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BOOK PAGE

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DECLARATION OF CONDOMINIUM

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OF

OCEAN SHORES

A CONDOMINIUM

This is a Declaration of Condominium made this 19th  
day of June, 1980, by DEF-CO, INC., a corporation  
existing under the laws of the State of Florida, hereinafter  
referred to as the "Developer" for itself and its successors,  
grantees, and assigns, wherein the Developer makes the following  
declarations:

WHEREAS, the Developer desires to submit property to  
condominium use;

NOW THEREFORE, the Developer submits property to  
condominium use, as follows:

(1) Purpose: The purpose of this Declaration is to  
submit the land described in this instrument and improvements on  
such lands to the condominium form of ownership and to use in the  
manner provided in Chapter 718, Florida Statutes, 1978, herein-  
after called the "Condominium Act".

This instrument prepared by  
BERRIEN BECKS, JR. of  
BECKS, BECKS & WICKERSHAM  
Post Office Drawer 2140  
Daytona Beach, Florida 32015

(1.1) Name and Address: The name of which this condominium is to be identified is OCEAN SHORES, A Condominium, located at 1510 North Ocean Shore Blvd., Ormond Beach, Florida.

(1.2) The Land: The land owned by Developer which by this instrument is submitted to the condominium form of ownership is the following described land, lying in the Count of Volusia, State of Florida.

Part of Lots 5 and 6, of OAKDALE PARK, #2, according to map or plat thereof as recorded in Map Book 7, Page 101, and being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Seaside Homes Subdivision, according to map or plat thereof as recorded in Map Book 23, Page 185; run thence Southerly  $15^{\circ} 38'$  East along the Easterly line of said Lot 1, a distance of ninety-two and eight hundredths (92.08) feet (91.9 feet per plat) to a point; thence run South  $18^{\circ} 22'$  East along the Easterly right-of-way line of Seaside Drive, a fifty (50) foot street as established, a distance of one hundred thirteen and thirty-five hundredths (113.35) feet to a point; thence Northerly  $90^{\circ}$  East along the Northerly right-of-way line of a sixty (60) foot street a distance of one hundred eighty (180.0) feet to a point in the Westerly right-of-way of Ocean Shore Boulevard, an eighty (80) foot street as occupied and established; thence North  $17^{\circ} 08' 29''$  West along the chord of a curve to the right a distance of two hundred five and thirty-seven hundredths (205.37) feet to a point; thence North  $90^{\circ}$  West, a distance of one hundred eighty (180.0) feet to the point of beginning.

SUBJECT to a perpetual access easement reserved by the grantors, their legal representatives and assigns, over the northerly 5 feet of the above described property and subject to a perpetual utility easement reserved by the grantors, their legal representatives and assigns, over the northerly 101.9 feet of the westerly 5 feet of the above described property, and together with a perpetual access easement over the southerly 5 feet of Lot One Hundred Thirty-six (136) Ocean Shores Subdivision, as per map in Map Book 23 at page 24 of the Public Records of Volusia County, Florida, all as shown on surveys prepared by Stepp & Upham, Inc. dated January 29, 1971 and September 29, 1971 and re-surveyed on March 30, 1972 and April 21, 1972.

The Developer reserves unto itself, its successors and assigns, the exclusive right to grant, by an instrument in writing including the consent of any institutional lender holding a first mortgage on the subject property or any improvement constructed thereon, any easement on, under, or over the subject property, for utilities, for drainage, for ingress and egress to and from improvements now constructed and that are constructed on the subject property and for such other purposes as the Developer may

deem to be reasonably necessary for the development or use of the subject property, which easements may run to the Developer, its heirs and assigns. Said institutional lender shall have the right to withhold said written consent only in the event the proposed easement would reasonably tend to impair the value of its security.

The owners of condominium units hereunder shall have the right of appropriate vehicular and pedestrian traffic over said non-exclusive easements, and the other common elements of the condominium.

(2) Terms: The terms used in this Declaration and its exhibits shall have the meaning stated in Fla. Stat. 718.103 (1978), and as follows unless the context otherwise requires.

(2.1) Condominium Unit: The unit being an apartment space designated "Condominium Units" on the sketch of survey and plat attached thereto and marked Exhibit A.

(2.2) Common Elements: That portion of the condominium property not included in the Condominium Units.

(2.3) Condominium Parcel: The Condominium Unit together with an undivided share in the common elements appurtenant thereto, and an easement for parking as provided for herein.

(2.4) Owner: That person or entity owning a Condominium Parcel.

(2.5) Member: An Owner who is a member of Ocean Shores Homeowners Association, Inc., a Florida non-profit membership corporation, hereinafter referred to as the "Association". A copy of the Articles of Incorporation of the Association are attached as Exhibit B.

(2.6) Voting Member: That member designated by the owner or owners, including Developer, as recorded in the Public Records of Volusia County, Florida, of a vested present interest in a single condominium parcel owning the majority interest in a single condominium parcel, the designation of whom shall be by statement filed with the secretary of the Association in writing, signed under oath, and who shall continue to cast a vote for all such owners of interest in a single Condominium Parcel until such time as another person is properly designated as the voting member

by those persons or entities owning the majority interest in such single Condominium Parcel by a similar written sworn statement filed with the secretary.

(2.7) Common Expenses: Common expenses include:

(a) Expenses of maintenance to the apartment buildings, and repair or replacement of the common elements, except for such maintenance and repair as is required to be performed by the condominium unit owner as provided in Paragraph 13.2 (a) herein.

(b) Expense declared common expenses by provision of this Declaration or the By-Laws.

(c) Any valid charge against the condominium property as a whole for which the Association shall be responsible.

(d) All expenses pertaining to domestic and lawn, water, sewer, trash and garbage pick-up and maintenance of lateral utility lines.

(2.8) Ground Care Expenses: Expenses of maintaining the grounds, expense of street lights and other ground lighting, if any, expenses of maintaining mains, water and sewer lines if owned by the Association, expense of maintaining driveways, parking areas, walkways, swimming pool, and expenses incurred, said expenses to include, but not limited to, real estate taxes, repairs, replacements, acquisitions, insurance, utilities and any other expense incurred by the Association in maintaining the common areas.

(3) Identification: The condominium and all other improvements to be constructed on the condominium property are set forth in the survey and plat, attached to and made a part hereof, marked Exhibit A. Each condominium unit is described in said plat and survey in such a manner that there can be determined therefrom the identification, location, dimensions and size of each unit as well as the common elements appurtenant thereto.

Each condominium unit in each building is identified by a letter or number as shown on the survey and plat attached hereto as Exhibit A and made a part hereof so that no unit bears the same designation as does any other unit. Units 301 through 306, 308, 310, 312, 313, 314 & 315 are located on the ground floors of the buildings. Units 401 through 412, 414 and 415 are located on the second floors.

(4) Development Plan: the condominium is described and established as follows:

(4.1) Survey: A survey and plat of the land showing the improvements on it is attached as Exhibit A.

(4.2) Plans: The improvements upon the land are constructed substantially in accordance with the master improvement plan and specifications.

(4.3) Change in Plans and Specifications: The Developer is hereby authorized to make whatever changes it may deem necessary in the plans and specifications during construction of improvements on said property.

(a) Amendment of Declaration: An Amendment of this Declaration reflecting alterations of the condominium plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association or condominium owners whether elsewhere required for an Amendment; provided however, any such Amendment must include the written consent of any institutional lender holding a first mortgage on the subject property or any improvements constructed thereon, which consent may be withheld by said institutional lender only in the event the proposed Amendment reasonably tends to impair its security.

(4.4) The Common Elements: The common elements shall remain undivided and no condominium unit owner shall bring any action for partitional division of the whole or any part thereof. The ordinary rights of tenants in common to partition at common law or by statute, are expressly waived. No person claiming an interest in the common elements by any sources whatever shall be entitled to possession or occupancy until and unless he is likewise vested of title to the condominium unit pursuant to the provisions hereof. The common elements shall include within its meaning, in addition to the items listed in the Fla. Stat. 718.106 (1976), the following items:

(a) An exclusive easement for the use of the air space occupied by the condominium unit, as it exists at any particular time and as the unit may lawfully be altered.

(b) An undivided share of the condominium surplus.

(c) Cross easements for egress and ingress, supports, maintenance, repairs, replacements and utilities.

(d) Easements or encroachments by the perimeter walls, ceiling, and floor surrounding each condominium unit caused by the settlement or movement of the building or by minor inaccuracies in the building or rebuilding which now exists or may hereafter exist.

(e) The land on which the building housing the units is located, and the remaining lands included in the condominium property described above, with the exception of the spaces for parking motor vehicles which are limited common elements as provided for herein.

(f) All parts of improvement on said land not located within the condominium units.

(g) An easement of support in every portion of the unit which contributes to the support of the unit.

(h) All external walls of the units. The internal decorated surfaces of exterior walls, all internal walls and ceilings including decorating, and the decorated floor, including carpeting, of each unit shall be limited common elements for the purpose of providing hazard insurance as set forth in Paragraph 15.2 herein only.

(i) All stairways and external walks.

(4.5) The Condominium Unit Boundaries: Subject only to the limited common elements set forth in Paragraph 4.4 (h) herein, each condominium unit shall include that part of the building containing the condominium unit that lies within the boundaries of the

(a) Upper and Lower Boundaries: The upper and lower boundaries of the condominium unit shall be the following boundaries extending to an intersection with the perimetrical boundaries.

1. Upper Boundary: The horizontal plane of the undecorated finished floor.

(b) Perimetrical Boundaries: The perimetrical boundaries of the condominium unit shall be the vertical plane of the undecorated finished interior of the walls bounding the condominium unit extending to intersection with each other and with the upper and lower boundaries; provided however, in the balcony area, the boundaries shall be the exterior vertical plane of the floor slab extended to intersection.

(5) Percentage of Ownership of Common Elements: The title to each condominium unit shall carry with it a one twenty-sixth (1/26) share of the common elements.

(6) Expenses and Surpluses: Common expenses, ground care expenses and recreation expense shall be shared in accordance with Paragraph (12) hereof. Surplus, if any, shall be owned by unit owners in the shares as percentages in Paragraph (5).

(7) Developer's Units and Privileges: The Developer is irrevocably empowered notwithstanding anything herein to the contrary to sell, lease, or rent units to any persons approved by it. Said Developer shall have the right to transact on the condominium property any business necessary to consummate sale of units including, but not limited to, the rights to maintain models, to have signs, to have employees in the office, and to use the common elements to show apartments. The sales office, signs, and all other items pertaining to sales shall not be considered common elements and shall remain the property of the Developer. In the event there are unsold units the Developer retains the right to be the owner thereof under the same terms and conditions as other owners, save for the right to sell, rent, or lease as contained in this paragraph.

(8) Amendment of Declaration: This Declaration may be amended at any time in the first five years from the date hereof by the affirmative vote of fifty-one percent (51%) of the owners of the units together with the written consent of the Developer, its successors or assigns. After the expiration of



the said five years, the Declaration may be amended at any time by the affirmative vote of three-fourths (3/4) of the owners of the units without the need of written consent of the Developer. The Declaration may be amended at a meeting duly called for such a purpose pursuant to the By-Laws attached to and made a part hereof, provided, however, that no amendment shall be made without the written consent of any institutional lender having a mortgage or other lien against any condominium parcel or unit or any other recorded owner of liens thereon, which consent may be withheld only if the proposed amendment would tend to impair the security for the lien.

(9) Governing Body: The affairs of the condominium shall be conducted by a corporation incorporated pursuant to the Florida Statutes governing corporations not for profit. The name of the corporation to conduct the affairs of the condominium shall be the Ocean Shores Homeowners Association, Inc., hereinafter called "Association". The Articles of Incorporation of the Ocean Shores Homeowners Association, Inc. are attached as Exhibit "B" and made a part hereof as though set out in full. The Bylaws of the Association are hereto attached as Exhibit "C" and made a part hereof as though set out in full.

(10) The Association: The Developer and all persons hereafter owning condominium units (owners) whose interest is evidenced by the recordation of proper instruments in the Public Records of Volusia County, Florida, shall automatically be members of the Association and such membership shall automatically terminate when such persons have divested themselves of such interest. An owner or owners of a single condominium unit shall collectively be entitled to one vote which vote shall be cast by the voting member.

A person or entity owning more than one condominium unit may be designated as a voting member for each such condominium unit which he or it owns. Failure by all members of any single condominium unit to file the aforementioned written sworn statement with the secretary prior to the member's meeting will result in depriving such owner of a single condominium unit of a vote at such meeting.



All the affairs, policies, regulations and property of the Association shall be controlled and governed by a Board of Directors of the Association consisting of not less than three members and not more than seven voting members who are all to be elected annually by the voting members.

(11) Type of Ownership: Ownership of each condominium unit shall be warranted by a Warranty Deed from the Developer conveying fee simple title to each condominium unit. Title to each unit shall carry with it an undivided share in the common elements as herein specified.

Each unit owner shall have a non-exclusive easement in common with the owners of all other units:

(a) To use all streets, walks and other right-of-ways serving the units of the condominium as part of the common elements in providing access to the streets and other public ways of Daytona Beach, Florida; and

(b) To use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit.

(12) Assessments, Liability, Maintenance, Lien and Priority, Interest, Collection: Common expenses and ground care expenses shall be assessed against each condominium unit owner by the Association in proportion as set forth in Paragraph 5, herein.

Every assessment, regular or special, made hereunder, and costs incurred in collecting same, including reasonable attorney's fee, shall be secured by a lien against the condominium unit, and all interest therein owned by the members against which the assessment is made, and such lien shall arise in favor of the Association and shall come into effect upon recordation of a claim of lien in Volusia County, Florida, for all sums due, and shall bear interest at the rate of nine percent (9%) per annum and shall be deemed to be prior to, and superior to the creation of any home-stead status for any condominium unit and to any subsequent lien or encumbrance, except the lien referred to herein shall be subordinate and inferior to that of an institutional first mortgage.

The lien provided for above may be foreclosed in the manner for the foreclosure and sale of real estate mortgages and the purchaser entitled under such foreclosure shall acquire a title subject to all the provisions of the recorded plan of condominium and by acceptance of the deed to the condominium unit, covenants and agrees to abide by and be bound thereby.

Where the mortgagee of a first mortgage of record, or the purchaser or purchasers of a condominium unit obtains title to the condominium parcel or unit as a result of foreclosure of the first mortgage, or by voluntary conveyance in lieu of such foreclosure, said mortgagee shall not be liable for the shares of common expenses or assessments by the Association pertaining to such condominium unit or chargeable to former owner of such condominium unit which became due prior to acquisition of title by said mortgagee or purchaser as a result of the foreclosure or voluntary conveyance in lieu of said foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectable from all of the owners of condominium units, including a successor or assign of the mortgagee. The waiver of liability granted herein for the payment of past due assessments shall not apply to the holder of purchase money mortgages.

(13) Maintenance: The responsibility for the maintenance of the condominium shall be as follows:

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

(a) All portions of the units contributing to the support of the building, except interior wall surfaces, which portions shall include, but not be limited to, the outside walls of the buildings, and load bearing columns. The Association's responsibility for the maintenance of exterior doors shall be limited to painting.

(b) All conduits, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of the unit contributing to the support of

the building or within interior boundary walls, all ducts, air conditioning compressors and air carriers, and all such facilities contained within a unit which services part or parts of the condominium other than the unit within which it is contained,

(c) The grounds, as contemplated in paragraph 2.8 herein.

(d) The common elements, as defined in paragraph (4.4) herein.

(13.2) By the Condominium Owner: Each condominium unit owner shall maintain, repair, and replace, at his own expense:

(a) Air conditioning and heating, except for ducts, compressors, and air carriers, the patio or terrace serving each unit, if any, including the screening thereon, if any, all other interior portions of the unit, any enclosure or modification of the condominium unit installed by the owner thereof other than the Developer, and exterior doors except for the painting of exterior doors. The maintenance and upkeep of any windows in the condominium unit and glass breakage thereof and maintenance and upkeep of screen enclosures shall not be considered part of the common expenses of the Association. Expressly provided, however, that the exterior walls of the condominium buildings, when enclosed by a screen enclosure, shall be maintained by the Association expressly limited to painting.

(13.3) No owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of the buildings; except for glassing in and shading of "patio" areas. In the event of such alterations in "patio" areas, the proposed improvements must conform generally in type and color with those already in place and must be approved by the Board of Directors of the Association prior to the commencement of construction.

(13.4) Each owner shall promptly report to the Association any defects or need for repairs, the responsibility for the remedy of which is that of the Association.

(13.5) No condominium owner shall make any alterations in the portions of the buildings which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do any work which would jeopardize the safety or soundness of the buildings or impair any easements without first obtaining approval from the Board of Directors of the Association.

(14) Enforcement of Maintenance: In the event the owner of a unit fails to maintain it as required above, the Association or any other owner shall have the right to proceed in a Court of competent jurisdiction to seek compliance with the foregoing provisions, or the Association shall have the right to assess the unit owner and the unit for the necessary sums to put the improvements within the unit in good condition. After such assessment, the Association shall have the right to have its employees or agents enter the unit and do the necessary work to enforce compliance with the above provisions. In the event the Association fails to comply with its obligations by virtue of this paragraph, any owner or institutional lender may apply to a Court of competent jurisdiction for the appointment of a Receiver for the purpose of carrying out the terms and conditions required to be performed by the Association.

(15) Insurance: The insurance, other than title insurance, which shall be carried upon the condominium property and the property of the condominium parcel owners shall be governed by the following provisions:

(15.1) Authority to Purchase: Named Insured: All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association and the condominium unit owners and their mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees. Condominium unit owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense.

(15.2) Coverage:

(a) Casualty: All buildings and improvements upon the land, including but not limited to those portions set forth in Paragraph 4.4 (h), and all personal property in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation cost. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time will be customarily covered with respect to buildings similar to construction, location and use as the buildings on said land, including, but not limited to, vandalism and malicious mischief.

(b) Public Liability: Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including, but not limited to hired automobiles and non-owned coverages and with cross liability endorsements to cover liabilities of the condominium unit owners as a group to a condominium unit owner.

(c) Workmen's Compensation: Workmen's compensation to meet the requirements of law.

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

(15.3) Premiums upon insurance policies purchased by the Association shall be paid by the Association. Insurance on the structures erected on the condominium parcel shall be included in the common expenses and all other insurance charges shall be included in ground care expenses.

(15.4) All insurance policies purchased by the Association shall be for the benefit of the Association and the condominium unit owners and their mortgagees, as their interest may appear and shall provide that all proceeds covering casualty losses shall be paid to the Association. Proceeds on account of damage to common elements shall be held as property of the condominium unit owners in accordance with the percentages herein specified.

(15.5) In the event a loss occurs to any improvement within any of the units alone, without any loss occurring to any of the improvements within the common elements, payment under the

insurance policies shall be made to the condominium unit owners owning such units and their mortgagees, if there be mortgagees, on said units, as their interests may appear, and it shall be the duty of those condominium unit owners to effect the necessary repairs to the improvements within their respective units.

(15.6) In the event that loss occurs to improvements within units and the contiguous common elements, or to improvements within the common elements alone, payment under the insurance policies shall be made jointly to the Association and the holders of mortgages of the units, and the proceeds shall be expended or disbursed as follows:

(a) If the mortgagees agree, all payees shall endorse the insurance company's check to the Association and the Association will promptly contract the necessary repairs to the improvements within the common elements and within the damaged units. In the event the insurance proceeds should be sufficient to repair all of the damage within the units, but insufficient to repair all the improvements within the common elements, the proceeds shall be applied first to completely repair the damage within the units and the balance of the funds shall be apportioned to repair improvements within the common elements, and the condominium unit owners shall be subject to a special assessment and shall contribute to the Association the remaining funds necessary to repair and restore the improvements within the common elements.

(b) In the event all mortgagees do not agree to this endorsement of the proceeds as provided in paragraph (15.6) (a) above, all payees shall endorse the insurance company's check to the institutional first mortgagee owning and holding the oldest recorded mortgage encumbering any unit, in escrow, or should there be no such institutional first mortgage or none with legal authority to so act, then to the Association, in escrow. The escrow agent shall disburse the funds as follows:

1. In the event any institutional first mortgagee demands application of insurance proceeds to the payment of its loan, the escrow agent shall distribute such proceeds jointly to

the respective unit owners sustaining damages and their mortgagees, as their interest may appear in accordance with the damage sustained by each unit and in relation to the total damage claim and the amount of insurance funds available.

2. In the event the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements within the common elements and within the units, and provided all institutional first mortgagees, if any, agree in writing to such application of the insurance proceeds to this purpose, the improvements shall be completely repaired and restored. In this event, the Association shall negotiate and obtain a contractor willing to do the work on a fixed price basis and who shall be subject to the prior written approval of the escrow agent.

3. In the event institutional first mortgagees unanimously agree to have the insurance proceeds applied to reconstruction, but the insurance proceeds are not sufficient to repair and replace all of the improvements within the common elements and within the units, a membership meeting shall be held to determine whether or not to abandon the condominium project or to levy a uniform special assessment against each unit and the owners thereof as their interests appear, to obtain the necessary funds to repair and restore the improvements within the common elements and the units, provided that the insurance funds available be applied first to repair the units damaged and such assessment shall be only for or on account of repairs to the common elements. In the event the majority of the voting members vote in favor of the special assessment, the Association shall immediately levy such assessment and the funds received shall be delivered to the escrow agent and disbursed as provided above. In the event the majority of the voting members are opposed to the special assessment, the insurance proceeds shall be disbursed as determined by arbitration conducted by and in accordance with the rules of the American Arbitration Association.



(15.7) If there has been loss or damage to the common elements and the insurance proceeds available are inadequate to repair and reconstruct same on all units, and if the majority of the voting members vote against levying the special assessment referred to above, the condominium project shall be terminated, which termination shall be evidenced by the recordation of a sworn statement by the President and Secretary of the Association setting forth this occurrence.

(15.8) Under all circumstances, the Association shall have the authority to act as the agent of all owners for the purpose of compromising or settling insurance claims for damage to improvements within units or common elements, subject to the approval of any mortgagees of the premises damaged.

(16) Conveyances, Sales, Rentals, Leases and Transfers:

In order to insure a community of continual residence and thus to protect the value of the units, the sale, rental, leasing and transferring of the units by an owner other than the Developer shall be subject to the following provisions as long as this condominium exists and the apartment building is in useful condition and exists upon the land, which provisions each apartment owner covenants to observe.

(16.1) Transfers subject to approval:

(a) No condominium unit owner may dispose of a condominium unit by sale or lease without approval of the Board of Directors of the Association, provided however, no condominium unit may be leased for a period of less than three (3) months.

(b) Gifts: If any condominium unit owner shall acquire his title by gift, the continuance of his ownership of his condominium unit shall be subject to the approval of the Board of Directors of the Association.

(c) Devise or Inheritance: The surviving spouse if any, and if no surviving spouse, the other member or members of such owner's family residing with the owner at the time of his death may continue to occupy the same condominium unit; and if such

surviving spouse or other member or members of the decedent owner's family shall have succeeded to the ownership of the condominium unit, the ownership thereof shall be transferred by legal process to such new owner. In the event the decedent shall have conveyed or bequeathed the ownership of his condominium unit to some designated person or persons other than the surviving spouse or member or members of his family as aforementioned or if some other person is designated by such decedent's legal representative to receive ownership of the condominium unit or, under the laws of descent and distribution in the State of Florida, the condominium unit descends to some person or persons other than his surviving spouse or member of his family as aforementioned, said person's continuance of ownership of said condominium unit shall be subject to the approval of the Board of Directors of the Association.

(d) Other Transfers: If any condominium unit owner shall acquire his title by any manner not considered in the foregoing subsections the continuance of his ownership of his condominium unit shall be subject to the approval of the Board of Directors of the Association.

(16.2) Approval of Association: The approval of the Board of Directors of the Association that is required for the transferral of ownership of any condominium unit as set forth in paragraph (16.1) above shall be given or withheld based upon the Board's determination of the ability of the proposed grantee or lessee to meet the financial obligations of the unit and the social and moral desirability of the proposed lessee or grantee.

(a) The condominium owner shall give the Board of Directors of the Association notice in writing of any transfer as set forth in paragraph (16.1) above.

(b) The Board shall advise the condominium owner of their decision within ten (10) days in writing. If no written notice is received by the condominium owner within said time, the transfer shall be considered as approved by the Board of Directors.

(16.3) Corporate Purchaser: If the purchaser or lessee is a corporation, the approval of ownership by the corporation may be conditioned upon a requirement that all persons occupying the unit be approved by the Board.

(16.4) Transfer; Mortgage - Developer: Notwithstanding anything to the contrary herein, the provisions of this paragraph (16) shall not be applicable to transfer to mortgagees, whether in foreclosure or by judicial sale, or by a voluntary conveyance in lieu of foreclosure, whereby such mortgagee becomes an owner, nor to the Developer until after the Developer has initially conveyed or disposed of all interests in the property, nor to any sale or lease by such mortgagee or Developer.

(16.5) Mortgage: No unit owner may mortgage his unit or any interest therein without the approval of the Association, except to a bank, life insurance company, a federal savings and loan association or to a prior owner as a purchase money mortgage. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

(17) Restraint Upon Separation and Partition: Any transfer of a condominium unit must include all elements thereof as aforedescribed and appurtenances thereto, whether or not specifically described, including, but not limited to, the condominium unit owner's share in the common elements, and his association membership; provided however, the easement for parking conveyed with each unit may be conveyed separately by a unit owner (grantor) to the owner of another unit in Ocean Shores (grantee) only. In any such separate conveyance of an easement for parking, the rights of the said grantee created thereby shall terminate automatically on a transfer of title of the said grantor's unit and the easement shall automatically revert to and be an appurtenance to the said grantor's unit without the execution of any instrument.

(18) Obligations of Members: In addition to other obligations and duties heretofore set out in this Declaration, every condominium unit owner shall:

(a) Not use or permit the use of his unit for any purpose other than as a single family residence and as incident thereto use said unit for the practice of a licensed profession or a household occupation, subject however, to the approval of the Developer so long as it shall have condominium units to sell and thereafter, subject to the approval of the Association.

(b) Maintain his unit in good, clean, sanitary condition, and in as good a condition as when ownership is acquired, ordinary wear and tear only excepted.

(c) Not permit or suffer anything to be done or kept in his unit which will increase the insurance rates on his unit or the common elements, or which will obstruct the rights or interfere with the rights of other owners or annoy them by unreasonable noises or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his unit or on the common elements.

(d) Conform to and abide by the By-Laws and uniform rules and regulations in regard to the use of the unit and common elements which may be adopted in writing from time to time by the Board of Directors of the Association, and to see that all persons using owner's property by, through, or under him do likewise.

(e) Allow the Board of Directors or the agents and employees of the Association to enter any unit for the purpose of maintenance, inspection, repair, replacement of the improvements within units or the common elements, or in case of emergency threatening units or the common elements, or to determine compliance with these restrictions, reservations, covenants, conditions and easements, and By-Laws of the Association.

(f) Show no sign, advertisement or notice of any type on the common elements or his unit and erect no exterior antennas and aerials, except as provided by uniform regulations promulgated by the Association, and there shall be no "for sale" signs in any form or size placed inside or outside the windows of the unit or attached to the curtains or venetian blinds or any other part of the condominium unit either inside or outside.

(g) Not allow pets weighing in excess of 10 pounds nor shall more than two such pets be permitted per unit.

(h) Not make or cause to be made any structural alteration to or in the building, specifically including, but not limited to, screening or enclosure of private balconies, affixing outside shutters to windows, storm shutters, and construction of fences, or removal of any additions or improvements or fixtures from the buildings, without the express written approval of the Board of Directors of the Association, and the Developer so long as it owns any parcel, or do any act that will impair the structural soundness of the buildings; nor hang or display any decorative objects which may be seen from without the unit without the expressed written approval of the Board of Directors of the Association.

(i) Make no repairs to any plumbing or electrical wiring within a unit except by licensed plumbers or electricians authorized to do such work by the Board of Directors of the Association or its agent. Plumbing and electrical repairs within a unit shall be paid for and be the financial obligations of the owners of the unit, whereas the Association or its agent shall pay for and be responsible for repairs and electrical wiring within the common elements.

(j) Not park any vehicle, trailer or boat in the parking spaces allotted except passenger automobiles, passenger station wagons, and vehicles leased or owned by the Association. The occupants of any condominium unit may not park more than one (1) motor vehicle for each parking easement owned by them on the premises of the condominium parcel at the same time; except that one (1) additional motor vehicle may be parked in spaces marked "visitor" when available. No motor vehicle shall be washed on the condominium property.

(k) Not display laundry or clothing, or store items on the porches of the condominium units or anywhere within the said units which would be visible from the outside of said units.

(l) Not make any adjustments whatsoever, without first obtaining the permission of the Board of Directors, with reference to any of the mechanical equipment found in or on the common elements.

(m) Not mechanically adjust or repair cable television system.

(n) Store refuse and garbage only in those places provided therefor and shall keep the common area immediately adjacent to their unit in a neat and uncluttered condition.

(o) Use only those parking spaces assigned by the Board of Directors of the Association provided however, the owner of each unit shall have the full use of one (1) parking space at all times.

(19) This Declaration shall be subject to all easements, restrictions and reservations of record and roadways, walkways, and utility easements for the purpose of furnishing ingress and egress and utility service to adjacent property.

(20) Termination: The condominium may be terminated in the manner provided by the Condominium Act of the State of Florida as amended from time to time.

(21) Covenants: All provisions of this Declaration shall be constructed to be covenants running with the land and with every part thereof and therein and every unit owner and claimant of the land or any part thereof or interest therein, his heirs, successors, executors, administrators and assigns shall be bound by all the provisions of this Declaration.

(22) Invalidation and Operation: Invalidation of any portion of this Declaration or of any provision contained in conveyance of a condominium parcel whether by judgment or court order or law, shall in no wise effect any of the other provisions which shall remain in full force and effect.

In the event any court should hereafter determine that any provision as originally drafted herein violates the rules against perpetuities, or any other rule of law because of the duration of the period involved, the period specified in the Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law. For such purpose measuring lives shall be those of the incorporators of the Association.

(23) Interpretation: Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the plural shall include the singular, and the singular shall include the plural. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a condominium in accordance with the laws made and provided for same, to-wit: Chapter 718, Florida Statutes, 1978, of the State of Florida.

IN WITNESS WHEREOF, DEF-CO., INC., a Florida corporation, has caused these presents to be signed in its name by its President the date and year first above written.

Signed, sealed and delivered in  
the presence of:

Don Jan Garney  
Richard D. McKeen

Don Jan Garney  
Richard D. McKeen

DEF-CO., INC., a Florida corporation

By: Raymond C. Friskey  
Raymond C. Friskey- President

By: Richard J. D'Amico  
Richard J. D'Amico- Secretary



For good and valuable consideration, the receipt whereof is hereby acknowledged, OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., a Florida non-profit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed on it by the provisions of the Declaration.

IN WITNESS WHEREOF, OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., has caused these presents to be signed in its name by its President and its corporate seal affixed, attested to by its Secretary, the day and year first above written.

Signed, sealed and delivered  
in the presence of:

Dr. James L. Lerner  
Richard J. D'Amico

OCEAN SHORES HOMEOWNERS ASSOCIATION, INC.

By: Raymond C. Friskey  
Raymond C. Friskey - President

ATTEST:

By: Richard J. D'Amico  
Richard J. D'Amico - Secretary

21931670


BOOK PAGE

STATE OF FLORIDA

COUNTY OF VOLUSIA

I HEREBY CERTIFY that on this 19th day of June, 1980, personally appeared before me, an officer duly qualified to take acknowledgments, BAYARD C. FRISKEY and RICHARD J. D'AMICO, as President and Secretary respectively of DEF-CO., INC., a Florida corporation; BAYARD C. FRISKEY and RICHARD J. D'AMICO, as President and Secretary respectively of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned, and that they affixed thereto the official seals of said corporations and the said instrument is the act and deed of said corporations.

WITNESS my hand and official seal in the County and State  
aforementioned this 19th day of June, 1980

  
Notary Public, State of Florida at large

My Commission expires:

9/12/80



MAP BOOK  
PAGE

[illegible]

**FLA HRS DIRECTOR OF HR**

STATE OF FLORIDA COUNTY OF VOLUSA

STILL'S MOTHER, I HAVE RETURNED TO  
MY HOME AND WILL ON THE ABOVE DATE  
IN EFFECTS AND ETC. I HAVE RETURNED TO  
MY HOME AND WILL ON THE ABOVE DATE

[illegible]

NOTE: INTERIOR BATHROOMS BUILT FROM ABC/CMC'S. SOMEWAS  
CLUTTER/POSSIBLE REPAIR TO V & C & S. BATH  
LITEL BUILT ON INTERIOR WALLS AND ENTRY BUILT TO BE BUILT FOR

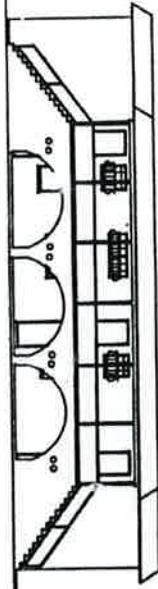
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**2002-2003**

21931672

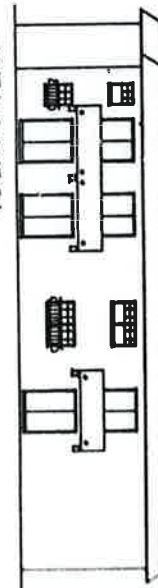
BOOK 1

# OCEAN SHORES A CONDOMINIUM

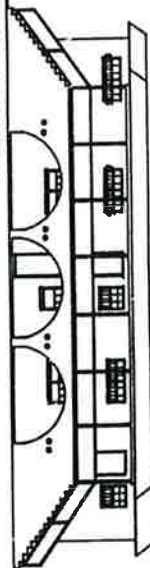
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BLDG. #1



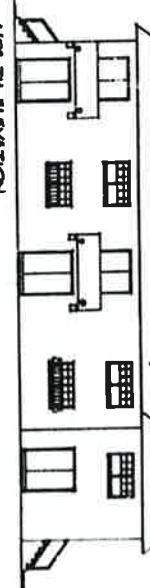
SOUTH ELEVATION  
BLDG. #1



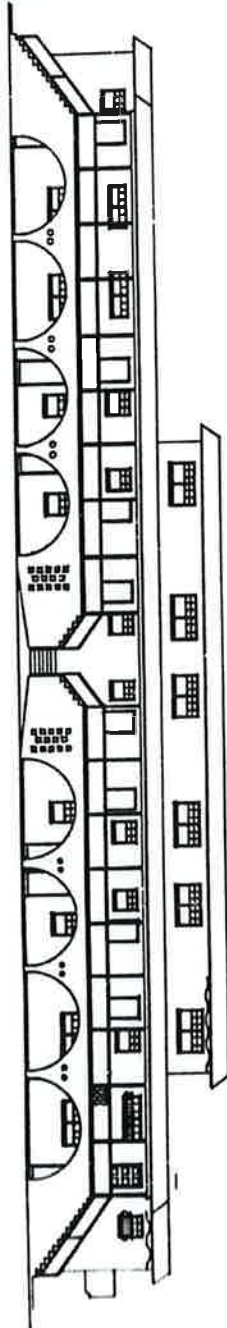
SOUTH ELEVATION  
BLDG. #2



NORTH ELEVATION  
BLDG. #2



WEST ELEVATION  
BLDG. #3



EAST ELEVATION  
BLDG. #3  
SCALE 1/8" = 1'-0"

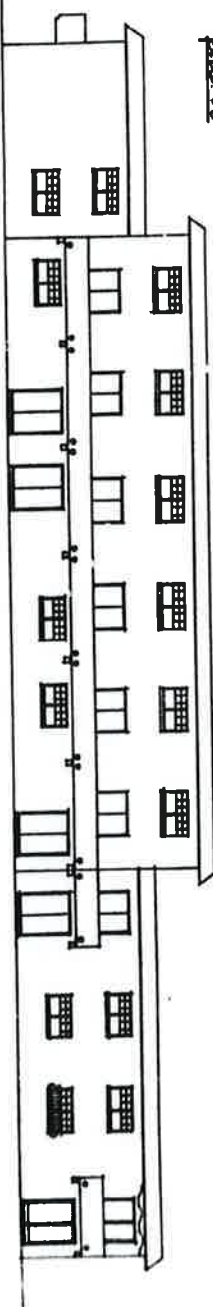
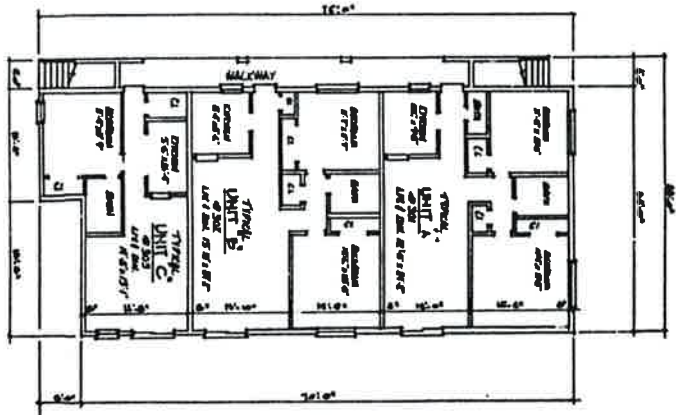


EXHIBIT A  
PAGE 1003

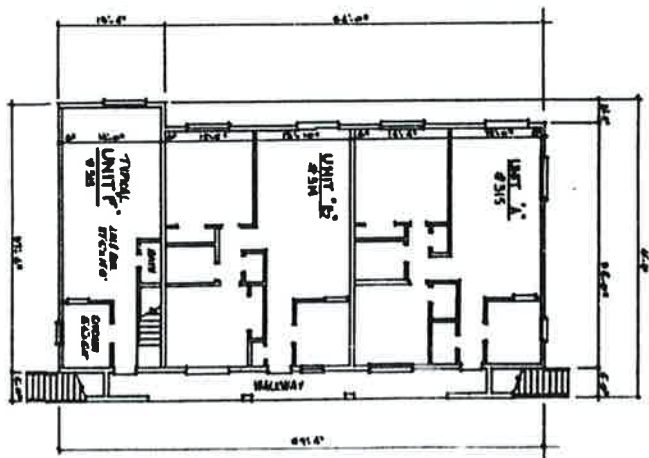
21931673

BOOK PAGE

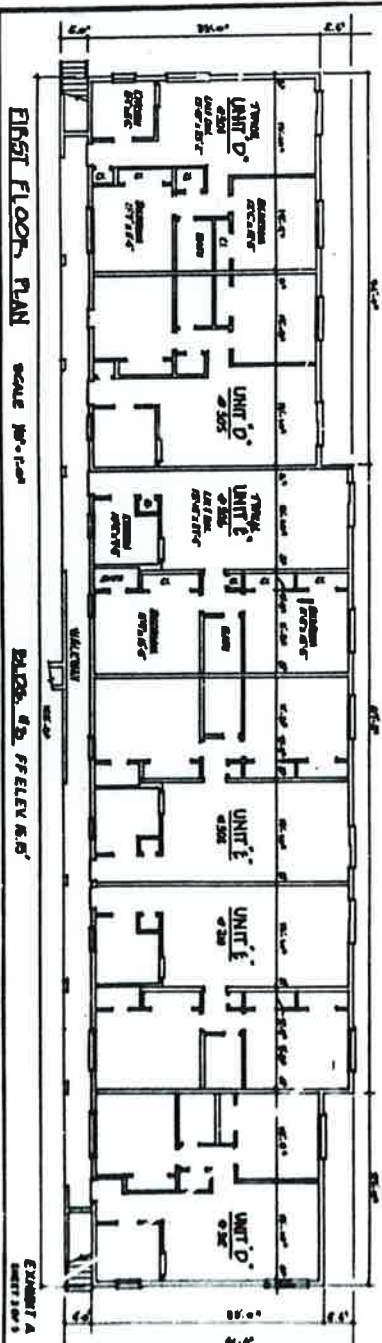
# OCEAN SHORES A CONDOMINIUM



FLOOR 1  
ELEV. 10.10



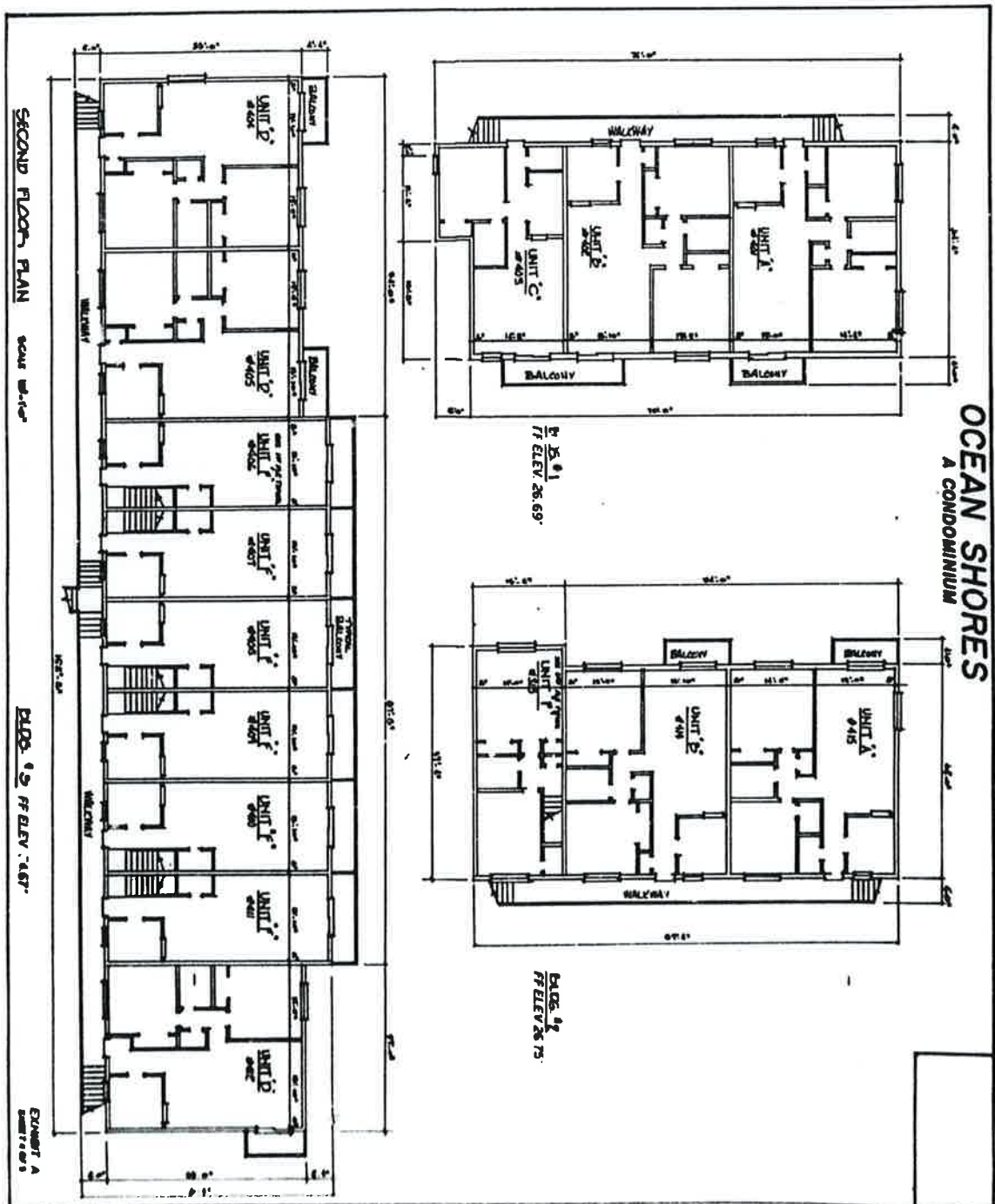
FLOOR 2  
ELEV. 10.20





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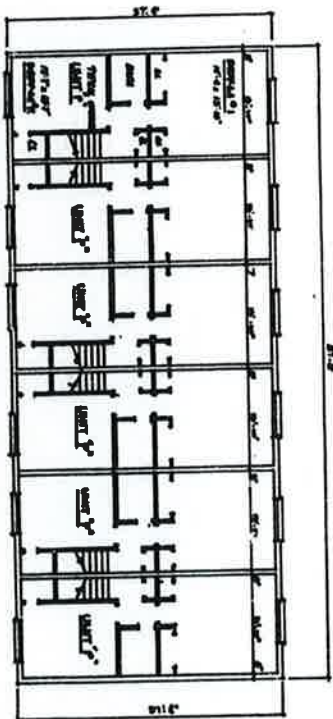
BOOK PAGE



2193 1675

ROOM

# OCEAN SHORES A CONDOMINIUM



THIRD FLOOR PLAN  
units per floor

PLANS 93  
N ELEV 13.25'

EXHIBIT A  
UNIT 301



21931676

# State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on June 9, 1980, as shown by the records of this office.

The charter number for this corporation is 752862.



CER 101 Rev. 5-79

EXHIBIT "B"

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
11th day of June, 1980.

George Firestone  
Secretary of State

21931677

BOOK PAGE

ARTICLES OF INCORPORATION  
OF  
OCEAN SHORES HOMEOWNERS ASSOCIATION, INC.

The undersigned subscribers to these Articles of Incorporation, each a natural person competent to contract, hereby associate themselves together to form a corporation not for profit, pursuant to Chapter 617 of the Laws of the State of Florida.

ARTICLE I

The name of this corporation shall be: OCEAN SHORES HOMEOWNERS ASSOCIATION, INC.

ARTICLE II

PURPOSES: The purpose of this corporation are to provide, maintain and manage common, social and recreational facilities for members of the corporation at the OCEAN SHORES CONDOMINIUM, a condominium situate in Volusia County, Florida; to provide for and maintain lawns, walks and driveways, laundry facilities, swimming pool, administration for the condominium, exterior painting and maintenance of each unit, maintenance of common stairways, balconies and roofs, utilities servicing common elements, garbage and trash collection for the benefit of each unit, water and sewer facilities to each unit, fire and extended coverage insurance to the value thereof on common elements and each unit, collection and transmittal of real property taxes and other common obligations, public liability insurance on common elements; to protect the aesthetic qualities and beauty of a Condominium to promulgate rules and regulations governing the use of the common, recreational and social facilities and grounds of a Condominium, as well as use and occupancy of the units; to undertake such activities and projects as will unite in

Vacancies of the Board of Directors may be filled until the next annual meeting, in such manner as provided by the By-Laws. The corporation shall have a Board of Directors of three (3) persons initially. The number of directors may be increased or diminished from time to time by By-Laws adopted but shall never be less than three (3). The officers shall be: a President, Vice President, Secretary, Treasurer. They shall be selected by the Board of Directors. The officers and members of the Board shall perform such duties, hold office for such terms, and take office at such times as shall be provided in the By-Laws of the corporation.

#### ARTICLE VII

NAMES OF OFFICERS: The names of the officers who are to serve until the first appointment or election next following the filing of these Articles of Incorporation, pursuant to Florida Statutes Chapter 617, as amended, are as follows:

<u>NAME</u>	<u>OFFICE</u>
BAYARD C. FRISKEY	President
RICHARD J. D'AMICO	Secretary/Treasurer
JUDITH E. FRISKEY	Vice-President

#### ARTICLE VIII

NAMES AND ADDRESSES OF DIRECTORS: The first Board of Directors who shall serve until all of the condominium units have been sold or until such time as they shall resign, whichever shall first occur, at which time a meeting shall be called for the purpose of electing a successor or successors, pursuant to Florida Statutes, Chapter 617, as amended are:

<u>NAME</u>	<u>RESIDENCE</u>
BAYARD C. FRISKEY	Post Office Box 2774 Ormond Beach, Florida 32074
RICHARD J. D'AMICO	Post Office Box 2774 Ormond Beach, Florida 32074
JUDITH E. FRISKEY	Post Office Box 2774 Ormond Beach, Florida 32074

companionship its members, and insure the continuation of enjoyable living conditions at a Condominium. In order to carry out these purposes the corporation shall have the powers provided by Florida Statute 617.021 (1971) as well as all other express and implied powers of corporation not for profit, provided or allowed by or through the laws of the State of Florida.

### ARTICLE III

QUALIFICATIONS OF MEMBERS AND MANNER OF ADMISSION: The members of the corporation shall consist of the undersigned subscribers and such other persons as may be from time to time admitted to membership by the Board of Directors of the corporation in accordance with the provisions of the By-Laws of the corporation.

### ARTICLE IV

TERM OF EXISTENCE: The term for which this corporation is to exist shall be perpetual, unless sooner dissolved pursuant to provisions of Florida Statute 617, as amended.

### ARTICLE V

NAMES AND RESIDENCES OF SUBSCRIBERS: The name and residences of the subscribers to these Articles are as follows:

<u>NAME</u>	<u>RESIDENCE</u>
BAYARD C. FRISKEY	Post Office Box 2774 Ormond Beach, Florida 32074
RICHARD J. D'AMICO	Post Office Box 2774 Ormond Beach, Florida 32074
JUDITH E. FRISKEY	Post Office Box 2774 Ormond Beach, Florida 32074

### ARTICLE VI

OFFICERS AND DIRECTORS: The affairs of this corporation shall be managed by a governing board called the Board of Directors who shall be elected at the regular meeting of the corporation.

ARTICLE IX

BY-LAWS: The By-Laws of this corporation may be made, altered or rescinded from time to time in whole or in part only by the affirmative vote of the Board of Directors. At such time as all the condominium units are sold the By-Laws of this corporation may then be made, altered or rescinded from time to time in whole or in part by the affirmative vote of two-thirds (2/3) of the members of the corporation at a regular annual meeting of the corporation or a meeting called for that purpose.

ARTICLE X

AMENDMENT OF ARTICLES OF INCORPORATION: These Articles of Incorporation may be amended only by the Board of Directors. At such time as all the condominium units are sold these articles may then be amended by a two-thirds (2/3) vote of the members present and voting at any regular meeting of the corporation, provided, however, that these Articles of Incorporation shall not be amended unless written notice is first given of the proposed amendment to each corporate member of the corporation, not less than fifteen (15) days prior to the regular meeting of the corporation.

ARTICLE XI

Section 1. No officer, director or member shall be personally liable for any debt or other obligation of the corporation, except as provided in the Declaration of Condominium.

Section 2. Each member shall be restricted to one (1) vote, except in all elections for Directors, each member shall have the right to vote, in person or by proxy, for as many persons as there are Directors to be elected, or to distribute them on the same principle among as many candidates as he shall see fit.

Section 3. A membership may be owned by more than one owner, provided that membership shall be held in the same manner as title to the unit. In the event ownership is in more than one (1) person,



all of the owners of such membership shall be entitled collectively to only one (1) vote or ballot in the management of the affairs of corporation in accordance with the Declaration of Condominium, and the vote may not be divided between plural owners of a single membership.


Section 4. The members of the corporation shall be subject to assessment for the costs and expenses of the corporation in operating the multi-unit buildings, in accordance with the Declaration of Condominium, these Articles of Incorporation, and the By-Laws of the corporation. The By-Laws of the corporation may not change or alter this Section 4, Article XI.


Section 5. The corporation shall not be operated for profit, no dividends shall be paid, and no part of the income of the corporation shall be distributed to its members, Directors or officers.


Section 6. Any manner or controversy or dispute between members or between a member and the corporation shall be settled by arbitration by and in accordance with the rules of the American Arbitration Association and the Statutes of the State of Florida.

Section 7. The members of this corporation shall be subject to all of the terms, conditions, restrictions and covenants contained in the Declaration of Condominium, these Articles of Incorporation, and the By-Laws of the corporation.

IN WITNESS WHEREOF, the subscribing incorporators have hereunto set their hands and seals and cause these Articles of Incorporation to be executed this \_\_\_\_\_ day of April, 1980.

  
BAYARD C. FRISKEY

  
RICHARD J. D'AMICO

  
JUDITH E. FRISKEY

21931682

BOOK PAGE

STATE OF FLORIDA

COUNTY OF VOLUSIA

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared BAYARD C. FRISKEY, RICHARD J. D'AMICO and JUDITH E. FRISKEY, to me known to be the persons described as subscribers in and who executed the foregoing Articles of Incorporation, and they acknowledged before me that they subscribed to these Articles of Incorporation.

WITNESS my hand and official seal in the County and State last foresaid this 30th day of MAY, 1980

  
Notary Public, State of Florida at large

My Commission expires: 9/13/80



21931683

BOOK PAGE  
CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE  
OF PROCESS WITHIN FLORIDA, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED  
IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING  
IS SUBMITTED:

FIRST--THAT OCEAN SHORES HOMEOWNERS ASSOCIATION, INC.  
(NAME OF CORPORATION)

DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF FLORIDA,  
WITH ITS PRINCIPAL PLACE OF BUSINESS AT CITY OF Ormond Beach  
(CITY)

STATE OF Florida, HAS NAMED Richard J. D'Amico  
(STATE) (NAME OF RESIDENT AGENT)

LOCATED AT 4 Aztec Trail  
(STREET ADDRESS AND NUMBER OF BUILDING,  
POST OFFICE BOX ADDRESSES ARE NOT ACCEPTABLE)

CITY OF Ormond Beach, STATE OF FLORIDA, AS ITS AGENT TO ACCEPT  
(CITY)

SERVICE OF PROCESS WITHIN FLORIDA,

SIGNATURE [Signature]  
(CORPORATE OFFICER)

TITLE \_\_\_\_\_

DATE May 30, 1980

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED  
CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY AGREE  
TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY WITH THE  
PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE PERFORMANCE  
OF MY DUTIES.

SIGNATURE [Signature]  
(RESIDENT AGENT)

DATE May 30, 1980

BYLAWS OF  
OCEAN SHORES HOMEOWNERS ASSOCIATION, INC.  
A CONDOMINIUM PURSUANT TO THE  
FLORIDA CONDOMINIUM ACT

ARTICLE ONE. PLAN OF APARTMENT  
OWNERSHIP

Section One. Unit Ownership. The condominium, located at 1510 Ocean Shore Blvd., Ormond Beach, Florida, and known as OCEAN SHORES, a Condominium, is submitted to the provisions of Chapter 718 of the Florida Statutes, known as the Condominium Act, by declaration recorded simultaneously herewith in the office of the county recording officer of Volusia County, Florida.

Section Two. Applicability to property. The provisions of these bylaws are applicable to the condominium, which term includes the land, the buildings, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

Section Three. Applicability to persons. All present and future owners, lessees, and mortgagees, their employees, and any other person who may use the facilities of the condominium in any manner shall be subject to these bylaws, the declaration and relevant unit deeds.

Acquisition, rental, or occupancy of any unit in the condominium shall be sufficient to signify acceptance and ratification of the provisions of the aforementioned instruments, and an agreement to comply therewith.

Section Four. Office. The office of the condominium shall be located at 1510 N. Ocean Shore Blvd., Ormond Beach, Florida.

ARTICLE TWO. FORM OF  
ADMINISTRATION

Section One. The Association and Governing Board. The affairs of the condominium shall be administered and managed by an association of unit owners organized as a Florida corporation not for profit, having the name of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC. and hereinafter called the association. All power and authority of the association shall be exercised through its board of directors, to be known as the governing board, consisting of 3 members.

Section Two. Composition of Governing Board. Members of the governing board shall be designated by Def-Co.Inc., a Florida corporation existing under the laws of the State of Florida, hereinafter called developer, or elected by the unit owners as follows:

(a) Until fifteen per cent (15%) of the units that will eventually be operated by the association are owned by unit owners other than developer, and thereafter until successors shall have been elected by unit owners, the governing board shall consist of such of the officers and directors of developer as developer shall from time to time designate.

(b) Then, in an election by unit owners as provided by law and in these bylaws, unit owners other than developer shall elect 50% members of the board, and an equal number of the members previously designated by developer shall resign.

(c) The unit owners' representation on the board specified above shall continue until an election, as provided by law and in these bylaws, after the earliest of (1) the date three (3) years after sales by developer of fifty per cent (50%) of the units in the condominium have closed; or (2) the date three (3) months after sales by developer of ninety per cent (90%) of the units in the condominium have closed; or (3) the date when all the units have been completed, some of them have been sold, and no unsold units are being offered for sale by developer in the ordinary course of business. At such election, and in all subsequent elections, the unit owners other

than developer shall elect the greater of (1) a majority of the members of the board, or (2) that number of members corresponding to the aggregate voting power of unit owners other than developer.

Persons elected to the governing board by unit owners other than developer shall be owners, co-owners, spouses of owners, or mortgagees of units, or, in the case of corporate owners or mortgagees of units, officers, directors, shareholders, or employees of such corporations.

Section Three. Powers and duties. The governing board shall have the powers and duties necessary for the administration of the affairs of the condominium, and may do all such acts and things as are not by law, by the declaration, or by these bylaws directed to be exercised and done by the unit owners. The powers and duties to be exercised by the governing board shall include, but shall not be limited to, the following:

- (a) Maintenance, repair, replacement, cleaning, and sanitation of the common elements;
- (b) Determination, assessment, and collection of funds for common expenses, and payment of such expenses;
- (c) Adoption, distribution, amendment and enforcement of rules governing the use and operation of the condominium and the use of the common elements, subject to the right of a majority of unit owners to change any such rules;
- (d) Procurement and maintenance of insurance as hereinafter provided;
- (e) Maintenance of accounting records, in accordance with law and generally accepted accounting principles, which records shall be made available for inspection by unit owners and mortgagees at all reasonable times;
- (f) Authorization and prosecution in the name of the association, of any and all actions and proceedings deemed necessary or appropriate in furtherance of the interests of unit owners generally, including suits to foreclose liens for nonpayment of assessments or to recover money judgments for unpaid assessments;

(g) Entry into any and all contracts deemed necessary or appropriate in furtherance of the interests of unit owners generally;

(h) Employment and dismissal of personnel deemed necessary or appropriate for the maintenance and operation of the property, the common elements, and the restricted common elements;

(i) Establishment of bank accounts in the name of the condominium, and authorization of signatories therefor;

(j) Purchasing, leasing, or otherwise acquiring in the name of the governing board, or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale, lease, or surrender by their owners to the governing board.

(k) Purchasing units at foreclosure or other judicial sale in the name of the governing board or its designee, corporate or otherwise, on behalf of all unit owners;

(l) Selling, leasing, mortgaging, or otherwise dealing with units acquired by, and subleasing units leased by, the governing board or its designee, corporate or otherwise, on behalf of all unit owners;

(m) Organizing corporations to act as designees of the governing board in acquiring title to or leasing units on behalf of all unit owners;

(n) Contracting for repairs of and additions and improvements to the property, and for repairs to and restoration of the property in accordance with the provisions of these bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

Section Four. Election and terms of office. At the first meeting of unit owners after the date on which unit owners other than developer become entitled to elect at least a majority of the members of the governing board, the terms of office of board members shall be fixed as follows: the terms of office of one (1) member shall be set at three years; the terms of office of one (1) member shall be set at two years; the term of office of one (1) member shall be set at 1 year. At the expiration of the initial term of

office of each board member, his successor shall be elected to serve for a term of three years. Board members shall hold office until their successors have been elected and hold their first meeting.

Section Five. Vacancies. Vacancies in the governing board caused by any reason other than the removal of a member by vote of the unit owners shall be filled by vote of the majority of the remaining board members, even though they may constitute less than a quorum; each person so elected shall hold office until a successor is elected at the next annual meeting of unit owners.

Section Six. Removal of Board Members. At any regular or special meeting duly called, any one or more members of the governing board may be removed with or without cause by a majority of unit owners, and a successor may then and there be elected to fill the vacancy so created. Any board member so elected shall serve for the unexpired term of his predecessor in office. Any member whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting at which a vote is to be taken on the issue of his removal.

Section Seven. Organizational Meeting. The first meeting of each governing board, at least a majority of the members of which have been elected by unit owners other than developer, shall be held within 45 days after the election of such board, at such place as may be fixed by the board. No notice shall be necessary to the newly elected governing board to legally constitute such meeting, providing that a majority of the board shall be present.

Section Eight. Regular Meetings. Regular meetings of the governing board may be held at such times and places as shall from time to time be determined by the board; provided, however, that at least two such meetings shall be held during each calendar year. Notice of each regular meeting of the governing board shall be given to each board member personally, or by mail, telephone, or telegraph, at least fifteen (15) days prior to the date for such meeting.



Section Nine. Special Meetings. Special meetings of the governing board may be called by the president, and shall be called by the president or secretary on the written request of at least two (2) board members, on five (5) days notice to each board member, given personally, or by mail, telephone or telegraph. Any such notice shall state the time, place, and purpose of the meeting.

Section Ten. Meetings open to Unit Owners. All meetings of the governing board shall be open to all unit owners. Notice of each meeting will be posted at the location of the mailboxes at least 48 hours before the meeting, except in the case of emergency meetings.

Section Eleven. Waiver of Notice. Any board member may at any time waive notice of any meeting of the board in writing, and any such written waiver shall be deemed equivalent to the giving of the notice required herein. Attendance of any board meeting by a member shall constitute a waiver by him of notice of the time and place thereof. If all board members are present at any meeting of the board, no notice shall be required, and any business may be transacted at any such meeting.

Section Twelve. Quorum of Governing Board. At all meetings of the governing board, a majority of the board shall constitute a quorum for the transaction of business, and the acts of a majority of members present at a meeting at which a quorum is present shall constitute the acts of the board. If at any meeting of the governing board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section Thirteen. Minutes. Minutes shall be taken at all meetings of the governing board. Copies of the minutes shall be available for inspection at the office of the Association by unit owners and board members at all reasonable times.

Section Fourteen. Fidelity Bonds. The governing board shall require that all officers and employees of the condominium handling or responsible for condominium funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a common expense.

Section Fifteen. Compensation. No member of the governing board shall receive compensation for acting as such director (but by resolution of the board, a fixed fee and expenses of attendance may be allowed for attendance at each regular and special meeting). Nothing herein contained shall be construed to preclude any board member from serving the condominium or the board in any other capacity and receiving compensation therefor.

Section Sixteen. Liability of Governing Board. Members of the governing board shall not be liable to unit owners for mistakes in judgment, for negligence, or otherwise, except for their own wilful misconduct or bad faith. Nor shall members of the board be personally liable with respect to any contract made by them on behalf of the association, and unit owners shall indemnify the board and each member thereof against all contractual liability to third parties arising out of contracts made by the board on behalf of the association. However, such indemnification shall not extend to any contract made in bad faith or contrary to the provisions of the declaration or of these bylaws. The liability of each unit owner arising out of any contract made by the governing board or out of the aforesaid indemnification of the members of the board shall be the proportion of the total liability that such unit owner's interest in the common elements bears to the interests of all unit owners in the common elements. Every agreement made by the governing board or by any managing agent or manager employed by the board on behalf of the condominium shall provide that the members of the board, or the managing agent or manager, as the case may be, are acting only as agents for the unit owners, and shall have no personal liability thereunder except as unit owners, and shall further provide that each unit owner's liability thereunder is limited to the proportion of the total liability thereunder that his interest in the common

elements bears to the interests of all unit owners in the common elements.

ARTICLE THREE. OFFICERS

Section One. Designation. The principal officers of the association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by the governing board. The governing board may also appoint one or more assistant vice presidents, an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary.

Section Two. Election of Officers. The officers of the association shall be elected annually by the governing board at its organizational meeting, and shall hold office at the pleasure of the board.

Section Three. Removal of Officers. On the affirmative vote of a majority of the members of the governing board, any officer may be removed, with or without cause, and his successor may be elected at any regular meeting of the board, or at any special meeting of the board called for that purpose.

Section Four. President. The president shall be the chief executive officer of the association. He shall preside at all meetings of the governing board and of unit owners. He shall have all general powers and duties that are incident to the office of president of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit including, without limitation, the power to appoint committees from among the owners from time to time as he may deem appropriate to assist in the conduct of the affairs of the association.

Section Five. Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the governing board shall appoint some other member of the board to do so on an interim basis.

The Vice President shall also perform such other duties as may from time to time be imposed upon him by the governing board.

Section Six. Secretary. The secretary shall keep the minutes of all meetings of the governing board and of unit owners; he shall have charge of such books and papers as the governing board may determine; and he shall, in general, perform all the duties incident to the office of secretary of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit.

Section Seven. Treasurer. The treasurer shall have responsibility for the funds and securities of the association, for keeping full and accurate accounts showing all receipts and disbursements, and for the preparation of all necessary financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the governing board or managing agent, in such depositories as may from time to time be designated by the governing board, and shall, in general, perform all duties incident to the office of treasurer of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit.

Section Eight. Compensation. The salaries of all officers shall be fixed by the governing board, and the fact that any officer is a member of the board shall not preclude him from receiving his salary or from voting on any resolution providing for the same.

#### ARTICLE FOUR. UNIT OWNERS

Section One. Annual Meetings. Within forty-five (45) days after the date on which unit owners other than developer own fifteen per cent (15%) of the units that will eventually be operated by the association, the governing board shall call and give notice of the first annual meeting of unit owners, which meeting shall be held not less than thirty (30) nor more than forty (40) days after the date of the notice. At such meeting one-third (1/3) of the officers and directors of developer holding office as members of the governing board shall resign, as provided elsewhere in these

bylaws, and unit owners other than developer shall elect one (1) member to the board. Thereafter, annual meetings of the unit owners shall be held on the first Monday in October of each succeeding year. At each such subsequent meeting the unit owners shall elect a number of members to the governing board sufficient to fill all vacancies and to replace or reelect members whose term have expired. Unit owners may also transact such other business of the association as may properly come before the meeting.

Section Two. Special Meetings. The president may, and shall if directed by resolution of the governing board or by petition signed and presented to the secretary by unit owners owning a total of at least sixty per cent (60%) of the common interest, call a special meeting of unit owners. The notice of any special meeting shall state the time and place of the meeting, and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent either in person or by proxy of unit owners owning at least sixty per cent (60%) of the common interest.

Section Three. Place of Meetings. Meetings of unit owners shall be held at the principal office of the association, or at such other suitable place convenient to the owners as may be designated by the governing board.

Section Four. Notice of Meetings. It shall be the duty of the secretary to mail a notice of each annual or special meeting, stating the purpose, the time, and the place thereof, to each unit owner at least fourteen (14) days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered notice served. However, every such notice will also be posted at the location of the mailboxes at least fourteen (14) days prior to the meeting to which it refers.

Section Five. Quorum. At all meetings of unit owners, a majority of unit owners shall constitute a quorum for transaction of business. If a quorum is present at a meeting, the acts of a majority in both

common interest and in number of units held of those unit owners present shall bind all unit owners for all purposes other than those for which a higher percentage is required by law, by the declaration, or by these bylaws. If, at any meeting of unit owners less than a quorum is present, a majority of those present may adjourn the meeting to a time not less than twenty-four (24) hours from the time the original meeting was called. At any such subsequent meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice. As used in these bylaws, the term "majority of unit owners" means those owners holding fifty-one per cent (51%) in the aggregate in both common interest and in number of units.

Section Six. Order of Business. The order of business at all meetings of unit owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of governing board.
- (f) Reports of committees.
- (g) Election of inspectors of election (when appropriate).
- (h) Election of members of governing board (when required).
- (i) Unfinished business.
- (j) New business.

Section Seven. Voting. The owner or owners of each unit, or some person appointed by such owner or owners to act as proxy on his or their behalf, shall be entitled to cast the vote appurtenant to each unit at all meetings of unit owners. The appointment of any proxy shall be made in a writing filed with the secretary, and shall be revocable at any time by notice in writing to the secretary. No one person may hold more than five (5) proxies. Voting shall be on a percentage basis. The percentage of the vote to which an owner is entitled shall be the percentage or the sum of the percentages



of ownership interest in the common elements assigned to the unit or units owned by him as set forth in the declaration.

Section Eight. Minutes. Minutes shall be taken at all meetings of unit owners. Copies of the minutes shall be available for inspection at the office of the Association by unit owners and members of the governing board at all reasonable times.

Section Nine. Title to Units. Title to units may be acquired and held in the name of an individual, in the name of two or more persons as joint tenants, tenants-in-common, or any other joint estate recognized under Florida law, or in the name of a corporation, a partnership, or a fiduciary.

#### ARTICLE FIVE. OPERATION OF PROPERTY

Section One. Determination of Common Charges. Each year, the governing board shall prepare a proposed budget of common expenses for the association. This budget shall include projections of common expenses, common revenues (from sources, if any, other than assessments of unit owners), the amount of common charges required to meet the excess of the former over the latter, and an allocation and assessment of such common charges against unit owners proportionate to each unit owner's interest in the common elements, as provided in the declaration.

As used in these bylaws, the term "common expenses" or "common charges" shall mean expenses or charges for which unit owners are proportionately liable, and shall include, but shall not be limited to the following:

- (a) All expenses of administration, maintenance, repair, and replacement of the common elements.
- (b) Insurance premiums on all policies of insurance obtained by the governing board, managing agent, or manager, as the case may be, pursuant to Sections Fourteen and Fifteen of this Article.
- (c) Working capital reserve.
- (d) General operating reserve.
- (e) Repair and replacement reserve.

(f) Reserve for deficits accrued in prior years.

(g) Reserve for acquisition or lease of units, the owners of which have elected to sell or lease the same, or that may become available at foreclosure or other judicial sale.

(h) Utility rates for water and gas, and related sewer rents.

(i) Utility rates for electricity serving the common elements.

(j) All other amounts that the owners may agree upon or that the governing board may deem necessary or appropriate for the operation, administration, and maintenance of the condominium.

(k) All other amounts designated common expenses by the declaration, by these bylaws, or by law.

A copy of the proposed budget will be mailed to each unit owner and unit mortgagee not less than three (3) days prior to the meeting at which the budget will be considered by the board, together with a notice of that meeting. A final budget of common expenses will be adopted by the board at such meeting, subject to the rights of the unit owners provided by law in the case of any budget requiring assessment against the unit owners in an amount exceeding one hundred and fifteen per cen (115%) of the assessment for the preceding year. Each unit owner will be advised in writing of the amount payable by him during the following year.

Section Two. Collection of Assessments. The governing board shall, by suitable written notice, assess common charges against unit owners quarterly, on the first day of January, April, July and October, each such assessment covering the next succeeding three months. One-third of each assessment shall be payable in advance on the first day of each month. If any such installment remains unpaid for more than thirty (30) days from the date due, the governing board will take prompt action to collect it.

Section Three. Common Surplus. If in any taxable year, the net receipts of the association from assessments and all other sources except casualty insurance proceeds and other nonrecurring items exceeds the sum of (a) total common expenses for which payment has

been made or liability incurred within the taxable year, and (b) reasonable reserves for common expenses and other liabilities in the next succeeding taxable year as may be determined by the governing board, such excess shall be retained and applied to lessen the assessments for the next succeeding year, the amount of such reduction for each unit owner being in proportion to his undivided interest in the common elements.

Section Four. Liability for Assessments. All unit owners are obligated to pay the common charges assessed by the governing board at the times set forth in these bylaws. No unit owner may exempt himself from liability for any assessment for common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. However, no unit owner shall be liable for any assessment for common charges against his unit subsequent to a sale, transfer, or other conveyance by him of such unit made in accordance with the provisions of Section Three of Article Seven of these bylaws. Moreover, any owner of a unit that is free and clear of all liens and encumbrances other than a first mortgage and the statutory lien for unpaid common charges, may, subject to the provisions of these bylaws, convey such unit to the governing board or its designee, corporate or otherwise, as grantee on behalf of all other unit owners, and such conveyance shall exempt the owner from liability for any common charges assessed thereafter. In all voluntary conveyances of units, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover over against the grantor for any amounts paid by the grantee. However, any such grantee, or any mortgagee shall be entitled, within ten (10) days after making request therefor, to a certificate from the governing board, or the managing agent or manager, as the case may be, setting forth the amount of unpaid assessments pertaining to such unit, and in such event, any person other than the grantor who relies on such certificate shall be entitled to rely thereon, and shall not be liable

for any amounts in excess of the amount stated therein. A mortgagee or other purchaser of a unit at a foreclosure sale shall not be liable for nonpayment of any common charges assessed prior to the date of the foreclosure sale, and such unit shall not be subject to a lien for nonpayment of such charges.

Section Five. Default in Payment of Common Charges. In the event a unit owner shall fail for thirty (30) days following the due date thereof, to pay to the governing board the common charges assessed against his unit, such unit owner shall be deemed in default, and shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including reasonable attorneys' fees, incurred by the governing board in any proceeding brought to collect the same, or to foreclose a lien for nonpayment thereof.

Section Six. Foreclosure of Liens for Unpaid Common Charges. It shall be the right and duty of the governing board to attempt to recover unpaid common charges, together with interest thereon, and expenses of the proceeding, including reasonable attorneys' fees, in an action brought against any unit owner in default on his obligation to pay the same, or by foreclosure of the lien on any condominium parcel in respect to which such default has occurred provided for by law. In any such foreclosure the unit owner shall be required to pay a reasonable rental for the unit for the period beginning with the initial default and ending with satisfaction of amounts secured by such lien from the proceeds of the foreclosure sale. Any unpaid common expenses remaining uncollectible for more than forty-five (45) days after such foreclosure sale may be assessed by the governing board as common expenses to be collected from all unit owners including the purchaser who acquires title at the sale, his successors and assigns. The governing board, acting on behalf of all unit owners, shall have the power to bid on and purchase any unit offered for sale at a foreclosure sale, and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same. Suit to recover a money

judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of a suit to recover a money judgment.

Section Seven. Maintenance and Repair.

(a) Every owner shall promptly perform all maintenance and repair work within his own unit, which if omitted would affect any common element, any portion of the property belonging to other owners, or the project as whole, being expressly responsible for all damages and liabilities that any failure to repair or maintain may engender.

(b) All maintenance, repairs, and replacements to the common elements, whether located inside or outside individual units, shall be the responsibility of the governing board and shall be charged to all unit owners as common expenses unless such maintenance, repairs, or replacements are necessitated by the negligence or misconduct of individual unit owners, in which case they shall be the responsibility of, and shall be charged to such individual unit owners.

(c) Each unit owner shall be responsible for and reimburse the association for any expenditures incurred in repairing or replacing any common element damaged through his fault.

Section Eight. Uses of Units; Rules and Regulations. The use of units and the common elements shall be subject to restrictions set forth in rules and regulations to be promulgated and amended from time to time by the governing board with the approval of a majority of unit owners. Such restrictions shall include, without limitation, the following:

(a) Units shall be occupied and used by their respective owners only as private dwelling for the owner, his family, tenants, and social guests, and for no other purpose whatsoever.

(b) No portion of a unit other than the entire unit may be rented, and no unit may be rented for hotel or transient purposes.

(c) Residents shall exercise extreme care about making noises or playing music which may disturb other residents. Residents keeping

domestic animals must abide by municipal sanitary regulations.

(d) Hanging, cleaning, or beating garments, rugs, etc. from or on the windows, terraces, or facades of the building is prohibited.

(e) Throwing garbage or trash outside disposal installations provided for such purposes is prohibited.

(f) No owner, resident, or lessee shall install wiring for any electrical or telephone installation, or any television antenna, air-conditioning units, or machine of any kind on the exterior of the building or which protrudes through the walls or the roof of the building except as authorized by the governing board.

(g) Owners shall not take or cause to be taken within their units any action that would jeopardize the soundness or safety of any part of the condominium property or impair any easement or right appurtenant thereto or affect the common elements without the unanimous consent of all unit owners who might be affected thereby.

(h) Owners shall not permit anything to be done or kept in their units that would increase the rate of fire insurance thereon or on the condominium as a whole.

(i) No immoral, improper, offensive, or unlawful uses shall be made of condominium property or any part thereof, and each unit owner, at his own expense, shall comply with, perform, and fully satisfy all city, state, and federal laws, statutes, ordinances, regulations, orders or requirements affecting his unit.

Section Nine. Modifications by Unit Owners. No unit owner shall make any structural addition or alteration to his unit without the prior written consent of the governing board. On request by any unit owner for approval of a proposed addition or alteration, the board shall answer the same within ten (10) days after receipt thereof, and failure to do so within the stipulated time shall constitute a consent. Any application to any governmental authority for a permit to make any addition or alteration to any unit shall be executed by the governing board only. However, neither the board nor any member thereof shall be liable to any contractor, subcontractor, or



materialman, or to any person claiming injury to person or property as a result of such addition or alteration or the construction thereof. The provisions of this section shall not apply to units owned by developer until such units shall have been initially sold by developer and paid for.

Section Ten. Right of Access. The association shall have, and shall exercise through the manager, managing agent, or other person or persons authorized by the governing board, a right of access to each unit from time to time during reasonable hours, to maintain, repair, or replace any common elements therein or accessible therefrom, or to make emergency repairs necessary to prevent damage to common elements or to any other unit or units, or to correct any condition violative of the provisions of any mortgage secured by any other unit. Requests for access shall be made in advance and shall be scheduled for times convenient to the owner except that, in case of emergency, right of access shall be immediate, and shall exist whether the unit owner is present at the time or not.

Section Eleven. Use of Common Elements. Unit owners shall not place or cause to be placed in the lobbies, vestibules, stairways, elevators and other condominium areas and facilities of a similar nature both common and limited, any furniture, packages or objects of any kind. Such areas (other than lobbies) shall be used for no other purpose than normal transit through them.

Section Twelve. Modifications by Governing Board. Any additions or alterations in or to the common elements costing Five Hundred Dollars (\$500.00) or less may be made by the governing board without approval of unit owners or unit mortgagees, and the costs thereof shall be treated as common expenses. Whenever in the judgment of the governing board the common elements require additions or alterations costing in excess of Five Hundred Dollars (\$500.00), the making of such additions or alterations shall require approval by a majority of unit owners, and by those mortgagees holding first mortgages on twenty or more units. After such approval has been obtained, the board shall proceed with the additions or alterations,

and the costs thereof shall be treated as common expenses.

Section Thirteen. Right of Owners to Insure Units. Any insurance obtained or maintained by the governing board, managing agent, or manager, as the case may be, shall be without prejudice to the rights of unit owners to obtain and maintain such unit insurance as they see fit.

Section Fourteen. Abatement of Violations. Violation of any provisions of the declaration, a unit deed, these bylaws, or any rule or regulation adopted pursuant hereto, shall give the governing board, acting on behalf of all unit owners, the right, in addition to any other rights set forth herein:

(a) To enter any unit in or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any thing or condition constituting such violation or breach, and the governing board shall not be deemed guilty of trespass in so doing; or

(b) To enjoin, abate, or remedy the continuance of such violation or breach by appropriate legal proceedings, or to bring an action for recovery of damages.

#### ARTICLE SIX. MORTGAGES

Section One. Notice of Mortgage. An owner who mortgages his unit shall, within fifteen (15) days after such mortgage has been executed, notify the manager, managing agent, or secretary of the association of the name and address of his mortgagee. The secretary shall maintain such information in a book entitled "Mortgagees of Units."

Section Two. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, sell, or lease his unit unless and until he shall have paid in full to the governing board all unpaid charges theretofore assessed against his unit, and until he shall have satisfied all unpaid liens against his unit other than mortgage liens.

Section Three. Notice of Unpaid Assessments. The secretary of the association shall, at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

Section Four. Notice of Default. Upon giving notice to a unit owner of a default, whether in payment of common charges or otherwise, the governing board shall send a copy of such notice to each holder of a mortgage secured by such unit whose name and address appears in the book entitled "Mortgagees of Units".

Section Five. Inspection of Books. Unit owners and unit mortgagees shall be permitted to inspect the books of account of the association at reasonable times during business hours.

Section Six. Blanket Mortgages. Notwithstanding any other provision hereof, the entire condominium property, or some or all of the units therein, together with the undivided interests in the common elements and limited common elements appurtenant thereto, may be subjected to a blanket mortgage constituting a first lien thereon, created by an instrument executed by all owners of the property or units covered thereby and recorded in the office in which these bylaws are recorded. Any unit included under the lien of such a mortgage may be sold or otherwise conveyed or transferred subject thereto. The instrument creating any such mortgage shall provide a method whereby any unit owner may obtain a release of his unit and its appurtenant interests in the common elements and limited common elements from the lien of such mortgage and a satisfaction and discharge in recordable form, on payment of a sum equal to the proportionate share attributable to his unit of the then outstanding balance of unpaid principal and accrued interest and other proper charges. The proportionate share attributable to each unit shall be in each case the proportion in which all units then subject to the lien of the mortgage share among themselves in liability for common expenses as provided in the declaration or such other reasonable proportion as shall be specifically provided in the mortgage instrument.

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ARTICLE SEVEN.    SALES AND LEASES OF  
   UNITS

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Section One. Compliance with Article. No unit owner may sell or lease his unit or any interest therein except by complying with the provisions of this article.

Section Two. Severance of Ownership. Any sale of a unit must include the sale of the undivided interest in the common elements appurtenant to that unit, the interest of the seller in any units theretofore acquired by the governing board, or the proceeds of the sale or lease thereof, and the interest of the seller in any other assets of the association (hereinafter collectively referred to as appurtenant interests). No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of except as part of a sale, transfer, or other disposition of the unit to which such interests are appurtenant, or as a part of a sale, transfer, or other disposition of such part of the appurtenant interests of all units. Any deed, mortgage, or other instrument purporting to affect a unit or one or more appurtenant interests without including all such interests shall be deemed to include the interest or interests so omitted, it being the intention hereof to prevent any severance of combined ownership of units and their appurtenant interests.

Section Three. Right of First Refusal. Any unit owner who receives a bona fide offer for the sale or lease of his unit which he intends to accept, shall give notice to the governing board of the terms of the offer, the name and address of the offeror, and any such other information as the board may reasonably request. The giving of such notice shall constitute a warranty and representation by the unit owner to the governing board that such unit owner believes the offer to be bona fide in all respects, and intends to accept the same. Within five (5) days after receipt of such notice, the governing board may elect, by notice to such unit owner, to purchase or lease the unit, on behalf of all other unit owners, on the same terms and conditions stated in the unit owner's notice. If the governing board or its designee shall fail, within five (5) days

to give notice of its intent to purchase or lease the unit, the unit owner shall be free to contract to sell or lease the same to the outside offeror on the terms and conditions set forth in the original offer.

Section Four. Consent of Unit Owners. The right of first refusal hereinbefore provided may not be exercised by the governing board without the prior approval of a majority of unit owners.

Section Five. Release of Right of First Refusal. The right of first refusal hereinbefore provided may be released or waived by the governing board.

Section Six. Certificate of Termination or Waiver of Right of First Refusal. Any unit owner who has in fact given the notice required in section three of this article, or in respect to whom the provisions of such section have been waived, may request a certificate of termination or waiver, as the case may be, of the right of first refusal. On such request, a certificate of termination or waiver shall be executed and acknowledged by the secretary of the association, and such certificate shall be conclusive on the governing board and the unit owners in favor of all persons relying thereon in good faith.

Section Seven. Financing Acquisition of Units by Governing Board. Acquisition of units may be financed from the acquisitions reserve, working capital, and common charges in the hands of the governing board. If such funds are insufficient, the governing board may levy an assessment against unit owners in proportion to their ownership of the common elements, as a common charge. The governing board is also authorized to borrow money to finance the acquisition of such units; provided however, that no lien or encumbrance on any property, other than the unit to be acquired, may be suffered to secure such financing.

Section Eight. Exceptions. The right of first refusal hereinbefore provided shall not apply with respect to any sale or lease



of a unit by its owner to his spouse, to any of his or her children, to his or her parent or parents, to his or her brothers or sisters, or to any one or more of them; nor shall such right apply to any unit owned by developer, or to the acquisition or sale of any unit by a mortgagee acquiring title by foreclosure or by deed in lieu of foreclosure. Nor shall such right apply to any transfer or conveyance of a unit by gift, by devise, or by intestate succession.

ARTICLE EIGHT. EMINENT DOMAIN

Section One. Condemnation of Common Element. If all or any part of the common elements or limited common elements is taken, injured, or destroyed by eminent domain, each unit owner shall be entitled to notice of such taking and to participate through the association in the proceedings incident thereto. Any damages shall be for the taking, injury, or destruction as a whole, and shall be collected by the governing board. If those unit owners entitled to exercise fifty-one per cent (51%) or more of the total voting power of the association duly and promptly approve the repair and restoration of the common elements or limited common elements, the governing board shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense or limited common expense. In the event that these unit owners entitled to exercise fifty-one per cent (51%) or more of the total voting power of the association do not duly and promptly approve the repair and restoration of the common elements, the net proceeds shall be divided by the governing board among all unit owners in proportion to their respective common interests, or limited common interests, as the case may be, paying out of the share of each unit owner the amount of any unpaid liens on his unit, in the order of priority of such liens.

Section Two. Condemnation of Units. If all or any part of any unit or units, other than the undivided interest or interests in the



common elements and limited common elements appurtenant thereto, shall be taken, injured, or destroyed by eminent domain, each unit owner so affected shall be entitled to notice of such taking and to participate directly in the proceedings incident thereto. Any damages shall be payable directly to such owner or owners.

#### ARTICLE NINE. RECORDS

Section One. Records; Certification. The Secretary of OCEAN SHORES HOMEOWNERS ASSOCIATION, INC. shall keep detailed records of all actions of such OCEAN SHORES HOMEOWNERS ASSOCIATION, INC. and of the governing board, including financial records and books of account of the association, kept in accordance with generally accepted accounting principles. Such records shall include a chronological record of all receipts and disbursements. A separate account shall also be kept for each unit containing, among other things, the amount of each assessment against such unit, the date when due, amounts paid thereon, and the balance remaining due. The governing board shall also prepare a quarterly written report summarizing receipts and disbursements of the association, copies of which shall be made available to all unit owners. Additionally, an annual report of receipts and disbursements of the condominium, certified by an independent certified public accountant, shall be rendered by the governing board to all unit owners and mortgagees requesting the same, promptly after the end of each fiscal year.

#### ARTICLE TEN. MISCELLANEOUS

Section One. Notices. All notices required or permitted to be sent to the governing board shall be sent by registered or certified mail in care of the manager or managing agent, or if there be no manager or managing agent, to the office of the board, or to such other address as the board may, from time to time designate. All notices required or permitted to be sent to any unit owner shall be sent by registered or certified mail to the condominium or to such other address as such owner may have designated in writing to the governing board. All notices to unit mortgagees shall be sent by

registered or certified mail to their respective addresses, as maintained by the secretary in the book entitled "Mortgagees of Units". All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section Two. Waiver. No restriction, condition, obligation, or provision contained in these bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations and failures to enforce that may occur.

Section Three. Invalidity. If any provision or provisions of these bylaws is or are declared invalid, such invalidity shall in no way impair or affect the validity, enforceability, or effect of the remaining provisions of these bylaws.

Section Four. Captions. Captions are inserted in these bylaws for convenience and reference only, and shall not be taken in any way to limit or describe the scope of these bylaws or any provisions hereof.

#### ARTICLE ELEVEN. AMENDMENTS

Section One. Amendments. These bylaws may be amended or supplemented by the vote of unit owners entitled to exercise fifty-one per cent (51%) or more of the total voting power of the association at a meeting of unit owners duly called and held for such purpose, but only with the written approval of those mortgagees holding mortgages constituting first liens on fifty-one per cent (51%) or more of the units. Any such amendment or supplement shall be filed for record in the office in which these bylaws are recorded.

#### ARTICLE TWELVE - CONFLICTS

Section One. Conflicts. These bylaws are intended to comply with the requirements of, and are promulgated pursuant to Chapter 718 of the Florida Statutes. If these bylaws or any provisions hereof are so construed as to be in conflict with the provisions of such statute, or of the declaration to which they are attached, the

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provisions of such statute or of the declaration, as the case may be, shall control.

The foregoing were adopted as the Bylaws of OCEAN SHORES HOMEOWNERS 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 June 19, 1980.

Approved

  
President

  
Secretary

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