

OFFERING CIRCULAR
FOR
SUN BEACH CLUB CONDOMINIUM

SUN BEACH CLUB

LUXURY CONDOMINIUMS

1015 SEMORAN BLVD. SUITE F · CASSELBERRY, FLORIDA 32707

(305) 834-1273

OFFICE COPY

THIS OFFERING CIRCULAR CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS OFFERING CIRCULAR AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

*Parking (per owner
* 150 spaces) 50 units
+ 8 recreational*

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SUMMARY

1. THIS CONDOMINIUM IS BEING CREATED ON A FEE SIMPLE INTEREST AND EACH CONDOMINIUM UNIT WILL BE CONVEYED IN FEE SIMPLE TO THE PURCHASER.
2. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD. See Section 718.301 Florida Statutes and Article VII of the Articles of Incorporation of the Condominium Association, a copy of which is designated as Exhibit D to the Declaration of Condominium which appears as Exhibit 3 to this Offering Circular.
3. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.
4. RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR OF THE ASSOCIATION. See Section VI of this Offering Circular.
5. THE LEASE OF UNITS IS RESTRICTED OR CONTROLLED.
6. THE INFORMATION IN THIS OFFERING CIRCULAR IS BASED ON THE DEVELOPER'S PLANS, PROJECTIONS AND EXPECTATIONS AS OF JULY 15, 1984.
7. THE SCOPE OF THIS OFFERING CIRCULAR HAS BEEN DICTATED CHIEFLY BY THE DISCLOSURE REQUIREMENTS OF FLORIDA'S CONDOMINIUM ACT; IT DOES NOT PURPORT TO ENCOMPASS EVERY MATTER THAT COULD CONCEIVABLY BE PERTINENT TO DECIDING WHETHER TO BUY A UNIT AT SUN BEACH CLUB.
8. THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM. SEE IN THIS RESPECT SECTION 3.9 OF THE DECLARATION OF CONDOMINIUM, A COPY OF WHICH IS APPENDED AS EXHIBIT "1" TO THIS OFFERING CIRCULAR.

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SUN BEACH CLUB CONDOMINIUM
(Unrecorded)

LOCATED: West of State Road ALA immediately
North of Oyster Quay in the City
of New Smyrna Beach, Volusia
County, Florida

DEVELOPED BY: Del Properties V, Ltd.,
a Florida limited partnership
1015 Semoran Boulevard
Suite G
Casselberry, Florida 32707

DIVISION I.D. #1P 12477

AMENDMENT
APPLIES TO: (i) Florida Developers Prospectus
Adding 13 Units and elimi-
nating "E" type unit.
(ii) Declaration of Condominium
(iii) Budget for all Phases

I
Identity And Location
 Of Condominium

The Condominium offered for sale by the Offering Circular is SUN BEACH CLUB CONDOMINIUM. It is located immediately west of State Road 1A and north of Oyster Quay in the city of New Smyrna Beach, Volusia County, Florida.

I
DESCRIPTION OF CONDOMINIUM

THIS IS A PHASE CONDOMINIUM ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM. See in this respect Section 3.9 of the Declaration of Condominium for a more detailed explanation of the phase development. It is presently contemplated that the project will be developed in three phases over the next six (6) years and will consist of 14 buildings containing an aggregate of 100 units plus amenities. The first phase will consist of 40 units situate in five (5) buildings, as additional phases are developed, the Declaration of Condominium will be amended and the land on which these additional phases are situate will be added to the Condominium. The legal description of each phase and plot plan is reflected in Exhibit "B" to the Declaration of Condominium. Present plans call for the project to be developed in New England architectural style. There will be six basic unit types; the floor plans for which are set forth on sheets 14 through 18 of Exhibit "C" to the Declaration of Condominium is a list of each unit and unit types (A,B,C,D, or E1 or Eu). The buildings will be developed in a New England architectural style.

The following chart indicates the approximate square footage, number and type of unit contemplated in each phase and the number of bedrooms in each unit:

Phase/Bldg.	Type A	Type B	Type C	Type D	Type E1/Eu	TOTAL
	2-Bedroom 2Bath	2-Bedroom 2 Bath	2 Bedroom 2 Bath	3 Bedroom 2Bath	2 Bedroom 2 Bath	
	802	1007	1050	1084	1000	
	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	
1	5	10	10	10		40
2	4	6	6	6	4	28
3	5	4	4	4	16	32
Total	14	20	20	20	20	100

Each Building will contain eight (8) units except for Buildings 12, 13 and 14 which will each contain four (4). The dimensions mentioned above are measured from exterior walls and/or the middle of interior walls and represent the gross enclosed construction area.

Notwithstanding the foregoing, the Developer reserves the right to change the plan of development with respect to the order in which the phases are submitted to condominiumization. As new phases are added, this Prospectus will be amended with supplements which will: detail the specific property being condominiumized; reflect the number of units contained thereon; reflect a new percentage breakdown of Common Elements and Expenses; and pictorially reflect via a survey the actual location of improvements.

The Developer reserves the right to pursuant to Florida Statute 718.403 (2) (a) to modify its plan of development and change unit and/or building types on phases which have not yet been condominiumized. In addition the Developer may make nonmaterial changes in the legal description of a phase. The Developer may change the number of

IV

TIME FOR COMPLETION OF UNITS

As stated in the Declaration of Condominium, the Developer has six (6) years from recordation of the Declaration of Condominium in the Volusia County Public Records to develop and condominiumize all phases, whereupon its right to add units will expire. The estimated date of completion of each unit to be purchased by an individual buyer will be contained in Paragraph 11 of the Purchase Agreement. The individual purchasers are advised that this is an estimate only. Nevertheless, the Developer commits itself to complete each individual buyers unit within two (2) years from the date of entering into a contract with said unit buyer subject only to acts of God, strikes, material shortages and war.

V

CONVEYANCE FEE SIMPLE

SUN BEACH CLUB CONDOMINIUM IS BEING CREATED AND SOLD IN FEE SIMPLE INTEREST AND EACH CONDOMINIUM SHALL BE CONVEYED IN FEE SIMPLE INTEREST TO THE PURCHASER.

VI

DESCRIPTION OF RECREATION FACILITIES

The Developer intends to construct certain recreation facilities which will be substantially completed by the time of closing on the first condominium unit in Phase 1. The land underneath these facilities will be included in the Declaration of Condominium for Phase 1. The facilities to be completed are as follows:

A. One heated swimming pool having irregular dimensions, and having a depth varying from 3 to 6 feet, with an approximate capacity sufficient to accommodate 50 people.

B. The swimming pool shall have a deck area containing approximately 1,000 square feet of space. It will accommodate 50 sunbathers at any one time.

C. A building rectangular in shape being approximately 25' x 45' located adjacent to the pool, which building contains the following features:

1. Men's washroom sufficient to accommodate 4 parties, having approximately 75 square feet.

2. Women's washroom sufficient to accommodate 4 parties, having approximately 75 square feet.

3. A bar containing one ice machine and one sink.

4. A meeting room with dimensions to be approximately 660 square feet which will accommodate 13 people.

5. An office with dimensions containing approximately 300 square feet which will accommodate 6 people.

6. Yard equipment storage room containing approximately 50 square feet.

The Developer will expend at least \$2,500.00 in purchasing personal property to equip these facilities.

These recreation facilities will be part of the Common Elements for the benefit of all Unit Owners in all phases of SUN BEACH CLUB CONDOMINIUM which will contain a maximum of 100 units. In the event that other Phases are not condominiumized within six (6) years from the date of recordation of the Declaration for Phase 1, Unit Owners in those phases which are condominiumized shall be entitled to 100% ownership of all Common Elements.

VIII

UNITS TRANSFERRED SUBJECT TO LEASE

UNITS MAY BE TRANSFERRED SUBJECT TO LEASE. Although the Developer has reserved the right to lease units to third parties rather than sell them, the Developers present intentions do not include a leasing program.

DEVELOPER MAY ENTER INTO A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY.

If a management agreement is entered into, it will cover the maintenance and operation of the property. The contract will have a 1-year term which will be annually renewed but which is cancelable by either party at any time with or without cause and for no fee on thirty (30) days' written notice. The manager shall be charged with the responsibility for collecting assessments from Unit Owners, maintaining all Common Elements, preparing maintenance budgets, assisting in management decisions such as the selection of insurance companies and amounts of coverage and otherwise be responsible for the general operation of the Project.

IX

TURNOVER OF CONTROL OF ASSOCIATION

THE DEVELOPER HAS A RIGHT TO RETAIN MAJORITY CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD. See Article VII(a) of the Articles of Incorporation of the Association and Section 718.30 of the Florida Statutes.

X

USE AND OCCUPANCY RESTRICTIONS

THE LEASE OF UNITS IS RESTRICTED OR CONTROLLED, in this respect Section 11 of the Declaration of Condominium which provides that Unit Owners may not lease their units for an initial term of less than one month. Use and occupancy restrictions are contained in Section 10 of the Declaration of Condominium, and provide among other things, that each unit shall be used only for single family residential purposes, and that no Unit Owner shall permit or commit any nuisance, immoral or illegal act, in or about the Condominium property or permit anything to be done which would increase the rate of insurance on the Condominium property or which would obstruct or interfere with the right of other Unit Owners. There are no restrictions on children. Pets over 50 lbs. in weight are not permitted, pets under 50 lbs. are permitted provided they are at all times kept on leashes.

The rules which govern SUN BEACH CLUB CONDOMINIUM are contained in the document entitled "Rules and Regulations of Sun Beach Club Condominium Association, Inc.", attached as Exhibit "A" to the Bylaws of the Association. The rules are general in nature and are for the benefit and protection of Unit Owners and generally restrict any act considered to be of a hazardous or disruptive nature to other Unit Owners or which alters the appearance of Condominium buildings in a manner inconsistent with the general plan of development.

XI

UTILITY AND OTHER SERVICES

Utilities for the Condominium buildings will be furnished as follows:

Sewer and	
Water Service	- The City of New Smyrna Beach
Telephone	- Southern Bell
Electricity	- The City of New Smyrna Beach
Storm Drainage	- Private Drainage

XII

APPORTIONMENT COMMON EXPENSES AND ELEMENTS

The percentage ownership of Common Elements and percentage burden of Common Expenses shall be evenly divided between each unit which becomes part of the Condominium, see in this respect Exhibit "C" to the Declaration of Condominium (Prospectus Exhibit "1").

XIII

OPERATING BUDGET

There is attached to this Prospectus as Exhibit "2(i)" and "2(ii)" two proposed operating budgets, one budget covers the proposed Condominium should all 87 units be developed as planned, the other covers the condominium should only Phase I (40 units) be developed. These Exhibits also shows thereon the estimated monthly and annual assessments collectible from Unit Owners.

XIV

DEVELOPER'S GUARANTEE

In accordance with Section 7.5 of the Declaration of Condominium and pursuant to Florida Statutes 718.116(8) and in consideration of the Developer being excused from having to pay seventy-five percent (75%) of the assessment for unsold units during the "Guarantee Period" (defined below), the Developer does hereby guarantee to each Unit Purchaser that said Purchaser's monthly assessment will not exceed \$60.00 per month or \$720.00 per year from July 1, 1984 to December 31, 1985, (the "Guarantee Period"). To the extent that the Common Expenses for the Guarantee Period exceed assessments collected from Unit Owners at the Guarantee level the Developer obligates itself to pay the deficiency from its own funds.

Initial working capital funds received from Unit Owners will not be utilized to fund any deficits in the operation of the condominium during the Guarantee Period.

XV

PURCHASERS CLOSING COST

In accordance with the Purchase and Sale Agreement attached as Exhibit "3" to this Offering Circular the Purchaser will pay, in addition to the Purchase Price for the unit, the following:

A. A flat fee maintenance assessment for the Condominium Association equivalent to two month's maintenance, which will be the initial working capital contribution to the Association. This sum shall not constitute a pre-payment of monthly maintenance but shall be strictly a working capital contribution which may be used by the Association for the payment of unforeseen expenditures or to purchase any additional equipment or services.

B. Insurance then in existence (and not reimbursed to Developer out of the Condominium Association's funds), ad valorem taxes, and any other pro ratable items will be prorated as of the date of closing for the Purchaser's Unit.

C. Attorneys' fees for any attorney retained by Purchasers.

D. Purchaser's pro rata share of the monthly assessment of the Association maintenance payments which will be due for the period in which the closing takes place.

XVI

IDENTITY OF DEVELOPER

The Developer of SUN BEACH CLUB CONDOMINIUM is Del Properties V, a Florida limited partnership, the general partner of the partnership is Sun Beach Club, Inc., a Florida corporation. Del Properties IV, has never developed a condominium project as this legal entity has been specially created for the project. Christopher DelGuidice is the President and Chief Operating Officer of Sun Beach Club, Inc. For the past 3 years he has been involved in developing three residential condominiums in the Orlando area described as follows:

<u>Project</u>	<u>Units</u>	<u>Location</u>
Hidden Oaks	240	Goldenrod Road, Orlando, Fla.
Hidden Creek	294	Oxalis Avenue, Orlando, Fla.
Hidden Springs	392	Jamestown Blvd., Orlando, Fla.
Hidden Village	440	Lake Mary Street, Seminole County, Fla.

XVI

ESCROW AGREEMENTS

A copy of the agreement pursuant to which payments of the Purchase Price made by a Purchaser to the Developer prior to closing shall be held in escrow is attached hereto as Exhibit "5".

34100
U 934450

27300262

PREPARED BY:
Gerald J. Biondo, Esq.
MURAI WALD BIONDO MATTHEWS
& MORENO, P.A.
830 Ingraham Building
25 S.E. 2nd Avenue
Miami, Florida 33131

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RECORDED

SEP 18 9 31 AM '85

Sy. Biondo

CLERK OF CIRCUIT COURT
VOLUSIA COUNTY
FLORIDA

BOOK PAGE
VOLUSIA COUNTY

DECLARATION OF CONDOMINIUM

OF

SUN BEACH CLUB CONDOMINIUM

DELTA PROPERTIES V, LTD., a Florida limited partnership, its successors and assigns (the "Developer"), does hereby make the following declarations:

1. Purpose. The purpose of this DECLARATION OF CONDOMINIUM OF SUN BEACH CLUB CONDOMINIUM (the "Declaration"), is to submit the lands and improvements described herein to the condominium form of ownership and use in the manner provided in Chapter 718 of the Florida Statutes (the "Condominium Act").

1.1 Name. The name by which this condominium is to be identified is SUN BEACH CLUB CONDOMINIUM ("the Condominium").

1.2 Property Submitted to Condominium Form of Ownership. The property legally described as shown on Exhibit "A" attached hereto is hereby submitted to the condominium form of ownership.

2. Definitions. The terms used in this Declaration and in its exhibits, including the Articles of Incorporation and Bylaws of SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC., shall be defined in accordance with the provisions of Section 718.103 of the Florida Statutes and as follows, unless the context otherwise requires:

2.1 Condominium Unit or Unit means a part of the Condominium Property which is subject to exclusive ownership.

2.2 Condominium Unit Owner or Unit Owner means the owner of a Condominium Parcel.

2.3 Condominium Building or Building means a structure or improvement in which Units are located on the Condominium Property.

2.4 Association means SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation.

2.5 Common Elements include:

(a) the Condominium Property not included in the Units;

(b) 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;

(c) an easement of support in every portion of a Unit which contributes to the support of the building;

(d) the property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements;

(e) other items as stated in the Condominium Act.

2.6 Common Expenses include:

(a) expenses of administration and management of the Condominium Property;

1971 Lee Road
Winter Park, Florida 32789

(b) expenses of maintenance, operation, repair or replacement of Common Elements;

(c) expenses deemed Common Expenses by the provisions of this Declaration or the Association's Articles of Incorporation or Bylaws;

(d) any valid charge against the Condominium as a whole; and

2.7 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 sum of the Common Expenses.

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

2.9 Condominium Property means all of the lands and personal property subjected to condominium ownership under this Declaration, including all improvements thereon and all the easements and rights-of-way appurtenant thereto intended for use in connection with the Condominium but excluding any cable television equipment, master antenna or security system (including, but not limited to, cable, wiring, conduit, hardware and the like) installed by the Developer or installed and owned by a third party.

2.10 Limited Common Elements means those Common Elements which are reserved for the use of a certain Condominium Unit or Units to the exclusion of other Units, as specified in this Declaration. Reference herein to Common Elements shall also include all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.

2.11 Institutional First Mortgagee shall be defined as any state or federally chartered bank or savings and loan association or an insurance company or title insurance company or pension trust or real estate investment trust, or other private or governmental institutions which are regularly engaged in the business of mortgage financing, or the Developer, or a subsidiary of any of the foregoing or a designee of any of the foregoing, owning or holding a first mortgage on one or more Condominium Parcels.

2.12 Utility Service shall include but not be limited to electric power, telephone, water, cable television, if any, air-conditioning, heating, and garbage and sewage disposal.

2.13 Assessment or Maintenance Assessment means the amount payable by the Unit Owners as their appointed share of the Common Expenses.

2.14 The Project or Sun Beach Club shall mean a residential multiple family development planned to be constructed on property owned or to be acquired by Developer or others, which if totally developed will consist of 100 condominium units.

2.15 The Developer means Del Properties V, Ltd., a Florida limited partnership, its successors, assigns and/or nominee.

2.16 The County means the County of Volusia, State of Florida.

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

3.1 Survey. A survey of the land and a graphic description of the improvements in which Units are located identifying each Unit by a number so that no Unit bears the same designation as any other Unit, and a plot plan thereof, all in sufficient detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions, are attached hereto as composite Exhibit "B". In addition, composite Exhibit "B" contains an overall site plan of the entire project contemplated by the Developer, presuming all three phases are built as explained in Subsection 3.9 below. Exhibit "B" will be supplemented by amendment from time to time as additional phases are completed and condominiumized by the Developer. The amendment will be executed by the Developer and will have attached as an exhibit a surveyor's certificate and sketch of survey which complies with the requirements of Florida Statute 718.104(4e).

3.2 Condominium Units. The first phase of the Condominium includes 40 individual Condominium Units located as graphically reflected in Sheet 1 of Exhibit "B". Each Unit is designated and identified by a unit number.

3.3 Other Improvements. The Condominium includes automobile parking spaces, landscaping and other amenities located as indicated in Sheet 1 of Exhibit "B".

3.4 Common Elements. The Common Elements shall include everything within the definition thereof as set forth in Subsection 2.5 hereof.

3.5 Non-exclusive Easements. Non-exclusive perpetual easements are expressly provided for and reserved in favor of the Unit Owners and occupants of the Condominium Buildings, their guests and invitees, as follows:

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

(b) Utilities. Non-exclusive easements are reserved through the Condominium Property as may be required for utility and other services, cable television (if any), and drainage in order to serve the Condominium adequately, provided, however, such easements shall be only according to the plans and specifications for the building, as these may be amended from time to time as the building is constructed, unless approved in writing by all Condominium Unit Owners. No Unit Owner may do anything within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provision of drainage facilities or such utility, cable television (if any) or other services or the use of these easements. The Board of Administration of the Association or its designee shall have a right of access to each Unit to inspect it, to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, service and drainage facilities, and Common Elements contained in the Unit or elsewhere in the Condominium Property, and to remove any Improvements interfering with or impairing such facilities or easements herein reserved; provided such right of access,

except in the event of an emergency, shall not unreasonably interfere with the Unit Owner's permitted use of the Unit, and except in the event of an emergency, entry shall be made on not less than one (1) day's notice.

(c) Ingress and Egress. A non-exclusive easement shall exist for ingress and egress over, through and across sidewalks, paths, walks, halls, lobbies, elevators, center cores, and other portions of the Common Elements as may be from time to time intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through and across the streets and walks and other rights-of-way serving the Units of the Condominium; and such non-exclusive easements shall be for the use and benefit of the Condominium Unit Owners, and those claiming by, through, or under the aforesaid; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium Property except to the extent that space may be specifically designated or assigned for parking purposes. Any lien now or hereafter encumbering such easements (other than those on Condominium Parcels) shall automatically be subordinate to the rights of Unit Owners with respect to such easements. In addition the Developer and its successors or assigns and any mortgagee of the Developer shall have a nonexclusive easement for ingress and egress over and through and across any and all streets and/or roadways situate on the condominium property.

(d) Easements for Unintentional and Non-Negligent Encroachments. If (a) any portion of the Common Elements encroaches upon any Unit; (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of the Improvements, (ii) settling or shifting of the Improvements, (iii) any alteration or repair to the Common Elements made by or with the consent of the Association, or (iv) any repair or restoration of the Improvements (or any portion thereof) or any Unit after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements stand.

(e) Construction; Maintenance. The Developer (including its designees, contractors, successors and assigns) shall have the right, in its and their sole discretion, at any time or times to enter the Condominium Property and take all other action necessary or convenient for the purpose of completing the construction or remodeling or operating any part or parts of the Condominium Property, of any improvements or Units located or to be located on or as part of the Condominium Property, or of any improvements on any other portion of the Project, and to repair, replace and maintain the Condominium Property or any part thereof when the Association fails to do so.

(f) Sales Activity. The Developer and its designees, successors and assigns shall have the right to use any Units and parts of the Common Elements for model apartments and sales offices, to show model apartments and the Common Elements to prospective purchasers and tenants of Units or of other apartments or condominiums in the Project, to erect on the Condominium Property signs and other promotional materials to advertise Units and/or such other apartments or condominiums in the Project for sale or lease (without regard to the size or aesthetic qualities of the materials) and to take any and all

actions which, in the Developer's opinion, may be helpful for selling or leasing Units or such other apartments or condominiums in the Project or for promoting the Project and its operations generally.

(g) Additional Easements. The Developer (so long as it owns any Units or other dwellings in the Project) and the Association, on their behalf and on behalf of all Unit Owners (each of whom hereby appoints the Developer and the Association irrevocably as his attorney-in-fact for this purpose), shall each have the right to grant access easements and electric, drainage, gas, cable television (if any) and other utility or service easements on, in or over any portion of the Condominium Property, and to relocate any existing access, utility or service easements or drainage facilities (subject to applicable restrictions) on, in or over any portion of the Condominium Property, in any such case as the Developer or the Association (as the case may be) deems necessary or desirable for the proper operation and maintenance of all or any portion of the Condominium Property or other improvements in or on the Project, for the general health or welfare of the Unit Owners, for carrying out any provisions of this Declaration, or otherwise, provided that the easements thus granted or relocated will not prevent or unreasonably interfere with the reasonable use of the Units for their intended purposes.

(h) Grantee. Certain portions of the Condominium Property may from time to time be set aside and designated for use as an interior private road system, pedestrian walkways, automobile parking areas, recreation facilities and landscaped areas for the common use and benefit of all Unit Owners or tenants or other parties on the Condominium Property. It is the intention of this Declaration that the portions of the Common Elements of this Condominium which are to be utilized for the above-described purposes be subject to the various easements created by this Declaration and all exhibits attached hereto, in favor of all Unit Owners, their mortgagees, heirs, personal representatives and assigns, and that the general reservation herein of said easements would fulfill said intent. However, if the intended creation of any or all of the aforesaid easements should fail by reason of the fact that as of the date hereof there is no grantee in being who has the capacity to take and hold the said easements (such as future Unit Owners of the Condominium Property, their mortgagees, heirs, successors, personal representatives and assigns) by virtue of the reservation and grant of easements attempted to be made herein, then and in such event, any easements, license or right-of-way, not deemed to be created as aforesaid shall be considered as having been granted directly to SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC. for the purpose of allowing the original party to whom the easement or license or right-of-way was originally granted, the benefit of said easement or license of right-of-way.

(i) Covenant. Any easement, whether heretofore or hereafter created under and pursuant to this Declaration of Condominium, shall be non-exclusive in nature and shall constitute a covenant running with the land of the Condominium, and notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with its proper and intended use and purpose and shall survive the termination of the Condominium. The Unit Owners of this Condominium do hereby designate the

Developer and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

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

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

(1) Upper Boundaries. The planes of the ~~undecorated finished surface(s) of the ceiling of the uppermost story of the Unit,~~ including, in the case of a Unit in which the ceiling forms more than one plane, the planes formed by the undecorated finished vertical surfaces that join the planes of the ceiling; provided that in any two-story Unit in which the lower floor ceiling extends beyond the upper floor ceiling, the upper boundary for that portion of the Unit in which there is no corresponding ceiling on the upper floor directly above such lower floor ceiling shall be the plane of the undecorated finished surface of such lower floor ceiling.

(2) Lower Boundaries. The plane of the ~~surface of the unfinished floor slab of the lowest story of a~~ Unit including, in a Unit containing a room in which any part of the floor is raised above the level of the floor of the rest of the Unit, the vertical plane connecting the raised floor with the floor of the remaining portion of the Unit; provided that in any two-story Unit in which the upper boundary extends beyond the lower boundary, the lower boundary shall include that portion of the floor of the upper floor for which there is no corresponding floor on the bottom floor directly below the floor of such upper floor.

(b) Perimetrical Boundaries. The perimetrical boundaries of the ~~Unit shall be the vertical plane(s) or planes at the center of all Party Walls, (as hereinafter defined) and the vertical plane or planes at the unfinished interior of all Outer Walls,~~ (as hereinafter defined) extending to their intersections with each other and with the upper and lower boundaries. In a multi-story Unit where the perimetrical boundaries are not one plane, the perimetrical boundary shall include the horizontal plane or planes connecting the several planes of the perimetrical boundaries. Balconies, terraces, atriums (that is, patio areas immediately adjacent to a Unit bounded on all sides, but with no ceiling) or roof decks shall not be deemed part of a Unit and all walls, if any, enclosing such spaces, other than those abutting a Unit or Units, shall not be deemed Party Walls or Outer Walls.

(1) "Party Walls" shall mean all walls which are common to two or more Units.

(2) "Outer Walls" shall mean all walls enclosing and abutting on a Unit and which also abut on Common Elements.

(c) Exceptions. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Units set forth in Exhibit "B" hereto, shall control in determining the boundaries of a Unit.

3.7 Limited Common Elements. The Limited Common Elements shall include the following:

(a) Patios, Terraces, Balconies or Atriums. The patio, terrace, balcony or atrium to which there is direct access from the interior of a Unit shall be for the exclusive use of such Unit.

(b) Assigned Parking Spaces. Each Condominium Unit will be assigned at least one (1) parking space for the exclusive use of such Unit in accordance with the following provisions:

(1) Each Condominium Unit shall be entitled to the exclusive use of at least one parking space which the Developer shall assign to such Unit on or before the date upon which the Developer conveys such Unit to a purchaser. The right to the exclusive use of the parking space assigned to a Unit shall pass with title to the Unit without further need for assignments or reference to such parking space. However, the Board of Administration of the Association may, with the written consent of the Unit Owner to which such parking space has been assigned, change said assignment, provided that no changes in assigned parking spaces may be made so long as the Developer owns any Units. All assignments or changes in assignments made pursuant to this provision shall be in writing but shall not be recorded in the Public Records. A copy of the assignment shall be furnished to the Board of Administration.

(2) During the period beginning on the date this Declaration is recorded and ending upon conveyance by the Developer of the last Unit owned by it in the last phase of the Condominium, the Developer shall have the right to assign to any Unit the exclusive use of one or more parking spaces (the "Additional Parking Space"), which shall be in addition to the space assigned to the Unit pursuant to Subsection (1) above. Such assignment shall be recited in the deed given by the Developer upon conveyance of the Unit or by separate written instrument recorded among the Public Records. A Unit Owner may, at any time, assign such Additional Parking Space(s) to another Unit or the Association by written instrument recorded among the Public Records; provided however, that upon a sale of the Unit to which such Additional Parking Space has been assigned, such space shall be deemed to have been assigned to the purchaser of the Unit unless assignment of the Additional Parking Space(s) to another Unit Owner has been recorded in the Public Records prior to the time the deed conveying the Unit is recorded. Neither the Developer nor the Association may divest a Unit of Additional Parking Space(s) assigned to it pursuant to this Subsection (2). The Developer shall be entitled to keep any fee it charges a Unit Owner for the privilege of having a space assigned to his Unit pursuant to this Subsection (2). Any Additional Parking Space(s) acquired by the Association shall be designated for guest parking.

(3) An assignment of any parking space grants only the exclusive use thereof and does not convey any title thereto. Parking spaces are limited Common Elements appurtenant to the Units to which they are assigned and any transfer of title to a Unit (including transfers by operation of law) shall operate to transfer the exclusive use of the Units then appurtenant parking spaces, except to the extent provided in Subsection (2) above.

(4) Certain parking spaces may be designated as guest parking spaces by the Developer. Such guest parking spaces, if any, shall be designated by instrument in writing executed by Developer and delivered to the Association. Although the Association may make rules and

regulations governing the use of such spaces it may not assign such guest parking spaces to any individual Unit nor may it lease it to a Unit Owner for his exclusive use.

(5) Upon sale by the Developer of the last Unit owned by it in the last phase of the Condominium, all parking spaces which have not been assigned to a particular Unit by the Developer, other than those spaces designated as guest parking spaces in the preceding paragraph, shall be Common Elements, the use of which shall be regulated by the Association, which may at its discretion lease these to the Unit Owners on a first come first serve basis for periods of not longer than six (6) months but which leases shall not be renewable unless all requests for leases of parking spaces have been satisfied at the time the lessee requests the renewal of such lease.

In the event a Unit Owner leaves his space vacant while he is away for an extended period, the Board of Administration shall be authorized to allow others to use such space on a temporary basis. Similarly, the Unit Owner may indicate to the Board of Administration of the Association that during the period of his absence his parking space may be used by a particular Unit Owner or Unit Owners.

(c) Condensers for Air Conditioning Units. The condenser for the air conditioning unit serving each Condominium Unit shall be a Limited Common Element of such Condominium Unit and may be so designated by appropriate lettering or numbering on the condenser for the unit.

3.8 Recreational Facilities. The Developer will construct certain recreational facilities on the Condominium Property to be located as shown on Exhibit "B". These recreational facilities shall be a part of the Common Elements and shall include a swimming pool, and a recreational building.

3.9 Phase Development Plan.

(a) The Developer may from time to time but in any event within six years from the date of recordation of the Declaration of Condominium in the Public Records improve further portions of land lying adjacent to the property being condominiumized. This will be done on a phase basis (three phases) until the full plan of development into 14 buildings consisting of 100 units with appurtenances thereto has been obtained but nothing shall obligate the Developer to further develop the adjacent land or having developed the same to submit it to condominium ownership. Sheet 2 of Exhibit "B" reflects metes and bounds legal descriptions of each of the three phases of the Condominium.

(b) Sheets 3, 4, 5, 6, and 7 of Exhibit "B" contains a graphic description of the first phase being offered pursuant to this Declaration of Condominium.

(c) Sheets 8 through 16 inclusively of Exhibit "B" reflect graphically the proposed buildings and units to be contained on the other two phases of SUN BEACH CLUB CONDOMINIUM. Sheet 1 of Exhibit "B" contains an overall plot plan for the entire Project and has reflected thereon the general location of buildings of each of the proposed phases of the condominium.

There are six basic types of units. Floor plans for each type are set forth on pages 17 through 21 of Exhibit "B". It has been determined that all units in all phases of the condominium will have the same percentage of

ownership of Common Elements and ^{BOOK} ~~the~~ ^{PAGE} ~~same~~ percentage burden of Common Expenses. Set forth ^{BOOK} ~~on~~ ^{VOLUSIA COUNTY} ~~of~~ Exhibit "C" is each unit number and the unit type designation for each.

Whenever the Developer or its successor creates an additional condominium phase, as evidenced by the recordation of the same in the Public Records of Volusia County, Florida, each unit owners' percentage of the share in Common Expenses and Common Elements will be automatically adjusted and reduced so that the share of Common Expenses and Common Elements for each Unit will be equal to a fraction, the numerator of which is one (1) and the denominator of which is the total number of units built and condominiumized. For example, if Phase 2 is built as contemplated, there will be a total of 68 units in both phases (40 units in Phase 1 and 28 units in Phase 2). Accordingly, each unit will have 1/68th share of Common Expenses and Common Elements. If all three Phases are built and condominiumized as contemplated into 100 units, then in such event the share of Common Elements and Common Expenses for each unit will be determined by dividing 100 into one (1). In addition the Unit Owners relative voting power in the Association will be diminished as units are added, each unit shall have one vote. No phase will be added until the units and common areas associated with the same are substantially completed. In addition, no phase will be added unless the quality of construction of the units and common facilities are consistent with previous phases.

Nothing herein contained shall obligate the Developer to further develop all the properties described on Sheet 2 of Exhibit "B", or, having developed the same, to submit them to condominium ownership. In the event that the total number of Phases contemplated are not completed, the Unit Owners in Phases which are built and condominiumized shall not succeed or be entitled to any percentage ownership in the undeveloped property. Said property at all times shall remain under the exclusive control and ownership of the Developer or its successors in interest.

Further, no amendment shall change the rights and privileges of the Developer to build additional phases without the express written consent of the Developer or its successor in interest.

(d) At such time as the Developer or its successors determine that an additional phase shall be submitted to condominium ownership, such condominium regime shall be created by filing an amendment to this Declaration of Condominium in the Public Records of Volusia County, Florida, signed by the Developer or its successors, which amendment shall consist of revised and/or supplemented Exhibits "A", "B" and "C" clearly indicating which additional portions of the property is being submitted to condominium ownership, the physical location and dimensions of units and buildings contained on said additional property and the new percentage breakdown of Common Elements and Common Expenses. The Association shall operate this Phase and such further phases of SUN BEACH CLUB CONDOMINIUM as are developed and submitted to condominium ownership.

(e) Recreational Facilities. In connection with the condominiumization of Phase I, the recreational facilities as described herein will be completed by the time the first unit is conveyed. The recreational facilities, as well as any

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 others which may be built, will become part of the Common Elements for the benefit of all Unit Owners in all phases of the condominium. The recreational facilities shall include the following:

(1) One heated swimming pool, having a depth varying from 3 to 6 feet, with an approximate capacity sufficient to accommodate 50 people.

(2) The swimming pool shall have a deck area containing approximately 1,000 square feet of space. It will accommodate 50 sunbathers at any one time.

(3) A building rectangular in shape being approximately 25' x 50' located adjacent to the pool, which building contains the following features:

(i) Men's washroom sufficient to accommodate 4 parties, having approximately 75 square feet.

(ii) Women's washroom sufficient to accommodate 4 parties, having approximately 75 square feet.

(iii) A bar containing one ice machine and one sink.

(iv) A meeting room with dimensions to be approximately 660 square feet which will accommodate 13 people.

(v) An office with dimensions containing approximately 300 square feet which will accommodate 6 people.

(vi) Yard equipment storage room containing approximately 50 square feet.

In the event that the other Phases are not condominiumized within six (6) years from the date of recording of this Declaration, those Unit Owners in those phases which are condominiumized shall be entitled to 100% ownership of all Common Elements. The Developer will spend a minimum of \$2,500.00 to furnish and equip the above-described facilities.

(f) As additional phases are added, each condominium Unit Owner in such new phase shall be a member of the Association and shall be entitled to cast one vote per Unit on all matters submitted to a vote of the Unit Owners.

(g) Nothing herein contained shall require the Developer to complete the Plan of Development as described in this Subsection 3.9 or to submit any buildings which it may construct on the land containing proposed Phases 2 and 3 to the condominium form of ownership. Should Phases 2 and 3 be submitted to condominium, the Developer reserves the right to lease units in those phases and may transfer units in those phases subject to lease as is more fully provided in Subsection 11.6 of this Declaration.

(h) The Developer does not contemplate time-share estates with respect to units in this phase or in additional phases.

(i) Within 200 square feet of space plus or minus, it is anticipated that: the "A" type unit will contain 802 square feet; the "B" type unit will contain 1,007 square feet; the "C" type unit will contain 1,050 square feet; the "D" type unit will contain 1,084 square feet.

(j) The Developer reserves the right pursuant to Florida Statute 718.403 (2)(a) to modify its plan of development and change unit and/or building types of phases which have not yet been condominiumized. In addition the Developer may make nonmaterial changes in the legal description of a phase. The Developer may change the number of buildings; the maximum number of buildings will be 16 and the minimum number will be 11. Also, the Developer may change the

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numbers of units to be included in a particular phase, however, the number of units added or subtracted may not vary by more than 20% of the number of units reflected in Exhibit "B" and the overall number of units in all phases will not exceed 100 units, nor be less than 87 units. The general size of the units are as reflected in Exhibit "B" and shall generally range from 800 to 1810 square feet, provided however, the Developer may add or subtract up to 500 square feet per unit. Any residential unit which is added will be substantially similar to the unit presently contemplated.

4. Appurtenances to Condominium Units. The owner of each Condominium Unit shall own an undivided share and interest in the Condominium Property as reflected in Exhibit "C" attached hereto, which share and interest shall be appurtenant to the Condominium Unit. The appurtenances to the Condominium Units include but are not limited to the following items:

4.1 Common Elements. The undivided share in land and other Common Elements which are appurtenant to each Condominium Unit.

4.2 Association. The membership of the Unit Owner in the Association and the interest of each Unit in the funds and assets held by the Association.

4.3 Use of Common Elements. The right to use and enjoy the Common Elements subject to the provisions of this Declaration and the Articles of Incorporation, Bylaws and such rules and regulations which may from time to time be established by the Board of Administration of the Association.

Guest Parking Spaces. All guest parking spaces are Common Elements and shall be available for general use by all Unit Owners and their guests and visitors, subject to regulation by the Association. All parking spaces not assigned by Developer to a specific Unit or Units are Common Elements available for use by Unit Owners, as may be determined by the Board of Administration of the Association. All parking spaces which have not been assigned by Developer as of the date the Developer conveys title to the last Unit owned by it in the Condominium shall be deemed Common Elements as of such date.

4.5 Limited Common Elements. Each Unit shall have the exclusive use of such Limited Common Elements as to which there is direct access from the interior of such Unit and as are assigned to it by Developer.

4.6 Liability for Common Expenses and Share of Common Surplus. Each Condominium Unit Owner shall be liable for a share of the Common Expenses and shall be entitled to a share of the Common Surplus in accordance with the percentages delineated in Exhibit "C" attached hereto. The foregoing right to a share of the Common Surplus does not include the right to withdraw or require payment or distribution of Common Surplus when, as and if any such Surplus shall exist. No owner of a Condominium parcel may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use and enjoyment of any of the Common Elements, or by the abandonment of his Unit.

4.7 Restraint Upon Separation and Partition of Common Elements. The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, and the exclusive right to use all appropriate appurtenant Limited Common Elements, except Additional Parking Spaces, shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described. The appurtenant share in the Common Elements and Common Surplus, and the exclusive right to use all Limited Common Elements appurtenant to a Unit except Additional Parking Spaces, cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements, the Condominium Property or any part thereof shall lie. The exclusive use of Additional Parking Spaces may be assigned in accordance with the provision of Subsection 3.7(b) above.

5. Association. The Condominium shall be operated by SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC., a Florida corporation

not for profit, which shall maintain and manage this Condominium and shall fulfill its functions pursuant to the following provisions:

5.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association, which sets forth its powers and duties, is attached as Exhibit "D".

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

5.3 Limitations Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair portions of the Condominium Property, the Association shall not be liable to Condominium Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or by other Unit Owners or persons, provided that this limitation does nothing to void or cancel any insurance carried by the Association for Unit Owners.

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

5.5 Approval or Disapproval of Matters. Whenever the decision of a Condominium 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 Unit Owner if at an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

5.6 Ownership of Recreation Facilities. The Association may acquire ownership or other possessory or use interests in lands and/or recreational facilities, whether or not contiguous to the lands of the Condominium, in order to provide for the enjoyment, recreation or other use or benefit of the Condominium Unit Owners. All recreational facilities serving the Condominium will be either: (i) owned in fee by the Association free and clear of all liens; or (ii) be a part of the Common Elements.

5.7 Powers. The Association shall have all of the powers and duties set forth in the Condominium Act, this Declaration and in its Articles of Incorporation and Bylaws, as the same may be from time to time amended. The Board of Administration of the Association may enter into employment agreements with auditors, attorneys and such other persons as may be necessary for the orderly operation of the Condominium Property, and the fees and compensation to be paid to said parties will be a Common Expense subject to assessment.

5.8 Voting Rights. Each Unit shall be entitled to membership in the Association and to one vote to be cast by its Owner in accordance with the provisions of the Bylaws and the Articles of Incorporation of the Association.

6. Maintenance, Alteration and Improvements. Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement, shall be as follows:

6.1 Maintenance.

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

(1) All Common Elements including, but not limited to, all roofs and all Limited Common Elements, except (i) Unit Owners shall maintain the air conditioner condenser for their Unit and (ii) Unit Owners shall be responsible for general cleaning and housekeeping of Limited Common Elements appurtenant to their Units.

All portions of a Condominium Unit contributing to the support of the Unit except interior surfaces, which portions shall include but not be limited to loadbearing columns and loadbearing walls, but shall not include screening, windows, glass and interior surfaces of walls, ceilings and floors.

(3) All conduits, ducts, plumbing, wiring, air conditioning pipes and other facilities for the furnishing of utility services, including air conditioning, contained in the portions of a Condominium Unit that service a part of the Condominium or a Unit other than the Condominium Unit within which contained.

(4) All incidental damage caused to a Condominium Unit by reason of maintenance, repair and replacement accomplished pursuant to the provisions of Subsection 6.1(a)(1), (2), and (3) above.

~~(b) By the Condominium Unit Owner.~~ The responsibility of the Condominium Unit Owner for maintenance, repair and replacement shall be as follows:

(1) To maintain, repair and replace at his sole and personal expense the interior side of all entrance doors, all other doors within a Unit, door bells, door knockers, windows, glass, screens and air conditioners, electrical panels, electric wiring, electric outlets and fixtures and plumbing fixtures and connections within a Unit or belonging to a Unit Owner, ~~interior surfaces of all walls, floors and ceilings~~ and all other portions of his Condominium Unit, except the portions specifically to be maintained, repaired and replaced by the Association. Additionally, the Unit Owner shall be responsible for the general cleaning and housekeeping of his Limited Common Elements. All maintenance, repairs and replacements to be done by Unit Owner shall be done without disturbing the rights of other Condominium Unit Owners.

(2) To refrain from enclosing, painting or otherwise decorating or substantially changing the appearance of any portions of the Limited Common Elements appurtenant to his Unit or of the exterior of any door, to his Unit, without the express written consent of the Developer, so long as the Developer owns any Units, and thereafter, of both the Board of Administration and of the Board of Directors of the Council; provided that an Architectural Committee of the Board of Directors of the Council may act on behalf of the Board of Directors of the Council for all purposes hereunder.

(3) To refrain from changing or in any way altering the landscaping of the Limited Common Elements without the express written consent of the Board of Administration. Such consent shall not be unreasonably withheld. However, the

Board of Administration may not consent to the planting of any tree, shrub, or other plant if such may cause damage to any structure or utility line or if it will cause messy litter or will in any way constitute a nuisance.

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

6.2 Alteration and Improvement. Alteration and improvement of the Condominium Property and restrictions thereon shall be as follows:

(a) By the Developer. Developer reserves the right to change the interior design and arrangement of all Units in the condominium so long as Developer owns the Units so changed and altered. Developer also reserves the right to alter the boundaries between Units in the condominium, so long as Developer owns the Units so altered, and to alter the boundaries of the Common Elements, so long as the Developer owns the Condominium Units abutting the Common Elements where the boundaries are being altered. Developer further reserves the right to unilaterally change the plans for any of the Common Elements which do not abut any Condominium Unit so long as such change does not materially and adversely affect any existing Unit Owner. If at the time such amendment to the plans is made this Declaration has been recorded among the Public Records of the County, such amendment of the plans shall be reflected by an amendment of this Declaration signed and acknowledged only by the Developer and if necessary, approved by the Institutional First Mortgagees of Condominium Units materially and adversely affected thereby, whether the affected Condominium Units are encumbered by individual first mortgages or by an overall construction mortgage. An amendment for such purpose need be signed and acknowledged only by the Developer and need not be approved by the Association or Condominium Unit Owners, whether or not such approval is elsewhere generally required for an amendment of the Declaration, provided, however, that where the consent of a specific Unit Owner or Owners is required in accordance with the provisions of this paragraph, such consent shall be attached as an exhibit to the Amendment. Several amendments to the plan may be reflected in a single amendment to the Declaration of Condominium. The right to make the aforescribed changes are with respect to the units in a building which has been condominiumized and not with respect to units in additional phases which are to be built.

(b) By the Unit Owner.

(1) No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Administration. A Unit Owner shall request approval of a proposed addition, alteration or improvement to his Unit in writing and shall submit with such request, the plans therefor to the Board of Administration.

(2) No Unit Owner, other than the Developer, may alter or add to the Common Elements, including the Limited Common Elements appurtenant to his Unit, or to any part of a Unit (whether such part be deemed part of the Unit or of Common Elements) which abuts on Common Elements, including Limited Common Elements unless such alteration or addition is approved by a majority of the Unit Owners, by the Board of Administration. The approval of the Board of Administration shall be requested and given or denied in the same manner as is

provided herein for changes by a Unit Owner to his Unit. Notwithstanding the foregoing, a Unit Owner may combine two or more Units owned by him, or restore to their original boundaries two or more Units previously combined, upon the approval of the Board of Administration, if such combination or subdivision would not alter the Common Elements (other than the interiors of non-load-bearing walls abutting such Units), and, as reasonably determined by the Board of Administration, would not weaken, impair or endanger any of the Common Elements. Such approval shall be requested, given or denied in the same manner as is provided herein for changes by a Unit Owner to his Unit.

(3) All additions, alterations and improvements by the Unit Owners shall be made at their sole expense in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction. A Unit Owner making or causing to be made any structural additions, alterations or improvements agrees, and shall be deemed to have agreed, to hold the Association, the Council and all other Unit Owners harmless from any cost, expense or damage resulting therefrom.

(c) By the Association. The Association shall not make any alteration of, addition to or expansion of the Common Elements the estimated cost of which exceeds Twenty-Five Thousand Dollars (\$25,000.00) (which threshold amount shall be cumulatively increased by ten percent (10%) every twelve (12) months from the date this Declaration is recorded) or any alteration which materially affects the use of any recreational facilities unless the plans and expenditure for it are first approved at a duly called meeting by a majority of all Unit Owners entitled to vote in the Association. Nothing in this Subsection 6.2(c) shall bar the Association from making reasonably required repairs, replacements or refurbishments of existing Common Elements the cost of which exceeds the foregoing sum without a vote of the membership.

(d) Combined Units. In each event where Units are combined, whether such be done by Developer, Unit Owner or Association, all assessments, voting rights and the share in the Common Elements shall be determined as if such Units were as originally designated on the exhibits attached to this Declaration, notwithstanding the fact that several Units are used as one, to the intent and purpose that the Unit Owner of such combined Units shall be treated as the Unit Owner of as many Units as have been combined.

6.3 Management Agreement. The Board of Administration of the Association may enter into a contract with any firm, person or corporation for the maintenance of the Condominium Property and may join with other condominium associations in contracting with any firm, person or corporation for the maintenance, repair and management of the Condominium and of areas which the Condominium may share with other condominiums. Provided however, if said management agreement is entered into prior to Developer's turnover of control of the Board of Administration then the management agreement must provide for termination upon not more than thirty (30) days notice by either party at any time without penalty. Turnover of control by the Developer would take effect when Unit Owners other than the Developer elect more than fifty percent (50%) of the Administrators on the Board of Administration.

6.4 Association's Right of Access to Units. Each Unit Owner agrees to allow the Board of Administration or the agents or employees of the Association to enter into any Unit for the following reasons: (i) maintaining, inspecting,

repairing or replacing the improvements within the Units or the Common Elements as required by Subsection 6.1(a) or in case of emergency circumstances threatening Units or the Common Elements and (ii) determining compliance with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association. However, if the Board of Administration desires professional management, the management agreement must be terminable for cause upon thirty (30) days' notice, and run for a reasonable period from one to three years and be renewable by consent of the Association and management company. Management contracts negotiated by the Developer shall not exceed one year. However, if the Board of Administration desires professional management, the Management Agreement must be terminated for cause upon thirty (30) days notice and run for a reasonable period from one to three years, and be renewable by consent of the Association and management company. Management contracts negotiated by the Developer shall not exceed one (1) year.

6.5 Failure of Unit Owner to Comply. In the event the Owner of a Unit fails to maintain it as required herein, or makes any addition or alteration without the consent required hereunder, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions of this Declaration. In lieu thereof or in addition thereto, the Association shall have the right to levy an assessment against the Owner of the Unit, which assessment shall be secured by a lien against said Unit, for such necessary sums to remove any unauthorized structural addition or alteration and to restore the property to good condition and repair. The Association shall have the further right to have its employees and agents, or any contractors appointed by it, enter the Unit at all reasonable times to do such work as is deemed necessary by the Board of Administration of the Association to enforce compliance with the provisions hereof.

7. Assessments. The Association shall make and collect assessments against Condominium Unit Owners for Common Expenses, including such reserves as may from time to time be established by the Association, in accordance with the Articles of Incorporation and Bylaws of the Association and subject to the following provisions:

7.1 Share of Common Expenses and Surplus. Each Condominium Unit Owner shall be liable for a proportionate share of the Common Expenses and shall have a share in the Common Surplus in accordance with the percentages reflected in Exhibit "C" (subject however to change as additional phases are added), but the same shall not vest or create in any Condominium Unit Owner the right to withdraw or to receive distribution of any share of the Common Surplus.

7.2 Interest; Application of Payments. Assessments and installments on such assessments paid on or before thirty (30) days after the date when due, shall not bear interest, but all sums not paid on or before thirty (30) days after the date when due shall be subject to a late charge equal to interest on the amount due at the maximum rate permitted by law or, in the absence of a law limiting the maximum legal rate of interest, at the rate of 18% per annum, for every day from the date when due until paid. All payments on account shall be first applied to late charges and then to the assessment payment first due. In addition to the foregoing, the Association may charge the Unit Owner for administrative and other expenses incurred by it in collecting such delinquencies, including without limitation, attorney's fees, whether or not an action is commenced, and any

increase in the fee charged by the management company providing management services for the Condominium, if any, which is attributable to such collection efforts.

7.3 Acceleration of Remaining Installments of an Assessment. If a Unit Owner shall be in default of the payment of an installment upon an assessment the Board of Administration may accelerate the remaining installment of the assessment upon notice to the Unit Owner, and the then unpaid balance of the assessment shall be due upon the date stated in the notice but not less than fifteen (15) days after the delivery of the notice to the Unit Owner or not less than twenty (20) days after the mailing of such notice to him by certified mail or by certificate of mailing which ever shall first occur.

7.4 Lien for Assessments. The Association shall have a lien against each Condominium Unit for any unpaid assessments by the owner thereof. The lien shall be effective for one year after recording in the Public Records unless an action to enforce said lien is commenced in a court of competent jurisdiction. The lien shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien, whether or not legal proceedings are initiated. The lien may be recorded among the Public Records of Volusia County, Florida, by filing a claim of lien therein which states the legal description of the Condominium Unit, and the amount claimed to be due, and said lien shall continue in effect until all sums secured by the lien, together with all costs incurred in recording and enforcing said lien shall have been paid. Such claims of lien may be signed and verified by any 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, to be prepared and recorded at his expense. All such liens shall be subordinate to the lien of mortgages recorded prior to the date of recording the claim of lien, and all such liens may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. The Association may also, at its option, sue to recover a money judgment for unpaid assessments, without thereby waiving the lien securing the same. In the event a first mortgagee of record shall obtain title to a Condominium Unit as the result of foreclosure of its mortgage or as a result of a conveyance in lieu of foreclosure of its mortgage, such first mortgagee, its successors and assigns, shall not be liable for that share of the Common Expenses or assessments by the Association chargeable to the Condominium Unit, or the owner thereof, which became due prior to such acquisition of title by the first mortgagee unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of its mortgage, and any such unpaid share of Common Expenses or assessments chargeable against any such foreclosed Condominium Unit or against a Condominium Unit transferred in lieu of a foreclosure, shall be deemed a Common Expense to be paid in the same manner as other Common Expenses of the Condominium by all of the Condominium Unit Owners including such acquirer. A first mortgagee acquiring title to a Condominium Unit as a result of a foreclosure or a deed in lieu of foreclosure, may not during the period of its ownership of such Unit, whether or not the Unit is unoccupied, be excused from payment of Common Expenses coming due during the period of such ownership.

7.5 Developer's Liability for Assessments. The Developer shall be excused from the payment of seventy-five percent (75%) the share of the Common Expenses and of assessments relating to Units it owns and is offering for sale as follows:

(a) For a period starting as of the date the Declaration of Condominium is recorded and ending on the first day of the fourth calendar month following the month in which the closing of the purchase and sale on the first Condominium Unit occurs; provided that the Developer pays that portion of Common Expenses incurred during that period which exceeds the amount assessed other Unit Owners.

(b) During a period when Developer has guaranteed to each purchaser in the purchase contract, offering circular or other agreement between Developer and a majority of the Unit Owners other than the Developer, that the assessment for Common Expenses of the Condominium imposed upon the Unit Owners will not increase over a stated dollar amount and shall have obligated himself to pay any amount of Common Expenses incurred during that period and not produced by the regular periodic assessments (but not special assessments or capital improvements) at the guaranteed level receivable from other Unit Owners and the Developers twenty-five percent (25%) share of assessments for unsold units owned by it. The period during which said guarantee shall be in effect shall be as determined by Developer and such period may be extended by agreement in writing between the Developer and a majority of Unit Owners other than the Developer.

7.6. Working Capital Fund. The Developer will cause to be collected from each purchaser of a condominium unit a fee equivalent to two month's maintenance for said unit. These monies will be turned over to the Association and used for unforeseen capital expenditures or to purchase additional equipment or services within sixty (60) days after the closing of the first unit in each phase. Within sixty (60) days after the closing of the first unit in each phase, the Developer shall pay each unsold unit's share of the Working Capital Fund for that phase to the Association. Thereafter, the Developer may reimburse itself for the prepayment of working capital from the funds collected at closing when the unsold units are sold.

8. Insurance. Insurance, other than title insurance, which shall be carried upon the Condominium Property and the property of the Condominium Unit Owner, shall be governed by the following provisions:

8.1 Authority to Purchase. All insurance policies upon the Condominium Property shall be purchased by the Association for the benefit of the Association and the Condominium Unit Owners and their mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Condominium Units. Insurance policies covering the damage to the Condominium Buildings, the kind, amounts, valuations and forms of such policies, and the insurance companies issuing the same, shall be subject to the approval of the Institutional First Mortgagee holding the greatest dollar amount of first mortgages against Units in the Condominium. The Association must use generally acceptable insurance carriers and along these lines reference is made to FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide for specific requirements regarding qualifications of insurance carriers. Such policies and endorsements thereon shall be deposited with the Association. It shall not be the responsibility or duty of the Association to obtain insurance coverage upon the personal liability, personal property or living expenses of any Condominium Unit Owner but the Condominium Unit Owner may obtain such insurance at his own expense, provided such insurance may not be of a nature to affect policies purchased by the Association. Condominium Unit Owners, at the request of the Board of

Administration, shall furnish the Association with copies of all insurance policies obtained by them. All insurance policies purchased by the Association shall be with an insurance company authorized to do business in Florida.

(a) Notice. Each policy must provide that it cannot be cancelled or substantially modified (increases in coverage are permissible without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policies.

(b) Certificates. Certificates of insurance shall be issued to each Unit Owner and mortgagee upon request.

8.2 Coverage. The Association shall maintain insurance covering the following:

(a) Casualty. The Condominium Units (including all fixtures, installations or additions comprising that part of the buildings within the boundaries of the Units which were initially installed in accordance with the original plans and specifications therefor, and all replacements thereof but excluding all wall coverings, floor coverings, ceiling coverings, furniture, furnishings or other personal property owned, supplied or installed by Unit Owners or tenants of Unit Owners), Common Elements and all personal property included in the Common Elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Administration of the Association, subject always to the approval and final determination by the Institutional First Mortgagee holding the greatest dollar amount of first mortgages on Units in the Condominium. Such coverage shall afford protection against:

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

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

(b) Public Liability. In such amounts and with such coverage as may be required by the Board of Administration of the Association in connection with the Common Elements or any space leased by the Association, and with a cross-liability endorsement to cover liabilities of the Association and the Condominium Unit Owners as a group to any Condominium Unit Owner. Such coverage to be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence.

(c) Workmen's Compensation Policy. To meet the requirements of law.

(d) Fidelity Insurance. To cover all directors, officers and employees of the Association, as well as any managing agents, who handle Association funds. To the extent managing agents handle funds, the managing agent shall be required to maintain fidelity bonds covering its officers, employees and agents handling or responsible for funds of or administered on behalf of the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds (including reserve funds) in the custody of the Association or the management agent as the case may be at any given time. However, in no event may the aggregate amount of said bonds be less than a sum equal to

three (3) months aggregate assessments on all units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds on all defenses based upon the exclusion of persons serving without compensation from the definition of employees or similar terms. In addition to the notice called for under Subsection 8.1(a) above, the bonds must further provide that they may not be cancelled or substantially modified (except increased without at least ten (10) days prior written notice to the Federal National Mortgage Association (FNMA) Servicer on behalf of FNMA.

(e) Flood Insurance. If the condominium is subsequently identified by the Secretary of Housing and Urban Development as having special flood hazards under the National Flood Insurance program, the Association will acquire an appropriate flood insurance policy on the buildings and any other property covered by the required form of policy (herein "Insurable Property") in amount deemed appropriate by the Association but not less than: (i) the maximum coverage available, or (ii) one hundred percent (100%) of current replacement cost of all buildings and other insurable property.

(f) Other. Such other insurance as the Board of Administration of the Association shall determine from time to time to be desirable, or as may be reasonably required by the Institutional First Mortgagee holding the greatest dollar amount of first mortgages on the Units in the Condominium. Said additional insurance to include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use including, without limitation, employers liability insurance, contractual and all written contract insurance and comprehensive automobile liability insurance.

Each of the foregoing policies shall waive the insurer's right: (i) to subrogation against the Association and against the Unit Owners individually and as a group, (ii) to pay only a fraction of any loss in the event of co-insurance or if other insurance carriers have issued coverage upon the same risk, and (iii) to avoid liability for a loss that is caused by an act of the Board of Administration of the Association, or by a member of the Board of Administration of the Association or by one or more Unit Owners. Such policies shall also include an "Agreed Amount Endorsement" and when available, Inflation Guard Endorsement.

8.3 Additional Provisions. All policies of physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and any named insureds. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Administration may obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be placed pursuant to this Section.

8.4 Premiums. Premiums for insurance placed by the Association shall be a Common Expense of the Condominium and shall be paid by the Association. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements of the Institutional First Mortgagee holding the greatest dollar volume of first mortgages, such Institutional First Mortgagee shall have the right at its option to order and advance such sums as are required to maintain or procure such insurance, and

to the extent of the money so advanced, shall be subrogated to the assessment and lien rights of the Association as against individual Unit Owners for the payment of such item of Common Expense.

8.5 Insurance Trustee; Shares of Proceeds. All property casualty insurance policies purchased by the Association shall be for the benefit of the Association and the Condominium Unit Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses in an amount not to exceed \$25,000.00 shall be paid to the Association and that all proceeds which total more than \$25,000.00 shall be paid in their entirety to an insurance trustee designated by the Board of Administration at such time as the Association learns that insurance proceeds in excess of \$25,000.00 (which threshold amount shall be cumulatively increased by ten percent (10%) every twelve (12) months from the date this Declaration is recorded) shall be payable. The Insurance Trustee shall be a banking institution with trust powers and having offices in Volusia County, Florida (the "Insurance Trustee"); provided; however, that the foregoing right of the Board of Administration to select the Insurance Trustee shall be subject to the approval of the Institutional First Mortgagee holding the greatest dollar amount of first mortgages against Units in the Condominium at the time such Trustee is appointed. The duty of the Association with respect to such insurance proceeds and of the Insurance Trustee, if appointed, shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Condominium Unit Owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

(a) Common Elements. Proceeds on account of damage to Common Elements: An undivided share for each Condominium Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

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

(1) When the building damaged is to be restored, for the owners of damaged Condominium Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Board of Administration of the Association.

(2) When the building damaged is not to be repaired, for the owners of Condominium Units in the damaged building in undivided shares in the same ratio as their respective shares in the Common Elements.

(c) Mortgagees. In the event a mortgagee endorsement has been issued as to a Condominium Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner, as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no 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 Condominium Unit Owner and mortgagee pursuant to the provisions of this Declaration.

8.6 Distribution of 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) Expenses of Insurance Trustee. All expenses of the Insurance Trustee, if any, shall be paid first, or provisions made for such payment.

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

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

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

8.7 Association as Agent. The Association or such insurance trustee as designated by the Association is hereby irrevocably appointed Agent and attorney in fact for each Condominium Unit Owner for purposes of purchasing and maintaining such insurance policies as heretofore provided; the collection and appropriate disposition of the proceeds thereof; to adjust all claims arising under the insurance policies purchased by the Association; to execute and deliver releases and other documents upon the payment of a claim and to all other accounts necessary to accomplish such purposes.

9. Reconstruction or Repair After Casualty.

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

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

(b) Common Elements and Units.

(1) Partial Destruction. If the damage is to the Units and less than 75% of the amount of the Association's casualty insurance that is forthcoming by reason of such casualty then the Units (not including furniture, furnishings or other personal property supplied or installed by any Occupant or Unit Owner other than the Developer) shall be

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reconstructed and repaired unless within sixty days after notice is given to all Unit Owners and Institutional Mortgagees of the amount of such insurance which is forthcoming, at least 75% of the Unit Owners and mortgagees holding Institutional Mortgages on at least 75% of the Condominium Parcels which are encumbered by Institutional Mortgages shall agree in writing that the same shall not be reconstructed or repaired.

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

(3) Termination of Condominium. In the event the Units are not substantially reconstructed after within two (2) years after the casualty the Condominium shall be terminated and the Association shall record a statement to that effect in the Public Records of Volusia County, Florida. The termination of the Declaration does not bar the creation of another condominium affecting all or any portion of the same property.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether a decision has been made to reconstruct or repair.

9.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements including those for any authorized alteration or improvements made after this Declaration is recorded or, if not in accordance with such plans and specifications, then according to the plans and specifications approved by the Board of Administration of the Association, by one hundred percent (100%) of all Unit Owners and mortgagees holding liens thereon. If the foregoing approvals are not given within thirty (30) days of plans therefor being submitted to each person or entity whose approval is required hereunder, reconstruction and repair shall be made in accordance with the original plans and specifications as amended, with such changes as may be necessitated by changes in statutes, rules, regulations and ordinances affecting the Condominium Property.

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

9.4 Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

9.5 Assessments for Reconstruction and Repair.

(a) Common Elements. Assessments shall be made against all Condominium Unit Owners in amounts sufficient to provide funds for the payment of such costs. Such assessments shall be in proportion to each Unit Owner's share in the Common Elements.

(b) Condominium Units. Assessments shall be made against the Condominium Unit Owners who own the damaged Units in sufficient amounts to provide for payments for the costs of reconstruction and repair. Such assessments against Condominium Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units.

9.6 Condominium Funds. The funds for the payment of costs for construction and repair after casualty, which shall consist of the proceeds of insurance held by the Association or the Insurance Trustee and funds collected by the Association from assessments against Condominium Unit Owners, shall be disbursed in payment of such costs in the following manner:

(a) By Whom Held. If the total assessments made by the Association in order to provide funds for the payment of reconstruction and repair which is the responsibility of the Association is more than \$25,000.00 (as such amount may increase from year to year as hereinbefore provided) and if an Insurance Trustee has been appointed pursuant to Subsection 8.5 hereof, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and shall disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the Association from collection of assessments against Condominium Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) Association - Lesser Damage. If an Insurance Trustee has been appointed and is holding insurance proceeds and if the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$25,000.00 (as such amount may increase from year to year as hereinbefore provided), then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Administration; provided, however, that upon request to the Insurance Trustee by an Institutional First Mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.

(2) Association - Major Damage. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is equal to or greater than \$25,000.00 (as such amount may increase from year to year as hereinbefore provided), then the construction fund shall be disbursed in payment of such costs in the manner required by

the Board of Administration, subject to the approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(3) Condominium Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Condominium Unit Owner shall be paid by the Association or Insurance Trustee, if any, to the Condominium Unit Owner, or if there is a mortgage on such Condominium Unit, then to the Unit Owner and the mortgagee jointly, who may use such proceeds as they may be advised.

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

(5) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Condominium Unit Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by Unit Owners, nor to determine any other fact or matter relating to its duties hereunder. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters, and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee; and further provided that when the Association or an Institutional First Mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall first be obtained by the Association and a copy of such approval shall be provided to the Insurance Trustee.

10. Occupancy and Use Restrictions. In order to provide for congenial occupancy of the Condominium Property and to protect the value of the Unit, the use of the Condominium Property shall be in accordance with the following restrictions which shall be applicable to and shall be covenants running with the land of the Condominium:

10.1 Occupancy and Residential Use. The lands of the Condominium and all improvements constructed thereon shall be for residential use only and no portion of such lands or improvements shall be used for business or commercial purposes excepting therefrom such uses normally incident to the operation of a condominium (e.g., commercial laundry equipment).

(a) Occupancy. A Unit owned by an individual, corporation, partnership, trust or other fiduciary may only be

occupied by (i) the individual ~~Unit Owner~~ ^{Unit Owner} (and members of his family and guests), (ii) an officer, ~~director~~ ^{director}, stockholder or employee of such corporation (and members of his family and guests), (iii) a partner or employee of such partnership (and members of his family and guests), (iv) the fiduciary or beneficiary of such fiduciary (and the members of his family and guests), or (v) permitted occupants under a lease or sublease of the Unit (as described below), as the case may be. Occupants of a leased or subleased Unit must be (i) an individual lessee or sublessee (and members of his family and guests), (ii) an officer, director, stockholder or employee of a corporate lessee or sublessee (and members of his family and guests), (iii) a partner or employee of a partnership lessee or sublessee (and members of his family and guests), or (iv) a fiduciary or beneficiary of a fiduciary lessee or sublessee (and members of his family and guests). Under no circumstances may more than one family, its servants and guests occupy a Unit at one time. "Members of his family" or words of similar import, whenever used herein shall be deemed to mean spouse, parents, grandparents, parents-in-law, brothers, sisters, children and grandchildren.

(b) Additional Constructions. No structures shall be constructed upon the land other than Condominium Buildings or other structures intended for residential use and appurtenances thereto. No Condominium Unit may be divided or subdivided into a smaller Unit, or any portion thereof sold or otherwise transferred without first amending this Declaration in accordance with the other provisions hereof.

(c) Children. Children are permitted to reside in the Condominium.

10.2 Balconies and Patios. No Unit Owner shall cause or permit any balcony, patio or roof deck appurtenant to his Unit to be enclosed; covered by awning or otherwise, increased in size, or the configuration thereof altered, nor any improvements or changes made thereto, or to the exterior of the building, including, but not limited to painting or other decoration of any aesthetic nature, the installation of electrical wiring, television antenna, machines or air conditioning Units which may protrude through the walls or roof of the building, nor change the appearance of any portion of the building.

10.3 Nuisances. No nuisances shall be allowed upon the Condominium Property nor any use or practice which is the source of nuisances to residents or which interferes with the peaceful possession and proper use of the Condominium Property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No Condominium Unit Owner shall permit any use of his Condominium Unit or make any use of the Common Elements which will increase the rate of insurance upon any part of the Condominium Property.

10.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which shall require maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for maintenance and repair of the property concerned.

10.5 Signs. No "For Sale" or "For Rent" signs or other displays or advertising shall be maintained or permitted on any part of the Common Elements or Condominium Units; provided, however, the right is reserved to the Developer to place "For Sale" or "For Rent" signs in connection with any unsold or unoccupied Condominium Unit it may from time to time own, and the same right is reserved to any Institutional First Mortgagee which may become the owner of a Condominium Unit and to the Association as to any Condominium Unit which it may own.

10.6 Exterior Appearance. No clothes, sheets, blankets, towels, laundry of any kind or other articles shall be hung out or exposed from any Unit or Common Element. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly material. Nothing shall be hung or displayed on the outside walls of the Condominium Building and no awning, canopy, shade, window guard, ventilator, fan, air conditioning device, radio or television antenna may be affixed to or placed upon the exterior walls or roof or any part thereof without the prior consent of the Board of Administration. Nothing shall be affixed to glass windows, glass doors or any other transparent aperture nor shall the color or appearance of such items be changed. Any draperies, curtains, shades, shutters, blinds or other covering or material which face on exterior windows or glass doors or which are in any way visible from the exterior of the Unit shall be white or off-white in color.

10.7 Floor Coverings. No Unit Owner may install floor tile in his Unit, or install tile or other floor covering on his balcony, terrace, atrium, patio or roof deck, without the prior consent of the Developer, so long as the Developer owns any Units, and thereafter, of the Board of Administration of the Association. Consent shall be granted in respect of floor tile in a Unit provided that the tile selected by the Unit Owner is adequately soundproofed. (Tile or other floor covering selected by the Unit Owner for his balcony, terrace, atrium, patio or roof deck will be permitted provided it is adequately soundproofed and its color, material and design are consistent with standards adopted by the Developer, so long as the Developer owns any Units and, thereafter, by the Board of Administration.

10.8 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board of Administration of the Association. The initial Rules and Regulations, which shall be deemed effective until amended, are annexed as Schedule "A" to the Bylaws and may be amended without formal amendment of the Bylaws or of this Declaration.

10.9 Automobile Parking Spaces. No automobile parking space may be used for any purpose other than the parking of automobiles which are in operating condition. No automobile may be repaired or in any way serviced upon any portion of the premises. No parking space shall be used by any person other than an occupant of the Condominium who is in actual residence or by a guest or visitor of an occupant of the Condominium and by such guest or visitor only when such guest or visitor is in fact visiting and upon the premises.

10.10 Transients. No rooms, as distinguished from Condominium Units, may be rented.

10.11 Developer. Until the Developer has sold all of the Units of the Condominium in all phases, neither the Unit Owners nor the Association, nor their use of the Condominium, shall interfere with the Developer in the sale of the Condominium Units. Anything herein to the contrary notwithstanding the Developer may make such use of its unsold Units and the Common Elements as may facilitate such sales, including, but not limited to, the maintenance of a sales office for the sale of Units in the Project and the display of signs.

10.12 Pets. Pets in excess of 50 lbs. are not allowed. In addition, pets under 50 lbs. must be kept on a leash at all times and shall be walked only in areas which are designated by the Association as a "Dog Walk Area".

THE DEVELOPER EXPRESSLY RESERVES THE RIGHT TO LEASE ANY UNITS WHICH IT MAY OWN IN THE CONDOMINIUM PROPERTY ON SUCH TERMS AS IT MAY DEEM PROPER AND DESIRABLE AND MAY TRANSFER UNITS SUBJECT TO SUCH LEASE.

11. Selling, Leasing and Mortgaging of Units. No Unit Owner may lease his Unit for an initial term of less than thirty (30) days provided that, in computing said thirty day period, all consecutive tenancies of a tenant shall be aggregated and all periods for which such tenant has a renewal option shall be included.

12. Purchase of Condominium Units by Association. The Association shall have the power to purchase Condominium Units and to obtain appropriate financing in connection with such purchase subject to the following provisions:

12.1 Decision. The decision of the Association to purchase a Condominium Unit shall be made by its Board of Administration without the necessity of approval by its membership, except as is hereinafter expressly provided.

12.2 Limitation. The Association, if it shall be the owner or agreed purchaser of five (5) or more Condominium Units, shall not purchase any additional Units, without the prior written approval of seventy-five percent (75%) of the members eligible to vote. A member whose Condominium Unit is the subject matter of the proposed purchase shall be ineligible to vote thereon, provided, however, that the limitations hereof shall not apply to Condominium Units to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent assessments where the bid of the Association does not exceed the aggregate of the amounts due by the virtue of any and all senior or superior liens against the Condominium Unit, plus the amount due the Association, nor shall the limitation of this Subsection apply to Condominium Units to be acquired by the Association in lieu of foreclosure of such liens if the consideration therefore does not exceed the cancellation of such lien.

13. Condemnation.

13.1 Deposit on Awards with Insurance Trustee. If any of the Common Elements are taken by condemnation or are conveyed in lieu thereof, the awards for that taking shall, for the purposes of this Declaration, be deemed to be proceeds from insurance on account of a casualty causing damage to the Common Elements within the meaning of Section 8, and shall be deposited with the Insurance Trustee or the Association, as the case may be. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the

Insurance Trustee or the Association in the event of the failure of any Unit Owner to do so, the Board of Administration may, at its discretion, levy a Special Assessment against such Unit Owner in the amount of his award, or the amount of that award shall be setoff against any sums hereafter made payable to that Owner pursuant to this Section.

13.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided in Section 9 for determining whether damaged Common Elements and Units will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

13.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the condemnation awards and Special Assessments under Subsection 13.1 will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided in this Declaration for the distribution of insurance proceeds if the Condominium is terminated after damage to the Common Elements and Units. If the Condominium is not terminated after condemnation, the size of the building will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of said awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after damage to the Common Elements.

13.4 Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium.

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

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

(c) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements, the Common Expenses and the Common Surplus appurtenant to the Unit shall be reduced in the proportion by which the floor area of the Unit is reduced by the taking, and then the shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the other Units shall be restated as percentages of the difference between 100% and the total of the new shares as reduced by the taking so that the shares of such other Units shall be in the same proportions to each other as before the taking and so that the total of the percentages of such shares shall still equal 100%.

13.5 Unit Made Uninhabitable If the taking is of the entire Unit, or so reduces the size of the Unit that it cannot be made habitable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

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

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

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

(d) Assessemnts. If the balance of the award (after payments to the Unit Owner and such Owner's mortgagees as above provided) for the taking is not sufficient to finance the alteration of the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Special Assessments against all of the Unit Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. Such Special Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes effected by the taking.

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

BOOK PAGE

13.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Administration; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere in this Declaration for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation, except that if a Condominium Parcel is encumbered by an Institutional Mortgage, the distribution shall be paid jointly to the owner and the Institutional Mortgagee of the Condominium Parcel.

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

13.8 Association as Agent. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiation, settlements and agreements with the condemning authority for acquisition of the Common Elements or part thereof by the condemning authority. Each Unit Owner hereby designates and appoints the Association as agent and attorney in fact for the foregoing purposes.

14. Compliance and Default. Each Condominium Unit Owner shall be governed by and shall comply with the terms of the Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations adopted pursuant to those documents, as amended from time to time. Failure of a Condominium Unit Owner to comply with such documents and regulations shall entitle the Association or other Condominium Unit Owners to the following relief in addition to the remedies provided by the Condominium Act, the Bylaws and elsewhere in this Declaration:

14.1 Negligence. A Condominium Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any members of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. A Condominium Unit Owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of a Condominium Unit or its appurtenances or of the Common Elements by the Condominium Unit Owner.

14.2 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Condominium Unit Owner or the Association to comply with the terms of the Declaration, the Articles of Incorporation or Bylaws of the Association, or the Rules and Regulations adopted pursuant to them, as amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be awarded by the Court.

14.3 No Waiver of Rights. The failure of the Association or any Condominium Unit Owner to enforce any covenant, restriction or other provision of the Declaration or the Articles of Incorporation, Bylaws or Rules and Regulations of the Association shall not constitute a waiver of the right to do so thereafter. To Reinststate enforcement of 14.1.

chattel letter
would go out to all owners for notification

15. Amendments. Subject to the other provisions of the Declaration concerning amendments, this Declaration may be amended in the following manner:

15.1 By the Association. Notice of the subject matter of a proposed amendment shall be included in the notice of any Association meeting at which a proposed amendment is considered. An amendment may be proposed by either the Board of Administration or by one-third (1/3) of the Condominium Unit Owners. A resolution adopting a proposed amendment must bear the approval of either (a) a majority of the Board of Administration and sixty-six and two thirds percent (66 2/3%) of the Condominium Unit Owners or (b) 75% of all Unit Owners. Directors and members not present at the meetings considering the amendment may express their approval in writing, given before such meetings. Notwithstanding the foregoing, the consent of Unit Owners to which at least 67% of the votes in the Association are allocated and the approval of 51% of Institutional First Mortgagees who have given notice to the Association in accordance with Article 18 below shall be required to materially amend any provisions of the Declaration, by laws or equivalent documents of the Condominium, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;
- (d) Insurance or Fidelity Bonds;
- (e) Rights to use of the Common Elements;
- (f) Responsibility for maintenance and repair of the several portions of the Condominium;
- (g) Expansion or contraction of the Condominium regime or the addition, annexation or withdrawal of property to or from the regime;
- (h) Boundaries of any Unit;
- (i) The interests in the general or limited Common Elements;
- (j) Convertibility of Units into Common Elements or of Common Elements into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit in the Condominium;
- (m) Establishment of self-management by the Condominium Association where professional management has been required by any of the agencies or corporations;
- (n) Any provisions included in the Declaration, Bylaws or equivalent documents of the Condominium which are for the express benefit of holders or insurers of first mortgages on Units in the Condominium.

(o) Any action to terminate the legal status of the condominium after substantial destruction or condemnation occurs.

(p) Any restoration or repair of the unit of any portion of the condominium (after hazard, damage or partial condemnation) in a manner other than that specified in the documents.

None of the foregoing shall in any way amend Developers rights and obligations concerning future phases of the condominium.

15.2 Rights Institutional First Mortgagee. In order for an Institutional First Mortgagee to have a right to vote pursuant to Subsection 15.1(a) above it must first request notice in accordance with Subsection 18 below.

15.3 By the Developer. The Developer may, during the time it owns any Units, amend the Declaration without the consent and/or joinder of the Association; (i) to correct omissions or errors and for the purposes set forth in Subsection 6.2 hereof, (ii) to comply with the requirements of the Federal National Management Association (FNMA), the Government National Management Association (GNMA), the Veterans Administration (VA), the Department of Housing and Urban Development (HUD), or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities provided, however, that no such amendment shall adversely modify substantial rights of any Unit Owners without their written consent, (iii) to add additional phases in accordance with Paragraph 3.9 above.

15.4 Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed in the form required for the execution of a deed. Amendments by the Developer must be evidenced in writing but a certificate of the Association is not required. An amendment of the Declaration is effective when properly recorded in the Public Records of Volusia County, Florida.

15.5 Proviso. Except as is otherwise expressly provided for in this Declaration, no amendment shall discriminate against any Condominium Unit Owner nor against any Condominium Unit or class or group of Condominium Units, unless all the Condominium Unit Owners so affected shall consent in writing; and no amendment shall change any Condominium Unit, Limited Common Elements, or the shares in the Common Elements or Common Expenses appurtenant thereto, unless the record owner of the Condominium Unit concerned and all record owners of mortgages upon such Condominium Unit shall join in the execution of the amendment. Neither shall an amendment make any change in the Sections captioned "Insurance", "Reconstruction or Repair After Casualty" and "Condemnation" unless the record holders of 90% of the dollar volume of all mortgages upon the Condominium shall join in the execution of such amendment. No amendment shall be adopted or passed which shall impair or prejudice the rights or priorities of any Institutional First Mortgagee or the Developer.

16. Termination. Except as otherwise herein provided with respect to casualty loss and condemnation, this Condominium may

be terminated and the Condominium Property removed from the provisions of Chapter 718, Florida Statutes, by consent of all of the Unit Owners and lienholders of record, said consent to be evidenced by a recorded instrument to that effect. Upon termination of the Condominium, the Condominium Property shall be owned in common by the Unit Owners in the same undivided shares as each Unit owned in the Common Elements. Liens shall be transferred to the undivided share in the Condominium property attributable to the Unit originally encumbered by the lien in its same priority. This Section may not be amended without the consent of all Unit Owners and of all Institutional First Mortgagees.

17. Miscellaneous Provisions.

17.1 Developer's Right to Prohibit Access. During such time as the Developer, its successors or assigns, is in the process of construction of any portion of a Condominium Building, the Developer, its successors or assigns, reserve the right to prohibit access to any portion of the Common Elements of such Condominium Building to any of the occupants of the building, and to utilize various portions of the Common Elements of the building in connection with such construction and development. No Unit Owner or his guests or invitees shall in any way interfere or hamper the Developer, its employees, successors or assigns, in connection with such construction. Thereafter, during such time as the Developer, its successors or assigns, own any Units within the building and are carrying on any business in connection therewith, including the selling, renting or leasing of such Units, the Unit Owners, their guests and invitees shall in no way interfere with such activities or prevent access to such Units by the Developer, its successors or agents.

17.2 Covenants. All provisions of the Declaration shall be construed to be covenants running with the land and with every part thereof and interest therein; and the Unit Owners and claimants of the land or any part thereof or interest therein, and their heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of this Declaration.

17.3 Invalidation and Operation. If any provision of this Declaration or of the Articles of Incorporation, Bylaws or Rules and Regulations of the Association, or of the Condominium Act, or any section, sentence, clause, phrase or word thereof, or the application thereof in any circumstances, is held invalid, the validity of the remainder of this Declaration, the Articles of Incorporation, Bylaws, Rules and Regulations and the Condominium Act, and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances, shall not be affected thereby.

17.4 Waiver. No requirement contained in this Declaration or the Bylaws shall be deemed to have been waived by the Association's failure to enforce it, regardless of the number of violations of the requirement that occur.

17.5 Construction. Whenever the context so requires, the use of the masculine gender shall be deemed to include all genders, the use of the singular to include the plural, and the use of the plural to include the singular. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Condominium.

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

17.7 Reasonable Attorneys Fees. All references to reasonable attorney's fees in this Declaration shall include reasonable fees for the services of an attorney-at-law whether or not judicial or administrative proceedings are involved, and if judicial or administrative proceedings are involved, then all review of the same by appeal or otherwise.

18. Notices First Lien Holders.

18.1 A holder, insurer or guarantor of a first mortgage ("First Lien Holders"), upon written request to the Association, (such request to state the name and address of such holder, insurer or guarantor and the unit number), will be entitled to timely written notice of:

(a) Any proposed amendment of the Declaration of Condominium effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or Limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Owners Association appertaining to any Unit or (iv) the purposes to which any unit or the Common Elements are restricted;

(b) Any proposed termination of the Condominium regime;

(c) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(d) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Owners Association provided for above.

(f) Any proposed amendment to the Declaration of Condominium which requires the approval of a majority of First Lien Holders.

19. Availability of Documents, Financial Statement.

Upon the written request from any person or entity which has an interest or prospective interest in the Condominium, the Association shall be required to prepare and furnish within a reasonable time an audited financial statement of the Association for the immediately preceding fiscal year.

In addition, the Association shall make available for inspection during normal business hours by Unit Owners, mortgagees and insurers of said mortgagees current copies of the Declaration, Bylaws, Rules and Regulations, financial statements and the like.

20. Right of Action.

The Association and any aggrieved Unit Owner shall be granted a right of action against Unit Owners for failure to comply with the provisions of the Declaration, Bylaws or Articles of the Association, or any equivalent documents or with decisions of the Association which are made pursuant to authority granted the Association in such documents. Unit Owners shall have similar rights of action against the Association.

21. Rights of Mortgagee.

To the extent that either a construction lender or the holder of the existing purchase money acquisition mortgage acquires title to more than one unit in the Condominium through foreclosure or deed in lieu of foreclosure and offers said units for sale in the ordinary course of business then in such event said mortgagee shall succeed to all of the rights of the Developer as set forth herein.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this 23rd day of August, 1984.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DEL PROPERTIES V, LTD.
a Florida Limited
Partnership

Suzanne Peterson
[Signature]

(SEAL)

By: Beach, Inc.
a General Partner

By: *Chris DelGuidice* (SEAL)
Chris DelGuidice, President

STATE OF FLORIDA)
 : ss.
COUNTY OF VOLUSIA)

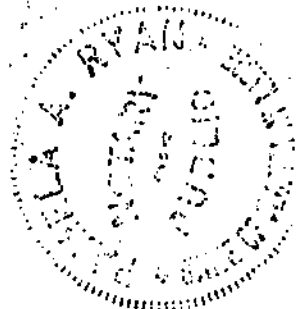
The foregoing DECLARATION OF CONDOMINIUM OF SUN BEACH CLUB CONDOMINIUM, was acknowledged before me by CHRIS DELGUIDICE, as President of BEACH, INC. the General Partner of DEL PROPERTIES V, LTD., a Florida Limited Partnership, qualified to do business in the State of Florida, on behalf of said corporation, and the foregoing person acknowledged that he was acting on behalf of the corporation as general partner of DEL PROPERTIES, V, LTD. this 23rd day of August, 1984.

Patricia A. Ryan
NOTARY PUBLIC
State of Florida at Large

My Commission Expires:

Notary Public, State Of Florida At Large
My Commission Expires Jan 5, 1988
Bonded By SAFECO Insurance Company of America

3654c



LEGAL DESCRIPTION OF
SUN BEACH CLUB CONDOMINIUM
(PHASE I ONLY CONTAINING 40 UNITS)

27300298

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

PHASE I:

BEGIN S.00°-49'-56"E. ALONG THE EASTERLY LINE OF PENNSYLVANIA AVENUE, 206.00 FT. FROM THE NORTHWEST CORNER OF BLOCK 12, ATLANTIC HEIGHTS SUBDIVISION, AS SHOWN ON MAP IN MAP BOOK 6, PAGE 171, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE N.89°-08'-00"E., 117.94 FT.; THENCE N.66°-30'-00"E., 171.56 FT.; THENCE N.89°-08'-00"E., 44.71 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD A1A (SOUTH ATLANTIC AVENUE); THENCE S.00°-00'-00"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD A1A, 540.84 FT.; THENCE S.89°-12'-47"E., 71.36 FT.; THENCE N.66°-33'-00"W., 110.68 FT.; THENCE S.89°-12'-47"W., 190.65 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA AVENUE; THENCE N.00°-49'-56"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID PENNSYLVANIA AVENUE, 428.80 FT.; THENCE N.89°-08'-00"E., 50.00 FT. TO THE POINT OF BEGINNING.

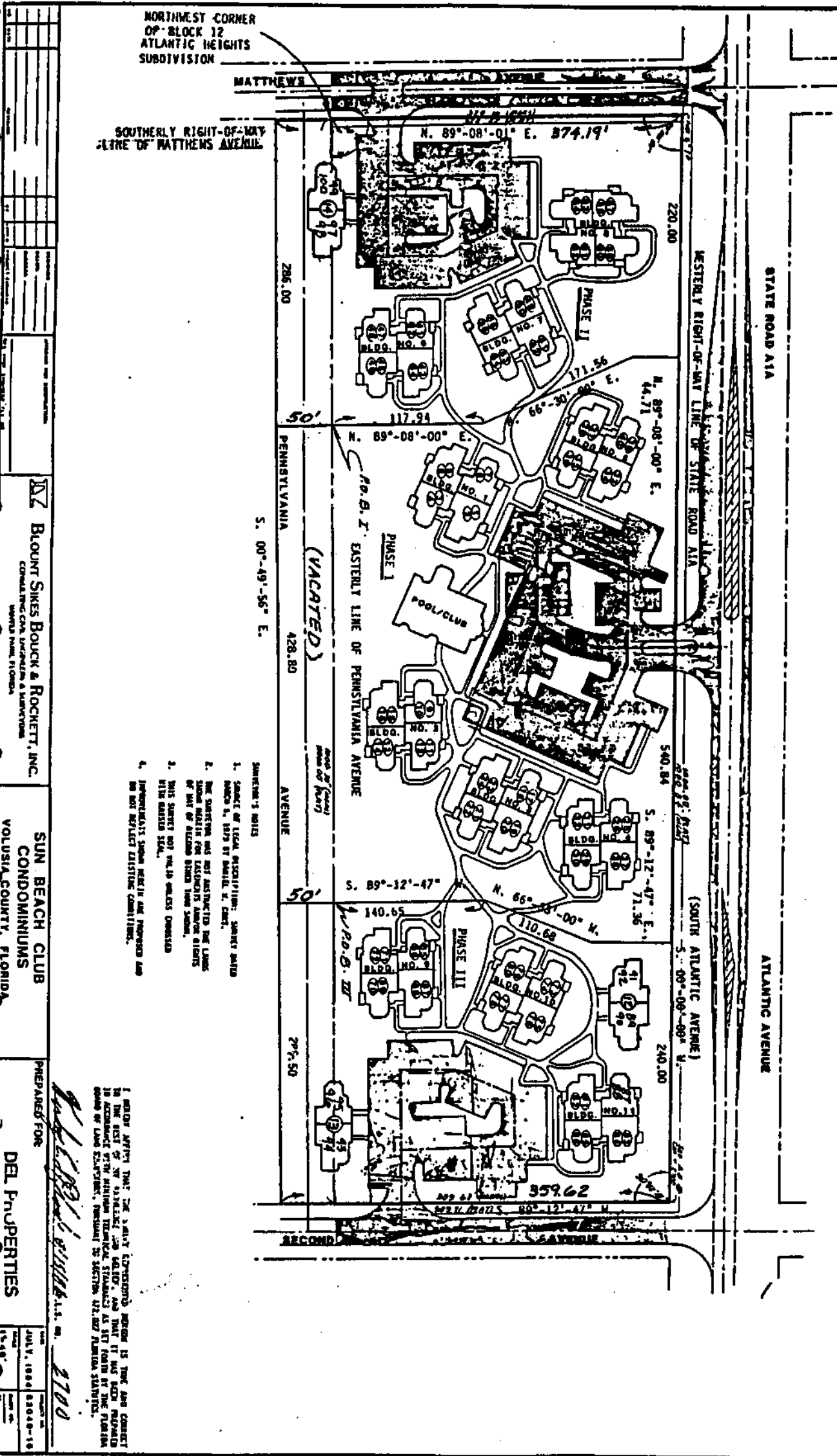
CONTAINING 3.92 ACRES MORE OR LESS.

Exhibit "A" To
DECLARATION OF CONDOMINIUM

OVERALL LEGAL DESCRIPTION

BLOCK 7, EXCEPT THAT PART NOW IN STATE ROAD A1A RIGHT-OF-WAY, A 100 FOOT RIGHT-OF-WAY AS NOW LAID OUT, AND BLOCK 12, TOGETHER WITH VACATED 25 FOOT ALLEY LYING ADJACENT TO AND THAT PART OF VACATED PENNSYLVANIA AVENUE RIGHT-OF-WAY SOUTH OF MATTHEWS AVENUE AND NORTH OF SECOND AVENUE, ATLANTIC HEIGHTS SUBDIVISION, AS SHOWN ON MAP IN MAP BOOK 6, PAGE 171, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA.

CONTAINING 8.42 ACRES MORE OR LESS.



NORTHWEST CORNER
OF BLOCK 12
ATLANTIC HEIGHTS
SUBDIVISION

SOUTHERLY RIGHT-OF-WAY
LINE OF MATTHEWS AVENUE

286.00

50'

5. 00°-49'-56" E.

428.80

50'

295.50

(VACATED)

AVENUE

AVENUE

SECOND

N. 89°-08'-01" E. 374.19'

N. 89°-08'-00" E. 117.94'

S. 89°-12'-47" E. 140.65'

S. 89°-12'-47" N. 88°-12'-47" E. 359.62'

220.00

44.71

N. 89°-08'-00" E.

171.56

540.84

71.36

5. 89°-12'-47" E.

240.00

240.00

240.00

- SHOWING 3 LOTS
1. SOURCE OF LEGAL DESCRIPTION: SURVEY MADE PURSUANT TO ORDER OF BOARD OF COUNTY COMMISSIONERS, VOLUSIA COUNTY, FLORIDA, DATED MAY 14, 1986.
 2. THE SURVEY WAS NOT AN ATTEMPT TO RECONSTRUCT THE LINES OF ANY PREVIOUS SURVEY OR TO RECONSTRUCT THE LINES OF ANY PREVIOUS SURVEY OR TO RECONSTRUCT THE LINES OF ANY PREVIOUS SURVEY.
 3. THIS SURVEY WAS MADE BY THE SURVEYOR AND HIS ASSISTANTS.
 4. THE SURVEYOR HAS REVIEWED THE RECORDS OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, AND HAS FOUND NO OTHER RECORDS THAT AFFECT THE SURVEY.

I HEREBY CERTIFY THAT THE SURVEY DESCRIBED HEREIN IS THE WORK AND CONDUCT OF THE SURVEYOR AND THAT THE SURVEYOR HAS REVIEWED THE RECORDS OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, AND HAS FOUND NO OTHER RECORDS THAT AFFECT THE SURVEY.

<p>BLOUNT SIKES BOUCK & ROCKETT, INC. CONSULTING CIVIL ENGINEERS & SURVEYORS 1000 W. PALM BLVD., SUITE 100 WEST PALM BEACH, FLORIDA 33411</p>	<p>SUN BEACH CLUB CONDOMINIUMS VOLUSIA COUNTY, FLORIDA</p>	<p>PREPARED FOR: DEL PROPERTIES</p>	<p>DATE: JULY, 1986 BOOK: 6 PAGE: 170</p>
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SUN BEACH CLUB CONDOMINIUMS
PHASING AND LEGAL DESCRIPTIONS
3 PHASES

27300300

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

PHASE I:

BEGIN S.00°-49'-56"E. ALONG THE EASTERLY LINE OF PENNSYLVANIA AVENUE, 286.00 FT. FROM THE NORTHWEST CORNER OF BLOCK 12, ATLANTIC HEIGHTS SUBDIVISION, AS SHOWN ON MAP IN MAP BOOK 6, PAGE 171, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE N.89°-08'-00"E., 117.94 FT.; THENCE N.66°-30'-00"E., 171.56 FT.; THENCE N.89°-08'-00"E., 44.71 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD A1A (SOUTH ATLANTIC AVENUE); THENCE S.00°-00'-00"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD A1A, 540.84 FT.; THENCE S.89°-12'-47"E., 71.36 FT.; THENCE N.66°-33'-00"W., 110.68 FT.; THENCE S.89°-12'-47"W., 190.65 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA AVENUE; THENCE N.00°-49'-56"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID PENNSYLVANIA AVENUE, 428.80 FT.; THENCE N.89°-08'-00"E., 50.00 FT. TO THE POINT OF BEGINNING.

CONTAINING 3.92 ACRES MORE OR LESS.

PHASE II:

BEGIN AT THE NORTHWEST CORNER OF BLOCK 12, ATLANTIC HEIGHTS SUBDIVISION, AS SHOWN ON MAP IN MAP BOOK 6, PAGE 171, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE N.89°-08'-01"E. ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF MATTHEWS AVENUE, 324.16 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD A1A (SOUTH ATLANTIC AVENUE); THENCE S.00°-00'-00"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD A1A, 220.00 FT.; THENCE S.66°-30'-00"W., 167.94 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA AVENUE; THENCE N.00°-49'-56"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID PENNSYLVANIA AVENUE, 286.00 FT. TO THE SOUTHERLY RIGHT-OF-WAY LINE OF MATTHEWS AVENUE; THENCE N.89°-08'-01"E. ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 50.00 FT. TO THE POINT OF BEGINNING.

CONTAINING 2.26 ACRES MORE OR LESS.

PHASE III:

BEGIN S.00°-49'-56"E. ALONG THE EASTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA AVENUE, 714.80 FT. FROM THE NORTHWEST CORNER OF BLOCK 12, ATLANTIC HEIGHTS SUBDIVISION, AS SHOWN ON MAP IN MAP BOOK 6, PAGE 171, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE N.89°-12'-17"E., 140.65 FT.; THENCE S.66°-33'-00"E., 110.68 FT.; THENCE N.89°-12'-47"E., 71.36 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD A1A (SOUTH ATLANTIC AVENUE); THENCE S.00°-00'-00"W. ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD A1A, 240.00 FT. TO THE NORTHERLY RIGHT-OF-WAY LINE OF SECOND AVENUE; THENCE S.89°-12'-47"W. ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID SECOND AVENUE, 359.62 FT. TO THE WESTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA AVENUE; THENCE N.00°-49'-56"W. ALONG SAID WESTERLY RIGHT-OF-WAY LINE, 285.50 FT.; THENCE N.89°-12'-47"E., 50.00 FT. TO THE POINT OF BEGINNING.

CONTAINING 2.25 ACRES MORE OR LESS.

27300301

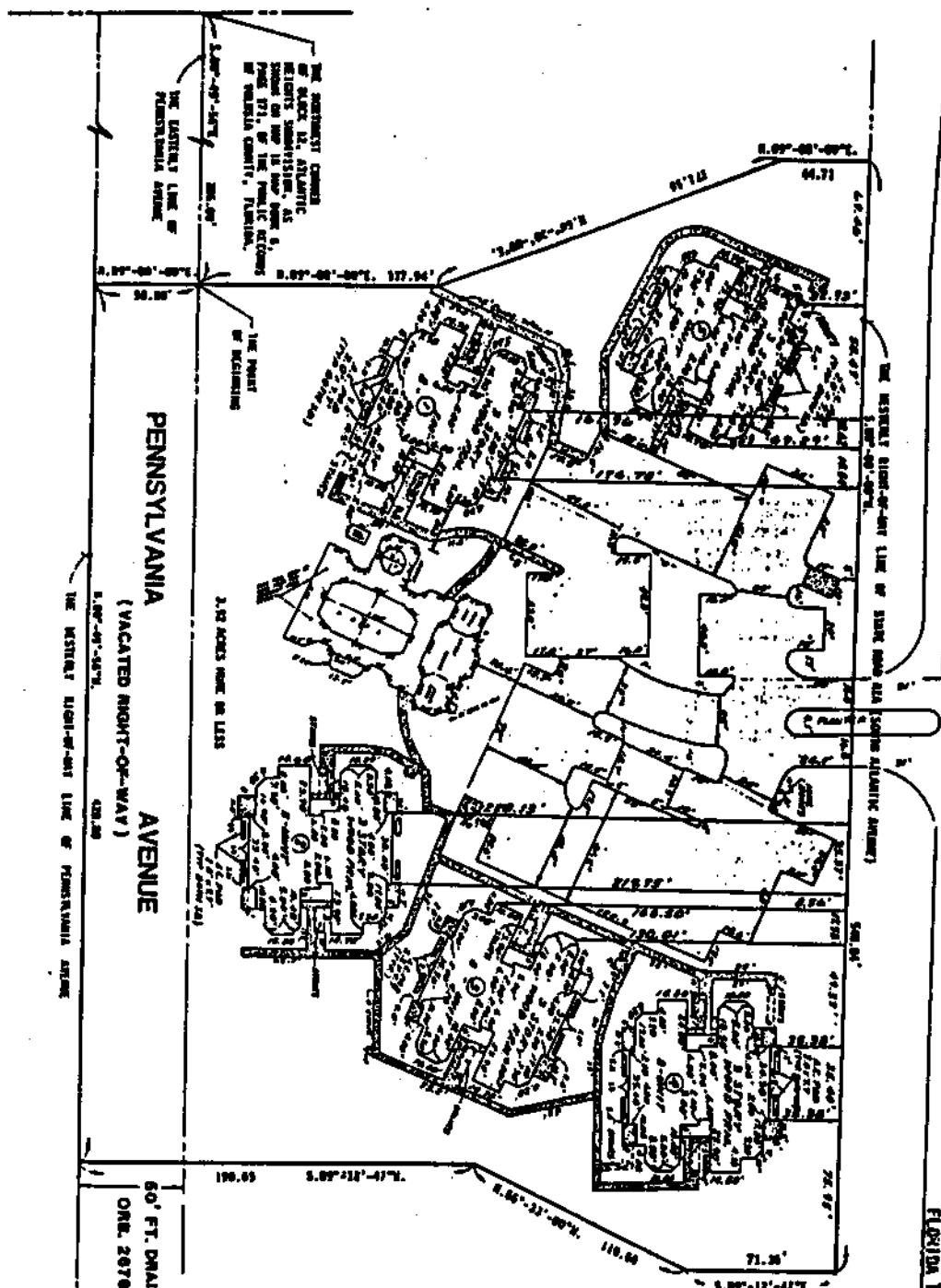
PRINTED

SEP 09 1985

BOOK PAGE
VOLUME COUNTY
FLORIDA

BLOUNT, SIKES,
BOUCK & ROCKETT, INC.

MATTHEWS AVENUE



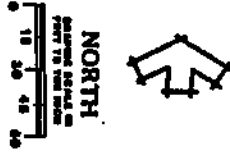
STATE ROAD A1A
NORTH ATLANTIC AVENUE

SURVEY CERTIFICATION

I HEREBY CERTIFY THAT THE CONSTRUCTION OF THE IMPROVEMENTS FOR PARCELS 1 OF THIS COMMUNITY IS DEPICTED ON SHEETS 2, 4, 5, 6 AND 7 OF THIS EXHIBIT "B" AND IS SUBSTANTIALLY COMPLETE SO THAT THE MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE COMMUNITY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS AND SO THAT THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE CROWN ELEMENTS AND EACH UNIT CAN BE DETERMINED FROM THE MATERIALS.

BLOUNT SIKES BOUCK & ROCKETT, INC.

BY: *[Signature]*
 JESSE T. BOCKMANN
 FLORIDA P.L.S. NO. 2700
 DATE: *Sept 9, 1985*



LEGAL DESCRIPTION

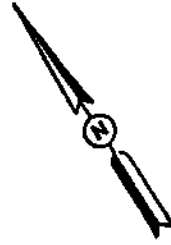
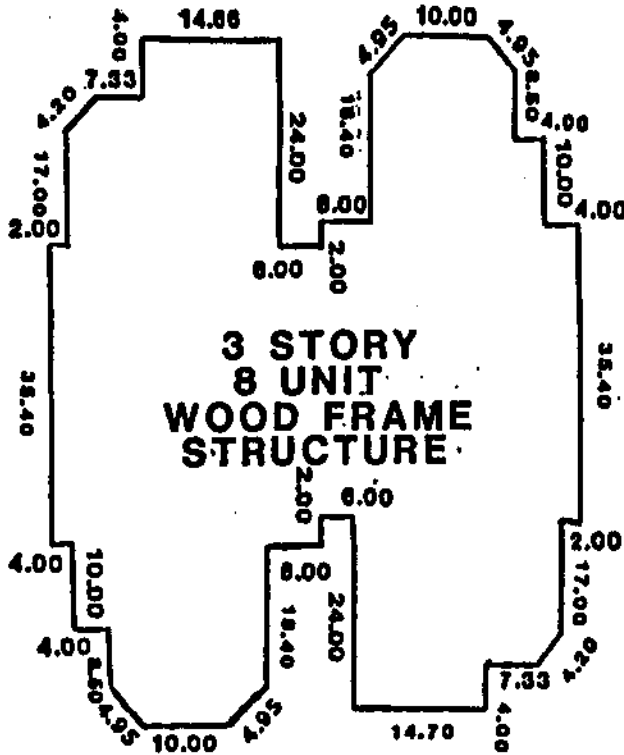
PARCEL 1:
 BEING 5.07'-00"-00" ALONG THE EASTERN LINE OF PENNSYLVANIA AVENUE, 28.00 FT. FROM THE NORTHEAST CORNER OF BLOCK 12, ATLANTIC HEIGHTS SUBDIVISION, AS SHOWN ON MAP IN BOOK 6, PAGE 371, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE S.07'-00"-00", 177.94 FT. TO THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE S.07'-00"-00", 44.17 FT. TO THE RESTRICTED RIGHT-OF-WAY LINE OF STATE ROAD A1A (VACATED RIGHT-OF-WAY); THENCE S.07'-00"-00", ALONG THE RESTRICTED RIGHT-OF-WAY LINE OF STATE ROAD A1A, 200.00 FT.; THENCE S.07'-12"-00", 100.00 FT.; THENCE S.07'-00"-00", ALONG THE RESTRICTED RIGHT-OF-WAY LINE OF PENNSYLVANIA AVENUE, 28.00 FT.; THENCE S.07'-00"-00", 96.00 FT. TO THE POINT OF BEGINNING.
 CONTAINING 2.00 ACRES MORE OR LESS.

60' FT. DRAINAGE EASEMENT
 ORL 2078 PG. 1330

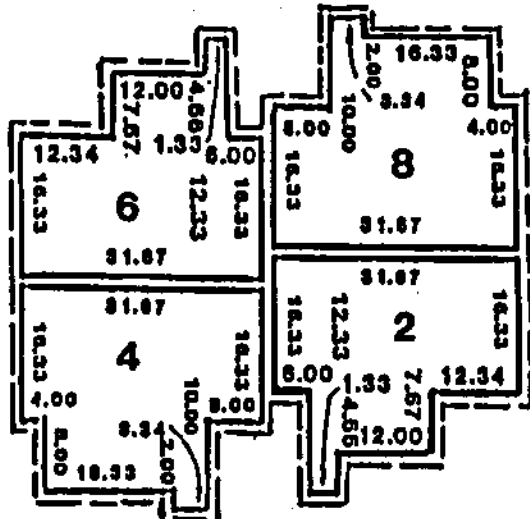
DATE: 9/9/85	SCALE: AS SHOWN	PROJECT: SUN BEACH
DRAWN BY: J. BOCKMANN	DATE: 9/9/85	PROJECT: SUN BEACH
CHECKED BY: J. BOCKMANN	DATE: 9/9/85	PROJECT: SUN BEACH
APPROVED BY: J. BOCKMANN	DATE: 9/9/85	PROJECT: SUN BEACH
PREPARED FOR: BLOUNT SIKES BOUCK & ROCKETT, INC. 1000 INTERNATIONAL BLVD., SUITE 100 PALM BEACH, FLORIDA 33480-1000		
LOCATION SURVEY SUN BEACH JB PHASE 1		
REF: 1984	DATE: 9/9/85	PROJECT: SUN BEACH
REF: 1984	DATE: 9/9/85	PROJECT: SUN BEACH

27300302

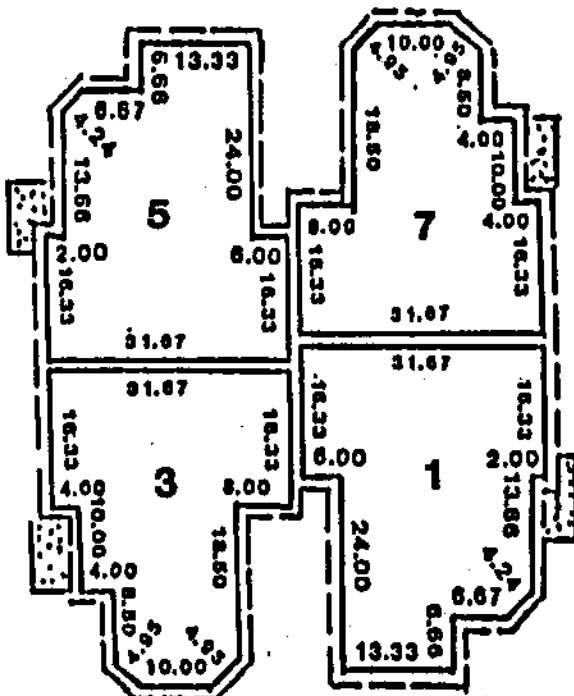
BOOK PAGE
VOLUSIA COUNTY
FLORIDA



BUILDING DETAIL



CEILING ELEV. 31.53
FLOOR ELEV. 23.53

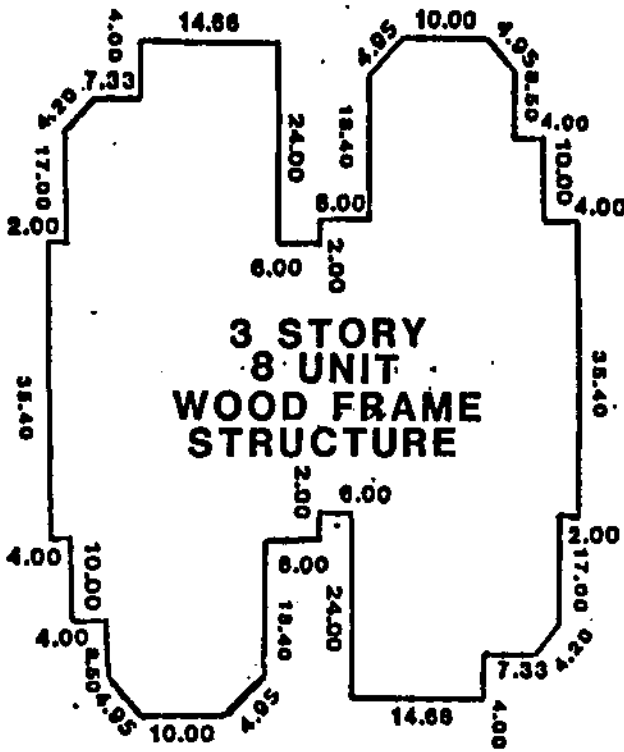


CEILING ELEV. 22.03
FLOOR ELEV. 14.03

COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 1 THRU 8

SUN BEACH CONDOMINIUMS

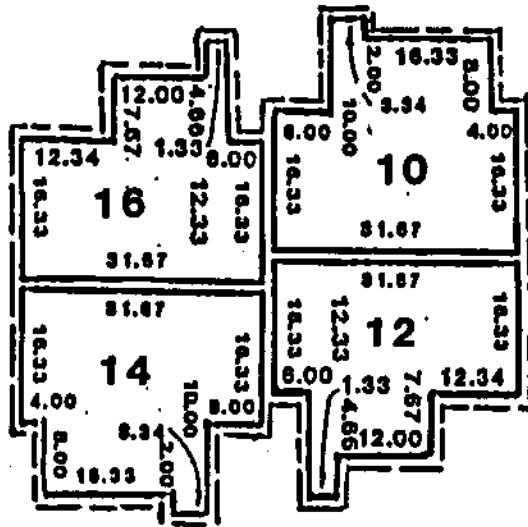
BUILDING NO.1



3 STORY
WOOD FRAME
STRUCTURE

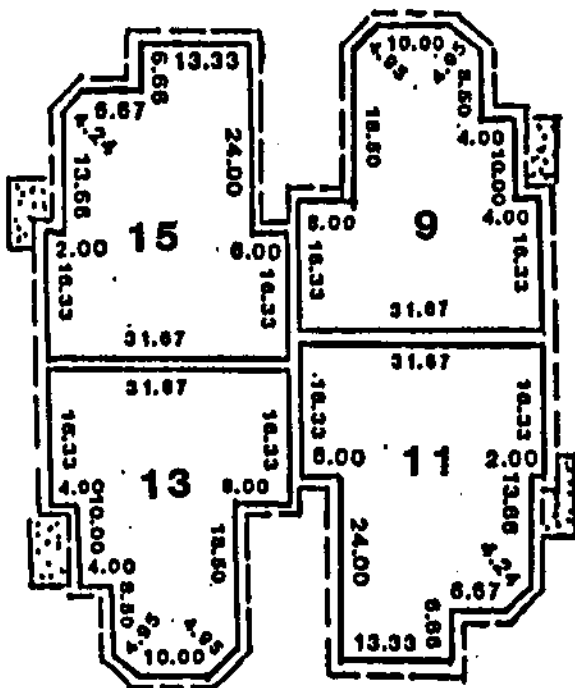


BUILDING DETAIL



CEILING ELEV. 31.56
FLOOR ELEV. 23.56

SECOND FLOOR

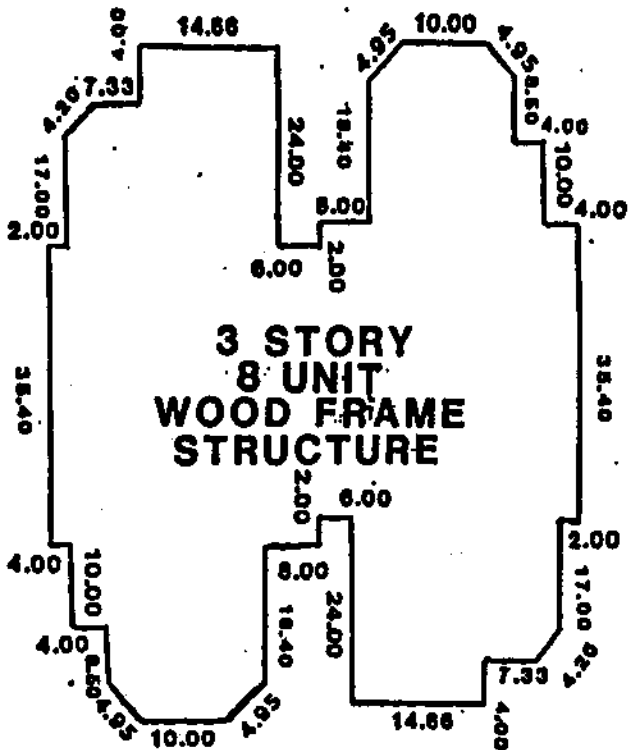


CEILING ELEV. 22.11
FLOOR ELEV. 14.11

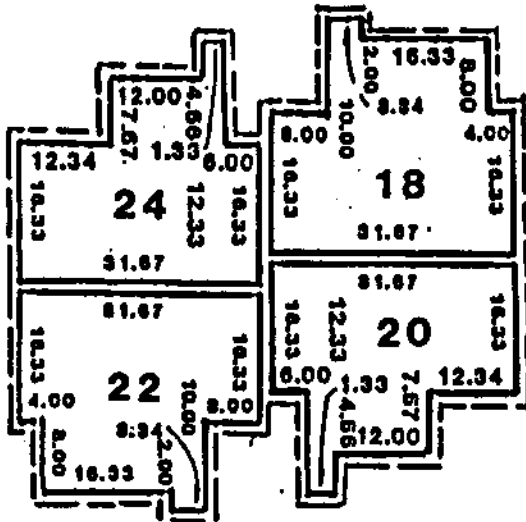
FIRST FLOOR

COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 9 THRU 16

SUN BEACH CONDOMINIUMS
BUILDING NO. 2

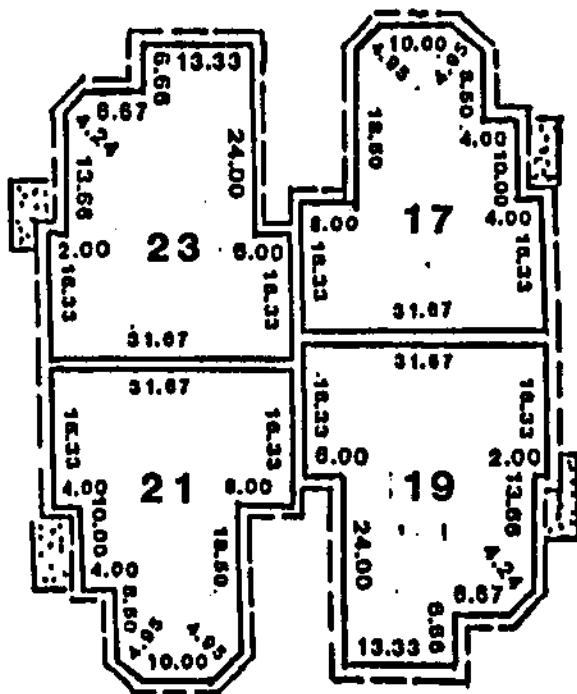


BUILDING DETAIL



SECOND FLOOR

**CEILING ELEV. 31.45
FLOOR ELEV. 23.45**

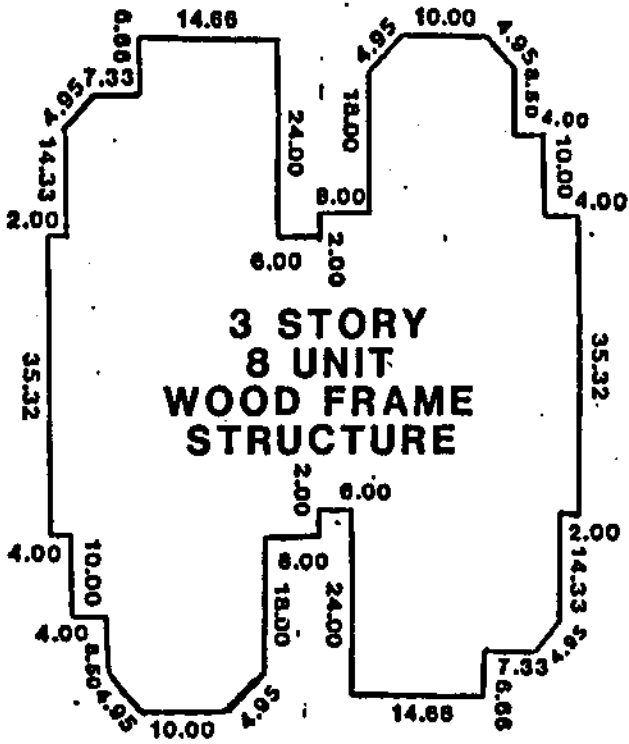


FIRST FLOOR

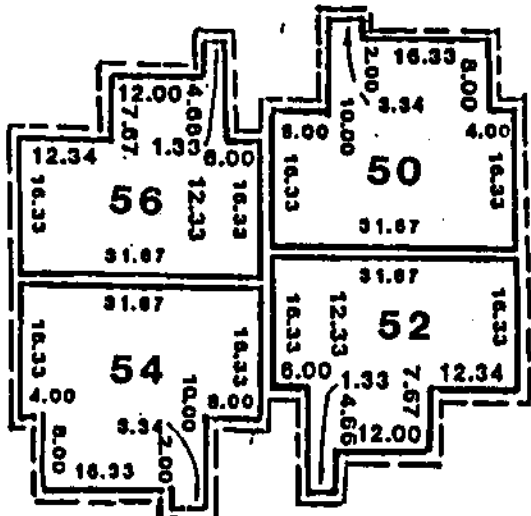
**CEILING ELEV. 21.95
FLOOR ELEV. 13.95**

**COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 17 THRU 24**

**SUN BEACH CONDOMINIUMS
BUILDING NO. 3**

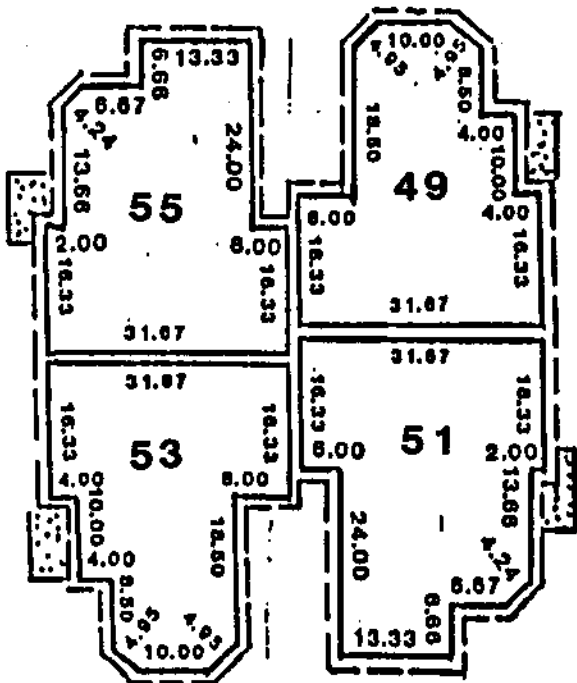


BUILDING DETAIL



SECOND FLOOR

CEILING ELEV. 31.64
FLOOR ELEV. 23.64



FIRST FLOOR

CEILING ELEV. 22.30
FLOOR ELEV. 14.30

COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 49 THRU 56

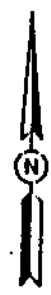
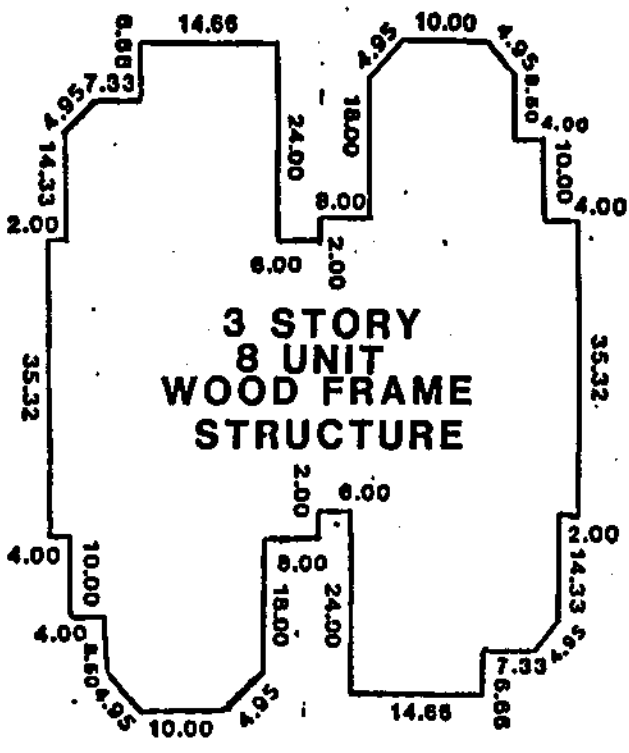
SUN BEACH CONDOMINIUMS

BUILDING NO. 7

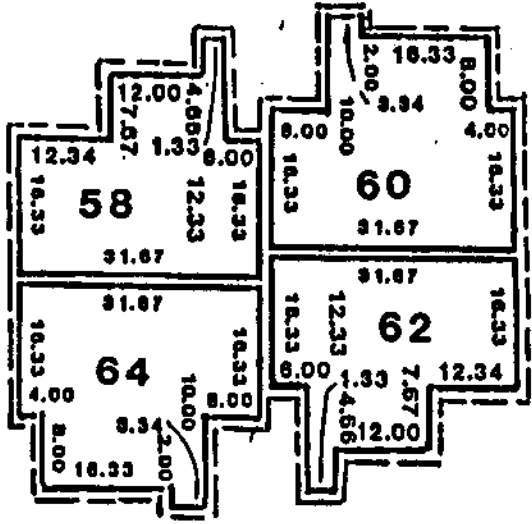
All improvements shown herein are proposed rather than a survey of as-built conditions.

273003

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

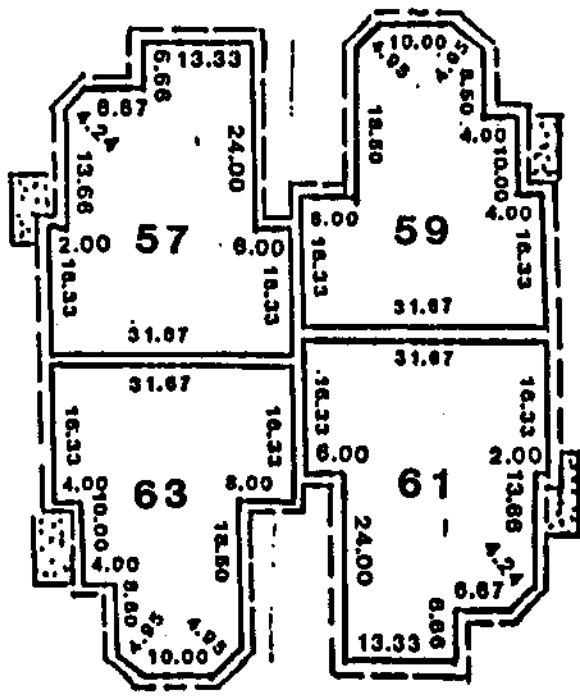


BUILDING DETAIL



CEILING ELEV. 31.34
FLOOR ELEV. 23.34

SECOND FLOOR



CEILING ELEV. 22.00
FLOOR ELEV. 14.00

FIRST FLOOR

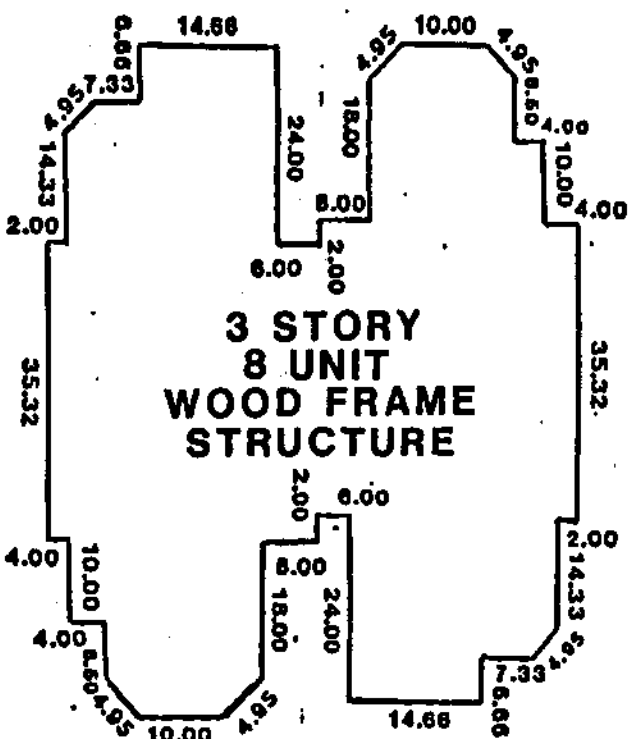
COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 57 THRU 64

SUN BEACH CONDOMINIUMS

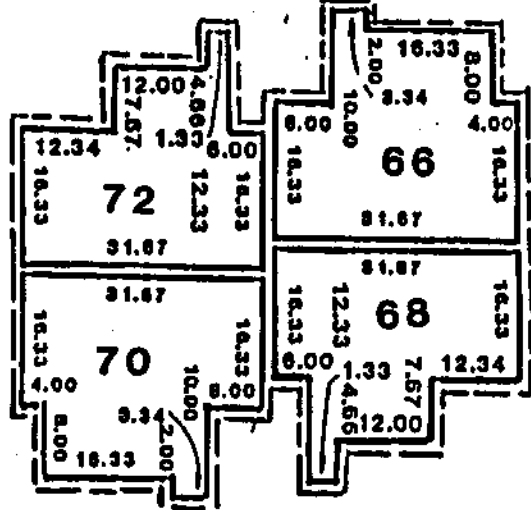
BUILDING NO. 8

All improvements shown herein are proposed rather than a survey of as-built conditions.

BOOK PAGE
VOLusia COUNTY
FLORIDA
2730-310

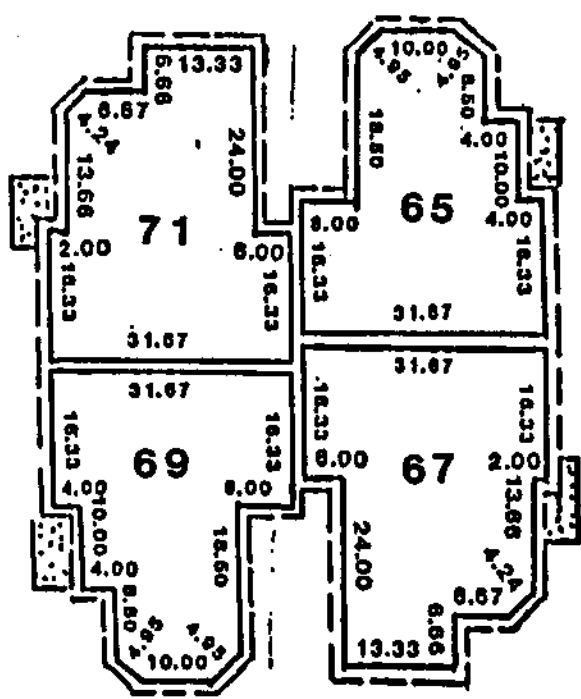


BUILDING DETAIL



CEILING ELEV. 32.34
FLOOR ELEV. 24.34

SECOND FLOOR



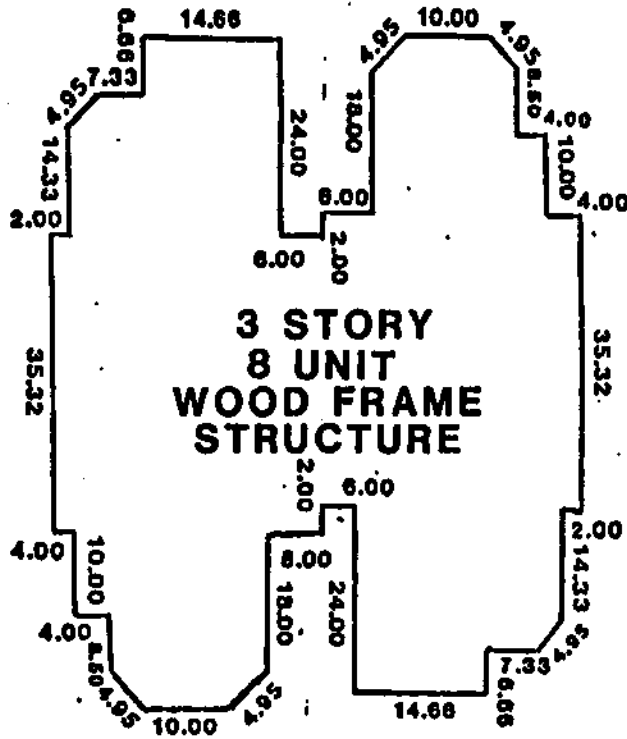
CEILING ELEV. 23.00
FLOOR ELEV. 15.00

FIRST FLOOR

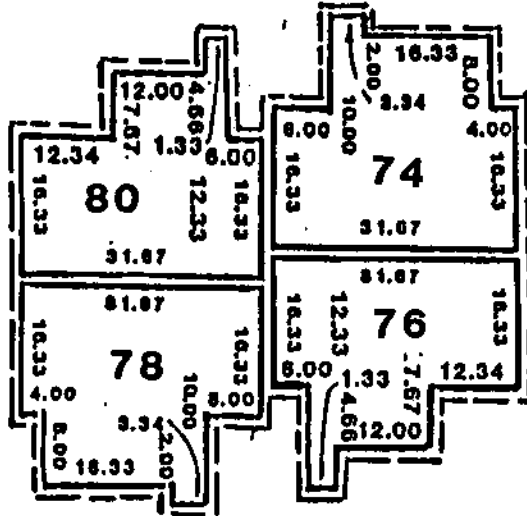
COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 65 THRU 72

SUN BEACH CONDOMINIUMS
BUILDING NO. 9

All improvements shown herein are proposed rather than a survey of as-built conditions.

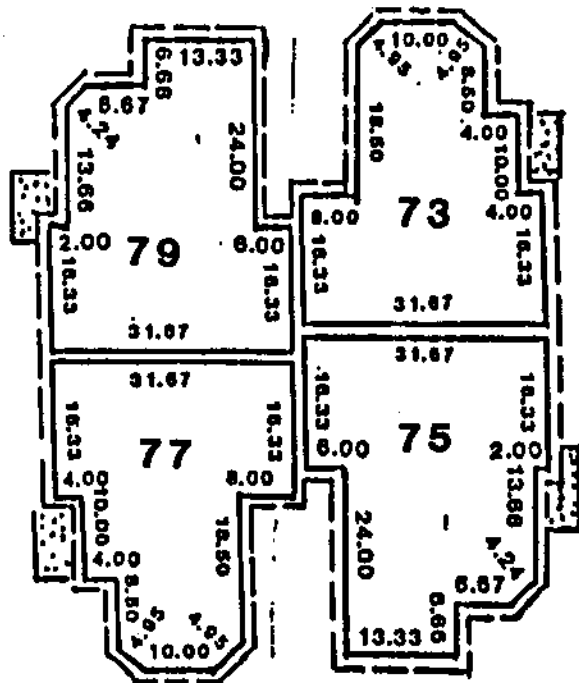


BUILDING DETAIL



SECOND FLOOR

**CEILING ELEV. 31.54
FLOOR ELEV. 23.54**



FIRST FLOOR

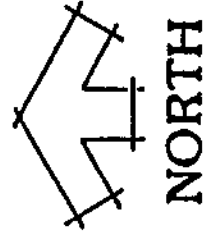
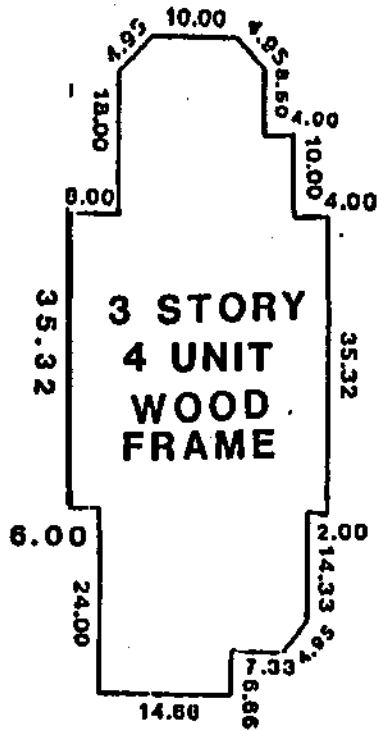
**CEILING ELEV. 22.20
FLOOR ELEV. 14.20**

**COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS THRU**

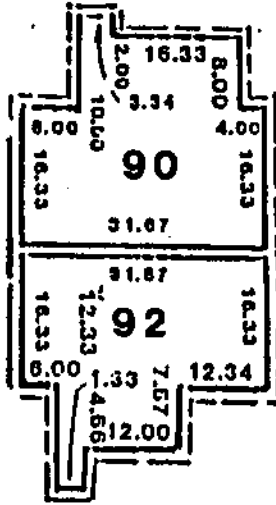
SUN BEACH CONDOMINIUMS

BUILDING NO. 10

ALL improvements shown herein are proposed rather than a survey of as-built conditions.

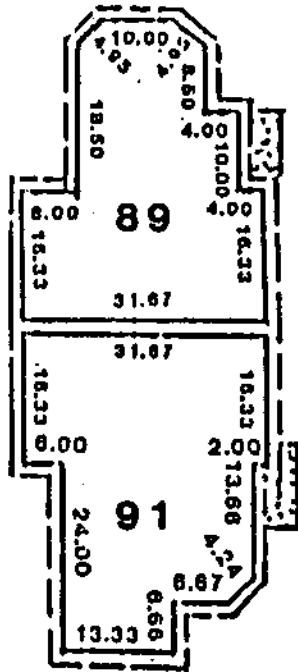


BUILDING DETAIL



CEILING ELEV. 32.35
 FLOOR ELEV. 24.35

SECOND FLOOR



CEILING ELEV. 23.00
 FLOOR ELEV. 15.00

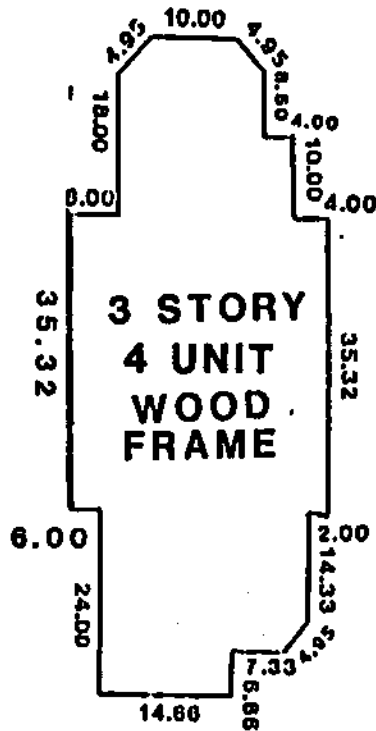
FIRST FLOOR

COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
 AND CONDOMINIUM UNITS 89 THRU 92

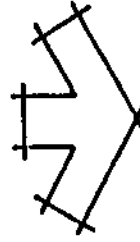
SUN BEACH CONDOMINIUMS

BUILDING NO.12

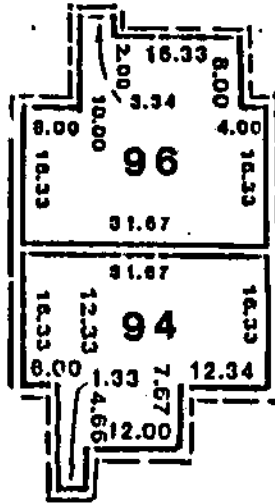
All improvements shown herein are proposed rather than a survey of as-built conditions.



NORTH

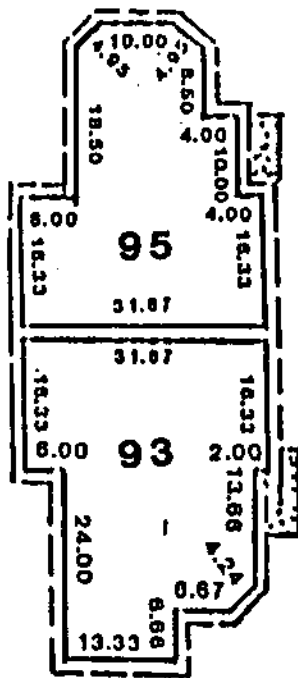


BUILDING DETAIL



CEILING ELEV. 33.35
FLOOR ELEV. 25.35

SECOND FLOOR



CEILING ELEV. 24.00
FLOOR ELEV. 16.00

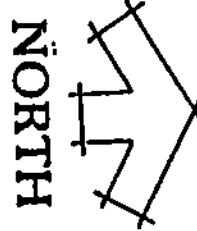
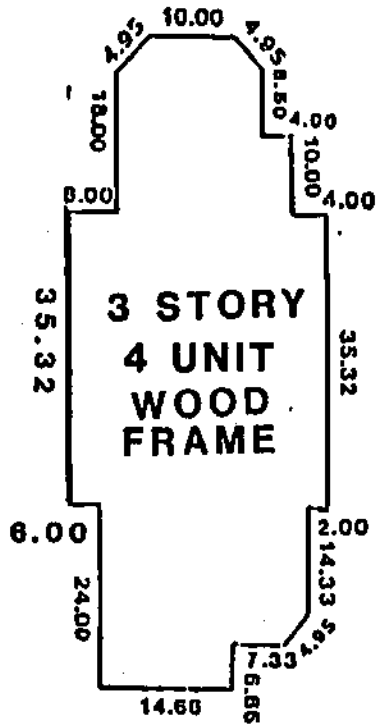
FIRST FLOOR

COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 93 THRU 96

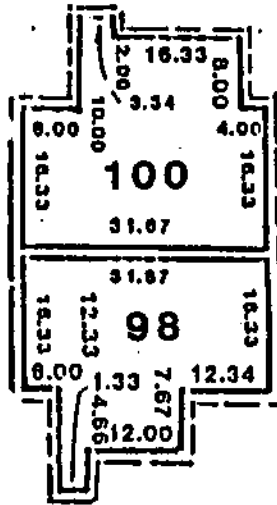
SUN BEACH CONDOMINIUMS

BUILDING NO. 13

All improvements shown herein are proposed rather than a survey of as-built conditions.

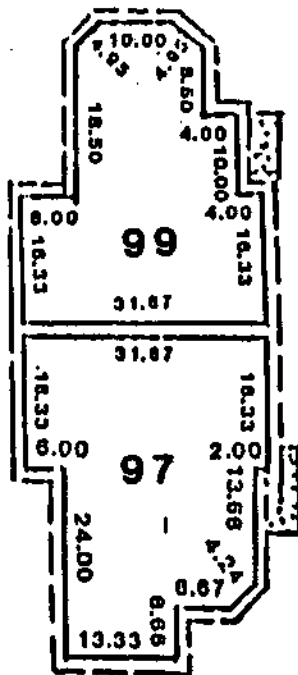


BUILDING DETAIL



CEILING ELEV. 33.35
FLOOR ELEV. 25.35

SECOND FLOOR



CEILING ELEV. 24.00
FLOOR ELEV. 16.00

FIRST FLOOR

COMMON ELEMENTS, LIMITED COMMON ELEMENTS,
AND CONDOMINIUM UNITS 97 THRU 100

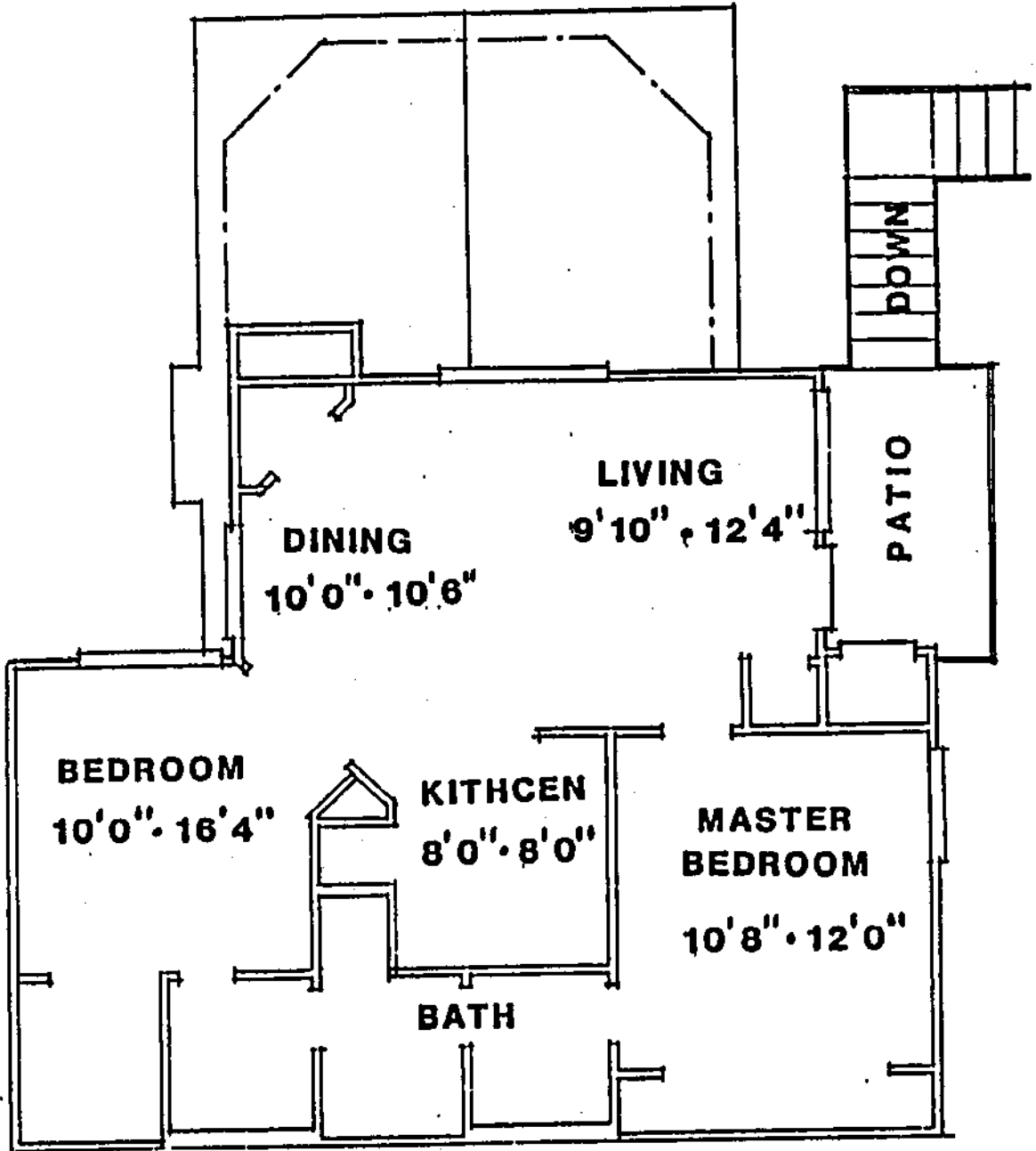
SUN BEACH CONDOMINIUMS
BUILDING NO.14

All improvements shown herein are proposed rather than a survey of as-built conditions.

SUN BEACH CONDOMINIUMS

27300316

BOOK PAGE
VOLUSIA COUNTY
FLORIDA



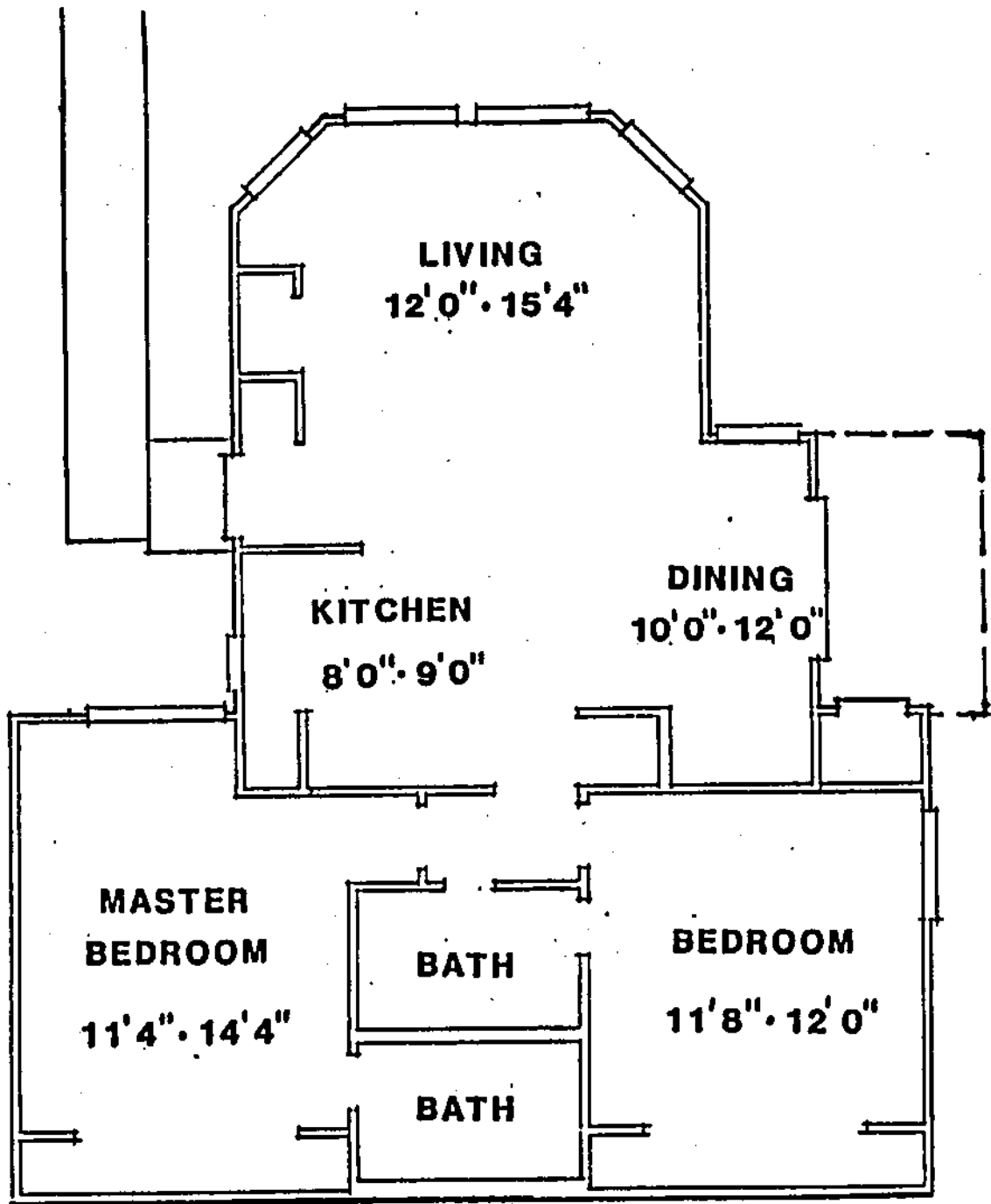
UNIT A

All improvements shown herein are proposed rather than a survey of as-built conditions.

SUN BEACH CONDOMINIUMS

2730031

BOOK PAGE
VOLUSIA COUNTY
FLORIDA



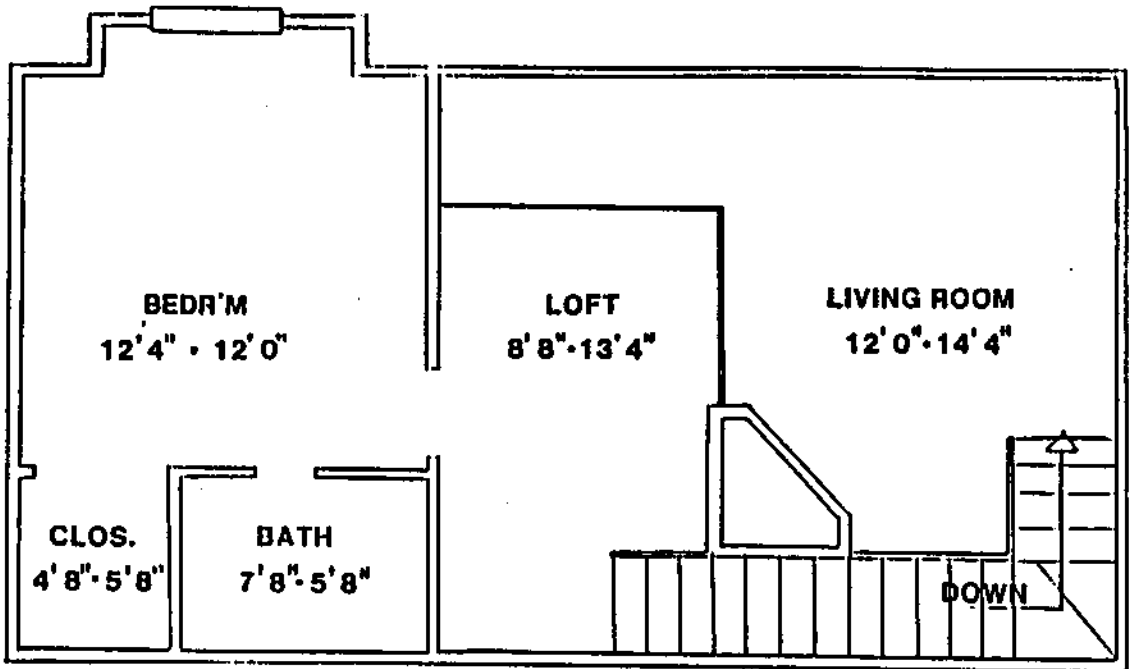
UNIT B

ALL improvements shown herein are proposed rather than a survey of as-built conditions.

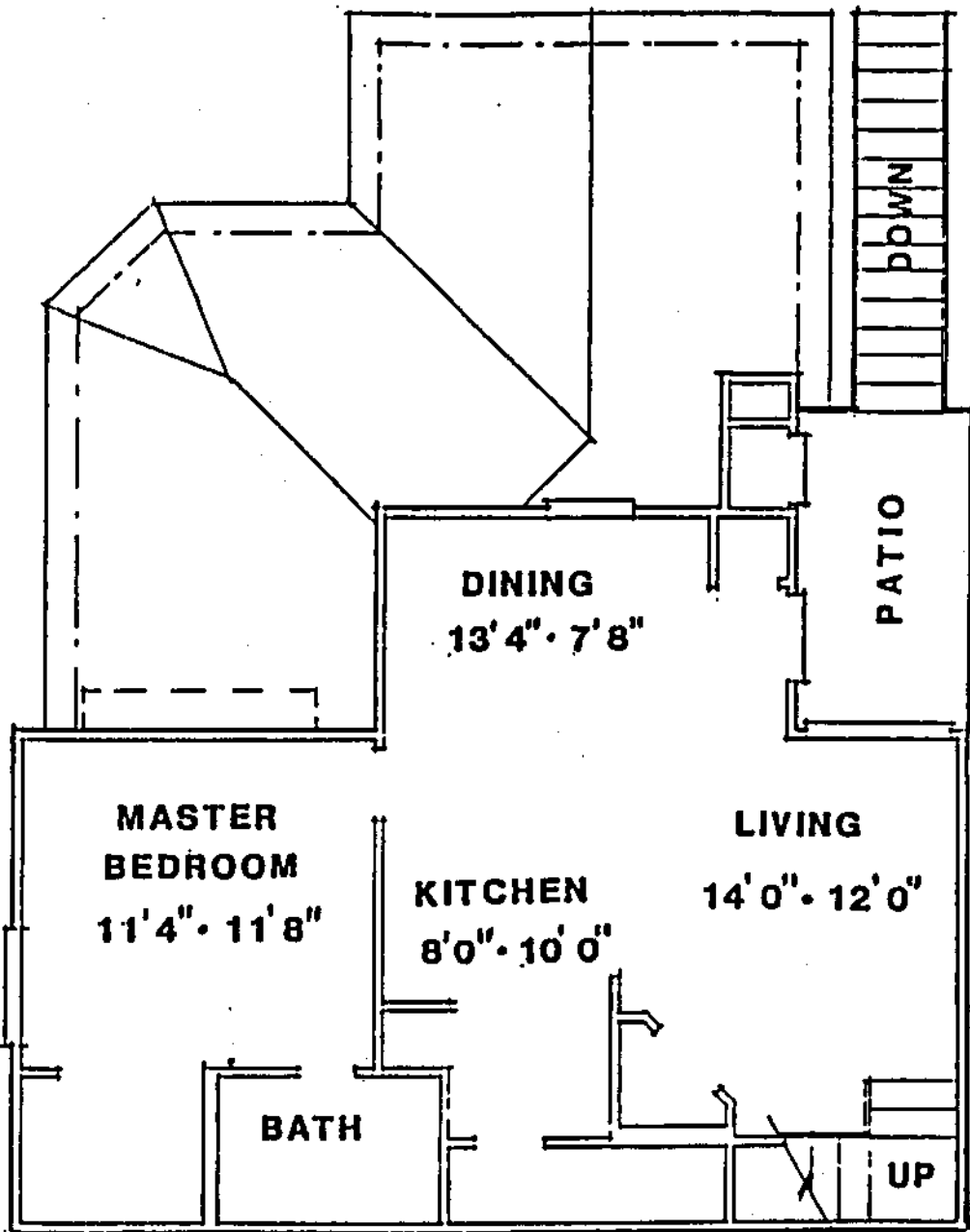
SUN BEACH CONDOMINIUMS

27300318

BOOK PAGE
VOLUSIA COUNTY
FLORIDA



LOFT



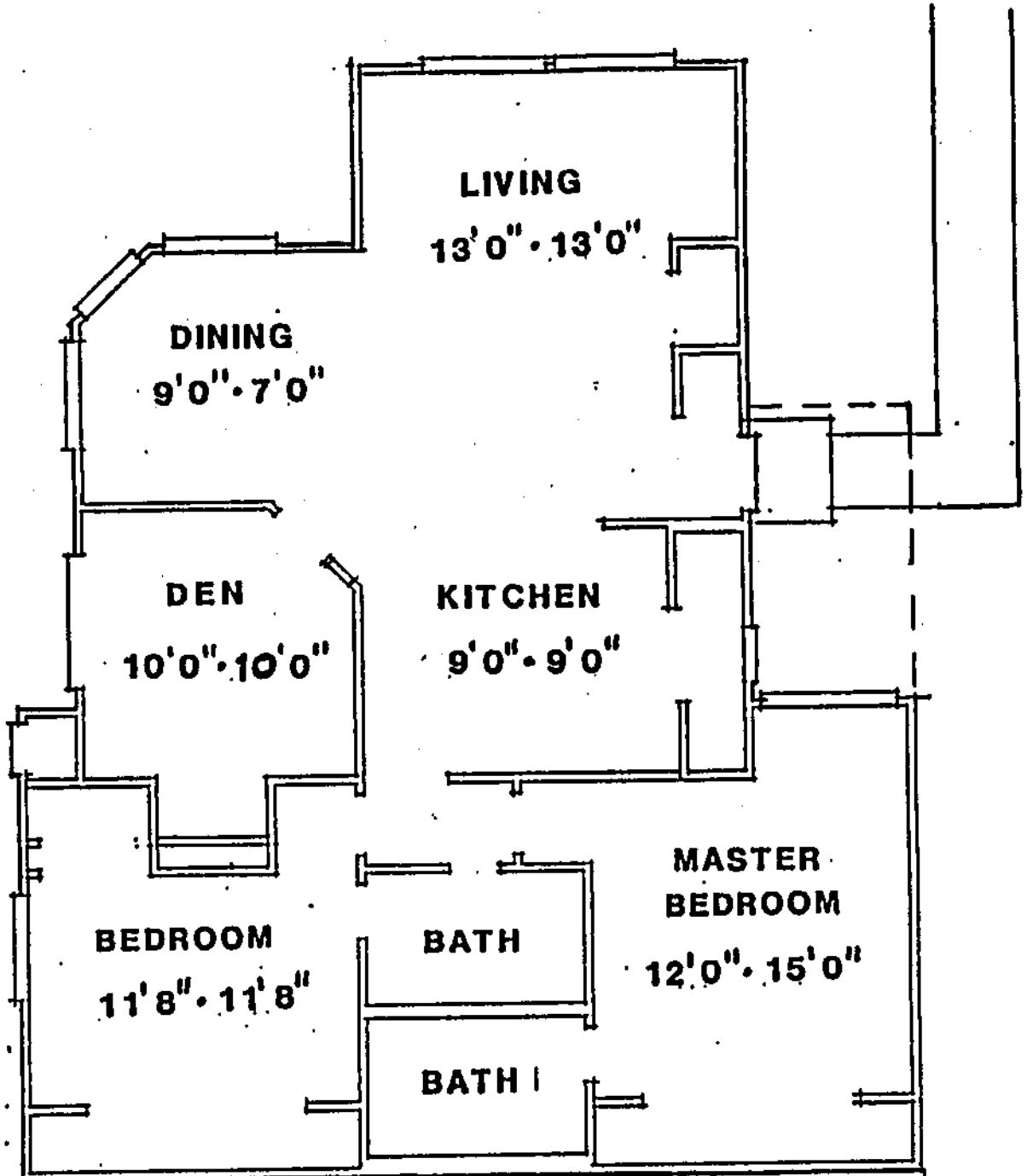
UNIT C

SHEET 19 OF 21

SUN BEACH CONDOMINIUMS

27300315

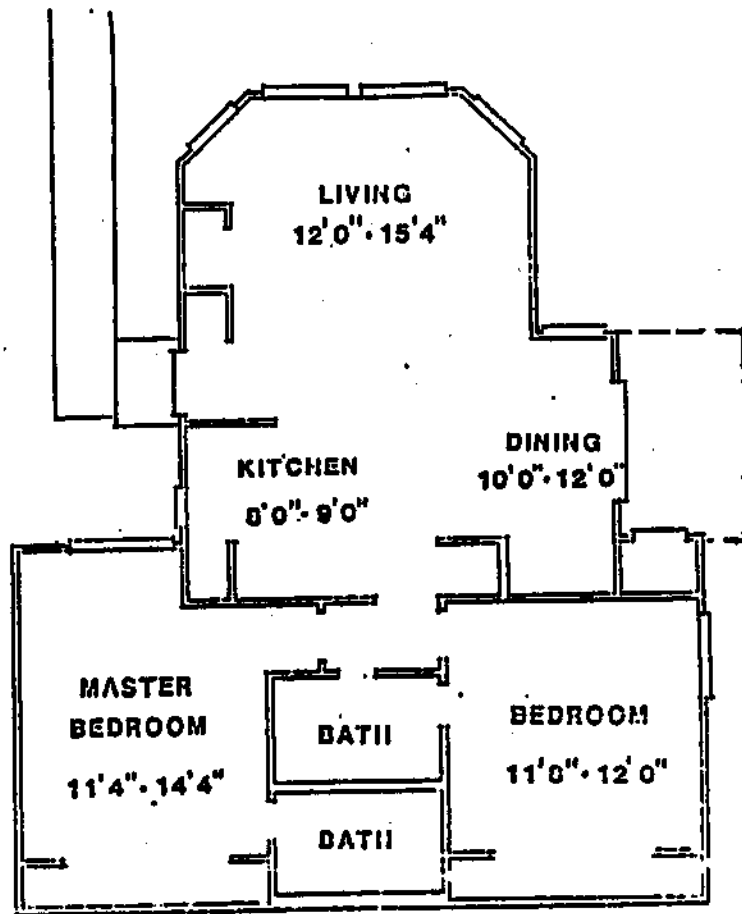
BOOK PAGE
VOLUSIA COUNTY
FLORIDA



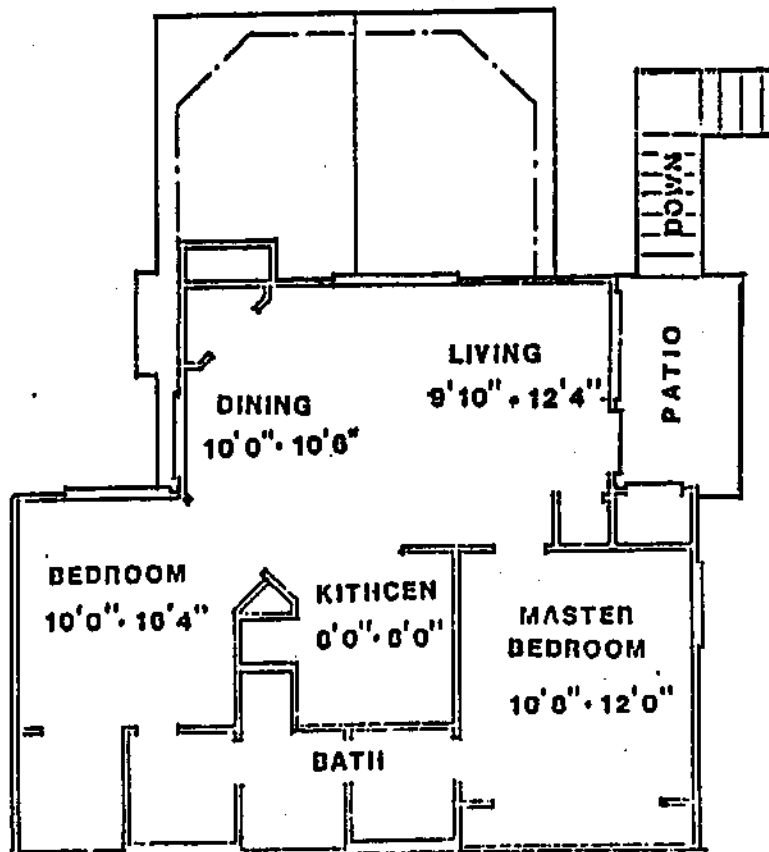
UNIT D

All improvements shown herein are proposed rather than a survey of as-built conditions.

SUN BEACH CONDOMINIUMS



second floor



first floor

UNIT E

ALL measurements shown herein are intended rather than a survey of as-built conditions.

PERCENTAGE OWNERSHIP OF EACH UNIT IN
COMMON ELEMENTS AND PERCENTAGE SHARE
OF EACH UNIT IN COMMON EXPENSES

<u>Building Number</u>	<u>Unit Number</u>	<u>Unit Type</u>	<u>Percentage Share of Common Expenses</u>
I	1	D	1/40th
I	2	C	1/40th
I	3	B	1/40th
I	4	A	1/40th
I	5	D	1/40th
I	6	C	1/40th
I	7	B	1/40th
I	8	A	1/40th
II	9	B	1/40th
II	10	A	1/40th
II	11	D	1/40th
II	12	C	1/40th
II	13	B	1/40th
II	14	A	1/40th
II	15	D	1/40th
II	16	C	1/40th
III	17	B	1/40th
III	18	A	1/40th
III	19	D	1/40th
III	20	C	1/40th
III	21	B	1/40th
III	22	A	1/40th
III	23	D	1/40th
III	24	C	1/40th
IV	25	B	1/40th
IV	26	A	1/40th
IV	27	D	1/40th
IV	28	C	1/40th
IV	29	B	1/40th
IV	30	A	1/40th
IV	31	D	1/40th
IV	32	C	1/40th
V	33	B	1/40th
V	34	C	1/40th
V	35	B	1/40th
V	36	A	1/40th
V	37	D	1/40th
V	38	C	1/40th
V	39	B	1/40th
V	40	A	1/40th
TOTAL			<u>100%</u>

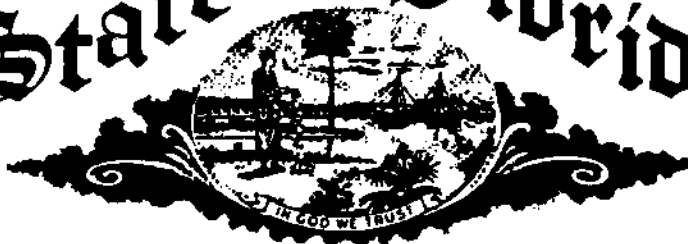
EXHIBIT "C" TO DECLARATION OF CONDOMINIUM

4380c

27900321

BOOK PAGE
COLUMN

State of Florida



Department of State

*I certify that the attached is a true and correct copy of the Articles
of Incorporation of*

SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

*a corporation organized under the Laws of the State of Florida,
filed on AUGUST 29, 1984*

The charter number for this corporation is N04902

GIVEN under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
29th. day of AUGUST 1984



George Firestone
Secretary of State

27300322

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

ARTICLES OF INCORPORATION

OF

SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC.
(A Corporation Not For Profit)

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

The undersigned Subscribers by these Articles associate themselves for the purpose of forming a corporation not for profit pursuant to Chapters 617 and 718 of the Florida Statutes and hereby adopt the following Articles of Incorporation:

ARTICLE I
NAME

The name of the corporation shall be SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC. (the "Association"), whose present address is 1015 Semoran Boulevard, Suite G, Casselberry, Florida 32707. The address of the Association may be changed by the Board of Directors without amendment to these Articles.

ARTICLE II
PURPOSE

The purpose and objects of the Association shall be to administer, operate and manage the SUN BEACH CLUB CONDOMINIUM, Seminole County, Florida (the "Condominium"), a condominium project to be established in accordance with the Condominium Act of the State of Florida (the "Condominium Act") and to undertake the performance of the acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and in the Declaration of Condominium (the "Declaration") which will be recorded in the Public Records of Volusia County, Florida, at the time the property referred to in the Declaration and the improvements now or hereafter situate thereon are submitted to a plan of condominium ownership, and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the Condominium. The Association shall be conducted as a non-profit organization for the benefit of its members.

ARTICLE III
POWERS

The powers of the Association shall be governed by the following provisions:

1. Except as may be limited by these Articles of Incorporation, the Declaration and the Condominium Act, the Association shall have all of the common law and statutory powers and privileges of a corporation not for profit.

2. The Association shall have all of the powers and duties set forth in the Condominium Act and all powers and duties reasonably necessary to implement and effectuate the purposes of the Association, including, but not limited to, the following:

EXHIBIT "D"

(a) To make and amend reasonable rules and regulations governing the use of Condominium Units, Common Elements and Limited Common Elements, if any, in the Condominium, as said terms are defined in the Declaration.

(b) To levy and collect assessments against members of the Association to defray the Common Expenses of the Condominium as may be provided in the Declaration and in the Bylaws of the Association which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including Condominium Units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration.

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

(d) To contract for the management of the Condominium and of any facilities used by the Unit Owners and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Administration or of the members of the Association.

(e) To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Association which may hereafter be adopted, and the rules and regulations governing the use of the Condominium as the same may hereafter be established.

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

(g) To execute contracts, deeds, mortgages, leases and other instruments by its officers, and to own, convey and encumber real and personal property.

(h) To institute legal proceedings to protect any rights of the Association or the Condominium Unit Owners as a group and to settle such suit as it deems in the best interests of the Association or Condominium Unit Owners without obtaining the approval of the Condominium Unit Owners to such settlement unless such approval is specifically required by the Bylaws.

(i) To obtain and maintain adequate insurance to protect the Association and the Common Elements.

(j) To employ personnel to perform the services required for proper operation of the Condominium.

(h) To borrow money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance of the Common Elements; provided, however, that (i) the consent of at least two-thirds (2/3rds) of the voting members, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$20,000.00, (ii) no lien to secure repayment of any sum borrowed may be created on any Unit without the consent of the Owner of such Unit.

ARTICLE IV
MEMBERS AND QUORUM

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

1. The owners of all Condominium Units in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership, except as provided in paragraph 5 of this Article IV.
2. Membership in the Association shall be established by the acquisition of a fee title or fee ownership interest in a Condominium Unit in the Condominium, whether by conveyance, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to, or his entire fee ownership in, any Condominium Unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own a fee ownership interest in two or more Condominium Units, so long as such party shall retain fee title to, or fee ownership interest in, any Condominium Unit.
3. The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Unit. The funds and assets of the Association shall be subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein.
4. On all matters on which the membership shall be entitled to vote, there shall be only one vote for each Condominium Unit in the Condominium. The votes may be exercised or cast by the owner or owners of each Condominium Unit in such manner as may be provided in the Bylaws hereafter adopted by the Association. Should any member own more than one Condominium Unit, such member shall be entitled to exercise or cast one vote for each Condominium Unit he owns in the manner provided by the Bylaws.
5. Until such time as the Condominium is submitted to condominium ownership by the recordation of the Declaration, the membership of the Association shall be comprised of the Subscribers to these Articles of Incorporation, and in the event of the resignation or termination of any Subscriber as a member of the Association, the remaining Subscribers may nominate and designate a successor member. Each of the Subscribers shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote. Upon submission of the Condominium to condominium ownership by recordation of the Declaration, the Subscribers' rights and interests as members of the Association shall automatically terminate; and the Condominium Unit owners within the Condominium, which shall mean in the first instance the Developer as the owner of all Condominium Units, shall be entitled to exercise all of the rights and privileges of membership in the Association.
6. The presence at a meeting of persons entitled to cast 33 1/3% of the votes of the members shall constitute a quorum at a meeting of the members. If a quorum is present, the acts approved by a majority of those present at the meeting and entitled to vote on the subject matter shall constitute the acts of the member.

ARTICLE V
TERM

The Association shall have perpetual existence.

ARTICLE VI
OFFICERS

The affairs of the Association shall be managed by a President, a Vice President, a Secretary and a Treasurer, and such additional Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Administration may designate from time to time. The President shall be elected from the membership of the Board of Administration, but no other officer need be a member of the Board of Administration. Any person may hold two offices, the duties of which are not incompatible. The Board of Administration or the President, with the approval of the Board of Administration, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Association or the Board of Administration or an officer of the Association, as the case may be.

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

<u>NAME</u>	<u>OFFICE</u>
Sam Coniglio	President
Don Kafka	Vice President
Pam Ryan	Treasurer, Secretary

ARTICLE VII
ASSOCIATION CONTROL

The number of members of the first Board of Administration ("Directors") of the Association shall be three. The number of Directors on succeeding Boards of Administration shall not be less than three nor more than seven. The Directors shall be elected by the members of the Association at the Annual Meeting of the membership as provided by the Bylaws of the Association. So long as the Developer owns any Condominium Unit in any phase of the Condominium, the Developer shall have the right to elect the entire Board of Administration subject to the following:

1. Notwithstanding the foregoing, when Unit owners other than the Developer own fifteen percent (15%) of the Units contemplated in the Condominium, the Unit Owners other than the Developer shall be entitled to elect one-third (1/3) of the members of the Board of Administration of the Association. Unit Owners other than the Developer shall be entitled to elect a majority of the members of the Board of Administration (i) three (3) years after fifty percent (50%) of the Units to be ultimately operated by the Association have been conveyed by the Developer to Purchasers or (ii) three (3) months after

ninety percent (90%) of the Units to be ultimately operated by the Association have been conveyed by the Developer to Purchasers, or (iii) 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 Developer in the ordinary course of business, or (iv) 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 (v) six (6) years after the date the Declaration of Condominium is recorded in the Volusia County Public Records whichever shall first occur, or (vi) 120 days after the date when 75% of the units that will be operated ultimately by the Association have been conveyed to unit purchasers. The Developer shall be entitled to elect not less than one (1) member of the Board of Administration so long as the Developer holds for sale in the ordinary course of business at least 5 percent of the total Units to be operated by the Association.

Within sixty (60) days after Unit Owners other than the Developer are entitled to elect a member or members of the Board of Administration of the Association the Association shall call and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the Unit Owners for this purpose. Such meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

2. While the Developer owns any Units in the Condominium, none of the following actions may be taken without approval in writing by the Developer:

a. Assessment of the Developer as a Unit Owner for capital improvements.

b. Any action by the Association that would be detrimental to the sales of Units by the Developer.

3. Vacancies in the Board of Administration shall be filled for the unexpired term by the remaining Directors at any regular or special meeting of the Board of Administration. Directors elected by the members of the Association, as distinguished from those Directors elected by the Developer, shall be members of the Association; provided however that employees of a management company managing the Condominium may serve as Directors of the Association if elected to such position by the Unit Owners other than the Developer, by the Developer or by the Board of Administration when it is seeking to fill a vacancy. Until each Unit is sold one time, the Developer shall have the complete and absolute right to determine to whom the Unit is to be sold and to make such sale without procuring the approval of (a) this Association or its Officers or Board of Administration, or (b) the members of this Association or the owners of the Condominium Units, or (c) any parties whomsoever.

4. Prior to or not more than sixty (60) days after Unit Owners other than the Developer elect a majority of the members of the Board of Administration, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. At such time, the Developer shall deliver to the Association those items specifically enumerated in Section 718.301 of the Florida Statutes.

ARTICLE VIII
BOARD OF ADMINISTRATION

The names and post office addresses of the first Board of Administration who, subject to the provisions of these Articles of Incorporation, the Bylaws and the laws of the State of Florida, shall hold office for the first year of the Association's existence or until their successors are elected and have qualified, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Don Kafka	1015 Semoran Boulevard, Suite G Casselberry, Florida 32707
Sam Coniglio	1015 Semoran Boulevard, Suite G Casselberry, Florida 32707
Pam Ryan	1015 Semoran Boulevard, Suite G Casselberry, Florida 32707

The Board of Administration shall manage the affairs of the Association in a manner consistent with the provisions of the Declaration of Condominium, the Bylaws and these Articles of Incorporation.

ARTICLE IX
SUBSCRIBERS

The names and post office addresses of the Subscribers to these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Don Kafka	1015 Semoran Boulevard, Suite G Casselberry, Florida 32707
Sam Coniglio	1015 Semoran Boulevard, Suite G Casselberry, Florida 32707
Pam Ryan	1015 Semoran Boulevard, Suite G Casselberry, Florida 32707

ARTICLE X
BYLAWS

The initial Bylaws of the Association are those annexed to the Declaration of Condominium to be made by Del Properties IV, Ltd., the Developer of the Condominium, and to be recorded among the Public Records of Volusia County, Florida. Such Bylaws, subject to the provisions herein and therein contained, may be altered, amended or added to in the manner provided by such Bylaws and in accordance with the requirements of Chapters 617 and 718, Florida Statutes.

ARTICLE XI
INDEMNIFICATION

Every member of the Board of Administration 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 to which he may be a party, or

in which he may become involved by reason of his being or having been a member of the Board of Administration or an officer of the Association, whether or not he is a member of the Board of Administration or an officer at the time such expenses are incurred, except in such cases wherein the member of the Board of Administration or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. In the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the member of the Board of Administration or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Administration approves such settlement and reimbursement as being in 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 member of the Board of Administration or officer may be entitled.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association on behalf of the director, officer, employee or agent in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Administration in the specific case, upon receipt of an undertaking by or on behalf of said director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

ARTICLE XII AMENDMENTS

An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Administration of the Association acting upon a vote of the majority of the Directors, or by the members of the Association owning a majority of the Condominium Units in the Condominium, whether meeting as members, or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by said Board of Administration or Association members, such proposed amendment or amendments shall be transmitted to the President of the Association or in the absence of the President, to any other officer of the Association, who shall call a Special Meeting of the members of the Association for a date no sooner than fifteen (15) days, nor later than forty-five (45) days from the receipt by him of the proposed amendment or amendments.

It shall be the duty of the Secretary to give each member written or printed notice of such meeting, stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form. The notice shall be posted in a conspicuous place on the Condominium property and be mailed or presented personally to each member not less than fifteen (15) days, nor more than thirty (30) days, before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting shall be deemed equivalent to the giving of such notice to such member.

At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of the members representing not less than seventy-five percent (75%) of the Association membership in order for such amendment or amendments to become effective. At any meeting held to consider such amendments of these Articles of Incorporation, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting. If an amendment is approved, such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State, State of Florida, and upon the registration of such amendment or amendments with said Secretary of State, a certified copy thereof shall be recorded in the Public Records of Volusia County, Florida, within thirty (30) days from the date on which the same are so registered.

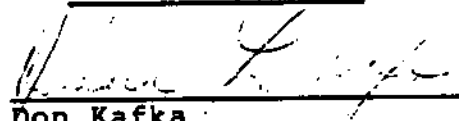
Notwithstanding the foregoing provisions of this Article XII, no amendment to these Articles of Incorporation which shall abridge, amend or alter the rights of the Developer (including the right to designate and select Directors as provided in Article VII hereof) may be adopted or become effective without the prior written consent of the Developer.

No amendment to these Articles of Incorporation shall be adopted which would operate to prejudice or impair the rights or privileges of any institutional first mortgagee as such rights and privileges have been established in the Declaration.

ARTICLE XIII
REGISTERED OFFICE AND AGENT

The initial registered office of this Corporation shall be at 1015 Semoran Boulevard, Suite G, Casselberry, Florida 32707 with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Sam Coniglio.


IN WITNESS WHEREOF, the Subscribers have hereunto set their hands and seals this 14th day of February, 1984.



Don Kafka



Sam Coniglio



Pam Ryan

27300329

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

STATE OF FLORIDA)
 : ss.
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority, personally appeared Sam Coniglio, Don Kafka and Pam Ryan, whom being first duly sworn, acknowledge that they executed the foregoing Articles of Incorporation of SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC. for the purposes therein expressed this 22nd day of August, 1984.

[Handwritten Signature]

NOTARY PUBLIC
State of Florida at Large

My Commission Expires:

Notary Public, State Of Florida At Large
My Commission Expires Feb 22, 1988
Bonded By SAICO Insurance Company of America

FILED
AUG 29 11:18 21
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

CERTIFICATE OF REGISTERED AGENT
OF

HIDDEN SPRINGS CONDOMINIUM ASSOCIATION, INC.

Pursuant to Chapters 48.091 and 617.023 of the Florida Statutes, the following is submitted in compliance therewith:

That SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Articles of Incorporation, in the County of Volusia, State of Florida, has named Donald Kafka, located at 1015 Semoran Boulevard, Suite G, Caselberry, State of Florida, as its agent to accept service of process within this State.

ACKNOWLEDGMENT

Having been named to accept service of process for the above stated corporation at the place designated in this Certificate, I hereby accept to act in this capacity and agree to comply with the provisions of all statutes relative to keeping open said office.

DATED this 23rd day of August, 1984.

Donald K. Kafka
Donald Kafka, Registered Agent

FILED
AUG 29 11:21
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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RULES AND REGULATIONS

OF

SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

1. The sidewalks, entrances, passages, vestibules, stairways, elevators, corridors, halls and like portions of the Common Elements of the Condominium Buildings shall not be obstructed or used for any purpose other than ingress and egress to and from Condominium Units.

2. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed on any part of the outside of a Condominium Unit or Building or on any part of the Common Elements without prior written consent of the Association. Additionally, no awning, canopy, shutter or other projection shall be attached to or placed upon the outside walls or roof of the building unless approved by the Association.

3. Children under the age of 12 may not use the pool except in the presence and subject to the supervision of an adult.

4. Neither the exterior of the Condominium Units, including all appurtenances, nor any part of the Common Elements shall be painted, decorated or modified by any Condominium Unit Owner or resident without the prior written consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association.

5. A Unit Owner shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of the building, nor shall such Unit Owner screen or otherwise enclose his connecting balcony, atrium, terrace or roof deck without the consent of the Association. Curtains and drapes (or linings thereof) blinds, shutters, shades or other window covering which face on exterior windows or glass doors of Units shall be white or off-white in color.

6. Nothing other than balcony-type furniture and plants may be kept on patios, balconies, atriums, terraces and roof decks.

7. The exterior portions of all doors which face Common Elements shall be uniform in appearance and color and all exterior hardware shall be identical.

8. No door mats may be placed in the hallways or corridors and no ornaments or decorations may be hung on the walls of the hallways and corridors.

9. No Unit Owner may install or permit to be installed any window air conditioning unit in his Unit or in the Common Elements.

10. No radio or television installation may be permitted in a Unit which interferes with the television or radio reception of another Unit. No antenna or aerial may be erected or installed by a Unit Owner on the roof or exterior walls of the building and, if same is erected or installed, it may be

removed, without notice, by the Association at the cost of the Unit Owner installing same. Citizens band and ham radio installations are strictly prohibited.

11. All doors leading from the Condominium Unit to Common Elements shall be closed at all times except when in actual use for ingress and egress.

12. No Condominium Unit Owner or resident shall play upon or permit to be played any musical instrument or operate or permit to be operated a phonograph, radio, television set or other loudspeaker in a Condominium Unit between the hours of 11:00 P.M. and the following 8:00 A.M. if the same shall disturb or annoy other occupants of the Condominium. X

13. All garbage and refuse are to be deposited only in the facilities provided for that purpose.

14. No garbage cans, supplies, milk bottles, or other articles shall be placed in the halls, balconies, or staircase landings, nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles, be shaken or hung from any of the windows, doors or balconies, terraces, roof decks, patios or the like.

15. There shall not be kept in any Condominium Unit or in any storage facility any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use. The Association will not be responsible for loss of or damage to any property in the storage rooms.

16. Pets shall not in any way disturb any other Condominium Unit Owners and shall be kept on leashes at all times or hand carried throught the Common Elements of the Condominium Property. Pets must be with their owners at all times. A Unit Owner may keep one (1) cat or one (1) dog, fish in a fish tank or small caged birds. No other pets are permitted. Lessees, tenants or guests are not permitted to keep any pets.

17. Condominium Unit Owners may only have four guests at any one time in the pool without prior written approval of the Association. X

18. Pool regulations posted in the pool area must be observed at all times. Pets are not permitted in the pool or pool area.

19. Any automobile improperly parked in a space reserved for any Condominium Unit Owner may be towed away at the automobile owner's expense. Automobiles belonging to residents of the Condominium must bear the identifying garage sticker, if any, provided by the Association.

20. Parking areas may be used only for the purposes permitted by the Declaration. By way of illustration, no skateboarding or bicycle riding shall be permitted in the parking areas. Car washing is permitted only in the area, if any, designated by the Association for such purpose.

21. No motor vehicle which cannot operate on its own power shall remain on the premises for more than twenty-four (24) hours, and, except in emergencies, there shall be no repairs of motor vehicles made while on the Condominium Property.

22. Employees of the Association are not to be sent out of the building by Unit Owners for personal errands. The Board of Administration and/or its management agent shall be solely responsible for supervising employees of this Association.

23. The personal property of Unit Owners must be stored either in their respective Units, or (if applicable) assigned storage areas.

24. No Unit Owner shall make or permit any disruptive noises or noxious fumes in the building, or permit any conduct by any persons that will interfere with the rights, comforts, or conveniences of other Unit Owners.

25. The Association may retain a passkey to all Units. No Unit Owner shall alter any lock or install a new lock without the written consent of the Association. Where such consent is given, the Unit Owner shall provide the Association with an additional key.

26. A Unit Owner who plans to be absent during the hurricane season, must prepare his Unit prior to his departure by:

(a) Removing all furniture, plants and other objects from his patio, terrace, atrium, roof deck or balcony; and

(b) Designating a responsible firm or individual if other than the Association, to care for his Unit, should the Unit suffer hurricane damage, and furnishing the Association with the names of such firm or individual. Such firm or individual shall contact the Association for clearance to install or remove hurricane shutters, and such parties shall be subject to the approval of the Association.

27. Food and beverages may not be consumed outside of a Unit and its appurtenant patio, balcony or roof deck, except in designated areas. There shall be no cooking on balconies or roof decks.

28. No drilling of floors or ceilings is allowed for attachment or hanging of any material, including, without limitation, planters and hammocks, unless reviewed and approved under competent engineering supervision as required by management.

29. Boats, motorcycles, trailers, campers or recreational vehicles of any sort shall be kept in the corral at all times.

30. Fire Exits shall not be obstructed in any manner.

31. No commercial or business purpose shall be conducted in any Unit. No Unit Owner may actively engage in solicitation for commercial purposes.

32. Recreation facilities may be reserved for private parties only through the Manager. A security deposit of \$100.00 will be collected for damages and clean up. Each person will be required to pay for maid service for clean up of clubhouse, pool area and restrooms. All functions must conclude by 11:00 p.m.

33. The roof other than roof decks reserved for the exclusive use of a particular Unit is off limits to everyone except persons engaged in the maintenance and inspection of the building.

34. Before a Unit is to be occupied by guests in the absence of the Unit Owner, a written guest identification notice listing names and length of stay must be furnished to the Manager.

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BOOK PAGE
VOLUNIA COUNTY
FLORIDA

35. No Unit Owner or Occupant may alter, change or remove any furniture, furnishings or equipment in the Common Elements.

36. A Unit Owner shall be liable for the expense of any maintenance, repair, replacement or damage to the Common Elements rendered necessary by his or her acts or by those of any member of such Unit Owner's family or the guests, employees, agents or lessees of the Unit Owner or his family.

37. No Unit Owner or lessee shall invite in his absence any person not in residence to use the Condominium facilities.

38. A Unit Owner seeking to make an alteration, addition or improvement to his Unit shall submit the plans and specifications for same to the Board of Administration whether or not the approval of the Board is required under the terms of the Declaration of Condominium or the Bylaws of the Association. A Unit Owner who causes damage to another Unit or to Common Elements as a result of his making an alteration, addition or improvement to his Unit shall be liable therefor to the Owner of such other Unit or to the Association as the case may be.

In the event of conflict between the provisions of these Rules and Regulations and the Bylaws of the Association or the Declaration of Condominium, the Bylaws shall supersede the Rules and Regulations and the Declaration of Condominium shall supersede both.

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BYLAWS

OF

SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC.
(A Corporation Not For Profit)

I. Identity. These are the Bylaws of SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC. (the "Association"), a non-profit Florida corporation, organized pursuant to Chapters 617 and 718, Florida Statutes, for the purpose of administering SUN BEACH CLUB CONDOMINIUM, a condominium of lands lying and being situate in Volusia County, Florida.

1. Office. The office of the Association shall be at the premises of the condominium or at such other place in Volusia County, Florida as may be designated by the Board of Administration.

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

3. Definitions. The terms used in these Bylaws shall have the same definitions and meaning as those set forth in the Declaration of Condominium, unless otherwise indicated herein.

II. Members.

1. Qualification. The members of the Association shall consist of all of the record owners of Condominium Units to the extent that the Developer owns a unit it shall be a member of the Association. Each Condominium Unit shall be entitled to one vote.

2. Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Volusia County, Florida, a deed or other instrument establishing record title to a Condominium Unit in the Condominium and delivering to the Association a true 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. The Association may issue certificates of membership.

3. Voting Rights. The members of the Association shall be entitled to cast one vote for each Condominium Unit owned by them. The vote of a Unit shall not be divisible.

4. Exercise of Voting Rights.

(a) Designation of Voting Representative. If a Condominium Unit is owned by one person, his right to vote shall be established by the record title to his Condominium Unit. If a Condominium Unit is owned by more than one person, the person entitled to cast the vote for the Condominium Unit shall be designated by a certificate signed by all of the record owners of the Condominium Unit and filed with the Secretary of the Association provided, however, that where a Unit is owned by husband and wife they may elect to be governed by Section 4 (b) (ii) hereof. If a Condominium Unit is owned by a corporation, the person entitled to cast the vote for the Condominium Unit shall be designated by a certificate of appointment signed by an officer of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Condominium Unit concerned occurs. A certificate designating the person entitled to cast the vote of a Condominium Unit may be revoked by any owner thereof upon written notice to the Association.

(b) Effect of Failure to File a Certificate

(i) Generally. Unit Owners who were required but failed to file a certificate as provided above shall not be considered voting members for purposes of determining whether quorums exist at membership meetings and shall not be permitted to vote at meetings on any issue.

(ii) Ownership by Spouses. If a husband and his wife who own a Unit have not filed a certificate designating one of them as a voting member, the presence (in person or by proxy) of either or both of them at a membership meeting shall be considered the presence of a voting member for purposes of determining whether a quorum exists at the meeting. If a husband and his wife have failed to file a certificate designating one of them as a voting member and only one of them is present at a membership meeting (in person or through representation by proxy), the vote of the present spouse shall be considered the vote of a voting member. If both of them are present (in person or through representation by proxy), the vote of either or both of them on any given issue voted upon at that meeting shall be considered the vote of a single voting member unless they are unable to concur in how to vote on the issue, in which latter case they shall lose their right to vote on such issue at that meeting.

5. Approval or Disapproval of Matters. Whenever the decision of a Condominium 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 of Condominium, the Articles of Incorporation, or these Bylaws.

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 Condominium Unit.

III. Members' Meetings.

1. Annual Members' Meeting. The annual members meeting shall be held on the date, at the place in Volusia County, and at the time, determined by the Board of Administration from time to time, provided that there shall be an annual meeting no later than thirteen (13) months after the last preceding annual meeting. The purpose of the meeting shall be to elect the Board of Administration and to transact any other business authorized to be transacted by the members. The annual meeting may be waived by unanimous agreement of the members in writing. The first annual meeting must be within twelve (12) months from the date that the Declaration of Condominium is recorded in the Public Records of Volusia County, Florida.

2. Special Members Meetings. Special members meeting shall be held whenever called by a majority of the Board of Administration and must be called by the Board of Administration upon receipt of a written request from members entitled to cast 10 percent of the votes of the entire membership.

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, shall be posted at a conspicuous place on the Condominium Property and shall be furnished to each member at his address as it appears on the books of the Association and shall be mailed and posted not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the meeting. Proof of mailing shall be given by affidavit of the person giving the notice. The Post Office

certificate of mailing shall be retained as proof of such mailing. Notice of meeting may be waived before or after meetings.

4. Quorum. A quorum at a meeting of the members shall consist of persons entitled to cast 33 1/3 percent of the votes of the Association. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, 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.

5. 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 particular meeting designated therein and any lawful adjournments thereof and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it, and in no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Each proxy shall specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy for him, the date, time and place of the meeting for which the proxy is given and, if a limited proxy, the items which the holder of the proxy may vote on and the manner in which the vote is to be cast.

6. 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.

7. 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 Board of Administration.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

8. Minutes of Meeting. The minutes of all members meetings shall be kept in a book available for inspection by members or their authorized representative and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

IV. Board of Administration.

1. Membership. The affairs of the Association shall be managed by a Board of Administration consisting of not less



than 3 nor more than 7 Directors, the number to be determined from time to time by the members of the Association. Except for Directors elected by the Developer and except for Directors who are employees of the management company providing management services for the Condominium and who serve as Directors in the course of such employment, each Director shall be a person entitled to cast a vote in the Association and no Director shall serve on the Board after he ceases to be entitled to cast a vote in the Association.

2. Election of Directors. The Board of Administration named in the Articles of Incorporation of the Association shall serve until their successors are duly elected and qualified. The Board of Administration shall be elected at the annual meeting of Association members. There shall be no cumulative voting for Directors. The persons receiving the most votes for such positions shall be the Directors. A Director may be removed at any time with or without cause, upon the affirmative vote of a majority of the entire membership of the Association called for such purpose or by the vote or agreement in writing of a majority of all Unit Owners. Provided, however, that until a majority of the Directors are elected by the members other than the Developer of the Condominium, neither the first Directors of the Association nor any Directors replacing them nor any Directors named by the Developer shall be subject to removal by members other than the Developer. The first Directors and Directors replacing them may be removed by the Developer.

3. Vacancies. If a vacancy in the position of Director shall come about as a result of the removal of a Director by the members, such vacancy shall be filled by the members at the same meeting wherein such vacancy is created. If a vacancy in the position of Director shall occur for any other reason, such vacancy shall be filled by the majority vote of the remaining Directors.

4. Term. The term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

5. Organization Meeting. The organization meeting of a newly elected Board of Administration shall be held within 10 days of their election at such place and time as shall be fixed by the Director at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

6. Regular Meetings. Regular meetings of the Board of Administration may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph at least 3 days prior to the day named for such meeting.

Meetings of the Board of Administration shall be open to all Unit Owners. Notice of the meeting shall be posted conspicuously on the Condominium Property at least 48 hours in advance except in an emergency. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

7. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third of the Directors. Not less than 3 days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

8. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

9. Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Administration. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Administration, except where approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation, or these Bylaws.

10. Adjourned Meetings. If at any meeting of the Board of Administration there be 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 which might have been transacted at the meeting originally called may be transacted without further notice.

11. Presiding Officer. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

12. Directors' Fees. Directors may be compensated for their services. Directors' fees, if any, shall be determined by the members of the Association.

13. Director's Meetings. Meetings of the Board of Administration shall be open to all members of the Association, and, except in an emergency, notices of all meetings shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours in advance; provided, however, no members of the Association other than Directors may participate in the meetings. A notice of any meetings where assessments against Association members are to be considered for any reason shall contain a specific statement that assessments will be considered and shall indicate the nature of any such assessments.

14. Minutes of Meetings. The minutes of all meetings of the Board of Administration shall be kept in a book available for inspection by the members, or their authorized representative and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

V. Powers and Duties of the Board of Administration. All of the powers and duties of the Association as a corporation not for profit under Chapter 617, Florida Statutes and as a Condominium Association under the Condominium Act, Declaration of Condominium, the Articles of Incorporation, and these Bylaws shall be exercised exclusively by the Board of Administration, its agents or contractors, subject only to approval by Association members only when such approval is specifically required. Such powers and duties of the Association shall include but shall not be limited to the following, subject, however, to the provisions of the Declaration of Condominium, the Articles of Incorporation, and these Bylaws:

1. To make and collect assessments against members to defray the costs and expenses of the Condominium and of the Association.

2. To use the proceeds of assessments in the exercise of its powers and duties.

3. To make additions and improvements to and to maintain, repair, replace and operate the Condominium Property.

4. To purchase insurance upon the Condominium Property and insurance for the protection of the Association and its members.

5. To reconstruct improvements after casualty and further improve the Condominium Property.

6. To make and amend reasonable rules and regulations respecting the use of the property in the Condominium in the manner provided by the Declaration of Condominium. The rules and regulations of the Association, until amended, shall be as set forth and attached hereto as Schedule "A". The Rules and Regulations may be amended by the vote of the majority of the Directors at a meeting of the Board of Administration or by a vote of a majority of the members.

7. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, the Bylaws, and the Regulations for the use of the property in the Condominium.

8. To acquire ownership or other possessory or use interest in lands and/or recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation, or other use or benefit of the Condominium Unit.

9. To purchase and sell, lease, mortgage, transfer, acquire or otherwise deal with Condominium Units in the Condominium.

10. To maintain accounting records for the Association which records shall include but not be limited to the record of all receipts and expenditures and an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid upon the account and the balance due.

11. To enter each Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units.

12. To maintain bank accounts on behalf of the Association and to designate the signatories required therefor.

13. To employ and dismiss the personnel necessary for the maintenance and operation of the Common Elements.

14. To levy fines against the members for violations of the rules and regulations established by it to govern the conduct of the members.

15. To borrow money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance of the Common Elements; provided, however, that (i) the consent of the Unit Owners of at least two-thirds (2/3rds) of the Units, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$20,000.00, (ii) no lien to secure repayment of any sum borrowed may be

created on any Unit without the consent of the Owner of such Unit. If any sum borrowed by the Association pursuant to authority contained in this subparagraph (p) is not repaid by the Association, a Unit Owner, who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

16. To contract for the management of the Condominium and to delegate to such contractor such powers and duties of the Board of Administration as the Board may deem appropriate in the circumstances, except those which may be required by the Declaration and these Bylaws to have approval of the Board of Administration or other Unit Owners; to contract for the management or operation of portions of the Condominium Property susceptible to separate management or operation thereof; and to grant concessions for the purpose of providing services to the Unit Owners.

17. To authorize Unit Owners or others to use portions of the Common Elements such as social rooms, meeting rooms, pool terraces, etc., for private parties and gatherings and the right to impose reasonable charges in connection with such private uses.

VI. Officers.

1. Officers and Elections. The executive officers of the Association shall be the President, who shall be a Director, a Vice President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Administration and any of whom may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices. The Board of Administration shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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 the 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 to be appropriate, to assist in the conduct of the affairs of the Association. He shall serve as chairman of all Board and members' meetings.

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 other duties as shall be prescribed by the Directors.

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 an association and as may be required by the Directors or the President.

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 he shall perform all other duties incident to the office of Treasurer of an association.

6. Compensation. The compensation of all officers shall be fixed by the members at their annual meeting.

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 to which he may be a party, or in which he may become involved, or any settlement thereof, 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 guilty of willful misfeasance or malfeasance in the performance of his duties, provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Administration approves such settlement and reimbursement as being in the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

VII. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

1. Accounts. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) Current Expenses. Current expenses shall include all funds and expenditures to be made within the year for which the funds are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year or to fund reserves.

(b) Reserve for Capital Expenditures and Deferred Maintenance. Reserves for capital expenditures and deferred maintenance shall include funds for repair or replacement required because of damage, depreciation, or obsolescence and for maintenance items that occur less frequently than annually. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item.

2. Budget. The Board of Administration shall adopt a detailed budget for each calendar year which shall show the amounts budgeted by accounts and expense classifications and which shall include the estimated funds for the foregoing reserves; provided, however, reserves shall not be required if a majority of the members of the Association present at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. A copy of the proposed budget shall be mailed to the Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of that meeting, which shall state that such meeting shall be open to all Unit Owners. If a budget is adopted by the Board of

Administration which requires assessments against the Unit Owners in any fiscal or calendar year exceeding 115% of such assessments for the preceding year, then upon written application of ten percent (10%) of the Unit Owners, a special meeting of the Unit Owners shall be held upon not less than ten (10) days written notice to each Unit Owner, but within thirty (30) days of the delivery of such application to the Board of Administration or any member thereof, at which special meeting the Unit Owners may consider and enact a revision of the budget, or recall any and all members of the Board of Administration and elect their successors. In either case, unless the Declaration of Condominium or Articles of Incorporation shall require a larger vote, the revision of the budget or the recall of any and all members of the Board of Administration shall require a vote of not less than a majority of the whole number of votes of all Unit Owners. The Board of Administration may in any event propose a budget to the Unit Owners at a meeting of members or by writing, and if such proposed budget be approved by the Unit Owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be re-examined by the Unit Owners in the manner hereinabove set forth nor shall the Board of Administration be recalled under the terms of this Section. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for the repair or replacement of the Condominium Property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the Condominium Property shall be excluded from the computation. Provided, however, that so long as the Developer is in control of the Board of Administration, the Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the Unit Owners.

3. Assessments.

(a) Annual Assessments. Assessments against the Condominium Unit Owners for their share of the items of the budget shall be made for the calendar year annually in advance on or before December 20th preceding the year for which the assessments are made. Such assessments shall be due in 12 equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Administration. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the Board of Administration. Until the first annual assessment shall be determined by the Board of Administration of the Association, assessments shall be as set forth in the operating budget attached hereto as Exhibit B.

(b) Special Assessments. Special assessments shall be due only after thirty (30) days notice is given to the Unit Owners concerned, and shall be paid in such manner as the Board of Administration of the Association may require in the notice of assessment.

(c) Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an assessment, the Board of Administration may accelerate the remaining installments of the assessment upon notice to the Unit Owner, and the then unpaid balance of the

assessment shall be due upon the ^{VALUSIA COUNTY} ~~VALUSIA COUNTY~~ ^{FLORIDA} ~~FLORIDA~~ stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten days after the mailing of such notice to him by certified mail or certificate of mailing, whichever shall first occur.

4. Accounting Records For Each Unit. The Association shall maintain accounting for each Unit which records shall include but not be limited to the record of all receipt and expenditures and an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid upon the account and the balance due.

5. Financial Reports. Within sixty (60) days after the end of the fiscal year the Board of Administration shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts of the receipts by accounts and receipts classifications, including, if applicable, but not limited to, the following:

- (a) Cost for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Cost for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Cost for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses, and
- (j) General reserves, maintenance reserves and depreciation reserves.

6. Depository. The depository of the Association will be such banks and/or savings and loan associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

7. Fidelity Bonds. Fidelity bonds shall be required by the Board of Administration from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

8. Initial Working Capital Contributions. The initial working capital contributions, if any, made to the Association by the Developer's immediate grantees, may be used by the Association for any of its purposes, including current expenses, and the same need not be segregated or reserved. Provided however, during the period that the Developer guarantees to unit owners that their assessments will not increase, Initial Working Capital Contributions may not be used for operating expenses

9. Commencement of Assessments. The initial Board of Administration shall have the absolute discretion to commence assessments as of a time determined by them.

VIII. Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, the Articles of Incorporation, or these Bylaws.

IX. Amendment. These Bylaws may be amended by vote of a majority of the members entitled to vote at a meeting called for said purpose. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it 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 Bylaw. See Bylaw ___ for present text."

X. Association Seal. The seal of the Association shall have inscribed thereon the name of the corporation, the year of its organization, and the words "non-profit" or "not-for-profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

XI. Liability in Excess of Insurance Coverage. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall have the right to intervene and defend.

XII. Roster of Unit Owners and Mortgagees. Each Unit Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information in a booklet entitled "Owners of Units". A Unit Owner who mortgages his Unit shall notify the Association of the name and address of his mortgagee and shall file a copy of the note and mortgage with the Association. A Unit Owner who satisfies a mortgage covering a Unit shall also notify the Association thereof and shall file a copy of the satisfaction of mortgage with the Association. The Association shall maintain such information in a booklet entitled "Mortgagees of Units".

XIII. Lease of Units. Each Unit Owner who leases his Unit, whether or not the approval of the Association is required with respect to such lease, shall provide the Association with such information as the Association may reasonably require with respect to his lessee and shall include in the lease as a condition and term of such lease the agreement of lessee to abide by the provisions of the Declaration of Condominium, these Bylaws and the Rules and Regulations, as well as any other instrument which may be binding upon Unit Owner.

XIV. Construction. Whenever the masculine singular form of pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whenever the context so requires. Should any of the covenants herein imposed be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

XV. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

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BOOK PAGE
VOLUSIA COUNTY

The foregoing was adopted as the Bylaws of SUN BEACH CLUB CONDOMINIUM ASSOCIATION, INC. a corporation not for profit under the laws of the State of Florida, at a meeting of the Board of Administration held on the 23rd day of August, 1987.

Patricia A. Ryan (Seal)
SECRETARY

PHASES I, II & III

ESTIMATED ANNUAL CONDOMINIUM BUDGET

100 UNITS

<u>COMMON EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM:</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
<u>Administration of the Association</u>	\$100.00	\$1,200.00
<u>Maintenance</u>		
electricity for Pool, well pumps, recreation areas, exterior lighting,	570.02	6,840.28
Supplies	119.98	1,439.80
Repairs	100.00	1,200.00
Lawn Service	380.00	4,560.00
Pool Service	350.00	4,200.00
Maintenance Equipment	100.00	1,200.00
Common Area Real Estate Taxes	00.00	00.00
Clubhouse	230.02	2,760.28
Water & Sewer	1,454.67	17,456.00
Trash Removal	389.69	4,676.24
<u>Management</u>	520.00	6,239.96
<u>Rent For Recreational and other Commonly used Facilities:</u>	00.00	00.00
<u>Taxes Upon Association Property:</u>	57.50	690.00
<u>Taxes Upon Leased Areas:</u>	00.00	00.00
<u>Insurance:</u>	445.83	5,350.00
<u>Security Provisions:</u>	00.00	00.00
<u>Other Expenses:</u>	00.00	00.00
<u>Operating Capital:</u>	<u>00.00</u>	<u>00.00</u>
<u>Reserves:</u>		
Reserve for Roof	229.17	2,750.00
Reserve for Building Painting	190.42	2,285.00
Reserve for Pavement Resurfacing	99.50	1,194.00
<u>Fees Payable to the Division</u>	3.00	36.00
<u>Expenses for a Unit Owner</u>	00.00	00.00
<u>Rent for the Unit (N.A.)</u>	00.00	00.00
<u>Rent for Recreational Lease (N.A.)</u>	<u>00.00</u>	<u>00.00</u>
TOTAL	<u>\$ 5,339.80</u>	<u>\$64,077.56</u>

SUN BEACH CLUB

ESTIMATED ANNUAL CONDOMINIUM BUDGET

PHASES 1,2,and 3

<u>COMMON EXPENSES FOR THE ASSOCIATION AND CONDOMINIUM:</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
<u>Administration of the Association</u>	\$ 91.42	\$ 1097.00
<u>Maintenance</u>		
electricity for Pool, well pumps, recreation areas, exterior lighting,	515.28	6183.00
Supplies	108.00	1296.00
Repairs	91.50	1098.00
Lawn Service	332.00	3985.00
Pool Service	350.00	4200.00
Maintenance Equipment	91.42	1097.00
Common Area Real Estate Taxes	0	0
Clubhouse	208.00	2496.00
Water & Sewer	1257.50	15090.00
Trash Removal	335.80	4029.00
<u>Management</u>	439.60	5275.00
<u>Rent For Recreational and other Commonly used Facilities:</u>	0	0
<u>Taxes Upon Association Property:</u>	50.00	600.00
<u>Taxes Upon Leased Areas:</u>	0	0
<u>Insurance:</u>	388.00	4656.00
<u>Security Provisions:</u>	0	0
<u>Other Expenses:</u>	0	0
<u>Operating Capital:</u>	0	0
<u>Reserves:</u>	0	0
Reserve for Roof	199.42	2393.00
Reserve for Building Painting	165.75	1989.00
Reserve for Pavement Resurfacing	99.50	1194.00
<u>Fees Payable to the Division</u>	2.00	24.00
<u>Expenses for a Unit Owner</u>	0	0
<u>Rent for the Unit (N.A.)</u>	0	0
<u>Rent for Recreational Lease (N.A.)</u>	0	0
TOTAL	\$ 4725.00	\$ 56702.00

<u>TYPE</u>	<u>NO. OF UNITS</u> 87	<u>MONTHLY</u> <u>MAINTENANCE*</u>	<u>ANNUAL</u> <u>MAINTENANCE*</u>
Model A	(21 units)	\$ 53.70	\$ 644.50
Model B	(21 units)	\$ 53.70	\$ 644.50
Model C	(22 units)	\$ 53.70	\$ 644.50
Model D	(22 units)	\$ 53.70	\$ 644.50
Model E	(1 unit)	\$ 53.70	\$ 644.50

Each unit will have an identical percentage
interest in Common Expenses

4439c

SUN BEACH CLUB CONDOMINIUM

A CONDOMINIUM
Volusia County, Florida

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A PURCHASER OR LESSEE.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made and entered into by and between DEL PROPERTIES V, LTD. ("Developer"), a Florida Limited Partnership, duly qualified to do business in the State of Florida, whose address for the purposes hereof is 1015 Semoran Boulevard, Suite G, Casselberry, Florida 32707 and

PURCHASER: _____ ("Purchaser")

RESIDENCE ADDRESS: _____

CITY: _____ STATE OR COUNTRY _____

TELEPHONE: HOME _____ OFFICE _____

SOCIAL SECURITY NO.: _____

ADDRESS TO WHICH NOTICES SHOULD BE SENT:

In consideration of the mutual covenants and promises contained herein, the receipt and adequacy of which are acknowledged by both Developer and Purchaser, it is agreed as follows:

TERMS

1. Agreement to Sell and Purchase. Developer agrees to sell and Purchaser agrees to purchase the following described property on the terms and conditions stated herein and subject to all of the terms and conditions of the Declaration of Condominium of Sun Beach Club Condominium ("Declaration"), the Articles of Incorporation and Bylaws of the Condominium Association ("Association") and Chapter 718, Florida Statutes (the "Act"), as of the date of the recordation of said Declaration:

(a) Condominium Unit _____ Building _____ of Sun Beach Club Condominium, a proposed Condominium, according to the Declaration of Condominium thereof, to be recorded in the Public Records of Volusia County, Florida, together with all appurtenances thereto, including an undivided interest in the common elements of said Condominium as set forth in said Declaration (the "Unit").

(b) The right to the exclusive use of one Parking Spaces which will be assigned by Developer at closing.

(c) The personal property consists of: _____

Purchaser's Initial _____

All of the above-described property is sometimes hereinafter collectively referred to as the "Property".

2. Purchase Price. The Total Purchase Price of the Property is \$ _____ and shall be payable as follows:

- (a) Reservation Deposit paid to date (if any)..... \$ _____
- (b) Deposit paid this date..... \$ _____
- (c) Additional deposit, if any, to be paid by _____ \$ _____
- (d) Mortgage to be obtained _____ \$ _____
- (e) Cashier's, certified check or money order drawn on local funds and to be delivered at the time of closing and delivery of deed (subject to credits, adjustments and prorations to the Total Purchase Price as required by this Agreement)..... \$ _____
- (f) Total Purchase Price \$ _____

3. Financing. THIS AGREEMENT TO PURCHASE IS CONTINGENT ON THE PURCHASER BEING ABLE TO OBTAIN A MORTGAGE OR ANY OTHER FINANCING. If it is noted above, that a portion of the Purchase Price shall be forthcoming from the proceeds of an institutional first mortgage then in such event Purchaser shall make application for said mortgage within seven (7) days after the forms are provided by Developer. If Purchaser fails to make timely application then as concerns Purchaser this shall be deemed an all cash transaction. The amount of such mortgage shall be as stated above. The interest rate and terms of the mortgage shall be that prevailing among Banks and Savings and Loan Associations in Volusia County at time of closing. The Developer and/or lending institution is hereby authorized to make any inquiry and investigation as to Purchaser's character, reputation and financial responsibility. The Developer and/or lending institution shall notify the Purchaser in writing as to whether Purchaser has qualified for the mortgage loan. The Developer assumes no obligation to the Purchaser and shall not be bound in any manner whatsoever should the lending institution fail to approve the Purchaser as the mortgagor, or otherwise fail to provide the mortgage loan. In such event, the Developer shall have the privilege of accepting a mortgage and note on like terms as set forth above, or providing alternate comparable mortgage financing with another lending institution or returning all deposits herewith made. If Purchaser has applied and qualified for a mortgage loan, Purchaser shall, nevertheless, have the right to pay all cash upon reasonable notice to Developer of such election prior to closing. If the Purchaser's mortgage application is not approved, and Developer cannot or will not provide other mortgage financing as set forth above, all monies paid by Purchaser under this Contract shall be refunded, without interest, and this contract shall stand terminated.

4. Deposits.

(a) Subject to the provisions of Subparagraph (b) of this Paragraph 4, the deposits shall be held and disbursed by Del American Realty, Inc. ("Escrow Agent") whose address is 1015 Semoran Boulevard, Suite G, Casselberry, Florida 32707, (or a successor escrow agent qualified to act as such under the Act) in accordance with the terms and conditions of the Escrow Agreement, a copy of which is included in the condominium documents. By executing this Agreement, Purchaser agrees that all deposits (including deposits made under reservation deposit receipt agreements) shall hereafter be held under the terms of the Escrow Agreement set forth as Exhibit "5" to the Offering Circular. The deposits escrowed may be deposited in separate accounts or in common escrow or trust accounts or may be commingled with other escrow accounts held by Escrow Agent. Escrow Agent is authorized upon direction by Developer to invest the escrowed funds in securities of the United States or

Purchaser's Initial _____

any agency thereof or in savings or time deposits insured by an agency of the United States. Purchaser may obtain a receipt for his deposit from Escrow Agent upon request. All interest earned on escrowed funds shall be payable to Developer unless Purchaser properly terminates this Agreement in accordance with Florida law, in which case interest earned on deposits from the date of execution of this Purchase Agreement by Purchaser, shall be payable to Purchaser. In no event shall Purchaser be entitled to interest earned on funds escrowed pursuant to a reservation deposit receipt.

(b) In lieu of escrowing Purchaser's deposits as provided in Subparagraph (a) of this Paragraph 4, Developer may, subject to obtaining such approval as may be required under the Act from the Division of Florida Land Sales and Condominiums of the Department of Business Regulation, provide other assurances, such as, but not limited, posting a surety bond or an irrevocable letter of credit, that such portion of the deposits as would otherwise be required to be held in Escrow will be refunded to a purchaser upon demand if a purchaser is entitled to such refund under this Agreement or the Act. If Developer avails itself of the provisions of this Subparagraph 4(b), then Developer shall be entitled to withdraw from escrow and use all or such portion of the deposits as Developer may elect.

THIS AGREEMENT IS VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE PURCHASER, AND RECEIPT BY PURCHASER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. PURCHASER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE ITEMS REQUIRED. PURCHASER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

5. Conveyance. Title to the Unit shall be good, marketable and/or insurable and shall be conveyed to Purchaser by Warranty Deed, subject to the following encumbrances:

(a) Agreements respecting utilities and conditions, restrictions, reservations, limitations, and easements of record at the time of closing.

(b) Terms and conditions of the Declaration of Condominium of Sun Beach Club Condominium, together with all exhibits thereto, and the other documents, if any, referred to herein or in the Offering Circular.

(c) Taxes for the year in which this transaction is closed and subsequent years.

(d) Any mortgage executed by Purchaser which encumbers the Unit.

(e) Liens for work done or material furnished at the request of Purchaser.

(f) Applicable zoning ordinances and regulations.

(g) Liens for public improvements.

6. Proof of Title and Objection to Title. An ALTA Form "A" binder issued by a title insurer licensed to do business in Florida in an amount equal to the Total Purchase Price (exclusive of closing costs) shall be delivered to Purchaser, if Purchaser so requests, at least 10 days prior to closing. Purchaser's request for such binder shall evidence that Purchaser elects to obtain a title policy from the title company selected by Developer. Alternatively, Purchaser may elect, at his expense, to obtain a title binder from a title company chosen by Purchaser. In such event, Developer will reduce the Purchase Price by an amount equal to the cost of said title policy computed at the minimum promulgated risk rate. Developer will not provide an abstract to the subject property. The tender to the Purchaser of a binder (regardless of whether such binder is issued by Developer's title company or Purchaser's title company) showing title in the name of Developer, subject only to the exceptions set forth in Paragraph 5 of this Agreement and

Purchaser's Initial _____

the standard printed exceptions contained in an ALTA Form "A" owner's binder shall be proof that the title to the property is good, marketable and/or insurable. If Purchaser has elected to obtain his policy from the title company selected by Developer, an owner's title insurance policy will be issued by said title insurer and delivered to Purchaser within ninety (90) days following the closing and the recording of all the documents. If Purchaser is unable to obtain and/or Developer is unable to deliver an owner's title insurance binder or policy as a result of defects in title, the Developer shall not be obligated to cure any objections or defects in title, but shall be afforded a reasonable time (not less than sixty days) within which to cure any objections or defects in title. If Developer does not timely cure such objections or defects, the Purchaser may accept title in its then existing condition without any reduction in the Purchase Price; or the Purchaser may terminate this Agreement and be entitled to the return of all sums paid by Purchaser in accordance with this Agreement, in which case the Developer shall be released and relieved of any and all further liability to Purchaser and this Agreement shall become null and void and of no force and effect. The title insurance binder may show as a requirement or exception to title a lien for Developer's construction loan and land loan and other liens which shall not constitute objections to title by Purchaser if the same are discharged by Developer at or immediately following the closing, and Developer may use the proceeds due it at closing to satisfy such mortgage or liens.

7. Closing of Transaction.

(a) This transaction shall be closed after the issuance of a certificate of occupancy for the Unit and recordation of the Declaration of Condominium, on the date designated by Developer in a notice given by Developer to Purchaser, which notice shall be given not less than ten (10) days prior to the designated closing date. Developer may reschedule the closing date at its sole discretion but will in all events give Purchaser ten (10) days notice prior to the new closing date. At closing, Purchaser shall pay the balance of the Purchase Price due at closing and execute and deliver all instruments required to close this transaction. Should Purchaser fail to do all acts and execute all instruments necessary to close this transaction on the designated closing date, the Developer may declare this Agreement to be in default and proceed in accordance with Paragraph 9 below; or, at Developer's option, designate a new closing date which may be less than ten (10) days after the original closing date, in which event the Purchaser shall pay to the Developer interest at the maximum legal rate (or in the event that there is none, at the rate of 18% per annum) on the balance of the Purchase Price of the Unit due at closing from the originally designated date of closing to and including the date of closing as subsequently determined by Developer. Although the estimated date of completion is set forth in the Offering Circular, Purchaser may be required to close before or after such date in accordance with the provisions of this Paragraph.

(b) The closing shall be held at the Developer's office or such other location as Developer may designate.

(c) The Purchaser agrees that, whenever he is called upon to do so, he shall execute all instruments as are required by Developer to implement this Agreement and consummate this transaction.

(d) The payment by Purchaser at closing as set forth in Subparagraph 2(e) above shall be paid by cashier's check drawn upon a bank located in Orange or Volusia County, Florida. All references in this Agreement to "cash" shall be deemed to require payment by cashier's check as herein provided.

(e) The Purchaser shall pay the following expenses at closing:

(1) The Association assessment against the Unit for Common Expenses, prorated from the date of closing to the first day of the next succeeding assessment period.

(2) Initial contribution to the Association in an amount equal to two (2) month's maintenance.

Purchaser's Initial _____

(3) Insurance then in existence, ad valorem taxes, and any other pro-ratable items will be prorated as of the date of closing for the Purchaser's Unit.

(4) Attorneys' fees for any attorney retained by Purchaser.

(f) Developer shall pay the following expenses:

(1) The cost of the owner's title insurance binder and the owner's title insurance policy issued in accordance with Paragraph 6 above unless Purchaser elects to obtain at his expense title insurance from a title company chosen by Purchaser.

(2) Recordation of mortgage releases and of the Warranty Deed.

(3) Documentary stamps to be affixed to the Warranty Deed.

(4) In the event Purchaser utilizes the mortgagee selected by Developer then in such event all mortgage closing costs, if applicable, of any mortgage obtained by the Purchaser to finance the purchase of a Unit, including, but not limited to, prepayments, escrows, mortgage points, lender's attorneys' fees, credit report costs, recording costs, intangible tax and documentary stamp tax on the mortgage and note, and the cost of an abstract and mortgagee title insurance if required by the lender. In the event Purchaser selects his own mortgagee the Developer will not pay an equivalent amount of any of the foregoing cost.

(g) Real estate taxes and other expenses and revenues of said property shall be prorated as of the closing date. Taxes shall be prorated based upon the taxes for the year in which the transaction is closed less the maximum discount allowed by law if the amount of the taxes for that year is known on the date of closing. If the taxes for the year this transaction is closed are not known and the condominium was separately taxed in the year prior to the year the transaction closes, taxes shall be prorated based upon the prior year's tax less the maximum discount allowed by law. If the taxes are not known for the year in which this transaction is closed and the condominium Unit was not separately taxed in the previous year the taxes shall be prorated upon the taxes becoming known and the tax bill or a copy thereof being delivered to each party (rather than at the closing). Purchaser shall pay the tax and Developer shall reimburse the Purchaser for its prorata share (which is to be calculated based on the amount of taxes payable after giving effect to the maximum discount allowed by law) within thirty (30) days of Purchaser's demand for such reimbursement. This provision pertaining to the proration of taxes shall survive the closing.

(h) Certified liens for public improvements, if any, shall be paid by Developer.

(i) Pending liens for public improvements, if any, shall be assumed by Purchaser.

8. Obligations of Developer and Purchaser.

(a) Developer may make modifications to Developer's plans and specifications, and substitute materials, equipment and fixtures of substantially equal or better quality. Purchaser agrees to close on the Unit herein described in compliance with the terms of this Agreement with such modifications and changes as herein permitted and with such shading and gradations in color and texture as may vary from samples, models or color charts of interior portions of the Unit including, without limiting the generality of the foregoing, cabinets, tile, mica and the like. If Developer makes any modifications or substitutions which have a material and adverse effect on the value of the Unit, Purchaser will be given fifteen (15) days from the notice of such modification in which he may elect to cancel the contract and obtain a refund of his deposit. If Purchaser does not elect to cancel the contract within such fifteen (15) day period, Purchaser will be required to close on the Unit in accordance with the terms hereof, notwithstanding the modification or substitution thereto. Developer shall furnish the Purchaser with a copy of any and all amendments to documents. Developer shall

Purchaser's Initial _____

have complete discretion in finishing details, landscaping, amenities and beautification of the Condominium Property and Developer may exercise such discretion without impediment. If Developer offers Purchaser a choice of colors on any item in the Unit, Purchaser must select color within 15 days of being asked to do so. Failure by Purchaser to make such choice within said 15 days shall mean Developer may select colors for Purchaser. Nothing herein contained shall require Developer to offer a choice of color on any item.

(b) The acceptance by Purchaser of the Warranty Deed to the Unit together with the other instruments of conveyance, if any, shall be deemed full performance on the part of the Developer of all its agreements, obligations and representations as set forth herein, except as to matters or things reduced to a specific written obligation in said Warranty Deed and in the other closing documents. Developer shall have the right to require such an acceptance by Purchaser on the face of the Deed or by separate instrument.

(c) Except for the warranties contained in the deed of conveyance and the warranties required by the Act as the same is in effect on the date of this Agreement (but not including any warranties which may be provided in future amendments to the Act), NO WARRANTIES, GUARANTEES, OR PROMISES, EXPRESS OR IMPLIED, OF ANY TYPE INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR CONSTRUCTION HAVE BEEN MADE TO OR RELIED UPON BY PURCHASER IN MAKING THE DETERMINATION TO EXECUTE AND CLOSE PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL IN NO EVENT BE LIABLE FOR INCIDENTAL AND/OR CONSEQUENTIAL DAMAGES CAUSED BY OR IN CONNECTION WITH, PERTAINING TO OR RELATING TO ANY ARTICLE, IMPROVEMENT, COMPONENT OR OTHER ITEM OF PROPERTY, WHETHER SUCH ITEM IS WARRANTED OR NOT. The Purchaser hereby acknowledges that he has personally reviewed the Offering Circular for Sun Beach Club Condominium and found both the Property and Sun Beach Club Condominium as described therein acceptable and suitable for his purposes; that he has relied upon his own judgment in making such determinations; and that there were no warranties, guarantees or promises, expressed or implied, with respect to the Property or Sun Beach Club Condominium by any of the agents, employees or representatives of the Developer or any independent contractor of the Developer except those which have been specifically set forth in this Agreement and the Offering Circular for Hidden Cree Condominiums together with all exhibits thereto. It is specifically agreed and understood that verbal promises and representations are not valid and that any promises or understandings not specifically described in this Agreement are hereby expressly disclaimed.

(d) Purchaser covenants and agrees to abide by and comply with all of the terms, provisions and conditions of this Agreement, the Declaration and all exhibits thereto, which covenant and agreement shall survive the delivery of the Deed.

(e) At closing, Developer shall deliver any assignment of the parking space to be assigned to Purchaser pursuant to this Agreement. Such parking space will not be conveyed to Purchaser but will constitute a portion of the Limited Common Elements of Sun Beach Club Condominium and the instrument by which the Purchaser's use of such parking spaces is established shall not be recorded among the Public Records of Volusia County, Florida.

9. Default by Purchaser. If Purchaser fails to perform any of the covenants and obligations made by him or any of the terms and provisions of this Agreement required by him to be performed or fails to execute and deliver any instrument required by Developer or otherwise fails to comply with any of the requirements on the part of the Purchaser to be performed hereunder, the DEVELOPER MAY DECLARE THIS AGREEMENT TERMINATED AND RETAIN ALL MONIES PAID HEREUNDER AS LIQUIDATED AND AGREED UPON DAMAGES SINCE THE AMOUNT OF ACTUAL DAMAGES IS INCAPABLE OF ASCERTAINMENT. THIS PROVISION HAS BEEN SPECIFICALLY AGREED UPON BY THE PARTIES BECAUSE A DEFAULT ON THE PART OF THE PURCHASER WOULD HAVE SERIOUS ADVERSE FINANCIAL EFFECTS UPON THE DEVELOPER, AS A RESULT OF INCREASED COSTS, EXPENSES AND FEES HAVING BEEN INCURRED BY DEVELOPER AND BY ITS HAVING LOST THE OPPORTUNITY TO SELL THE APARTMENT TO OTHER PROSPECTIVE PURCHASERS.

Purchaser's Initial _____

10. Default by Developer. If Developer fails to complete the Unit (for purposes hereof, a Unit is complete when it is ready for occupancy with all necessary and customary utilities available) within two (2) years from the date this Agreement is signed by Purchaser, Developer shall be in default under this Agreement unless performance by Developer is hindered or delayed by circumstances and conditions beyond Developer's control which render performance impossible as recognized under Florida law including, without limiting the generality of the foregoing, the unavailability of materials at reasonable cost due to material shortages and Acts of God. In such case, Purchaser may elect to receive either a refund of his deposit, together with interest earned thereon, if any, or to bring an action against Developer for specific performance. DEVELOPER SHALL NOT BE LIABLE FOR MONETARY DAMAGES TO PURCHASER AS A RESULT OF DEVELOPER'S FAILURE FOR ANY REASON INCLUDING REASONS WITHIN DEVELOPER'S CONTROL TO CLOSE PURSUANT TO THE TERMS OF THIS AGREEMENT. DEVELOPER SHALL RETURN TO PURCHASER THE DEPOSITS OR SUMS PAID TO DEVELOPER TOGETHER WITH INTEREST THEREON ONLY IF PURCHASER WAIVES IN WRITING HIS RIGHT TO BRING AN ACTION FOR SPECIFIC PERFORMANCE.

11. Occupancy of Unit and Inspection.

(a) The Unit has not been previously occupied. The estimated date for completion of the Unit is _____, but in any event, the Unit shall be completed (for purposes hereof, a Unit is complete when it is ready for occupancy with all necessary and customary utilities available) within two (2) years from the date this Agreement is signed by Purchaser except as such period may be extended by delays due to circumstances beyond Developer's control making performance impossible, as these are recognized by Florida law, including, without limiting the generality of the foregoing, the unavailability of materials at reasonable cost due to material shortages and Acts of God. Developer shall make the Unit available for closing and occupancy promptly upon completion of the Unit.

(b) Prior to the closing of this transaction, Purchaser, in the presence of a representative of Developer, shall inspect his Unit, the building in which the Unit is located, the appurtenances and other condominium property with the exception of the other Units. Purchaser, at the time of inspection, shall present to Developer's representative a written, signed and acknowledged list of all defects in workmanship and/or materials which pertain to Purchaser's Unit. If such defects constitute defects in workmanship and/or material under the standards for the quality of construction prevalent in Volusia County, Florida, Developer will remedy the defects at its sole cost and expense and will do so within a reasonable period of time, taking into consideration the work, development and construction at Sun Beach Club Condominium and the availability of workmen. The defects enumerated on such list shall not constitute grounds for the adjournment of the closing by Purchaser nor for the imposition of any condition to closing upon Developer. The Purchaser's failure to inspect the Unit shall not cause any delay in the closing. No escrows or holdback of closing funds shall be permitted.

(c) The model condominium Units and common elements which may be shown in sales brochures, renderings or other advertising materials or which may be displayed may contain certain items for demonstration purposes that are not included in the Condominium Parcel, including, but not limited to, model furniture and accessories, and office equipment and furniture.

12. The Condominium Association. Purchaser acknowledges this to be a subscription to membership in the Association and specifically authorizes the first Board of Administrators of the Association to enter into such agreements and to take such actions as it in its sole discretion deems necessary to fulfill the purposes of the condominium community. Purchaser is required under the terms of this Agreement to make an initial contribution to the capital of the Association in an amount equal to two (2) months maintenance. Said initial contribution may be expended by the Association for any purpose including, but not limited to, payment of current common expenses, reimbursement to the Developer of any sums expended by the Developer on behalf of the Association such as utility deposits and the like, purchase of office equipment and other equipment deemed necessary for the operation and

Purchaser's Initial _____

maintenance of the common elements and funding of the reserve for replacement and contingencies.

13. Further Assurances. Developer and Purchaser will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered any and all conveyances, assignments and all such further instruments and documents as may be necessary in order to complete all conveyances, transfers and sales herein provided and to do any and all other acts and to execute, acknowledge and deliver any and all other documents so requested or as are necessary in order to carry out the intent and purposes of this Agreement.

14. Binding Effect and Assignments.

(a) This Agreement and the terms and provisions hereof shall be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

(b) Developer may transfer or assign at any time or times the rights and obligations it has under this Agreement, in which event such transferee and assignee shall be substituted in place of the Developer under this Agreement and it shall be entitled to the benefits of and may enforce Purchaser's covenants, representations and warranties hereunder. On any such assignment by Developer, the Developer's liability and obligations hereunder or under any instruments, documents or agreements made pursuant hereto shall be binding on such transferee and Developer shall be relieved of all liability hereunder.

(c) THIS AGREEMENT, AND PURCHASER'S INTEREST HEREIN, MAY NOT BE SOLD, ASSIGNED OR TRANSFERRED BY PURCHASER. The transfer of the legal or beneficial interest in or to a corporation, trust or other entity which is the beneficiary of this Purchase Agreement shall be an assignment of the interest of the Purchaser.

15. Miscellaneous.

(a) Purchaser herein specifically grants authority to the Developer, to file and place among the Public Records of Volusia County, Florida, prior to closing all documents required to be filed by Florida Statutes in order to legally create and maintain the existence of this Condominium and Condominium Association, including, but not limited to, the Declaration of Condominium, the Articles of Incorporation and Bylaws of the Condominium Association. Purchaser waives any rights which it may have as a result of the execution of this Agreement to approve or disapprove any plats, plans or other documents to be submitted by Developer to any governmental authority exercising jurisdiction over Sun Beach Club Condominium.

(b) Until such time as all of the Condominium Units are sold, the Developer reserves the right to make such use of the common elements of the Condominium and the recreational facilities as is necessary for its sales program. Such use, however, shall not unreasonably interfere with the enjoyment of said property by the Unit Owners.

(c) Safety and insurance requirements require that Purchaser may not have access or entry to the Unit or Condominium project during construction and prior to the closing of the transaction, nor may Purchaser store any of his possessions in or about the Unit or the Condominium Property prior to the closing of the transaction without the express consent of the Developer. In no event shall Purchaser hire or employ any person, firm or corporation to do any work in or on the Unit while said Unit is under construction until after closing of title and the transfer of possession of the Unit to the Purchaser. Purchaser further acknowledges that it has reviewed the condominium documents and the restrictions therein regarding improvements, changes, alterations and exterior decoration of the Unit and agrees to abide by such restrictions. This provision shall survive the closing.

(d) All rights of Purchaser under this Agreement are subordinate and inferior to any mortgage placed on the property by Developer.

Purchaser's Initial _____

(e) Developer reserves the right to amend the condominium documents without prior notice to or consent from Purchaser. All such amendments shall be delivered to Purchaser prior to closing.

16. Return of Documents. If this Agreement is cancelled for any reason Purchaser agrees to promptly return to Developer all of the condominium documents in the same condition as when received by Purchaser, reasonable wear and tear excepted. If Purchaser fails to promptly return such documents, Purchaser agrees to pay Developer SEVENTY-FIVE DOLLARS (\$75.00) to defray Developer's cost in preparation and printing such documents, which amount may be withheld from any deposits paid by Purchaser pursuant to this Agreement. This provision shall not prevent Purchaser from obtaining the immediate return of their deposit plus any interest thereon.

17. Extras. Purchaser shall order extras pursuant to a separate written agreement. Purchaser shall pay for the extras in full simultaneously with the placement of the order. Developer may use the monies paid by Purchaser to pay for the extras and/or for construction purposes in order to provide Purchaser with the items ordered. In the event of default by Purchaser hereunder, Developer may retain, in addition to the deposits as provided in Paragraph 9 hereof, such monies as were paid for "extras" if Developer has incurred the expense therefor.

18. Notice. All notices to be given hereunder shall be given in writing by registered or certified mail, postage prepaid, with a return receipt requested (unless sent outside of the United States, in which event written notices may be sent by regular air mail) to the addresses set forth on the first page of this Agreement and shall be effective as of the date on which said notice is mailed except that a notice of change of address is effective when it is received.

19. Time of Essence. Time shall be of the essence of this Agreement.

20. Risk of Loss. If the improvements are damaged by fire or other casualty before the delivery of the Warranty Deed and can be restored to substantially the same condition within a period of one hundred eighty (180) days thereafter, the Developer shall have the option to restore the improvements and the closing date hereunder shall be extended for a similar period, if necessary. If Developer fails to restore said damage within said one hundred eighty (180) days, then Purchaser shall be entitled to receive the return of all deposits made hereunder and all parties shall be released of any and all obligations and liabilities as a result of this Agreement.

21. Recording of this Agreement. Developer and Purchaser agree that neither this Agreement nor any short-term summary hereof shall be recorded in the Public Records of Volusia County, Florida, unless both parties mutually agree, in writing, to the contrary.

22. Governing Law. This Agreement shall be governed by the laws of the State of Florida.

23. Attorneys' Fees. In the event either party hereto shall institute legal proceedings in connection with, or for the enforcement of, this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorneys' fees, at both trial and appellate levels.

24. Entire Agreement. This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty or covenant not included in this Agreement has been or is being relied on by either party. Each party has relied on its own examination of this Agreement and the provisions hereof, and the counsel of its own advisers, and the warranties, representations and covenants expressly contained in the Agreement itself. The failure or refusal of either party to inspect the Agreement or other documents, or the failure to obtain legal or other advice relevant to this transaction, constitutes a waiver of any objections, contention or claim that might have been based on such reading, inspection or advice. No modification or amendment to this Agreement shall be of any force or effect unless in writing and executed by the Purchaser and the Developer.

Purchaser's Initial _____

25. Severability. If any provision of this Agreement is invalid or unenforceable as against any person, the remainder of this Agreement and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement except as otherwise herein provided shall be valid and enforced to the fullest extent permitted by law.

26. Brokers. Except for the broker or salesman whose name is set forth at the foot of this Agreement as "Purchaser's Broker", Purchaser warrants and represents that no real estate broker and/or salesman and other than Developer's sales personnel is involved in this purchase and sale, and agrees to indemnify and save harmless the Developer against all claims of any real estate broker and/or salesman regarding this transaction.

27. Insulation.

FTC Disclosure Requirements With Respect to The Insulation of the Condominium Unit

Insulation will be installed in each condominium unit at Sun Beach Club Condominium as follows:

- (a) Exterior walls will be insulated with kraft batts to a thickness of 3.5 inches which, according to the manufacturer will yield an R-value of 11.
- (b) Interior walls will not be insulated and therefore will have zero R-value.
- (c) Ceilings in all areas will be insulated with blown mineral wool to a thickness of 6 inches which, according to the manufacturer will yield an R-value of 19.
- (d) Walls will be frame construction and will be insulated with kraft faced batts.
- (e) All common party walls shall receive unfaced batts on both sides to a thickness of 3.5 inches, according to the manufacturer will yield an R-value of R-11.
- (f) All floors between units shall receive R-11 3.5 inch batts stapled in between floors.

IN WITNESS WHEREOF, THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DATE SET FORTH.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

THIS AGREEMENT SHALL BE BINDING ON
DEVELOPER ONLY WHEN EXECUTED BY
ANY ONE OF THE FOLLOWING PERSONS:
Christopher DelGuidice
Fred DelGuidice
Pamela A. Ryan

DEL PROPERTIES V-, LTD.,
a Florida Limited
Partnership;

by BEACH, INC.,
General Partner

(Witnesses as to Developer)

By: _____
Authorized Agent

Date of Execution: _____

Purchaser's Initial _____

PURCHASER:

(Witnesses as to Purchaser)

(Seal)

(Witnesses as to Purchaser)

(Seal)

Date of Execution: _____

ANY MODIFICATION OR AMENDMENT TO THE PRINTED LANGUAGE OF THE ABOVE PURCHASE AGREEMENT OR ANY ADDITIONAL PROVISIONS TO THIS PURCHASE AGREEMENT SHALL NOT BE VALID AND ENFORCEABLE UNLESS IN WRITING AND SIGNED BY BOTH THE PURCHASER AND THE MANAGING PARTNER OF THE DEVELOPER.

(Sales Representative): _____

(Purchaser's Broker): _____

Purchaser's Initial _____

4378c

ESCROW AGREEMENT

THIS AGREEMENT is made by and between DEL AMERICAN REALTY, INC. a Florida corporation, with an office at 1015 Semoran Boulevard, Suite I, Casselberry, Florida 32707, hereinafter referred to as "Escrow Agent", and DEL PROPERTIES V, LTD., a Florida Limited Partnership, qualified to do business in the State of Florida and having an office at 1015 Semoran Boulevard, Suite G, Casselberry, Florida 32707, hereinafter referred to as "Developer."

W I T N E S S E T H

WHEREAS, Developer proposes to construct and develop a condominium project to be known as SUN BEACH CLUB CONDOMINIUM in Volusia County, Florida (the "Condominium"); and

WHEREAS, Developer intends to enter into Reservation Receipts and Contracts for the sale and purchase of units in the Condominium, ("Contracts"); and

WHEREAS, Developer desires to make arrangements to escrow a portion of the deposit on each Reservation Receipt and Contract for the sale and purchase of a unit in the Condominium in accordance with the provisions of Section 718.202 of the Florida Condominium Act; and

WHEREAS, Escrow Agent is desirous of acting as such on behalf of Developer and in connection therewith has consented to hold all deposits it receives pursuant to the terms and provisions hereof;

NOW, THEREFORE, in consideration of the premises the covenants herein contained, ten dollars and other good and valuable consideration, receipt of which is hereby acknowledged, the Escrow Agent and the Developer agree as follows:

1. From time to time, Developer will deliver checks payable to Del American Realty, Inc., a Florida corporation, Escrow Agent, which will represent deposits on Contracts or Reservation Receipts, together with the following: (a) a copy of the executed Contract or Reservation Receipts and (b) an executed "Notice of Escrow Deposit" in the form of Exhibit "A" attached to this Agreement. The Escrow Agent must provide receipt of the deposit on Exhibit "A" as indicated.

2. Escrow Agent shall hold the prospective Purchaser's deposit(s) under a Reservation Receipt and shall refund the same immediately and without qualification in full to the Purchaser upon Purchaser's request to either the Escrow Agent or Developer. A Reservation Deposit shall not be released directly to the Developer except as a down payment on the purchase price simultaneously with or subsequent to the execution of a Purchase Agreement. Upon execution of a Purchase Agreement, any funds paid by the Purchaser as a deposit to reserve the unit pursuant to a Reservation Agreement shall cease to be subject to the provisions of this paragraph 2 and shall be subject to the provisions of paragraph 3.

3. Escrow Agent shall disburse the Purchaser's deposit escrowed under a Contract for sale and purchase plus all interest earned thereon in accordance with the following:

(a) To the Purchaser as soon as possible but in any event within thirty (30) days after receipt of either (i) the Developer's written certification that the Purchaser has properly terminated his Contract or (ii) a letter from Purchaser requesting return of the deposit and enclosing a copy of the executed Contract or condominium document receipt evidencing that the demand for return of the deposit is made within fifteen (15) days of execution of the Contract or of delivery of the condominium documents;

(b) To the Developer upon receipt of a written request from Developer for funds on deposit which are in excess of ten percent (10%) of the purchase price of the unit covered by the pertinent Purchase Agreement, provided such agreement contains a clause permitting the use by Developer of funds in excess of ten percent (10%) of the purchase price. No funds shall be released to Developer pursuant to this provision within fifteen (15) days of the date of the Contract. Any funds in escrow not disbursed pursuant to this provision shall be disbursed as otherwise provided in this paragraph 3.

(c) To the Developer within thirty (30) days after the receipt of the Developer's written certification that the Purchaser's Contract has been terminated by reason of said Purchaser's failure to cure a default in performance of Purchaser's obligations thereunder together with a copy of Developer's notice of default to Purchaser.

(d) To the Developer at closing.

(e) If for any reason the deposit of a Purchaser plus interest thereon has not been previously disbursed in accordance with the provisions of 3(a), 3(b), 3(c) and 3(d) above, the same shall be disbursed to the Developer upon receipt from the Developer of a closing statement or other verification signed by the Purchaser, or his attorney or authorized agent, reflecting that the transaction for the sale and purchase of the subject condominium unit has been closed and consummated; provided, however, that Escrow Agent shall not be obligated to make any disbursement under this subparagraph 3(e) if prior to the disbursement the Escrow Agent receives from Purchaser written notice of a dispute between the Purchaser and the Developer, and Escrow Agent may then proceed in accordance with other provisions of this Agreement.

(f) The Escrow Agent shall at any time make distribution of the Purchaser's deposit upon written direction duly executed by the Developer and Purchaser.

(g) If Developer provides purchasers, in accordance with the provisions of Florida Statute Section 718.202 and the Contract, with other assurances, such as, but not limited to, a surety bond or an irrevocable letter of credit, that such portion of the deposits as would otherwise be required to be held in escrow under the Act will be refunded to purchasers upon demand if a purchaser is entitled to such refund under the Contract or under the Condominium Act, and Developer provides Escrow Agent with evidence of same and with evidence that same has been approved by the Division of Florida Land Sales and Condominiums of the Department of Business Regulation, then Escrow Agent shall release the monies in escrow to the Developer upon his request therefor.

4. The Escrow Agent shall invest the deposits as directed in writing by the Developer from time to time in securities of the United States or any agency thereof or in savings or time

deposits in institutions insured by an agency of the United States. The funds in escrow may be deposited in separate accounts or a common escrow or trust accounts handled by Escrow Agent provided Escrow Agent keeps accurate records of all funds deposited hereunder on a per Unit basis. The Escrow Agent is hereby released from any liability which may result from the manner in which the deposits are invested or from the failure of any institution in which Developer directs that such savings or time deposits be invested. Escrow Agent shall be entitled to retain in its common escrow or trust account funds in such amount as it deems necessary to cover refund requirements prior to maturity of the investments.

5. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertion contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same. The duties of the Escrow Agent shall be limited to compliance with the written terms of this Agreement or to disbursements of the deposits in accordance with the written instructions described above. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. Upon the Escrow Agent's disbursing the deposit of a Purchaser in accordance with the provisions hereof, the escrow shall terminate as regards said Purchaser's deposit, and Escrow Agent shall thereafter be released of all liability hereunder in connection therewith.

6. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or error or judgment, or any acts or omissions of any kind unless caused by its willful misconduct or gross negligence, and Developer agrees to indemnify and hold the Escrow Agent harmless from any claims, demands, causes of action, liability, damages, judgments, including the costs of defending any action against it together with any reasonable attorneys' fees incurred therewith, in connection with the Escrow Agent's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of the Escrow Agent. Escrow Agent shall not be liable for loss or impairment of any escrowed funds in the course of collection or while on deposit with a bank, due to bank failure, insolvency or suspension.

7. In the event of disagreement about the interpretation of this Agreement, or about the rights and obligations, or the propriety, of any action contemplated by the Escrow Agent hereunder, Escrow Agent may, at its sole discretion, file an action in interpleader to resolve the said disagreement. Escrow Agent shall be indemnified by Developer for all costs, including reasonable attorneys' fees, in connection with the aforesaid interpleader action.

8. The Escrow Agent may resign at any time upon the giving of thirty (30) days written notice to the Developer. If a successor Escrow Agent is not appointed within thirty (30) days after notice of resignation, the Escrow Agent may petition any court of competent jurisdiction to name a successor Escrow Agent and the Escrow Agent herein shall be fully relieved of all liability under this Agreement to any and all parties, upon the transfer of the escrow deposits to the Successor Escrow Agent either designated by the Developer or appointed by the court.

9. This Agreement shall be construed and enforced according to the laws of the State of Florida.

10. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof and shall be binding upon the parties, their respective successors and assigns.

11. Developer may terminate this Agreement by giving Escrow Agent thirty (30) days written notice of its election to terminate Escrow Agent's services hereunder. This Agreement shall terminate on the 30th day following either the notice of resignation of Escrow Agent pursuant to paragraph 8 hereof or the notice of termination of this Agreement by Developer pursuant to this paragraph. Developer shall name a Successor Escrow Agent no later than seven (7) days prior to the effective date of termination. Upon transfer of the deposits hereunder to the Successor Escrow Agent, Escrow Agent shall be relieved of all further liability under this Agreement.

12. The Escrow Agent will be compensated for its services hereunder in accordance with a separate letter agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 13rd day of August, 1984.

(CORPORATE SEAL)

DEVELOPER

DEL PROPERTIES V, LTD.,
a Florida Limited Partnership

By BEACH, INC.,
General Partner

By: Christopher DelGuidice
CHRISTOPHER DELGUIDICE
President

ESCROW AGENT

DEL AMERICAN REALTY, INC.

By: Patricia A. Ryan

EXHIBIT "A"

That certain fifty foot road right of way known as Pennsylvania Avenue and reflected on the plat of Atlantic Heights Subdivision, according to the Plat thereof as recorded in Map Book 6, Page 171, of the Public Records of Volusia County, Florida, and more particularly described as being:

- (i) South of the dedicated right of way of First Avenue.
- (ii) North of the dedicated right of way of Second Avenue.
- (iii) West of Block 12 of Atlantic Heights Subdivision, according to the plat thereof as recorded in Map Book 6 at Page 171, of the Public Records of Volusia County, Florida.
- (iv) East of Block 14 of Atlantic Heights Subdivision, according to the plat thereof as recorded in Map Book 6 at Page 171, of the Public Records of Volusia County, Florida.