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service, without first obtaining approval in writing of the Board. All alterations and improvements must be in compliance with all existing building codes. No alteration may cause an increase in any insurance premium to be paid by the Master Association.

(c) Indemnification of Master Association and Unit Owners. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Master Association, any condominium subassociation, and all other Unit Owners harmless from any liability or damage to any portion of the Property and expenses arising therefrom and shall be solely responsible for the maintenance, repair and insurance thereof from and after the date of installation or construction thereof, as may be required by the Master Association or any condominium subassociation, including, without limitation, any costs, expenses or liability associated with the repair, replacement, removal or reinstallation of said additions, alterations or improvements regardless of the impetus, cause or reason for the same. The provisions of this section shall not apply to the Developer.

4.3 Leased Amenities. The Master Association shall be responsible for maintaining, repairing, replacing and keeping in clean and orderly condition the Leased Amenities. All costs and expenses incident thereto shall be assessed against and borne by the Unit Owners as a Common Expense. The Master Association shall assess each of the Unit Owners in accordance with their percentage share of Ownership set forth on **Exhibit "B"** for the rent owed the Developer for the Leased Amenities and shall collect and remit such rent to the Developer.

4.4 Phase I Amenities. The Phase I Association shall be responsible for maintaining, repairing, replacing, and keeping in clean and orderly condition the Phase I Amenities. All costs and expenses incident thereto shall be assessed against and borne by the Phase I Unit Owners. The Phase I Association shall assess each of the Phase I Unit Owners, in accordance with the Declaration of Condominium for Phase I, and for the rent owed the Developer for the Phase I Amenities and shall collect and remit such rent directly to the Developer.

5. Restraint Upon Separation and Partition of Common and Limited Common Areas.

(a) The undivided share in the Common and/or Limited Common Areas which is appurtenant to a Unit shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described.

(b) A share in the Common and/or Limited Common Areas appurtenant to a Unit cannot be conveyed or encumbered except together with the Unit.

(c) The shares in the Common and/or Limited Common Areas appurtenant to Units shall remain undivided, and no action for partition of the Common and/or Limited Common Areas shall lie.

6. Assessments. To provide the funds necessary for proper operation and management of the Condominium, the Master Association has been granted the right to make, levy and collect Assessments and Special Assessments against all Unit Owners and Units. The making and collection of Assessments against Unit Owners for Common Expenses shall be pursuant to the Bylaws of the Master Association and subject to the following provisions:

6.1 Authority to Impose. The Master Association, through its Board of Directors, shall have the power to determine and fix the sums necessary to provide for the Common Expenses, including the expense allocable to services being rendered by a management company with whom the Master Association may contract. The Assessment shall be assessed annually but shall initially be payable monthly in advance; however, the Board of Directors shall have the power to establish other collection procedures. In addition, the Board of Directors shall have the power to levy Special Assessments against Units in their respective percentages if a deficit should develop in the payment of Common Expenses during any period that the level of Assessments has not been guaranteed by the Developer. The Board of Directors of the Master Association may include sums to establish reasonable reserves against future contingencies in each annual Assessment which reserves may be waived or reduced upon the approval of a majority of the total voting interests voting at a duly called meeting of the Master Association.

6.2 Share of Common Expense. Each Unit Owner shall be liable for a share of the Common Expenses and shall share in the Common Surplus in the same proportion as his ownership of the Common Areas, as provided in section 3.1 hereof, but the same shall not vest or create in any Unit Owner the right to withdraw or receive distribution of his share of the Common Surplus.

6.3 Payments. All Assessments and installments thereon, must be paid on or before ten (10) days after the day when the same shall become due; all sums not so paid shall bear interest until paid at the highest rate then allowed by law. All payments on account shall be first applied to interest, late fees, and then to the Assessment payment first due. If any installment of an Assessment remains unpaid thirty (30) days after the same shall become due, the Board may declare the entire annual Assessment as to that delinquent Unit Owner due and payable in full as if the entire amount were originally assessed and may foreclose the lien for such Assessments granted in Section 6.4 hereof. Assessments and installments thereon shall be payable at such times as prescribed in the Bylaws or by the Board, from time to time.

6.4 Lien for Assessments. The Master Association is hereby granted a lien on each Unit for any unpaid Assessments together with interest in the amount of ten percent (10%) per annum, which lien shall also secure reasonable attorneys' fees and costs incurred by the Master Association incident to the collection of such Assessment or enforcement of such lien and a late fee in the amount of five percent (5%) of the unpaid installment or as otherwise determined by the Board. Said lien shall be effective immediately and shall be perfected by recording a claim of lien in the public records of St. Johns County, Florida, stating the description of the Unit, the name of the record Unit Owner thereof, the name and address of the Association, the amount due and the date(s) when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Master Association or by a managing agent of the Master Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for Assessments may be foreclosed by suit brought in the name of the Master Association in like manner as a foreclosure of a mortgage on real property. The Unit Owner hereby assigns the rents from such Unit as additional security for repayment of any such claim of lien. In the event of foreclosure, the Master Association shall be entitled as a matter of law to the appointment of a receiver to rent the Unit and to collect the rent. The Master

Association may also sue to recover a money judgment for unpaid Assessments without waiving the lien securing the same. Each unpaid Assessment, together with interest, costs and attorneys' fees, shall also be the personal obligation of the person who was the owner of the Unit at the time the Assessment fell due. Additionally, a Unit Owner shall be jointly and severally liable with the previous Owner for all unpaid Assessments that came due up to the time of the conveyance. This liability is without prejudice to any right the Owner may have to recover from the previous Owner, the amounts paid by such Owner. A lien of the Master Association for unpaid Assessments on any Unit will be subordinate to the lien of any first mortgage on that Unit recorded prior to the date the claim of lien for said unpaid Assessment is recorded. The lien of the Master Association shall also secure all advances for taxes and payments on account of superior mortgages, liens or encumbrances made by the Master Association to preserve and protect its lien, together with interest thereon as specified hereinabove.

6.5 No Election of Remedies. Institution of a suit at law to attempt to effect collection of the payment of any delinquent Assessment shall not be deemed to be an election by the Master Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

6.6 Special Assessments. The Board may impose special Assessments on Unit Owners to meet common expenses not anticipated to be incurred on a regular or annual basis.

6.7 Time for Payment. Unless otherwise determined by the Board, the Assessment levied against the Owner of each Unit and his Unit shall be payable monthly on the first day of each month beginning at the time of conveyance of the Unit to a third party.

6.8 Annual Budget. The Board shall establish an annual budget (the "Annual Budget") in advance for each fiscal year which shall estimate all expenses for the forthcoming fiscal year required for the proper operation, management and maintenance of the Master Association, including, when deemed necessary or advisable by the Board, a reasonable allowance for contingencies and reserves. The Board is authorized to adopt a consolidated Annual Budget to budget for the expenses for the proper operation, management and maintenance of any additional condominiums added in the future to the Master Association.

6.9 Reserve Fund. The Board, in establishing each Annual Budget, shall include therein a sum to be collected and maintained as a reserve fund for the capital expenditures, deferred maintenance and replacement of Common Areas and personal property held for the joint use and benefit of the Unit Owners. The amount to be reserved shall be determined by the Board or as may be required under the provisions of the Condominium Act and may be deleted by a vote of a statutory requisite percentage of Unit Owners.

6.10 Use of Master Association Funds. Except as provided herein with regard to reserve accounts, all monies and assessments collected by the Master Association shall be treated as the separate property of the Master Association, and such monies may be applied by the Master Association to the payment of any expense of operating and managing the Master Association, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and Bylaws. As the monies for Assessments are paid to the Master Association by any Unit Owner (but not any monies collected therein for reserves), the same may be commingled. For purposes of facilitating allocation of funds into their proper accounts, the Master Association may require Unit Owners to pay operating expenses and reserve escrows by separate instrument. Although all funds and other assets of the Master Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Areas, including, without

limitation, Common Surplus, shall be held for the benefit of the members of the Master Association, no member of the Master Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit.

6.11 Phase I Association Assessments. The Phase I Association has been granted the right to make, levy, and collect Assessments and special Assessments against all Unit Owners in Phase I to provide the funds necessary for proper operation and management of the Phase I Amenities, and to collect the rent owed from such Unit Owners on the Condominium Lease and any other rent owed for use of the Hibiscus Facilities. The making and collection of such Assessments against Phase I Unit Owners shall be pursuant to the Bylaws of the Phase I Association and subject to all of the other provisions of Section 6 and any other provisions in this Declaration regarding Assessments of the Master Association. The Phase I Association shall remit the rent payments owed under the Condominium Lease and the Hibiscus Agreement to the Master Association. Each Phase I Unit Owner's share of the Phase I assessments shall be calculated on a pro-rata basis based upon the square footage each Unit in Phase I bears to the square footage of all Units in Phase I as set forth in **Exhibit "B"**. All monies and assessments collected by the Phase I Association shall be subject to the provisions of Section 6.10 hereinabove.

6.12 Other Subassociation Assessments. The Phase II Association, the Phase III Association, and any other subassociation created to operate any additional condominium added to this Condominium shall have the right to make, levy, and collect Assessments and special Assessments against all Unit Owners in each such applicable condominium to provide the funds necessary for the common expenses and for proper operation and management of each such condominium. The making and collection of such Assessments against such Unit Owners shall be pursuant to the declaration of condominium and the bylaws of each such condominium subassociation. Each such subassociation shall remit the rent payments owed under the Condominium Lease and the Hibiscus Agreement to the Master Association. Each Unit Owner's share of the assessments shall be calculated on a pro-rata basis based upon the square footage each Unit in the respective phase bears to the square footage of all other Units in the phase as set forth in **Exhibit "B"**. All monies and assessments collected by each subassociation shall be subject to the provisions of Section 6.10 hereinabove.

6.13 Creation and Enforcement of Charges. The Master Association shall have a cause of action against Unit Owners to secure payment to the Master Association by Unit Owners of all charges, costs, and expenses to the Master Association that cannot be secured as Assessments, regular or special, under F.S. § 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with its costs and attorneys' fees, including appeals, incurred in collection.

7. Master Association. The Master Association represents all of the Owners of Units on the Property. The Master Association shall be OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC., a corporation not for profit, organized and existing under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Master Association is attached as **Exhibit "D"**.

7.2 Bylaws. A copy of the Bylaws of the Master Association is attached as **Exhibit "E"**.

7.3 Limitation Upon Liability. Notwithstanding the duty of the Master Association, to maintain and repair parts of the Property, the Master Association, shall not be liable 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 Master Association, or caused by the elements or other owners or persons.

7.4 Membership and Voting Rights. The members of the Master Association shall consist of all of the record Owners of Units. Voting rights shall be allocated based upon the square footage a particular Unit bears to the total square footage of all Units subject to this Declaration, with each Unit having a percentage share voting interest so that 100% of the voting rights will be allocated among each of the Unit Owner based upon each Unit Owner's percentage share interest set forth on **Exhibit "B"**. A member will be entitled to one vote for each Unit owned by him, but such vote shall be counted as a vote of the percentage of voting rights allocated to such Unit as set forth on **Exhibit "B"**. The manner of exercising such voting rights shall be determined by the Bylaws. If a Unit is owned by one person his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Master Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary of the corporation. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by the owner thereof.

7.5 Transfer of Control. The initial Board of Directors, as set forth in the Articles of Incorporation, shall manage all of the affairs of the Master Association, except for maintenance and operation of the Phase I Amenities, and shall approve all of the decisions of the Master Association and shall serve as the directors of the Master Association until the Developer voluntarily relinquishes control or until the first annual members' meeting which shall be held not later than one (1) year after the recording of this Declaration. Provided, however, when Unit Owners other than the Developer own fifteen percent (15%) of the Units that will be operated ultimately by the Master Association, the Unit Owners shall be entitled to elect not less than one-third (1/3) of the members of the Board. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board three (3) years after sales by the Developer have been closed on fifty (50%) percent of the Units that will be operated ultimately by the Master Association, or three (3) months after sales by the Developer have been closed on ninety percent (90%) of the Units that will be operated ultimately by the Master Association, or when all of the Units that will be operated ultimately by the Master Association have been completed and some of them have been sold and none of the other Units are being offered for sale by the Developer in the ordinary course of business, or when some of the Units have been conveyed to purchasers and none of the other are being constructed or offered for sale by the Developer in the ordinary course of business, or seven (7) years after recordation of the Declaration of Condominium, whichever shall first occur. The Developer shall be entitled to elect not less than one (1) member of the Board so long as the Developer holds for sale in the ordinary course of business five percent (5%) or more of the Units.

Upon the election to the Board of the first Unit Owner other than the Developer, the Developer shall forward to the Florida Division of Land Sales and Condominiums the name and mailing address of the said Unit Owner member of the Board.

7.6 Management Agreement. The Master Association may, within the discretion of the Board, enter into a contract with any person or may join with other condominium associations and entities in contracting with any person for the services relating to the maintenance and operation of the Property and to the extent permitted by law, this Declaration and the Bylaws, may authorize such person to perform the powers and duties of the Master Association. The contractor or manager may be authorized to determine the budget, make Assessments for Common Expenses and collect Assessments as provided by this Declaration, the Bylaws and Exhibits to this Declaration. Each Unit Owner, his heirs, successors and assigns shall be bound by the Management Agreement for the purposes therein expressed, including without limitation:

(a) Adopting, ratifying, confirming, and consenting to the execution of the Management Agreement by the Master Association.

(b) Covenanting and promising to perform each and every covenant, promise and undertaking to be performed by the Unit Owners as provided in the Management Agreement.

(c) Ratifying, confirming and approving each and every provision of the Management Agreement, and acknowledge that all of the terms and provisions thereof are reasonable.

(d) Agreeing that the persons acting as directors and officers of the Master Association entering into such an agreement have not breached any of their duties or obligations to the Master Association.

7.7 Additional Condominiums. The Master Association may be the condominium association responsible for the operation and management of any condominium created by a declaration of condominium submitting to condominium ownership other property located within, adjacent to or in the vicinity of the Property. In such event, the owners of any condominium units in any such separate condominium shall automatically be members of the Master Association. The Master Association shall maintain separate accounting records for each separate condominium operated by it in accordance with generally accepted accounting principles. The operation of such separate condominiums by the Master Association shall not constitute and is not intended to result in a merger of the Common Areas with the Common Areas of such additional condominiums.

8. Insurance. The insurance which shall be carried shall be kept in force at all times and shall be governed by the following provisions:

8.1 Policies. All insurance policies shall be purchased by the Master Association, and each Unit Owner shall be deemed to have appointed the Master Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Master Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance as required hereby and of doing such acts and executing such documents as required by section 6.10 hereof. All policies shall provide for the issuance of certificates of insurance, on an Accord 27 form or its equivalent, to each Unit Owner and Institutional Mortgagee, and mortgagee endorsements to each Institutional Mortgagee holding a mortgage upon a Unit. Such policies and endorsements shall be deposited with the Insurance Trustee, who must first acknowledge, pursuant to an escrow agreement, that the policies and any proceeds thereof will be held in accordance with the terms hereof. All insurance policies and fidelity bonds required to be purchased by the Master Association shall provide that the same shall not lapse, be canceled (including cancellation for non-payment of premium) or be materially modified without at least 10 days prior written notice to the Master Association, the Insurance Trustee, each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy (or, alternatively, which has requested such notice in writing), and to each service of a first mortgage on behalf of the Federal National Mortgage Association. All insurance policies purchased by the Master Association shall be for the benefit of the Master Association, and the Unit Owners, and their respective Institutional Mortgagees as their respective interests may appear.

8.2 Coverage. The following coverage shall be obtained by the Master Association:

(a) The buildings and all other insurable improvements within the Common Areas and all personal property owned by the Master Association shall be insured in an amount equal to 100% of the current replacement cost thereof (exclusive of excavation, foundations, land and other items normally excluded from coverage) as determined annually by the insurance company affording such

coverage. The term "building" as used in this subparagraph shall include, without limitation, all fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed or replacements thereof, in accordance with the original plans and specifications. All hazard insurance policies obtained by the Master Association shall provide that the term "building" wherever used in the said policies shall include the above defined fixtures, installations and additions and that the Unit Owners shall be additional insurers with respect to such fixtures, installations, and additions. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism, malicious mischief, windstorm, water damage, and all perils normally covered by the standard "all risk" endorsement where such coverage is available.

(b) General liability insurance covering all Common Areas, Limited Common Areas and public ways on the Property in amounts generally required by private institutional mortgage investors for projects similar in construction, location or use. However, such coverage shall be for at least $1,000,000.00 for each bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of insurers for property damage, water damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, Limited Common Areas, hired automobile, non-owned automobile, off-premises employee coverage and legal liability arising from lawsuits related to employment contracts of the Master Association.

(c) Workmen's compensation insurance as required by law.

(d) All liability insurance shall contain cross liability endorsements to cover liabilities of the Master Association Unit Owners as a group to an individual Unit Owner and of one Unit Owner against another.

(e) If the Property is located in an area designed by the Federal Emergency Management Agency (or other federal agency legally empowered to so designate property) as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, flood insurance on the buildings and all other improvements described in section 8.2(a), in an amount deemed appropriate by the Master Association, but not less than the lessor of: (1) the maximum flood insurance coverage available for all buildings and the aforesaid other improvements within any portion of the Property located within a designated flood hazard area; or (2) one hundred (100%) percent of current replacement costs of all such buildings and other improvements.

(f) Blanket fidelity bonds for all officers, directors, trustees and employees of the Master Association and all other persons handling or responsible for funds of or administered by the Master Association (including the officers, employees and agents of a management agent to whom the Master Association has delegated some or all of the responsibility for handling Master Association funds), in amounts based upon the best business judgment of the Master Association but not less than the estimated maximum funds, including reserve funds, in the custody of the Master Association or management agent at any given time during the term of each bond. Provided that in no event shall the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds. All such fidelity bonds shall name the Master Association as an obligee and shall contain waivers by the insurers of all defenses based upon the exclusion from the definition of "employees," or similar terms, of persons serving without compensation.

(g) All such additional insurance coverage, special endorsements or bond coverage as shall be required from time to time by the most recent regulations and guidelines of the Federal National Mortgage Association.

8.3 Optional Coverage. The Master Association may purchase and carry such other insurance coverage, other than title insurance, as the Board of Directors of the Master Association, in its sole discretion, may determine from time to time to be in the best interests of the Master Association and Unit Owners, including without limitation, Directors' liability insurance coverage.

8.4 Premiums. Premiums upon all insurance policies and fidelity bonds (except for premiums on fidelity bonds maintained by a management agent covering its own officers, employees and agents) purchased by the Master Association shall be paid by the Master Association and charged as Common Expenses.

8.5 Casualty Losses. All insurance policies purchased by the Master Association shall provide that all proceeds payable as a result of casualty losses shall be paid to the Insurance Trustee which shall be designated from time to time by the Board, or, if no Insurance Trustee is designated, to the Master Association. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the failure to collect any insurance proceeds. The only duties of the Insurance Trustee shall be to hold policies of insurance which are obtained by the Master Association in accordance herewith, to receive the proceeds thereof and to hold the same in trust for the purposes elsewhere stated herein, for the benefit of the Master Association, and the Unit Owners, and their respective Institutional Mortgagees, in the following shares (which shares need not be set forth upon the records of the Insurance Trustee):

(a) Common Areas. Proceeds on account of damage to Common Areas in the same proportion as the undivided shares in the Common Areas which are appurtenant to each of the Units.

(b) Units. Proceeds on account of damage to Units shall be held in undivided shares in the following manner:

(i) Partial destruction when the building is restored: for the Unit Owners of the damaged Units in proportion to the costs of repairing the damage suffered by each damaged Unit. Upon the request of the Insurance Trustee, the Master Association shall certify to the Insurance Trustee the appropriate portions as aforesaid, and each Unit Owner shall be bound thereby and the Insurance Trustee may rely upon such certification.

(ii) Total destruction when one of the buildings is destroyed, or partially destroyed and is not to be restored: for all Unit Owners in such building the share of each being determined by multiplying such proceeds by a fraction, the numerator of which is the undivided share in the Common Areas appurtenant to the Unit and the denominator of which is the total undivided share of the Common Areas appurtenant to all Units in such building.

(c) Endorsements. Notwithstanding anything to the contrary contained herein, in the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then for the Unit Owner as their interests may appear.

8.6 Distribution of Proceeds of Insurance. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of Institutional Mortgagees and the Unit

Owners after first paying or making provision for payment of the expenses of the Insurance Trustee in the following manner:

(a) Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the Master Association.

(b) No Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed first to any Institutional Mortgagee(s) having a lien on the Unit(s) affected to the extent of its interest in accordance with an estoppel letter from said Institutional Mortgagee. The proceeds shall then be applied to the clearing, grading and dressing up of the area where the unreconstructed Unit(s) was (were) located and any surplus paid to the Unit Owner(s). This is a covenant for the benefit of any Institutional Mortgagee and may be enforced by it.

(c) Certificate. In making distribution to Unit Owners and their Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of the Master Association as to the names of the Unit Owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Master Association shall forthwith deliver such certificate.

8.7 Reconstruction. If any part of the Common Areas or any Unit or Units, or part thereof, shall be damaged, such damaged portion shall be promptly reconstructed or repaired unless such destruction renders one-half or more of the Units untenantable and the owners of seventy-five (75%) percent or more of the Units vote against such reconstruction or repair at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days after final adjustment; provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit of the condominium. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications to be prepared by an architect selected by the Board. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the improvements on the Property were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands. The Insurance Trustee may rely upon a certificate of the Master Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Master Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

8.8 Unit Owner. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair. In all other instances, the responsibility of reconstruction and repair shall be that of the Master Association.

8.9 Master Association. Immediately after a casualty causing damage for which the Master Association has the responsibility of maintenance and repair, the Master Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bond as the Board may desire. If the proceeds of insurance policies are not sufficient to defray the estimated costs of reconstruction and repair by the Master Association (including the aforesaid fees and premiums, if any) assessment shall be made against all Units in sufficient amounts to provide funds for the payment of such costs.

8.10 Disbursement. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Master Association from assessment against Units (which shall be deposited by the Master Association with the Insurance Trustee), shall be disbursed in payment of such costs in the following manner:

(a) Unit Owners. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be disbursed to such contractors, suppliers and personnel performing such reconstruction or repair work, in such amounts and at such times as the Unit Owner may direct, or if there is a mortgagee endorsement, then to such payees as the Unit Owner and the Institutional Mortgagee direct. Nothing contained herein shall be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction or repair.

(b) Master Association. The balance of the construction fund shall be applied by the Insurance Trustee to the payment of the costs of reconstruction and repair and shall be paid to or for the account of the Master Association from time to time as the work progresses. The Insurance Trustee shall make such payments upon the written request of the Master Association, accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Master Association, and by an architect in charge of the work, who shall be selected by the Master Association, setting forth (i) that the sum then requested either has been paid by the Master Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, and that the sum requested does not exceed the value of the services and materials described in the certificate and (ii) that except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's, mechanic's, material-men's or similar lien upon such work, the Common Areas or any Unit, and (iii) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of insurance proceeds (and assessments, if any) remaining in the hands of the Insurance Trustee after the payment of the sum so requested.

(c) Proceeds. It shall be presumed that the first moneys disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Master Association.

8.11 Adjustment. Each Unit Owner shall be deemed to have delegated to the Master Association his right to adjust with insurance companies all losses under policies purchased by the Master Association subject to the rights of Institutional Mortgagees having a mortgage upon the Unit, and to collect and appropriately dispose of the proceeds of such policies, to negotiate losses and to execute releases of liability. Notwithstanding the foregoing, the Master Association may, but shall not be obligated to, name as an insured, on behalf of the Master Association, the Master Association's authorized representative, including any trustee with whom the Master Association may enter into an Insurance Trust Agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance.

8.12 Institutional Mortgagees. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner in insurance proceeds shall be held in trust first for the Institutional Mortgagee and then the Unit Owner as their interests may appear; provided, however, that no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance

proceeds except distributions of such proceeds made to the Unit Owner and Institutional Mortgagee pursuant to the provisions of this Declaration of Condominium.

8.13 Contents. Each Unit Owner shall be responsible for insuring the contents of his Unit which belong to him, any improvements made by him within his Unit and any portion of his Unit for which he has the responsibility of maintenance, repair and replacement as provided in this Declaration of Condominium.

9. Condemnation. Condemnation of the Property or any portion thereof shall be handled in the following manner:

9.1 Awards. The taking of Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a special assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that owner.

9.2 Determination Whether to Continue Condominium. Whether the condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after a casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty. Provided, however, that the condominium shall not be abandoned or terminated without the prior written consent of each Institutional Mortgagee having a first mortgage upon a Unit of the condominium.

9.3 Disbursement of Funds. If the condominium is terminated after condemnation, the proceeds of the awards and special assessments will be deemed to be Property and shall be owned and distributed in the manner provided for insurance proceeds if the condominium is terminated after a casualty. If the condominium is not terminated after condemnation, the size of the condominium will be reduced; first the mortgagees of condemned Units and then the Owners of condemned Units as their interest may appear will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

9.4 Unit Reduced But Tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Restoration of Unit. The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the owner(s) of the Unit.

(b) Distribution to Surplus. The balance of the award, if any, shall be distributed first to each Institutional Mortgagee of the Unit, as its interest may appear, and then to the owner of the Unit.

9.5 Unit Made Untenantable. If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

(a) Payment of Award. The award for the Unit shall be paid first to each Institutional Mortgagee of the Unit, as its interest may appear, and the balance to the Unit Owner

(b) Addition to Common Areas. The remaining portion of the Unit, if any, shall become a part of the Common Areas and shall be placed in condition for use by all of the remaining Unit Owners in the manner approved by the Board.

(c) Adjustment of Shares in Common Areas. Provided that each Institutional Mortgagee holding a first mortgage upon any Unit or Time Share Estate and at least two-thirds (2/3) of the Unit Owners (other than the Developer) have given their prior written approval, the shares in the Common Areas appurtenant to the Units that continue as part of the condominium shall be adjusted to distribute the ownership of the Common Areas among the reduced number of Units in the manner set forth in Section 2.35 hereof.

(d) Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the owner and to condition the remaining portion of the Unit for use as part of the Common Areas, the additional funds required for those purposes shall be raised by Assessments against all of the Unit Owners who will continue as owners of Units after the changes in the condominium effected by the taking. The Assessments shall be made in proportion to the shares of those Owners in the Common Areas after the changes affected by the taking, provided that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners (other than the Developer) shall give their prior written approval of any changes in shares of Unit Owners in the Common Areas, as provided in 9.5(c).

(e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the Unit and the Master Association within 30 days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the owners in the Common Areas as they exist prior to the changes effected by the taking.

9.6 Taking of Common Areas. Awards for the taking of Common Areas shall be used to make the remaining portion of the Common Areas useable in the manner approved by the Board. The balance of the awards for taking of Common Areas, if any, shall be distributed to the Master Association.

9.7 Amendment of Declaration. The changes in Units, in the Common Areas and in the ownership of the Common Areas that are effected by condemnation shall be evidenced by an amendment of the Declaration of Condominium that need be approved only by a majority of the Board, provided that nothing herein shall be deemed to alter the requirement set forth in Section 10.5(c) that each Institutional Mortgagee holding a first mortgage upon any Unit and two-thirds (2/3) of the Unit Owners give prior written approval to changes in the pro-rata interest or obligation of Unit Owners or the pro-rata share of ownership in the Common Areas.

10. Use Restrictions. The use of the Property shall be in accordance with the following provisions as long as the Condominium exists and the buildings in useful condition exist upon the land.

10.1 Units. No Unit may be subdivided or partitioned. Each of the Units shall be occupied only by the individual owner, members of a family, their servants, guests, lessees and tenants as a residence and for no other purposes, except as follows. The Developer may use any Unit for model, sales office or display purposes and may lease or rent Units owned by the Developer.

10.2 Common Areas. The Common Areas shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

10.3 Nuisances. Unit Owners, residents and lessees shall use their reasonable efforts under the circumstances to avoid unreasonable disturbances or nuisances which would disturb other Unit Owners.

10.4 Unlawful Use. No Unit or Common Areas may be used for any unlawful, immoral or improper purpose.

10.5 Insurance. No activity shall be done or maintained in any Unit or upon any Common Areas which will increase the rate of insurance on any Unit or the Common Areas or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board.

10.6 Regulations. Reasonable regulations concerning the use of the Property may be made and amended from time to time by the Master Association as provided by its Bylaws. Copies of such regulations and amendments thereto shall be furnished by the Master Association to all Unit Owners and residents of the Property.

10.7 Exterior Appearance. The exterior appearance of a Unit or any Common Element (including Limited Common Areas) may not be changed without prior written approval of the Board.

11. Proviso, Pending Completion. Until the Developer has completed all of the contemplated improvements on the Property and closed the sales of all of the Units or until December 31, 2001 whichever occurs last, neither the Unit Owners nor the Master Association nor the use of the Property shall interfere with the sale of the Units or the completion of any improvements in the Condominium or other condominiums within the "Hibiscus" development. Developer may make such use of the unsold Units and Common Areas as may facilitate such completion and sale, including but not limited to maintenance of sales office, the showing of the property, the display of signs and the leasing of Units.

12. Ownership of Common Areas and Master Association. The ownership of an undivided share in the Common Areas which is appurtenant to a Unit cannot be separated from the Unit or conveyed or encumbered except with the Unit and a conveyance or encumbrance of a Unit shall pass the title to the Common Areas appurtenant to it whether or not separately described. The shares in the Common Areas appurtenant to Units shall remain undivided, and no action for partition of the Common Areas shall lie. The share of a Unit Owner in the funds and assets of the Master Association cannot be assigned, hypothecated or transferred in any manner, except as appurtenant to his Unit.

13. Compliance and Default. Each Unit Owner, the Phase I Association, the Phase II Association, the Phase III Association, the Master Association, and any other association created to operate any additional condominium subject to this Declaration shall be governed by and shall comply with the terms of this Declaration, the Articles of Incorporation and the Bylaws of the Master Association, and the Rules and Regulations adopted pursuant thereto, as said documents may be amended from time to time. Each Unit Owner shall comply with decisions of the Master Association made pursuant to authority granted to said Master Association in the said documents. Each Unit Owner shall also comply with the decisions of and be

further governed by the articles of incorporation and bylaws of any subassociation created to operate any additional condominium subject to this Declaration, in which such Unit Owner's unit is located. Failure of the Unit Owner to comply therewith shall entitle the Master Association or other Owners to the following relief in addition to other remedies provided in this Declaration and the Condominium Act, including the recovery of damages, injunctive relief, or both, to the extent allowed by law; and Unit Owners shall have similar rights of action against the Master Association.

13.1 Enforcement. The Master Association and any aggrieved Unit Owner are hereby empowered to enforce this Declaration, and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Master Association by such means as are provided by the laws of the State of Florida.

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, his lessees, or his or their guests, invitees, employees, contractors or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Master Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit, or of the Common Areas or of the Limited Common Areas.

13.3 Compliance. In the event a Unit Owner or occupant fails to maintain a Unit or the Limited Common Areas appurtenant to the Unit, or fails to cause such Unit or Limited Common Areas to be maintained or fails to observe and perform all applicable provisions of the Declaration, the Bylaws, and the Articles of Incorporation of the Master Association and/or the applicable rules and regulations, covenants and restrictions, or any other agreement, document or instrument affecting the Property or administered by the Master Association shall have the right to proceed in a court of equity to require performance and/or compliance, to sue in a court of law for damages to collect from the Unit Owner and the Unit the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance and to enforce collection by judgment lien and/or any other manner permitted by law. The Master Association shall have the further irrevocable right of access to each Unit during reasonable hours, when necessary for maintenance, repair or replacement of any Common Areas, Limited Common Areas or of any portion of a Unit to be maintained by the Master Association pursuant to this Declaration or as necessary to prevent damage to a Unit or Units.

In addition to or instead of the above, the Master Association shall have the right to levy fines against Unit Owners for any violation of this Declaration, Articles of Incorporation, Bylaws and/or rules or regulations established by the Master Association. Any reference to a fine contained in this Declaration shall not be construed as a limitation, and fines may be imposed for the violation of any provision herein.

13.4 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of this Declaration, or the Articles and Bylaws of the Master Association, or any rules and regulations adopted pursuant thereto, as said documents may be amended from time to time, the prevailing party shall be entitled to recover the cost of the proceeding and such reasonable attorneys' fees as may be awarded by the court, provided no attorneys' fees may be recovered against the Master Association.

13.5 No Waiver of Rights. The failure of the Developer or the Master Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles, the Bylaws, or the rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

14. Disclaimers.

14.1 Representations. Except as provided herein, no representation, warranty or commitment has been made by the Developer or any other party in its behalf to any Unit Owner, either prior to or subsequent to the purchase of his Unit with respect to the time of construction, location, nature and extent of any Recreation and Other Facilities or Phase I Amenities within the Property or any land lying adjacent thereto or in the vicinity thereof.

14.2 Warranty. Except as otherwise specifically provided in Florida Statutes Chapter 718, the Developer specifically disclaims any intent to have made any warranty or representation, express or implied, in connection with the Units, the Property, or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Guaranties obtained and warranties obtained from the manufacturers of all appliances and equipment, as specified by said manufacturers and subcontractors, may be enforced by the Master Association, or the Unit Owner.

15. Amendment.

15.1 By Developer. An Amendment to this Declaration made by the Developer shall be evidenced by a certificate setting forth such Amendment executed by the Developer with the formalities of a deed (including recording data identifying this Declaration) and shall become effective when such certificate is recorded according to law. In addition to other provisions contained in this Declaration relating to Amendments by the Developer, as long as the Developer owns five percent (5%) or more of the Units the Developer may amend this Declaration for any purpose including, but not limited to, any Amendment required by the Division of Land Sales and Condominiums, or by NMA, FHLMC or any Institutional Mortgagee, and such Amendment shall be effective without the joinder of any Unit Owners, mortgagees or the Master Association; provided, however, that any Amendment to the Declaration pursuant to this section 15.1 which would be material and adverse to interests of Unit Owners shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit to the extent such Units are affected by such material Amendment; and further provided, that no Amendment pursuant to this section 15.1 shall adversely affect the lien or priority of any previously recorded mortgage to an Institutional Mortgagee. Notwithstanding any provision to the contrary set forth in this Section or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Master Association, the Developer may amend this Declaration to add additional lands or condominiums to be subject to this Declaration and/or to amend the documents as required by an Institutional Mortgagee, without the joinder or consent of any association or Unit Owner.

15.2 By Unit Owners. An Amendment to this Declaration made by Unit Owners shall be evidenced by: (a) a certificate setting forth such Amendment executed by the appropriate officers of the Master Association, with the formalities of a deed (including the recording data identifying this Declaration); and (b) an affidavit (to be attached to the certificate) executed by the appropriate officers of the Master Association certifying that the owners of seventy-five percent (75%) or more of the interests in the Common Areas set forth on **Exhibit "B"** voted in favor of the Amendment. Such Amendment shall become effective when it is recorded according to law. No Amendment shall be adopted or become effective pursuant to this section 15.2 which adversely affects the lien or priority of any previously recorded mortgage to an Institutional Mortgagee. An Amendment made by Unit Owners need not be executed by the Unit Owners. This Declaration shall not be amended without the approval of the Developer and without the joinder of the Developer in the certificate referred to in (a) above if any of the following conditions exist: (i) the Developer owns five percent (5%) or more of the units; or (ii) such Amendment purports to modify restrict, limit or otherwise affect any right of the Developer hereunder, including without limitation the rights of Developer

to amend this Declaration of Condominium unilaterally as set forth heretofore and any other rights of Developer hereunder. Notwithstanding anything contained herein, any Amendment pursuant to this section 15.2 which would be material and adverse to the interests of Unit Owners, shall first be approved in writing by each Unit Owner and each Institutional Mortgagee holding a first mortgage upon any Unit to the extent such Units are affected by such material Amendment.

15.3 By Master Association. Whenever it shall appear that there is an error or omission in the Declaration and the Developer owns less than five percent (5%) of the Units, then the Board may correct such error or omission by resolution adopted by a majority vote of the Board at any duly called meeting thereof. Such Amendment shall become effective when it is recorded according to law; provided, however, that the provisions of section 15.1 requiring approval of Amendments by each Institutional Mortgagee holding a first mortgage upon any Unit affected by the Amendment shall also apply to any Amendment made pursuant to this section.

15.4 Intentionally Omitted.

15.5 Prohibited Amendments. Except as otherwise provided in this Declaration, no Amendment shall be passed which shall:

(a) Change the configuration or the size of any Unit in any material fashion, materially alter or modify the appurtenances to such Unit, unless the record owner thereof and all record owners of liens thereon shall join in the execution of such Amendment and unless a majority of record owners of all Units approve the Amendment; and

(b) Materially impair or prejudice the rights and priorities of any Institutional Mortgagee or otherwise violate a Federal National Mortgage Association or Federal Home Loan Mortgage Corporation requirement without prior written consent of such Institutional Mortgagee, which consent shall not be unreasonably withheld.

(c) In any way affect any of the rights, privileges, powers or options of the Developer without the prior written consent of the Developer or the Master Association.

(d) Discriminate against any Unit Owner or against any Unit or class or group of Units comprising part of the Property, unless the record owners of all affected Units and Institutional Mortgagees thereon shall join in the execution and acknowledgment of the Amendment.

(e) Adversely affect the lien or priority of any previously recorded mortgage to an Institutional Mortgagee.

(f) Change the rights and privileges of the Developer without the Developer's written approval.

(g) Change the rights of any Unit or Common Element to commercial use without Developer's written consent.

(h) Affect the rights of the Developer reserved herein to add additional phases to the Condominium.

15.6 Notwithstanding the provisions of this Section 15, the Developer reserves the right to amend this Declaration of Condominium for the purpose of subjecting additional real property to this Declaration. Any Amendments mentioned here shall be effective from and after being recorded.

16. Additional Rights of Institutional Mortgagees. In addition to any rights provided elsewhere in this Declaration, any Institutional Mortgagee (which term shall, when used in this section, be deemed to include any guarantor or insurer of a mortgage) having a lien upon any Unit who makes a request in writing to the Master Association for the items provided in this section shall have the following rights:

16.1 Annual Financial Statements of Association. To be furnished with at least one copy of the annual financial statement and report of the Master Association, including a detailed statement of annual carrying charges, or income collected, and operating expenses; such financial statement and report to be furnished within sixty (60) days following the end of each calendar year.

16.2 Notice of Meetings. To be given notice of any proposed action which would require the consent of a specified percentage of mortgage holders; and to be given notice by the Master Association of the call of a meeting of the Unit Owners to be held for any purpose, including but not limited to the purpose of considering any proposed Amendment to this Declaration or to the Articles of Incorporation or Bylaws of the Master Association, which notice shall state the nature of the Amendment being proposed; and to designate a representative to attend all such meetings.

16.3 Notice of Defaults. To be given written notice of any default of any owner of a Unit encumbered by a mortgage held by such Institutional Mortgagee in the performance of such mortgagor's obligations under the Declaration, Articles, Bylaws or Regulations which is not cured within sixty (60) days. Such notice will be given in writing and be sent to the principal office of such Institutional Mortgagee, or to the place which it may designate in writing to the Master Association from time to time.

16.4 Insurance Endorsements. To be given an endorsement of the policies covering the Common Areas and Limited Common Areas requiring that such Institutional Mortgagee be given any notice of cancellation provided for in such policy.

16.5 Examination of Books and Records. Upon reasonable notice, to examine the books and records of the Master Association.

16.6 Notice of Damage. To be given timely written notice of any damage or loss to, or taking of, the Common Areas or any Unit, or of any notice by an authority that the Common Areas or any Unit will be the subject of condemnation proceedings.

17. Attorney's Fees and Costs. Should the Master Association find it necessary or desirable to institute legal actions, upon a finding by a court in favor of the Association, the defendant Unit Owner shall reimburse the Master Association for its costs of suit, including reasonable attorneys' fees and costs at both trial and appellate level, incurred by it in bringing such action.

18. Gender/Plural Usage. 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.

19. Execution of Documents Required by Government. The Developer's plan for the development of the Ocean Gate multi-condominium development may require from time to time the execution of certain documents required by any governmental agency having jurisdiction. To the extent that said documents require the joinder of the Unit Owners, the Master Association by its duly authorized officers may, as the agent or the attorney-in-fact for the Unit Owners, execute, acknowledge and deliver such documents, and the Unit Owners, by virtue of their acceptance of deeds to their Units, irrevocably nominate,

constitute and appoint the Master Association, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable.

20. Severability. The invalidity in whole or in part of any covenant or restriction or any section, subparagraph, sentence, clause, phrase or word or other provision of this Declaration, the Articles, the Bylaws, the Rules and Regulations of the Master Association and any exhibits attached hereto, shall not affect the remaining portions thereof.

21. Covenants Running with the Land. All provisions of this Declaration and all attachments thereto shall be construed to be covenants running with the land, or equitable servitudes upon the land and with any part thereof, as the case may be, and interest therein, and every Unit Owner and claimant of the Property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound thereby.

IN WITNESS WHEREOF, the Developer has executed this Declaration this 9th day of June, 1999.

Signed, sealed and delivered in the presence of:

Witnesses:

Laura A. Waller
Name: LAURA A. WALLER

Michelle Hutchinson
Name: Michelle Hutchinson

OCEAN GATE DEVELOPMENT, INC.,
a Florida corporation

By: BOB LAURENCE
Its: PRESIDENT

STATE OF FLORIDA)
)
COUNTY OF ST. JOHNS)

The foregoing instrument was acknowledged before me this 10th day of June, 1999, by ROBERT J. L. LAWRENCE, the _____ of OCEAN GATE DEVELOPMENT, INC., a Florida corporation on behalf of the Corporation.

Laura A. Waller
Notary Public, State of Florida at Large.

[Notarial Seal]

NOTARY PUBLIC STATE OF FLORIDA
Laura A Waller
My Commission CC594020
Expires October 16 2000

Exhibits to Declaration

Exhibit A - Legal Description
Exhibit A-1 - Site Plan showing Roadway Easement
Exhibit B - Identification of each Unit and Percentage Interest in Common Areas
Exhibit C - Condominium Lease
Exhibit D - Master Association Articles of Incorporation
Exhibit E - Master Association Bylaws
Exhibit F - Phase I Amenities

DESCRIPTION - TRACT A (CORRECTIVE):

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 6 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A, THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, SOUTH 12 DEGREES 19 MINUTES 40 SECONDS WEST 95.01 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE NORTH 84 DEGREES 55 MINUTES 52 SECONDS EAST 200.58 FEET; THENCE NORTH 44 DEGREES 55 MINUTES 52 SECONDS WEST 10.52 FEET; THENCE NORTH 00 DEGREES 20 MINUTES 00 SECONDS WEST 24.17 FEET; THENCE NORTH 44 DEGREES 03 MINUTES 52 SECONDS EAST 00.03 FEET; THENCE NORTH 89 DEGREES 00 MINUTES 52 SECONDS EAST 42.84 FEET; THENCE NORTH 00 DEGREES 20 MINUTES 10 SECONDS WEST 20.90 FEET; THENCE NORTH 35 DEGREES 02 MINUTES 34 SECONDS EAST 10.29 FEET; THENCE NORTH 45 DEGREES 09 MINUTES 11 SECONDS EAST 7.80 FEET; THENCE NORTH 84 DEGREES 24 MINUTES 19 SECONDS EAST 23.07 FEET; THENCE NORTH 89 DEGREES 06 MINUTES 57 SECONDS EAST 39.69 FEET; THENCE SOUTH 45 DEGREES 20 MINUTES 00 SECONDS EAST 50.05 FEET; THENCE SOUTH 00 DEGREES 20 MINUTES 09 SECONDS EAST 81.00 FEET; THENCE NORTH 89 DEGREES 39 MINUTES 52 SECONDS EAST 9.29 FEET; THENCE SOUTH 45 DEGREES 20 MINUTES 00 SECONDS EAST 54.94 FEET TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY WITH RADIUS OF 82.00 FEET; THENCE ON SAID CURVE CONCAVE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 19 DEGREES 49 MINUTES 01 SECONDS, AN ARC DISTANCE OF 28.38 FEET(CHORD-SOUTH 45 DEGREES 26 MINUTES 12 SECONDS WEST 28.24 FEET) THENCE NORTH 89 DEGREES 39 MINUTES 52 SECONDS EAST 40.21 FEET; THENCE SOUTH 04 DEGREES 00 MINUTES 39 SECONDS WEST 2.14 FEET; THENCE SOUTH 84 DEGREES 44 MINUTES 54 SECONDS EAST 20.77 FEET; THENCE NORTH 05 DEGREES 00 MINUTES 20 SECONDS EAST 2.01 FEET; THENCE SOUTH 85 DEGREES 12 MINUTES 51 SECONDS EAST 21.54 FEET; THENCE NORTH 19 DEGREES 32 MINUTES 19 SECONDS EAST 17.58 FEET; THENCE NORTH 88 DEGREES 32 MINUTES 24 SECONDS EAST 8.19 FEET; THENCE SOUTH 75 DEGREES 37 MINUTES 09 SECONDS EAST 16.78 FEET; THENCE SOUTH 81 DEGREES 15 MINUTES 49 SECONDS EAST 16.26 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 09 SECONDS EAST 40.16 FEET; THENCE SOUTH 46 DEGREES 05 MINUTES 19 SECONDS EAST 27.95 FEET; THENCE NORTH 00 DEGREES 49 MINUTES 50 SECONDS EAST 15.75 FEET; THENCE NORTH 02 DEGREES 20 MINUTES 26 SECONDS EAST 1.79 FEET; THENCE NORTH 44 DEGREES 21 MINUTES 10 SECONDS EAST 10.40 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 11 SECONDS EAST 25.21 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 49 SECONDS EAST 0.60 FEET; THENCE NORTH 84 DEGREES 27 MINUTES 09 SECONDS EAST 8.81 FEET; THENCE SOUTH 05 DEGREES 24 MINUTES 19 SECONDS EAST 9.19 FEET; THENCE NORTH 89 DEGREES 17 MINUTES 50 SECONDS EAST 20.00 FEET; THENCE SOUTH 46 DEGREES 54 MINUTES 12 SECONDS EAST 9.07 FEET; THENCE SOUTH 88 DEGREES 26 MINUTES 58 SECONDS EAST 69.75 FEET; THENCE NORTH 89 DEGREES 41 MINUTES 19 SECONDS EAST 1.47 FEET; THENCE NORTH 00 DEGREES 20 MINUTES 17 SECONDS EAST 4.30 FEET; THENCE NORTH 89 DEGREES 14 MINUTES 52 SECONDS EAST 12.72 FEET; THENCE SOUTH 01 DEGREE 20 MINUTES 29 SECONDS EAST 7.06 FEET; NORTH 89 DEGREES 47 MINUTES 42 SECONDS EAST 24.82 FEET; THENCE SOUTH 46 DEGREES 21 MINUTES 29 SECONDS EAST 19.70 FEET; THENCE SOUTH 00 DEGREES 02 MINUTES 50 SECONDS EAST 49.27 FEET; THENCE NORTH 89 DEGREES 00 MINUTES 54 SECONDS EAST 51.11 FEET; THENCE SOUTH 05 DEGREES 22 MINUTES 56 SECONDS EAST 89.76 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 52 SECONDS EAST 451 FEET PLUS OR MINUS TO SAID MEAN HIGH WATER LINE, SAID POINT BEING REFERENCE POINT "B"; THENCE RETURN TO THE POINT OF BEGINNING; THENCE NORTH 12 DEGREES 19 MINUTES 40 SECONDS WEST 290.21 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 57 SECONDS EAST 1340 FEET PLUS OR MINUS TO THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE SOUTHEASTERLY, 282 FEET PLUS OR MINUS ALONG SAID MEAN HIGH WATER LINE TO A POINT, SAID POINT BEING REFERENCE POINT "B".

Less and except the following leased areas:

DESCRIPTION - LEASE AREA 1: OCEAN FRONT POOL

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORHTERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET ; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 1150.40 FEET; THENCE SOUTH 06 DEGREES 50 MINUTES 56 SECONDS EAST 215.45 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 07 DEGREES 06 MINUTES 03 SECONDS EAST 12.37 FEET; THENCE SOUTH 83 DEGREES 27 MINUTES 28 SECONDS WEST 5.51 FEET; THENCE SOUTH 04 DEGREES 26 MINUTES 22 SECONDS WEST 17.98 FEET; THENCE SOUTH 44 DEGREES 26 MINUTES 19 SECONDS WEST 44.25 FEET; THENCE SOUTH 89 DEGREES 00 MINUTES 59 SECONDS WEST 37.11 FEET; THENCE NORTH 00 DEGREES 02 MINUTES 56 SECONDS WEST 49.27 FEET; THENCE NORTH 46 DEGREES 21 MINUTES 23 SECONDS WEST 16.70 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 42 SECONDS WEST 24.32 FEET; THENCE NORTH 01 DEGREE 38 MINUTES 23 SECONDS WEST 7.06 FEET; THENCE SOUTH 89 DEGREES 14 MINUTES 52 SECONDS WEST 12.72 FEET; THENCE SOUTH 00 DEGREES 28 MINUTES 17 SECONDS WEST 4.38 FEET; THENCE SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST 1.47 FEET; THENCE NORTH 02 DEGREES 24 MINUTES 44 SECONDS WEST 9.67 FEET; THENCE NORTH 89 DEGREES 29 MINUTES 37 SECONDS EAST 19.57 FEET; THENCE SOUTH 03 DEGREES 19 MINUTES 27 SECONDS EAST 7.02 FEET; THENCE NORTH 88 DEGREES 52 MINUTES 01 SECOND EAST 20.13 FEET; THENCE SOUTH 75 DEGREES 15 MINUTES 39 SECONDS EAST 1.96 FEET; THENCE SOUTH 45 DEGREES 37 MINUTES 52 SECONDS EAST 4.43 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 42 SECONDS EAST 79.53 FEET TO THE POINT OF BEGINNING; CONTAINING 4,217.78 SQUARE FEET OR 0.10 ACRES, MORE OR LESS.

DESCRIPTION - LEASE AREA 2:

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET ; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 780.37 FEET; THENCE SOUTH 00 DEGREES 39 MINUTES 21 SECONDS EAST 120.30 FEET, TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE NORTH 89 DEGREES 01 MINUTE 30 SECONDS EAST 62.17 FEET; THENCE NORTH 89 DEGREES 43 MINUTES 43 SECONDS EAST 2.74 FEET; THENCE SOUTH 02 DEGREES 33 MINUTES 25 SECONDS EAST 16.00 FEET; THENCE SOUTH 89 DEGREES 40 MINUTES 09 SECONDS EAST 4.50 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 03 SECONDS WEST 39.86 FEET; THENCE SOUTH 84 DEGREES 17 MINUTES 42 SECONDS EAST 39.46 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 13 SECONDS EAST 136.53 FEET; THENCE SOUTH 09 DEGREES 16 MINUTES 12 SECONDS EAST 22.97 FEET; THENCE NORTH 89 DEGREES 29 MINUTES 37 SECONDS EAST 19.51 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS EAST 69.75 FEET; THENCE SOUTH 46 DEGREES 54 MINUTES 12 SECONDS EAST 9.07 FEET; THENCE NORTH 89 DEGREES 17 MINUTES 58 SECONDS EAST 35.33 FEET; THENCE SOUTH 05 DEGREES 24 MINUTES 19 SECONDS EAST 9.13 FEET; THENCE NORTH 86 DEGREES 27 MINUTES 09 SECONDS EAST 8.31 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 45 SECONDS EAST 8.66 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 11 SECONDS EAST 23.21 FEET; THENCE NORTH 44 DEGREES 21 MINUTES 18 SECONDS EAST 16.90 FEET; THENCE SOUTH 02 DEGREES 20 MINUTES 36 SECONDS WEST 1.79 FEET; THENCE SOUTH 86 DEGREES 43 MINUTES 38 SECONDS WEST 15.75 FEET; THENCE NORTH 46 DEGREES 05 MINUTES 19 SECONDS WEST 27.95 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 09 SECONDS WEST 48.16 FEET; THENCE NORTH 81 DEGREES 13 MINUTES 45 SECONDS WEST 16.26 FEET; THENCE NORTH 73 DEGREES 37 MINUTES 03 SECONDS WEST 16.73 FEET; THENCE SOUTH 55 DEGREES 52 MINUTES 24 SECONDS WEST 8.13 FEET; THENCE NORTH 70 DEGREES 33 MINUTES 30 SECONDS WEST 1.84 FEET; THENCE NORTH 28 DEGREES 27 MINUTES 33 SECONDS WEST 9.07 FEET; THENCE NORTH 46 DEGREES 51 MINUTES 10 SECONDS EAST 15.29 FEET; THENCE NORTH 00 DEGREES 31 MINUTES 39 SECONDS WEST 57.35 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 20 SECONDS EAST 4.07 FEET TO THE POINT OF BEGINNING; CONTAINING 10,995.42 SQUARE FEET OR 0.25 ACRES, MORE OR LESS.

DESCRIPTION - LEASE AREA 3: TENNIS & SHUFFLEBOARD COURT

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 40 SECONDS WEST 201.20 FEET ; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST, 780.37 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST, 117.59 FEET; THENCE SOUTH 00 DEGREES 38 MINUTES 52 SECONDS EAST, 59.54 FEET; THENCE NORTH 89 DEGREES 37 MINUTES 19 SECONDS WEST, 32.14 FEET; THENCE NORTH 00 DEGREES 17 MINUTES 45 SECONDS EAST, 2.32 FEET; THENCE NORTH 89 DEGREES 49 MINUTES 33 SECONDS WEST, 15.14 FEET; THENCE SOUTH 00 DEGREES 54 MINUTES 10 SECONDS WEST, 2.22 FEET; THENCE NORTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, 8.27 FEET; THENCE SOUTH 00 DEGREES 47 MINUTES 34 SECONDS EAST, 60.93 FEET; THENCE SOUTH 89 DEGREES 01 MINUTE 30 SECONDS WEST, 62.17 FEET; THENCE NORTH 00 DEGREES 39 MINUTES 21 SECONDS WEST 120.30 FEET TO THE POINT OF BEGINNING; CONTAINING 10,698.30 SQUARE FEET OR 0.25 ACRES, MORE OR LESS.

DESCRIPTION - LEASE AREA 4, POOL & WATER FEATURES

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 585.39 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 44.70 FEET; THENCE SOUTH 00 DEGREES 18 MINUTES 32 SECONDS EAST 95.51 FEET; THENCE SOUTH 86 DEGREES 33 MINUTES 28 SECONDS WEST 2.40 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 22 SECONDS EAST 30.92 FEET; THENCE SOUTH 46 DEGREES 37 MINUTES 47 SECONDS WEST 42.81 FEET; THENCE SOUTH 01 DEGREE 33 MINUTES 07 SECONDS EAST 27.47 FEET; THENCE SOUTH 45 DEGREES 24 MINUTES 10 SECONDS EAST 31.29 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 32 SECONDS EAST 26.55 FEET TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY WITH RADIUS OF 82.00 FEET; THENCE ON SAID CURVE CONCAVE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 19 DEGREES 49 MINUTES 51 SECONDS, AN ARC DISTANCE OF 28.38 FEET(CHORD-SOUTH 45 DEGREES 26 MINUTES 12 SECONDS WEST 28.24 FEET); THENCE NORTH 45 DEGREES 26 MINUTES 08 SECONDS WEST 54.34 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 8.25 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 31.00 FEET; THENCE NORTH 45 DEGREES 42 MINUTES 07 SECONDS WEST 15.06 FEET; THENCE NORTH 44 DEGREES 56 MINUTES 12 SECONDS EAST 24.28 FEET; THENCE NORTH 00 DEGREES 18 MINUTES 32 SECONDS WEST 128.11 FEET TO THE POINT OF BEGINNING; CONTAINING 7,859 SQUARE FEET OR 0.18 ACRES, MORE OR LESS.

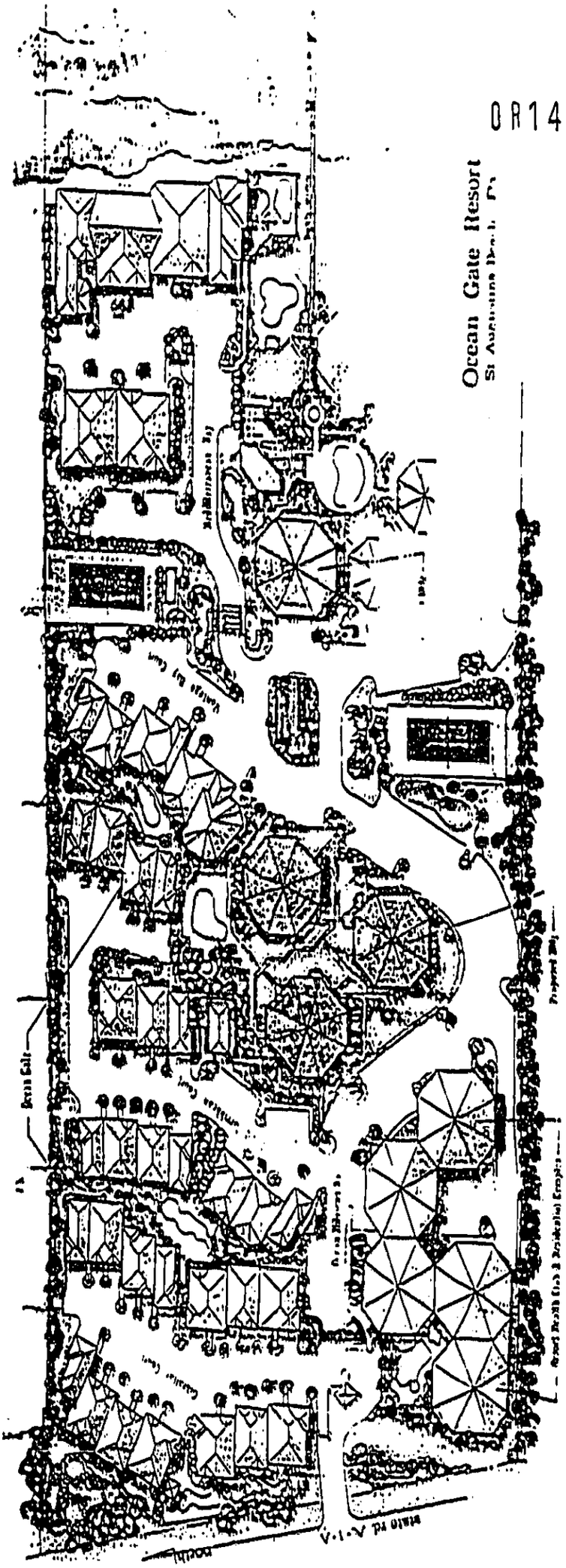
DESCRIPTION - LEASE AREA 5. RACQUET BALL COURTS

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF AIA; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF AIA, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 585.39 FEET; THENCE SOUTH 00 DEGREES 18 MINUTES 32 SECONDS EAST 128.11 FEET; THENCE SOUTH 44 DEGREES 56 MINUTES 12 SECONDS WEST, 24.28 FEET; THENCE NORTH 45 DEGREES 26 MINUTES 08 SECONDS WEST, 13.22 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST, 65.53 FEET; THENCE SOUTH 44 DEGREES 33 MINUTES 52 SECONDS WEST 28.28 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 10 SECONDS WEST 4.10 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 00 DEGREES 26 MINUTES 10 SECONDS EAST, 35.83 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST, 42.89 FEET; THENCE SOUTH 44 DEGREES 33 MINUTES 52 SECONDS WEST, 15.71 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 07 SECONDS WEST, 47.90 FEET; THENCE NORTH 89 DEGREES 31 MINUTES 46 SECONDS EAST, 55.07 FEET, TO THE POINT OF BEGINNING; CONTAINING 2,049.34 SQUARE FEET OR 0.05 ACRES, MORE OR LESS.

EXHIBIT A1

OR1417PG1878





Ocean Gate Realty
& MANAGEMENT GROUP

4730 A1A South, St. Augustine (904) 471-5009

Exhibit B

Percentage of Ownership Interest for Phase I

	Unit Numbers	Bedrooms	Baths	Sq Ft. Unit	% Ownershi in Phase	% Ownership in Master Assn.	Assessment Per Unit
Phase 1	600	3	3.5	4491	4491/36178	5.150	808.38
	604	3	3.5	3189	3189/36178	3.657	574.02
	608	3	3.5	3511	3511/36178	4.026	631.98
	612	3	3.5	3119	3119/36178	3.577	561.42
	616	3	3.5	2984	2984/36178	3.422	537.12
	620	3	3.5	5785	5785/36178	6.634	1,041.30
	605	3	3.5	4219	4219/36178	4.838	759.42
	609	3	3.5	2880	2880/36178	3.303	518.40
	613	3	3.5	2890	2890/36178	3.314	520.20
	617	3	3.5	3110	3110/36178	3.566	559.80
Totals Phase I				36178		41.487	6,512.04

Percentage of Ownership Interest for Phase II

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment per Unit
Phase 2	401	3	2.5	2270	2270/16838	2.603	408.60
	405	3	3	2402	2402/16838	2.754	432.36
	409	2	2	1569	1569/16838	1.799	282.42
	413	2	2	1622	1622/16838	1.86	291.96
	417	2	2	1628	1628/16838	1.867	293.04
	421	2	2	1468	1468/16838	1.683	264.24
	425	2	2	1465	1465/16838	1.68	263.70
	429	3	3.5	2228	2228/16838	2.555	401.04
	433	3	3.5	2186	2186/16838	2.507	393.48
Totals Phase 2				16838		19.308	3,030.84

Percentage of Ownership Interest for Phase III

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment Per Unit
Phase 3	337	3	2.5	2516	2516/34190	2.885	452.88
	341	3	3	2394	2394/34190	2.745	430.92
	345	2	2	1538	1538/34190	1.764	276.84
	349	2	2	1602	1602/34190	1.837	288.36
	353	2	2	1602	1602/34190	1.837	288.36
	357	2	2	1446	1446/34190	1.658	260.28
	361	2	2	1446	1446/34190	1.658	260.28
	365	3	2.5	2226	2226/34190	2.553	400.68
	369	3	2.5	2325	2325/34190	2.666	418.50
	301	3	2.5	2325	2325/34190	2.666	418.50
	305	3	2.5	2226	2226/34190	2.553	400.68
	309	2	2	1446	1446/34190	1.658	260.28
	313	2	2	1446	1446/34190	1.658	260.28
	317	2	2	1602	1602/34190	1.837	288.36
	321	2	2	1602	1602/34190	1.837	288.36
	325	2	2	1538	1538/34190	1.764	276.84
	329	3	3	2394	2394/34190	2.745	430.92
	333	3	2.5	2516	2516/34190	2.885	452.88
Totals Phase 3				34190		39.206	6,154.20

CONDOMINIUM RECREATION LEASE

This Condominium Recreation Lease (the "Lease") is made this 6th day of March, 1999, between Ocean Gate Development, Inc., a corporation organized and existing under the laws of the State of Florida, with its principal office located at 4730-B Highway A1A South, St. Augustine, Florida 32084, (the "Lessor" or "Developer"), and Ocean Gate Condominium Master Association, Inc., a nonprofit corporation organized and existing under the laws of the State of Florida, with its principal office located at 4730-B Highway A1A South, St. Augustine, Florida 32084, (the "Lessee" or the "Master Association").

In consideration of the promises and covenants herein made, the payment of Ten and No/100 Dollars ($10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

SECTION I
DEVELOPER

The Lessor is the promoter and developer of Ocean Gate Resort, a development consisting of Ocean Gate Phase I, a Condominium, Ocean Gate Phase II, a Condominium, and Ocean Gate Phase III, a Condominium (collectively, the "Condominiums") located in St. Johns County, Florida.

SECTION II
LEASE OF PREMISES

Lessor by these presents hereby leases, rents, lets and demises to Lessee, its successors and assigns, the following described property and improvements located within the resort development but which are not subject to condominium and are situated in St. Augustine, St. Johns County, Florida and legally described on Composite Exhibit "A" attached hereto and incorporated herein by reference (the "Leased Amenities").

SECTION III
LESSEE ASSOCIATION

Lessee is a master condominium association formed pursuant to the laws of the State of Florida (the "Declaration") and to manage and maintain the Leased Amenities being demised under this Lease and other appurtenant improvements to be erected on the property described in the Declaration.

SECTION IV
RIGHTS OF DEVELOPER

Until Developer shall have completed the development and sale of all condominium units in the Condominiums, Developer shall have the following rights, notwithstanding any other provisions of this Lease to the contrary:

a. The right to use, occupy, and demonstrate on a nonexclusive basis, all portions of the Leased Amenities for the purposes of promoting and aiding in the sale or rental of living units on or to be constructed on land constituting the Condominiums. Such rights may not be exercised in an unreasonable manner inconsistent with the rights of Lessee and the Unit Owners within the Condominiums to use, occupy, and enjoy such portions of the Leased Amenities. The exercise of such rights by Developer shall not reduce, abate, or suspend Lessee's obligation to pay rent, to repair and maintain such portions of the Leased Amenities, to pay taxes and insurance premiums thereon and utilities therefor, or to perform in full all of its covenants and promises herein made.

b. Display and erect signs, billboards, and placards; and store, keep, exhibit, and distribute printed, audio, and visual promotional materials in and about the premises.

c. Establish and promulgate rules and regulations not inconsistent with any of the provisions of this Lease concerning the use of the Leased Amenities.

SECTION V
DEVELOPER AND LESSOR NOT TO BE CONSIDERED SAME ENTITY

Although Lessor of the Leased Amenities demised hereby may be the same entity as the Developer of the Condominiums, Lessee agrees that Lessor and Developer shall never, for any purpose, be construed or considered as being one and the same. No act of commission or omission by Developer shall ever be construed or considered as:

(1) a breach by Lessor of any of its promises and covenants in this Lease;

(2) an actual, implied, or constructive failure by Lessor to deliver possession of the Leased Amenities to Lessee;

(3) an actual, implied or constructive eviction of Lessee from the Leased Amenities by Lessor or any one acting by, through, under, or for it; or

(4) an excuse, justification, waiver, or indulgence by Lessor to Lessee with regard to Lessee's prompt, full, complete, and continued performance of its covenants and promises.

SECTION VI
TERM OF LEASE

This Lease, in its executed and recorded form, commences on the first day of the month succeeding the month in which some of the Leased Amenities are completed and are available for use and expires ninety-nine (99) years thereafter, unless terminated prior to such date in accordance with the terms and conditions of this Lease.

SECTION VII
RESTRICTIONS ON TITLE

Lessor covenants that it owns the property on Composite Exhibit "A" in fee simple.

Lessee assumes and agrees to take title subject specifically, but not limited to, to the following:

a. Conditions, restrictions, limitations and easements of record on the date of this Lease.

b. All zoning and subdivision ordinances, if any, affecting the land described on Composite Exhibit "A."

c. Questions of locations, measurement, and survey.

d. Real estate taxes and county special tax district assessments for the year in which this Lease is executed and each year thereafter.

e. Terms and conditions of the Declaration and exhibits attached to this Lease.

The Leased Amenities are subject to such easements for public utilities as appear of public record as of the date of this Lease, and Lessor shall have, at all times, the exclusive right to create, over or under such of the Leased Amenities, for any and all public utilities, easements from time to time as Lessor, in its discretion, shall deem appropriate, free and clear of the provisions of this Lease, provided only that such future easements shall be for the purpose, in whole or in part, of supplying utilities or for providing access for the construction of additional improvements on the property located within the confines of the Condominiums.

SECTION VIII
IMPROVEMENTS TO BE INCLUDED IN LEASE

Lessor agrees that it will cause improvements for use as recreational facilities to be constructed on the demised premises at its own cost and expense, which facilities will be deemed part and parcel of the demised premises and will include a swimming pool of approximately 17,000 gallons located within Ocean Gate Phase II, a Condominium, a swimming pool of approximately 17,000 gallons located within Ocean Gate Phase III, a Condominium, a pool deck, tennis court, racquetball court, and such other Leased Amenities as are itemized in the attached Exhibit "B" incorporated herein by reference.

SECTION IX
SHARED USE OF LEASED AMENITIES

THE LEASED AMENITIES MAY ALSO BE USED, SUBJECT TO THE SAME RULES AND REGULATIONS APPLICABLE HEREUNDER, BY UNIT OWNERS WITHIN

THE ADJACENT HIBISCUS DEVELOPMENT AND BY UNIT OWNERS WITH OCEAN GATE I, A CONDOMINIUM. SUCH UNIT OWNERS SHALL SHARE EQUALLY IN THE COST OF MAINTENANCE AND OPERATION OF THE LEASED AMENITIES. THE MINIMUM NUMBER OF UNITS THAT WILL BE REQUIRED TO PAY RENT UNDER THIS LEASE SHALL BE FORTY-ONE (41). THE MAXIMUM NUMBERS OF UNITS WITHIN THIS CONDOMINIUM THAT WILL BE SERVED BY THE LEASED AMENITIES SHALL NOT EXCEED EIGHTY-SIX (86), IN ADDITION TO THE NUMBER OF UNITS WITHIN HIBISCUS AND OCEAN GATE I, A CONDOMINIUM.

SECTION X
RENTAL

On the commencement of the term of this Lease, Lessee covenants with Lessor that it will pay to Lessor, or to the designee of Lessor, a sum of money per month payable in advance on the first day of the month this Lease commences and on the first day of each and every succeeding month thereafter during the term of this Lease, for the use of the Leased Amenities. The monthly rental shall be an amount equal to the actual cost to repair or replace any of the Leased Amenities and to reimburse Lessor for any actual costs incurred in maintaining, repairing, protecting, or preserving any of the Leased Amenities. The monthly rental shall be assessed and collected from the Unit Owners by Lessee as a Common Expense and assessed against each Unit in accordance with the schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. Until all of the Leased Amenities are completed, rent shall be prorated and paid only for the Leased Amenities which are completed and are available for use.

Rent shall be payable at such places as Lessor may specify in writing from time to time, and a place once specified as the place for payment of rent shall be such until it shall have been changed by written notice to Lessee by Lessor.

All rent shall be payable in current legal tender of the United States, as such tender is constituted by law at the time the rent becomes due.

The Developer, as named in the Declaration, shall not be assessed by Lessee or be required to pay to Lessee any money allocated to rent of the Leased Amenities for Units that are owned by Developer in finished buildings. Similarly, Lessor agrees to accept a lesser amount of rental from Lessee for the period of time equal to the rental for the particular condominium units owned by Developer in finished buildings as provided for in this section.

Lessee covenants and agrees with Lessor that no damage or destruction to any building or improvement by fire, windstorm, or other casualty shall be deemed to entitle Lessee to surrender possession of the premises or to terminate this Lease, or to violate any of its provisions, or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms of this Lease.

SECTION XI
LEASE SECURITY

Lessee is a condominium association formed to conduct and administer the affairs of this Condominium in accordance with Florida Statutes Chapter 718. Pursuant to the general plan of condominium ownership, each individual Unit Owner, in addition to receiving title to the individual Unit and a percentage ownership interest in the Common Elements appurtenant thereto, shall become a member of the Lessee Master Association, and each member shall have the right to use and enjoy the Leased Amenities. Accordingly, for and in consideration of Lessor's agreement to allow each member to use and enjoy the Leased Amenities, Lessee covenants and warrants to Lessor that prior to admitting any Unit Owner in the Master Association, it will acquire from the Unit Owner and deliver to Lessor a pledge of the Unit Owner's interest in the Unit to secure Lessee's obligations under this Lease, and the Unit Owner shall agree to pay a share of the Common Expenses of the condominium to which the Unit is subject, of which the rent, taxes, insurance, maintenance, and administrative fee for the Leased Amenities under this Lease is a part (the "Pledge Agreement"). Notwithstanding the foregoing, the lien on each Unit, to secure payment to Lessor of the rent hereunder, shall be subordinate to the lien of any mortgage of an institutional lender. A copy of the pledge agreement is attached hereto as Exhibit "D". Lessor and Lessee, and each Unit Owner in the Condominiums, agree to the terms, conditions, and form of the Pledge Agreement. Failure of the Master Association to secure the Pledge Agreement and deliver it to Lessor shall not be construed to mean that the title to the subject Unit passes free and clear of the pledge. In the event of such failure, title to the individual's Unit shall be automatically subject to the Pledge Agreement, the same as if it had been executed and delivered to Lessor in accordance with this section.

In the event any Unit Owner is delinquent, this shall not preclude the other Unit Owners of the Condominiums from the use of the Leased Amenities; provided, however, that it shall be the obligation of Lessee to enforce the collection of the Assessment pertaining to the recreational facilities which are a part of the Common Expenses of each Condominium, in accordance with the provisions contained in each Declaration.

SECTION XII
CONSENT OF UNIT OWNERS AS AUTOMATIC

Each and every person, whether real or corporate, who shall take any interest whatsoever in or to any Units in the Condominiums after the recording of this Lease, by acceptance, delivery, or recording of the deed, contract, grant, assignment, or other instrument granting, conveying, or providing for such interest, or by the mere first exercise of the rights or uses granted herein, shall be deemed to consent to and ratify, without further act being required, the provisions of this Lease to the same effect and extent as if such person or persons had executed this Lease with the formalities required in a deed for the purpose of subordinating and/or subjecting such person's or persons' interest, in full, to the terms of this Lease.

SECTION XIII
MANAGEMENT OF PREMISES

Lessor has promulgated Rules and Regulations and reserves the right to amend such Rules and Regulations, as to the use of the Leased Amenities. The initial Rules and Regulations, and all amendments and revisions thereto, shall be posted in a conspicuous place in the recreation area. The Rules and Regulations shall be deemed an integral part of this Lease. The Master Association and its members specifically covenant and agree to be bound by all such Rules and Regulations and such parties shall obey them and be responsible for their being obeyed by any member's family, guests, and invitees.

Should a Unit Owner fail to pay an Assessment for Common Expenses as required under the terms of the Declaration, whereby the Assessment becomes delinquent, the Lessee may deny the Unit Owner and/or the authorized user of the Leased Amenities the use and enjoyment of the Leased Amenities until such time as all Assessments are paid. The Lessee shall further have the right, in its sole discretion, to suspend any Unit Owner and/or authorized user of the Leased Amenities from the use of the Leased Amenities of a period not to exceed five (5) days for any infraction of the promulgated rules and regulations pertaining to the Leased Amenities. Should the rights of the Unit Owner or the authorized user of the Leased Amenities to use them be suspended, there shall be no reduction in the Assessments due and payable by the Unit Owner.

SECTION XIV
USE OF PREMISES

The Leased Amenities, during the continuance of this Lease, may be used and occupied only for recreational purposes and are for the joint and common use of all of the individual Unit Owners in the Condominiums.

Lessee shall make deposits for and pay all bills and charges for utilities and services used in and about the Leased Amenities, including water, sewage, gas, electricity, and telephone.

Lessor grants to the Lessee the right to grant concessions and licenses to persons on such terms and conditions and for such purposes as the Lessee determines, to provide facilities and services on the Leased Amenities for Lessee. The Lessee also shall have the right to cause coin vending machines and coin-operated equipment and pay telephones to be installed on the demised premises in such location as it determines in its sole discretion.

The Leased Amenities shall be used only for recreational and/or leisure-time purposes and activities subject to the Rules and Regulations promulgated by Lessee from time to time. Lessee and/or individual Unit Owners agree that the Leased Amenities during the term of this Lease shall be used only and exclusively for lawful purposes, and that they will not use or permit or suffer anyone to use the premises or improvements for any purposes in violation of the laws of the United States, the State of Florida, or the

ordinances and regulations of St. Johns County, Florida, or the rules and regulations of any other governmental body having jurisdiction.

SECTION XV
MAINTENANCE OF PREMISES

Lessee has the obligation to maintain the Leased Amenities in good order, condition and repair. Lessor has no obligation whatsoever to maintain the Leased Amenities or any of the improvements. Lessee agrees to prevent waste, damage, or injury to the Leased Amenities. At the expiration of the Lease, Lessee shall surrender the premises in good condition, reasonable wear and tear excepted. Lessor agrees that all buildings, electrical systems, water systems, air conditioning systems, fixtures, pool pumps, equipment, and all other items of personalty within, on and serving the Leased Amenities shall be under the full control of Lessee or its agents, and that all operation, upkeep, repairs, and replacement of such items shall be done by and at Lessee's expense. Lessee further agrees that it shall provide at its expense any and all utility services required or necessary in the operation of the Leased Amenities. Lessee shall not change the design, color, materials, or appearance of the improvements, now or hereafter placed on the Leased Amenities, without Lessor's prior written approval.

SECTION XVI
USE OF RECREATIONAL FACILITIES

Each Unit Owner in the Condominiums, together with spouses and other members of the Unit Owner's immediate family who are in residence in the Unit may use the Leased Amenities. Where a corporation is a Unit Owner, the use of the Leased Amenities shall be limited at any one time to such officer, director, or employee of the corporation who is in actual residence, and such individual shall be deemed to be the Unit Owner for the purposes of this section. Guests and invitees of a Unit Owner, whether in temporary residence in the Condominium or not, may only be permitted to use the Leased Amenities, if at all, with the written permission of the Lessee, subject to the terms and conditions as the Lessee may determine in its sole discretion, including the payment of additional compensation, it being understood and agreed that the Leased Amenities are primarily designed for the use and enjoyment of Unit Owner, and the use by others may be required to be limited or not permitted at all during certain times of the day, or certain days, weeks, or months of the year.

The Lessee shall determine the foregoing in its sole discretion, including the manner and method in which the Leased Amenities are to be used and under what circumstances. Where a Unit Owner owns more than one parcel, the family in residence in each Unit shall be entitled to the use of the Leased Amenities, whether the family in residence be a lessee of the Unit or otherwise. When a party owns one Unit and leases it, the lessee of the Unit shall be entitled to the use of the Leased Amenities and such lessee's rights thereto shall be the same as though the lessee were the Unit Owner; and during the term of such lease, the Unit Owner shall not be entitled to the use of the Leased Amenities.

SECTION XVII
NONPAYMENT OF RENT

If any rent payable by Lessee to Lessor shall be and remain unpaid for more than thirty (30) days after it is due or payable, or if Lessee shall violate or default in any of the other covenants, agreements, stipulations, or conditions, then Lessor may declare this Lease forfeited and the term ended. Rent shall not be relinquished or extinguished for the balance of the term of this Lease. Lessee will pay, in addition to the fees and other sums agreed to be paid under this Lease, such additional funds as the court may adjudge, including reasonable attorneys' fees in any suit or action instituted by Lessor to enforce the provisions of this Lease or the collection of the rent due Lessor hereunder.

SECTION XVIII
DUTY OF LESSEE TO ASSESS AND PAY

It shall be the duty of Lessee to assess its Unit Owners in accordance with its Articles of Incorporation and Bylaws, in such amounts as shall be necessary to pay its obligations regarding the operation and maintenance of the Leased Amenities, to pay the rent due hereunder to Lessor, and to otherwise perform its covenants and promises under this Lease.

SECTION XIX
HOLDING OVER

In the event Lessee remains in possession of the Leased Amenities, after the expiration of this Lease without the execution of a new lease, it shall be deemed to be occupying the premises as a Lessee from month to month, subject to all the conditions, provisions, and obligations of this Lease.

SECTION XX
TAXES

As part of the consideration of this Lease, Lessee will pay any and all real estate taxes, personal property taxes, local assessments, and assessments of special tax districts levied on the land and improvements constituting the Leased Amenities during the term of this Lease and shall pay such taxes prior to the date on which they become delinquent.

SECTION XXI
DEMOLITION

Lessee shall not demolish any of the buildings, structures, or improvements now or hereafter placed or constructed on the demised premises constituting the Leased Amenities, without the consent in writing of Lessor, which consent Lessor may withhold in its absolute discretion or grant on such terms as it shall deem appropriate.

SECTION XXII
INSURANCE

The Lessee shall cause the Leased Amenities to be covered by fire and extended coverage insurance, in such amounts and in such form, and with such company as Lessor requires, and with a loss-payable provision in favor of Lessor. Such policies shall be for the interest of Lessor and its mortgagees, as their interests may appear.

Lessee shall obtain a comprehensive public liability policy insuring Lessee for liability arising out of the use and operation of the Leased Amenities, in such amounts, in such form, and with such companies as Lessor shall require.

Lessee, shall also obtain workmens' compensation insurance and such other insurance as deemed advisable and as may be required by Lessor.

Lessee shall also obtain rent insurance wherein Lessor shall be the named insured to insure against loss of all or any part of the rental due under this Lease from Lessee to Lessor by virtue of rental being temporarily and/or permanently discontinued by fire, wind, storm, or other hazards to the demised premises and/or any structures now or thereafter situated on the premises.

SECTION XXIII
INSURANCE PREMIUMS

Lessee will pay the premiums for all insurance policies which it is required and obligated to purchase any under the terms of this Lease, and will deliver the policies and the evidence of payment to Lessor within the time herein limited. Nothing herein contained shall ever be construed as rendering Lessor personally liable for the payment of any such insurance premiums, but, if at any time during the continuance of this Lease, Lessee shall fail, refuse, or neglect to procure any of the policies of insurance required in and by this instrument to be procured by Lessee, or to give and maintain the policies in full force and effect or to pay the premiums promptly when due, the amount or amounts of money paid as the premium or premiums, plus interest at the rate of eighteen percent (18%) per year, shall be collectible as though it were then matured, and shall be due and payable forthwith; in lieu thereof, and notwithstanding the procurement and renewal of policies by Lessor, this Lease at the option of Lessor, may be terminated and declared at an end, and all rights, estate, and interest of Lessee, in such event, shall immediately cease and become null and void.

SECTION XXIV
INSURANCE PROCEEDS

In the event proceeds of insurance shall be payable under a policy or policies of fire and extended coverage insurance as to the Leased Amenities, and as often as such insurance proceeds shall be payable, they shall be paid to Lessor and the sum so paid shall be deposited by Lessor in an account in a bank in St. Augustine, Florida as Lessor

determines, and such sums shall be available to Lessee for the purposes of reconstruction, repair, and replacement. Such sums shall be made readily available by Lessor for such reconstruction, repair, and replacement and shall be paid out of the account from time to time by Lessor in such amounts as it determines in its sole discretion. The extent of the reconstruction, repair, and replacement shall be subject to Lessor's approval. Should Lessor determine at any time that there are not sufficient sums on hand in the bank account to pay for the reconstruction, repair, and replacement in its entirety, Lessee will immediately and forthwith deposit into the bank account such additional funds as may be reasonably required to pay for the repairs, as determined by Lessor. On completion of the reconstruction, repair, and replacement, and the securing of such receipted bills and full and final waivers of lien, and such other documents as Lessor may require, if any, the remaining balance, if any, shall be retained by Lessor as its property, unless Lessee of the Leased Amenities was required to deposit additional funds, in which event the remaining fund shall be returned to Lessee.

On the occurrence of any damage to any portion of the Leased Amenities and all personal property now or hereafter placed thereon, whether or not the casualty causing such damage is insured against, and whether or not, if insured, any proceeds are paid therefor, the foregoing provisions shall apply.

Lessee at Lessee's cost and expense, shall repair, reconstruct, and replace any and all property and equipment, both real and personal, so damaged, so as to restore the same in first class condition, as required and approved by Lessor. Such work shall commence not later than thirty (30) days after the occurrence of damage, and shall be diligently prosecuted. The foregoing time limitations shall be extended due to any loss of time by reason of any act of nature, war, civil commotion and disorder, material shortages, strikes, or other extenuating circumstances over which Lessee has no control. Failure to comply with any provisions of this section shall be deemed a material breach of this Lease by Lessee.

SECTION XXV
COVENANT TO HOLD LESSOR HARMLESS

Lessor shall be held harmless by Lessee from any liability for damages to any person or property in, on, or about the Leased Amenities and the adjoining sidewalks, including the person and property of Lessee, Lessee's agents, employees, and all persons on the Leased Amenities at Lessee's invitation. All property kept, stored, or maintained in, on or serving the Leased Amenities shall be so kept, stored, or maintained at the risk of Lessee.

SECTION XXVI
MECHANICS LIENS

All persons are put on notice of the fact that Lessee shall never, under any circumstances, have the power to subject the interest of Lessor in the Leased Amenities to pay any mechanics' or materialmen's liens of any kind, and all persons dealing with Lessee are put on notice that they must look wholly to the interest of Lessee in the Leased

Amenities and not to that of Lessor. Lessee will not permit or suffer to be filed or claimed against the interest of Lessor in the Leased Amenities during the continuance of this Lease any claim or lien of any kind and, if such be claimed or filed, it shall be the duty of Lessee within thirty (30) days after the claim shall have been filed among the published records of St. Johns County, Florida or within thirty (30) days after Lessor shall have been given notice of such claim and shall have transmitted notice of the receipt of such to the Lessee (whichever thirty (30) days expires first), to cause the Leased Amenities to be released from such claim either by payment or posting of bonds or the payment into court of the amount necessary to relieve and release the Leased Amenities from such claim or in any other manner in which, as a matter of law, will result, within the thirty (30) days, in the release of Lessor and its interest in the Leased Amenities from such claim or lien; and Lessee covenants and agrees, within the period of thirty (30) days, to so cause the premises and Lessor's interest therein to be relieved from the legal effect of such claim or the lien.

SECTION XXVII
LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS

If Lessee shall fail to pay the costs of maintenance and repair, or if it shall fail to take out, maintain, and deliver insurance policies, or if it shall fail to perform any other act on its part covenanted to be performed by it, then Lessor may, but shall not be obligated to do so and without notice of demand on Lessee, perform the act so omitted or not performed by Lessee. If such performance by Lessor shall constitute in whole or in part, the payment of money, such money so paid by Lessor, together with interest thereon at the rate of eighteen (18%) per year and reasonable attorneys' fees incurred by Lessor in and about the collection of the sums, shall be deemed additional rent and shall be payable to Lessor on demand or, at the option of Lessor, may be added to any rent then due or thereafter becoming due under this Lease. Lessee covenants to pay any such sums with interest and reasonable attorneys' fees, and Lessor shall have, in addition to any and all other rights and remedies herein provided, the same rights and remedies in the event of nonpayment as in the case of default by Lessee in the payment of rent.

SECTION XXVIII
INDEMNIFICATION OF LESSOR

Lessee agrees to indemnify Lessor from and against any and all claims, debts, demands, or obligations that may be made against Lessor or against Lessor's title in the Leased Amenities arising by reason of or in connection with the making of this Lease, and in and to the Leased Amenities, and Lessee's use, occupancy, and possession of the Leased Amenities. If it becomes necessary for Lessor to defend any action seeking to impose any such liability, Lessee will pay to Lessor all costs and reasonable attorneys' fees incurred by Lessor in effecting such defense in addition to any other sums that Lessor may be called on to pay by reason of the entry of a judgment against Lessor in the litigation in which such sum is asserted.

SECTION XXIX
CUMULATIVE REMEDIES

The various rights, remedies, powers, options, elections, preferences, pledges, and liens of Lessor set forth in this Lease shall be construed as cumulative and no one of them shall be construed as being exclusive of the others or exclusive of any rights or priorities allowed by law or by this Lease, and the exercise of one or more shall not be construed as a waiver of the others.

SECTION XXX
NONLIABILITY OF LESSOR

Lessor shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises leased.

SECTION XXXI
LESSOR'S COVENANTS

Lessor agrees that, at all times during the term of this Lease, it will keep current any mortgages or encumbrances against the Leased Amenities. In the event Lessor is in default of any of its obligations under this section, Lessee may make payment for Lessor and deduct such payment from the next ensuing rental payment or payments, provided that prior to payment Lessee gives thirty (30) days' written notice to Lessor of its intention to make such payment.

SECTION XXXII
ASSIGNMENT OF LEASE

Lessee may not assign or sublease its interest in this Lease. In the event a Unit Owner in the Condominiums sells the Unit and the Unit Owner desires to be relieved of all personal liability and obligations under this Lease and under the terms of the Pledge Agreement, then the Unit Owner shall obtain a Pledge Agreement executed by the third-party purchaser and deliver it to Lessor. By the third-party purchaser's execution of the Pledge Agreement, the third-party purchaser shall be deemed to have assumed responsibility for the performance of obligations under this Lease. On full compliance with the foregoing, the seller of the Unit shall be released of personal liability under this Lease and under the individual Pledge Agreement.

SECTION XXXIII
FORECLOSURE OF PLEDGE AGREEMENT

The foreclosure or other action to enforce the pledges obtained by and from the individual Unit Owners as provided for in this Agreement shall not be considered as a termination or cancellation of this Lease or to operate an extinguishment of any other lien not created herein or provided for by law, except such pledges that have been foreclosed

shall not stand as security for any amounts realized and actually collected by Lessor in foreclosure or such other action.

Foreclosure by Lessor or any other action by Lessor to enforce the liens provided for by law shall not be considered or construed as a termination or cancellation of this Lease, or to operate as an extinguishment of such liens, except such liens shall not stand as security for any amounts realized and actually collected by Lessor in foreclosure or such other action.

SECTION XXXIV
TERMINATION OF LESSEE ASSOCIATION

A voluntary or involuntary termination of the Master Association shall not terminate this Lease, but on termination of the Master Association, all of the Unit Owners of the Condominiums, as Unit Owners or as tenants in common, or otherwise, shall automatically and by operation of this Lease, jointly and severally, collectively constitute Lessee and shall jointly and severally be obligated to perform each of Lessee's covenants, promises, and undertakings. On a Unit Owner's acquiring an interest in Lessee's rights under this Lease, the Unit Owner's rights may thereafter be assigned only if there then be no default in any of the provisions of this Lease and only if such assignment be in connection with a sale, transfer, or hypothecation of all rights in the property that was, prior to termination, Condominium property.

In the event any Condominium operated by the Master Association is terminated as provided in the Declaration, then and in such event, this Lease shall terminate and Lessor's lien on the Condominium shall terminate and be discharged.

SECTION XXXV
TRANSFER OF CONDOMINIUM PARCEL

The transfer of the fee title to each Unit in the Condominium, whether voluntary or by operation of law, terminating the Condominium Unit Owner's membership in the Master Association, shall terminate the Condominium Unit Owner's rights to the use and enjoyment of the Leased Amenities, it being understood and agreed that the condominium Unit Owner's rights and privileges under this Lease are not assignable.

The owner of a Unit, identified in this Lease as a member of the Master Association, is entitled to the rights and privileges and use of the Leased Amenities, and shall be required to make all payments under the terms of this Lease.

SECTION XXXVI
OPTION TO PURCHASE; RIGHT OF FIRST REFUSAL

Lessor hereby grants Lessee an option to purchase the Leased Amenities on any anniversary date of this Lease after the tenth (10th) anniversary, at a price to be determined by agreement between the Lessor and the Lessee.

If the Lessor wishes to sell its interest and has received a bona fide offer to purchase it, the Lessor shall send the Lessee and each Unit Owner a copy of the executed offer. For 90 days following receipt of the offer by the Lessee or Unit Owners, the Lessee or Unit Owners have the option to purchase the interest on the terms and conditions in the offer. The option shall be exercised, if at all, by notice in writing given to the Lessor within the 90-day period. If the Lessee or Unit Owners do not exercise the option, the Lessor shall have the right, for a period of 60 days after the 90-day period has expired, to complete the transaction described in the offer to purchase. If for any reason such transaction is not concluded within the 60 days, the offer shall have been abandoned, and the provisions of this subsection shall be reimposed.

The option shall be exercised upon approval by owners of two-thirds of the units served by the leased property.

SECTION XXXVII

This Lease is and shall remain subordinate to any mortgage held by an institutional lender.

SECTION XXXVIII
CONSTRUCTION

Nothing contained in this Lease shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties, it being understood and agreed that neither the method of computation of rent nor any other provisions nor any acts of the parties shall be deemed to create any relationship between the parties other than the relationship of Lessor and Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this agreement as of the day and year first above written.

"LESSOR"

OCEAN GATE DEVELOPMENT, INC., a Florida corporation

By: _____
Robert J. L. Laurence
Its President

"LESSEE"

OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC., a Florida not-for-profit corporation

By: _____
Robert J. L. Laurence
Its President

Exhibit A

DESCRIPTION - LEASE AREA 3, TENNIS & SHUFFLEBOARD COURT

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 46 SECONDS WEST 201.20 FEET ; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST, 180.37 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST, 117.59 FEET; THENCE SOUTH 00 DEGREES 38 MINUTES 52 SECONDS EAST, 59.54 FEET; THENCE NORTH 89 DEGREES 37 MINUTES 19 SECONDS WEST, 32.14 FEET; THENCE NORTH 00 DEGREES 17 MINUTES 45 SECONDS EAST, 2.32 FEET; THENCE NORTH 89 DEGREES 49 MINUTES 33 SECONDS WEST, 15.14 FEET; THENCE SOUTH 00 DEGREES 54 MINUTES 10 SECONDS WEST, 2.22 FEET; THENCE NORTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, 8.27 FEET; THENCE SOUTH 00 DEGREES 47 MINUTES 34 SECONDS EAST, 60.93 FEET; THENCE SOUTH 89 DEGREES 01 MINUTE 30 SECONDS WEST, 62.17 FEET; THENCE NORTH 00 DEGREES 39 MINUTES 21 SECONDS WEST 120.30 FEET TO THE POINT OF BEGINNING; CONTAINING 10,698.30 SQUARE FEET OR 0.25 ACRES, MORE OR LESS.

DESCRIPTION - LEASE AREA 4, POOL & WATER FEATURES

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 40 SECONDS WEST 201.20 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 585.39 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 44.70 FEET; THENCE SOUTH 00 DEGREES 18 MINUTES 32 SECONDS EAST 95.51 FEET; THENCE SOUTH 86 DEGREES 33 MINUTES 28 SECONDS WEST 2.40 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 22 SECONDS EAST 30.92 FEET; THENCE SOUTH 46 DEGREES 37 MINUTES 47 SECONDS WEST 42.81 FEET; THENCE SOUTH 01 DEGREE 33 MINUTES 07 SECONDS EAST 27.47 FEET; THENCE SOUTH 45 DEGREES 24 MINUTES 10 SECONDS EAST 31.29 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 32 SECONDS EAST 26.55 FEET TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY WITH RADIUS OF 82.00 FEET; THENCE ON SAID CURVE CONCAVE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 19 DEGREES 49 MINUTES 51 SECONDS, AN ARC DISTANCE OF 28.38 FEET(CHORD-SOUTH 45 DEGREES 26 MINUTES 12 SECONDS WEST 28.24 FEET); THENCE NORTH 45 DEGREES 26 MINUTES 08 SECONDS WEST 54.34 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST 8.25 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 08 SECONDS WEST 31.00 FEET; THENCE NORTH 45 DEGREES 42 MINUTES 07 SECONDS WEST 15.06 FEET; THENCE NORTH 44 DEGREES 56 MINUTES 12 SECONDS EAST 24.28 FEET; THENCE NORTH 00 DEGREES 18 MINUTES 32 SECONDS WEST 126.11 FEET TO THE POINT OF BEGINNING; CONTAINING 7,859 SQUARE FEET OR 0.18 ACRES, MORE OR LESS.

DESCRIPTION - LEASE AREA 5: RACQUET BALL COURTS

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 15, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF THE NORTHERLY 600 FEET OF GOVERNMENT LOT 5 AND THE EASTERLY RIGHT OF WAY OF A1A; THENCE ,ON THE EASTERLY RIGHT OF WAY LINE OF A1A, NORTH 12 DEGREES 15 MINUTES 48 SECONDS WEST 201.20 FEET; THENCE NORTH 89 DEGREES 34 MINUTES 57 SECONDS EAST 585.39 FEET; THENCE SOUTH 00 DEGREES 18 MINUTES 32 SECONDS EAST 128.11 FEET; THENCE SOUTH 44 DEGREES 56 MINUTES 12 SECONDS WEST, 24.28 FEET; THENCE NORTH 45 DEGREES 26 MINUTES 08 SECONDS WEST, 13.22 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST, 65.53 FEET; THENCE SOUTH 44 DEGREES 33 MINUTES 52 SECONDS WEST 28.28 FEET; THENCE SOUTH 00 DEGREES 26 MINUTES 10 SECONDS WEST 4.10 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 00 DEGREES 26 MINUTES 10 SECONDS EAST, 35.83 FEET; THENCE SOUTH 89 DEGREES 33 MINUTES 52 SECONDS WEST, 42.89 FEET; THENCE SOUTH 44 DEGREES 33 MINUTES 52 SECONDS WEST, 15.71 FEET; THENCE NORTH 00 DEGREES 26 MINUTES 07 SECONDS WEST, 47.90 FEET; THENCE NORTH 89 DEGREES 31 MINUTES 46 SECONDS EAST, 53.07 FEET, TO THE POINT OF BEGINNING; CONTAINING 2,049.34 SQUARE FEET OR 0.05 ACRES, MORE OR LESS.

Exhibit B

Amenities List

Phase 2

Pool - Depth of 3 feet shallow end and depth of 5 feet at the deep end approx. 17,000 gallons with a four foot deck around it.

Tennis Court - 80 feet by 40 feet lighted.

Phase 3

Racquetball Court - 22 feet by 48 feet four walled structure for racquetball.

Exhibit C

Percentage of Ownership Interest for Phase I

	Unit Numbers	Bedrooms	Baths	Sq Ft. Unit	% Ownershi in Phase	% Ownership in Master Assn.	Assessment Per Unit
Phase 1	600	3	3.5	4491	4491/36178	5.150	808.38
	604	3	3.5	3189	3189/36178	3.657	574.02
	608	3	3.5	3511	3511/36178	4.026	631.98
	612	3	3.5	3119	3119/36178	3.577	561.42
	616	3	3.5	2984	2984/36178	3.422	537.12
	620	3	3.5	5785	5785/36178	6.634	1,041.30
	605	3	3.5	4219	4219/36178	4.838	759.42
	609	3	3.5	2880	2880/36178	3.303	518.40
	613	3	3.5	2890	2890/36178	3.314	520.20
	617	3	3.5	3110	3110/36178	3.566	559.80
Totals Phase I				36178		41.487	6,512.04

Percentage of Ownership Interest for Phase II

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment per Unit
Phase 2	401	3	2.5	2270	2270/16838	2.603	408.60
	405	3	3	2402	2402/16838	2.754	432.36
	409	2	2	1569	1569/16838	1.799	282.42
	413	2	2	1622	1622/16838	1.86	291.96
	417	2	2	1628	1628/16838	1.867	293.04
	421	2	2	1468	1468/16838	1.683	264.24
	425	2	2	1465	1465/16838	1.68	263.70
	429	3	3.5	2228	2228/16838	2.555	401.04
	433	3	3.5	2186	2186/16838	2.507	393.48
Totals Phase 2				16838		19.308	3,030.84

Percentage of Ownership Interest for Phase III

	Unit Number	Bedrooms	Baths	Sq. Ft Unit	% Owners In Phase	% Owners in Master Assn.	Assessment Per Unit
Phase 3	337	3	2.5	2516	2516/34190	2.885	452.88
	341	3	3	2394	2394/34190	2.745	430.92
	345	2	2	1538	1538/34190	1.764	276.84
	349	2	2	1602	1602/34190	1.837	288.36
	353	2	2	1602	1602/34190	1.837	288.36
	357	2	2	1446	1446/34190	1.658	260.28
	361	2	2	1446	1446/34190	1.658	260.28
	365	3	2.5	2226	2226/34190	2.553	400.68
	369	3	2.5	2325	2325/34190	2.666	418.50
	301	3	2.5	2325	2325/34190	2.666	418.50
	305	3	2.5	2226	2226/34190	2.553	400.68
	309	2	2	1446	1446/34190	1.658	260.28
	313	2	2	1446	1446/34190	1.658	260.28
	317	2	2	1602	1602/34190	1.837	288.36
	321	2	2	1602	1602/34190	1.837	288.36
	325	2	2	1538	1538/34190	1.764	276.84
	329	3	3	2394	2394/34190	2.745	430.92
	333	3	2.5	2516	2516/34190	2.885	452.88
Totals Phase 3				34190		39.206	6,154.20

Exhibit D

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, dated as of _____ 19__, made by_____ _____ ("Pledgor"), to and in favor of **OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC.**, a Florida corporation (the "Association").

WHEREAS, the Association is the master condominium association responsible for the operation and maintenance of the recreational amenities pursuant to that certain Condominium Recreation Lease (the "Lease"), dated as of March 8, 1998 for the Leased Amenities (as defined therein); and

WHEREAS, Pledgor is the owner of all right, title and interest in and to that certain Unit No. ____ in Ocean Gate Phase _____, a Condominium, together with an undivided interest in all common elements appurtenant thereto (the "Unit"); and

WHEREAS, the Lease requires Pledgor to pay its share of the assessments assessed by the Association for the maintenance, operation, and repair of the Leased Amenities in consideration of Pledgor's right to use the Leased Amenities (the "Obligations"); and

WHEREAS, Section ____of the Lease provides that Pledgor shall pledge all of its right, title, and interest in the Unit to the Association to secure repayment of any assessments assessed by the Association against the Unit pursuant to the Lease;

WHEREAS, capitalized terms not otherwise defined herein are used with the meaning given those terms in the Lease;

NOW THEREFORE, in order to secure Pledgor's Obligations to the Association as set forth in the Lease, Pledgor hereby agrees as follows:

SECTION 1 Pledge. For value received and to secure payment and performance of the Pledgor's Obligations and all costs and expenses incurred by the Association to obtain, preserve, perfect and enforce the security interest granted herein and to maintain, preserve and collect the property subject to the security interest, Pledgor hereby grants to the Association a continuing security interest in and lien upon Pledgor's interest in the Unit (the "Pledged Collateral").

SECTION 2 Remedies upon Default. In the event Pledgor shall fail to pay any assessment owed the Association, the Association may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for in the Lease or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code (the "Code") in effect in the State of Florida at that time.

IN WITNESS WHEREOF, Pledgor has executed this Pledge Agreement as of the date first above written.

By:_____
Name:_____
Unit No.:_____

By:_____
Name:_____
Unit No.:_____

Exhibit D

ARTICLES OF INCORPORATION OR1417PG1906

OF

OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC.,

a Florida not-for-profit corporation

The undersigned, acting as incorporator of a corporation under the Florida General Corporation Act, adopts the following Articles of Incorporation:

Article I - Name

The name of this corporation is OCEAN GATE CONDOMINIUM MASTER ASSOCIATION, INC., a Florida not-for-profit corporation.

Article II - Duration

This corporation shall have perpetual existence.

Article III - Purpose

This corporation is organized for the purpose of transacting any or all lawful business. The powers and duties of the corporation include those set forth in Florida Statutes Section 718.111, Florida Statutes Chapter 607 and 617, and those set forth in the Declaration of Condominium of Ocean Gate Condominium Master Association, Inc, a Condominium and in the bylaws of the corporation.

Article V - Principal and Registered Office and Registered Agent

The street address of the principal office of the corporation is 4730-B Highway A1A South, St. Augustine, Florida 32084, and the address of the initial registered office of this corporation is 50 N. Laura Street, Suite 2800, Jacksonville, FL 32202, and the name of the initial registered agent at that address is Alan C. Sheppard, Jr., Esq.

Article VI - Initial Board of Directors

This corporation shall have five (5) directors initially. Thereafter, the number of directors may be either increased or decreased from time to time in the manner provided by the Bylaws, but shall never be fewer than three. The name and address of the initial directors of this corporation are:

Name	Address
Robert J.L. Laurence	4730 Highway A1A South St. Augustine, FL 32084

Roger W. McClain	4730 Highway A1A South St. Augustine, FL 32084
Leslie Gallagher	4730 Highway A1A South St. Augustine, FL 32084
Lesley Gallagher	4730 Highway A1A South St. Augustine, FL 32084
Jim Bell	4730 Highway A1A South St. Augustine, FL 32084

Article VII - Incorporator

The name and address of the person signing these articles is:

Name	Address
Robert J.L. Laurence	4730-B Highway A1A South St. Augustine, Florida 32084

Article VIII - Indemnification

The corporation shall have the power to indemnify all officers and directors and former officers and directors to the fullest extent possible under Florida law or as may be more fully set forth in the By-laws.

Article IX - Amendment

This corporation reserves the right to amend or repeal any provision contained in these Articles of Incorporation or any amendment hereto, and any right conferred upon the shareholders is subject to this reservation.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 24th day of March, 1999.

Incorporator

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 24th day of March, 1999, by Robert J. Lawrence who is personally known to me.

Print Name: Nancy Hoffmann
Notary Public, State of Florida
Commission Number
My Commission Expires:

[SEAL]
NANCY HOFFMANN
MY COMMISSION # CC 575946
EXPIRES: September 3, 2000
Bonded Thru Notary Public Underwriters

ACKNOWLEDGMENT AND ACCEPTANCE

Having been named to accept service of process for the above-stated corporation at the place designated in this certificate, I hereby accept such designation to act as registered agent and agree to comply with the provisions of Florida Statutes relative to keeping open said office.

Registered Agent

Exhibit E

BY-LAWS
OF
OCEAN GATE
CONDOMINIUM MASTER ASSOCIATION, INC.

A Corporation Not for Profit
under the Laws of the State of Florida

These are the By-Laws of Ocean Gate Condominium Master Association, Inc. (hereinafter called the "Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium created pursuant to Chapter 718, Florida Statutes, as amended (hereinafter called the "Condominium Act").

SECTION 1. ASSOCIATION.

1.1 Office. The office of the Association shall be 4730-B Highway A1A South, St. Augustine, FL 32084, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise attached to the instrument or document being sealed.

1.4 Terms. All terms used herein shall have the same definitions as attributed to them in the Declaration of Covenants, Conditions and Restrictions for Ocean Gate Resort (the "Declaration").

SECTION 2. MEMBERS.

2.1 Qualification. The members of the Association shall consist of all Unit Owners of Units on the property in St. Johns County, Florida subject to the Declaration of Covenants, Conditions and Restrictions for Ocean Gate Resort (the "Property").

2.2 Membership. Membership in the Association shall be established by recording in the public records of St. Johns County, Florida, a deed or other instrument establishing a record title to a Unit, and delivery to the Association of a copy of such instrument. The grantee in such instrument shall immediately become a member of the Association. The membership of any prior Owner of the same Unit shall be terminated upon delivery to the Association of a copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. If a Unit is owned by more than one Person, the Unit Owner entitled to cast the vote appurtenant to said Unit shall be designated by all of the record owners of the Unit. A Voting Member must be designated by a statement filed with the Secretary of the Association, in writing, signed by all of the record owners of the Unit as the person entitled to cast the vote for all of such Unit. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If a designation of a Voting Member is not filed with the Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).

2.4 Restraint Upon Alienation of Assets. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Unit.

SECTION 3. MEMBER'S MEETINGS.

3.1 Place. All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

3.2 Membership List. At least ten (10) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by Unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member. Changes in the list of Voting Members may be made pursuant to Section 2.3 of these By-Laws.

3.3 Regular Meetings. Regular meetings of the members of the Association shall be held on the first business day of the month of March of each year.

3.4 Special Meetings.

3.4.1 Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, of either a majority of the Board of Directors or of a majority of the Voting Members. Such request shall state the purpose of the proposed meeting.

3.4.2 If an adopted budget of the Association requires assessments against the Unit Owners in any fiscal or calendar year which exceed one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application of ten percent (10%) of the Voting Interests to the Board of Directors, shall call a special meeting of the Unit Owners within thirty (30) days upon not less than ten (10) days' written notice to each Unit Owner.

3.4.3 A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by ten percent (10%) of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting.

3.4.4 If any part of the Common Elements of the Property or any Unit or Units, or part thereof, shall be damaged, such that one-half or more of the Units are rendered untenantable, a special meeting of the Unit Owners shall be called by the President of the Association. Such damage shall be reconstructed or repaired pursuant to the Declaration unless a vote of seventy-five (75%) percent or more of the Voting Interests at such special meeting shall vote against such repair or reconstruction.

3.4.5 Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

3.5 Notice. Written notice of every meeting, special or regular, of the members of the Association, stating the time, place and object thereof, shall be delivered to each Unit or mailed to each Voting Member at such member's address as shown in the books of the Association at least fourteen (14) continuous days prior to such meeting. No notice shall be required to be given to a person who becomes

a Voting Member during such fourteen day period. A notice of each meeting shall be posted in the office of the Association during the entire fourteen day period.

3.6 Participation. All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting.

3.7 Transfer of Control of the Association. When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units, the Unit Owners other than the Developer shall be entitled to elect no less than one-third 1/3 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 upon the earlier to occur of the following:

(a) Three (3) years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(b) Three (3) months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(c) When all of the Units that will be operated by ultimately by the Association 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;

(d) 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; or

(e) Seven (7) years after recordation of the Declaration which ever occurs first. The Developer is entitled to elect at least one 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 operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-Owned Units in the same manner as any other Unit Owner except for the purposes of acquiring control of the Association or selecting the majority members of the Board of Directors.

3.8 Proxies. At any meeting of the members of the Association, the Voting Member shall be entitled to vote in person or by proxy. No proxy shall be valid unless it is granted to a person who is a Unit Owner. No person may cast more than five proxy votes. Proxies are effective only for the specific meeting for which originally given, and any adjourned meetings. A proxy is not valid for more than 90 days from the date of the meeting for which it was given and is revocable at the pleasure of the person granting the proxy.

3.9 Voting Interests. Each Member of the Association shall be entitled to one vote, but each Member's vote shall be counted as the Member's percentage share of ownership in the Common Elements as set forth in the Declaration. At all times, 100% of the voting interests (the "Voting Interests") shall be allocated among the Members based upon each Member's percentage share of ownership in the Common Elements as set forth in the Declaration. Each Member's Voting Interest for each Unit shall equal the same

percentage as such Member's percentage share ownership interest of the Common Elements as set forth on Exhibit "B" to the Declaration and is based upon the square footage of each Unit to the total square footage of all Units subject to the Declaration. Each Member shall vote all of his Voting Interest with each vote, so that each vote of his Voting Interest shall be counted as a vote of the Member's percentage share of the total voting interests of all Members. By way of example only, if a Member owns a 30% interest in the Common Elements, then such Member's vote shall be counted as 30% of all of the votes entitled to vote.

3.10 Vote Required to Transact Business. When a quorum is present at any meeting, a vote of the majority of the Voting Interests present and voting shall decide any question brought before the meeting. If the question is one which requires more than a majority vote by express provision of the Condominium Act or the Declaration, Articles of Incorporation or these By-Laws (hereinafter collectively referred to herein as the "Condominium Documents"), such express provision shall govern and control the number of votes required.

A majority of the Voting Interests of the Association present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute or the Condominium Documents. If a quorum is not present at any meeting, the Voting Members may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Any business may be transacted at any adjourned meeting which could have been transacted at the meeting called.

SECTION 4. DIRECTORS.

4.1 Number. The affairs of the Association shall be managed by a Board of Directors, consisting of five (5) directors. The number of directors may be increased to seven (7) or nine (9) upon the addition of additional condominiums subject to the Declaration, and upon a vote by the Voting Members.

4.2 Term. Each director shall be elected to serve for a term of one (1) year or until his successor shall be elected and shall qualify, except that directors elected prior to the Unit Owners' Initial Meeting shall serve only until such meeting.

4.3 First Board of Directors. The first Board of Directors shall consist of five (5) persons appointed by Developer, who shall hold office and exercise all powers of the Board at the pleasure of Developer but not later than the Unit Owners' Initial Meeting.

4.4 Subassociation Directors. Separate subassociations shall be created to operate any additional condominiums subject to this Declaration in the future. Initially, the condominium subassociations subject to this Declaration shall consist of (1) Ocean Gate Phase I Condominium Association, Inc., responsible for operating and maintaining Phase I, (2) Ocean Gate Phase II Condominium Association, Inc., responsible for operating and maintaining Phase II, and (3) Ocean Gate Phase III Condominium Association, Inc., responsible for operating and maintaining Phase III. The President of each condominium association which condominium is subject to this Declaration, shall also be a director of this Master Association.

4.5 Vacancy and Replacement. (a) If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors at a special meeting of directors duly called for this purpose, shall by closed ballot vote choose a successor or successors who shall hold office for the unexpired term in respect to which such

vacancy occurred. If the remaining directors are unable to agree on a successor, then the Association shall hold an election in accordance with the provisions hereof. (b) If any director vacates or is removed from office, and such director is also the President of any subassociation subject to this Declaration, such director shall be replaced with the succeeding President of said subassociation, elected or appointed in accordance with the Bylaws of said subassociation.

4.6 Election of Directors. Election of Directors for the Board of Directors, other than of directors which are Presidents of subassociations subject to this Declaration, shall be conducted in the following manner:

4.6.1 Method. The Board of Directors shall be elected by closed ballot or voting machine.

4.6.2 Proxies. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise.

4.6.3 Notice.

(1) Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election.

(2) Any Unit Owner or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than 40 days before a scheduled election.

(3) Together with an agenda of the meeting, the Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper.

4.6.4 Handling of Ballots. Since the voting rights of each of the Unit Owners is based upon the percentage of ownership of the Common Elements set forth in Exhibit D, there shall be a different color ballot for each percentage voting interest and the percentage of each voting interest for each Unit shall be stated on the outer envelope next to the Unit number. Accompanying the ballot shall be an outer envelope addressed to the person or entity authorized to receive the ballots and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name of the voter and the Unit or Unit Numbers being voted, and shall contain a signature space for the voter. Once the ballot is completed the voter shall place the completed ballot in the smaller inner envelope and seal the envelope. The inner envelope shall be placed within the outer larger envelope, and the outer envelope shall then be sealed. Each inner envelope shall contain only one ballot, but if a person is entitled to cast more than one ballot, the separate inner envelopes required may be enclosed within a single outer envelope. The voter shall sign the exterior of the outer envelope in the space provided for such signature. The envelope

shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

The written ballot shall indicate in alphabetical order by surname, each and every Unit Owner or other eligible person who desires to be a candidate for the Board of Directors and who gave written notice to the Association not less than forty (40) days before a scheduled election, unless such person has prior to the mailing of the ballot, withdrawn his candidacy in writing. No ballot shall indicate which candidates are incumbents on the Board. No write-in candidate shall be permitted. No ballot shall provide a space for the signature of or any other means of identifying a voter. All ballot forms utilized by the Association, both those mailed to voters or cast in a meeting, shall be uniform in color and appearance.

Any envelopes containing ballots shall be collected by the Association and shall be transported to the location of the duly called meeting of the Unit Owners. The Association shall have made available at the meeting additional blank ballots for distribution to eligible voters who have not cast their votes. Each ballot distributed at the meeting shall be placed in an inner and outer envelope in the manner provided above. Each envelope and ballot shall be handled in the following manner, either by the Board or by a person or persons appointed by the Board. At the meeting, as a first order of business, ballots not yet cast shall be collected. Next the signature and Unit identification on the outer envelope shall be checked against a list of qualified voters, unless previously validated as provided below. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted. The voter shall be checked off the list as having voted. Then, in the presence of any Unit Owners in attendance, and regardless of whether a quorum is present, all inner envelopes shall first be removed from the outer envelopes and shall be placed into a receptacle. Upon the commencement of the opening of the outer envelopes the polls shall be closed and no more ballots shall be accepted. The inner envelope shall then be opened and the ballots shall be removed and counted in the presence of the Unit Owners. Any envelope containing more than one ballot shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted. All envelopes or ballots whether disregarded or not shall be retained with the official records of the Association.

If the Association should desire to verify the outer envelope information in advance of the meeting they may do so at a meeting noticed in the manner required for the noticing of Board Meetings, which shall be open to all Unit Owners and which shall be held on the date of the election. An impartial committee designated by the Board may verify the signature and Unit identification on the outer envelope and check the same against the list of qualified voters. These voters shall be checked off the list as having voted. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted.

4.6.5 Candidacy. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Written notice shall be effective when received by the Association. Written notice shall be accomplished in accordance with one or more of the following methods: (a) by certified mail, return receipt requested, directed to the Association; or (b) by personal delivery to the Association; or (c) by regular U.S. Mail, facsimile, telegram or other method of delivery to the Association.

(1) Upon the request of a candidate, the Association shall issue a written receipt acknowledging delivery of the written notice.

(2) Upon the request of a candidate, the Association shall include an information sheet, no larger than 8 1/2" x 11" furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be born by the Association. Any candidate desiring the Association to mail or personally deliver copies of an information sheet to the eligible voters must furnish the information sheet to the Association not less than thirty-five (35) days before the election. The Association shall not edit, alter or otherwise modify the content of the information sheet provided by a candidate. However, if consented to in writing by the candidates involved, two or more candidate information sheets may be consolidated into a single page. The original copy provided by the candidate shall become a part of the official records of the Association.

4.6.6 Quorum. There is no quorum requirement or minimum number of votes necessary for election of the members of the Board of Directors, however, at least 20 percent of the Voting Interests must cast a ballot in order to have a valid election of members of the Board of Directors.

4.6.7 Necessity of Elections. Notwithstanding the provisions of this section to the contrary, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

4.6.8 Improper Voting. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. Any Unit Owner violating this provision may be fined by the Association. A Unit Owner who needs assistance in casting the ballot for the reasons stated in section 101.051, Florida Statutes may obtain assistance in casting the ballot.

4.6.9 Date of the Election. The regular election shall occur on the date of the annual meeting of the Association.

4.6.10 Interim Vacancies. Any vacancy occurring on the Board prior to the expiration of a term, except in the case of a vacancy caused by recall, may be filled by the affirmative vote of the majority of the Board of Directors, even if the remaining directors constitute less than a quorum or by the sole remaining director. In the alternative, a Board may, in its discretion, hold an election to fill the vacancy in which case the election procedures must conform to the requirements set forth herein. Balloting is not necessary to fill any vacancy unless there are two or more eligible candidates for that vacancy. A Board member appointed or elected pursuant to a vacancy shall fill that vacancy until the next regularly scheduled election for any position, regardless of whether the Board Seat to which the member was elected or appointed is scheduled to be filled at that election. If, however, upon appointment, the Association has already mailed or delivered the first notice of election pursuant to this section, the Board member appointed or elected as provided herein shall serve until the next election scheduled in the future for any position.

A regular or general election shall be an election to fill a vacancy caused by expiration of a term in office. A regular or general election shall occur at the time and place at which the annual meeting is scheduled to occur, regardless of whether a quorum is present.

4.6.11 Nominating Committees. The Board of Directors shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board. The Board may create or appoint a search committee which shall not have the authority to nominate any candidate, but may encourage qualified persons to become candidates for the Board.

4.6.12 Tie Votes. If two or more candidates for the same position receive the same number of votes, which would result in one or more candidates not serving or serving a lesser period of time, the Association shall conduct a run-off election in accordance with the procedures set forth herein. Within seven (7) days of the date of the election at which the tie vote occurred, the Association shall mail or personally deliver to the voters a notice of a run-off election. The only candidates eligible for the run-off election to the Board position are the run-off candidates who received the tie vote at the previous election. The notice shall inform the voters of the date scheduled for the run-off election to occur, shall include a ballot conforming to the requirements of this rule, and shall include copies of any candidate information sheets previously submitted by those candidates to the Association. The run-off election must be held not less than twenty-one (21) days nor more than thirty (30) days after the date of election at which the tie vote occurred.

4.6.13 Voters Needing Special Assistance. Any voter who requires assistance to vote by reason of blindness, disability or inability to read or write, may request the assistance of a member of the Board of Directors or other Unit Owner to assist in casting his vote. If the election is by voting machine, any such voter, before retiring to the voting booth may have a member of the Board of Directors or other Unit Owner or representative without suggestion or interference, identify the specific vacancy or vacancies and the candidates for each. If a voter requests the aide of any such individual, the two shall retire to the voting booth for the purpose of casting the vote according to the voter's choice. All voting machines shall meet the requirements set forth in Rule 61B-23.0021(12) Florida Administrative Code.

4.7 Removal. Directors may be removed with or without cause by an affirmative vote of a majority of the Voting Interests. A special meeting of the Voting Members may be called for this purpose by 10% of the Voting Interests upon giving notice of such meeting to all Voting Members as provided in Section 3.5 hereof, such notice to state the purpose of the special meeting. No director shall continue to serve on the Board, if, during his term of office, his membership in the Association is terminated for any reason. Once removed from office, a director may no longer serve as an officer of the Association, unless such officer is reelected to the Board of Directors at a subsequent meeting for such purpose.

4.8 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, at the meeting at which they were elected or as soon thereafter as may be practicable. The Annual Meeting of the Board shall be held at the same place as the Voting Members meeting. The Board of Directors shall have, without limitation, the following powers and duties:

4.8.1 Assessments. To make and collect Assessments and Special Assessments against members to pay the expenses incurred by the Association and the power to make and assess members for capital improvements and replacements to the Common Elements, Units, or other portions of the Property pursuant to the Declaration. Such expenses include, without limitation, expenses of the operation, maintenance, administration, repair, and replacement of the Property, the payment of rent to the Developer for the Leased Amenities, and the payment of rent to the appropriate neighboring association for use of the Hibiscus Facilities. The Association shall collect and remit to the Developer from each subassociation the rent payments owed by each of the Unit Owners for the Leased Amenities and the rent owed for use of the Hibiscus Facilities.

4.8.2 Disburse. To use and disburse the proceeds of Assessments and Special Assessments in the exercise of its powers and duties.

4.8.3 Maintain the Property. To maintain, repair, replace and operate the Property in the manner provided by the Declaration.

4.8.4 Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.

4.8.5 Insure. To insure and keep insured the Property in the manner set forth in the Declaration and to purchase such other insurance as the Board may deem advisable in its discretion from time to time, including officers' and directors' liability insurance.

4.8.6 Enforce. To enjoin or seek damages from any Unit Owner for violation of these By-Laws and the terms and conditions of the Declaration.

4.8.7 Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Common Elements and to authorize such contractor and manager or either of them to use or exercise any of the powers it possesses; provided, however, the Association shall retain at all times the powers and duties granted to it by the Condominium Act.

4.8.8 Regulate. To make reasonable rules and regulations concerning the use and occupancy of the Property consistent with the Condominium Documents.

4.8.9 Contracts. To enter into any contracts, management agreements, employment agreements, service agreements, purchase and sale contracts, or any other agreements allowed under Florida law and to which the Board of Directors deems in the best interest of the Association.

4.9 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

4.10 Compensation. The directors shall not be entitled to any compensation for service as directors.

SECTION 5. DIRECTORS MEETINGS.

5.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were elected or as soon thereafter as may be practicable. The Annual Meeting of the Board shall be held at the same place as the Voting Members meeting.

5.2 Regular Meetings. Regular Meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of all regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least 48 hours in advance of the time named for such meeting. Adequate notice of all regular meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Property at least 48 continuous hours preceding the meeting for the attention of the Unit Owners except in an emergency.

5.3 Special Meetings. Special meetings of the Board may be called by the President on 48 hours notice to each director. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) directors.

5.4 Waiver of Notice. No notice of a Board meeting shall be required if the directors meet by unanimous written consent. The directors may, by resolution duly adopted, establish regular monthly,

quarter-annual or semi-annual meetings. If such resolution is adopted, no notice of such regular meetings of the Board shall be required.

5.5 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.6 Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of a Board, except when approval by a greater number of directors is required by the Condominium Documents.

5.7 Joinder in Meeting by Approval of Minutes. The joinder of a director in any action taken at a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director except for the purpose of determining a quorum.

5.8 Presiding Officer. The presiding officer of a directors' meeting shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

SECTION 6. OFFICERS.

6.1 Officers. The executive officers of the Association shall be a President, Vice President, and a Treasurer/Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two of said offices may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

6.2 Qualification. No person shall be entitled to hold office except a member of the Board.

6.3 Term. The officers of the Association shall hold office concurrently with their term as directors of the Association, and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the Voting Members of the Association in accordance with the special meeting provisions of Section 3.4 hereof.

6.4 The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

6.5 The Secretary.

6.5.1 The Secretary shall keep the minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose.

6.5.2 The Secretary shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

6.5.3 The Secretary shall be custodian of the corporate records and of the seal of the corporation.

6.5.4 The Secretary shall keep a register of the name and post office address of each member and each Voting Member.

6.5.5 In general, the Secretary shall perform all duties incident to the office of the Secretary and such other duties as may be assigned by the President or by the Board of Directors.

6.6 The Vice President. The Vice President shall have all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

6.7 The Treasurer.

6.7.1 The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors or these By-Laws.

6.7.2 The Treasurer shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board an account of all transactions completed as Treasurer, and of the financial condition of the corporation.

6.8 Vacancies. If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term. If the remaining directors are unable to agree on a successor, the Association shall hold an election in accordance with the provisions hereof.

6.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from the date so fixed. The acceptance of a resignation shall not be required to make it effective.

SECTION 7. APPROVAL BY VOTING MEMBERS.

7.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association:

Matter to be approved		Approval Required
1.	Adjustment of pro-rata shares in the Common Elements appurtenant to the Units after condemnation.	2/3 of the Voting Interests of Voting Members owning Units.
2.	Adjustment in pro-rata share of Common Expenses, Assessments and Common Surplus after condemnation.	2/3 of the Voting Interests of Voting Members owning Units.
3.	Alterations or further improvements to the Property after completion of improvements.	3/4 of the Voting Interests of Voting Members.
4.	Waiver or reduction of reserves.	A majority of the Voting Interests of the Voting Members.
5.	Approval of changes in configuration or size of Units.	The affected Unit Owner and a majority of Voting Interests of the other Unit Owners.
6.	Amendment of By-Laws and Articles of Incorporation.	3/4 of the Voting Interests of the Voting Members.
7.	Amendment of the Declaration	3/4 of the Voting Interests of the Voting Members owning Units the Declaration of which is to be amended.
8.	Termination of Association	100% of the Voting Interests of the Voting Members owning Units which is to be terminated except as provided in item 11 of this Section 7.1.
9.	Election of Directors and Officers.	a majority of Voting Interests of the Voting Members.
10.	Removal of Directors and Officers.	a majority of Voting Interests of the Voting Members.
11.	Election not to reconstruct or repair Common Elements or any Unit in the event of a casualty rendering 50% or more of the Units untenantable, or after a condemnation taking 50% or more of the Units.	3/4 of the Voting Interests of the Voting Members.

SECTION 8. CONDUCT OF MEETING.

All meetings of the members and of the Board shall be governed by Robert's Rules of Order.

SECTION 9. FISCAL MANAGEMENT.

The provisions for fiscal management of the Master Association, as set forth in the Declaration, are supplemented by the following provisions:

9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

9.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements and for the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account. Each Unit Owner except Developer shall upon becoming a member of the Association contribute to the Current Expense Account a sum equal to 1/12 of the annual Assessment with respect to his Unit.

9.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements shall be held in the Reserve Fund Account.

9.2 (a) Budget. The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Common Expenses and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by the Condominium Act. If an adopted budget requires an Assessment against the Unit Owners in any year of an amount exceeding 115% of the Assessments for the preceding year, and if Unit Owners of 10% of the Voting Interests file objections to the budget within thirty (30) days after the date of adoption thereof, the Board of Directors shall call a special meeting of the Unit Owners and a majority vote of the Voting Interests shall be required to ratify the budget. If not ratified, the budget shall be revised so as to provide for an Assessment of not more than 115% of the prior year's Assessments.

(b) (1) Notwithstanding the foregoing, the portion of the budget representing Assessments for the Master Association shall not be included in the budget for purposes of calculation of the percentage increase of the budget.

(2) In determining whether the Assessment exceeds 115% of similar Assessments in a prior year, reasonable reserves for repairs or replacements, expenses which cannot be reasonably anticipated to be incurred on a regular or annual basis, and Assessments for betterments shall not be considered in the computation.

(c) (1) The Estimated Operating Budget which is Attachment 3 to the Prospectus is the budget the Developer intends to adopt as the formal budget for the Master Association. The Unit Owners of Units that have been sold by the Developer will be assessed for Common Expenses at the rates as stated in said budget, and the Developer will be assessed for the amounts by which the Common Expenses exceed the amounts assessed against the Owners of Units sold by the Developer.

(2) In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds $10,000.00. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates of or extension of the useful life of a

reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the members of an Association have, by a majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection.

(3) Prior to turnover of control of the Association by the Developer to the Unit Owners other than the Developer pursuant to s. 718.301, Florida Statutes, the Developer has elected to waive reserves for the first 2 years of the operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the Association.

During this period, no provisions will be made for capital improvements or replacements, or for Reserve Funds other than the payment of one month's current assessments as a working capital contribution to the Association paid by each Unit at the time of its respective sale by the Developer and as set forth in the Estimated Operating Budget for the Master Association. It is further understood and agreed that the Developer's liability for current expenses as specified herein shall be limited to that necessary to maintain the Property in reasonably good condition, normal wear and tear excepted, expressly recognizing that such normal wear and tear will occur. It is further and specifically understood and agreed that incident to such normal wear and tear the Property will not remain in its original new unused condition and Developer expressly and specifically shall be under no duty or obligation to maintain it in such condition and shall have no duty or obligation to replace or refurbish the Property, or any portion thereof, except as included in the aforesaid duty to maintain the Property in reasonably good condition, normal wear and tear excepted.

(4) If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

(5) Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer pursuant to s. 718.301, Florida Statutes, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the Association.

9.3 Assessments. Assessments shall be made against all Unit Owners and collected in accordance with the provisions of Section 8 of the Declaration, relating to assessments by the Master Association. Assessments against all Unit Owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 15 preceding the year for which the Assessments are made. Such Assessments shall be payable in twelve (12) equal monthly installments on the first day of each month of the year for which the Assessments are made. The Board of Directors shall annually adopt a budget for use during that year. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended Assessment. The budget and Assessments therefor may be amended at any time by the Board of Directors.

9.4 Depository. The funds of the Association will be deposited in such banks or savings and loan associations as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons as authorized by the Board.

9.5 Fidelity Bonds. The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. As used in this section, the term "persons who control or disburse funds of the Association" means those individuals authorized to sign checks, and the President, Secretary/Treasurer of the Association. If the Association's annual gross receipts do not exceed $100,000, the bond shall be in the principal sum of not less than $10,000 for each such person. If the Association's annual gross receipts exceed $100,000 but do not exceed $300,000, the bond shall be in the principal sum of not less than $30,000 for each such person. If the Association's annual gross receipts exceed $300,000, the bond shall be in the principal sum of not less than $50,000 for each such person. The Association shall bear the cost of bonding.

SECTION 10. RULES AND REGULATIONS.

10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements or the Property. The Secretary shall from time to time post in a conspicuous place on the Property, a copy of such rules and regulations. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, a copy thereof shall be posted in a conspicuous place on the Property, and shall be delivered to each Unit. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.3 A copy of the initial rules and regulations for the Property is attached hereto as Annex I.

10.4 Fines. Upon reasonable notice and an opportunity for hearing the Association may levy a fine against the Unit Owner of a Unit or its occupant, licensee, or invitee, for failure to abide by any provision of the Declaration, the Association By-Laws, or Rules of the Association. This section does not apply to unoccupied Units.

10.4.1 No fine shall become a lien against a Unit.

10.4.2 No fine shall exceed $100.00 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing (as set forth below), provided that no such fine may exceed an aggregate amount of $1,000.00.

10.4.3 Prior to the levying of such a fine, the Unit Owner and, if applicable, any licensee or invitee must be given reasonable notice of at least fourteen (14) days and an opportunity for hearing. The notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A statement of the provisions of the Declaration, Association By-Laws, or Association Rules which have allegedly been violated; and

(3) A short and plain statement of the matters asserted by the Association.

10.4.4 A party against whom the Association seeks to levy a fine is entitled to a hearing held before a committee of other Unit Owners. Said party shall have the opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity

at the hearing to review, challenge, and respond to any material considered by the Association. If the committee of other Unit Owners does not agree with the fine, it shall not be levied.

SECTION 11. DEFAULT.

11.1 Foreclosure. In the event a Unit Owner does not pay any Assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting in its own behalf, or through the Manager acting on behalf of the Association, may foreclose the lien encumbering said Unit Owner's Parcel created by non-payment of the required monies in the same manner as mortgage liens are foreclosed pursuant to the provisions of the Declaration.

11.2 Association Expenses. If the Association becomes the owner of a Unit by reason of foreclosure, it may offer said Unit for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it from monthly Assessments and Charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be added to Common Surplus.

11.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Condominium Documents, to sue for damages, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

11.4 Consent to the Foregoing Provisions. Each Unit Owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and injunctive relief, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint and nuisance.

SECTION 12. MORTGAGE OF UNIT.

12.1 The Association shall maintain a suitable register for the recording of the name and address of mortgagees of Units. Any mortgagee of a Unit, may, but is not obligated to, notify the Association in writing, of its mortgage, in which case its name and address will be entered in the register. If notice of default is thereafter given any member, under any applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the mortgagee named in the register.

SECTION 13. AMENDMENT OF BY-LAWS.

13.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a three-fourths (3/4) vote of the Voting Interests of the Association. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration.

ANNEX I

INITIAL RULES AND REGULATIONS

1) The sidewalks, entrances, stairways, and like portions of the common elements shall not be obstructed or used for any purpose other than for ingress and egress to and from the premises, nor shall any carts, carriages, chairs, tables or any other similar objects be stored therein.

2) The personal property of unit residents must be stored in their perspective units or in storage areas provided within the condominium.

3) No garbage cans, supplies, recycling bins or bottles, or any other articles shall be placed on the balconies or entrances to units, nor shall any clothing, rugs, mops, laundry or other articles of any kind be hung from railings, balconies, or decks. All garbage and trash must be deposited in areas designated for such purpose.

4) Disturbing noises shall not be permitted.

5) No signs, advertisement, notice or other lettering shall be exhibited or displayed on, or upon, any part of the premises which may be seen from common areas. Additionally, no structure or building, awning, canopy, screening, shutter or other projection shall be attached to or placed upon the outside walls, doors, balconies or roof of the buildings or on the common elements. The exterior appearance of the balconies and decks may not be altered in any way without permission of the Board.

6) No combustible or explosive substances shall be kept in any unit or in any storage area, except such as may be required for normal uses.

7) No pets or animals may be kept or maintained in or about the condominium property except small dogs, small cats, small birds, and fish hereinafter referred to as "Pets". A conditional license to maintain 2 pets as defined above in the owners' unit is granted subject to the following conditions and reservations.

a) Dogs must be kept on a leash at all times while on the common areas.

b) Pets must not be walked near the buildings, walkways, shrubbery, gardens or other public spaces, nor on the ocean side of the condominium property, except to take to beach. Pets may be walked only in pet walk areas designated by the association. Owners are required to clean up after pets.

c) An owner is fully responsible for any damage to persons, property or other pets caused by his or her pet. In the event of any damage to the condominium property caused by a pet, the decision of the Association as to the amount of the damage shall be determinative and the unit owner shall be subject to assessment by the Association for the amount of damage.

d) No pets may weigh over 45 pounds.

e) No pet may be brought into or on the condominium property by guests, renters or visitors.

The above conditional license is subject to revocation and termination at any time by the Association upon their sole determination that such "Pet" is vicious or is annoying other residents or is otherwise a nuisance. Additional pets or larger pets may be allowed subject to written approval of the Association or its' agent.

8) No vehicle shall be parked in such a manner as to impede ready access to another owners unit. All owners and their invites shall obey all parking and traffic regulations promulgated by the Association.

No unit owners shall park boats, trailers, trucks or campers or any commercial vehicles on the condominium property, except in areas that may be designated from time to time. No vehicle which cannot operate on its own power shall remain on the premises for more than 24 hours, and no repairs to vehicles shall be made on the premises.

9) The rules for all recreational facilities shall be posted and shall be observed by all owners and guests. All children under the age of 14 must be supervised by an adult while on condominium facilities.

10) In cases of unit being rented in a rental pool, minimum 1 week rental stay is allowed. In the case of short term rental, an adult must be present at all times with children. Renting to one adult chaperoning a group of young people will not be permitted.

11) Each owner, for himself, his family, his guests and tenants and any other resident of the property, agrees to comply with and abide by all Rules and Regulations set forth above and as amended by the Board of Directors from time to time.

12) The above Rules and Regulations and procedures shall in no way amend or alter the article of Incorporation, Declaration of Condominium or by-laws of the Condominium, but shall only be supplemental thereto. In the event of conflict, the order of authority shall be the Declaration, Articles of Incorporation, the by-laws and these Rules; Regulations and procedures.

13) These rules may be amended or additional rules promulgated, by the Board of Directors of the Association at any time upon due notice to all residents.

14) In the event of resolution of these Rules and Regulations, or of any of the provisions of the Declaration, Articles of Incorporation or by-laws, the Association may impose reasonable fines not to exceed $50.00 in each instance and or suspend certain use privileges in the recreational facilities and voting rights in the Condominium Association, but only after a hearing before the Board of Directors or before a Rules Committee appointed by the Board for this purpose. All alleged violators shall be entitled to cross examine witnesses and may be represented by council of their choice. The Board of Committee shall make written findings of fact.

15) There are not restrictions on children.

Exhibit F

SCHEDULE OF AMENITIES FOR OCEAN GATE PHASE I, A CONDOMINIUM

Pool - Depth of 3 feet shallow end 5 feet deep end - approximately 17,000 gallons with 4 feet of deck surrounding pool, pool has 4 foot water feature pouring into the pool at the southeast side.

Gated entry with multiple gates and a bridge over a water feature