

INSURANCE TRUST AGREEMENT

THIS AGREEMENT made and entered into this 23 day of July, 1979, at Pompano Beach, Florida, by and between: LAS OLAS VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida corporation, as agent for a condominium, hereinafter referred to as "Corporation", and FLORIDA COAST BANK OF POMPAÑO BEACH, hereinafter referred to as "Insurance Trustee".

WHEREAS, the Corporation is the administrative agent of a condominium property known as Las Olas Villas, a condominium, which it administers for the use and benefit of all of the owners of apartments and other interests in said condominium; and,

WHEREAS, as one of its duties, the Corporation has procured and paid the premium on the insurance policies which are set forth in Schedule A which is attached hereto and made a part hereof, for the use and benefit of the Corporation, the individual owners of apartment units, store units, and other interests in said condominium, and for any mortgages holding mortgages in said apartments or individual interests; and,

WHEREAS, the Declaration of Condominium requires that the insurance policies listed on said Schedule A or any additions or substitutions to the same be made payable to a Trustee for the purpose of utilizing the proceeds in case of any loss, to repair or rebuild the apartment building or other improvements covered by said policies, or for such other purposes as are set forth therein; and,

WHEREAS, the Corporation and the Insurance Trustee desire to enter into an agreement which will provide for the receipt and disbursement of any funds received by the Insurance Trustee on any loss payable under said policies.

NOW, THEREFORE, in consideration of the mutual covenants and agreements as hereinafter set forth, the parties agree as follows:

1. The Corporation does hereby deposit with the insurance Trustee and the Insurance Trustee does hereby accept from the Corporation the insurance policies set forth under Schedule A which is attached hereto and made a part hereof.

2. The Corporation agrees to pay the premiums on said insurance policies or upon any additions or substitutions thereto to the agent or agents writing said policies and upon payment of the same, to deposit with the Insurance Trustee receipted bills showing that said premiums have been paid from time to time when due, at least thirty (30) days prior to the expiration date of said policy or policies. The Insurance Trustee shall have no obligation or duty to make any payment for any premium due on said policies or to advise or notify the Corporation or any other person that said premium or premiums have not been paid. The Insurance Trustee will advise any individual owner or mortgagee as to whether or not it has a receipted bill showing the payment of any premium in its file upon written request from said parties, from time to time.

3. The Corporation may add additional policies to those already listed under Schedule A or substitute new policies in lieu of policies listed under Schedule A from time to time so long as said policies meet with the other requirements set forth in this Agreement.

4. All of said insurance policies or any substitutions or additions thereto shall bear appropriate endorsements insuring the interest of the following named persons.

- A. The Corporation
- B. Any owner of an individual apartment unit or store unit;
- C. Any mortgagee holding a recorded mortgage which constitutes a lien against the interest of any owner;
- D. The Insurance Trustee under this agreement to the extent that it may be necessary in order to comply with the provisions of any insurance policy so as to insure that in case of any loss the proceeds of said policy shall be payable to the Insurance Trustee as per the terms of this agreement;

5. It is mutually agreed between the parties hereto that the insurance policies to be purchased by the Corporation are to be delivered to and retained by the Insurance Trustee.

6. The insurance other than title insurance, which shall be carried by the Corporation upon the condominium property and the property of the apartment and store owners shall be governed by the following provisions:

A. Purchase - Named Insured.

(1) Purchase: All insurance policies upon the condominium property shall be purchased by the Corporation through an agent having a place of business in Broward County, Florida, and shall be issued by an insurance company authorized to do business in the State of Florida.

(2) Approval: The insurance agency and insurance company shall be subject to approval by the institutional mortgagee which, according to the roster of mortgagees, is the owner and holder of the highest number of unsatisfied mortgages upon apartments or stores in the condominium held by such institution. Such approval may be obtained by directing to the mortgagee having the right of approval a request in writing for approval or disapproval within ten (10) days after the receipt of the request; and if a response from the mortgagee is not received within such ten (10) day period, the request shall be deemed to be approved. An approval shall not be unreasonably withheld or denied.

(3) Named Insured: The named insured shall be the Corporation individually and as agent for the apartment and store owners without naming them, and shall include the mortgagees of apartments and stores which are listed in the roster of mortgagees. Such policies shall provide that payments for losses thereunder by the insurer shall be paid to the Insurance Trustee, hereinafter designated, and all policies and endorsements thereon shall be deposited with the Insurance Trustee. The Insurance Trustee shall also be included as named insured. Apartment and store owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense.

(4) Copies to Mortgagees: One copy of each insurance policy and of all endorsements thereon shall be furnished by the Association to each mortgagee included in the mortgagee roster. Such copies shall be furnished not less than (10) days prior to the expiration of expiring policies.

B. Coverage.

(1) Casualty: All buildings and improvements upon the land 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 annually by the Board of Directors of the Corporation and approved by the institutional mortgagee holding the highest number of unsatisfied mortgages upon apartments in the condominium. Such coverage shall afford protections against:

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

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

(2) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Corporation, including but not limited to hired automobile and non-owned automobile coverages, and with cross-liability endorsement to cover liabilities of the apartment and store owners as a group to an apartment or store owner.

(3) Workmen's Compensation policy to meet the requirements of law.

(4) Such other insurance as the Board of Directors of the Corporation shall determine from time to time to be desirable.

C. Premiums: Premiums upon insurance policies purchased by the Corporation shall be paid by the Corporation as a common expense. Not less than ten (10) days prior to the date when a premium is due, evidence of such payment shall be furnished by the Corporation to each mortgagee listed in the roster of mortgagees.

D. Insurance Trustee - Shares of Proceeds: All insurance policies purchased by the Corporation shall be for the benefit of the Corporation and the apartment and store owners and their mortgagees, as their interest may appear, and shall provide that all proceeds covering

property losses shall be paid to the FLORIDA COAST BANK OF POMPANO BEACH, as Trustee, or to such other bank in Dade or Broward Counties, Florida having trust powers as may be designated by institutional mortgagee holding the highest number of unsatisfied mortgages, which Trustee is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes elsewhere stated in this instrument, and for the benefit of the apartment and store owners and their mortgagees, in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

(1) Common Elements: Proceeds on account of damage to common elements - an undivided share for each apartment and store owner, such share being the same as the undivided share in the common elements appurtenant to his apartment or store.

(2) Apartments and Stores: Proceeds on account of damage to apartments and stores shall be held in the following undivided shares:

(a) When the building is to be restored - for the owners of damaged apartments or stores in proportion to the cost of repairing the damage suffered by each apartment or store owner, which cost shall be determined by the Corporation.

(b) When the building is not to be restored - an undivided share for each apartment and store owner, such share being the same as the undivided share in the common elements appurtenant to his apartment or store.

(3) Mortgagees: In the event a mortgagee endorsement has been issued as to an apartment or store, the share of the apartment or store owners shall be held in trust for the mortgagee and the apartment or store owner, as their interest may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not 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 thereof made to the apartment or store owner and mortgagee, pursuant to the provisions of the Declaration of Condominium.

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

(1) Expense of the Trust: All expenses of the Insurance Trustee shall be first paid or provision made therefor.

(2) Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to apartment and store owners and their mortgagees being payable jointly to them.

(3) Failure to Reconstruct or Repair: If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to apartment and store owners and their mortgagees being payable jointly to them.

(4) Certificate: In making distribution to apartment or store owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Corporation, made by its President and Secretary, as to the names of the apartment and store owners and their respective shares of the distribution.

F. Corporation as Agent: The Corporation is hereby irrevocably appointed agent for each apartment and store owner in the condominium property to adjust all claims arising under insurance policies purchased by the Corporation and to execute and deliver releases upon the payment of claims.

G. Benefit of Mortgagees: Certain provisions in this Paragraph 6 entitled "Insurance" are for the benefit of mortgagees of

condominium parcels, and all of such provisions are covenants for the benefit of any mortgagee of an apartment or store and may be enforced by such mortgage.

7. Reconstruction or Repair After Casualty:

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

(1) Common Elements: If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

(2) Apartment Building:

(a) Lesser Damage: If the damaged improvement is the apartment building, and if apartments and stores to which fifty per cent (50%) of the common elements are appurtenant are found by the Board of Directors of the Corporation to be tenantable, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty it is determined by the agreement in the manner elsewhere provided that the condominium shall be terminated.

(b) Major Damage: If the damaged improvement is the apartment building, and if apartments or stores to which more than fifty per cent (50%) of the common elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will be terminated without agreement as elsewhere provided, unless within sixty (60) days after the casualty the owners of seventy-five per cent (75%) of the common elements agree in writing to such reconstruction or repairs.

(3) Certificate: The Insurance Trustee may rely upon a certificate of the Corporation, made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

B. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as Exhibits, or, if not, then according to the plans and specifications approved by the

Board of Directors of the Corporation and institutional first mortgagees, and if the damaged property is the apartment building, by the owners of not less than seventy-five per cent (75%) of the common elements and their respective institutional first mortgagees, including the owners of all damaged apartments and stores which approval shall not be unreasonably withheld.

C. Responsibility: If the damage is only to those parts of one apartment or one store for which the responsibility of maintenance and repair is that of the apartment or store owner, then the apartment or store owner shall be responsible for the reconstruction and repair after casualty shall be that of the Corporation.

D. Estimate of Costs: Immediately after a determination to rebuild or repair damage to property for which the Corporation has the responsibility of reconstruction and repair, the Corporation shall obtain reliable and detailed estimates of the cost to rebuild or repairs.

E. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Corporation, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the apartment or store owners who own the damaged apartments or stores and against all apartment and store owners in the case of damage to common elements, in sufficient amount to provide funds for the payment of such costs. Such assessments against apartment and store owners for damage to apartments or stores shall be in proportion to the cost of reconstruction and repair of their respective apartments or store. Such assessments on account of damage to common elements shall be in proportion to the owner's share in the common elements.

F. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Corporation from assessments against apartment and store owners, shall be disbursed in payment of such costs in the following manner:

(1) Corporation: If the total of assessments made by the corporation in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Corporation is more than Five Thousand Dollars (\$5,000.00), then the sums paid upon such assessments shall be deposited by the Corporation with the Insurance Trustee. In all other cases, the Corporation shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconstruction and repairs.

(2) Insurance Trustee: The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Corporation from collections of assessments against apartment and store owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(a) Corporation - Lesser Damage: If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Corporation is less than Five Thousand Dollars (\$5,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Corporation; provided, however, that upon request to the Insurance Trustee by a 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 hereafter provided for the reconstruction and repair of major damage.

(b) Corporation - Major Damage: If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Corporation is more than Five Thousand Dollars (\$5,000.00) then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the corporation and upon approval of an architect qualified to practice in the State of Florida, and employed by the Corporation to supervise the work.

(c) Apartment and Store Owner: The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an apartment or store owner shall be paid by the Insurance Trustee to the apartment or store owner, or if there

is a mortgagee endorsement as to such apartment or store then to the apartment or store owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(d) Surplus: It shall be presumed that the first moneys 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.

(e) Payment of Funds Held by Trustee: Irrespective of the terms and conditions of paragraph 7 F (2) (d) above, no funds shall be disbursed by the Insurance Trustee until such time as the Corporation has deposited with the Insurance Trustee sufficient funds over and above any insurance proceeds receivable by the Insurance Trustee to complete said reconstruction or repairs, as the case may be. The Insurance Trustee may rely upon a written certificate of the Architect appointed by the Corporation that the funds deposited by the Corporation, together with the insurance proceeds received by the Insurance Trustee, are sufficient to pay for the costs of reconstruction or repairs, as the case may be.

(f) Certificate: Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by apartment or store owners upon assessments shall be deposited by the Corporation with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Corporation or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Corporation 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 of any distribution of insurance proceeds to a unit owner; and further provided that when the Corporation, or a 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 Corporation shall be first obtained by the Corporation upon disbursements in payment of costs of reconstruction and repair.

8. It is mutually agreed between the parties hereto that the insurance policies to be deposited with the Trustee from time to time may be utilized when necessary by the Corporation or by any of the owners of the fee simple title or by mortgagees, as evidence in any suit in which said insurance policies are relevant evidence and, in that event the Insurance Trustee agrees to deliver said policies to the Corporation and to accept the receipt of the Corporation for such policies for the purposes set forth herein. Upon the cessation of the need for said policies as evidence, as aforesaid, the same shall be returned to the Insurance Trustee.

It is mutually agreed that the fact that the Insurance Trustee shall hold the aforesaid policies as Trustee shall not in any way constitute a claim of ownership of any of the property covered by said policies on the part of the Insurance Trustee, nor shall it render the Insurance Trustee responsible for any risks covered by said policies.

9. The Corporation agrees to pay the Insurance Trustee as a fee for its services in acting as Trustee the following fees:

- | | |
|-------------------|-------|
| A. Acceptance Fee | \$250 |
| B. Annual Fee | \$200 |

each and every anniversary date (Plus 1-1/2 per cent) any insurance proceeds received and disbursed by the Insurance Trustee.

10. It is agreed and understood that the Insurance Trustee has no interest in the subject matter of this agreement and its duties, obligations and liabilities hereunder as Trustee are limited solely to those set forth in this Agreement and it shall have no other duties, obligations or liabilities, implied or otherwise.

It is further specifically understood and agreed that the Insurance Trustee shall have no duty, responsibility or liability for determining the validity, substance or completeness of any of the documents or certificates

required to be delivered to it hereunder as a prerequisite to its disbursing any insurance funds received by it and with respect to such documents, instruments or certificates the Insurance Trustee shall rely completely upon the approvals and certificates relating thereto hereinbefore described in this Agreement.

It is further agreed that the Insurance Trustee shall have no duty or responsibility to make any inspection of the premises of the condominium administered by the Corporation or of any damage to any of the improvements or to oversee or be responsible for any repairs or reconstruction of any of the improvements, nor shall it have any duty or responsibility as to the ultimate disposition of any funds which have been disbursed by it in accordance with the terms of this Agreement.

In the event that the parties hereto shall disagree as to the fulfillment of the terms and conditions of this Agreement or in the event that the Insurance Trustee is made a party to any suit brought by the owners of individual condominium units, or by any insurance company or contractor, then and in that event the Insurance Trustee shall have the right to hold any funds or policies until such time as the parties do agree, or until an order has been entered by a court having jurisdiction of the parties hereto and the subject matter hereof directing the Insurance Trustee to act and the time for any appeal of said order has expired. Upon presentation of such order properly certified, the Insurance Trustee will comply with such order unless it has been notified that such order unless it has been notified that such order has been superseded or appealed, and upon complying with said order, the Insurance Trustee shall be fully released from all obligations by reason of said dispute.

In the event that the Insurance Trustee should become involved in any litigation by reason of the provisions of this Insurance Trust Agreement, it shall be entitled to recover its costs incurred, plus reasonable attorneys' fees for its attorneys. Any costs or attorneys' fees awarded the Insurance Trustee may be deducted by the Insurance Trustee from any funds held by it, and if said funds are insufficient to pay said costs or attorneys' fees, the Insurance Trustee shall be entitled to recover the balance due from the Corporation.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized officers this 23 day of July, 1979, and caused their seals to be affixed hereto.

LAS OLAS VILLAS CONDOMINIUM ASSOC., INC.

[Signature]
President
[Signature]
Secretary

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized officers this 23 day of July 1979, and caused their seals to be affixed hereto.

FLORIDA COAST BANK OF POMPANO BEACH
BY: [Signature]
FREDERICKA F. ROBIN
Sr. Vice President & Trust Officer
ATTEST: [Signature]
Vice President

WITNESSES:
Lila C. Hammond
[Signature]