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DECLARATION OF CONDOMINIUM

OF

WATERWAY CLUB NO. 1, A Condominium

SEYMOUR A. FINE, MARVIN B. TURK and GRANREAL OF FLORIDA, INC., a Florida corporation, d/b/a WATERWAY CLUB, being the owner of record of the fee simple title to the real property situate, lying and being in Palm Beach County, Florida, as more particularly described in the Survey Exhibit attached hereto as Exhibit 1, which is incorporated herein by reference, does hereby state and declare that said realty, together with improvements thereon, is submitted to condominium ownership pursuant to the CONDOMINIUM ACT of the State of Florida (F.S. 711 et.seq.) and does hereby file this DECLARATION OF CONDOMINIUM.

1. PURPOSE, NAME AND ADDRESS; LEGAL DESCRIPTION; EFFECT.

1.1 PURPOSE. The purpose of this DECLARATION is to submit the lands and improvements herein described to condominium ownership and use in the manner prescribed by the Laws of the State of Florida.

1.2 NAME AND ADDRESS. The name of this CONDOMINIUM is as specified in the title of this document. The address shall be the name of the CONDOMINIUM together with: WATERWAY CLUB, LANTANA, FLORIDA.

1.3 THE LAND. The real property described on EXHIBIT 1 is the CONDOMINIUM PROPERTY hereby submitted to condominium ownership. Such property is subject to such easements, restrictions, reservations and rights of way of record, together with those contained or provided for in this instrument and the EXHIBITS attached hereto.

1.4 EFFECT. All of the provisions of this DECLARATION OF CONDOMINIUM and of all of the EXHIBITS attached hereto, shall

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constitute enforceable equitable servitudes, which shall run with the land, shall be effective in perpetuity unless THE DECLARATION is revoked and the CONDOMINIUM is terminated as provided herein and shall be binding upon all UNIT OWNERS. In consideration of receiving and by acceptance of a grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons agree to be bound by the provisions hereof. Both the burdens imposed and the benefits granted by this instrument shall run with each UNIT and as herein defined.

2. SURVEY AND DESCRIPTION OF IMPROVEMENTS: AMENDMENTS THERETO.

2.1 SURVEY. Annexed hereto and made a part hereof as EXHIBIT 1 is a survey of the land, graphic description, and plot plans of the improvements constituting the CONDOMINIUM, identifying the UNITS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS, and their respective locations and approximate dimensions. Each UNIT is identified, on EXHIBIT 1, by a specific number. No UNIT bears the same number as any other UNIT. The parking and storage areas are delineated thereon. The percentage of ownership of undivided interests in the COMMON ELEMENTS appurtenant to each UNIT is designated thereon.

2.2 SPONSOR reserves the right to alter the interior design, boundaries and arrangement of all UNITS, as long as SPONSOR owns the UNITS so altered. Said alteration shall be accomplished by an amendment to this DECLARATION, which need only be signed by SPONSOR without the approval of any other party. SPONSOR shall unilaterally reapportion, if necessary, the shares of ownership in the COMMON ELEMENTS appurtenant to the UNITS concerned.

3. DEFINITION OF TERMS. The terms used in this DECLARATION and the EXHIBITS attached hereto shall have the meanings stated in the CONDOMINIUM ACT (Sec. 711.03, Fla. Stat., 1971, as amended) and as follows, unless the context otherwise requires.

3.1 "CONDOMINIUM" means that form of ownership of CONDOMINIUM PROPERTY under which UNITS of improvements are subject to ownership by one or more owners, and there is appurtenant to each UNIT as part

thereof an undivided share in the COMMON ELEMENTS. The term shall also mean the CONDOMINIUM established by this DECLARATION.

3.2 "DECLARATION", or "DECLARATION OF CONDOMINIUM" means this instrument and all EXHIBITS attached hereto as they may be from time to time amended.

3.3 "UNIT" or "CONDOMINIUM UNIT" means a part of the CONDOMINIUM PROPERTY which is to be subject to private ownership.

3.4 "COMMON ELEMENTS" means all of the real property, improvements and facilities of the CONDOMINIUM other than the UNITS.

3.5 "LIMITED COMMON ELEMENTS" means and includes those COMMON ELEMENTS which are reserved for the use of a certain UNIT or UNITS to the exclusion of other UNITS.

3.6 "ASSOCIATION" means the non-profit Florida corporation whose name and seal appears at the end of this DECLARATION which is the entity responsible for the operation of the CONDOMINIUM.

3.7 "BOARD" means the Board of Directors of the ASSOCIATION as it is constituted, from time to time.

3.8 "BY-LAWS" means the BY-LAWS of the aforescribed ASSOCIATION, as they exist from time to time. (EXHIBIT 4)

3.9 "CONDOMINIUM ACT" means the CONDOMINIUM ACT OF THE STATE OF FLORIDA (F.S. 711, et. seq.) as the same may be amended from time to time.

3.10 "COMMON EXPENSES" means the expenses for which the UNIT OWNERS are liable to the ASSOCIATION. COMMON EXPENSES shall include, but not be limited to, expenses of administration, maintenance, operation, repair or replacement of the COMMON ELEMENTS, and of portions of UNITS to be maintained by the ASSOCIATION; and all other expenses declared COMMON EXPENSES by provisions of this DECLARATION.

3.11 "COMMON SURPLUS" means the excess of all receipts of the ASSOCIATION, including, but not limited to, assessments, rents, profits, and revenues on account of the COMMON ELEMENTS, over the amount of COMMON EXPENSES of the CONDOMINIUM.

3.12 "CONDOMINIUM PROPERTY" means and includes the land in this CONDOMINIUM, whether or not contiguous, all improvements

thereon and all easements and rights appurtenant thereto intended for use in connection with the CONDOMINIUM.

3.13 "ASSESSMENT" means a share of the funds required for the payment of COMMON EXPENSES which from time to time is assessed against the UNIT OWNERS.

3.14 "CONDOMINIUM PARCEL" or "CONDOMINIUM UNIT" means a UNIT together with the undivided share in the COMMON ELEMENTS which is appurtenant to the UNIT.

3.15 "UNIT OWNER" means the owner of a CONDOMINIUM PARCEL.

3.16 "INSTITUTIONAL MORTGAGEE" means a State or Federal Bank, Federal Savings and Loan Association, Insurance Company, Real Estate Investment Trust, Union Pension Fund, or an Agency of the United States Government being a mortgagee on a UNIT.

3.17 "OCCUPANT" means the person or persons other than the UNIT OWNER in actual possession of a UNIT.

3.18 "CONDOMINIUM DOCUMENTS" means this DECLARATION, the SURVEY EXHIBIT, the LONG-TERM LEASE, the ARTICLES OF INCORPORATION OF THE ASSOCIATION, the BY-LAWS OF THE ASSOCIATION, and the MANAGEMENT AGREEMENT.

3.19 "SPONSOR" means SEYMOUR A. FINE, MARVIN B. TURK AND GRANREAL OF FLORIDA, INC., D/B/A WATERWAY CLUB, their successors and assigns.

3.20 "ARTICLES OF INCORPORATION", "CHARTER OF ASSOCIATION", or "CHARTER" means the ARTICLES OF INCORPORATION of the CONDOMINIUM ASSOCIATION, heretofore filed in the Office of the Secretary of State of the State of Florida.

3.21 "UTILITIES" or "UTILITY SERVICE" shall include water, electricity, gas, telephone (including intercom, if any), television (including cable televisions, if any) sewage and like services.

3.22 The phrase "PROVISIONS OF THIS INSTRUMENT" or "TERMS OF THIS INSTRUMENT", or "TERMS" or "PROVISIONS of this DECLARATION" shall include, unless specifically otherwise stated, all of the provisions of this DECLARATION OF CONDOMINIUM and the EXHIBITS attached thereto as they now exist or as they may be amended from time to time.

3.23 "PUBLIC RECORDS" means the public records of Palm Beach County, Florida.

3.24 "CORPORATION" when used with reference to the owner of a CONDOMINIUM PARCEL means any entity other than a natural person.

3.25 "PERSON" shall mean one or more natural persons.

3.26 "RECONSTRUCTION" or "RESTORE" shall include repairs or replacement of structures, fixtures, furnishings and furniture.

3.27 "RULES AND REGULATIONS" means the BY-LAWS and other use and occupancy provisions.

3.28 "LONG-TERM LEASE" means and refers to that LEASE AGREEMENT attached to this DECLARATION as EXHIBIT 2 and made a part hereof. All definitions as contained in the LONG-TERM LEASE are adopted by reference as though set forth herein verbatim. "RECREATION AREAS" and/or "LEASED FACILITIES" or "DEMISED PREMISES" means the RECREATION AREAS and/or LEASED FACILITIES described and demised in said LONG-TERM LEASE.

3.29 "LESSOR" means the LESSOR in the LONG-TERM LEASE attached to this DECLARATION as EXHIBIT 2.

3.30 "MANAGEMENT FIRM" means WATERWAY MANAGEMENT, INC., a Florida corporation, its successors and assigns, being the entity responsible for the management of the CONDOMINIUM PROPERTY and DEMISED PREMISES.

3.31 "MANAGEMENT AGREEMENT" means that certain AGREEMENT entered into by and between the ASSOCIATION and WATERWAY MANAGEMENT, INC. attached hereto as EXHIBIT 5 which provides for the management of the CONDOMINIUM PROPERTY.

The definitions herein contained shall prevail as the context requires whether or not the same are capitalized in their usage herein.

4. OWNERSHIP AND BOUNDARIES OF UNITS; INTEREST IN COMMON ELEMENTS; PARKING; STORAGE AREAS.

4.1 INTEREST IN COMMON ELEMENTS. Each UNIT OWNER shall own, as an appurtenance to his UNIT, an undivided interest in the COMMON ELEMENTS as assigned thereto in EXHIBIT 1. The percentage of undivided interest of each UNIT shall not be changed without the unanimous consent of all of the owners of all of the UNITS

(except as provided for in Paragraphs 2 and 16 hereof). No owner of any UNIT shall bring or have the right to bring an action for partition or division of his undivided interest in the COMMON ELEMENTS.

4. BOUNDARIES. A UNIT consists of an individual apartment lying within the following boundaries:

4.1 HORIZONTAL BOUNDARY:

a. UPPER AND LOWER BOUNDARIES. The upper and lower boundaries of the APARTMENT shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) UPPER BOUNDARY -- The horizontal plane of the undecorated finished ceiling.

(2) LOWER BOUNDARY -- The horizontal plane of the undecorated finished floor.

4.2.2 PERIMETRICAL BOUNDARIES:

a. The perimetrical boundaries of the APARTMENT shall be the vertical planes of the undecorated finished interior of the walls bounding the APARTMENT extended to intersections with each other and with the UPPER and LOWER BOUNDARIES.

(1) Where there is an aperture in any perimetrical boundary, including but not limited to windows and doors, the vertical boundary shall be extended at all such places, at right angles, to the dimension of such aperture, so that the perimetrical boundary at such places shall be coincident with the exterior unfinished surface of such aperture, including the frame work thereto. Exterior walls made of glass or glass fired to metal framing, exterior windows and frames, exterior glass sliding doors, frames and casings, shall be included within the UNIT and shall not be deemed a COMMON ELEMENT.

(2) Where a balcony, loggia, terrace, porch, stairway or other portion of the building or any fixture attached to the building serves only the

APARTMENT being bounded, the perimetrical boundary shall vary with the exterior unfinished surface of any such structure extended in a vertical plane, where necessary, to the horizontal boundary.

(3) The interior partitions within a UNIT are part of said UNIT.

4.2.3. WEIGHT BEARING STRUCTURES. Each UNIT shall not include the area beneath the unfinished surface of any weight bearing structure which is otherwise within the horizontal and perimetrical boundaries.

4.2.4 MAINTENANCE EASEMENT. In addition to the space within the horizontal and perimetrical boundaries, each UNIT shall have an easement in the COMMON ELEMENTS adjacent to the UNIT for the purposes of providing maintenance, repair or service to the ducts, pipes, conduits, plumbing, wiring or other facilities for the furnishing of UTILITY SERVICES serving UNITS and the COMMON ELEMENTS, which, whether included in said boundaries or otherwise, are COMMON ELEMENTS.

a. Any pipes, ducts, wires, conduits, electrical panels, or any utility services serving only one UNIT are appurtenant to such UNIT and are not part of the COMMON ELEMENTS.

4.2.5 AIR CONDITIONING. Notwithstanding any of the provisions of this Paragraph 4 to the contrary, the air conditioning compressors located on or near any building and the refrigerant and electrical lines running from such compressors to the individual UNITS shall be deemed owned by the UNIT OWNERS and are not a part of the COMMON ELEMENTS.

4.3 AUTOMOBILE PARKING AREAS. After the filing of this DECLARATION, there shall be assigned to each UNIT the exclusive right to use one automobile parking space. Such parking space shall be used only by the owner of such UNIT and such owner's guests and invitees, and shall constitute LIMITED COMMON ELEMENTS for the use and benefit of said UNIT. The assignment of such parking space shall be made by either the SPONSOR and/or the ASSOCIATION and the assignment thereof shall be final. At the time of assignment, the

parking spaces shall convert from unassigned LIMITED COMMON ELEMENTS as shown on EXHIBIT 1 to assigned LIMITED COMMON ELEMENTS. Use of the parking spaces not assigned to a UNIT and reassignment or conveyance of all parking spaces shall be as provided in this instrument, the BY-LAWS, and the MANAGEMENT AGREEMENT.

4.3.1 NO CHANGE IN COMMON EXPENSE. Upon the assignment of an exclusive parking space, the owner of such UNIT shall have the exclusive right to use the same without additional charge therefor by the ASSOCIATION. Nothing herein contained shall relieve any UNIT OWNER from any portion of any assessment for COMMON EXPENSES, it being the intention hereof that the cost of maintenance and administration of all LIMITED COMMON ELEMENTS shall be included as a part of the COMMON EXPENSES applicable to all UNITS for the purposes of assessment.

4.3.2 EXCLUSIVE RIGHT OF PARKING APPURTENANT TO UNIT. Upon the assignment of an exclusive right of parking, said parking space shall be an appurtenance to said UNIT and shall be encumbered by and subject to any mortgage then or thereafter encumbering said UNIT. Upon the conveyance or passing of title to the UNIT such exclusive right shall pass as an appurtenance thereto in the same manner as the undivided interest in the COMMON ELEMENTS, appurtenant to such UNIT, passes.

4.3.3 Parking spaces which have not been assigned by the SPONSOR prior to the time SPONSOR shall have sold and conveyed all UNITS in the CONDOMINIUM PROPERTY shall be a part of the COMMON ELEMENTS.

4.4 STORAGE FACILITIES. There is contained on EXHIBIT 1 certain areas designated as storage areas for the use of the CONDOMINIUM and/or certain designated UNITS.

4.4.1 USE OF STORAGE SPACE AMONG UNIT OWNERS. The storage space shall be used in common among the UNITS as designated by the ASSOCIATION from time to time. Neither the SPONSOR nor the ASSOCIATION shall be liable to any UNIT OWNER as a bailee or otherwise for loss or damage to, or theft of any property stored therein except for such loss, damage or theft as may be covered by policies of insurance carried by the ASSOCIATION.

4.4.2 NO CHANGE IN COMMON EXPENSES. The designation by the SPONSOR or the ASSOCIATION of a storage area to be used by a particular UNIT OWNER shall be governed by the same provisions as the assignment of parking spaces as set forth in Paragraph 4.3.1 hereof.

5. RESTRICTION AGAINST FURTHER SUBDIVIDING OF UNITS AND SEPARATE CONVEYANCE OF APPURTENANT COMMON ELEMENTS.

5.1 SUBDIVISION OF UNITS. No UNIT may be divided or subdivided into a smaller UNIT or UNITS than as shown on EXHIBIT 1 hereto, nor shall any UNIT, or portion thereof, be added to or incorporated into any other UNIT, except as provided in Paragraph 2.2 hereof.

5.2 COMMON ELEMENTS -- CONVEYANCE. The undivided interest in the COMMON ELEMENTS and COMMON SURPLUS is declared to be appurtenant to each UNIT and shall not be conveyed, devised, encumbered or otherwise dealt with separately from said UNIT. The undivided interest in COMMON ELEMENTS and COMMON SURPLUS appurtenant to each UNIT shall be deemed conveyed, devised, encumbered or otherwise included with the UNIT even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with the UNIT. Nothing herein contained shall be construed as limiting or preventing ownership of any CONDOMINIUM PARCEL by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

5.3 EXCHANGE OF PARKING SPACES. UNIT OWNERS may, with consent of the ASSOCIATION and the INSTITUTIONAL MORTGAGEES having mortgages on the UNITS concerned, if any, exchange with each other the LIMITED COMMON ELEMENT constituting an exclusive parking space, PROVIDED, HOWEVER, that there must always remain appurtenant to each UNIT one such exclusive parking space. This exchange will be noted on the records of the ASSOCIATION.

6. EASEMENTS.

6.1 PERPETUAL NON-EXCLUSIVE EASEMENT. The COMMON ELEMENTS shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the UNIT

OWNERS in the CONDOMINIUM for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, including the providing of services for the benefit of all UNITS.

6.2 EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS. In the event that any UNIT, COMMON ELEMENT or LIMITED COMMON ELEMENT shall encroach upon any other UNIT, COMMON ELEMENT or LIMITED COMMON ELEMENT for any reason other than the purposeful or grossly negligent act of any person, then an easement appurtenant to such shall exist for so long as such encroachment shall naturally exist. In the event a portion of the CONDOMINIUM PROPERTY is partially or totally destroyed and then rebuilt, and any encroachment is occasioned thereby for any reason other than the purposeful or grossly negligent act of any person, then an easement appurtenant to such shall exist for the continuance of such encroachment for so long as such encroachment shall naturally exist. Should a discrepancy exist between the measurements shown on the EXHIBIT 1 attached hereto and the actual measurement to any point of reference, the actual measurement shall govern.

6.3 UTILITY EASEMENTS. Utility easements are reserved through the CONDOMINIUM PROPERTY as may be required for UTILITY SERVICE (construction and maintenance) in order to adequately serve the CONDOMINIUM.

6.4 INGRESS AND EGRESS. An easement for ingress and egress is hereby created for pedestrian traffic over, through and across sidewalks, paths, walks, driveways, passageways and lanes as the same, from time to time, may exist upon the COMMON ELEMENTS; and for vehicular traffic over, through and across such portions of the COMMON ELEMENTS as, from time to time, may be paved and intended for such purposes.

6.5 EASEMENT FOR AIR SPACE. The owner of each UNIT shall have an exclusive easement for the use of the air space occupied by said UNIT as it exists at any particular time.

6.6 USE. The use of any easement by a UNIT OWNER shall be subject to all of the PROVISIONS OF THIS DECLARATION and the LONG-TERM LEASE as the same may exist from time to time.

6.7 ACCESS. SPONSOR covenants that there shall be a perpetual access easement to the CONDOMINIUM for ingress and egress to one of the major entrances and exits to WATERWAY CLUB at Lantana, Florida and SPONSOR covenants to provide such easements required for drainage and utility service. All easements referred to herein shall be for the benefit of all persons residing on ALL CONDOMINIUM PROPERTY and for all other persons designated by the SPONSOR or LESSOR. The land upon which such access easement is located is a portion of the DEMISED PREMISES and is subject to the terms and conditions of the LONG-TERM LEASE thereon. The SPONSOR or LESSOR shall have the unequivocal continuous right to alter, change and relocate said easements as often as it deems necessary, without the consent of the ASSOCIATION, UNIT OWNERS, and any others entitled to use the easement as this easement shall not be deemed to create a burden on the land on which it exists at any particular time nor to run with this CONDOMINIUM. The SPONSOR or LESSOR shall also have the right to grant or dedicate such easements to the public, governmental authorities without the consent of any persons whomsoever. However, when requested, the ASSOCIATION and/or UNIT OWNERS shall join in the execution of the same.

6.8 SURVEY EXHIBIT. A portion of the easement referred to in Paragraph 6.7 is as designated and shall be governed by the language in EXHIBIT 1 attached hereto. SPONSOR, LESSOR or their designee shall have the right to enter the CONDOMINIUM PROPERTY for the purpose of constructing, maintaining and repairing said easements and the equipment thereon. Should the SPONSOR or LESSOR grant additional easements which connect with or are intended to supplement, replace or relocate the easements designated on EXHIBIT 1, the same shall automatically be part of the easements provided therein as if originally set forth.

6.9 WATER AND SEWER SERVICE. In order to provide WATERWAY CLUB and the CONDOMINIUM with adequate water service and sewage disposal service, SPONSOR shall have and hereby reserves the exclusive right to contract for this servicing of this CONDOMINIUM and the UNIT OWNERS with these services, either with a private company

or the Town of Lantana, Florida or any other governmental agency and the ASSOCIATION and UNIT OWNERS agree to pay the charges therefor and to comply with all of the terms and conditions thereof.

6.10 SPONSOR reserves unto itself, or its designee, the unequivocal right to create additional easements over, upon, or through the CONDOMINIUM PROPERTY, at any time, without the joinder of the ASSOCIATION or any UNIT OWNERS whomsoever provided that said easements so created shall not cause a diminution of parking spaces or cause a taking of part of the actual building. However, if requested, the ASSOCIATION and/or UNIT OWNERS shall join in the creation thereof.

7. COMMON EXPENSE; COMMON SURPLUS. Each UNIT shall share in the COMMON SURPLUS and be liable for the COMMON EXPENSES (except those assessable to less than all UNITS) in the same percentage as the percentage representing the undivided interest of each UNIT in the COMMON ELEMENTS; provided, however, that portion of the COMMON EXPENSES due under the LONG-TERM LEASE shall be shared as provided therein. The right to share in the COMMON SURPLUS does not include the right to withdraw or to require payment or distribution thereof except upon termination and dissolution of the CONDOMINIUM, provided, however, such surplus may be distributed at the discretion of the ASSOCIATION.

8. ADMINISTRATION OF THE CONDOMINIUM; THE ASSOCIATION; MEMBERSHIP; REPORTS TO MEMBERS AND LENDERS; VOTING.

8.1 THE ASSOCIATION. The ASSOCIATION, a non-profit Florida corporation, has been organized to provide for the administration of the CONDOMINIUM PROPERTY. Said ASSOCIATION shall administer the operation and management of the CONDOMINIUM PROPERTY and undertake and perform all acts and duties incident thereto in accordance with the provisions of this instrument. A copy of the ARTICLES OF INCORPORATION and BY-LAWS of said ASSOCIATION are annexed hereto and made a part hereof as EXHIBITS 3 and 4, respectively.

8.2 MEMBERSHIP. Each UNIT OWNER hereby agrees that he shall automatically become a member of the ASSOCIATION upon his acquisition of title to any UNIT. The membership of such UNIT OWNER shall

terminate automatically upon said UNIT OWNER being divested of title to such UNIT, regardless of the means by which such ownership may be divested. No person holding any lien, mortgage or other encumbrance upon any UNIT shall be entitled, by virtue thereof, to membership in the ASSOCIATION, or to any of the rights or privileges of such membership.

8.3 POWERS OF ASSOCIATION. In the administration of the CONDOMINIUM, the ASSOCIATION shall have and is hereby granted the authority and power to enforce the provisions of this DECLARATION, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such Rules and Regulations governing the use of the UNITS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS, as the Board of Directors of the ASSOCIATION may deem to be in the best interests of the CONDOMINIUM. The ASSOCIATION shall have all of the powers and duties set forth in the CONDOMINIUM ACT.

8.4 REPORTS TO MEMBERS AND LESSOR. The ASSOCIATION shall maintain accounting records according to good accounting practices, which shall be open to inspection by an expert employed by, and at the cost and expense of, the UNIT OWNERS and at such reasonable times as the ASSOCIATION shall agree; however such inspection cannot be made more than once during any calendar year. When this function is delegated to the MANAGEMENT FIRM the terms of the MANAGEMENT AGREEMENT shall govern. The LESSOR shall have continuous reasonable access to the records of the ASSOCIATION. Written summaries of the accounting records of the ASSOCIATION shall be supplied annually to each UNIT OWNER and the LESSOR. The accounting records of the ASSOCIATION shall include a record of all receipts, expenditures and an account for each UNIT which shall designate the name and address of the UNIT OWNER, the amount of each assessment, the dates and amounts in which the assessments came due, the amounts paid on the account, and the balance due.

8.5 REPORTS TO LENDERS. So long as an INSTITUTIONAL MORTGAGEE of any UNIT is the owner or holder of a mortgage encumbering a UNIT in the CONDOMINIUM, the ASSOCIATION shall furnish said INSTITUTIONAL MORTGAGEE with one (1) copy of the Annual Financial Statement and Report of the ASSOCIATION provided said INSTITUTIONAL

MORTGAGEE requests same.

8.6 VOTING. Each UNIT OWNER including the SPONSOR shall be entitled to one (1) vote for each UNIT owned. The vote of each UNIT OWNER shall be governed by the provisions of the BY-LAWS.

8.7 MANAGEMENT AGREEMENT. The ASSOCIATION may enter into an Agreement with any person, firm or corporation for the administration, maintenance and repair of the CONDOMINIUM PROPERTY and may delegate to such contractor or manager such of the powers and duties of the ASSOCIATION as the ASSOCIATION and such person, firm or corporation shall agree. To this end, the ASSOCIATION has entered into the MANAGEMENT AGREEMENT attached hereto as EXHIBIT 5.

8.8 CONSTRUCTION OF POWERS. All references and grants of power or authority to the ASSOCIATION or Board of Directors shall, including the power to discharge said responsibility, and the enforcement of the ASSOCIATION's legal rights, for the purposes of this DECLARATION, be deemed as grants of power and authority directly to the MANAGEMENT FIRM for such period of time as the MANAGEMENT AGREEMENT exists, and only thereafter the ASSOCIATION. This provision shall not be construed as binding the MANAGEMENT FIRM to perform all the duties of the ASSOCIATION but only those which shall be specified in the MANAGEMENT AGREEMENT. For the purposes of this DECLARATION, all references herein to the ASSOCIATION where the rights, duties and powers are encompassed by the MANAGEMENT AGREEMENT shall be deemed to read "The MANAGEMENT FIRM for so long as the MANAGEMENT AGREEMENT shall exist and thereafter the ASSOCIATION". Nothing in this instrument shall be deemed to make the MANAGEMENT FIRM liable for any expenses or costs for which the ASSOCIATION and/or UNIT OWNERS are liable.

9. USE AND OCCUPANCY.

9.1 RESIDENTIAL USE. Each UNIT is hereby restricted to residential use as single family residence by the owner or owners thereof, their immediate families, guests and invitees.

9.2 OWNERSHIP BY CORPORATION. In the event that a CORPORATION is a UNIT OWNER said CORPORATION shall, prior to the purchase of such UNIT, designate the PERSON who is to be the permanent OCCUPANT of such UNIT. Such CORPORATION shall not thereafter have

the right to designate other PERSONS as the OCCUPANTS of such UNIT whether such PERSONS be in substitution of or in addition to the PERSONS initially designated, except with the approval of the ASSOCIATION given pursuant to the provisions of Paragraph 12 hereof. All provisions of this instrument shall apply to such designated OCCUPANTS as though they had title to such UNIT and the CORPORATION owning such UNIT shall be bound thereby. The provisions hereof shall not be applicable to any CORPORATION formed or controlled by SPONSOR.

9.3 GENERAL USE RESTRICTION. No person shall use the COMMON ELEMENTS or any part thereof, or a CONDOMINIUM UNIT, or the CONDOMINIUM PROPERTY, or any part thereof, in any manner contrary to the TERMS OF THIS INSTRUMENT.

9.4 ALTERATIONS AND ADDITIONS. No UNIT OWNER shall make or permit to be made any material alteration, addition or modification to his CONDOMINIUM PARCEL without the prior written consent of the ASSOCIATION, SPONSOR, and any INSTITUTIONAL MORTGAGEE (should the terms of its mortgage require such consent). No UNIT OWNER shall cause the balcony or terrace which is abutting, or part of, his UNIT to be enclosed, or cause any improvements or changes to be made therein or on the exterior of the building, including painting or other decoration without the written permission of the ASSOCIATION, and SPONSOR. No UNIT OWNER shall cause to be made any modification or installation of electrical wiring, television antenna systems or connections, whether inside or outside the UNIT, or in any manner change the appearance of any portion of the CONDOMINIUM PROPERTY. No UNIT OWNER may cause any material puncture or break in the boundaries of his UNIT without the written permission of the ASSOCIATION, and SPONSOR. No UNIT OWNER shall grow any type of plant, shrub, flower, etc. outside their UNIT.

9.5 LAWFUL USE. No immoral, improper, offensive or unlawful use shall be made of any or all the CONDOMINIUM PROPERTY, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance,

modification or repair of the CONDOMINIUM PROPERTY shall be the same as the responsibility for maintenance and repair of the property concerned.

9.6 PETS. No animals shall be kept or harbored on the CONDOMINIUM PROPERTY without the written consent of the ASSOCIATION. Such consent, if given, may be upon such conditions as the ASSOCIATION may prescribe and such consent shall be deemed provisional and subject to revocation at any time. When notice of revocation or removal of any pet is given, said pet shall be removed within twenty-four hours of the giving of the notice.

9.7 VENDING MACHINES. The SPONSOR or any designee shall have the exclusive and perpetual right to install and operate coin-operated vending and laundry machines, including, but not limited to, washing machines, dryers, dry cleaning machines and machines of an allied nature and the exclusive right to offer services for off-premises dry cleaning, laundry, pressing and tailoring and other allied services within the CONDOMINIUM PROPERTY on areas designated for such services. Neither the ASSOCIATION nor any UNIT OWNER shall be entitled to any remuneration on any profits from these machines or services unless otherwise authorized by the SPONSOR or designee.

9.8 NUISANCES. No nuisances nor any use or practice that is the source of unreasonable annoyance to other UNIT OWNERS or which interferes with the peaceful possession and proper use of the CONDOMINIUM PROPERTY by the UNIT OWNERS is permitted. No UNIT OWNER or OCCUPANT shall permit or suffer anything to be done or kept upon the CONDOMINIUM PROPERTY or his UNIT which will increase the rate of insurance on the CONDOMINIUM.

9.9 APPLICABILITY TO SPONSOR. Neither the UNIT OWNERS or the ASSOCIATION, nor their use of the CONDOMINIUM, shall interfere with the SPONSOR's completion and sale of the CONDOMINIUM UNITS whether in this CONDOMINIUM or otherwise. Anything contained herein to the contrary notwithstanding, the SPONSOR may make such use of any unsold UNIT and the COMMON ELEMENTS as may facilitate the sale leasing or construction of any UNIT and may use any unfinished UNIT as a storage and/or fabrication area.

9.10 CHILDREN. No person under twelve (12) years of age shall be permitted to reside in any UNIT except that minor children may be permitted to visit and reside for reasonable periods not to exceed two (2) consecutive weeks on any one occasion and thirty (30) days in any calendar year.

9.11 RULES AND REGULATIONS. All UNIT OWNERS and other persons shall use the CONDOMINIUM PROPERTY and DEMISED PREMISES in accordance with the RULES AND REGULATIONS promulgated by the entity in control thereof and the PROVISIONS OF THIS INSTRUMENT.

9.12 INITIAL RULES AND REGULATIONS. The initial RULES AND REGULATIONS for the use of the CONDOMINIUM PROPERTY are set forth in the BY-LAWS of the ASSOCIATION attached hereto as EXHIBIT 4 and the same shall be deemed effective until amendment as provided therein.

10. MAINTENANCE AND REPAIR OF THE CONDOMINIUM PROPERTY; ALTERATIONS AND IMPROVEMENTS.

10.1 MAINTENANCE BY ASSOCIATION. ASSOCIATION, at its expense, shall be responsible for and shall maintain, repair and replace all of the COMMON ELEMENTS, including those portions within the boundaries of a UNIT which contribute to the support of the building, and all conduits, ducts, plumbing, wiring and other facilities constituting a part of the COMMON ELEMENTS for the furnishing of UTILITY SERVICE to the UNITS and the COMMON ELEMENTS.

10.2 LIMITATION UPON LIABILITY OF ASSOCIATION AND MANAGEMENT FIRM. Notwithstanding the duty of the ASSOCIATION and the MANAGEMENT FIRM to maintain and repair parts of the CONDOMINIUM PROPERTY, they shall not be liable to UNIT OWNERS for injury or damage, whether caused by any latent condition of the property to be maintained and repaired by them, the natural elements or other persons, or caused by any other reason.

10.3 MAINTENANCE BY UNIT OWNER. The UNIT OWNER shall, subject to the other PROVISIONS OF THIS DECLARATION, maintain, repair and replace at his expense all portions of his UNIT including, but not limited to, all doors, windows, glass, screens, electric panels, electric wiring, electric outlets and fixtures, heaters,

hot water heaters, refrigerators, dish-washers, other appliances, drains, plumbing fixtures and connections, interior surfaces of all walls, floors and ceilings, and all other portions of his UNIT, except the portion specifically to be maintained, repaired and replaced by the ASSOCIATION. The UNIT OWNER shall maintain and repair the air conditioning compressor, filter, refrigerant and electrical line appurtenant to his UNIT.

10.4 LIABILITY OF UNIT OWNER. Should a UNIT OWNER undertake unauthorized additions and modifications to his UNIT or refuse to make repairs as required, or should a UNIT OWNER cause any damage to the COMMON ELEMENTS, the ASSOCIATION may make such repairs or replacements and the ASSOCIATION shall have the right to levy a Special Assessment against the said UNIT OWNER. Said assessment shall have the same force and effect as all other assessments hereunder. In the event a UNIT OWNER threatens to or violates the provisions hereof, the ASSOCIATION shall also have the right to proceed in a Court of equity for an injunction to seek compliance with the provisions hereof.

10.5 INSURANCE PROCEEDS. Whenever any maintenance, repair and replacement of any items for which the owner of a UNIT is responsible is made necessary by any loss covered by insurance maintained by the ASSOCIATION, the proceeds of the insurance received by ASSOCIATION or the INSURANCE TRUSTEE shall be used for the purpose of making such maintenance, repair or replacement. The UNIT OWNER shall be required to pay all of the costs thereof that exceed the amount of the insurance proceeds.

10.6 LIMITATION ON ALTERATIONS OR ADDITIONS. There shall be no alterations or additions to the COMMON ELEMENTS of this CONDOMINIUM during any year where the cost thereof is in excess of ten (10%) per cent of the annual budget of the ASSOCIATION for COMMON EXPENSES (including all sums due under the LONG-TERM LEASE), except as authorized by the Board of Directors of the ASSOCIATION and approved by not less than seventy-five (75%) per cent of the UNIT OWNERS. The cost of such alterations or additions shall be assessed as COMMON EXPENSES.

10.7 LIMITED BENEFIT. Where any alteration or additions are exclusively or substantially exclusively for the benefit of a UNIT

OWNER(s) requesting same, excluding normal repairs to COMMON (or LIMITED COMMON) ELEMENTS, then the cost of such alterations or additions shall be assessed against and collected solely from such UNIT OWNER(s) exclusively or substantially exclusively benefited thereby. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors of the ASSOCIATION. The limitation contained in Paragraph 10.6 shall not apply where such UNIT OWNER(s) deposit the entire cost of such alteration or improvement with the ASSOCIATION.

10.8 PROVISIO. The provisions of Paragraph 10.6 above shall not be applicable to the SPONSOR or to any such alterations or repairs required due to casualty as contemplated in Paragraph 13 hereof which shall govern if such casualty occurs.

10.9 RIGHT OF ENTRY BY ASSOCIATION AND LESSOR. Whenever it is necessary to enter any UNIT for the purpose of inspection, including inspection to ascertain a UNIT OWNER's compliance with the provisions of this DECLARATION, or for performing any maintenance, alteration or repair to any portion of the COMMON ELEMENTS, the UNIT OWNER shall permit an authorized Agent of ASSOCIATION to enter such UNIT, or to go upon the COMMON ELEMENTS, PROVIDED that such entry shall be made only at reasonable times and with reasonable advance notice. In the case of emergency such as, but not limited to, fire or hurricane, entry may be made without notice or permission. The UNIT OWNERS acknowledge that the ASSOCIATION may retain a master pass key to all the UNITS in the CONDOMINIUM. Each UNIT OWNER does hereby appoint the ASSOCIATION as his agent for the purposes herein provided for and agrees that the ASSOCIATION shall not be liable for any alleged property damage or theft caused or accruing on account of any entry.

11. APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED OR ASSESSED AGAINST THE CONDOMINIUM PROPERTY. If any taxing authority levies or assesses any Tax or Special Assessment against the CONDOMINIUM PROPERTY as a whole, and not the individual UNITS, the same shall be paid as a COMMON EXPENSE by the ASSOCIATION and assessed to the UNIT OWNERS. In such event, the amount due shall constitute a lien prior to all mortgages and encumbrances upon any

parcel to the same extent as though such Tax or Special Assessment had been separately levied by the taxing authority upon each parcel.

All personal property taxes levied or assessed against personal property owned by ASSOCIATION shall be paid by said ASSOCIATION and shall be a COMMON EXPENSE.

12. MAINTENANCE OF COMMUNITY INTERESTS. In order to maintain a community of congenial residents who are financially and socially responsible and thus protect the value of the CONDOMINIUM PROPERTY, the transfer of UNITS by other than the SPONSOR shall be subject to the following provisions as long as the CONDOMINIUM and the CONDOMINIUM PROPERTY exist:

12.1 TRANSFERS SUBJECT TO APPROVAL.

a. SALE. No UNIT OWNER may dispose of a UNIT or any interest in a UNIT by sale or otherwise without approval of the grantee by the ASSOCIATION.

b. LEASE. No UNIT OWNER may dispose of a UNIT or any interest in a UNIT by lease without approval of the lessee by the ASSOCIATION. No lease may be made for less than a three (3) month consecutive period nor shall any transient accommodations be provided.

c. GIFT. If any OCCUPANT shall acquire his title or right to occupy by gift, the continuance of his ownership or occupancy of the UNIT shall be subject to the approval of the ASSOCIATION.

d. DEVISE OR INHERITANCE. If any UNIT OWNER shall acquire his title by devise or inheritance, the continuance of his ownership of the UNIT shall be subject to the approval of the ASSOCIATION.

e. OTHER TRANSFERS. If any UNIT OWNER shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of the UNIT shall be subject to the approval of the ASSOCIATION.

12.2 APPROVAL OF ASSOCIATION. The approval of the ASSOCIATION that is required for the transfer of all or part of ownership of UNITS shall be obtained in the following manner:

a. NOTICE TO ASSOCIATION.

(1) SALE. A UNIT OWNER intending to make a "bona fide" sale of his UNIT shall give to the ASSOCIATION notice of such intention, together with such information concerning the intended purchaser as the ASSOCIATION may require. Such notice, at the UNIT OWNER's option, may include a demand by the UNIT OWNER that the ASSOCIATION furnish a purchaser for the UNIT if the proposed purchaser is not approved; if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(2) LEASE. A UNIT OWNER intending to make a "bona fide" lease of his entire UNIT shall give to the ASSOCIATION notice of such intention, together with the name, address, and such other information concerning the intended lessee as the ASSOCIATION may require, and a copy of the proposed lease. No individual rooms may be rented and no transient tenants accommodated. The demand for a substitute lessee may be made as heretofore provided.

(3) GIFT; DEVISE OR INHERITANCE; OTHER TRANSFERS. A UNIT OWNER who has obtained his title by gift, devise or inheritance, or by any other manner not previously considered, shall give to the ASSOCIATION notice thereof, together with such information concerning the UNIT OWNER as the ASSOCIATION may require, and a copy of the instrument evidencing the owner's title.

(4) FAILURE TO GIVE NOTICE. If the required notice to the ASSOCIATION is not given, then at any time after receiving knowledge of a transaction or event allegedly transferring ownership or possession of an apartment, the ASSOCIATION at its election and without notice may approve or disapprove of the same. If the ASSOCIATION disapproves the transaction or ownership, the ASSOCIATION shall proceed as if it had received the required notice on the date of such disapproval.

(5) A "bona fide" offer as used herein shall mean an offer in writing, binding upon the offeror, disclosing the name and address of the real party in interest

and containing all of the terms and conditions of such proposed lease or sale, and accompanied by an earnest money deposit in current legal funds.

b. CERTIFICATE OF APPROVAL.

(1) The granting of any certificate of approval shall be based upon the condition subsequent that the transferee pay to the ASSOCIATION an administrative transfer fee of \$50.00. Failure to pay this fee shall revoke the approval, provided however, that the appearance of the certificate of approval in the Public Records without a subsequent notice of revocation shall conclusively be deemed proof that said sum was paid.

(2) SALE OR LEASE. If the proposed transaction is a sale or lease, then within thirty (30) days after receipt of such notice and information concerning the proposed purchaser or lessee that the ASSOCIATION may request, the ASSOCIATION must either approve or disapprove the proposed transaction. If the transaction is a sale, the approval shall be stated in a certificate executed in accordance with the BY-LAWS of the ASSOCIATION, the form of which is attached thereto as EXHIBIT A which shall be recorded, at the expense of the purchaser, in the Public Records as an attachment to the instrument of conveyance. If the transaction is a Lease, the approval shall be executed in accordance with the BY-LAWS of the ASSOCIATION and delivered to the lessor. The liability of the UNIT OWNER under the terms of this DECLARATION shall continue notwithstanding the fact that the UNIT may have been leased.

(3) GIFT; DEVISE OR INHERITANCE; OTHER TRANSFERS.

If the UNIT OWNER giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within thirty (30) days after receipt of such notice and such information required to be furnished concerning such owner, the ASSOCIATION must either approve or disapprove the continuance of the UNIT OWNER's ownership of the UNIT. If approved, the approval shall be stated in a certificate

executed by the ASSOCIATION and UNIT OWNER in accordance with the BY-LAWS of the ASSOCIATION, the form of which is attached thereto as EXHIBIT A and recorded in the Public Records of Palm Beach County, Florida.

(4) APPROVAL OF CORPORATE OWNER OR PURCHASER.

If the proposed purchaser of a UNIT is a CORPORATION, the approval of the ownership by the CORPORATION will be conditioned upon requiring that all persons who shall be OCCUPANTS of the UNIT be approved by the ASSOCIATION and that the OCCUPANTS and the principals of the CORPORATION guarantee the performance of the CORPORATION of this PROVISION OF THIS INSTRUMENT, including the LONG-TERM LEASE and execute either a copy thereof or a certificate to that effect.

12.3 DISAPPROVAL BY ASSOCIATION. If the ASSOCIATION shall disapprove a transfer of ownership or the leasing of a UNIT, the matter shall be disposed of in the following manner:

a. NO REQUEST FOR SUBSTITUTE. If the proposed transaction is not approved and the UNIT OWNER has made no demand for providing of a substitute purchaser or lessee, the ASSOCIATION shall deliver a certificate of disapproval executed in accordance with the BY-LAWS of the ASSOCIATION and the transaction shall not be consummated.

b. SALE OR LEASE -- REQUEST FOR SUBSTITUTE. If the proposed transaction is not approved and the request for substitute has been made, the ASSOCIATION shall deliver or mail by registered mail to the UNIT OWNER a bona fide agreement to purchase or rent the UNIT by a purchaser or lessee approved by the ASSOCIATION who will purchase or lease and to whom the UNIT OWNER must sell or lease the UNIT upon the following terms:

(1) The price to be paid and the terms of payment shall be that stated in the disapproved offer to sell or rent.

(2) The sale shall be closed within thirty (30) days after the delivery or mailing of the agreement to purchase.

The lease shall take effect as of the date of the proposed lease.

(3) If the ASSOCIATION shall fail to provide a purchaser or lessee upon the demand of the UNIT OWNER in the manner provided, or if a purchaser or lessee furnished by the ASSOCIATION shall default in his agreement to purchase or lease then notwithstanding the disapproval, the proposed transaction shall be deemed to have been approved as elsewhere provided.

c. GIFTS; DEVISE OR INHERITANCE; OTHER TRANSFERS. If the UNIT OWNER has acquired his title by gift, devise or inheritance, or in any other manner, and the continuance is disapproved, the ASSOCIATION shall deliver or mail by registered mail to the UNIT OWNER an agreement to purchase the UNIT by a purchaser approved by the ASSOCIATION who will purchase and to whom the UNIT OWNER must sell the UNIT upon the following terms:

(1) The sale price shall be the fair market value determined by agreement between the Seller and Purchaser within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement, the price shall be determined by an independent appraiser appointed by the chairman of the local Board of Realtors. Upon determination of the price the owner and purchaser shall execute a bona fide contract of purchase and sale of the UNIT.

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

(3) The sale shall be closed within thirty (30) days following the determination of the sales price.

(4) The contract shall be in the form of the Standard Deposit Receipt and Contract for Sale and Purchase then in use in Palm Beach County, Florida.

(5) If the ASSOCIATION shall fail to provide a purchaser as required herein, or if a purchaser furnished by the ASSOCIATION shall default in his agreement to purchase, the provisions of paragraph 12.3b(3) shall apply.

12.4 MORTGAGE. No UNIT OWNER may mortgage his UNIT without the approval of the ASSOCIATION except to an INSTITUTIONAL MORTGAGEE or to a vendor to secure a portion or all of the purchase price

provided, however, that in either of such events, the ASSOCIATION and/or LESSOR shall have the prior right of approval over the form thereof. In the event of failure to grant said approval because of a conflict with the TERMS OF THIS INSTRUMENT said mortgage may not be granted until the terms thereof are acceptable to ASSOCIATION and/or LESSOR.

12.5 EXCEPTIONS; PROVISIO. The foregoing provisions of this Section entitled "MAINTENANCE OF COMMUNITY INTERESTS" shall not apply to a transfer to or purchase by an INSTITUTIONAL MORTGAGEE that acquires its title as the result of a deed from the Mortgagor in lieu of the foreclosure or through foreclosure proceedings.

a. PROVISIO. Should an INSTITUTIONAL MORTGAGEE acquire title to an apartment as hereinabove provided, such INSTITUTIONAL MORTGAGEE shall immediately thereafter notify the ASSOCIATION of such fact. Any purchaser from an INSTITUTIONAL MORTGAGEE shall be subject to all of the PROVISIONS OF THIS INSTRUMENT including the approval provisions hereof.

b. PROVISIO. Should any purchaser acquire title to a UNIT at a duly advertised public sale with open bidding as provided by law, then such person shall immediately thereafter notify the ASSOCIATION of such fact and shall be governed by all of the PROVISIONS OF THIS INSTRUMENT.

12.6 CONDOMINIUM DOCUMENTS. It shall be the responsibility of the Transferor of a CONDOMINIUM UNIT to provide all the CONDOMINIUM DOCUMENTS provided to said Transferor, to the Transferee. Notwithstanding this Paragraph 12.6, the Transferee shall be bound by the TERMS OF THIS INSTRUMENT even though the Transferor has failed to comply herewith.

12.7 UNAUTHORIZED TRANSACTIONS. Any sale, mortgage or lease not authorized pursuant to the provisions of this DECLARATION shall be void unless subsequently approved by the ASSOCIATION.

12.8 PROVISIO. No certificate of approval shall be issued by the ASSOCIATION, as provided in this Paragraph 12 and the BY-LAWS until all sums due by the UNIT OWNER pursuant to this DECLARATION and the LONG-TERM LEASE are current and paid.

12.9 INAPPLICABILITY TO LESSOR OR SPONSOR. None of the provisions of this Paragraph 12 shall apply to any UNIT owned, initially or reacquired by the LESSOR or the SPONSOR, or any corporation that is a parent, affiliate or subsidiary of the SPONSOR, LESSOR, or MANAGEMENT FIRM.

~~12.48~~ INTER-FAMILY TRANSFERS. None of the provisions of this Paragraph 12 shall apply to a transfer between joint or co-tenants, or among spouses, or immediate families where the grantee is not to take immediate possession (i.e. Life-estate deed, joint tenancy with children, etc.). However, they shall govern at the time that any previously unapproved party takes possession.

13. INSURANCE PROVISIONS. The insurance which shall be purchased and maintained for the benefit of the CONDOMINIUM shall be governed by the following provisions:

13.1 PURCHASE OF INSURANCE. All insurance purchased pursuant to this Paragraph 13 shall be purchased by the ASSOCIATION for the benefit of the ASSOCIATION, the UNIT OWNERS and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holder of institutional first mortgages. The policies shall provide that the insurer waives its rights of subrogation as to any claims against UNIT OWNERS, the ASSOCIATION and their respective servants, agents and guests. Each UNIT OWNER and the ASSOCIATION hereby agree to waive their respective rights of subrogation against each other and against other UNIT OWNERS for any loss or damage for which insurance hereunder is carried. Said policies and endorsements shall be deposited with the INSURANCE TRUSTEE (as hereinafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms and conditions hereof.

13.2 COST AND PAYMENT OF PREMIUMS. The cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual UNIT OWNERS, is declared to be a COMMON EXPENSE, as are any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

13.3 UNIT OWNERS' RESPONSIBILITY. Each UNIT OWNER may obtain insurance, at his own expense, affording coverage upon his own property, and for his own liability and living expenses as he deems advisable. All such insurance shall contain the same waiver of subrogation that is referred to herein and shall waive any right to contribution.

13.4 COVERAGE. The following coverage shall be obtained by the ASSOCIATION.

a. The building and all other insurable improvements upon the land, including all of the UNITS, COMMON ELEMENTS, LIMITED COMMON ELEMENTS, and all personal property as may be owned by the ASSOCIATION shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavations and foundations) as determined annually by the insurance company providing the coverage. Said coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and all other such risks as from time to time may be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, war damage and war risk insurance, if available.

b. Comprehensive general public liability and property damage insurance in such an amount and in such form as shall be required by the ASSOCIATION in limits of not less than \$300,000 for bodily injury or death to any person; not less than \$500,000 for bodily injury or death resulting from any one accident or occurrence; not less than \$50,000 for property damage. Said coverage shall include, but not be limited to, water damage, legal liability, hired automobile, non-owned automobile, and off-premises employee coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the UNIT OWNERS as a group to an individual UNIT OWNER and one UNIT OWNER against another.

c. Workmen's compensation policies shall be obtained to meet the requirements of law.

d. Such other insurance as the Board of Directors of the ASSOCIATION may, from time to time, determine to be necessary.

13.5 INSURANCE TRUSTEE. All insurance policies purchased in accordance with Paragraph 13.4.a. shall provide that all proceeds payable to the ASSOCIATION as a result of any insured loss, except those specifically herein excluded, shall be paid to any national bank doing business in Palm Beach County, having trust powers, who shall be designated as TRUSTEE, from time to time by the ASSOCIATION, (said Trustee, acting as such, is herein referred to as the "INSURANCE TRUSTEE"), and whose appointment is subject only to the approval of the INSTITUTIONAL MORTGAGEE holding the greatest dollar amount of mortgages against UNITS in the CONDOMINIUM. The INSURANCE TRUSTEE shall not be liable for payment of premiums nor for the renewal of the policies nor for the sufficiency or content of the policies, nor for failure to collect any insurance proceeds. The sole duty of the INSURANCE TRUSTEE shall be to receive said proceeds as are paid and to hold the same, IN TRUST, for the benefit of the ASSOCIATION, the UNIT OWNERS and their respective mortgagees, as follows:

a. Proceeds received on account of damage to COMMON ELEMENTS shall be held in the same proportion as the share in the COMMON ELEMENTS which are appurtenant to each of the UNITS.

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

(1) PARTIAL DESTRUCTION WHEN THE BUILDING IS TO BE RESTORED: For the benefit of the UNIT OWNERS of the damaged UNITS in proportion to the cost of restoring the same suffered by each damaged UNIT. Upon the request of the INSURANCE TRUSTEE, the ASSOCIATION shall certify to the INSURANCE TRUSTEE the appropriate proportions, and each UNIT OWNER shall be bound thereby and the INSURANCE TRUSTEE may rely upon said certification.

(2) TOTAL DESTRUCTION WHEN THE BUILDING IS DESTROYED OR WHEN THE BUILDING IS NOT TO BE RESTORED: For all UNIT OWNERS of that building: The share of each being in the same proportion as the UNIT OWNER's undivided

share in the COMMON ELEMENTS which is appurtenant to his UNIT. In the event a mortgage endorsement has been issued hereunder, the share of the UNIT OWNER shall be held in trust for the mortgagee and the UNIT OWNER as their interest may appear.

13.6 DISTRIBUTION OF PROCEEDS. Proceeds of insurance policies received by the INSURANCE TRUSTEE shall be distributed to, or for the benefit of, the UNIT OWNERS (after first paying or making provision for payment of the expenses, including a reasonable fee for services rendered, of the INSURANCE TRUSTEE) in the following manner:

a. If the damage for which the proceeds were paid is to be reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying said costs shall be distributed to the ASSOCIATION.

b. If it is determined that the damage for which the proceeds are paid shall not be reconstructed, the proceeds shall be distributed to the UNIT OWNERS and their mortgagees as their interest may appear.

c. In making distribution to UNIT OWNERS and their mortgagees, the INSURANCE TRUSTEE may rely upon a certificate provided by the ASSOCIATION as to the names of the UNIT OWNERS and mortgagees and their respective shares of the distribution. Upon request of the INSURANCE TRUSTEE, the ASSOCIATION shall forthwith deliver said certificate.

13.7 ASSOCIATION AS AGENT. The ASSOCIATION is irrevocably appointed agent for each UNIT OWNER, for each owner of a mortgage upon a UNIT and for each owner of any other interest in the CONDOMINIUM PROPERTY to adjust all claims arising under insurance policies purchased by the ASSOCIATION and to execute and deliver releases upon the payment of claims.

13.8 DETERMINATION TO RECONSTRUCT. If any part of the CONDOMINIUM PROPERTY shall be damaged by casualty, whether or not it shall be reconstructed shall be determined in the following manner:

a. COMMON ELEMENT. If the damaged improvement is a COMMON ELEMENT, the damaged property shall be reconstructed unless it is determined in the manner elsewhere provided that the CONDOMINIUM shall be terminated.

b. CONDOMINIUM PROPERTY.

(1) LESSER DAMAGE. If the damaged improvement is the CONDOMINIUM PROPERTY and if UNITS to which 50% of the COMMON ELEMENTS are appurtenant are found by the Board of Directors of the ASSOCIATION to be tenantable, the damaged property shall be reconstructed, unless within 60 days after the casualty, the UNIT OWNERS owning 75% or more of the COMMON ELEMENTS agree in writing not to reconstruct, in which event the CONDOMINIUM shall be terminated. Notwithstanding the foregoing, if such damage may be reconstructed for \$200,000 or less, the damage will be reconstructed.

(2) MAJOR DAMAGE. If the damaged improvement is the CONDOMINIUM PROPERTY, and if UNITS to which more than 50% of the COMMON ELEMENTS are appurtenant are found by the Board of Directors to be untenable, then the damaged property will not be reconstructed and the CONDOMINIUM will be terminated without agreement as elsewhere provided, unless within sixty (60) days after the casualty the owners of 75% of the COMMON ELEMENTS agree in writing to such reconstruction.

c. CERTIFICATE. The INSURANCE TRUSTEE may rely upon a certificate of the ASSOCIATION executed by its President or Vice President and Secretary or Assistant Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

13.9 RESPONSIBILITY. If the damage is only to those parts of one UNIT for which the responsibility of maintenance and repair is that of the UNIT OWNER, then the UNIT OWNER shall be responsible for reconstruction after casualty. In all other instances, the responsibility of reconstruction after casualty shall be that of the ASSOCIATION.

13.10 NATURE OF RECONSTRUCTION. Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed.

13.11 ESTIMATES. In all instances hereunder, immediately after a casualty causing damage to the property for which the ASSOCIATION has the responsibility of maintenance and repair, the ASSOCIATION shall obtain a reliable, detailed estimate of the cost to place the damaged property in a condition as good as that before said casualty. Such a cost may include professional fees and premiums for such bonds as the Directors of the ASSOCIATION desire or those required by any INSTITUTIONAL MORTGAGEE involved.

13.12 ASSESSMENTS. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction by the ASSOCIATION, or if at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against all UNIT OWNERS in sufficient amounts to provide funds for the payment of such costs. Such assessments against UNIT OWNERS for damage to UNITS shall be in proportion to the cost of reconstruction of their respective UNITS. Such assessments on account of damage to COMMON ELEMENTS shall be in proportion to the OWNER's share in the COMMON ELEMENTS.

13.13 DISPOSITION OF PROCEEDS. The proceeds of insurance and any special assessments, if any, collected on account of a casualty and deposited with the INSURANCE TRUSTEE by the ASSOCIATION shall constitute a reconstruction fund which shall be disbursed in payment of the costs of reconstruction in the following manner:

- a. That portion of insurance proceeds representing damage for which the responsibility of reconstruction lies with the UNIT OWNER: to such contractors, suppliers, and personnel as do the work or supply the materials or services required for such reconstruction. Payments shall be in such amounts and at such times as the UNIT OWNERS may direct, or if there is a mortgagee endorsement, to such payee as the UNIT OWNER and the mortgagee direct. Nothing contained

herein shall be construed to limit or modify the responsibility of the UNIT OWNER to make such reconstruction.

b. If the amount of the estimated cost of reconstruction is less than \$25,000.00, and is the responsibility of the ASSOCIATION: The construction fund shall be disbursed directly to the ASSOCIATION in payment of such costs and upon the ASSOCIATION's order, provided, however, that upon the request of a mortgagee which is a beneficiary of the insurance policy, the construction fund shall be disbursed as the ASSOCIATION and such mortgagee may properly direct.

c. If the amount of the estimated cost of reconstruction is more than \$25,000.00, and is the responsibility of the ASSOCIATION, then the reconstruction funds shall be applied by the INSURANCE TRUSTEE to the payment of such costs and shall be paid to or for the account of the ASSOCIATION from time to time as the work progresses. Said Trustee shall make payments upon the written request of the ASSOCIATION, accompanied by an appropriate certificate signed by both an officer of the ASSOCIATION and by the architect or engineer in charge of the work, setting forth:

(1) That the sum then requested either has been paid by the ASSOCIATION or is justly due and certifying that the sum requested does not exceed the value of the services and materials described in the certificate.

(2) That except for the amounts stated in said certificate to be due as aforesaid, there is no outstanding indebtedness known which may become the basis of vendors, mechanics or materialmen's liens.

(3) That the cost as estimated of work remaining to be done subsequent to the date of said certificate does not exceed the amount of funds remaining in the hands of the INSURANCE TRUSTEE after the payment of the sum so requested.

d. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction shall be from insurance proceeds and shall first be applied to reconstruction of the COMMON ELEMENTS and then to the UNITS. If there

is a balance in a construction fund after the payment of all costs of reconstruction, said balance shall be distributed to the ASSOCIATION.

e. Payment for any reconstruction made under Subparagraphs (b) and (c) of this paragraph shall be made by the INSURANCE TRUSTEE and the UNIT OWNER, or the ASSOCIATION, only upon presentation of proof of payment of bills for materials and place, and upon supplying or furnishing labor, services and materials or work covered and included in such payments, the failure of which might result in a lien on the COMMON ELEMENTS.

13.14 EFFECT OF MORTGAGEE ENDORSEMENTS CONCERNING INSURANCE PROCEEDS. In the event a mortgagee endorsement has been issued to any UNIT, the share of the UNIT OWNER shall be held in trust for the mortgagee as heretofore provided; FURTHER PROVIDED, HOWEVER, that no mortgagee shall have the right to determine or participate in the determination as to whether or not the damaged property shall be reconstructed, and no mortgagee shall have the right to apply or have applied to the reduction of its mortgage debt any insurance proceeds except distributions of such proceeds made to the UNIT OWNER and mortgagee where the responsibility for reconstruction is that of the UNIT OWNER. All mortgagees agree to waive the right to said proceeds if the same are used pursuant to the provisions of this DECLARATION to pay for the restoration of such damage. The provisions hereof shall not affect the rights of the mortgagee, if any, to require any surplus proceeds over and above the amounts actually used for such restoration to be distributed to it. All covenants contained herein for the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein shall be construed as relieving the UNIT OWNER of his duty to reconstruct damage to his UNIT as heretofore provided.

13.15 AUTHORITY OF ASSOCIATION. In all instances herein, except when a vote of the membership of the ASSOCIATION is specifically required, all decisions, duties and obligations of the ASSOCIATION hereunder may be made by the Board of Directors of the ASSOCIATION; and the ASSOCIATION and its members shall jointly and severally be bound thereby.

14. ASSESSMENTS; LIABILITY, LIEN AND ENFORCEMENT.

14.1 GENERAL AUTHORITY. The ASSOCIATION, through its Board of Directors, shall have the power to make, levy and collect assessments for COMMON EXPENSES and special assessments, and such other assessments as are provided for by the CONDOMINIUM ACT, the provisions of the LONG-TERM LEASE, MANAGEMENT AGREEMENT, and the provisions of this DECLARATION. COMMON EXPENSES shall include, but not be limited to, costs and expenses of operation, maintenance and management of the CONDOMINIUM PROPERTY and DEMISED PREMISES as so provided in the LONG-TERM LEASE, property taxes and assessments against the CONDOMINIUM PROPERTY, as a whole, insurance premiums as provided for in Paragraph 13 hereof, legal and accounting fees, management fees, operating expenses of the DEMISED PREMISES (as provided in the LONG-TERM LEASE), CONDOMINIUM PROPERTY and the ASSOCIATION; maintenance, repairs and replacements, charges for utility services used in common for the benefit of the CONDOMINIUM; cleaning and janitor service for the COMMON ELEMENTS and LIMITED COMMON ELEMENTS, salaries of employees of the ASSOCIATION, expenses and liabilities incurred by the ASSOCIATION in and about the enforcement of its rights and duties against the members or others, the creation of reasonable contingency or reserve requirements for the protection of the members and the CONDOMINIUM PROPERTY, and all other expenses declared by the directors of the ASSOCIATION to be COMMON EXPENSES from time to time.

14.2 UNIT OWNERS GENERAL LIABILITY. All assessments levied against UNIT OWNERS and UNITS shall be on a uniform basis, in the same proportion as the percentages of the undivided shares in the ownership of the COMMON ELEMENTS unless specifically otherwise provided for herein, without increase or diminution for the existence, or lack of existence, of any exclusive right to use a part of the LIMITED COMMON ELEMENTS. Should the ASSOCIATION be the owner of any UNIT(s), the assessment which would otherwise be due and payable to the ASSOCIATION by the owner of such UNIT(s) shall be a COMMON EXPENSE.

14.3 PAYMENT. The assessment levied against the UNIT OWNER and his UNIT shall be payable in such installments, and at such times, as may be determined by the Board of Directors of the ASSOCIATION.

14.4 ANNUAL BUDGET; EMERGENCIES. The Board of Directors of ASSOCIATION may at its option establish an Annual Budget in advance for each fiscal year which shall project all expenses for the forthcoming year, including a reasonable allowance for contingencies and reserves. Upon adoption of such Annual Budget by the Board of Directors of the ASSOCIATION, copies thereof shall be delivered or mailed to each UNIT OWNER. If assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the CONDOMINIUM, or in the event of emergencies, said Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

a. RESERVE FUND. The Board of Directors of ASSOCIATION, in assessing for COMMON EXPENSES may include therein a sum to be collected and maintained as a reserve fund for replacement of COMMON ELEMENTS, for the purpose of enabling ASSOCIATION to replace structural elements and mechanical equipment constituting a part of the COMMON ELEMENTS, as well as the replacement of personal property which may be a portion of the COMMON ELEMENTS.

b. OPERATING RESERVE FUND. The Board of Directors of ASSOCIATION, in assessing for COMMON EXPENSES may include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial security during periods of special stress. Such sums may be used to meet deficiencies, from time to time, existing as a result of delinquent payment of assessments by UNIT OWNERS or as a result of emergencies.

14.5 SEPARATE PROPERTY. All monies collected by the ASSOCIATION shall, unless the same is collected for the benefit of others, be the separate property of the ASSOCIATION. Such monies may be applied by the ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM PROPERTY, or to the proper undertaking of all acts and duties imposed upon it by virtue of the provisions of this DECLARATION. All monies received from assessments may be co-mingled with other monies held by the ASSOCIATION. All assess-

ments received by the ASSOCIATION shall be held for the benefit of the UNIT OWNERS. No UNIT OWNER shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to his UNIT. Such funds shall not be subject to attachment or levy by a creditor or judgment creditor of a UNIT OWNER. When the owner of a UNIT shall cease to be a member of the ASSOCIATION by the divestment of his ownership of such UNIT by whatever means, the ASSOCIATION shall not be required to account to such owner for any share of the funds or assets of the ASSOCIATION.

14.6 DEFAULT. The payment of any assessment or installment thereof due to the ASSOCIATION shall be in default if such payment is not paid to the ASSOCIATION when due. If in default for an excess of ten (10) days, the delinquent assessment or delinquent installment thereof and all advances permitted by Paragraph 14.8 hereof, shall bear interest at a rate equal to the maximum rate then allowed to be charged to individuals in the State of Florida. In addition, a late charge of \$25.00 shall be then due and payable. In the event that any UNIT OWNER is in default in payment of any assessments or installment thereof owed to the ASSOCIATION, said UNIT OWNER shall be liable for all costs of collecting the same, including reasonable attorneys' fees and court costs, if any.

14.7 NO WAIVER. No UNIT OWNER may exempt himself from liability for any assessment levied, by waiver of the use or enjoyment of any of the COMMON ELEMENTS, or by abandonment of the UNIT, or in any other manner.

14.8 LIEN. The ASSOCIATION is hereby granted a lien upon each CONDOMINIUM PARCEL, together with a lien on all tangible personal property located within said UNIT (except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record), which lien shall secure the payment of monies from each UNIT OWNER for which he is liable to the ASSOCIATION, including all assessments, interest and expenses provided for in this DECLARATION and sums advanced on behalf of the UNIT OWNER in payment of his obligation under the

LONG-TERM LEASE and reasonable attorneys' fees incurred as an incident to the enforcement of said lien. The lien granted to ASSOCIATION may be foreclosed as any other lien may be foreclosed. The lien granted to the ASSOCIATION shall further secure such advances for taxes and payments on account of INSTITUTIONAL MORTGAGES, liens or encumbrances which may be required to be advanced by the ASSOCIATION in order to preserve and protect its lien. The lien shall be effective, have priority, and be collected as provided by the CONDOMINIUM ACT, unless by the provisions of this DECLARATION such liens would have a greater priority or dignity in which event the lien rights in favor of the ASSOCIATION having the highest priority and dignity shall be the lien of the ASSOCIATION.

14.9 PROVISOR In the event that any person or INSTITUTIONAL MORTGAGEE shall acquire title to any parcel by virtue of a foreclosure of a first mortgage, such acquirer of title, his successors and assigns shall not be liable for the share of COMMON EXPENSES or assessments by the ASSOCIATION pertaining to such CONDOMINIUM PARCEL or chargeable to the former UNIT OWNER of such parcel which became due prior to the acquisition of title as a result of the foreclosure, except that such title shall be subject to the lien of any assessment by ASSOCIATION representing an apportionment of taxes or special assessments levied by taxing authorities against the CONDOMINIUM PROPERTY in its entirety. In the event of the acquisition of title to a UNIT by a first mortgagee or other person as a result of foreclosure of a first mortgage, such unpaid share of COMMON EXPENSES shall be deemed to be COMMON EXPENSES collectible from all of the UNIT OWNERS including such acquirer, his successors and assigns. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure. Thereafter, except as provided otherwise in the LONG-TERM LEASE, all UNIT OWNERS, of any nature, including, without limitation, a purchaser at a judicial sale or institutional mortgagee, shall be liable for all assessments coming due while he is the UNIT OWNER.

14.10 CERTIFICATE OF STATUS OF ASSESSMENTS. Whenever any UNIT may be leased, sold or mortgaged by the owner thereof, the ASSOCIATION shall upon written request furnish to the proposed transferee a statement setting forth the status of payment of any assessments, and any person other than the OWNER who relies upon such certificate shall be protected thereby.

14.11 NO OCCUPANCY UNTIL ASSESSMENTS PAID; EXCEPTION. In any voluntary conveyance of a parcel, the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments, including unpaid rent under the LONG-TERM LEASE and payments due under the MANAGEMENT AGREEMENT, against the Grantor made prior to the time of such voluntary conveyance. Any person who acquires an interest in a UNIT, except through foreclosure of a first mortgage, including without limitation, persons acquiring title by operation of law, shall not be entitled to occupancy of such parcel until such time as all unpaid assessments including rent due under the LONG-TERM LEASE, payments due under the MANAGEMENT AGREEMENT and all court costs and attorneys' fees, if any, incurred by the ASSOCIATION or LESSOR and due and owing by the former UNIT OWNER have been paid in full.

14.12 NO ELECTION OF REMEDIES. The institution of a suit at law for collection of any delinquent assessment shall not be deemed to be an election by ASSOCIATION which shall prevent its thereafter seeking enforcement of its lien, nor shall proceeding by foreclosure to attempt to effect such collection be deemed an election precluding the institution of suit at law for collection of the same. All UNIT OWNERS do hereby waive pleading the theory of "election of remedies" in any such proceedings.

15. TERMINATION. The CONDOMINIUM may be terminated in the following manner:

15.1 DESTRUCTION. If it is determined in the manner provided in Paragraph 13 that the CONDOMINIUM PROPERTY shall not be reconstructed the CONDOMINIUM will be terminated, in which event the consent of the LESSOR shall not be required.

15.2 AGREEMENT. As provided in Section 16 of the CONDOMINIUM ACT, the CONDOMINIUM may be terminated at any time by the approval in writing of all UNIT OWNERS, all record owners of

mortgages on UNITS, and the consent of the LESSOR shall also be required.

If the proposed termination is submitted to a meeting of the ASSOCIATION, and if the approval of the owners of not less than 75% of the COMMON ELEMENTS and their INSTITUTIONAL MORTGAGEES are obtained in writing not later than sixty (60) days from the date of such meeting, then the approving UNIT OWNERS (through the ASSOCIATION), shall have an option to buy all of the UNITS of the disapproving UNIT OWNERS for the period of one hundred twenty (120) days from the date of such meeting. The vote of those UNIT OWNERS approving the termination shall be irrevocable until the expiration of the option. Any UNIT OWNER voting against termination, or not voting, may, within fifteen (15) days from the date the vote was taken, change or cast his vote in favor of termination by delivering written notification thereof to the Secretary of the ASSOCIATION. The option shall be upon the following terms:

a. EXERCISE OF OPTION. The option shall be exercised by delivery, or mailing by registered mail, of an agreement to purchase signed by the ASSOCIATION to each of the OWNERS of the UNITS. The agreement shall be subject to the purchase of all UNITS owned by OWNERS not approving the termination.

b. PRICE. The sale price for each UNIT shall be the fair market value as determined between the seller and the ASSOCIATION within thirty (30) days from the delivery of said agreement. In the absence of agreement on the price of any UNIT, the price shall be determined by an appraiser appointed by the chairman of the local Board of Realtors. A judgment of specific performance of the sale at the price determined by the appraiser may be entered in any court of competent jurisdiction.

c. PAYMENT. The purchase price shall be paid in cash.

d. CONTRACT. The form of the agreement shall be that of the Standard Deposit Receipt and Contract for Sale and Purchase then in use in Palm Beach County, Florida.

e. CLOSING. The sale of all UNITS shall be closed simultaneously and within thirty (30) days following the determination of the sale price of the last UNIT to be purchased.

15.3 CERTIFICATE. The termination of the CONDOMINIUM in either of the foregoing manners shall be evidenced by a certificate of the ASSOCIATION executed by its President and Secretary certifying the fact of the termination, which shall become effective upon the certificate being recorded in the Public Records.

15.4 SHARES OF OWNERS AFTER TERMINATION. Subject to the provisions of Paragraph 13.8, after termination of the CONDOMINIUM the UNIT OWNERS shall own the CONDOMINIUM PROPERTY and all assets of the ASSOCIATION, including the ASSOCIATION's interest and obligations under the LONG-TERM LEASE, as tenants in common of undivided shares that shall be equal to the sum of the undivided shares in the COMMON ELEMENTS appurtenant to the UNITS prior to termination so that the sum total of the ownership shall equal one hundred (100%) per cent. Any such termination shall in no way affect the rights and obligations of the UNIT OWNERS or the LESSOR under the LONG-TERM LEASE.

15.5 EXCLUSIVE RIGHTS EXTINGUISHED BY TERMINATION. All exclusive rights of use of LIMITED COMMON ELEMENTS shall be extinguished by virtue of the termination of the CONDOMINIUM.

15.6 AMENDMENT. This Paragraph 15 concerning termination cannot be amended without written consent of all UNIT OWNERS, all record owners of mortgages upon the UNITS, the LESSOR and the SPONSOR.

16. AMENDMENTS. Except as herein or elsewhere provided this DECLARATION may be amended in the following manner:

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

16.2 PROPOSAL OF AMENDMENT. An amendment may be proposed by either the unanimous vote of the Board of Directors of the ASSOCIATION or by 75% of the members of the ASSOCIATION. Directors and members not present in person, or by proxy, at the meeting considering the amendment may express their approval in writing,

providing such approval is delivered to the Secretary within 10 days after the meeting. Except as elsewhere provided, a resolution adopting the proposed amendment must be approved by either:

- a. Not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the ASSOCIATION; or,
- b. Not less than 90% of the votes of the entire membership of the ASSOCIATION; or,
- c. Until the first election of directors by the membership as provided for in ARTICLE VIII of the CHARTER, only by all of the directors.

16.3 PROVIDED, Except as otherwise provided in this document:

- a. No amendment shall alter a UNIT OWNER's percentage in the COMMON ELEMENTS or his proportionate share in the COMMON EXPENSE or COMMON SURPLUS, or change a UNIT OWNER's voting rights, or alter the basis for apportionment of assessments which may be levied by the ASSOCIATION against a UNIT OWNER without the written consent of the UNIT OWNER.
- b. No amendment shall be passed which shall impair or prejudice the rights and priorities of any INSTITUTIONAL MORTGAGEE without the prior written consent of the INSTITUTIONAL MORTGAGEES affected.
- c. Until the last UNIT in WATERWAY CLUB at Lantana, Florida is delivered, no amendment to this DECLARATION shall be made or shall be effective without the written approval of the SPONSOR.
- d. No amendment to this DECLARATION shall be passed which shall impair or prejudice the rights and priorities of the LESSOR without prior written consent of the LESSOR.
- e. Prior to the recordation in the Public Records of a deed from the SPONSOR, the SPONSOR, without the joinder of any other person, may amend any of the provisions of this DECLARATION by filing an amendment hereto in the Public Records.
- f. The provisions of this Paragraph 16 shall not be applicable to any Amendment of the LONG-TERM LEASE, which may be amended only in accordance with the terms thereof.

16.4 EXECUTION AND RECORDING. Except as otherwise provided in this DECLARATION, a copy of each amendment shall be attached to a certificate, executed by the officers of the ASSOCIATION, certifying that the amendment was duly adopted. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records.

17. LONG-TERM LEASE.

17.1 LEASE AGREEMENT. The ASSOCIATION, as Lessee, has entered into a LONG-TERM LEASE AGREEMENT, of a non-exclusive, undivided, leasehold interest in and to the DEMISED PREMISES described therein, a copy of said LEASE being attached hereto as EXHIBIT 2 and made a part hereof just as though said LEASE was fully set forth herein. The ASSOCIATION has acquired the foregoing leasehold interest pursuant to Florida Statute 711.121, and all monies due and to become due under the provisions of said LEASE are and shall continue to be COMMON EXPENSES of the CONDOMINIUM for the full term of said LEASE.

17.2 LIEN OF LESSOR. Each UNIT OWNER, his heirs, successors, and assigns, shall make payment to the LESSOR, its successors and assigns of his share of the monies due, pursuant to, and in the amount specified in said LONG-TERM LEASE and this DECLARATION OF CONDOMINIUM. To secure the faithful performance of the ASSOCIATION's obligation to the LESSOR under the LONG-TERM LEASE and to secure the UNIT OWNER's obligation to pay his share of the COMMON EXPENSES attributable to the LONG-TERM LEASE, and to secure the UNIT OWNER's obligations thereunder as individual Lessee, the ASSOCIATION and each UNIT OWNER hereby grants unto the LESSOR and, where applicable, the LESSOR reserves and confirms unto itself a lien on each CONDOMINIUM UNIT in the CONDOMINIUM and all tangible personal property located in each CONDOMINIUM UNIT and in this CONDOMINIUM, and upon all CONDOMINIUM PROPERTY, to the extent and as provided in said LONG-TERM LEASE. The LESSEE ASSOCIATION hereby covenants and warrants unto the LESSOR that prior to admitting each INITIAL PURCHASER, i.e., each first purchaser from the SPONSOR, into the ASSOCIATION, it will cause said individual, joined by his or her spouse, to execute a copy of the LONG-TERM LEASE and memorandum thereof whereby said INITIAL PURCHASER impresses a lien upon his CONDOMINIUM PARCEL and all

tangible personal property located in his CONDOMINIUM UNIT in favor of the LESSOR to the extent and as provided in said LONG-TERM LEASE. Said LEASE or a memorandum thereof executed solely by said INITIAL PURCHASER, joined by his or her spouse, which shall be duly witnessed, notarized and acknowledged, shall be attached to the deed of conveyance from the SPONSOR to said UNIT OWNER and both instruments shall be recorded in the Public Records of Palm Beach County, Florida. The execution of said Lease and memorandum thereof by the INITIAL PURCHASER and spouse shall confirm the aforesaid lien in favor of the LESSOR and shall be deemed tantamount to the execution of the LEASE attached hereto as EXHIBIT 2 so that the said EXHIBIT 2 will be deemed to have been executed by the LESSOR, LESSEE ASSOCIATION and each UNIT OWNER as INDIVIDUAL LESSEE. In the event said INITIAL PURCHASER and spouse fail to execute a copy of said Lease in the manner required above, or said Lease and memorandum thereof is not recorded in the Public Records of Palm Beach County, or is recorded in a defective manner, this shall not affect the LESSOR's lien on said CONDOMINIUM UNIT and tangible personal property. The lien upon each CONDOMINIUM UNIT created by virtue of the LONG-TERM LEASE shall continue for the term of said LEASE and while subsequent UNIT OWNERS, i.e., after the INITIAL PURCHASER from the SPONSOR, are not required to execute a copy of said LONG-TERM LEASE, each and every UNIT OWNER shall own his CONDOMINIUM PARCEL subject to the lien under the LONG-TERM LEASE, as provided herein, and in said Lease. As a condition precedent to any UNIT OWNER, after the INITIAL PURCHASER, being vested with title to his CONDOMINIUM PARCEL he shall, in the instrument of conveyance, assume and agree to pay the rent and other sums coming due under said Lease and to be bound by the terms and provisions of said Lease. A CONDOMINIUM UNIT OWNER shall be automatically released from any and all personal liability under the LONG-TERM LEASE upon his conveying title to his CONDOMINIUM UNIT to another party, provided he has paid all sums due by him to the LESSOR and/or ASSOCIATION under the LONG-TERM LEASE and provided the assumption of the obligations of the LONG-TERM LEASE is properly affected.

17.3 USE. The UNIT OWNER shall be entitled to the use and enjoyment of the DEMISED PREMISES under the LONG-TERM LEASE, subject to the conditions therein and the RULES AND REGULATIONS for use thereof. The parties acknowledge that the use of the DEMISED PREMISES under said LEASE is non-exclusive and the LESSOR has the right to enter into leases with others.

17.4 CONFLICT. Whenever any of the provisions of the LONG-TERM LEASE and this DECLARATION and/or the other EXHIBITS attached hereto shall be in conflict, the provisions of the LONG-TERM LEASE shall be controlling.

17.5 BINDING EFFECT. Each UNIT OWNER, his heirs, successors and assigns, shall be bound by said LONG-TERM LEASE to the same extent and effect as if he had executed the LEASE for the purpose therein expressed, including but not limited to:

a. Subjecting all of his right, title and interest in his CONDOMINIUM PARCEL and tangible personal property located in his UNIT to the lien rights of the LESSOR.

b. Adopting, ratifying, confirming and consenting to the execution of said LONG-TERM LEASE by the ASSOCIATION.

c. Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by UNIT OWNER as an INDIVIDUAL LESSEE thereunder.

d. Ratifying, confirming and approving each and every provision of said LONG-TERM LEASE, and acknowledging that all of the terms and provisions thereof are reasonable, including the rent and other sums due thereunder.

e. Agreeing that the persons acting as Directors and Officers of the ASSOCIATION, whether they are connected with the SPONSOR or LESSOR, or otherwise, by entering into said LONG-TERM LEASE have not breached any of their duties or obligations to the ASSOCIATION or to the UNIT OWNERS.

f. It is specifically recognized that some or all of the persons comprising the original Board of Directors and Officers of the ASSOCIATION are, or may be, partners and/or joint adventurers of said LESSOR, or SPONSOR, or beneficiaries of the LESSOR, and that such circumstances shall not and

cannot be construed or considered as a breach of their duties and obligations to the ASSOCIATION or to the UNIT OWNERS, nor as possible grounds to invalidate such LONG-TERM LEASE, in whole or in part.

g. The acts of the Board of Directors and Officers of the ASSOCIATION in acquiring the non-exclusive leasehold interest to the DEMISED PREMISES under said LONG-TERM LEASE, be and the same are hereby ratified, approved, confirmed and adopted.

17.6 PROVIS~~O~~. Neither the DEMISED PREMISES nor the LESSEE ASSOCIATION's and INDIVIDUAL LESSEE's rights thereunder shall be deemed a part of the CONDOMINIUM PROPERTY of this CONDOMINIUM.

17.7 LESSOR'S RIGHT TO ALTER. The LESSOR shall have the right to change and add to the facilities which are a part of the DEMISED PREMISES and this right shall include the right to add additional areas and facilities as a part of the DEMISED PREMISES under the LONG-TERM LEASE pursuant to and as provided for therein. The LESSOR shall be the sole judge of the foregoing, including the plans, designs, size and contents of any areas and facilities or changes.

The provisions of this Paragraph do not require LESSOR to construct improvements to be added to the DEMISED PREMISES. This right of LESSOR is conditioned upon no increase in rent under the LONG-TERM LEASE because of said improvements, except such increase to which the LESSOR shall be entitled in accordance with the terms of the LONG-TERM LEASE. Any increased rent shall be shared in accordance with the terms thereof. Notwithstanding the foregoing, the LESSOR shall have the right to specify that certain Lessees shall not have the right to use said additional area and in such event said Lessees entitled to the use of the same shall bear the increased rent attributable thereto, if any. In the absence of specific designation, all Lessees shall have the right to use the additional facilities. Notwithstanding anything in this DECLARATION to the contrary, an amendment to the LONG-TERM LEASE and correspondingly this DECLARATION in accordance with this Paragraph shall only require the signature of the LESSOR and need

not be approved by the ASSOCIATION, UNIT OWNERS, LESSEES, LIENORS, MORTGAGORS or any other persons whomsoever. Said amendment shall, upon recording in the Public Records, be deemed to relate back as though said EXHIBIT 2 had initially reflected the inclusion of the additional area.

18. MANAGEMENT AGREEMENT.

18.1 MANAGEMENT CONTRACT. The Board of Directors of the ASSOCIATION may enter into a contract with any firm, person or corporation in contracting for the management, maintenance and repair of the CONDOMINIUM PROPERTY and/or DEMISED PREMISES. The Board of Directors of the ASSOCIATION is authorized to delegate to any such MANAGEMENT FIRM all the powers and duties of the ASSOCIATION which are contained in any such agreement between the parties.

18.2 EXISTING AGREEMENT, Pursuant to the authority granted herein, the ASSOCIATION, through its Board of Directors, has entered into a MANAGEMENT AGREEMENT, attached hereto as EXHIBIT 5 and made a part hereof as if fully set forth herein, in which it has delegated, among other things, the power of the ASSOCIATION to determine the budget, make and collect assessments, enforce the provisions of this DECLARATION and do all things therein expressed.

18.3 BINDING EFFECT. Each UNIT OWNER, his heirs, successors and assigns, shall be bound by said MANAGEMENT AGREEMENT to the same extent and effect as if he had executed said MANAGEMENT AGREEMENT for the purposes therein expressed, including but not limited to:

a. Adopting, ratifying, confirming and consenting to the execution of said MANAGEMENT AGREEMENT by the ASSOCIATION.

b. Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by UNIT OWNERS in the cases provided therefor in said MANAGEMENT AGREEMENT.

c. Ratifying, confirming and approving each and every provision of said MANAGEMENT AGREEMENT, and acknowledging that all of the terms and provisions thereof, including the MANAGEMENT FIRM'S fees, are reasonable.

d. Agreeing that the persons acting as directors and officers of the ASSOCIATION entering into such MANAGEMENT AGREEMENT have not breached any of their duties or obligations to the ASSOCIATION. It is specifically recognized that some or all of the persons comprising the original Board of Directors and Officers of the ASSOCIATION may be owners of some or all of the stock of the MANAGEMENT FIRM, and some or may be some of the Officers and Directors of said firm, and that such circumstances shall not and cannot be construed as a breach of their duties and obligations to the ASSOCIATION nor as possible grounds to invalidate the MANAGEMENT AGREEMENT in whole or in part.

e. The ratification of the MANAGEMENT AGREEMENT attached hereto as EXHIBIT 5 shall be, if requested by SPONSOR or MANAGEMENT FIRM, accomplished in writing on a form for that purpose at the closing of the purchase of the UNIT from SPONSOR and thereafter shall be accomplished at subsequent conveyances of the UNIT on the instrument of conveyance referring therein to a copy of said agreement which will have been recorded in the Public Records.

19. REMEDIES IN EVENT OF DEFAULT.

19.1 Each UNIT OWNER shall be governed by and shall comply with the provisions of this DECLARATION as they may exist from time to time. A violation thereof by any UNIT OWNER shall entitle the appropriate party to the following relief: An action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, or any other action available pursuant to the CONDOMINIUM ACT. Suit may be sought by ASSOCIATION, the MANAGEMENT FIRM, the SPONSOR, the LESSOR, or, if appropriate, by an aggrieved UNIT OWNER. Each UNIT OWNER acknowledges that the failure to comply with any of the provisions of this DECLARATION shall or may constitute an injury to the ASSOCIATION, the LESSOR, the MANAGEMENT FIRM, the SPONSOR and the other UNIT OWNERS and that such injury may be irreparable.

19.2 COSTS AND ATTORNEYS' FEES. In any proceeding arising

because of an alleged default, act, failure to act, or violation by the UNIT OWNER or ASSOCIATION, including the enforcement of any lien granted pursuant to the TERMS OF THIS INSTRUMENT; the ASSOCIATION (if not the Defendant), the MANAGEMENT FIRM, the LESSOR, or the SPONSOR, shall be entitled to recover the costs of the proceeding, including reasonable attorneys' fees.

19.3 NO WAIVER. The failure of ASSOCIATION, the MANAGEMENT FIRM, the UNIT OWNER, the LESSOR, or the SPONSOR to enforce any right, provision, covenant, or condition which may be granted by the PROVISIONS OF THIS DECLARATION shall not constitute a waiver of the right of said party to enforce such right, provision, covenant or condition in the future.

19.4 RIGHTS CUMULATIVE. All rights, remedies and privileges granted to ASSOCIATION, the MANAGEMENT FIRM, SPONSOR, LESSOR or UNIT OWNER pursuant to any of the provisions of this DECLARATION shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies, or privileges as may be available to such party at law or in equity. Each UNIT OWNER agrees in any proceeding brought pursuant to the provisions hereof not to plead or defend the same on the theory of "election of remedies".

19.5 VENUE; WAIVER OF TRIAL BY JURY. Every UNIT OWNER or OCCUPANT and all persons claiming any interest in a UNIT does agree that in any suit or proceeding brought pursuant to the provisions of this DECLARATION that such suit shall be brought in the Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida, or the United States District Court, Southern District of Florida, as the same is now constituted or any court in the future that may be the successor to the courts contemplated herein. All such parties, except the SPONSOR, LESSOR or MANAGEMENT FIRM, do further waive the right to trial by jury and consent to a trial by the court without a jury.

19.6 APPOINTMENT OF AGENT; PROVISIO. Should suit be instituted, the UNIT OWNERS or OCCUPANT and all persons claiming any

interest in a UNIT, do hereby irrevocably appoint the Secretary of State of the State of Florida as their Agent for the acceptance of service of process should at the time of such service of process any such person not be then residing in Lantana, Florida. The provisions hereof shall not be applicable to the SPONSOR, LESSOR or MANAGEMENT FIRM.

19.7 PROVISIO. In the event of any default or violation of the terms and provisions of the LONG-TERM LEASE, the rights of all affected parties shall be as provided in the LONG-TERM LEASE.

20. MISCELLANEOUS RIGHTS OF SPONSOR.

20.1 SELECTION OF BOARD. Until the SPONSOR has conveyed the last UNIT in the development known as WATERWAY CLUB, located in Lantana, Florida, the SPONSOR shall have the right to designate and select all the persons who shall serve as members of the Board of Directors of the ASSOCIATION.

20.2 MANNER OF SELECTION. Whenever SPONSOR shall be entitled to designate and select any person to serve on the Board of Directors of the ASSOCIATION, the manner in which such person shall be designated shall be as provided in the CHARTER and/or BY-LAWS of the ASSOCIATION.

20.3 CONFLICT OF INTERESTS. No representative of the SPONSOR serving on the Board of Directors of the ASSOCIATION shall be required to disqualify himself upon any vote upon any management contract, lease, or other matter between the SPONSOR and the ASSOCIATION where the SPONSOR may have a pecuniary or other interest. SPONSOR, as a member of ASSOCIATION, shall not be required to disqualify itself in any vote which may come before the membership of the ASSOCIATION upon any management contract, lease, or other matter between the SPONSOR and ASSOCIATION where SPONSOR may have a pecuniary or other interest nor shall any conflict of interests be a cause of partial or total invalidity of the matter voted upon whether or not such vote was necessary for the adoption, ratification, or execution of the same.

20.4 RIGHT TO USE FACILITIES. Notwithstanding any provisions of this DECLARATION to the contrary, the SPONSOR shall have the

right to use and occupy any unsold UNIT, and the COMMON ELEMENTS, and any of the LIMITED COMMON ELEMENTS, the exclusive use of which have not been assigned for the purpose of a Sales Office or for any other purpose. Until the SPONSOR has conveyed the last UNIT in WATERWAY CLUB, Lantana, Florida, the SPONSOR shall not be subject to the use or other restrictions contained in any of the provisions of this DECLARATION or EXHIBITS attached hereto.

21. MORTGAGE OF UNITS. A UNIT OWNER may not mortgage his UNIT, nor any interest therein, without the approval of the ASSOCIATION, except to the SPONSOR, immediate Grantor as a portion of the purchase money, and/or to an INSTITUTIONAL MORTGAGEE as defined in this DECLARATION. The approval of any other mortgagee may be made upon conditions determined by the ASSOCIATION in recordable form, executed by the proper officers of the ASSOCIATION.

22. NOTICES. Whenever notices are required to be sent hereunder the same may be delivered to UNIT OWNERS, either personally or by mail, at their place of residence in the CONDOMINIUM. Notices to the ASSOCIATION shall be delivered or mailed to the Secretary of the ASSOCIATION, or in case of the Secretary's absence, then to the President of the ASSOCIATION.

Notices to the SPONSOR shall be made by delivery to SPONSOR at: 888 North Federal Highway, Lantana, Florida.

23. CONSTRUCTION. All of the provisions of this DECLARATION shall be construed in accordance with the Laws of the State of Florida. This construction shall govern in all matters including matters of substantive and procedural law.

24. GENDER. Unless the contrary appears to have been intended, words in the plural number shall include the singular and words in the singular shall include the plural, and words of the male gender shall include the female gender and the neuter gender.

25. CAPTIONS AND TABLES OF CONTENTS. The captions to the paragraphs of this DECLARATION and the index hereto are intended for convenience only; are not deemed to be all inclusive as to the matters contained in such paragraphs; and are not to be considered in connection with the construction of any of the provisions of this DECLARATION.

27. SEVERABILITY. If any term or provision of this DECLARATION, or the application thereof to any person or circumstance, shall, to any extent, be determined to be invalid or unenforceable, the remainder of this DECLARATION, or the application of such term or provision to persons or circumstances other than those to which such term may be held invalid or unenforceable, shall not be affected thereby and each term and provision of this DECLARATION shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the SPONSOR has executed this DECLARATION on this 13th day of September, 1973.

Signed, Sealed and Delivered in the presence of:

SEYMOUR A. FINE, MARVIN B. TURK, JOINED BY THEIR RESPECTIVE SPOUSES, AND GRANREAL OF FLORIDA, INC., A JOINT VENTURE, D/B/A WATERWAY CLUB

Shirley S. Mac Nitt
AS TO FINES

Seymour A. Fine (SEAL)
SEYMOUR A. FINE

Shirley S. Mac Nitt
AS TO TURKS

Harriet Fine (SEAL)
HARRIET FINE

Christina J. Feld
AS TO GRANREAL

Marvin B. Turk (SEAL)
MARVIN B. TURK

Bonnie Turk (SEAL)
BONNIE TURK

GRANREAL OF FLORIDA, INC.

By [Signature]
Its President



STATE OF FLORIDA)
COUNTY OF)

BEFORE ME, the undersigned authority, personally appeared SEYMOUR A. FINE and HARRIET FINE, his wife, to me well known to be the persons described in and who executed the foregoing instrument and they acknowledged that said instrument is their free act and deed.

WITNESS my hand and official seal, at the State and County of Jefferson, this 13th day of September, 1973.



My Commission Expires:

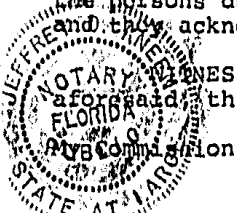
Jeffrey D. Kuen (SEAL)
NOTARY PUBLIC
State of Florida at Large

Notary Public, State of Florida at Large
My Commission Expires Aug. 13, 1977
Bonded by American Fire & Casualty Co.

STATE OF FLORIDA)
COUNTY OF)

BEFORE ME, the undersigned authority, personally appeared MARVIN B. TURK and BONNIE TURK, his wife, to me well known to be the persons described in and who executed the foregoing instrument and they acknowledged that said instrument is their free act and deed.

WITNESS my hand and official seal, at the State and County of Jefferson, this 13th day of September, 1973.



My Commission Expires:

Jeffrey D. Kuen (SEAL)
NOTARY PUBLIC
State of Florida at Large

Notary Public, State of Florida at Large
My Commission Expires Aug. 13, 1977
Bonded by American Fire & Casualty Co.

STATE OF FLORIDA *New York*)
COUNTY OF *Nassau*)

BEFORE ME, the undersigned authority, personally appeared *Allen R. Ruck*, to me well known to be the *President* of GRANREAL OF FLORIDA, INC. Florida corporation, and he severally acknowledged before me that he executed such instrument as such Officer of said Corporation, and that the Seal affixed thereto is the Corporate Seal of said Corporation, and that it was affixed to said instrument by due and regular Corporate authority, and that said instrument is the free act and deed of said Corporation.

WITNESS my hand and official seal, at the State and County aforesaid, this *17th* day of *September*, 197*3*.

My Commission Expires:
March 30, 1974
CHRISTINE C. FELSH
NOTARY PUBLIC, State of New York
No. 20-9820736
Qualifies in Nassau County
Commission Expires March 30, 1974

Christine C. Felsh (SEAL)
NOTARY PUBLIC
State of Florida at Large

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged WATERWAY CLUB NO. *1* ASSOCIATION, INC., a Florida corporation not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration of Condominium and Exhibits attached hereto.

IN WITNESS WHEREOF, the above named CONDOMINIUM ASSOCIATION, a Florida corporation not for profit, has caused these presents to be signed in its name by its President, attested to by its Secretary this *13th* day of *September*, 197*3*.

Executed in the presence of: WATERWAY CLUB NO. *1* ASSOCIATION, INC.

Jeffrey D. Kneer

By *Marvin B. Turk* (SEAL)
President

Dean J. Thomas

ATTEST: *Seymour A. Fine* (SEAL)
Secretary

STATE OF FLORIDA)
COUNTY OF)

BEFORE ME, the undersigned authority, personally appeared *Marvin B. Turk and Seymour A. Fine* to me well known to be the persons described in and who executed the foregoing instrument as President and Secretary respectively of WATERWAY CLUB NO. *1* ASSOCIATION, INC., a Florida corporation not for profit, and they severally acknowledged before me that they executed such instrument as such Officers of said corporation, and that said instrument is the free act and deed of said corporation.

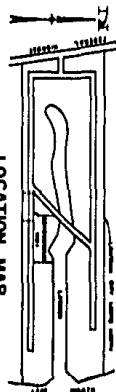
WITNESS my hand and official seal, at the State and County aforesaid, this *13* day of *September*, 197*3*.

My Commission Expires:
Notary Public, State of Florida at Large
My Commission Expires Aug. 13, 1977
Bonded by American Fire & Casualty Co.

Jeffrey D. Kneer (SEAL)
NOTARY PUBLIC
State of Florida at Large

PLAT OF SURVEY WATERWAY CLUB NO. 1 A CONDOMINIUM BUILDING 200

BUILDING 200



LOCATION MAP

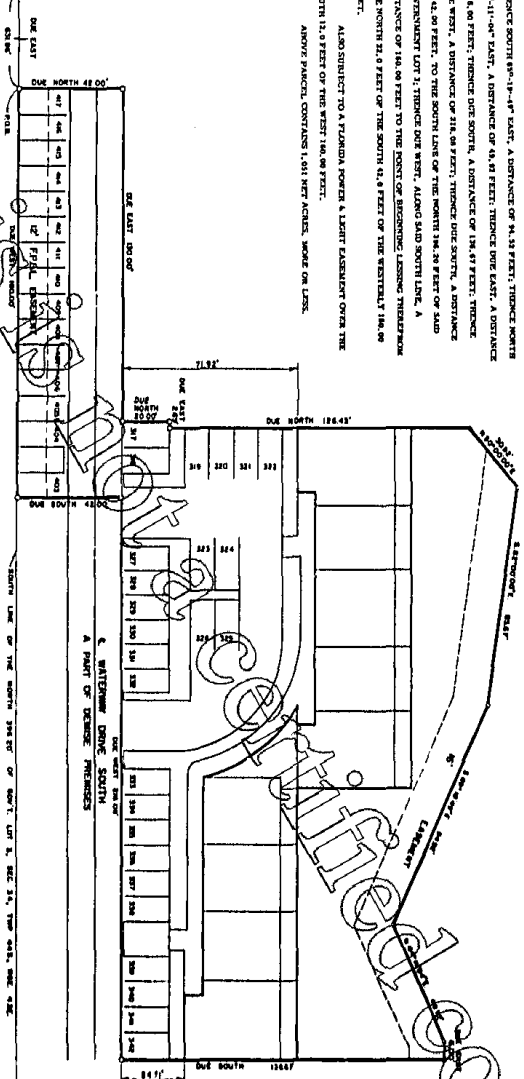
BEING A PARCEL OF LAND IN GOVERNMENT LOT 3, SECTION 34, TOWNSHIP 4 N, RANGE 43 E, PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF THE NORTH 3M, 20 FEET OF SAID GOVERNMENT LOT 3 WITH THE EASTWEST RIGHT-OF-WAY LINE OF FEDERAL HIGHWAY AS NOW Laid OUT AND IN USE; THENCE ON AN ASSUMED BEARING OF DUE EAST, ALONG THE SOUTH LINE OF THE NORTH 3M, 20 FEET OF SAID GOVERNMENT LOT 3, (ALL OTHER BEARINGS RELATIVE HERETO, A DISTANCE OF 811.46 FEET TO THE POINT OF BEGINNING; THENCE DUE NORTH, A DISTANCE OF 42.60 FEET; THENCE DUE EAST, A DISTANCE OF 146.00 FEET; THENCE DUE NORTH, A DISTANCE OF 24.00 FEET; THENCE DUE EAST, A DISTANCE OF 1.83 FEET; THENCE DUE NORTH, A DISTANCE OF 18.43 FEET; THENCE NORTH 89°-00'-00" EAST, A DISTANCE OF 30.83 FEET; THENCE SOUTH 89°-00'-00" EAST, A DISTANCE OF 18.43 FEET; THENCE SOUTH 89°-14'-00" EAST, A DISTANCE OF 46.33 FEET; THENCE NORTH 89°-14'-00" EAST, A DISTANCE OF 46.33 FEET; THENCE DUE EAST, A DISTANCE OF 8.60 FEET; THENCE DUE SOUTH, A DISTANCE OF 18.47 FEET; THENCE DUE WEST, A DISTANCE OF 718.89 FEET; THENCE DUE SOUTH, A DISTANCE OF 42.00 FEET, TO THE SOUTH LINE OF THE NORTH 3M, 20 FEET OF SAID GOVERNMENT LOT 3; THENCE DUE WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 146.00 FEET TO THE POINT OF BEGINNING, LESSING THEREFROM THE NORTH 32.0 FEET OF THE SOUTH 41.8 FEET OF THE WESTLY 146.00 FEET.

ALSO SUBJECT TO A FLORIDA POWER & LIGHT EASEMENT OVER THE SOUTH 12.0 FEET OF THE WEST 146.00 FEET.

ANYWAY PARCEL, CONTAINS 1.541 NET ACRES, MORE OR LESS.

EASTWEST R/W LINE OF FEDERAL HWY.



INTENTION CERTIFICATE

STATE OF FLORIDA
COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, duly sworn in and qualified under the laws of the State of Florida, to-wit: Notary Public, do hereby certify that the foregoing is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records, and that the instrument hereon recited is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records, and that the instrument hereon recited is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records.

1. That the above-described plat was prepared by the State of Florida, being approved by the State of Florida, and that the same is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records, and that the instrument hereon recited is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records.

2. That the above-described plat was prepared by the State of Florida, being approved by the State of Florida, and that the same is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records, and that the instrument hereon recited is a true and correct copy of the original of the instrument hereon recited, as the same appears from my records.

NOTARIES ATTORNEY AT LAW
STATE OF FLORIDA
COUNTY OF PALM BEACH

POWER TO SIGN RETURNED TO THE
NOTARY PUBLIC
DATE: 11/17/17

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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RECORDER'S MEMO: Legibility of writing, Typing or Printing unsatisfactory in this document when received.

FP

LOCATION AND DIMENSIONS OF COMMON
ELEMENT, LIMITED COMMON ELEMENTS AND
CONDOMINIUM UNITS 101 THRU 309
WATERWAY CLUB NO. 1
A CONDOMINIUM

BUILDING 200

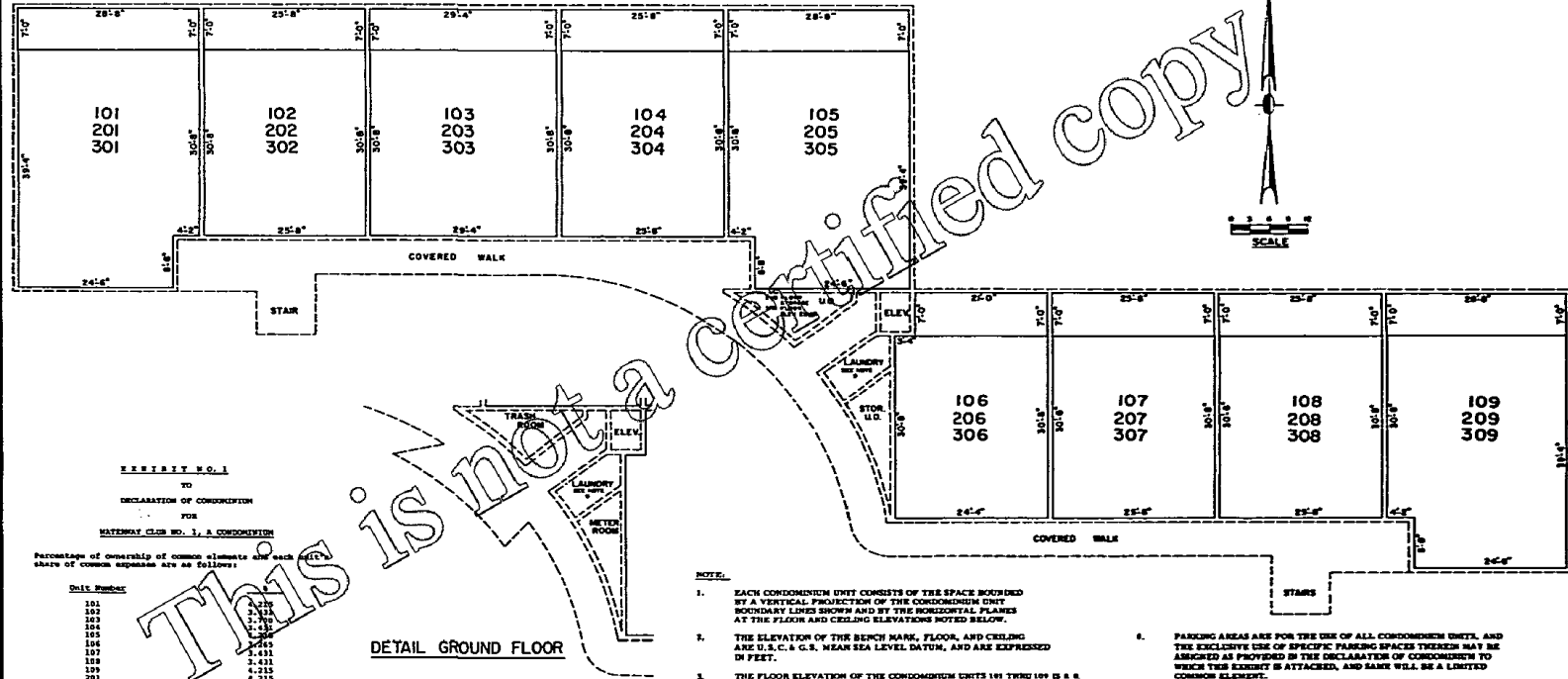


EXHIBIT NO. 1
TO
DECLARATION OF CONDOMINIUM
FOR
WATERWAY CLUB NO. 1, A CONDOMINIUM

Percentage of ownership of common elements and each unit's share of common expenses are as follows:

Unit Number	Percentage
101	2.22
102	2.22
103	2.22
104	2.22
105	2.22
106	2.22
107	2.22
108	2.22
109	2.22
201	2.22
202	2.22
203	2.22
204	2.22
205	2.22
206	2.22
207	2.22
208	2.22
209	2.22
301	2.22
302	2.22
303	2.22
304	2.22
305	2.22
306	2.22
307	2.22
308	2.22
309	2.22
100%	100%

DETAIL GROUND FLOOR

NOTE:

- EACH CONDOMINIUM UNIT CONSISTS OF THE SPACE BOUNDED BY A VERTICAL PROJECTION OF THE CONDOMINIUM UNIT BOUNDARY LINES SHOWN AND BY THE HORIZONTAL PLANES AT THE FLOOR AND CEILING ELEVATIONS NOTED BELOW.
- THE ELEVATION OF THE BENCH MARK, FLOOR, AND CEILING ARE U.S.C. & G.S. MEAN SEA LEVEL DATUM, AND ARE EXPRESSED IN FEET.
- THE FLOOR ELEVATION OF THE CONDOMINIUM UNITS 101 THRU 105 IS 16.8.
THE CEILING ELEVATION OF THE CONDOMINIUM UNITS 101 THRU 105 IS 16.8.
THE FLOOR ELEVATION OF THE CONDOMINIUM UNITS 201 THRU 205 IS 17.11.
THE CEILING ELEVATION OF THE CONDOMINIUM UNITS 201 THRU 205 IS 17.11.
THE FLOOR ELEVATION OF THE CONDOMINIUM UNITS 301 THRU 305 IS 16.21.
THE CEILING ELEVATION OF THE CONDOMINIUM UNITS 301 THRU 305 IS 16.21.
- ALL INTERIOR ANGLES OF CONDOMINIUM UNITS ARE 90° UNLESS OTHERWISE NOTED.
- INDICATES CONDOMINIUM UNIT BOUNDARY
INDICATES COMMON ELEMENT BOUNDARY
- PARKING AREAS ARE FOR THE USE OF ALL CONDOMINIUM UNITS, AND THE EXCLUSIVE USE OF SPECIFIC PARKING SPACES THEREIN MAY BE ASSIGNED AS PROVIDED IN THE DECLARATION OF CONDOMINIUM TO WHICH THIS EXHIBIT IS ATTACHED, AND SAME WILL BE A LIMITED COMMON ELEMENT.
- THE USE OF THE COMMON ELEMENT DESIGNATED AS "STORAGE" S.C.E. BEING UNIT 309 ON THIS SHEET SHALL BE DETERMINED BY THE CONDOMINIUM ASSOCIATION.
- THE AIR CONDITIONING COMPRESSORS SERVING THE CONDOMINIUM UNITS AND THE REFRIGERANT AND ELECTRICAL LINES SERVING FROM SUCH COMPRESSORS TO THE CONDOMINIUM UNITS SHALL BE DEEMED PART OF SAID UNITS.
- THE LAUNDRY AREA IS A LIMITED COMMON ELEMENT, LIMITED TO UNITS ON SAME FLOOR.
- THESE PLANS AND ELEVATIONS WERE COMPILED FROM PLANS AND DATA SUPPLIED BY LAWRENCE HUNTER, CHARTERED ARCHITECT, ENTITLED "WATERWAY CLUB". THE DIMENSIONS SHOWN ARE PROPOSED, AND DO NOT REPRESENT AN ACTUAL FIELD SURVEY.

This is not a certified copy



RECORDER'S MEMO, Legibility of Writing, Typing or Printing unsatisfactory in this document when received.

FP 839
3/77

EXHIBIT "A"
CERTIFICATE OF APPROVAL
OF

WATERWAY CLUB NO. _____ ASSOCIATION, INC.

THIS IS TO CERTIFY that
has have been approved by WATERWAY CLUB NO. _____ ASSOCIATION, INC.,
as the _____ purchaser or _____ transferee (check the appropriate space)
of the following described real property in Palm Beach County, Florida.

Condominium Parcel No. _____
a Condominium according to the Declaration thereof
recorded in Official Record Book _____ at Page _____
thru _____, inclusive, of the Public Records of _____
Palm Beach County, Florida.

Such approval has been given pursuant to the provisions of
the aforesaid Declaration of Condominium, and is conditioned upon
the Deed of conveyance containing in unqualified language, the
following:

1. "SUBJECT TO: The Long-Term Lease recorded in Official
Record Book _____, at Page _____, Public Records of Palm
Beach County, Florida, which Long-Term Lease the
Grantees (Transferees) herein assume."
2. "SUBJECT TO: The Management Agreement recorded in
Official Record Book _____, at Page _____, Public
Records of Palm Beach County, Florida, to which the
Grantees (Transferees) herein agree to be bound."

Should such language be not contained in such Deed, then this approval
shall be automatically and retroactively null and void. A photocopy
of the recorded Deed shall be furnished the Condominium Association
within twenty (20) days from the date of Closing.

In the event a previously unapproved party is assuming possession
of the premises, then this certificate shall be recorded without
an instrument of conveyance and shall be deemed, pursuant to said
party's application for approval, binding as if it has been recorded
with an instrument of conveyance.

In the event that any of the aforementioned Items #1 and 2
are not in effect as of the date hereof and such fact is evidenced
by a Certificate to that effect recorded in the Public Records of
Palm Beach County then the requirements of this approval shall be
modified accordingly.

Dated this _____ day of _____, 19____.

Signed, Sealed and Delivered
in the presence of:

WATERWAY CLUB NO. _____ ASSOCIATION, INC.

By _____
Its _____

ATTEST:

Secretary

STATE OF FLORIDA

COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared
_____ and _____ to me well
known to be the persons described in and who executed the foregoing
instrument as _____ President and _____ Secretary, respectively, of
WATERWAY CLUB NO. _____ ASSOCIATION, INC. and they severally acknow-
ledged before me that they executed such instrument as such officers
of said Association, and that said instrument is the free act and deed
of said Association and was executed for the purposes therein expressed.

WITNESS my hand and official seal in the State and County last
aforesaid this _____ day of _____, 19____.

RECORDED 2215 PAGE 966

My Commission Expires:

Notary Public, State of Florida at
Large

This is not a Certified Document

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA

COUNTY OF PALM BEACH

SS: WATERWAY CLUB NO. 1
A CONDOMINIUM

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgements, personally appeared Robert A. Turso, who after first being duly cautioned and sworn, deposed and says as follows:

1. That he is a duly registered land surveyor under the laws of the State of Florida, being Surveyor No. 2360.
2. Affiant hereby certifies that the attached plat and graphic description of proposed improvements is a true representation of Waterway Club No. 1, a condominium, based upon plans and specifications prepared by Lawrence-Irwin, Chartered Architects, Palm Beach, Florida; and there can be determined therefrom the proposed location and sizes of the common elements and private dwelling units and the foregoing material, including the wording of the Declaration of Condominium is in sufficient detail to identify Waterway Club No. 1, a condominium, as represented on the architectural plans prepared by Lawrence-Irwin, Chartered Architects.

FURTHER AFFIANT SAYETH NAUGHT

Robert A. Turso
Robert A. Turso, No. 2360



SWORN TO AND SUBSCRIBED before me
this 20th day of April 2013

Barbara Stanton
Notary Public State of Florida at Large
My Commission expires 12/31/2016

PREPARED BY

JEFFREY D. KNEEN

LEVY, PLUSCO, PERRY & REITER

P. O. BOX 947

WEST PALM BEACH, FLA. 33402

JOINDER OF MORTGAGEE

W I T N E S S E T H :

WHEREAS, GRANREAL FUNDING CORP. (sometimes referred to as Granreal Funding Corporation), a corporation existing under the laws of the State of New York, is the holder of the following certain mortgage:

From Waterway Club, a joint venture of Seymour A. Fine and Marvin B. Turk, joined by Harriet Fine and Bonnie Turk, their spouses respectively, and Granreal Corp., a corporation existing under the laws of New York to Granreal Funding Corp., dated August 3, 1972 and recorded August 9, 1972 in Official Record Book 2042, Page 864 encumbering the following described real estate situated in Palm Beach County, Florida:

The North 396.20 feet of Government Lot 3, Section 34, Township 44 South, Range 43 East, lying East of Federal Highway.

WHEREAS, GRANREAL FUNDING CORP. does now desire to join in the filing of the foregoing Declaration of Condominium and transfer its lien to each unit in said condominium.

NOW, THEREFORE, for and in consideration of the sum of TEN (\$10.00) DOLLARS and other good and valuable considerations to GRANREAL FUNDING CORP. by Seymour A. Fine and Marvin B. Turk, joined by Harriet Fine and Bonnie Turk, their spouses, respectively, and Granreal Corp., in and paid, the receipt and sufficiency of which is hereby acknowledged, GRANREAL FUNDING CORP. does join in said Declaration of Condominium as follows:

GRANREAL FUNDING CORP., a corporation existing under the laws of New York, the owner and holder of that certain mortgage described herein, to the extent that may be required to do so under the laws of the State of Florida, joins in making the foregoing Declaration of Condominium of Waterway Club No. 1, A Condominium, and agrees that its lien shall hereafter be upon each and every of the apartments set forth and referred to in said Declaration.

Signed, Sealed and Delivered in our presence:

GRANREAL FUNDING CORP.

Christine C. Felsh
Christine C. Felsh

By *[Signature]* (SEAL)
Its

STATE OF FLORIDA New York)
COUNTY OF Nassau)

Before me, the undersigned authority, personally appeared Alvin R. Rush as President, who acknowledged before me that he executed this Joinder on behalf of GRANREAL FUNDING CORP., a New York corporation, in his official capacity for the uses and purposes herein set forth.

WITNESS my hand and official seal, in the State and County aforesaid, this 17th day of September, 1973.

My Commission Expires: March 30, 1974

Christine C. Felsh
NOTARY PUBLIC, State of Florida New York
At Large

CHRISTINE C. FELSH
NOTARY PUBLIC, State of New York
No. 30-9820738
Qualified in Nassau County
Commission Expires March 30, 1974

JOINER OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS:

That FIRST NATIONAL BANK AND TRUST CO. OF RIVIERA BEACH, Florida, a national banking association, the holder of mortgages recorded in Official Record Books 1965, Page 799; O.R.B. 2135, Page 1288; O.R.B. 2206, Page 1490, and Future Advance Agreement in O.R.B. 2098, Page 1476, all in the public records of Palm Beach County, Florida, does hereby consent to and join in the foregoing Declaration of Condominium of Waterway Club No. 1, a condominium.

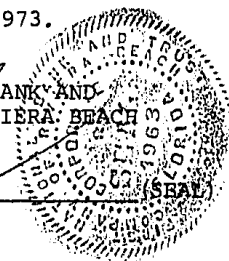
DATED this 19th day of September, 1973.

Signed, sealed and delivered in our presence:

FIRST NATIONAL BANK AND TRUST CO. OF RIVIERA BEACH

H. Vene
W. Joyce Tarallo

By [Signature]
Its President



STATE OF FLORIDA

COUNTY OF

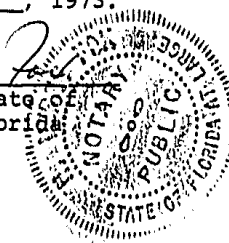
Before me, the undersigned authority, personally appeared Gary E. Jones as President who acknowledged before me that he executed this Joinder on behalf of FIRST NATIONAL BANK AND TRUST CO. OF RIVIERA BEACH, a National banking association, in his official capacity for the uses and purposes herein set forth.

WITNESS my hand and official seal, in the State and County aforesaid, this 19th day of September, 1973.

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES DEC. 7, 1976
BONDED THRU GENERAL INSURANCE UNDERWRITERS

[Signature]
NOTARY PUBLIC, State of Florida
At Large



THIS INSTRUMENT WAS PREPARED BY:

John R. Williams, Attorney
Blank, Williams and Benn
316 Pan-American Building
West Palm Beach, Florida 33401

REC-2215 PAGE 969

LONG-TERM LEASE

THIS LEASE, made and entered into at Palm Beach County, Florida, on the date last appearing in the body of this instrument, by and between SEYMOUR A. FINE, MARVIN B. TURK and GRANREAL OF FLORIDA, INC., a Florida corporation, d/b/a WATERWAY CLUB, hereinafter called the "LESSOR", and that certain CONDOMINIUM ASSOCIATION, whose name appears at the end of this instrument as LESSEE ASSOCIATION, a non-profit Florida corporation, hereinafter called the "LESSEE ASSOCIATION", joined by that person or persons whose names appear at the end of this instrument, or at the end of a duplicate of this instrument and memorandum thereof, as INDIVIDUAL LESSEE(S), hereinafter called "INDIVIDUAL LESSEE" or "UNIT OWNER".

W I T N E S S E T H :

That the LESSOR, LESSEE ASSOCIATION, and INDIVIDUAL LESSEE, for and in consideration of the keeping by the parties of their respective obligations hereinafter contained, and ONE DOLLAR (\$1.00) and other good and valuable consideration by each of the parties unto the other in hand paid simultaneously with the execution and delivery of these presents, the receipt whereof is hereby acknowledged, have covenanted and agreed as follows:

1. DEFINITIONS. Unless the context otherwise requires the following definitions shall be applicable herein:

1.1 "THE DECLARATION" means the DECLARATION OF CONDOMINIUM to which this LEASE is attached as EXHIBIT 2. All definitions contained in THE DECLARATION are adopted by reference as though set forth herein verbatim.

1.2 "LESSOR" means the LESSOR herein, its heirs, successors and assigns.

1.3 "INITIAL LESSEE", or "INITIAL PURCHASER" means the first purchaser of each CONDOMINIUM PARCEL from the SPONSOR.

1.4 "PARTIES HERETO" means the LESSOR, the LESSEE ASSOCIATION, and all INDIVIDUAL LESSEES, their heirs, successors and assigns, who shall or should have become parties hereto and who will be, or are intended to be bound by the provisions hereof.

1.5 "LESSEE" or "LESSEES" means the LESSEE ASSOCIATION and all INDIVIDUAL LESSEES, their heirs, successors and assigns, who are members of said LESSEE ASSOCIATION, who shall or should become parties hereto and who will or are intended to be bound by the provisions hereof.

1.6 "DEMISED PREMISES" The lands, improvements, furnishings, fixtures, machinery, equipment, goods and personal property, etc. referred to in Paragraphs 2 and 3 hereof.

1.7 "INDIVIDUAL LESSEE" means each person or corporation and their heirs, successors and assigns thereof who executes or who should have executed this instrument as a lessee other than a LESSEE ASSOCIATION.

1.8 "MEMBERS OF THE ASSOCIATION" or "MEMBERS" shall mean all of the membership of the LESSEE ASSOCIATION who will be the owners of the CONDOMINIUM PARCELS in the CONDOMINIUM.

1.9 "ALL CONDOMINIUM PROPERTIES". The land and improvements encompassed by all DECLARATIONS OF CONDOMINIUM filed by the SPONSOR, its successors and assigns embracing lands in Palm Beach County, Florida, known as WATERWAY CLUB, LANTANA, FLORIDA, less the premises demised herein.

1.10 "CONDOMINIUM PROPERTY". The land and improvements encompassed by THE DECLARATION.

1.11 "ALL LESSEES" means all lessees who, regardless of membership in a particular CONDOMINIUM ASSOCIATION have or should have acquired a leasehold interest in the DEMISED PREMISES.

1.12 "LIVING UNIT" means all residential dwellings in which INDIVIDUAL LESSEES of the DEMISED PREMISES reside, including but not limited to single family dwellings, CONDOMINIUM UNITS, apartments in an apartment building, or apartments in a co-operative apartment building leased by a member or shareholder, if applicable.

2. DEMISE.

2.1 Upon the terms and conditions hereinafter set forth and in consideration of the payment, from time to time, by the LESSEE of the rents hereinafter set forth, and the prompt continuous performance by the LESSEE of each and every of the covenants and agreements hereinafter contained by the LESSEE to be kept and

performed, each being material, the LESSEE does hereby lease of and from the LESSOR, but not exclusively so, certain real property situate, lying and being in Palm Beach County, Florida, more particularly described on EXHIBIT A attached to this LEASE and made a part hereof; together with all improvements, buildings and structures now or hereafter placed thereon, and all furniture, furnishings, fixtures, machinery, equipment, goods and personal property of every type and nature now or hereafter brought or placed thereon or intended for use thereon, and all additions and accessions thereto and any replacements thereof.

2.2 The DEMISED PREMISES is subject to easements, restrictions, reservations, rights of way, conditions, limitations, now or hereafter of record, taxes; zoning ordinances now or hereafter existing; this lease and other leases and instruments creating rights in and to the DEMISED PREMISES for such persons or parties as the LESSOR determines; and mortgages, all as now exist or may hereafter exist during the term of this LEASE. The LESSOR, at all times reserves unto itself the exclusive right to grant to others or to create upon, over, and under the DEMISED PREMISES, easements or licenses for ingress, egress, public utilities or for any purpose, from time to time, as the LESSOR shall deem appropriate, free and clear of the provisions of this LEASE. The LESSOR shall have the right, during the term of this LEASE, to relocate and change the size and dimensions of any easements or licenses for such purposes as LESSOR, in its discretion, deems advisable. The dedication and creation of such easements and licenses by LESSOR shall not require the consent and approval of any LESSEE.

3. CONSTRUCTION OF IMPROVEMENTS BY LESSOR. The LESSOR has or will construct, at LESSOR's sole cost and expense, upon the DEMISED PREMISES certain recreation facilities which shall consist initially of clubhouse, swimming pool and shuffleboard courts and such other improvements and personalty as LESSOR, in its sole discretion, determines. The aforesaid may also contain offices for the exclusive use of the LESSOR and such persons or firms as the LESSOR may designate. The LESSOR shall be the sole judge of

the size, contents, design, style, plans and specifications of all improvements, including equipment, on the DEMISED PREMISES. The LESSOR reserves the absolute right to, from time to time, in its sole discretion, construct, at its own expense, additional improvements upon any lands owned by LESSOR and to modify and change the facilities and improvements now or then constituting the DEMISED PREMISES. IT IS UNDERSTOOD AND AGREED between the PARTIES HERETO that by this provision the LESSOR is not obligated to, nor has LESSOR represented that it would, modify or add to the DEMISED PREMISES as they are constituted as of the date hereof.

4. TERM. The term and duration of this LEASE shall be for a period commencing as of the date hereof and continuing up to and including the 31st day of December, 2071, unless sooner terminated in accordance with the terms hereof.

5. RENT.

5.1 Reference is hereby made to EXHIBIT 1 of THE DECLARATION wherein each CONDOMINIUM UNIT in this CONDOMINIUM is designated. The BASIC MONTHLY RENTAL shall be determined by multiplying the number of UNITS set forth therein by \$ _____. The BASIC MONTHLY RENT shall be due and payable according to Paragraph 5.9 herein during each and every month of the term of this LEASE.

5.2 LESSEE shall, in addition to the sums called for above, pay all Florida Sales and like taxes, whether by law payable by a landlord or tenant, if applicable, to the LESSOR, who shall remit the same to the appropriate State Agency.

5.3 BASIC MONTHLY RENTAL due shall be adjusted based upon the cost of living for the month of October 1972 as reflected in the "Consumers Price Index", United States average -- all items and food, published in the monthly Labor Review of the Bureau of Labor Statistics of the United States Department of Labor. The adjustments shall be two (2) year intervals, for the term of this LEASE, commencing January 1, 1976. Subject to the foregoing, the BASIC MONTHLY RENT shall be adjusted in the following manner to reflect increases and decreases in the cost of living as set forth in said Index, or if there be no such Index, then by the most nearly comparable

successor to the Index, adjusted to the October 1972 base: The amount of the increased or decreased rental shall be arrived at by multiplication of the BASIC MONTHLY RENT provided for in Paragraph 5.1 by a fraction of which the numerator shall be the Index number for the October preceeding each January 1st, and the demoninator shall be the Index figure for October 1972. The product of such multiplication shall be the amount of the monthly sums to be paid hereunder for the succeeding year until the next computation provided for hereunder shall be made. Any increase in the BASIC MONTHLY RENTAL so obtained shall be payable in addition to and with the BASIC MONTHLY RENTAL. Nothing in this paragraph shall, however, require or allow the rent to ever be reduced below the BASIC MONTHLY RENTAL as initially provided for in Paragraph 5.1 above, but that said BASIC MONTHLY RENTAL is and shall be for the term of this LEASE the minimum rental due monthly from LESSEE to LESSOR. If there is no Consumers Index or comparable successor thereto and the parties are unable to agree upon the use of a new Index, then the parties agree to submit the question of the proper increases or decreases contemplated herein to arbitrators selected in accordance with the arbitration laws of the State of Florida. The determination made by such arbitrators shall be binding upon the PARTIES HERETO. In the event of any controversy arising as to the proper adjustment for the monthly sum due as herein provided, LESSEE shall continue to pay the monthly sum to the LESSOR as determined under the last preceeding adjustment until such time as the controversy has been concluded. At the conclusion of the controversy, the adjustment will be retroactive to the beginning of the adjustment period and the increased rental, if any, shall be forthwith due and payable. The failure of LESSOR to make this cost of living adjustment in any one or more years shall not be deemed a waiver of LESSOR's right to do so in any succeeding year(s) for the then balance of the term of this Lease.

5.4 All increases in the BASIC MONTHLY RENTAL pursuant to Paragraph 5.2 and all monies due for insurance, taxes, maintenance, operational and other expenses pursuant to Paragraph 15 shall be shared by the LESSEE ASSOCIATION in the following manner: The number of INDIVIDUAL LESSEES who are members of the LESSEE ASSOCIATION

shall be the numerator and the number of ALL LESSEES shall be the denominator; such fraction converted to a percentage shall be the percentage of the increase that the LESSEE ASSOCIATION and its members shall bear. Thereafter said increased amount shall be shared amongst the INDIVIDUAL LESSEES in accordance with the provisions of Paragraph 5.5.

5.5 All increases in the BASIC MONTHLY RENTAL as provided in Paragraph 5.3 herein and elsewhere in this LEASE and all additional monies due as provided in Paragraph 5.4 herein and elsewhere in this LEASE from the INDIVIDUAL LESSEES, shall be shared by such LESSEES in the following manner: After the total adjustment has been made and assessed to the LESSEE ASSOCIATION, each INDIVIDUAL LESSEE shall pay his proportionate share of such increase in the same percentage as the percentage of undivided interest of said UNIT in the COMMON ELEMENTS (EXHIBIT 1 of THE DECLARATION)

5.6 Should any UNIT OWNER, his guests, invitees, licensees, agents, servants or employees, do anything which increases the cost of maintaining or operating the DEMISED PREMISES, or causes damage to any part of the DEMISED PREMISES, the LESSOR and thereafter the Executive Committee as provided in Paragraph 20 shall determine, assess and collect against the UNIT OWNER the amount of money necessary to repair such damage.

5.7 The LESSOR and thereafter the Executive Committee may assess against a UNIT OWNER special assessments in reasonable amounts for the use of the DEMISED PREMISES for guests and invitees of such UNIT OWNER and the same shall constitute rent due from the UNIT OWNER to the LESSOR.

5.8 All additional monies and increases in the BASIC MONTHLY RENTAL due the LESSOR under this LEASE shall be effective on the date determined by the LESSOR and set forth in the notice thereof to the LESSEE ASSOCIATION and/or INDIVIDUAL LESSEES. The LESSOR may give notice to the INDIVIDUAL LESSEES or may require the LESSEE ASSOCIATION to give such notice. All such sums due shall be payable at the time and in the manner and amount provided in such notice. Failure to give notice shall not relieve the LESSEE from liability for such sums due.

5.9 Every INDIVIDUAL LESSEE shall be obligated to pay the monthly rent and all additional rent and other sums due from him hereunder and shall be obligated to pay the same to the ASSOCIATION, or designee, who shall remit the same to the LESSOR, or directly to the LESSOR, should the LESSOR so determine. Until further notice each INDIVIDUAL LESSEE shall be obligated to make payments of rent to the MANAGEMENT FIRM as the designee of the ASSOCIATION as long as the MANAGEMENT AGREEMENT remains in effect and thereafter to the ASSOCIATION. Should the LESSOR elect to have the INDIVIDUAL LESSEES make payments directly to the LESSOR, then and in that event the LESSOR shall give notice thereof in writing to each INDIVIDUAL LESSEE. Thereafter the payments shall be payable to the LESSOR at the address set forth in such notice.

5.10 Should the LESSEE ASSOCIATION fail to pay any sums when due, time being of the essence, then and in that event all said payments that are in default shall bear interest at the highest rate of interest then allowed to be charged to corporations in the State of Florida. Upon such default, after ten (10) days prior written notice thereof, the LESSOR may elect to accelerate the rent due from the LESSEE ASSOCIATION for a total of up to twelve (12) months from the date that such rental payment first became delinquent.

5.11 Should any INDIVIDUAL LESSEE fail to pay any sums when due, time being of the essence, then and in that event, all said payments that are in default shall bear interest at the highest rate of interest then allowed to be charged to individuals in the State of Florida. Upon such default, after ten (10) days prior written notice thereof, the LESSOR may elect to accelerate the rent due from such INDIVIDUAL LESSEE for a total of up to twelve (12) months from the date that such rental payment first became delinquent.

5.12 All rental due shall be payable in current legal tender of the United States as the same is constituted by law at the time said sums become due. For the present, and until further notice, such rental shall be included in the INDIVIDUAL LESSEES monthly assessment and paid to WATERWAY MANAGEMENT, INC. for the benefit of the LESSOR.

5.13 All monies due under this LEASE shall be the joint and several obligation of the LESSEE ASSOCIATION and the INDIVIDUAL LESSEE(S). The sums due under this LEASE are COMMON EXPENSES of the CONDOMINIUM. Notwithstanding the power of the Board of Directors of the ASSOCIATION or MANAGEMENT FIRM to determine assessments for COMMON EXPENSES, that portion of the COMMON EXPENSES attributable to this LEASE shall be as determined by the LESSOR.

5.14 The monthly rent shall begin to accrue on the date of the filing of THE DECLARATION, and shall thereafter be due and payable in advance without notice or demand on the first day of each month during the term of this LEASE. Should THE DECLARATION to which this LEASE is an Exhibit be recorded on other than the first day of a month, the first monthly rental installment shall be prorated as to the remaining number of days in said month, and shall be paid with the first regular payment.

5.15 Should the clubhouse described in Paragraph 3 of this LEASE be not substantially completed upon the date of the recording of THE DECLARATION, then and in that event the BASIC RENTAL called for hereunder shall abate until such time as a Certificate of Occupancy therefor (partial, temporary or permanent) is issued by the Town of Lantana, Florida, or upon the certification by an architect duly licensed to practice in the State of Florida that such improvements have been substantially completed.

5.16 IF AN INDIVIDUAL LESSEE FAILS TO PAY THE RENT DUE HEREUNDER WITHIN TEN (10) DAYS AFTER THE DUE DATE, THE LESSOR MAY LEVY A \$25.00 LATE CHARGE WHICH THE INDIVIDUAL LESSEE HEREBY AGREES TO PAY FORTHWITH.

6. USE OF DEMISED PREMISES.

6.1 During the term of this LEASE the DEMISED PREMISES shall be used and enjoyed by the LESSEE on a non-exclusive basis in common with other persons, entities, and corporations who may but are not required to be other lessee associations and/or other INDIVIDUAL LESSEES of the DEMISED PREMISES. Neither the LESSEE ASSOCIATION nor the INDIVIDUAL LESSEE(S) shall have an exclusive right of possession of or to the DEMISED PREMISES. The LESSOR has the right, at any and all times during the term of this LEASE, and from time

to time, to further additionally lease, let and demise the DEMISED PREMISES to other lessee associations and other INDIVIDUAL LESSEES and any other persons, firms or corporations, as LESSOR deems fit. All such other leases shall be valid for the purposes therein expressed, and neither the granting of such leases nor the creation of the leasehold estate therein shall invalidate this lease, reduce, or abate the rent due pursuant to this LEASE from the LESSEE to the LESSOR, or give the LESSEE the right to avoid any of the covenants, agreements or obligations to be performed hereunder. The LESSEE ASSOCIATION and all INDIVIDUAL LESSEES executing this LEASE are hereby put on notice of other leases, if any, now in existence and recorded among the Public Records of Palm Beach County, Florida, affecting the DEMISED PREMISES. The lease of the DEMISED PREMISES entered into with others shall be generally in the form of this LEASE (except that the amount of rent as provided for herein may vary) to the end and extent that the use, occupancy, and possession of the DEMISED PREMISES by others shall be in recognition of and co-extensive with, the rights of the LESSEE under this LEASE. No default by any INDIVIDUAL LESSEE in the performance of the covenants and promises contained in this LEASE or of any tenant in any other lease of the DEMISED PREMISES, or any other act of omission by any other INDIVIDUAL LESSEE, or any other person, firm or corporation, shall, concerning the INDIVIDUAL LESSEE signing this LEASE, be construed or considered: (a) as a breach by the LESSEE ASSOCIATION, the INDIVIDUAL LESSEE, or LESSOR of any of their promises or covenants in this LEASE made, or (b) as an actual, implied or constructive eviction of the LESSEE from the DEMISED PREMISES by LESSOR or anyone acting by, through, under, or for LESSOR, or (c) as an excuse, justification, waiver or indulgence by the LESSOR to the LESSEE or INDIVIDUAL LESSEE of their covenants and promises herein.

6.2 No INDIVIDUAL LESSEE shall commit or permit members of their families, their guests, or invitees to commit any acts or carry on any practices which may possibly injure the DEMISED PREMISES, or be a nuisance or menace to, or interfere with, the rights of other INDIVIDUAL LESSEES, the LESSOR, or others validly using the DEMISED PREMISES.

6.3 The DEMISED PREMISES shall be used by the LESSEES solely for "RECREATIONAL PURPOSES". Unless otherwise consented to in writing by the LESSOR, "RECREATIONAL PURPOSES" shall not include the use of the DEMISED PREMISES by any group, club, association, society, party, affiliation, or the like, for any religious, political, charitable, fraternal, civic, or other such purpose.

6.4 The DEMISED PREMISES shall be under the complete supervision, operation, control and management of the LESSOR, subject, however, to the provisions of paragraph 20 hereof.

6.5 Each INDIVIDUAL LESSEE and the members of their family, invitees and guests shall observe and comply with all RULES AND REGULATIONS which now or may hereafter be promulgated from time to time by the LESSOR and thereafter the Executive Committee as the LESSOR or Executive Committee, in its sole discretion, deems necessary for the use, care, safety and cleanliness of the DEMISED PREMISES, for the preservation of good order therein, and for the comfort, quiet and convenience of all users of the DEMISED PREMISES. The RULES and REGULATIONS as promulgated from time to time under this Paragraph shall be posted in a conspicuous place on the DEMISED PREMISES and shall be effective from the date of posting. The LESSOR shall not be liable to the LESSEE ASSOCIATION or any INDIVIDUAL LESSEE due to any violation of the RULES and REGULATIONS by any INDIVIDUAL LESSEE or person using the DEMISED PREMISES. The RULES and REGULATIONS as promulgated from time to time shall be specifically enforceable by injunction or otherwise, and shall have the effect of covenants as if set forth herein verbatim, the compliance therewith agreed to by the LESSEE.

6.6 Notwithstanding any of the provisions of this Paragraph 6 to the contrary, the LESSOR may, in its sole discretion, grant to any party, including the SPONSOR or itself the right to use such portions of the DEMISED PREMISES as the LESSOR deems necessary in connection with the development and sale of the lands described in Paragraph 1.9. In connection therewith, such party shall have the right to maintain a sales office and to occupy such portions of the DEMISED PREMISES as the LESSOR shall specify. Said party shall have the right to use portions of the DEMISED PREMISES for

parking as necessary to effectuate the aforementioned purposes. The right of use of the DEMISED PREMISES shall include, but shall not be limited to, the right to display and erect signs, billboards and placards; to keep, store and exhibit the same, distribute audio and visual promotional materials, and the right to use portions of the DEMISED PREMISES for display purposes. The LESSOR shall have the perpetual right to use the DEMISED PREMISES, or any portion thereof as it deems necessary, for administering the LESSOR'S interests under the terms of this LEASE. All of the foregoing may be accomplished and enjoyed by the said party without any cost or expense and without abatement or reductions of the rental due under the terms of this LEASE, nor shall the same give the LESSEE the right to avoid any of its covenants, agreements or obligations to be performed hereunder, nor shall the same be construed as an actual, implied or constructive eviction of the LESSEE from the DEMISED PREMISES by the LESSOR or any one acting by, through or under the LESSOR.

6.7 The transfer of the fee title to each CONDOMINIUM PARCEL in the CONDOMINIUM, whether voluntarily or by operation of law, terminating the INDIVIDUAL LESSEES' membership in the LESSEE ASSOCIATION shall terminate said party's rights to the use and enjoyment of the DEMISED PREMISES hereunder. The INDIVIDUAL LESSEES' rights and privileges under this LEASE are not assignable. The OWNER of each CONDOMINIUM PARCEL when he automatically becomes a member of the LESSEE ASSOCIATION is entitled to the use and enjoyment of the DEMISED PREMISES and is burdened with the duties and responsibilities in accordance with the provisions of this LEASE. All parties acquiring any right, title and interest in and to the lands described in Paragraph 1.10 of this LEASE or any CONDOMINIUM PARCEL thereon are hereby put on notice that in acquiring said interest, that they shall be fully bound by the terms of this LEASE. In no event shall an OWNER of a CONDOMINIUM PARCEL subsequent to an INITIAL PURCHASER acquire any rights in the DEMISED PREMISES or against the LESSOR or against the LESSEE ASSOCIATION that are greater than the rights granted to and limitations placed upon an INITIAL PURCHASER pursuant to the terms of this LEASE.