

ARTICLES OF INCORPORATION

OF

SEA OATS PROPERTY OWNERS' ASSOCIATION, INC.
(a corporation not for profit under the laws
of the State of Florida)

SECRETARY OF STATE

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FILED

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes as amended, and certify as follows:

ARTICLE I

NAME

The name of the corporation shall be Sea Oats Property Owners' Association, Inc. For convenience, the corporation shall be referred to in this instrument as the "Association".

ARTICLE II

PURPOSE

A. The purpose for which the Association is organized is to provide an entity to own, maintain, and operate certain lands located in Palm Beach County, Florida, which lands are to be used in common by all the members of the Association, which membership shall consist of all of the property owners at Sea Oats of Juno Beach (hereinafter referred to as "Sea Oats"). The Association shall be responsible for the management of Sea Oats in keeping with the terms and conditions as set forth in the Declaration of Covenants and Restrictions for Sea Oats, and as same may be amended from time to time.

B. The Association shall make no distribution of income to its members, directors or officers.

ARTICLE III

POWERS

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

A. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles, or with the terms of the Declaration of Covenants and Restrictions for Sea Oats.

B. The Association shall have all of the powers and duties set forth in the Declaration of Covenants and Restrictions for Sea Oats, except as limited by these Articles, and all of the powers and duties reasonably necessary to operate and administer the Sea Oats properties pursuant to the Covenants and Restrictions and as it may be amended from time to time, including but not limited to the following:

1. To make and collect assessments against members to defray the costs and expenses of the Association property.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. To maintain, repair, replace and operate the property of the Association.

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of SEA OATS PROPERTY OWNERS' ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on February 21, 1984, as shown by the records of this office.

The charter number of this corporation is N01548.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
21st day of February, 1984.



GER-101

George Firestone
Secretary of State

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ARTICLE IV

MEMBERS

A. The members of the Association shall consist of all of the record owners of dwelling units in Sea Oats.

B. Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, a deed or other instrument establishing a record title to a dwelling unit at Sea Oats, and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated as of the date of execution of such instrument.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except upon transfer of the title of his dwelling unit.

D. The owner of each dwelling unit shall be entitled to one vote as a member of the Association. The exact number of votes to be cast by dwelling unit owners and the manner of exercising voting rights, shall be determined by the By-Laws of the Association; subject, however, to the terms and conditions of the Declaration of Covenants and Restrictions for Sea Oats.

ARTICLE V

DIRECTORS

A. The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than nine (9) directors, and until such time as the Developer elects to divest control of the Association Directors need not be members of the Association.

B. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

C. The first election of directors shall not be held until after the Developer has closed the sales of all of the dwelling units in Sea Oats, or until the Developer elects to terminate its control of the Association, whichever shall first occur. The Directors named in these Articles shall serve until the first election of Directors, and any vacancies in their number occurring before the first election shall be filled by the remaining Directors.

D. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Craig R. Wieser	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458
Robert J. Melehan	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458
Henry Y. Blakiston	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458

ARTICLE VI

OFFICERS

The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

PRESIDENT	Craig R. Wieser	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458
VICE-PRESIDENT	Robert J. Melehan	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458
SECRETARY/TREASURER	Henry Y. Blakiston	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458

ARTICLE VII

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of wilful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE VIII

BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE IX

AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner.

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

B. A resolution approving a proposed amendment may be proposed either by the Board of Directors or by 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 at or prior to the meeting. Except as elsewhere provided,

1. Such approvals must be by not less than fifty-one per cent 51% of the entire membership of the Board of Directors and by not less than fifty-one per cent 51% of the votes of the membership of the Association voting in person and by proxy; or

2. By not less than 60% of the votes of the membership of the Association filing in person or by proxy at a meeting held for such purpose.

C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members, and joinder of all record owners of mortgages upon the dwelling units. No amendment shall be made that is in conflict with the Declaration of Covenants and Restrictions of Sea Oats or the laws of the State of Florida.

ARTICLE X

TERM

The term of the Association shall be perpetual.

ARTICLE XI

DISSOLUTION

In the event of dissolution or final liquidation of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to Sea Oats unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XII

INCORPORATORS

The names and addresses of the incorporators of these Articles of Incorporation are as follows:

Craig R. Wieser	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458
Robert J. Melehan	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458
Henry Y. Blakiston	1001 U.S. Highway I, Suite 407 Jupiter, Florida 33458

ARTICLE XIII

REGISTERED AGENT AND OFFICE

The initial registered office of the corporation shall be located at: 1001 U.S. Highway I, Suite 407, Jupiter, Florida 33458. The initial Registered Agent at said address shall be Craig R. Wieser.

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IN WITNESS WHEREOF, the incorporators have affixed their signatures this
11 day of January, 1984.

Witnesses:

D. Haulick
Lisa Snow

Craig R. Wieser
Craig R. Wieser
Robert J. Melehan
Robert J. Melehan
Henry Y. Blakiston
Henry Y. Blakiston

STATE OF FLORIDA

COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, personally appeared Craig R. Wieser, Robert J. Melehan and Henry Y. Blakiston, who, after being duly sworn, acknowledged before me that they executed the foregoing Articles of Incorporation freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal this 11 day of January, 1984.

(NOTARY SEAL)

Dani M. Haulick
Notary Public, State of Florida at
Large
My Commission Expires: 2-12-84

B4418 P1693

EXHIBIT H TO DECLARATION OF CONDOMINIUM

BYLAWS

SEA OATS PROPERTY OWNERS' ASSOCIATION, INC.

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BY-LAWS

SEA OATS PROPERTY OWNERS' ASSOCIATION, INC.
(a corporation not for profit under the laws
of the State of Florida)

ARTICLE I

IDENTITY

These are the By-Laws of SEA OATS PROPERTY OWNERS' ASSOCIATION, INC., hereinafter called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the Office of the Secretary of State on the 21st day of February, 1984. The Association has been organized for the uses and purpose of owning and operating certain lands located in Palm Beach County, Florida, which lands are to be used in common by all of the members of the Sea Oats Property Owners' Association, Inc., which members shall all be Dwelling Unit Owners at Sea Oats of Juno Beach Condominium, hereinafter called "Sea Oats". Such operation by the Association shall include the management, operation, administration and maintenance of Sea Oats in keeping with the terms and conditions as set forth in the Declaration of Covenants and Restrictions of Sea Oats, and the enforcement of such covenants and restrictions.

A. The initial office of the Association shall be at 1001 U.S. Highway I, Suite 407, Jupiter, Florida 33458.

B. The fiscal year of the Association shall be the calendar year.

C. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit" and the year of the incorporation.

D. The words and phrases used in these By-Laws shall have the same meanings herein as they have in the Articles of Incorporation of the Association, and as they have in the Declaration of Covenants and Restrictions of Sea Oats.

ARTICLE II

MEMBERS' MEETINGS

A. The qualification of members, the manner of their admission to membership in the Association, and the manner of the termination of such membership shall be as set forth in Article IV of the Articles of Incorporation.

B. The annual members' meeting shall be held at such location in Palm Beach County, Florida, and at such time as shall be designated in the Notice of Meeting, for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

C. Special members' meetings shall be held at such location in Palm Beach County, Florida as shall be designated in the Notice of Meeting whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the entire membership.

D. A written notice of all members' meetings (annual or special) shall be mailed to each member stating the time and place and the objects for which the meeting is called, and shall be given by the President, Vice President or Secretary unless waived in writing. Such notice shall be mailed to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

E. The membership may, at the discretion of the Board, act by written agreement in lieu of a meeting; provided, however, that written notice of the matters to be determined by such members is given to the membership at the addresses and within the time periods set forth herein for notices of meetings, or is duly waived by such members. Any determination by written agreement shall be determined by the number of members capable of determining the subject matter at a members' meeting. The quorum requirements shall be the same as for a members' meeting. Any notice requesting the written agreement of the membership shall set forth a time period in which a response may be made.

F. A quorum of the members shall consist of those persons entitled to cast a majority of the votes of the entire membership. A member may join in the action of a meeting by signing the minutes thereof, and such signing shall constitute the presence of such member for the purpose of determining a quorum. The acts approved by a majority of the votes present at a meeting at which a quorum is present, shall constitute the acts of the members, except when approval by a greater number of members is required by the Articles of Incorporation or these By-Laws.

G. If at any meeting of the membership, there shall be less than a quorum present, the President, and in the absence of the President, then the majority of those present, may adjourn the meeting from time to time until a quorum is present. Any business which might have been transacted at a meeting as originally called may be transacted at any adjourned meeting thereof. In case of the adjournment of a meeting, notice to the members of such adjournment shall be as determined by the President or in his absence by the majority of the members present.

H. Minutes of all meetings of the members shall be kept in a businesslike manner, and shall be available, upon reasonable notice and at reasonable times, for inspection by the members and Directors at the office of the Association.

I. Voting.

1. In any meeting of members, the owners of each Dwelling Unit shall be entitled to cast one vote as the owner of a Dwelling Unit unless the decision to be made is elsewhere required to be determined in another manner.

2. If a Dwelling Unit is owned by one person, his right to vote shall be established by the record title to his Dwelling Unit. If a Dwelling Unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the Dwelling Unit shall be designated by a certificate signed by all of the record owners of the Dwelling Unit and filed with the Secretary of the Association. If a Dwelling Unit is owned by a corporation, the person entitled to cast the vote for the Dwelling Unit shall be designated by a certificate signed by the President or Vice-President and attested to by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Dwelling Unit concerned. A certificate designating the person entitled to cast the vote of a dwelling unit may be revoked by any owner of a Dwelling Unit. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

3. Votes may be cast in person or by proxy. A proxy must be designated in writing by any person entitled to vote, and shall be valid only for the particular meeting designated in the proxy. It must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

4. No member shall be allowed to exercise his vote or serve as a Director unless he is current on all assessments.

J. The order of business at annual members' meetings and, as far as practical at other members' meetings, shall be:

1. Election of chairman of the meeting.
2. Calling of the roll and certifying of proxies.
3. Proof of notice of meeting or waiver of notice.
4. Reading and disposal of any unapproved minutes.
5. Report of officers.

6. Reports of committees.
7. Election of inspectors of elections.
8. Election of directors.
9. Unfinished business.
10. New business.
11. Adjournment.

K. Until the Developer of Sea Oats has completed all of the contemplated improvements and closed the sale of all of the dwelling units located in Sea Oats, or until the Developer elects to terminate its control of the Association, whichever shall first occur, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors.

ARTICLE III

DIRECTORS

A. The affairs of the Association shall be managed by a board which shall consist of not less than three (3) nor more than nine (9) Directors.

B. Election of Directors shall be conducted in the following manner:

1. Election of Directors shall be held at the annual members' meeting.

2. A nominating committee of five (5) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual member's meeting. The committee shall nominate one person for each director then serving. Other nominations may be made from the floor.

3. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

4. Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

5. Any director may be removed by concurrence of fifty-one per cent (51%) of the membership voting in person or by proxy at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

6. Until the Developer of Sea Oats has completed all of the contemplated improvements and closed the sales of all of the Dwelling Units in Sea Oats, or until the Developer elects to terminate its control of the Association, whichever shall first occur, the first Directors of the Association shall serve, and in the event of vacancies, the remaining Directors shall fill the vacancies, and if there are no remaining Directors, the vacancies shall be filled by the Developer.

C. The term of each Director's service shall be the calendar year following his election and subsequently until his successor is duly qualified or until he is removed in the manner elsewhere provided.

D. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and at such time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

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

F. Special meetings of the Board of Directors may be called by the President, and must be called by the Secretary at the written request of two-thirds (2/3) of the Directors. Not less than three (3) days' notice of the meeting shall be given

personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

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

H. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Articles of Incorporation or these By-Laws.

I. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

J. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

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

L. The order of business at Directors' meetings shall be as follows:

1. Calling of the roll.
2. Proof of due notice of meeting.
3. Reading and disposal of any unapproved minutes.
4. Reports of offices and committees.
5. Election of officers.
6. Unfinished business.
7. New business.
8. Adjournment.

M. Directors' fees, if any, shall be determined by the majority of the membership of the Association.

N. Minutes of all meetings of the Board of Directors shall be kept in a businesslike manner and be available for inspection, upon reasonable notice and at reasonable times, by members and Directors at the office of the Association.

O. Meetings of the Board of Directors shall be open to all members. Unless a member serves as a Director or unless he has been specifically invited to participate in a meeting, a member not shall be entitled to participate in any meeting of the Board of Directors, but shall only be entitled to as an observer.

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

A. All of the powers and duties of the Association existing under the Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, its agent, contractors or employees, subject only to approval by Dwelling Unit Owners when such is specifically required. Such powers and duties shall be exercised in accordance with the documents hereinbefore stated, and shall include, but not be limited to the following:

1. Making, establishing, amending and enforcing reasonable rules and regulations governing the portions of Sea Oats.
2. Making, levying, collecting and enforcing assessments against members to provide funds to pay the Association expenses. Such assessments shall be collected by the Association by payments made directly to the Association by members in the manner set forth in the documents described above.

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3. Maintaining, managing, administering, operating, repairing and replacing the improvements and personal property located within the portion of Sea Oats under Association jurisdiction.

4. Constructing and reconstructing improvements located in portions of Sea Oats over which the Association has jurisdiction in the event of casualty or other loss thereof and making further authorized improvement therein.

5. Enforcing by legal means the provisions of the Documents, including levying fines.

6. Retaining independent contractors and professional personnel and entering into and terminating service, supply and management agreements and contracts to provide for the administration, management, operation, repair and maintenance of the portions of Sea Oats over which the Association has jurisdiction.

7. Hiring and retaining such employees and/or contractors as are necessary to administer and carry out the services required for the proper administration of the purposes of the Association and paying all of the salaries therefor.

8. Paying costs of all power, water, sewer and other utility services rendered to the portions of Sea Oats over which the Association has jurisdiction and not billed to individual "Owners".

9. Paying taxes and assessments which are or may become liens against any property located on the portions of Sea Oats over which the Association has jurisdiction and assessing the same against Dwelling Units.

10. Purchasing and carrying insurance for the protection of Owners and the Association against casualty and liability with respect to portions of Sea Oats over which the Association has jurisdiction in accordance with the Documents.

ARTICLE V

OFFICERS

A. The executive officers of the Association shall be a President, who shall be a Director, a Vice-President, who shall be a Director, a Treasurer, a Secretary, and an Assistant-Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not be also the Secretary or Assistant-Secretary. The Board of Directors, from time to time, shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties usually vested in the Office of the President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

C. The Vice-President, in the absence or disability of the President, shall exercise the power and perform the duties of the President. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

D. The Secretary shall keep the minutes of all proceedings of the Directors and members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of Treasurer, and shall perform all other duties incident to the Office of Secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

E. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the Office of Treasurer.

F. The compensation of all employees of the Association shall be fixed by the directors. The provision that Directors' fees shall be determined by members shall not preclude the Board of Directors from employing a Director as an employee of the Association.

ARTICLE VI

FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Articles of Incorporation shall be supplemented by the following provisions:

A. Accounts. The expenditures of the Association shall be created and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

1. Current/Operating Expense, (i.e., landscaping, maintenance, utilities, sanitation, supplies, administration, legal, insurance, management, and the like), which shall include all expenditures within the year for which the budget is made, excluding those expenses chargeable to the accounts delineated in Paragraphs 2 through 4 next hereinbelow.

2. Current/Operating Expense Contingency, which shall include an allowance for the contingency where actual operating/current expenses exceed the budgeted amount thereof.

3. Reserve for Deferred Maintenance and for Replacement. The reserve for deferred maintenance shall include funds for maintenance items that occur less frequently than annually. The reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

4. Betterments, which shall include the funds to be used for capital expenditures for additional improvement or additional personal property that will be part of the recreational facility.

B. The Board of Directors shall adopt a budget for each year that shall include the estimated funds required to defray the expenditures and to provide and maintain funds for the foregoing accounts and reserves according to good accounting procedure as follows:

1. Current/Operating expenses.

2. Current/Operating expense contingency.

3. Reserve for deferred maintenance and for replacement.

4. Betterments, which shall include the funds to be used for capital expenditures for additional improvements to the common property; provided, however, that expenditures in excess of \$1,000.00 from this fund for a single item or for a single purpose shall require the vote of at least seventy-five percent (75%) of the members present at a duly called meeting.

5. Copies of the budget and proposed assessments shall be transmitted to each member of the Association before the end of the calendar year, preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

C. Assessments against the Dwelling Unit Owners for their shares of the budget shall be made for the year annually in advance before the end of the calendar year preceding the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event that the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. In the event that the increase exceeds 115% of the annual assessment for the preceding year, the Board of Directors, upon written application of ten per cent (10%) of the members to

the Board, shall call a special meeting of members within thirty (30) days, upon not less than ten (10) days written notice to each member. At a special meeting, members shall consider and enact a budget. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reserves for deferred maintenance and for replacement or for betterments shall be excluded from the computation. The first assessment shall be determined by the Board of Directors of the Association.

D. If a member shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the member and the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the member, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

E. Assessment for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such expenditures is given to the members concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half of the votes of the members concerned, the assessment shall become effective and shall be due after thirty (30) days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

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

G. At the Annual Meeting of the Association, the members present shall determine by a majority vote whether an audit of the accounts of the Association for the year shall be made by a Certified Public Accountant, a Public Accountant, or by an auditing committee consisting of not less than three members of the Association, none of which shall be Board members. The costs of audit shall be paid by the Association.

H. Fidelity Bonds shall be required by the Board of Directors from all Officers and employees of the Association and from any contractor handling or responsible for the Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total of two monthly assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

ARTICLE VII

PARLIAMENTARY RULES

~~These By-Laws may be amended in the following manner:~~

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

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by 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, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approval must be by:

1. Not less than two-thirds (2/3) of the entire membership of the Board of Directors and not less than fifty-one percent (51%) of the votes of the membership of the Association in person or by proxy; or

2. Not less than sixty per cent (60%) of the votes of the membership of the Association voting in person or by proxy; or

3. Until the first election of Directors, by all of the Directors.

C. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the By-Laws, which certificate shall be executed by the Officers of the Association with the formality of the execution of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Palm Beach County, Florida.

D. These By-Laws shall not be amended in any manner which shall amend, abridge, modify, or conflict with the provisions of any institutional mortgagee having a first mortgage on a dwelling unit, without prior written consent of the institutional mortgagee affected.

The foregoing were adopted as the By-Laws of Sea Oats Property Owners' Association, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 20th day of November 1984.

SEA OATS PROPERTY OWNERS' ASSOCIATION,
INC.

(CORPORATE SEAL)

By Sammy Clark Hackett
President

Attest: Henry B. Slater
Secretary

B4418 P1702

EXHIBIT I TO DECLARATION OF CONDOMINIUM

DECLARATION OF COVENANTS AND RESTRICTIONS

SEA OATS PROPERTY OWNERS' ASSOCIATION, INC.

418 P1703

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

SEA OATS OF JUNO BEACH

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made this 20th day of December, 1984, by SEA OATS OF JUNO BEACH, INC., a Florida corporation, hereinafter called the "Developer", and by the SEA OATS PROPERTY OWNERS' ASSOCIATION, INC., a Florida Corporation not for profit, hereinafter called the "Association".

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property described in Exhibit A to this Declaration; and the Developer desires to create thereon a planned community of condominium apartments with permanent open spaces, recreational facilities and traffic and parking areas for the benefit of the community; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of the properties and improvements thereon, and to this end desires to subject the real property described in Exhibit A to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of owning, maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, convenience, safety and welfare of the residents; and

WHEREAS, Developer has incorporated under the laws of the State of Florida the Sea Oats Property Owners' Association, Inc. as a non-profit corporation for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer hereby declares that the real property described in Exhibit A is and shall be held, transferred, sold, conveyed and occupied subject to the terms, conditions, covenants, provisions, restrictions, easements, servitudes, and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth, which shall be binding on all persons, their heirs, successors and assigns having any right, title or interest in or to the real property, and shall enure to the benefit of each dwelling unit owner.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean the Articles of Incorporation of the Association.
2. "Association" shall mean and refer to the Sea Oats Property Owners' Association, Inc., its successors and assigns.
3. "Association Expenses" shall mean the expenses payable by owners to the Association as shall be set forth in this Declaration.
4. "Association Property" shall mean all real and personal property transferred to the Association for the benefit of all members.
5. "Board" shall mean the Board of Directors of the Association.
6. "Common Area" shall mean those areas of real property shown on the subdivision plat of Sea Oats, together with all improvements thereto, which are devoted to the common use and enjoyment of the members of the Association. The term "Common Area" may sometimes be used interchangeably with the term "Association Property".

7. "Declaration" shall mean the covenants, conditions, restrictions, easements, and all other terms set forth in this document; and as may be amended from time to time.

8. "Developer" shall mean and refer to SEA OATS OF JUNO BEACH, INC., a Florida corporation, its successors and assigns.

9. "General Plan for Development" shall mean the overall site plan of Sea Oats of Juno Beach, which shall hereinafter be referred to as Sea Oats, as approved by the appropriate governmental agencies, and which shall represent the development plan and general uses of the real property. A copy of the general plan of development is attached hereto, and made a part hereof, and marked Exhibit B.

10. "Institutional Mortgagee" shall mean any lending institution holding a construction mortgage lien on any portion of the general plan of development or having a first lien on a dwelling unit, including any of the following institutions; an insurance company or subsidiary thereof, a Federal or State Savings and Loan Association, a Federal or State Building and Loan Association, a Federal or State Banking Association, a real estate investment trust, any mortgage banking company authorized to do business in the State of Florida or FNMA.

11. "Occupant" shall mean the occupant of a dwelling unit who shall be the owner, the lessee, or their respective guest.

12. "Owner" shall mean the fee simple title holder of any dwelling unit, whether one or more persons or entities.

13. "Property" shall mean all of the real and personal property subject to this Declaration. The real property is described in Exhibit A attached hereto and made a part hereof.

14. "Rules and Regulations" shall mean the rules, regulations, and policies which may be adopted by the Board from time to time by resolution duly made and carried.

15. "Dwelling Unit" shall mean the structure and underlying real property, which are owned in fee simple.

16. "Transfer Date" shall mean the date that the Developer relinquishes the right to appoint a majority of the directors to the Board of Directors of the Association. The transfer date shall occur not later than thirty (30) days after the date of the closing of the last unit to be sold by the Developer in Sea Oats.

17. The use of gender is deemed to include all genders; the use of the singular includes the plural and the use of the plural includes the use of the singular.

ARTICLE II

GENERAL PLAN OF DEVELOPMENT

1. Developer intends to build two hundred thirty two (232) dwelling units as shown on the site plan attached hereto and marked Exhibit B. Provided, however, the overall site plan presently contemplates 232 condominium units in 29 separate condominium phases. Developer, in its sole discretion, may at any time alter this development plan as sales and marketing conditions may dictate. Developer does, however, represent that no more than 232 units will share the use of the Common Property.

2. All areas shown in Exhibit B that are not within any of the contemplated 34 condominium phases shall be kept and maintained by the Association.

3. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Palm Beach County, Florida, and is described in Exhibit A. Provided, however, the property shall only be conveyed to the Association as the development of the property progresses. Developer is in no way obligated to convey any Common Property to the Association until the Dwelling Units appurtenant thereto have been completed.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

1. The owner of the fee simple title of record of each dwelling unit shall be a mandatory member of the Association.

2. Each dwelling unit owner shall become a member of the Association upon acceptance of the warranty deed to his dwelling unit. As a member of the Association, the owner shall be governed by the Articles of Incorporation and the By-Laws of the association; and shall be entitled to one (1) vote for each unit owned. Provided, however, the Developer shall retain the right to appoint a majority of the directors to the Board of Directors of the Association until the Transfer Date, or until it has elected to divest itself of control of the Association, whichever shall first occur.

3. Where the Dwelling Unit Owner has purchased a Condominium Unit the owner shall also be a member of the Condominium Association.

ARTICLE IV

USE OF PROPERTY

1. The dwelling units shall be used solely as single family residences. Nothing herein shall be deemed to prevent an owner from leasing a dwelling unit to a single family, subject to all of the terms, conditions and covenants contained in this Declaration.

2. The dwelling unit owner shall not permit any nuisance to exist upon his property so as to be detrimental to any other property or to its owners.

3. The dwelling unit shall not be further subdivided or separated by any owner; and no portion less than all of any such dwelling unit, nor any easement or other interest granted herein, shall be conveyed or transferred to an owner; provided, however, that this shall not prevent corrective deeds, deeds to resolve boundary disputes, and other similar corrective instruments.

4. The dwelling unit shall not be used in any trade, business, professional or commercial capacity, except that the dwelling unit may be leased as a single family residence. Nothing contained herein shall prohibit the Developer from carrying on any and all types of construction activity necessary to accomplish the general plan of development, including the construction and operation of a sales model and office by the Developer until all of the dwelling units in Sea Oats have been sold.

5. One domestic pet or animal may be kept or harbored on the Condominium Property or Unit so long as such pet or animal does not exceed thirty (30) pounds in weight and does not constitute a nuisance. A determination by the Board of the Association that an animal or pet kept or harbored in a Unit is a nuisance shall be conclusive and binding on all parties. No pet shall be "tied out" on the exterior of the Unit, balcony or patio. All pets shall be walked on a leash not to exceed six feet (6') in length. No pet shall be permitted outside a Unit except on a leash. When notice of removal of any pet is given, said pet shall be removed within twenty-four (24) hours of the giving of notice. All pets shall defecate only in the "pet walking" areas on the Condominium Property designated for such purpose. The Unit Owner shall clean up all such matter created by his pet outside such area.

6. The parking facilities shall be used in accordance the regulations adopted by the Developer and thereafter by the Association. Developer's assignment of parking shall be final. No vehicle which cannot operate on its own power shall remain on the Condominium Property for more than twelve (12) hours, and no repair, except emergency repair, of vehicles shall be made on the Condominium Property. No commercial vehicle, truck or recreational vehicle (except drivable recreational vehicles up to 21.5 feet in length and 8 feet from the pavement in height which may be kept on the property if they are used by the owner on a daily basis for normal transportation) shall be parked on the Condominium Property (this exclusion shall not be deemed to include clean "non-working" commercial vehicles such as pick up trucks, vans, or cars carrying advertising signs). No boat, boat trailer, camper or like

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vehicle shall be left or stored on the Condominium Property. Bicycles shall be parked in the areas, if any, provided for that purpose. Absent such parking areas, bicycles shall be kept in the Unit. Washing of vehicles shall only be done in the vicinity of the exterior hose bib provided by the Developer within each parking cluster.

7. The exterior of any Dwelling Unit, including windows, doors and screens, shall not be painted, decorated, or modified by any owner in any manner, without the prior written consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Board.

8. Each Unit Owner shall park his automobile in his assigned space. Any parking space not assigned may be used by guests of the Unit Owners only, except such space as may be designated for temporary parking of delivery vehicles.

9. Automobile washing is permitted only in designated areas.

10. Motorcycles or motor vehicles must be driven on roadways only.

11. No vehicle can be parked overnight in the recreation area.

12. Developer has, or shall construct certain recreational facilities in an area designated for such purposes in the Plat filed for the project. The facilities will be owned by the Sea Oats Property Owners' Association and will be available no later than the submission of Phase 29 to Condominium ownership.

Persons who are not eighteen (18) years of age or older shall not be permitted to use the recreational facilities of the Condominium unless under the supervision of an adult Unit Owner or lawful Occupant over the age of eighteen (18) years, except in such cases and under such conditions as the Condominium Association may from time to time establish and require. Parents shall be responsible for all actions of their children at all times in and about the Condominium.

13. Occupants of Units may have outdoor parties, attended by other occupants and house guests, whenever they desire. Notification to the Board of Directors is the only requirement so that there will not be any conflict with planned activities. In addition, occupants of units may have the use of the recreation area for private parties (except on weekends; i.e. Friday evenings, Saturdays, Sundays and holidays), attended by other occupants and house guests, by making arrangements with the Board of Directors. In this connection, it should be understood that such use is subject to the rules and regulations established from time to time by the Board of Directors.

14. No owner or occupant shall plant or maintain any trees, shrubs, bushes, plants or otherwise landscape any portion of the Property, unless written permission is first obtained from the Board of Directors.

15. The dwelling unit owners shall abide by each and every rule and regulation promulgated from time to time by the Board. If, after receipt of written notice by the Association of continuing violation(s) of these restrictions, the owner does not correct said violation(s), the Association may impose a \$50.00 fine which shall be deposited into the General Maintenance Account.

16. Should the Association be required to seek enforcement of any provision of the Declaration or the Rules and Regulations for Sea Oats, then, and in that event, the offending Dwelling Unit Owner (for himself or for his family, guests, invitees, or lessees) shall be liable to the Association for all costs incurred in the enforcement action, including reasonable attorney fees, whether incurred in trial or appellate proceedings or otherwise.

17. The foregoing shall be in addition to the use restrictions and rules and regulations imposed by any Declaration of Condominium.

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ARTICLE V

EASEMENTS

1. The Developer hereby grants a perpetual non-exclusive easement to the Association and to the dwelling unit owners, their families, guests, and lessees upon, over, and across the sidewalks, walkways, and right-of-ways and other common areas of Sea Oats.

2. The Developer hereby also grants a perpetual nonexclusive easement to all utility or service companies servicing Sea Oats upon, over, across, through, and under the common areas for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to water, irrigation, sewer, gas, telephone, electricity, MDCTV exclusive cable license or communication lines and systems. It shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on said property and to excavate for such purposes. Provided, however, that no utility service line or system may be installed or relocated within the common areas without the consent of the Association.

3. The Developer hereby grants an easement for encroachment in the event any dwelling unit now or hereafter encroaches upon the common area, as a result of minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement or otherwise. The encroaching improvements shall remain undisturbed as long as the encroachment exists. This easement for encroachment shall also include an easement for the maintenance and use of the encroaching improvements.

ARTICLE VI

MAINTENANCE OF COMMON AREAS

The Association shall maintain the common areas as are shown on the site plan for Sea Oats. The cost to the Association of maintaining the common areas shall be assessed equally among the Dwelling Unit Owners, as part of the Association expenses pursuant to the provisions of this Declaration. The determination of any expenses shall not lie solely within an individual Dwelling Unit Owners' discretion, but shall rest on the determination of the Board of Directors of the Association.

ARTICLE VII

ASSOCIATION EXPENSES, METHOD OF DETERMINING ASSESSMENTS, AND MAINTENANCE OF ASSOCIATION PROPERTY

1. The costs and expenses incurred by the Association with regard to the ownership, operation, maintenance and repair of the common area shall be Association expenses. Common area expenses shall be payable to the Association on an equal basis by all dwelling unit owners.

2. To defray the Association expenses, there is hereby imposed upon each Dwelling Unit and its Owner, the affirmative covenant and obligation to pay to the Association; and upon the Association the obligation to assess, collect and expend, the Association's expenses and those expenses hereinafter set forth. Provided, however, The Sea Oats of Juno Beach Condominium Association, Inc. shall collect such expenses from each of its members and pay them to the Association herein.

A. Taxes. All taxes levied or assessed upon the common areas, by any and all taxing authorities, including all taxes, charges as assessments, imposition and liens for public improvements, special charges and assessments; and, in general all taxes on personal property and improvements which are now and which hereinafter may be placed in the common area, including any interest penalties and other charges which may accrue on such taxes.

B. Utility Charges. All charges levied for utility services to the common areas, whether supplied by a private or public firm including without limitation all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge.

C. Insurance. The premiums on any policy or policies of insurance required under Article XII hereof, together with the costs of such other policies of insurance, as the Board, with the consent of the unit owners at any meeting thereof, shall determine to be in the best interest of the Association; provided, however, that fire and extended coverage on common areas shall be maintained on a current replacement cost basis in an amount not less than 100% of the insurable value based on a current replacement cost.

D. Insurance Trustee. All expenses necessary to retain and continue to retain a lending institution in Palm Beach County, Florida, having a trust department to act as "Insurance Trustee". The functions of the Insurance Trustee shall include holding all original policies purchased by the Association, being named as loss payee, distributing proceeds of such insurance, assisting in the reconstruction of improvements from insurance premiums and performing such other functions as shall be agreed upon.

E. Fidelity Coverage. The cost to the Association of purchasing adequate fidelity insurance or bonds to protect against dishonest acts on the part of officers, directors, trustees, agents and employees of the Association and all other persons who handle or are responsible for handling of the Association. Such fidelity insurance shall meet the following requirements:

(i) All such fidelity insurance or bonds shall name the Association as an obligee; and

(ii) Such fidelity insurance or bonds shall be written in the amount equal to at least 150% of the estimated annual operating expenses of the Association including the capital contribution hereinafter described; and

(iii) Such fidelity insurance or bonds shall contain waivers of any defense based upon the execution of persons who serve without compensation from any definition of "employee" or a similar expression; and

(iv) Such insurance or bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days prior written notice of the servicer or the insured.

F. Reconstruction of Building and Improvements. All sums necessary to repair, replace, construct or reconstruct ("repair") any buildings or improvements located in the common areas damaged by any casualty to the extent insurance proceeds are insufficient for repair. Any difference between the amount of insurance proceeds received on behalf of the Association with respect to repair and the actual cost of the repair ("repair sums") shall be an Association expense for which the Association shall levy a special assessment against all owners, if any, to obtain the funds necessary to pay for such repair sums within ninety (90) days from the date such damage was incurred. The Association shall establish an account with a Federal or State Savings and Loan Association or a bank with trust powers located in Palm Beach County, Florida, and deposit into such account all repair sums and all insurance proceeds collected by the "insurance trustee", if any, so that the amounts on deposit will equal the costs of repair. The Association shall proceed so that repairs shall be completed within one (1) year from the date of damage, if possible.

G. Maintenance, Repair and Replacement. All expenses necessary to (a) maintain and preserve the exterior of the building(s) (including roofs, landscaping and exterior walls) and common areas, including such expenses as grass cutting, trimming, sprinkling and the like, and (b) keep, maintain, repair and replace any and all building improvements, fixtures and equipment upon such areas in a manner consistent with the structure and improvements contained therein, the covenants, restrictions contained herein, and all orders, ordinances, rules and regulations of any and all federal, state and city governments having jurisdiction thereof, as well as the Statutes and laws of the State of Florida and the United States.

H. Optional Expenses. The costs of administration for the Association, including any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association under the Declaration, notwithstanding the fact that some of these services may be expanded in providing services to collecting sums owed by a particular unit. In addition, the Association may retain a managing company or contractors to assist in the operation of Sea Oats and to perform or assist in the performance of certain obligations of the Association here-

under. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Association's expense.

I. Indemnification. The costs to the Association to indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property in or about the common areas, if any, from and against all costs, counsel fees, expenses, liabilities occurring in and about such claim, the investigation thereof, or the defense at any level of any action or proceeding brought which may enter therein. Included in the foregoing provisions for indemnification are any expenses the developer may be compelled to incur and bring suit for the purposes of enforcing rights thereunder, or for the purpose of compelling this specific enforcement of the provisions, conditions, covenants and restrictions, contained in the Declaration to be kept and performed by the Association and/or the owners, including the payment of Association expenses.

Further, the cost of the Association indemnifying its officers and members of the Board for all costs and expenses whatsoever incurred in pursuance of their duties, obligations, and functions hereunder.

Nothing in the provisions of this subparagraph shall require institutional mortgagees to pay any Association expenses or portion thereof attributable to costs of the Association to indemnify and save harmless Developer in accordance with such paragraph. Any such Association expense shall be reallocated amongst the owners other than the institutional mortgagees.

J. Reserve Funds. The costs to establish an adequate reserve fund for replacement and/or capital refurbishment of the common areas (the "capital contributions") in the amounts determined proper and sufficient by the Board. Each owner acknowledges, understands and consents that capital contributions are the exclusive property of the Association as a whole, and that no owner shall have any interest, claim or right to any such capital contributions or funds composed of the same. The Association shall be responsible for maintaining the capital contribution in a separate reserve account and to use such funds only for capital costs and expenses as aforesaid.

K. Special Assessments. Any special assessment that shall be levied to defray (a) extraordinary items of Association expense other than those contemplated by capital contribution; and (b) such other Association expenses determined by the Board to be payable by the Association and which are not inconsistent with the terms of this Declaration, the Articles of Incorporation or the By-Laws.

L. First Mortgagees. First mortgagees of units may, jointly or singularly, pay taxes or other charges which are in default, and which may or have become a charge or encumbrance against the common areas, and may pay overdue premiums on hazard insurance policies or new hazard coverage upon lapse of a policy with respect to the common areas, with a right of immediate reimbursement from the Association.

3. Method of Determining Assessments. The "assessments" (as hereinafter defined) for Association expenses shall be levied and paid for as follows:

A. It is hereby declared and all owners and the Association agree that the Association expenses shall be paid by the Association unit owners, provided, however, that the Developer shall not be required to contribute any amounts for Association expenses on units owned by the Developer until no remaining units are being sold in the ordinary course of business. Each individual unit owner other than Developer shall be required to pay the Association expenses. Provided, however, the developer shall be governed by the requirements of Chapter 718 and the terms of the Declaration(s) of Condominium with regard to any Condominium Units at Sea Oats.

B. As provided in the By-Laws of the Association the Board shall prepare an estimated annual budget which shall reflect the estimated Association expenses. Thereupon the Board shall allocate an equal share of the Association expenses to all Dwelling Units.

C. The assessments may be adjusted as necessary to allow for any change in the amount of Association expenses. The adjustment may be made by dividing the total anticipated Association expenses for the remainder of the calendar year by the number of units which have been submitted to this Declaration.

D. The assessments shall be payable monthly in advance on the first day of each month or otherwise as the Board may determine.

ARTICLE VIII

INSURANCE

1. Casualty. The Association shall maintain a master policy or policies to insure all buildings and improvements on the Real Property. This coverage shall be in such amounts so that the insured will not be a co-insurer except under deductible clauses required to obtain coverages at a reasonable cost.

A. The coverages will EXCLUDE foundation and excavation costs.

B. The coverage will INCLUDE the following:

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

(ii) The bailee liability, if any, of the Association to unit owners.

C. The policies shall state whether the following items are included as THE UNIT OWNERS MAY INSURE THEMSELVES FOR SUCH ITEMS if the master policy excludes them:

(i) Cooling and heating equipment,

(ii) Appliances, such as dishwasher, washer, dryer, refrigerator, oven, range, water heater, etc., whether or not those items are built in.

(iii) Carpets and other floor coverings except the floor slab,

(iv) Inside paint and other inside wall finishes,

(v) Non-load-bearing interior walls,

(vi) Glass windows and doors.

D. When appropriate and possible, the policies shall waive the insurer's right to:

(i) Subrogation against the Association and against the unit owners, individually and as a group;

(ii) The prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and

(iii) Avoid liability for a loss that is caused by an act of the Board, or by a member of the Board or by one or more unit owners.

2. Reconstruction and Repair after Casualty.

A. Under ordinary circumstances improvements which are damaged by casualty shall be reconstructed and repaired. If a dispute arises as to whether an improvement should be repaired or reconstructed, the Board of Directors, with approval of the Veteran's Administration, shall make the determination to repair or reconstruct. The Unit Owners shall be bound by this determination.

B. Although it is impossible to anticipate all problems which may arise from a casualty the intent is to try to assure that the overall plan of a quality development of Sea Oats is maintained by requiring damaged improvements to be rebuilt or repaired and that unsightly and dangerous conditions are remedied as soon as possible. Any reconstruction and repair must be substantially in accordance with the plans and specifications for such property as originally constructed, or if none, then according to plans and specifications approved by the Board. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair for which the Association is responsible, or if at any time during that work or upon completion of the work the funds available for payment of the

costs are insufficient, assessments shall be made by the Association against all Unit Owners in sufficient amounts to provide funds for the payment of those costs. The Assessments shall be made as for an Association Expense.

3. Public Liability Coverage. The Association shall obtain Public Liability coverage insuring the Association against any and all claims and demands made by any person or persons for injuries received in connection with the operation and maintenance of the Common Areas and improvements located thereon, or for any other risk insured against by such policies which the Association, in its sole discretion, determines to insure against. Each policy purchased by the Association shall have limits of not less than \$1,000.00 covering all claims for personal injury and property damage arising out of a single occurrence. The liability coverage shall include protection against water damage hazards related to usage, and liability for property of others. All such policies will name the Association (and the Developer until the Transfer Date), as their respective interests may appear, as insured parties under such policy or policies. The original of each policy shall be held by the Board or in the office of the "Insurance Trustee" (as hereinafter defined).

4. All insurance shall be issued by a company authorized to do business in the State of Florida.

5. The named insured shall be the Association individually and as trustee for the unit owners covered by the policy without naming them. The Board may authorize an "Insurance Trustee" to maintain the policies and receive any proceeds of such policies.

6. Premiums on policies purchased by the Association shall be paid as an Association Expense. The Association will furnish evidence of premium payment to each mortgagee upon request.

7. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and shall provide that all proceeds covering property losses shall be paid to the Association as trustee or to such bank in Florida with trust powers as may be designated as Insurance Trustee by the Board.

8. The Association is irrevocably appointed agent for each unit owner and for each owner of any other interest in the property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

9. The insurance provisions contained in any Declaration of Condominium in Sea Oats shall govern all of the Dwelling Units in that condominium, and this section shall be of no force and effect. It is the intent of this section that all non-condominium property in Sea Oats be subject to the terms contained herein.

ARTICLE IX

ESTABLISHMENT AND ENFORCEMENT OF LIENS

1. All assessments for Association Expenses, including special assessments for same, and all installments thereof, (collectively, the "assessments") with interest thereon and costs of collections, including reasonable attorney's fees at trial level, appellate level, or otherwise, are hereby declared to be a charge and a continuing lien upon the Dwelling Unit against which such assessments are made. Each assessment against a Dwelling Unit, together with such interest thereon at the highest rate allowed by law and costs of collection thereof, including attorney's fees, shall be the personal obligation of the person, persons or entity owning the unit assessed. Said lien shall be effective only from and after the time of recordation amongst the Public Records of Palm Beach County, Florida, of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien and costs and fees accrued, the party making payment shall be entitled to a recordable Satisfaction of Lien. When an institutional mortgagee obtains title to a unit as a result of foreclosure of its mortgage or deed (or assignment) is given in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of assessments pertaining to such unit or chargeable to the former owner which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless such share is secured by a Claim of Lien for assessments and recorded prior to the recordation of a mortgage. Such

unpaid share of assessments for which a Claim of Lien has not been recorded prior to the recording of the foreclosed mortgage or deed given in lieu of foreclosure shall be deemed to be assessments collectible from all other units, as the necessity may arise in the discretion of the Board.

2. In the event any owner shall fail to pay assessments or any installment thereof charged to his unit within fifteen (15) days after the same becomes due the Association, through its Board shall have all of the following remedies to the extent permitted by law.

A. To accelerate the entire amount of any assessments for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

B. To advance on behalf of said owner funds to accomplish the needs of the Association and the amount or amounts of money so advanced, including reasonable attorney's fees and expenses which might have been reasonably incurred because of or in connection with such advance, including costs and expenses of the Association if it must borrow to pay expenses because of said owner, together with interest at the highest rate allowable by law, may thereupon be collected or enforced by the Association and such advance or loan by the Association shall not waive the default.

C. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in a like manner as the foreclosure of a mortgage on real property.

D. To file an action at law to collect said assessments, plus interest at the highest rate allowable by law plus court costs, without waiving any lien rights and/or rights of foreclosure by the Association.

ARTICLE X

ENFORCEMENT OF DECLARATION

The enforcement of this Declaration may be by proceeding at law for damages or in equity to compel compliance with its terms or to prevent violation or breach of any of the covenants or terms herein. Enforcement may be sought by the Developer, the Association, or any individual and should the party seeking enforcement be the prevailing party then the person against whom enforcement has been sought shall pay all costs and reasonable attorney's fees at all trial and appellate levels to the prevailing party.

ARTICLE XI

AMENDMENTS

1. Until the closing of the first conveyance of a Dwelling Unit by Developer to an owner, other than Developer, (Amendment Date), any amendment may be made by Developer with consent of any mortgagee who has advanced funds for construction or who is under contract to advance construction funds.

2. This Declaration may be amended only by consent of ~~Eighty-one~~ fifty-one per cent (51%) of all Dwelling Unit Owners.

3. Notwithstanding the foregoing, no amendment to Articles XI or XII, and no other amendment shall be effective which shall, in a material fashion impair or prejudice the rights or priorities of any owner, the Developer, or any institutional mortgagee under this Declaration without the specific written approval of the owner, the Developer or institutional mortgagee affected thereby.

4. Prior to the transfer date, the Developer may amend this Declaration without the consent of the owners or the Board; provided that such amendment does not materially, adversely affect an owner's property rights. This amendment shall be signed by the Developer alone and a copy of the amendment shall be furnished to each owner, the Association and all institutional mortgagees as soon after recording thereof

amongst the Public Records of Palm Beach County, Florida, as is practicable.

5. An amendment to the Declaration shall become effective upon the recordation amongst the Public Records of Palm Beach County, Florida.

6. Provided, any amendment which would affect the surface water management system, including the water management portions of the common areas, must have the prior approval of the South Florida Water Management District.

7. Notwithstanding the foregoing, any Amendment which subjects additional property to this Declaration as contemplated by Article II hereof; or provides additional restrictions for non-condominium property to be developed hereunder shall be done solely by Developer with the approval of the Veteran's Administration.

ARTICLE XII

PARKING SPACES

1. Developer has the right to assign the use of one uncovered parking space to a particular Dwelling Unit at the time the unit is originally acquired from the Developer. The assignment of use shall be made by describing the particular parking space by reference thereto in a document entitled "Assignment of Use of Parking Space" which shall be delivered at the same time as the Warranty Deed to the Dwelling Unit. The use of the parking space shall thereupon be appurtenant to said unit and shall be deemed encumbered by and subject to any mortgage or any claim upon said unit. Upon conveyance or passing of title to the Dwelling Unit, the unit owner making the conveyance of title shall execute a notice of transfer of such parking space to the Association.

2. The assigned parking space is reserved for the exclusive use of owners, their family members, invitees, lessees and guests. The remainder of the parking spaces not so assigned will be set aside for guest parking. All parking spaces shall be used in accordance with the rules and regulations as may be promulgated from time to time by the Board. All parking spaces shall be maintained and repaired as an Association expense.

3. Every unit shall have the use of one uncovered parking space and no transfer shall be made which shall deprive any unit of such use.

ARTICLE XIII

CONVEYANCES

In order to assure a community of congenial residents and thus protect the value of the dwellings and to further the continuous development of the Sea Oats community, the sale or lease of Dwelling Units shall be subject to the following provisions:

1. The Unit Owner shall notify the Association in writing of his intention to sell or lease his Dwelling Unit and furnish with such notification a copy of the contract for sale or lease, whichever is applicable. Dwelling units may be leased no more than one (1) time in a calendar year.

2. Any and all lease agreements between an owner and a lessee of such owner's unit shall be in writing, shall provide for a term of not less than three (3) months, and must provide that the lessee shall be subject in all respects to the terms and provisions of this Declaration and that any failure by the lessee under such lease agreement to comply with such terms and conditions shall be a material default and breach of the lease agreement. The lease agreement shall also state who will be responsible for the assessments as stated above, and it shall be the obligation of all unit owners to supply the Board with a copy of said written agreement prior to the lessee occupying the premises. Unless provided to the contrary in a lease agreement, a Unit Owner, by leasing his Unit, automatically delegates his right of use and enjoyment of the common area and facilities to his lessee; and in so doing, said Unit Owner relinquishes said rights during the term of the lease agreement.

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3. Upon receipt of a copy of the contract for sale or lease the Association shall within ten (10) business days issue a Certificate indicating the Association's approval of the transaction. In the event of a sale it shall then be the responsibility of the purchaser of the Dwelling Unit to furnish the Association with a recorded copy of the deed of conveyance indicating the owner's mailing address for all future maintenance bills and other correspondence from the Property Owners' Association. Provided, however, prior to the issuance by the Association of a Certificate indicating the Association's approval of the transaction, the purchaser or lessee shall be required to execute a copy of the rules and regulations of Sea Oats acknowledging that he takes title subject to those rules and regulations which he agrees to abide by. The Association shall then retain one signed copy in the Association's records, and furnish one copy to the purchaser or lessee.

4. Except as provided in paragraph 5 below it is not the intention of this article to grant to the Association a right of approval or disapproval of purchasers or lessees. It is, however, the intent of this paragraph to impose an affirmative duty on the Dwelling Unit Owners to keep the Property Owners' Association fully advised of any changes in occupancy or ownership for the purposes of facilitating the management of the Association's membership records.

5. Notwithstanding the provisions of Article XVII, paragraph 3 above, in the event that a Dwelling Unit Owner is delinquent in paying any assessment, and/or the Dwelling Unit Owner or his buyer, family, guests, agents, licensees or invitees are in non-compliance with any provisions of the Declaration of Covenants and Restrictions for Sea Oats, the Association has the right to disapprove of any sale; and in the case of a lease, the right to disapprove of and to void any lease at any time prior to or during the leasehold tenancy until any delinquent assessment is paid and/or until any violation of any provisions of said Declaration of Covenants and Restrictions is corrected.

ARTICLE XIV

TERMINATION

1. This Declaration may be terminated upon the affirmative written consent of eighty per cent (80%) of all Dwelling Unit Owners, and upon the affirmative written consent of all institutional mortgagees holding mortgages encumbering Dwelling Units.

2. If this Declaration is terminated in accordance herewith, it is hereby declared by the Developer, and each and every owner of a Dwelling Unit by acquiring title to his unit covenants and agrees, that the termination documents shall require:

A. That all Dwelling Units shall continue to be used solely as single family residences.

B. All common areas shall be owned and held in equal shares by the Dwelling Unit Owners as tenants in common.

3. The Dwelling Unit Owners and their grantees, successors, and assigns by acquiring title to a unit covenant and agree that no termination of this Declaration shall be made for a period of thirty-five (35) years from the date of recordation of this Declaration.

ARTICLE XIX

MISCELLANEOUS

1. The failure of the Developer, the Association, or any owner to object to an owner's or other person's failure to comply with the covenants or restrictions contained herein shall in no event be deemed a waiver of any right to same and to seek compliance therewith in accordance with the provisions herein.

2. Articles and paragraph captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit or in any way affect any of the terms and

provisions of this Declaration.

3. Whenever the context requires any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns or pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

4. In the event any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

5. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the subject property and inure to the benefit of Developer, the Association, the owners, institutional mortgagees and their respective legal representatives, heirs, successors and assigns for a term of thirty-five (35) years from the date of recording of this Declaration amongst the Public Records of Palm Beach County, Florida. After which time, this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such thirty-five (35) year term or any such ten (10) year extension there is recorded amongst the Public Records of Palm Beach County, Florida, an instrument which is signed by at least eighty per cent (80%) of all owners and at least eighty per cent (80%) of all institutional mortgagees holding mortgages encumbering Dwelling Units and the Veteran's Administration agreeing to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of thirty-five (35) years or the ten (10) year extension thereof during which the termination instrument is recorded. Notwithstanding such termination, owners shall continue to remain obligated to pay their prorata share of Association expenses in order to continually maintain the common areas.

6. The Association may not convey, encumber, abandon, partition or subdivide any of the common areas without the approval of all Institutional Mortgagees and the Veteran's Administration. All first mortgagees, upon request, shall be entitled to written notification from the Association of any default by an individual Dwelling Unit Owner of any obligation hereunder not cured within sixty (60) days.

7. Where these covenants and restrictions conflict with the provisions of any Condominium Declaration with respect to all matters governing the Dwelling Units of such Condominium, the provisions of the Declaration of Condominium shall be prevailing.

IN WITNESS WHEREOF, the Declaration of Covenants and Restrictions of Sea Oats of Juno Beach has been signed by the Developer on the day and year first above set forth. The Developer has caused these presents to be executed in its name by its proper officer thereunto duly authorized.

SEA OATS OF JUNO BEACH, INC.

By Robert J. Melehan
Robert J. Melehan, President

(CORPORATE SEAL)

SEA OATS PROPERTY OWNERS' ASSOCIATION, INC.

By Timothy Clark Hackett
Timothy Clark Hackett, President

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF PALM BEACH

I HEREBY CERTIFY, that on this day before me, an officer duly qualified to take acknowledgments, personally appeared Robert J. Melehan, President of SEA OATS OF JUNO BEACH, INC., a Florida corporation, to me known to be the officer described in and who executed the foregoing instrument and acknowledged before me that he executed same.

WITNESS my hand and official seal in the County and State aforesaid this 20th day of November, 1984.

Deborah Sue Mahoney
Notary Public, State of Florida at Large

My Commission Expires: 4-12-86

(NOTARY SEAL)

STATE OF FLORIDA

COUNTY OF PALM BEACH

I HEREBY CERTIFY, that on this day before me, an officer duly qualified to take acknowledgments, personally appeared TIMOTHY CLARK HACKETT, President of SEA OATS PROPERTY OWNERS' ASSOCIATION, INC., a Florida corporation not for profit, to me known to be the officer described in and who executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State aforesaid this 20th day of November, 1984.

Deborah Sue Mahoney
Notary Public, State of Florida at Large

My Commission Expires: 4-12-86

(NOTARY SEAL)

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RECORD VERIFIED
PALM BEACH COUNTY FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT