

DECLARATION OF CONDOMINIUM
FOR
MANDARIN PROFESSIONAL COMPLEX, AN OFFICE CONDOMINIUM

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Attachments:

1. Addendum.
2. Schedule A, Graphic Exhibits and Related Matters.
3. Schedule B, Articles of Incorporation.
4. Schedule C, By-Laws.

NOTE: Joinder of American Federal Savings Bank of Duval County is by separate instrument recorded concurrently with this Declaration.

DECLARATION OF CONDOMINIUM
FOR
MANDARIN PROFESSIONAL COMPLEX, AN OFFICE CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM is made this 6th day of October, 1988, by RICHARD LEIBOWITZ and RONALD ELINOFF, herein collectively called the "Developer".

1. STATEMENT SUBMITTING PROPERTY TO CONDOMINIUM OWNERSHIP

Pursuant to the Florida Condominium Act, Chapter 718, Florida Statutes, as amended to the date of recordation of this Declaration, the Developer submits to the condominium form of ownership the land described below, the buildings and improvements now and hereafter situated upon the land, and the easements and rights appurtenant to all of that property. Prior to recordation, this Declaration is prepared and provided to purchasers or prospective purchasers as the proposed intention of the Developer. Therefore, this Declaration shall not be deemed to have created the condominium form of ownership unless and until this Declaration is recorded in the current public records of Duval County, Florida.

2. NAME

This condominium shall be known as MANDARIN PROFESSIONAL COMPLEX, an office condominium.

3. LEGAL DESCRIPTION OF LAND

The land submitted to the condominium form of ownership lies in Duval County, Florida, and is more particularly described in Schedule A attached to this Declaration and incorporated by this reference.

4. IDENTIFICATION OF EACH UNIT

In Schedule A attached to this Declaration and incorporated by this reference is an identification of each unit by letter, name or number or a combination thereof so that no unit bears the same designation as any other unit.

5. SURVEY OF LAND AND GRAPHIC DESCRIPTION OF IMPROVEMENTS

In Schedule A attached to this Declaration and incorporated by this reference is a survey of the land which shows all existing easements and a graphic description of the improvements in which units are located and a plot plan thereof that, together with this Declaration, are in sufficient detail to identify the common elements and each unit and their relative locations and approximate dimensions. Prior to recordation of this Declaration, the construction of the condominium may not be substantially completed, but, upon substantial completion of construction, and prior to recordation, the Developer shall amend this Declaration to conform Schedule A to the "as built" conditions and to provide a certificate of a surveyor authorized to practice in Florida to the effect that the construction of the improvements is substantially complete so that Schedule A, together with the provisions of this Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements, and so that the identification, location and dimensions of the common elements and each unit can be determined from those materials, all as required by Florida Statutes, Section 718.104.

6. UNDIVIDED SHARE IN THE COMMON ELEMENTS APPURTENANT TO EACH UNIT

In Schedule A there is stated the undivided share in the common elements appurtenant to each unit.

7. PROPORTIONS OR PERCENTAGES OF AND MANNER OF SHARING COMMON EXPENSES AND OWNING COMMON SURPLUS

Except as otherwise expressly provided in this Declaration or its attachments, the proportions or percentages of and manner of sharing common expenses and owning common surplus shall be the same as the undivided shares in the common elements.

8. NAME OF ASSOCIATION

The name of the association is Mandarin Professional Complex Condominium Association, Inc., a Florida corporation not for profit.

9. UNIT OWNERS' MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

All unit owners are required to be members of the Association. All unit owners have voting rights in the Association. The terms and conditions of membership and the exercise of voting rights are more particularly set forth in the Articles of Incorporation for the Association and the By-Laws for the Association, which are attached to this Declaration and incorporated by this reference as Schedules B and C, respectively.

10. ARTICLES OF INCORPORATION FOR ASSOCIATION

The Articles of Incorporation for the Association are attached to this Declaration and incorporated by this reference as Schedule B. Prior to recordation of this Declaration, the Articles of Incorporation may be yet unfiled with the Florida Department of State. However, the Developer will file the Articles of Incorporation and will attach a certified copy of them to this Declaration as Schedule B prior to recordation of this Declaration.

11. BY-LAWS OF ASSOCIATION

Attached to the Declaration and incorporated by this reference as Schedule C is a copy of the initial By-Laws of the Association. The manner of their adoption and amendment is more particularly specified in the Articles of Incorporation and in the By-Laws.

12. OTHER DESIRED PROVISIONS

This Declaration will contain other desired provisions not inconsistent with the Florida Condominium Act.

13. NON-EXCLUSIVE EASEMENTS FOR INGRESS AND EGRESS

In Schedule A attached to this Declaration and incorporated by this reference, there is a description and discussion of certain non-exclusive easements for ingress and egress and other rights-of-way serving the units of this condominium as a part of the common elements. At the time of the recordation of this Declaration, all such easements shall not be encumbered by any leasehold or lien other than those on the condominium parcels, unless the lien holder has signed an agreement as required by Florida Statutes, Section 718.104.

14. TIME-SHARE ESTATES

This condominium will not include time-share estates.

15. COVENANTS AND RESTRICTIONS

Later parts of this Declaration will include covenants and restrictions concerning the use, occupancy and transfer of the units permitted by law with reference to real property.

16. JOINER IN THIS DECLARATION

The Developer has joined in this Declaration because they own and hold the fee simple title to the land. At the time that this Declaration is recorded, the Developer will obtain the joinder of any necessary person so that all necessary interests are made subject to the provisions of this Declaration.

17. ENFORCEABLE EQUITABLE SERVITUDES

All provisions of this Declaration are enforceable equitable servitudes, which run with the land, and which are effective until this condominium is terminated.

18. RESERVATION OF RIGHT TO AMEND DECLARATION

Before it is recorded, the Developer reserves the right to amend this Declaration in any manner deemed appropriate by the Developer under the circumstances. However, there shall be no amendment which would constitute a material impairment of the rights of any contract purchaser without first obtaining the written consent of any such purchaser. From and after the time of recordation of this Declaration, it shall not be amended except as provided in a later part of this Declaration.

19. DESCRIPTION OF CONDOMINIUM PROPERTY

Schedule A attached to this Declaration and incorporated by this reference contains a written description of the following: the improvements verbally described in this Declaration this Declaration; the upper and lower boundaries of a unit; the perimetrical boundary of a unit; those improvements which will be deemed to be included and to be excluded from the boundaries of a unit; the common elements; and any applicable limited common elements.

20. APPURTENANCES TO UNITS

There shall be appurtenant to each unit the rights and interests provided by the Florida Condominium Act and this Declaration. Those appurtenances shall not be separated from the unit. Those appurtenances shall pass with the fee simple title to the unit, whether or not expressly described in any applicable instrument. Those appurtenances cannot and shall not be conveyed or encumbered except in conjunction with the conveyance or encumbrance of the fee simple title to the unit.

21. ADDITIONAL EASEMENTS

In Schedule A attached to this Declaration and incorporated by this reference is a description of additional easements to serve the condominium property.

22. FLEXIBLE UNIT BOUNDARIES: THE SUBDIVISION OF UNITS

Because this is a commercial condominium, the need for flexible unit boundaries is essential. In order to allow for changes in space requirements, the Developer has selected a

method of subdividing units. The application of that method shall be as follows:

A. The Developer and all unit owners shall have the right to subdivide a unit if all conditions precedent established in this Declaration are fully satisfied.

B. As reflected in Schedule A to this Declaration, the initial development plans have created certain designated condominium units located within the ground floor and within the second floor of the condominium building. At the time of the recordation of this Declaration, the Developer may have elected not to physically segregate any of those units from each other in order to allow for a flexible marketing program. After all of the units have been sold to the initial purchasers, including the Developer, the condominium unit owners may wish to subdivide their units and sell some or all of those parts to others as a distinct condominium unit. This Article of this Declaration covers both types of eventualities.

C. From and after the time of the recordation of this Declaration, and upon receipt by the Association of notice from any unit owner of the desire to subdivide a unit, there shall be appointed an architectural review board to study and pass upon the proposed subdivision. Until such time as control of the Association's Board of Directors passes from the Developer to the unit owners, as provided by applicable provisions of law and contract, the Developer shall be entitled to select a majority of the architectural review board. After the passage of control, the unit owners shall be entitled to elect a majority of the architectural review board. However, the Developer shall retain the right to appoint one member of the architectural review board until such time as the Developer has made an initial sale of all condominium units to unit owners other than the Developer.

D. The members of the architectural review board shall be professionals in the construction industry, as for example architects, engineers, licensed general contractors, and licensed subcontractors. There shall be three (3) members of the architectural review board. A simple majority vote of the architectural review board shall prevail on all issues. The reasonable fees and expenses of the architectural review board shall be a special assessment against the unit owner applying for the subdivision. The architectural review board shall have the right to request any information and documentation necessary to make its decision. The Board of Directors of the Association shall have the prerogative of formulating general guidelines for use by the architectural review board, which guidelines shall be binding upon the architectural review board, subject to the right of the architectural review board to exercise professional judgment.

E. When a proposed subdivision has been approved, the President of the Association shall execute and record an amendment to this Declaration reflecting the new configuration of the condominium because of the subdivision and reflecting the appropriate amendments to the various parts of this Declaration and its exhibits as naturally flow from the effect of the subdivision. A reasonable attorneys' fee for preparation of the amendment and the cost of recording the amendment shall be a special assessment against the unit owner applying for the subdivision.

F. In addition to approval by the architectural review board, all subdivisions of units must be previously approved in writing by the Board of Directors of the Association, the unit owners whose units are physically affected, and the lien owners and mortgagees of record for the affected units. No other owners or lien holders shall have the power of approval. All of the

persons or entities granted the power to approve a subdivision by this subparagraph shall join in the execution of the amendment to evidence their assent of record.

G. Units that come into existence by being parts of subdivided units shall be designated by the letter for the original unit, as reflected in Schedule A to this Declaration, followed by such other numbers and letters as the Board of Directors may determine from time to time to be reasonable for the purpose of identifying the resulting units following each successive subdivision.

H. No unit shall be subdivided if the result would be to preclude access for a unit to core facilities located on the same floor, without requiring access through another unit under different ownership.

I. There shall be no subdivision if the resulting units contain less than a minimum contiguous square footage of 400 square feet.

J. All subdivisions of units must comply with all applicable governmental regulations and codes, including applicable fire and building ordinances.

K. Any one-time increase in the cost of utilities, or any new utility connections, or any one-time cost of maintenance, or any one-time increase in insurance premiums and taxes for the Association, or any long-term increase in the cost of utilities, or any long-term increase in the cost of maintenance, or any long-term increase in insurance premiums and taxes for the Association, as a result of a subdivision, shall be paid as a special assessment by the unit owners of the resulting units in proportion to their percentage of the common elements appurtenant to their resulting unit, although nothing in this sentence is intended to preclude those owners from agreeing between themselves to allocate differently those expenses.

23. ALTERATIONS AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS NOT CONSTITUTING A SUBDIVISION OF A UNIT

This Articles does not apply to subdividing of units, which is controlled by the preceding Article. This Article concerns alterations of and improvements to units and common elements not constituting a subdividing of a unit. The rights to alter and improve units and common elements, other than the subdividing of a unit, shall be as follows:

23.1 Developer's Right To Alter. Subject to the rights of the holder of a mortgage on any affected Developer-owned unit, up to and after substantial completion of construction and recordation of this Declaration, the Developer reserves the right, without the consent of the Association or any other unit owner, to: make alterations, additions or improvements in, to and upon units owned by the Developer, whether structural or nonstructural, interior or exterior, ordinary or extraordinary; change the layout or number of rooms in any Developer-owned unit. In making any such changes, the Developer shall comply with all applicable zoning and building laws. In making these alterations and improvements, the Developer may relocate and alter common elements adjacent to the altered units, incorporate portions of the adjacent common elements into altered units, and create additional common elements from portions of altered units; provided, however, no such alteration and relocation shall result in a materially adverse effect upon the market value or ordinary use of the units owned by unit owners other than the Developer. The provisions of this Article shall not be added to, amended or deleted without the prior written consent of the Developer. Any

necessary amendments to this Declaration required by any actions of the Developer taken pursuant to this paragraph shall be executed by the Developer, without the joinder of the Association or any other unit owner, and shall be duly recorded in the current public records of Duval County, Florida, by and at the expense of the Developer.

23.2 Unit Owners' Right To Alter. Without the prior written consent of the Association, no unit owner shall: make any alteration or improvement to the structural components and exterior surfaces of his unit; or make any improvement or alteration to the common elements and any appurtenant limited common elements. The Association shall have the obligation to answer any written request by a unit owner for approval of any alteration or addition within sixty (60) days after the request and all additional information requested by the Association (including plans, if requested, prepared by an architect licensed to practice in Florida, with respect to work the cost of which exceeds \$5,000.00) is received by the Association. If the Board fails to respond within sixty (60) days after all required material has been received, then the silence shall constitute consent by the Board of Directors of the Association. In order to be binding upon the Association, all communications pursuant to this paragraph must be actually received by the President, Vice President or acting chief executive officer of the Association. Any and all approved alterations or improvements by a unit owner shall be made in a good and workman like manner, in compliance with all applicable laws and regulations, and in compliance with any conditions imposed by the Association with respect to its approval of the requested alteration or improvement. A unit owner making or causing to be made an approved alteration or improvement agrees, for himself, and his heirs, devisees, legal representatives, successors in interest and assigns, to hold the Association and all other unit owners harmless from any liability or damage to the condominium property, or to any person, and shall in all events be solely responsible for the timely completion of the alteration or improvement and the payment of all expenses incurred in that work. In any litigation arising out of this paragraph, if the Association is the prevailing party, it shall be entitled to recover all costs and a reasonable attorney's fee. The Board of Directors of the Association shall have the power to enpanel a architectural review board, which shall act in an application under this subparagraph in the same manner as provided for an application to subdivide a unit as set forth in the foregoing Article to this Declaration.

23.3 Right of Association To Alter Or Improve Units and Common Elements. The Association shall have no right to alter or improve the units and the common elements, except upon the prior written consent of seventy percent (70%) of the owners of all of the units and seventy percent (70%) of the owners of all mortgages against all of the units.

24. MAINTENANCE, REPAIRS AND REPLACEMENTS.

Responsibility for maintenance, repairs and replacements of the condominium property, and the property of unit owners located or situated within the condominium property, shall be as provided in this Article, except for certain casualty damage and condemnation, which are covered by a later Article of this Declaration.

24.1 Units. Each unit, including without limitation, the furniture, furnishings, fixtures, equipment, apparatus and appliances comprising a part of the unit or located within the unit, shall be maintained, kept in good order and repair, and replaced by and at the expense of the owner of the unit. All maintenance, repairs and replacements for which the unit owners

are responsible, whether structural or nonstructural, ordinary or extraordinary, shall be performed promptly and in a good and workman like manner, as the need may arise.

24.2 Common Elements. The Association shall be responsible for, and shall assess against all unit owners as a common expense, the cost of maintaining, repairing, replacing and keeping in a clean and orderly condition all of the common elements, including any limited common elements. Each unit owner shall promptly report to the Association, or its managing agent, any defect in or need for repairs to any portion of the common elements. In the event that the Board of Directors of the Association shall determine that the need for any maintenance, repair work or replacements to be performed by the Association under this paragraph was caused through the willful or negligent act of a unit owner or his invitee, the cost of performing such maintenance, repair work or replacement shall be specially assessed against the unit owner.

24.3 Contractor. The Association may enter into a contract with any person for the maintenance and repair of the portions of the condominium property for which the Association is responsible.

24.4 Failure To Maintain and Repair. In the event that a unit owner fails to maintain or repair his unit as required by this Article, the Association shall have the right, but not the duty, to perform the maintenance, repair, or replacement with the attendant right to levy an assessment against the unit owner for all expenses. The Association shall have the further right to have its employees, agents and independent contractors enter a unit at all reasonable times to do such work as is deemed necessary by the Association to enforce compliance with the provisions of this Article.

24.5 Special Understandings Concerning Certain Property of Unit Owners. As a part of the initial development, or as a part of subsequent subdividing or alterations approved pursuant to the terms of this Declaration, unit owners may have property which is located within the condominium property but outside the boundaries of their unit. This may include such things as specialty plumbing for a medical or dental office. In that event, the unit owners shall maintain that equipment at its expense without regard to the fact that the equipment is located within a common element and would otherwise appear to be an item for maintenance assigned to the Association under this Article. The Association shall have the same rights as provided in the foregoing subparagraph for failure by a unit owner to maintain and repair their unit.

25. INSURANCE

25.1 Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property, and the condominium property to be insured by the Association pursuant to the Florida Condominium Act. A copy of each policy of insurance in effect shall be made available for inspection by unit owners at reasonable times.

25.2 Hazard Policies. In addition to other provisions contained in this Article, it is required that every hazard policy which is issued to protect a condominium building shall provide that the word "building" wherever used in the policy include, but not necessarily be limited to, 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 of like kind or quality, in accordance

with the original plans and specifications, or as they existed at the time the unit was initially conveyed if the original plans and specifications are not available. The word "building" does not include floor coverings, wall coverings or ceiling coverings. With respect to the coverage provided by this subparagraph, the unit owners shall be considered additional insureds under the policy.

25.3 Excess and Subrogation. Every insurance policy issued to an individual unit owner shall provide that the coverage afforded by such policy is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association.

25.4 Notice By Association. A notice shall be mailed by the Association to each unit owner not less than 45 days prior to the effective date of any renewal of or amendment to the Association's coverage which reflects changes authorized by Chapter 84.368, Laws of Florida, and shall advise the members of any change in insurance coverage to be provided by the Association, including a description of the property previously covered by insurance obtained by the Association which will no longer be covered, and the effective date of such change.

25.5 Title Insurance. Except as the Developer may agree with a particular purchaser, or except as a mortgagee may require of the Developer, neither the Developer nor the Association shall be required to provide any title insurance.

25.6 Hazards Coverage. All improvements within the condominium property, except within the unit boundaries, shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. The authority to purchase this insurance shall be exclusively vested in the Association. The initial determination of replacement value and the initial amount of casualty coverage shall be determined by the Association, and each year thereafter the Association shall review and determine the replacement value and any resulting increases in insurance necessitated by its determination. If available, the policy of insurance shall provide that it may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and to each mortgagee listed as a scheduled holder of a mortgage. The policy must provide for recognition of any insurance trustee agreement, and must include an "agreed amount endorsement" and "inflation guard endorsement", if available. Because no single type of first mortgage financing for the acquisition of units from the Developer is intended to be employed, it is not possible for the Association to select any one particular minimum standard for casualty insurance customarily imposed by institutions making, guaranteeing, insuring or purchasing condominium mortgages. However, the Association shall, to the extent practicable, procure and maintain casualty coverage with companies and in forms of policy which the good faith research of the Association indicates would be in form and substance generally acceptable to most institutional mortgage lenders in Duval County, Florida. In the absence of any definitive criteria available to the Association, the Association may conform its decisions, subject to the applicable facts, to the condominium insurance requirements promulgated by FNMA, Southeastern Region, from time to time. Casualty coverage shall afford protection against the following hazards:

A. Loss or damage by fire and other hazards covered by standard extended coverage endorsement.

B. Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land,

including, but not limited to vandalism, malicious mischief and perils covered by the standard "all risk" endorsement, if that endorsement is available.

C. If appropriate and possible, the policy shall waive the insurer's right to: i) subrogation against the Association and against the unit owners individually and as a group; ii) the prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risks; and (iii) avoid liability for a loss that is caused by an act or neglect of the Board of Directors of the Association, or by any member of the Board of Directors of the Association, or by one or more unit owners.

25.7 Public Liability Coverage. Comprehensive general liability insurance shall be procured by the Association in such amounts and such coverage as may be determined by the Board of Directors of the Association, covering all of the common and any limited elements (and, if affordable, the units); provided, however, if reasonably affordable, such coverage shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. The policy or policies shall also contain a cross-liability endorsement to cover liability of unit owners as a group to a unit owner. Coverage shall include, without limitation, legal liability of the insureds for bodily injury and deaths of persons in connection with the operation, maintenance or use of the common elements, and legal liability arising out of lawsuits related to employment contracts of the Association. If possible, the policy shall provide that it may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and each scheduled mortgagee, if any.

25.8 Workers' Compensation Coverage. The Association shall provide Workers' Compensation coverage only where necessary to meet the requirements of law.

25.9 Fidelity Bonds. The Association may, in its discretion, procure blanket fidelity bonds for all officers, directors, trustees and employees of the Association and any other persons handling or responsible for funds of or administered by the Association. If elected, the total amount of fidelity bond coverage shall be based upon the best business judgment of the Association.

25.10 Flood Insurance. The Association shall procure flood insurance coverage in such amounts deemed appropriate by the Association, but not less than the lesser of the following: the maximum coverage available under the National Flood Insurance Program for all condominium buildings and other insurable condominium property lying within an area designated by the Secretary of Housing and Urban Development as having special flood hazard; or 100% of current "replacement" costs of all such buildings and other insurable property within a special flood hazard area.

25.11 Other Coverage. The Association shall procure such other coverage as may be required by applicable law or regulation. In the absence of such a mandate, the Association may procure such other types of insurance coverage as the Association may deem advisable.

25.12 Policy Provisions To Be Avoided. Regarding mandatory or elected insurance policies or bonds to be procured by the Association in accordance with this Article, where at all possible, the Association shall avoid procuring policies or bonds that contain any of the following provisions: under the terms of the insurance carriers' charter, by-laws or policy, contributions

or assessments may be made against the Association, unit owners, their mortgagees, or investors to mortgagees; or by the terms of the carrier's charter, by-laws, policy, loss payments are contingent upon action by the carriers' Board of Directors, policy holders or members; or the policy includes any limiting clauses other than insurance conditions, which could prevent the Association, unit owners, the insurance trustee, mortgagees or investors to the mortgagees, as their interests may appear, from collecting insurance proceeds; or policies by their terms may be canceled or substantially modified with less than ten (10) days' prior written notice to the Association, or the insurance trustee, and the scheduled mortgagees.

25.13 Mortgage Clause. The Association shall have no duty to add mortgagees under the policies required by this Article unless the Association is requested to do so in writing by a unit owner or a mortgagee. Upon such request, any mortgagee shall be scheduled in priority of interest as requested by the unit owner or the mortgagee. And where it is made known that a mortgagee is a servicer for an investor, and if the servicer is named as mortgagee in the mortgage clause, the servicer's name shall be followed by the phrase "and/or its successors and assigns".

25.14 Coverage To Be Maintained By Unit Owners. Any unit owner may, at their election and at their expense, maintain any coverage that is supplementary to that required or elected by the Association. As well, all unit owners shall be responsible to procure, at their discretion and at their expense, hazard or casualty insurance for their personal property contained within their unit, as for example furniture, appliances and the like. All premiums for any coverage elected by a unit owner shall be paid by the unit owner to the insurer, as such obligations will not be considered a common expense in any event.

26. INSURANCE TRUST AND USE OF INSURANCE PROCEEDS

26.1 Name of Insured and Loss Payable Clause. For policies procured by the Association pursuant to the foregoing Article, the name of the insured shall be substantially as follows:

"Mandarin Professional Complex Condominium Association, Inc., a Florida corporation not for profit, for the use and benefit of the individual owners."

The policy shall also be issued in the name of the insurance trustee contemplated in this Article with whom the Association enters into an insurance trust agreement or any successor trustee for the use and benefit of the individual owners. Loss payable shall be in favor of the Association, or the insurance trustee, as the fiduciary for each unit owner and mortgagees for each unit. Each unit owner and each mortgagee, if any, shall be beneficiaries of the policies.

26.2 Designation of Insurance Trustee. The Association shall diligently attempt to obtain an insurance trustee who is qualified under the provisions of this Declaration and applicable law, and shall enter into an insurance trust agreement with that trustee that conforms to the provisions of this Declaration. The trustee shall be an institution having offices in Duval County, Florida, which by applicable law is authorized to exercise trust powers within the State of Florida. Although the Developer does not intend to impose upon the Association the identity of any particular type of institution, the Association shall attempt first to obtain a national or State chartered commercial bank having a trust department to act as the insurance trustee and preferably one which has exercised similar trust powers for other condominiums in Duval County, Florida.

26.3 Power of Attorney From Unit Owners To Association Or Insurance Trustee. All unit owners appoint as their attorney-in-fact the Association for the purposes of purchasing and maintaining the insurance mandated or permitted by this Declaration to be procured by the Association. Likewise, all unit owners appoint as their attorney-in-fact the insurance trustee, if there be one, for the same purpose. However, no insurance trustee shall be required to purchase or maintain any insurance mandated or permitted by this Declaration, with any such procurement to be voluntary. All unit owners hereby appoint as their attorney-in-fact the Association, or the insurance trustee, if there be one, for the purpose of receiving, holding or otherwise properly disposing of insurance proceeds in accordance with this Declaration, and, as well, to negotiate payment for losses, to execute releases of liability upon receipt of payment, and to execute all other documents necessary to maintain and settle disputes in connection with mandatory or permitted insurance or bond coverage.

26.4 Insurance Trust Agreement and Fees To Insurance Trustee. The Association shall have the exclusive power to determine the terms and conditions of any insurance trust agreement including payment of fees, subject to conforming to the provisions of this Declaration.

26.5 Proceeds For Common Elements. Proceeds from policies procured by the Association under this Declaration which are on account of damage to common elements shall be held by the Association, or the insurance trustee, if there be one, in undivided shares for each unit owner equal to the undivided share for each unit owner in the common elements. They shall be disbursed in accordance with the provisions of this Declaration.

26.6 Proceeds For Units. Proceeds from policies procured by the Association under this Declaration which are on account of damage to units shall be held in the following undivided shares:

A. When the units are to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Association, and in the event that an insurance trustee has been designated, it shall be entitled to rely upon and shall act in accordance with that determination.

B. When the units are not to be restored, for the owners of such units in undivided shares in proportion to their respective shares in the common elements appurtenant to their units.

26.7 Rights of Mortgagees In Proceeds. The share of a unit owner in proceeds for damage to common elements and to the unit shall be held in trust for all mortgagees, as their lien priorities may appear, and the owners of the units, as their interests may appear. By making and accepting a mortgage against any unit created by this Declaration, a mortgagee agrees that it shall have no right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, except as may be otherwise expressly provided for in this Declaration. Further, no mortgagee shall have the right to apply or have applied to the reduction of the mortgage indebtedness any insurance proceeds, except distribution of such proceeds made to the unit owner and mortgagee pursuant to the provisions of this Declaration.

26.8 Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association, or the insurance trustee, shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of Trust. All expenses of the insurance trustee, including agreed fees, shall be paid or adequate provisions made for payment.

B. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, as determined in accordance with this Declaration, the proceeds after reduction for expenses of the trustee shall be paid to defray the cost of the reconstruction or repair in the manner provided by this Declaration. Any proceeds remaining after defraying the cost of reconstruction or repair shall be distributed to the beneficial owners, remittances to unit owners and mortgagees being payable jointly to them, with the Association or the insurance trustee having no duty to determine priority of rights as to such remittances between the unit owners and the respective mortgagees and/or between the mortgagees. This covenant for joint remittance between unit owners and mortgagees is a third party beneficiary contract in favor of any mortgagee of a unit and shall be enforceable by any such mortgagee.

C. Failure To Reconstruct or Repair. If it is determined in the manner provided in this Declaration that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds remaining after reduction for expenses of the trustee shall be distributed to the beneficial owners, with remittances to unit owners and their mortgagees to be in the same manner as provided in the foregoing subsection, with the same third party beneficiary contract being applicable.

D. Certificate From Association. In making distribution to unit owners and mortgagees, the insurance trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the units owners and their mortgagees and their respective joint shares of distribution.

27. RECONSTRUCTION OR REPAIR AFTER A CASUALTY

If part of the condominium property is damaged by a casualty, the following rules shall be employed to determine whether or not the damaged property shall be reconstructed or repaired:

A. Common Elements. If the damage is to the common elements, it shall be reconstructed or repaired unless the damage extends to units, in which case the provisions relative to reconstruction and repair in the next subparagraph shall apply.

B. Units and Common Elements. If the damage is to a unit and the common elements, then this procedure shall apply. The Association shall employ, as a common expense, an architect, general contractor or similar professional to preliminarily advise the Association if it appears that the insurance proceeds will be sufficient to pay the cost, both hard and soft, of the reconstruction or repair. At this juncture, the Association shall not have the duty nor the right to incur the cost of plans and specifications and bids. The Association shall make best efforts to obtain that preliminary advice as soon as practicable and preferably within thirty (30) days after the date of the damage. Within ten (10) days following the receipt of the preliminary advice, the Association shall advise in writing all of the unit owners, whether their units were damaged or not, and all mortgagees, whether or not the encumbered units were damaged, of the preliminary advice. If the preliminary advice is that there are not sufficient insurance proceeds without contribution from unit owners, there shall be no reconstruction or repair unless within thirty (30) days following the date of the notice seventy-five percent (75%) of all unit owners (using one vote per

owner rather than one vote per unit), whether or not their units were damaged, agree in writing to authorize the Association to incur the expense as a common expense of having plans and specifications drawn and bids made to determine precisely if there are not sufficient insurance proceeds to make the reconstruction or repair. If that additional research is pursued and it is determined that there are not sufficient insurance proceeds, there shall be no reconstruction or repair. If the foregoing initial preliminary advice to the Association indicates there are sufficient insurance proceeds to make the reconstruction or repair, subject to the preparation of plans, specifications and the receipt of bids, the reconstruction or repair shall be made, unless within thirty (30) days following the date of the notice of the preliminary analysis, seventy-five percent (75%) of the unit owners (the one vote per owner rule to apply) of all units, whether damaged or not, shall agree in writing that there shall be no reconstruction or repair. Provided, however, the Association shall not enter into any contracts for reconstruction or repair or commence reconstruction or repair if the plans and specifications and the bids for labor, services and materials indicate that the insurance proceeds will be insufficient, in which case the Association shall notify the unit owners and mortgagees in the same manner as required above for the preliminary initial analysis, and there shall be no reconstruction or repair, but the costs incidental to obtaining the plans and specifications and the bids shall be a common expense.

C. Identification of Owners and Mortgagees and Certificate To Insurance Trustee. In determining the identity of unit owners and mortgagees for the notices required by the foregoing subparagraph, these procedures shall be followed. During the period of time that the Association is awaiting the initial advice as to the adequacy of insurance proceeds, it shall procure as a common expense a search of the current public records of Duval County, Florida, having an ending date as of the date of the casualty. That title search shall be used for the purposes of determining all unit owners and all mortgagees, and the Association shall not have any duty to make further inquiry as to the facts disclosed by the title search. However, if there are any unit owners or scheduled mortgagees shown on any existing lists, rolls or records regularly maintained by the Secretary or Treasurer of the Association who do not appear in the abstract, then those additional unit owners and mortgagees shall be given a notice, as well. Any changes in the ownership or mortgage interests occurring after the date of the abstract (date of the casualty) shall not affect the validity of the procedures contained in the foregoing subparagraphs, unless and until the Association actually receives in writing a notice of a change in interest, which notice must be actually received not less than ten (10) calendar days before a determination is made by the Association pursuant to the procedures established in the foregoing subparagraphs. If the insurance trustee is required by contract or by law to determine the identity of unit owners and mortgagees (for whatever purpose), and the proper performance of the procedures required by the foregoing subparagraphs, it shall be entitled to rely completely upon a certificate from the Association executed by the President and Secretary making the necessary identity or confirming the proper pursuit of the procedures.

D. No Affirmative Duty On Association Or Insurance Trustee to Seek Certain Information. It is specifically contemplated in the foregoing subparagraphs that, if the preliminary initial analysis so warrants, reconstruction and repair may proceed in accordance with this Article unless the foregoing established percentage of unit owners agree in writing to prohibit the reconstruction or repair. Under those circumstances, the written decision not to reconstruct or to repair must be actually

received by a member of the Board of Directors of the Association within the foregoing prescribed period of time, failure of which receipt shall act as conclusive evidence for the Board of Directors that it has the authority to proceed with the reconstruction or repair, and in no event shall the Board of Directors of the Association, nor the insurance trustee, have any affirmative duty to poll the appropriate number of unit owners to determine if they have or intend to enter into a written agreement which has not yet been received by the Board of Directors.

E. Plans and Specifications for Reconstruction Or Repair.

Upon completion of the initial construction of the condominium property, the Developer will provide to the Association a set of plans and specifications as required by the Florida Condominium Act. If it is determined in accordance with the foregoing subparagraphs that reconstruction or repair will be made, it shall be made substantially in accordance with the plans and specifications provided by the Developer, unless the Board of Directors of the Association first obtains in writing the approval of seventy-five percent (75%) of the unit owners (the one vote per owner rule to apply) and seventy-five percent (75%) of the mortgagees. In determining whether or not the plans and specifications for the reconstruction or repair contain a substantial modification from the original plans and specifications, the Association shall be entitled to rely in good faith on the advice of the licensed architect employed by it as a common expense to prepare the reconstruction or repair plans and specifications. As well, if there should be any substantial modifications necessitated by then applicable laws, regulations or codes, or by circumstances which lead the licensed architect to advise substantial modifications, as for example new technology not in existence at the time of the original construction, and if the substantial modifications that are required by these latter circumstances do not exceed the insurance proceeds and do not materially diminish the value of the reconstructed or repaired condominium property (as advised by a licensed appraiser doing business in Duval County, Florida, whose fee shall be a common expense), the unit owners and mortgagees having the right to approve a substantial modification shall continue to have that right but they shall not unreasonably withhold their approval.

F. General Contractor. Either at its own election, or upon the advice of a licensed architect, the Association shall, after preparation of the plans and specifications for reconstruction or repair, hire a licensed general contractor to effect the reconstruction or repair in accordance with the plans and specifications. The selection of the general contractor shall be determined by the Association so long as there are at least two (2) candidates. The hiring of the general contractor shall be by written contract in form and substance as the Association may be advised by its architect and legal counsel. In all events, the contract must provide for an express warranty as to the quality of construction upon terms that the Association is best able to extract in the market.

G. Inspecting Architect and Certificates To Association Or Insurance Trustee. The architect employed by the Board of Directors of the Association as a common expense for the preparation of the plans and specifications shall be employed to inspect construction and certify to the insurance trustee the amount of each disbursement to the general contractor. This inspection, certification and progress payment disbursement shall be in accordance with the contract between the Association and the general contractor and in accordance with custom and usage in the local construction industry.

H. Assessments For Reconstruction Or Repair. Notwith-

standing any of the foregoing subparagraphs, and even though it may be determined that the insurance proceeds are insufficient to pay the cost of reconstruction or repair, nothing shall preclude all of the unit owners of all of the units from agreeing in writing to assess themselves for the difference between the insurance proceeds and the cost of the reconstruction or repair, which assessment shall be treated as any other common expense. Also, if under any of these provisions within this Article it is determined that reconstruction or repair will be pursued, and if during the course of construction there should develop a deficit between the available insurance proceeds and the cost of reconstruction or repair, the Association shall have the power to impose an assessment for that deficit against all unit owners in the same manner as any other assessment for any other common expense; subject, however, to reimbursements, if any, to the unit owners in proportion to the actual payment of such assessments for any recoveries for cost overruns caused by breach of contractual obligations by any provider of labor, services or materials, but the recovery of those damages by the Association shall not be a condition precedent to the completion of reconstruction or repair or to the making and payment of the assessment for deficits.

I. Holding And Disbursement of Reconstruction Or Repair Funds. The funds for payment of the costs, both hard and soft, for reconstruction or repair, whether they be insurance proceeds or assessment proceeds, shall be held and disbursed in the following manner:

1. By Association. If the total of the funds is \$10,000.00 or less, the funds shall be held by and disbursed by the Association. If the funds are \$10,001.00 or more, they shall be held by and disbursed by the insurance trustee, if there is one. If a trustee cannot be found, then the Association shall hold and disburse the funds in the manner required by this Declaration.

2. Disbursements. The funds shall be disbursed by the Association, or the insurance trustee, as the case may be, as follows:

a. Below, there are rules established for instances in which a unit owner only shall be responsible for reconstruction or repair after casualty. In that event, the portion of insurance proceeds representing damage for which the responsibility of reconstruction or repair lies only with the unit owner, shall be paid by the Association, or the insurance trustee, to the unit owner. Subject to the circumstances, the Association shall have the discretion to make disbursement before or after the reconstruction or repair is completed.

b. In instances other than those specified in the foregoing subparagraph, the funds shall be disbursed by the Association, or the insurance trustee, to the parties providing labor, services or materials in accordance with contractual provisions entered into by the Association and in accordance with the architect's certificate required by this Declaration. Compliance with owner requirements under any then applicable mechanic's lien law shall be the responsibility of the Association, whether or not the disbursements are being made by the Association or the insurance trustee, and in the latter event the insurance trustee shall be entitled to rely upon written instruction from the Association as to such compliance. As a part of the cost of reconstruction or repair, the Association shall be entitled to employ legal counsel as a common expense for advice as to any compliance during the course of reconstruction or repair with any then applicable mechanic's lien law.

c. All funds disbursed by the Association, or the insurance trustee, shall be disbursed as provided in Section 26.8, above.

J. Relieving Insurance Trustee of Some Affirmative Duties.
No insurance trustee who accepts office under the terms of this Declaration shall be required to affirmatively investigate the existence of any casualty, the payment of any funds to it, the pursuit of the procedures required by this Declaration, and the approval of any plans, specifications, bids and construction contracts. These affirmative duties are expressly excluded by this subparagraph because it is the responsibility of the Association to see to the performance of this Declaration. Thus, the insurance trustee is to act as an independent fiduciary to disburse insurance and assessment proceeds for the reconstruction or repair in reliance upon certificates presented to it by the Association and/or the architect employed by the Association, all as more particularly specified in the foregoing provisions of this Article.

K. Reconstruction or Repair Responsibility For Unit Owners.
If the casualty causes damage only to those parts of a unit for which the responsibility of maintenance is imposed only upon the unit owner by Article 24 of this Declaration, then the unit owner of the particular unit shall be responsible for reconstruction or repair after casualty, subject to the right to receive any insurance proceeds that are applicable to the damage. In all other events, the responsibility for and the right to effect reconstruction or repair after casualty shall rest solely with the Association.

28. CONDEMNATION

28.1 Effect of Condemnation. The taking of condominium property by condemnation or purchase in lieu of condemnation shall have the same legal effect under this Declaration as a casualty. Therefore, all awards or purchase payments for the taking shall be treated in the same manner as proceeds from insurance covering casualties. And, therefore, the provisions of the foregoing Articles 26 and 27 shall become operative.

28.2 Disposition of Awards. All awards, whether for units or for common elements, shall be deposited with the Association without regard to the payee or distributee of the award. If a unit owner or other person claiming an interest in the particular unit should fail or refuse to turn over their share of the award to the Association, the Association shall have the power to enact a special assessment against the defaulting unit owner and the defaulting unit, together with all court costs and attorney's fees incurred by the Association, which assessment shall be enforceable in the same manner as any other assessment.

28.3 Deciding Whether To Reconstruct or Repair. Following condemnation, the decision as to whether to reconstruct or repair shall be made in the same manner as required by the foregoing Article 27 for that decision in the instance of a casualty.

28.4 Representation in Litigation And Negotiations. The Association shall represent all unit owners and other persons having an interest in the condominium property in connection with any litigation or any negotiations with regard to issues connected to the common elements and the units. For this purpose, each unit owner appoints the Association as their attorney-in-fact. All scheduled mortgagees entitled to notice concerning reconstruction or repair following casualty, as established in the foregoing Article 27, shall be entitled also to notice in the event of commencement of condemnation proceedings or negotiations for a purchase in lieu of condemnation. The date for determining the list of mortgagees to

receive notice shall be that date when the Association first receives service of process or formal notice of commencement of the action or proceedings. The notice shall be given within thirty (30) days after that date.

29. ASSESSMENTS

29.1 Assessments By Association. The Association shall have the power to adopt budgets for the obligations it is required by contract or by law to meet. A duly adopted budget shall automatically become assessments against unit owners personally and their property interests in the condominium property.

29.2 Liability. The liability for assessments shall be of two types. Every unit owner shall be personally liable for every assessment. As well, every unit owner shall be subject to a lien for every assessment. Where there are two or more owners of a unit, the personal liability shall be joint and several. Appurtenant to the title of each unit shall be a percentage of liability for every assessment. That percentage shall be as established in Schedule A to this Declaration, as amended pursuant to the terms of this Declaration. As between transferor and transferee unit owners, without regard to the method of transfer, personal liability for all assessments shall be apportioned as they may agree between themselves, but each shall be liable to the Association for the assessment which was adopted during their respective terms of ownership. The liability for assessments shall not be avoided by waiver of use or abandonment of ownership. Assessments shall be due and payable at the time set by the Association. If they are not paid when they become due, they shall bear interest from the due date until payment in full at the per annum rate of the highest rate of interest then permitted under Florida usury law for contract rate of interest, or, in the absence of such law, at the rate of 18% per annum, or at such other higher legal rate as may be imposed upon the Association by any provider of products or services to the Association for which common expenses are imposed. However, no interest shall be due and payable if any past due assessments are paid in full within ten (10) days after they become past due. All payments on account shall be applied first to accrued interest, next to costs incurred by the Association in connection with the enforcement of the assessment, and the remainder, if any, to reduction of the principal sum of the assessment. If assessments are to be paid by installments, and if an assessment remains unpaid for thirty (30) days after it becomes due, the Association shall have the right to accelerate and declare to then be due and payable in full the entire balance of the assessment to the same extent as if the entire accelerated amount was originally due in a lump sum. However, this right of acceleration shall not apply to assessments for obligations of the Association which accrue after the entry of a final judgment for enforcement and/or foreclosure. In actions to collect assessments, the Association shall be entitled to recover all costs and a reasonable attorney's fee, including all levels of appellate litigation. Nothing in this paragraph is intended to preclude the notice and remedy limitation provisions of the Florida Condominium Act. The liability for assessments established in this Article includes any capitalization or other initial fees that may be required of a purchaser under a purchase and sale agreement with the Developer.

29.3 When Assessments Begin and Excuses From Payment For Developer and Other Owners. As part of the condominium documents provided by the Developer to each initial purchaser is an estimated preliminary budget for the Association. That budget shall automatically become the initial assessment upon the recordation of this Declaration. This includes any capitalization or other initial fees required of initial

purchasers by the initial budget or purchase and sale agreement. No unit owner may be excused from the payment of an assessment unless all unit owners are likewise proportionately excused from payment, except as follows:

A. Mortgagees and Foreclosure Purchasers. When the mortgagees of any mortgage of record, or any other purchaser, of a condominium unit obtains title to the condominium unit by a purchase at a public sale resulting from the mortgagee's foreclosure judgment in a foreclosure suit in which the Association has been properly named as a defendant junior lien holder, or, if title is acquired by a deed in lieu of foreclosure, such acquirer of title and his successors and assigns are not liable for the share of common expenses or assessments attributable to the condominium unit or chargeable to the former unit owner of the unit which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless the share is secured by a claim of lien for assessments that was recorded prior to the recording of the foreclosed mortgage. The unpaid share of common expenses or assessments are common expense collectible from all of the unit owners, including such acquirer and his successors and assigns. A party acquiring title to a condominium unit as a result of foreclosure or deed in lieu of foreclosure may not, during the period of ownership of the unit, whether or not the unit is occupied, be excused from the payment of some or all of the assessments coming due during the period of ownership.

B. Developer. The Developer shall be excused from payment of its share of the common expenses in respect to units which it owns for a period of time that terminates on the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first condominium unit occurs. However, the Developer must pay the portion of common expenses incurred during that period which exceeds the amount assessed against other unit owners. Further, the Developer may, at its option, elect to extend the period of time for excuse from payment for an additional 120 days after the expiration of the foregoing prescribed four calendar months. This option shall be exercised in writing by the Developer to the Association for this condominium and all unit purchasers at the time of the closing of the purchase and sale of the first condominium unit. If this option is exercised by the Developer, the Developer agrees as follows:

1. The Developer guarantees to each purchaser and unit owner that the assessments for common expenses of this condominium imposed upon the unit owners will not increase above that shown in the initial budget during this extended period; and

2. The Developer hereby obligates itself to pay any amount of common expenses incurred during that period and not produced by the assessments at the guaranteed level of that shown in the initial budget, receivable from other unit owners.

The foregoing rights of excuse from payment in favor of the Developer are subject to the limitations contained in Section 718.116 (8)(b) of the Florida Condominium Act.

29.4 Lien. The Association shall have a lien on each condominium unit for any unpaid assessments, together with interest, costs and attorney's fees, as provided above. The lien is effective from and after the time of recordation of a claim of lien in the current public records of Duval County, Florida. The claim of lien must state the description of the condominium unit, the name of the record owner according to the most current records of the Association, the amount due and the due dates. The lien shall be in effect until all sums secured by it have been fully paid, or until barred by Florida Statutes, Chapter 95,

then in force, or 365 calendar days after the date of recordation (not including the date of recordation), whichever comes first. The claim of lien shall include only assessments which are due when the claim of lien is recorded, and, therefore, any subsequent assessments must be covered by subsequent claims of lien. The claim of lien shall be signed and acknowledged by an officer, agent or attorney of the Association. Upon payment in full, the person making the payment shall be entitled to a satisfaction of the lien. By recording a notice of contest of lien in substantially the form provided in Section 718.116 of the Florida Condominium Act, a unit owner or his agent or attorney may require the Association to enforce a recorded claim of lien against his condominium unit. The Clerk of the Circuit Court for Duval County, Florida, shall mail a copy of the recorded notice of contest to the Association at the address shown in the claim of lien, or most recent amendment to it, shall certify to the service on the face of the notice, and shall record the notice. Service is complete upon mailing. After service, the Association shall have ninety (90) days within which to file an action to enforce the lien, and if the action is not filed within the ninety-day period, the lien is void; but failure to file an action to enforce the lien shall not operate to discharge the underlying indebtedness in favor of the Association (this survival of the underlying indebtedness shall also apply to instances where the claim of lien is no longer enforceable because of the foregoing stated statutes of limitation). The Association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage on real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien, it being the intention of this Declaration that these remedies be cumulative. Moreover, these remedies may be pursued in any order or concurrently, at the election of the Association. No foreclosure judgment may entered until at least thirty (30) days after the Association gives written notice to the unit owner, at the address on the rolls of the Association, or, in the absence thereof, at the address on the rolls of the Tax Collector for Duval County, Florida, of its intention to foreclose its lien to collect the unpaid assessment. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid assessment, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified mail, return receipt requested, postage prepaid, addressed to the unit owner as specified above. If, after diligent search and inquiry, the Association cannot find the unit owner or mailing address at which the unit owner will receive the notice, the court may proceed with a foreclosure action and may award attorney's fees and costs as permitted by law. Provided, however, the foregoing notice requirements are satisfied if the unit owner records a notice of contest of lien as provided above. If the unit owner remains in possession of the unit and the claim of lien is foreclosed, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit, and the Association shall be entitled to be a purchaser at the foreclosure sale, and, thereafter, to hold, lease, mortgage or convey the condominium unit so acquired as fully as any other unit owner would be under the terms of this Declaration.

29.5 Certificate As To Assessments. Any unit owner or mortgagee has the right to require from the Association a certificate showing the amount of unpaid assessments against the unit owner and the condominium unit. Any person other than the unit owner who relies upon such certificate shall be protected by it. The Association shall not be required to deliver the certificate earlier than fifteen (15) days after the receipt of the request.

29.6 Exclusive Authority, Standing, and Jurisdiction. The Association has the exclusive authority to make and collect assessments as regards to the obligations over which it has responsibility by contract or by law. The Association has the exclusive standing to enforce duly adopted assessments, whether by collection action, foreclosure or otherwise. The obligations of assessments under this Declaration are agreed to be promises to pay a debt in Duval County, Florida, so that the personal jurisdiction and venue for all actions under this Declaration shall be in the appropriate State court in Duval County, Florida, without regard to the domicile of any party. All persons bound by or benefitted by this Declaration shall be subject to the personal jurisdiction of the appropriate State court within Duval County, Florida.

30. MANAGEMENT OF CONDOMINIUM

The Association shall have the exclusive right and duty to manage this condominium. Prior to the passage of control of the Board of Directors of the Association from the Developer to the unit owners, the Association may not enter into management agreements unless those agreements expressly provide a right of termination, without cause, upon not more than ninety (90) days' notice to the manager. After passage of control from the Developer to the unit owners, the Association may contract, in accordance with this Declaration and its exhibits, for management of this condominium upon terms and conditions deemed appropriate from time to time. The Association, in accordance with the foregoing rules, shall have the exclusive right of employing management for rentals, but, in the absence of such management agreement, the unit owners shall, at their sole discretion, employ managers for rentals of their respective units. In all events, this condominium is not being marketed by the Developer with a rental management contract as an essential element so that in all events it is not intended to be a sale of a security as defined by applicable Federal or State laws.

31. NOTICES TO BE MADE BY ASSOCIATION TO MORTGAGEES

The following rules are incorporated into the By-Laws of the Association to the same extent as if they had previously set forth in their provisions:

31.1 For the purpose of giving notices under this Article, the Association, through its Secretary, shall establish a ledger of mortgagees. The Association shall not be required to affirmatively seek out the identity of any mortgagees; but, rather, shall enter a mortgagee into the ledger only when written advice is received by the Association from the mortgagee and/or the mortgagee is made known to the Association by a request to add it as an endorsee to the insurance maintained by the Association. All notices to listed mortgagees shall be given in writing by regular mail, postage prepaid, to the most recent address on the rolls of the Association. The Association shall not be required to give notice of any facts that do not apply to its jurisdiction whether or not the facts are actually known or imputed to the Association. A complete failure to give notice required by this Article, or the defective giving of a notice required by this Article, shall not act to alter, limit or discharge the rights and remedies of the Association. The notice required by this Article shall be timely.

31.2 In the manner required by this Declaration, the Association shall give notice of any casualty or condemnation loss that affects either a material portion of the property owned and/or maintained by the Association or the unit securing the particular mortgage.

31.3 The Association shall give notice of any sixty (60) days delinquency in the payment of assessments or charges owed by the unit owner of any unit on which the mortgagee holds a mortgage.

31.4 The Association shall give notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

31.5 The Association shall give notice of any proposed action that, by this Declaration or the documents attached to it, requires the consent of a specified percentage of mortgage holders.

31.6 The term "mortgagee" for the purpose of this Declaration is intended to include such persons as guarantors, insurers, purchasers, and the like, but notice to those additional persons shall not be an obligation of the Association unless those persons are identified on the rolls of the Association in the manner required by this Article.

32. AMENDMENTS TO DECLARATION, ARTICLES OF INCORPORATION OR BY-LAWS

32.1 Amendments to Articles of Incorporation or By-Laws. The rules applicable to amendments for the Articles of Incorporation or By-Laws for the Association are contained in the Articles of Incorporation and the By-Laws for that corporation.

32.2 Amendments to Declaration. The procedures for amending this Declaration shall be as follows:

A. Florida Condominium Unit. This Article is subject to and is supplemented by the Florida Condominium Act.

B. Not Applicable to Articles 22 and 23. The rules in this Article are not applicable to the subdivision of units and the alteration of units as provided in Articles 22 and 23 of this Declaration.

C. Proposal. Any unit owner, or any officer or director of the Association, shall have the right to propose any amendment to this Declaration. Any proposed amendment must be first submitted to the Board of Directors of the Association and must receive an approval of not less than seventy percent (70%) of the Board of Directors before being referred to the unit owners and others having a right of approval of any amendment. If the Board of Directors does not approve the amendment, any unit owner or any officer or director of the Association shall have the right to present the proposed amendment to a regular or special meeting of the members of the Association called in accordance with the Articles of Incorporation and the By-Laws, if they are able to obtain prior written support for the amendment by not less than ten percent (10%) of the unit owners.

D. Notice. Written notice of the proposed amendment must be given to all having a right of approval not less than thirty (30) days prior to the date of the meeting at which the amendment will be considered. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text and underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed changes are so extensive that this procedure would hinder rather than assist in the understanding of the proposed amendment, it is not necessary to use underlining of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation

must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Declaration. See provision _____ for present text."

D. Requisite Number of Persons To Approve Amendments.
No amendment to this Declaration shall be effective unless it is approved by seventy-five percent (75%) of all unit owners (the one vote per owner rule to apply) and seventy-five percent (75%) of all mortgagees. In order to determine the identity of the unit owners and the mortgagees, the Secretary of the Association shall follow this procedure. First, the Secretary shall prepare a list of unit owners and mortgagees based upon the current records of the Association, including lists of owners and mortgagees for Association maintained insurance. Second, the Secretary shall procure as a common expense an abstract or search of the current public records of Duval County, Florida, dated not more than thirty (30) days before the date that the notice of amendment is to be sent, and the Secretary shall use that abstract or search to supplement the list of unit owners and mortgagees. Formal notice of the proposed amendment shall not be required to be given to any unit owners or mortgagees who acquire their interest of record subsequent to the effective date of the abstract or search, unless they give written notice of their interest to the Association not less than ten (10) days prior to the date of the meeting at which the proposed amendment is to be considered. If that notice requirement is met, the unit owner or mortgagee, as the case may be, shall be entitled to vote at the meeting and to replace any unit owner or mortgagee whose interest they have succeeded.

E. By Agreement. An amendment may be proposed by the requisite number of persons whose approval is needed by an agreement signed, executed and acknowledged with the formalities required for the execution and acknowledgment of a deed.

F. Developer Exception. Notwithstanding any language in this Article to the contrary, as long as the Developer holds fee simple title to all of the condominium property, the Developer may amend this Declaration at will; provided, however, any such amendments shall be subject to the rights of and shall be provided to contract purchasers.

G. Effective Date of Amendment and Recordation. As between the persons who have approved the amendment, it becomes effective as of the date of the approval, or any other effective date as expressly stated in it. As to all other persons, the amendment becomes effective only when recorded in the current public of Duval County, Florida. Moreover, the Association shall be responsible for recording any duly adopted and properly executed amendment in the current public records of Duval County, Florida, as soon as possible following its approval. All unit owners and mortgagees participating in the approval of the amendment shall be provided with a copy of the recorded amendment as a common expense.

33. TERMINATION

33.1 Florida Condominium Act. This Article is subject to and is supplemented by the provisions of the Florida Condominium Act.

33.2 By Developer. Subject to the rights of contract purchasers, the Developer shall be entitled to unilaterally terminate this condominium at any time prior to the conveyance of any fee simple interest in the units.

33.3 By Agreement. This condominium may be terminated or abandoned at any time by agreement in writing of all of the

record unit owners and all of the record lien holders (as established in the same manner as required for determining the identity of unit owners and lien holders for an amendment to this Declaration).

33.4 Substantial Destruction. If the condominium property is substantially destroyed by a common casualty, and it is decided that there will not be reconstruction or repair in accordance with the procedures established in this Declaration, the condominium form of ownership shall terminate without agreement and the owners of the common elements shall as of that time be owners as tenants in common of the condominium property and assets of the Association, with their undivided shares being in proportion to their shares in the common elements appurtenant to their respective units prior to the destruction. Further, in such event the mortgagees and lien holders of the units shall have a mortgage or lien in their priorities as existed before the destruction against the undivided interests of their mortgagor/owner.

33.5 Certificate of Termination. In the event of a termination under this Article, the Association, through its President and Secretary, shall create a certificate stating the facts as to why the termination is being made and stating the effective date of the termination, which certificate shall be recorded in the current public records of Duval County, Florida, as a common expense.

33.6 Amendment of This Article. This Article shall not be amended except with the written consent of all owners and all lien holders (whose identity is determined in the manner required for an amendment to this Declaration), which consent, if obtained, must be executed and acknowledged with the formalities required for recordation of a deed in the current public records of Duval County, Florida. The preparation and recordation of the amendment shall be a common expense.

34. APPLICATION OF THIS DECLARATION AND COMPLIANCE

34.1 Application of Declaration. This Declaration, and any duly adopted amendments, are enforceable equitable servitudes which shall run with the title to the land and all improvements constituting this condominium. This Declaration, and any duly adopted amendments, shall be effective until amended or terminated in accordance with the terms of this Declaration. Any party acquiring an interest in any of the condominium property, whether fee simple, easement, lien or otherwise, shall be subject to the terms and conditions of this Declaration, as duly amended, whether or not those terms and conditions are expressly referred to in the instrument or agreement creating the interest.

34.2 Compliance. All persons having an interest in the condominium property shall comply with the terms and conditions of this Declaration, except that mortgagees or lien holders shall not be required to comply with the terms of this Declaration expressly applicable to unit owners until such time as they become unit owners.

35. TRANSFERS

Unit owners shall be entitled to freely transfer their interest in their unit or to mortgage their interest in their unit without any approval by any other unit owner or the Association. However, all transfers and encumbrances shall be subject to the terms and conditions of this Declaration.

36. USE RESTRICTIONS

36.1 Use of Condominium Property. The condominium units

shall not be used for residential purposes. Rather, the condominium units are permitted to be used only for professional office purposes. "Professional office purposes" is intended to include medical, dental, other health care services, financial, insurance, government, legal, professional, personal services, and other similar offices. Primary retail services are excluded, but ancillary retail services are permitted. For example, a pharmacy to provide retail sales to patients of unit owners. In the event of a dispute as to whether or not a particular use is allowed, the following test shall be applied with a majority of the test to control the approval or denial of the use. The test is as follows:

A. Is the use permitted by applicable zoning ordinances?

B. Is the use one that is allowed by custom and usage within similar projects in the Clay and Duval Counties area?

C. Is the use reasonably compatible with the description of permitted uses contained in this paragraph?

36.2 Parking. As a part of the initial development plan of the condominium, the Developer has decided that wisdom does not require the creation of parking spaces as a limited common element nor the designation of parking spaces for limited use, except parking spaces designated for the handicapped as required by applicable laws and regulations. In the event of a future conflict as to the reasonable use of parking spaces, the Board of Directors shall promulgate rules and regulations in accordance with the powers granted in this Article.

36.3 Compliance With Applicable Laws and Regulations. All uses shall comply with applicable laws and regulations. This requirement shall include compliance with applicable environmental, health, and safety laws and regulations. For example, there shall be no improper use and disposition of hazardous waste.

36.4 Rules and Regulations Promulgated By Association. The Association shall be entitled to adopt and amend rules and regulations concerning the use of the condominium property on every lawful subject, including but not limited to leasing of units, conduct of persons and animals within the condominium property, and use and enjoyment of common facilities. There shall be only four limitations on this rule making authority: any rule must be duly adopted in accordance with this Declaration and its attachments; the limitations imposed by the rule must not violate any applicable provisions of Federal, State or local law; the intent and operation of the rule must be reasonable under the circumstances; and no rule shall materially impair the rights expressly created by this Declaration and its attachments. All such rules and regulations shall be adopted by the Board of Directors for the Association by a vote of not less than seventy-five percent (75%) of the members of the Board. However, the members of the Association shall have veto at any duly called special or regular meeting of the members upon a vote of not less than seventy-five percent (75%) of all members (the one vote per member rule to apply).

36.5 Fines. In addition to any other remedies provided by law, regulation or contract, for the violation of use restrictions or a rule or regulation promulgated by the Association, the Board of Directors of the Association shall have the power to render fines as personal liabilities against the unit owners and as an assessment against the fee simple title to the unit. The imposition of fines shall be by a hearing at which the defaulting unit owner is given the reasonable opportunity to present their case. The procedure for the imposition of a fine

shall be in the same manner as provided by this article for the adoption of a rule or regulations.

37. APPLICABLE LAWS AND REMEDIES

This Declaration shall be construed in accordance with the laws of the State of Florida. The enforcement of an assessment and the lien for an assessment shall be in accordance with the Florida Condominium Act and within the applicable State Court in Duval County, Florida. Other than the enforcement of assessments and liens for assessments, the sole remedy for the interpretation and enforcement of this Declaration shall be binding arbitration conducted in accordance with the following rules:

A. Unless otherwise mutually agreed upon by all participants, the arbitration shall be conducted in accordance with Florida Statutes, Chapter 682, the "Florida Arbitration Code", as it may be amended from time to time. If that statute has been repealed, and there is no substitute for it within the State of Florida, then the 1987 version of that statute shall apply. The express provisions of this Declaration and its attachments shall supercede the provisions of the Florida Arbitration Code in the event of a conflict.

B. The venue for arbitration shall be Duval County, Florida.

C. Each party to a dispute shall be personally subject to the jurisdiction of the arbitration panel without regard to the place of domicile for the party. Service of process of the arbitration proceeding shall be made by hand delivery or by certified mail, return receipt requested, postage prepaid, at the last address shown on the records of the Association.

D. The panel shall be selected, the hearing held, and a decision rendered by the panel within sixty (60) days after a demand for arbitration by any one of the parties. All decisions shall be based on a simple majority vote.

E. Each party shall be entitled to select a representative for the arbitration panel. For the purposes of this provision, "party" does not mean every individual person involved in the dispute, but, rather, the entity or group representing each component of the dispute. For example, if the dispute is between various unit owners and the Association, then the unit owners as a group shall select one arbitrator and the Association shall select another. All arbitration panels must be composed of an odd number of persons, and, therefore, if necessary, the arbitrators selected by each party to the dispute shall select one additional arbitrator in order to achieve an odd number of panel members.

F. The arbitration panel shall not be bound by the rules of evidence applicable to courts and shall be entitled to consider any oral, written, tangible or intangible evidence that the panel deems appropriate.

G. Each party shall be responsible for payment of the fees and expenses for their own counsel. However, the arbitration panel shall have the power to award fees and costs if the panel deems such an award to be equitable under the circumstances. All parties shall equally pay the fees and expenses of the arbitration panel. All fees and expenses due to the arbitration panel shall be a personal obligation of each participant and a lien against their condominium units enforceable in the same manner as any other lien for an assessment.

H. The arbitration panel shall have at least the

powers of a court of equity to fashion an award that the arbitration panel deems to be just and equitable under the circumstances. This award may include injunctive relief and monetary damages.

I. A party who is required to seek court enforcement of this agreement of binding arbitration, or who is required to seek court enforcement of the arbitration award, shall be entitled to recover all costs and a reasonable attorneys' fee.

Executed by the Developer on the date stated at the beginning of this Declaration.

Signed, sealed and delivered
in the presence of:

Andrew D. Henry
M. Skyan
Andrew D. Henry
M. Skyan

Richard Leibowitz
RICHARD LEIBOWITZ

Ronald Elinoff
RONALD ELINOFF
"DEVELOPER"

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing Declaration was sworn to and acknowledged
before me by Richard Leibowitz this 6th day of October,
1988.

William Benedict Hays
Notary Public, State of Florida

My Commission Expires: 3/14/92

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing Declaration was sworn to and acknowledged
before me by Ronald Elinoff this 6th day of October,
1988.

William Benedict Hays
Notary Public, State of Florida

My Commission Expires: 3/14/92