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AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF
THE TIDES OF DESTIN, A CONDOMINIUM
SUBSTANTIAL REWORDING OF DECLARATION OF CONDOMINIUM-
SEE CURRENT DECLARATION OF CONDOMINIUM FOR PRESENT TEXT

RECITALS:

In a Declaration of Condominium recorded at O.R. Book 1059, Page 903, *et seq.* of the Public Records of Okaloosa County, Florida, on 24th day of September, 1979, the Condominium Developer did submit to condominium ownership pursuant to Chapter 718, Florida Statutes, known as the Condominium Act, that property situated in Okaloosa County, Florida, more particularly described in Exhibit "A" to this Declaration.

Said Declaration was subsequently amended and supplemented as follows:

Amendment recorded at O.R. Book 1649, Page 726, *et seq.*, Public Records of Okaloosa County, Florida;

Amendment recorded at O.R. Book 1954, Page 1376, *et seq.*, Public Records of Okaloosa County, Florida;

Amendment recorded at O.R. Book 3200, Page 4511, *et seq.*, Public Records of Okaloosa County, Florida;

The submission of the land to the condominium form of ownership by that document is and will remain effective. No easements of record are intended to be impaired by the recording of this Amended and Restated Declaration of Condominium (hereinafter "Declaration"). By adoption of this Declaration, the Association Members hereby adopt certain amendments to the Declaration of Condominium and amendments thereof and hereby restate the Declaration in its entirety. By adoption of this Declaration, the Members of the Association ratify governance of the Condominium Property under the condominium form of ownership and the provisions of the Condominium Act, as defined in Article 1.1 hereof.

1. DEFINITIONS. As used herein or elsewhere in the Condominium Documents, unless otherwise provided, the terms used shall be as defined in the Act and as herein provided:

1.1 "Act" or "Condominium Act" means, except where specifically stated to the contrary, the Condominium Act (Chapter 718, Florida Statutes), as it now exists or as it may be amended from time to time, including the definitions therein contained.

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1.2 "Articles" means the Articles of Incorporation as attached hereto as Exhibit "B." as they may be amended from time to time.

1.3 "Assessment" means a share of the funds required for the payment of Common Expenses, which from time to time is assessed against the Units.

1.4 "Association" means THE TIDES OF DESTIN CONDOMINIUM ASSOCIATION, INC., a Florida Corporation Not For Profit, the entity responsible for the operation of the Condominium.

1.5 "Association Property" means all property owned by the Association for the use and benefit of the Unit Owners.

1.6 "Board of Directors" or "Board" or "Directors" means the representative body which is responsible for the administration of the Association's affairs, and which is the same body that is sometimes referred to in the Condominium Act as the "Board of Administration."

1.7 "Building" means the structure in which the Units and portions of the Common Elements are located.

1.8 "Bylaws" mean the Bylaws of the Association as attached hereto as Exhibit "C," as they may be amended from time to time.

1.9 "Casualty" for the purposes of this Declaration, and not for the purpose of construing coverage between any insurer and insured, means an event which causes damage to the Condominium Property due to some sudden, fortuitous cause, including (but not limited to) fire, flood, hail, wind, rain, vandalism, explosion, or bursting pipes, but does not include progressive decay or corrosion, or slow or continuous leaks.

1.10 "Charge" means any legal or equitable indebtedness or monetary obligation of a Unit Owner to the Association, or other sums owed to or due to the Association from a Unit Owner, or any cost or expense incurred by the Association on behalf of or because of a Unit Owner, other than Assessments for Common Expenses, which the Unit Owner is obligated to pay to the Association. Said obligations may arise by oral or written contract, by law or in equity, or may be created by these Condominium Documents.

1.11 "Committee" means a group of Board Members, Unit Owners, or Board Members and/or Unit Owners and/or other persons appointed by the Board to make reports or recommendations to the Board, to take action on behalf of the Board, or to take such actions as the Resolution creating the Committee, or the Directors of the Board, may dictate.

1.12 "Common Elements" means and includes:

1.12.1 The portions of the Condominium Property not included within the Units.

1.12.2 Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility and other services to Units and the Common Elements.

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1.12.3 An easement of support in every portion of a Unit which contributes to the support of the Building, including but not limited to all load bearing interior walls within the Units.

1.12.4 The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements.

1.12.5 Any other parts of the Condominium Property designated as Common Elements in this Declaration.

1.13 "Common Expenses" means those expenses for which Unit Owners are liable to the Association, including but not limited to expenses of administration, maintenance and operation, repair and replacement of Common Elements and such other expenses as may be declared expenses either by this Declaration, the Articles of Incorporation, the Bylaws or by the Association. Bulk interior pest control for Units, if provided by the Association is a Common Expense. Common Expenses include, but are not limited to, such items as cost of premiums for property and public liability insurance, repairs, replacements and expenses of upkeep, lawn service, utility bills and governmental services (including but not limited to water, sewer, electricity and trash collection) that are not separately metered or billed to individual Units, pool service, recreational facilities and activities, janitor service, accounting and legal fees, wages and fees for managerial and other services, and reasonable and adequate reserves, all as may be required in the maintenance and management of this Condominium. The expenses of Communications Services are specifically considered a Common Expense, if so designated by the Board with the costs of said services equally assessed to all Units, as permitted by the Act. Common Expenses also include reasonable insurance for Directors and Officers, road maintenance and operation expenses, and security services, which are reasonably related to the general benefit of the Unit Owners even if such expenses do not attach to the Common Elements or Condominium Property. Common Expenses also include the expenses of any items or services required by any federal, state, or local governmental entity to be installed, or supplied to the Condominium Property by the Association, including, but not limited to, fire safety equipment or water and sewer service where a master meter services the Condominium.

1.14 "Common Surplus" means the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, above the amount of the Common Expenses. Common Surplus shall be owned in the same undivided percentages as Common Elements are owned.

1.15 "Communications Services" means those services described in Section 202.11, Florida Statutes (2017), and for the purpose of this Declaration, shall be deemed to include, but not be limited to, bulk video, voice, or internet services.

1.16 "Condominium Documents" means this Declaration; the Plats, which are described above and incorporated by reference, exemplars of such Plats are attached hereto as Exhibit "A" to facilitate review of typical descriptions; Articles of Incorporation of the Association attached hereto as Exhibit "B;" Bylaws of the Association attached hereto as Exhibit

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"C;" and Rules and Regulations. The Rules and Regulations need not (but may) be recorded in the Public Records of Okaloosa County, Florida, in order to be valid.

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

1.18 "Condominium Property" means the land and property interests subjected to condominium ownership under this Declaration, all improvements on the land as depicted in the Surveyor's Plat, or replacement thereof of like kind and quality, and alterations or additions made to the Common Elements or Association Property by the Association and all easements and rights appurtenant thereto intended for use in connection with the Condominium. Additions or alterations made to the Units or Common Elements by Unit Owners (or their predecessors in title) are not part of the Condominium Property. References in the Condominium Documents to Condominium Property shall include Association Property, unless indicated otherwise.

1.19 "County" means the County of Okaloosa, State of Florida.

1.20 "Declaration" or "Declaration of Condominium" means this instrument, and as it may be amended from time to time.

1.21 "Domestic Partners" means two adults who have chosen to share their lives in a committed relationship that includes a mutual and exclusive commitment to each other's wellbeing, wherein each partner shares the same permanent address, have no blood relationship that would preclude marriage in the State of Florida, are of the age of legal majority, are jointly responsible for each other's common welfare, share financial interdependence and mutual obligation akin to those of marriage. Domestic Partners shall be considered married individuals for the purpose of the Condominium Documents.

1.22 "Family" or "Single Family" shall refer to any one of the following:

1.22.1 One natural person, his spouse or Domestic Partner, if any, and their custodial children, if any.

1.22.2 Not more than two natural persons not meeting the requirement of Article 1.21.1 above, who do and plan to indefinitely and continuously reside together as a single financially and socially interdependent housekeeping unit, with the intention of living within the bonds of family.

1.22.3 The reference to "natural" herein is intended to distinguish between an individual and a corporation or other artificial entity. "Family member" is a person who resides in a Unit as part of the Owner's Family, but is not a title holder.

1.23 "Fractional Ownership" or "Unit Sharing" means any arrangement (whether written or verbal) whereby multiple individuals, artificial entities, or other combinations acquire title to a Unit (or any other possessory or use right in a Unit) with the intention of allocating use

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rights among legal or beneficial owners, whether pursuant to verbal or written agreements, regarding the sharing of use and possession rights for a Unit. There shall be no Fractional Ownership or Unit Sharing of Units.

1.24 "Guest" means any person who is not the Unit Owner or member of the Unit Owner's Family, who is physically present on or occupies the Condominium Property on a temporary basis at the expressed or implied invitation of the Unit Owner or other legally permitted Occupant, without the payment of consideration.

1.25 "Insurable Event" as described in the Act, shall have the same meaning as Casualty, as defined in Article 1.9 of this Declaration.

1.26 "Insurable Improvements" shall mean the "Building" as defined in Article 1.7 of this Declaration, other than upgrades or additions by Unit Owners (or their predecessors in title), and those portions of the Condominium Property required by the Act to be insured by the Association. If a Unit Owner has replaced any glass with impact glass which meets the applicable code at the time of such replacement, such glass and its related framework shall be considered part of the Insurable Improvements, unless prohibited by law.

1.27 "Invitee" or "Licensee" shall mean a person or persons expressly or impliedly allowed entry onto the Condominium Property for the purpose of conducting business with or providing services to a Unit or a Unit's occupant, or otherwise entering the Condominium Property on a temporary basis at the expressed or implied consent of the Unit Owner or Unit Occupant, including but not limited to contractors, workmen, delivery persons, domestic assistants and health care assistants.

1.28 "Lease" when used in the context of the renting of Units, means the grant by a Unit Owner of a right of use of the Owner's Unit for consideration. Leasing shall be construed to include any licensing or other arrangement with a third party where persons other than the Unit Owner are permitted to occupy the Unit for the payment of consideration to any party. As discussed in Article 16, Leasing of Units is prohibited.

1.29 "Lien for Charges" means a lien which is recorded to secure a Charge.

1.30 "Limited Common Elements" means those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of all other Units, as specified in this Declaration. References herein to Common Elements shall include all Limited Common Elements, unless the context would prohibit or it is otherwise expressly provided. Whenever a portion of the Condominium Property naturally and exclusively services a particular Unit, and where the area in question lies outside of the boundaries of the Unit, the delegation of maintenance responsibility for the area by or at the expense of the benefiting Unit Owner(s) shall serve to define the area as a Limited Common Element.

1.31 "Limited Common Expenses" means those expenses affiliated with the maintenance, repair, replacement, or reconstruction after Casualty of a Limited Common

Element, the costs of which are assessed only against the benefiting Unit Owner(s), as authorized by the Act, and if so provided in this Declaration.

1.32 "Maintenance" shall mean, unless the context of a provision in the Condominium Documents requires otherwise, day-to-day cleaning, heavy cleaning, painting where applicable, routine maintenance, ongoing maintenance, preventative maintenance, as well as repair or replacement. The term "maintenance" shall not include repair after casualty, unless the context of a provision in the Condominium Documents requires otherwise. Whenever a Unit Owner is obligated by the Condominium Documents or law to maintain, repair or replace portions of the Condominium Property, the Board of Directors shall have the authority to establish reasonable standards for such maintenance, repair or replacement, including mandating maintenance, repair or replacement of said items, when the Board deems same are reasonably necessary, and the specifications for replacement components, without need for Unit Owner approval notwithstanding any provision in this Declaration to the contrary.

1.33 "Management" shall mean the licensed Community Association Manager and/or Community Association Management Firm, employed or contracted by the Association to assist the Board and its Officers in the day-to-day operation of the Association. There is no requirement for the retention of Management.

1.34 "Material Alteration or Substantial Addition" means to palpably or perceptively vary or change the use, form, shape, elements or specifications of a Building or other portions of the Common Elements from its original design or plan, or existing condition, in such a manner as to appreciably affect or influence its function, use or appearance.

1.35 "Member" means the record Owner(s) of legal title to a Unit.

1.36 "Occupant" when used in connection with a Unit, means a person who is physically present in a Unit for two or more consecutive days, including staying overnight for one night.

1.37 "Occupy" when used in connection with a Unit, means the act of staying in the Unit for two or more consecutive days, including an overnight stay of at least one night.

1.38 "Officer" means the executive Officers and Assistant Officers (if any) appointed by the Board as provided in the Bylaws.

1.39 "Person" means any individual or representative of an entity, including Unit Owners, Family members, Tenants, Guests, and Invitees. Whenever the word "Person" is used to require or prohibit certain conduct, it is the intention that the Owner of the Unit with which such Person is affiliated shall be responsible for ensuring such Person's compliance with the Condominium Documents.

1.40 "Plats" shall mean all legal descriptions, site plans, surveys, and graphic depictions of record describing the Condominium Property. The Plats or portions thereof, are attached or summarized as Exhibit "A" to this Declaration. All Plats of record are incorporated

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herein by reference whether or not attached or separately described. The Plats may not reflect the actual configuration of the Condominium Property, as deviations from original as-built conditions may have been made over time.

1.41 "Policies and Procedures" means the administrative policies of the Board adopted in writing from time to time, including those documented in minutes of the Board or correspondence issued under the authority of the Board. Policies and Procedures shall be deemed part of the Rules and Regulations, and hence part of the Condominium Documents.

1.42 "Primary Occupant" means one or more natural person(s) designated for occupancy of a Unit when title to the Unit is held in the name of two or more persons who are not spouses, or Domestic Partners, or when title is held by a trust, corporation or other entity which is not a natural person, except where the context clearly indicates otherwise, the term "Owner" shall include "Primary Occupant."

1.43 "Rules and Regulations" means those rules and regulations promulgated by the Board of Directors, concerning the transfer, use, appearance, maintenance, and occupancy of the Units, Common Elements, Limited Common Elements, and Association Property, and the administration and operation of the Association (including Policies and Procedures), subject to any limitations contained in this Declaration.

1.44 "Tenant" or "Lessee" means a person occupying a Unit, other than the Owner, whether pursuant to a verbal or written agreement, where said occupancy by the non-owner involves consideration, the payment of money, the exchange of goods and services, etc. The term "Tenant" shall be used interchangeably with "Lessee." As discussed in Article 16, Tenants are not allowed to Lease Units.

1.45 "Unit" means a part of the Condominium Property subject to exclusive ownership.

1.46 "Unit Owner" or "Owner" means the record Owner of a Condominium Parcel. Wherever a portion of the Condominium Documents, including the Rules and Regulations, proscribes, restricts, prohibits, governs or requires that a "Unit Owner" take or refrain from taking any action, or engage or refrain from engaging in any conduct, or providing for liability to the Association arising from such acts or conduct or the failure to take required action or engage in required conduct, the term Unit Owner shall be deemed to include, unless the context specifically suggests otherwise, the Unit Owner's Family, Guests, Licensees and Invitees, and as may be applicable, the family members of such persons, as well as employees or agents of such persons.

1.47 "Utility" or "Utility Services" as used in the Condominium Act and as construed with reference to this Condominium, and as used in the Condominium Documents, shall include but not be limited to electric power, gas, hot and cold water, heating, refrigeration, video and Communication Services, air conditioning and garbage and sewage disposal.

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1.48 "Voting Interests" means and refers to the arrangement established in the Condominium Documents by which the Owners of each Unit collectively are entitled to one vote in the Association matters. There are seventy six (76) Units, so the total number of Voting Interests is seventy six (76) votes.

2. STATEMENT OF CONDOMINIUM DECLARATION. Shoreline Towers Condominium West Phase III, A Partnership, submitted the property described above to condominium ownership in accordance with Florida Statutes.

3. CONDOMINIUM NAME. The name by which this Condominium is identified is "The Tides of Destin, A Condominium."

4. UNIT IDENTIFICATION. The identification of each Unit shall be by number and shall be as indicated on the Plats.

5. SURVEY AND GRAPHIC DESCRIPTION. A survey of the land previously submitted to condominium ownership and a plat thereof describing each Unit, Common Elements and their relative location and the approximate dimensions of each Unit are as shown on the Plats.

6. VOTING RIGHTS; OWNERSHIP OF COMMON ELEMENTS. The voting rights of the Owner of each Unit shall be 1/76th (one Voting Interest per Unit). Voting rights may be suspended pursuant to the terms of the Condominium Documents and/or Florida law. The sharing of Common Expenses and ownership of Common Elements and Common Surplus shall be on a 1/76th basis. Suspension of voting rights shall not affect the basis for which Common Expenses are shared or Common Elements and Common Surplus owned. However, suspended Voting Interests shall be subtracted from the total number of votes required when calculating any required vote or quorum during the period for which said Voting Interest is suspended. The undivided share of ownership of the Common Elements and Common Surplus appurtenant to a Unit cannot be conveyed or separately hypothecated. As long as the Condominium exists, the Common Elements cannot be partitioned. The shares in the funds and assets of the Association cannot be assigned by a Unit Owner, pledged or transferred except as an appurtenance to the Units.

7. EASEMENTS. Each of the following easements and easement rights is reserved through the Condominium Property and is a covenant running with the land of the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be revoked and shall survive the exclusion of any land from the Condominium, unless released in connection with termination of the Condominium. None of these easements may be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any lien encumbering these easements shall automatically be subordinate to the rights of the Unit Owners with respect to such easements.

7.1 Utility and Other Easements. The Association, through the Board of Directors, has the power, without joinder of any Unit Owner, to grant, modify or move easements such as electric, gas, cable television, or other communications, information or internet service easements, or other access, Utility or service easements, or relocate any existing easements, in any portion of the Condominium Property or Association Property, as the Board shall deem

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necessary or desirable for the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the Units. The Association, through the Board of Directors, may also transfer title to Utility-related equipment, facilities or material, and may take any other action to satisfy the requirements of any Utility company or governmental agency.

7.2 Encroachments. If any Unit encroaches upon any of the Common Elements or upon any other Unit for any reason other than the intentional act of the Unit Owner, or if any Common Elements encroach upon any Unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.

7.3 Ingress and Egress. A non-exclusive easement shall exist in favor of each Unit Owner, Occupant, Guest, and Invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through, and across such portion of the Common Elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.

7.4 Maintenance, Repair and Replacement. Easements exist through, over and beneath the Units and Common Elements for maintenance, repair and replacement of the Units and Common Elements. Such access to the Units shall be only during reasonable hours, except that access may be had at any time in case of emergency.

7.5 Support. Every portion of a Unit contributing to the support of the Building shall be burdened with an easement of support for the benefit of all other Units and Common Elements in the Building.

8. CONDOMINIUM UNITS AND APPURTENANCES. Condominium Units are those cubicles of space, and all improvements constructed therein identified and described in the Plat, Exhibit "A." The horizontal and vertical boundaries of the Condominium Units shall be as follows:

8.1 Horizontal Boundaries:

8.1.1 Upper Boundary – The unfinished / undecorated surface of the Unit ceiling to the intersection points with the Vertical Boundaries of the Unit.

8.1.2 Lower Boundary – The unfinished / undecorated surface of the concrete floor slab to the intersection points with the Vertical Boundaries of the Unit.

8.2 Vertical Boundaries: The unfinished / undecorated surface of the boundary walls of the Unit to the intersection points of the Upper Boundary and Lower Boundary, excluded however, from the Units are any areas providing Utility services to other Units or the Common Elements. The surface of the balcony attached to each Unit shall be considered part of said Unit.

8.3 Exclusive Use. Each Unit Owner shall have the exclusive use of his Unit.

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8.4 Appurtenances. The ownership of each Unit shall include, and there shall pass with each Unit as appurtenances thereto whether or not separately described, all of the rights, title and interest including but not limited to:

8.4.1 Common Elements. An undivided share of the Common Elements, such undivided share to be that proportion set forth in Article 6 hereof.

8.4.2 Easements. For the benefit of the Unit. Provided, however, that the Association may suspend the right to use Common Elements or Association Property and suspend other rights or services as permitted by the Act.

8.4.3 Association Membership and interest in funds and assets held by the Association, provided that funds of the Association are not divisible and may not be separately hypothecated and further provided that the Association may suspend voting rights and other incidents of membership as provided by the Act.

8.4.4 Limited Common Elements. The right to exclusive use of the Limited Common Elements designated by this Declaration. All assigned parking spaces and storage areas shall be deemed Limited Common Elements to the Unit to which they are assigned.

8.5 Easement to Air Space. The appurtenances shall include an exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may be altered or reconstructed from time to time.

9. MAINTENANCE, ALTERATION AND IMPROVEMENTS. Responsibility for the maintenance of the Condominium Property, and restrictions upon the alteration and improvement thereof, shall be as follows:

9.1 Association Maintenance, Repair and Replacement Obligation. The maintenance, repair and replacement of all Common Elements and Association Property shall be performed by the Association, and the cost is a Common Expense, except as may otherwise be specifically noted with respect to Limited Common Elements. The Board of Directors shall have the authority to declare Units in the Condominium not available for occupancy when, in the reasonable discretion of the Board, considerations of safety result in a finding by the Board that a Unit or Units should not be inhabited during such periods of work.

9.1.1 General Exterior and Structural Maintenance. The Association's maintenance, repair and replacement responsibility shall include, but not be limited to, exterior painting, structural maintenance of the Building, roofing, maintenance of parking facilities (except as otherwise provided herein to the contrary), and general exterior maintenance, but shall not include maintenance, repair and replacement of sliding glass doors, hurricane shutters, nor any alteration or addition to the Condominium Property made by a Unit Owner or his predecessors in title, nor any portions of the Condominium Property exposed to the elements or any structural element for which this Declaration delegates responsibility to the Unit Owner.

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9.1.2 Plumbing and Electrical. The Association's maintenance, repair and replacement responsibility includes, except as may be specifically otherwise provided to the contrary, without limitation, all electrical conduits and installations located from (but not including) the circuit breaker outward; electrical conduits and installations located within or outside a Unit for the furnishing of Utility Services to another Unit, more than one Unit, or the Common Elements; plumbing fixtures and installations located within or outside a Unit for the furnishing of Utility Services to another Unit, more than one Unit, or the Common Elements. The Association's maintenance, repair and replacement responsibility does not include electrical fixtures, switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within the Unit and serving only that Unit, said items being the maintenance responsibility of the Unit Owners.

9.1.3 Entrance Doors. The Association shall maintain, repair and replace the front door entering into the Unit and the hardware, trim, and frame surrounding same.

9.1.4 Sliding Glass Doors. The Association shall maintain, repair, and replace sliding glass doors and the structural components thereof including frames and fixed panels, the tracks therefor, all door hardware, trim, and caulking.

9.1.5 Windows. The Association shall maintain, repair and replace the window installations originally installed by the Developer or subsequent replacement thereof. The Board of Directors may choose to replace windows with code compliant impact glass, or other similar code compliant glass, and no Unit Owner vote shall be required. The Association's maintenance responsibility includes the window frame and encasement, the plate glass, and all caulking thereof. The Association shall be responsible for interior window locking and opening mechanisms, the windowsill and glass breakage due to any cause, except the negligence or intentional act of a Unit Owner, Occupant, Guest or Invitee.

9.1.6 Screens and Frames. The Association shall maintain, repair and replace all screen doors or balcony screens (including hardware and framing).

9.1.7 Incidental Damage. If, in connection with the discharge of its maintenance, repair or replacement responsibilities, the Association must remove, disassemble, or destroy portions of the Condominium Property which the Unit Owner is required to maintain, repair, or replace, the Association shall be responsible for reinstallation or replacement of that item, including cabinetry, drywall and moldings, to its unfinished state, and specifically excluding floor coverings, wall coverings, ceiling coverings, paint, wallpaper, paneling, and other finishes, and further provided that the Association's obligations are limited to the replacement of items that were part of the Condominium Property as originally installed by the Developer, or replacements thereof of like kind and quality, and except in cases of Casualty repair, or repair of damage caused by a covered cause of loss under the Association's applicable insurance policy, which shall be governed by Article 13 of this Declaration. When a Building component must be replaced with an upgraded component to comply with current laws, ordinances, or codes, the Unit Owner shall be responsible for the additional costs, secured by a Lien for Charges, for the amount by which the upgraded component exceeds the cost of a like kind replacement. Repair or replacement of all upgrades or additions, even if made by a

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predecessor in title, shall be the responsibility of the Unit Owner, specifically including but not limited to hurricane shutters which the Association must remove in connection with the maintenance of the Building, although the Association may have shutter reinstallation work performed by its contractor, and the Unit Owner will be responsible for reimbursement to the Association as a Charge.

9.2 Unit Owner Maintenance, Repair and Replacement Obligation. Each Unit Owner is responsible, at his own expense, for all maintenance, repair, and replacement of his own Unit and those Limited Common Elements serving his Unit, to the extent provided herein, whether ordinary or extraordinary, including, without limitation:

9.2.1 Drywall and Finishes. The Unit Owner shall maintain, repair and replace all drywall within the Unit, the finishes thereof (including trim), and the structural framing related thereto, including studs and insulation, except that the Association shall maintain, repair and replace drywall on the interior side of the exterior boundary walls, and the drywall on the ceiling of the Units, and the permanent finishes on ceilings, if any (but not paint or other cosmetic finishes).

9.2.2 Electrical. The Unit Owner shall maintain, repair and replace all electrical fixtures, apparatus or installations located within the Unit, which service only the individual Unit plus all electrical fixtures, apparatus or installations from and including the circuit breaker inward, which service only that Unit.

9.2.3 Interior Doors. The Unit Owner shall maintain, repair and replace all other doors and the framing and structural components thereof, including trim, caulking, locks and hardware within or servicing the Unit, subject to the provisions of Article 9.12.

9.2.4 Hurricane Shutters. The Unit Owner shall maintain, repair and replace hurricane shutters and the structural components thereof, subject to the provisions of Article 9.12.

9.2.5 Electrical, Plumbing and Mechanical Fixtures. The Unit Owner shall maintain, repair and replace the electrical, mechanical and plumbing fixtures and outlets (including connections) within a Unit and serving only that Unit including sinks, toilets, tubs, showers, shower pans, and all related fixtures and installations.

9.2.6 Appliances. The Unit Owner shall maintain, repair and replace all appliances within the Unit.

9.2.7 Heating and Air Conditioning Equipment; Ductwork. The Unit Owner shall maintain, repair and replace all portions of the heating and air conditioning equipment (including compressors, air handlers, ductwork, freon lines and discharge lines), dryer vents to the point of termination (even if exterior to the Unit), air conditioner or air handler discharge lines to the point of termination or connection to another discharge (even if exterior to the Unit).

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9.2.8 Floor Coverings. The Unit Owner shall maintain, repair and replace carpeting and other floor covering (including balcony areas).

9.2.9 Other Equipment and Fixtures. The Unit Owner shall maintain, repair and replace all other equipment or fixtures located or contained entirely within a Unit which serve only that Unit.

9.2.10 Plumbing (Incoming). The Unit Owner shall maintain, repair and replace all incoming plumbing from (and including) the shutoff valve (at hot water) inward.

9.2.11 Plumbing (Outgoing). The Unit Owner shall maintain, repair and replace outbound plumbing until the point of exit from the Unit boundary. Provided, however, that the Unit Owner is responsible for the remediation of clogged pipes or drains, where the source of blockage or obstruction originates from the Unit, even if the area where the blockage or obstruction is located is outside of the Unit boundary.

Any of the above-described areas that are to be maintained, repaired or replaced by the Unit Owner, or by the Association at the expense of the benefiting Unit(s), if located outside of the boundaries of the Unit, are declared Limited Common Elements. Responsibility for maintenance, repair and replacement of Condominium Property may not coincide with obligation for insurance of Condominium Property, nor its repair after Casualty, or damage from covered cause of loss under the Association's applicable insurance policy, which are governed by Article 12 and Article 13 hereof, respectively.

9.3 Balconies. The Unit Owner who owns or has the right to the exclusive use of a balcony shall be responsible for the maintenance, repair and replacement of: balcony floor coverings (the Board may prohibit certain types of floor coverings, adopt specifications for permissible flooring on balconies, and require the removal of existing coverings when necessary for the structural preservation of the Building); storm shutters and other enclosures; fixed and/or sliding glass doors and affiliated framing and hardware thereof; the wiring, electrical outlet(s) and fixture(s) on or servicing the balcony; ceiling fans; and the replacement of light bulbs. The Association shall be responsible for structural maintenance, repair and replacement of balcony floors, ceilings, screens, screen frames and railings, and also the Building walls enclosed by the balconies. Unit Owners may not puncture (by nails, hooks, screws or otherwise) balcony floors, walls, or ceilings, without obtaining the prior written approval of the Board of Directors.

9.4 Unit Floor Coverings. Hard floor surfaces (tile, marble, wood, etc.) may only be installed upon prior written approval of the Board of Directors, which shall condition its approval on the Unit Owner's proof of the installation of appropriate sound-deadening material. Specifications for sound proofing of hard flooring (wherever located) must be approved in writing by the Board or its representative prior to installation, and then the installed sound proofing must be inspected and approved prior to installation of the hard flooring. The Board has the authority to adopt specifications for minimum sound proofing material that will be approved. Installed floor coverings installed above the first floor shall, in all cases, and/or in the absence of any specifications adopted by the Board, meet the standards of the Florida Building Code and

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then-prevailing industry standards applicable to similar condominium buildings in Okaloosa County, Florida.

9.5 Unit Owner Obligations In Connection with Maintenance, Repair and Replacement. In connection with his maintenance, repair and replacement obligations, the Unit Owner shall have the responsibility to obtain the prior written approval of the Association, through the Board of Directors, before performing any maintenance, repair or replacement which requires: changes or alterations to the physical appearance of the Condominium Property visible from any exterior vantage; excavation; access to the Building roof; removal, modification or relocation of any interior partitions or walls, whether load-bearing or not; relocation of cabinets or appliances; relocation of utility, plumbing, or electrical installations or fixtures or ductwork; the use of heavy or noisy equipment; such other actions as may cause concern for the peace and safety of the Condominium and its Residents or the aesthetics of the Condominium Property, as determined by the Board. The Association may condition such approval on criteria as the Board deems reasonable, including but not limited to:

- Preservation of uniformity of appearance;
- Use of contractor(s) that are properly licensed and fully insured, and that the Owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance. Unit Owners are responsible for the actions of their contractors and warrant to the Association, whether or not specifically made a condition of Association approval (or in cases where no Association approval is required) that all persons coming into the Condominium Property to perform work on or services for the Unit hold all proper licenses, have obtained all proper permits, and carry such insurance as may be required by law or the Board;
- Right (but not duty) of oversight by the Association or its agent;
- The Unit Owner submitting plans as to the scope of the contemplated repair;
- Restrictions as to hours and days of work;
- Imposition of time limits in which jobs must be completed and prohibitions against major renovations during certain times of year.
- Restrictions regarding equipment that may be parked or stored on or near the Condominium Property during construction.
- Restrictions regarding the transport and storage of materials and supplies necessary for the construction to be performed.

The Association may, but shall not be obligated to, act as the Owner's agent in obtaining the services of contractors or others to perform Unit Owner maintenance responsibilities in the event of an emergency, or in non-emergency situations, provided that in non-emergency situations, the

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Association and the Owner so agree, or absent such agreement when such work is deemed necessary, as determined by the Board, to facilitate projects involving the Association's maintenance of the Condominium Property. In all such cases the Unit Owner shall be deemed to consent to reimbursement of expenses incurred, secured by such rights as exist for collecting Common Expenses under these Condominium Documents through a Lien for Charges. Unit Owners shall at all times be responsible to ensure, whether or not Association approval is required for work being done within the Unit or elsewhere upon the Condominium Property, that all contractors and other persons performing services for the Unit Owner are properly licensed and insured, including required Worker's Compensation insurance, and that the Condominium Property is kept free from liens and cause no damage to the Condominium Property. The Board has the power (but not the duty) to require proof of: licensure; building permits; and insurance, and may set standards for insurance as to required coverage, deductibles, or other terms and conditions, and may require the Association to be named as an additional insured under such policies. The Unit Owner shall hold the Association harmless from any claim of any nature arising out of failure to comply with these requirements.

9.6 Modifications, Alterations or Structural Work by Unit Owners. No Owner may make or permit the making of any modifications or alterations to any portion of his Unit visible from the exterior of his Unit, or in any manner change the appearance of any portion of the Common Elements, undertake any structural work, or undertake any structural modification or alteration, without first obtaining the written consent of the Board of Directors, which consent shall be denied if the Board determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Condominium in part or whole. Proposed plans for Unit alterations must be submitted to the Association's manager for review and approval prior to work being initiated. "Structural" work, modifications or alterations include, but are not limited to: relocation of existing electrical, plumbing, ductwork, air conditioning or heating installations; relocation of existing fixtures or appliances such as toilets, sinks, tubs, showers, dishwashers, refrigerators, or ranges; the removal or modification of any partition, door, window or screen; raising ceilings; or relocating kitchen or bathroom cabinetry. For purposes of this provision, the term "structural" work shall also include the addition, removal, or relocation of any ductwork, plumbing line or fixture, any electrical line or fixture, or the removal, modification or creation of any interior partition. Replacement of cabinetry, appliances and fixtures, with substantially equivalent installations in the same location, shall not be deemed "structural" and shall not require approval of the Association, unless a building or other permit is required. Further, "structural" work, modifications or alterations shall include any and all work that requires a building permit, an electrical permit, a plumbing permit, a mechanical permit, or similar permit from the appropriate governmental agency, whether or not mentioned above.

The Board may, in circumstances it deems appropriate, and without limiting the right to ask for plans or specifications and other relevant information, require scaled plans from an Architect or Professional Engineer licensed to practice in Florida as a condition of reviewing any requested structural modification, alteration or addition to the Condominium Property. The Board may require, as a condition of review, the Unit Owner's obligation to pay the Association's expenses of review, including but not limited to, legal, engineering or other consultant fees. The Board, in

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reaching its decision, may take into account uniformity of appearance, compatibility with architecture in The Tides of Destin, the quality of the proposed alteration, objections of neighboring Residents, and such other criteria as the Board may reasonably adopt in reaching its decision, without limitation. The Board may take into account whether other Unit Owners would be able to make such alterations or modifications, and the effect of the fact that similar requests may need to be approved by the Association. If the Board determines to permit any modification or alteration which is visible from the exterior of the Unit, from any vantage, said modification or alteration must also be approved by the Unit Owners in the manner provided in Article 9.8 of this Declaration, regardless of the cost or expense of such modification or alteration, provided that the Board may waive the request for Unit Owner approval if similar modifications or alterations have been approved by the Association previously, are *de minimus* (as determined in the sole discretion of the Board), or are specifically authorized by the Condominium Documents. If any Unit Owner requests approval of any structural work, modification or alteration, the Association may permit such work, modification or alteration if same would not materially affect or interfere with the Utility Services constituting Common Elements, if any, located therein, the structural integrity of the Building, or create a nuisance or disturbance to neighboring Units.

9.7 Additional Unit Owner Responsibility for Modifications or Alterations. If a Unit Owner (or his predecessors in title) makes, or has made any modifications or alterations to the interior or exterior of the Unit, Common Elements, or Limited Common Elements, the Unit Owner (and his heirs, successors in title and assigns) shall be financially responsible for the insurance, maintenance, care, preservation, reconstruction, repair or replacement of the modification or alteration and shall execute such documents as the Association may promulgate, if any, accepting said financial responsibility. Any modification or alteration to the Condominium Property made by a Unit Owner may be required to be removed in connection with the Association's maintenance of the Condominium Property. In such cases, the Unit Owner who installed the modification or alteration (and/or their successors in title) shall be obligated to reimburse the Association for any costs affiliated with removal and/or reinstallation of the item, with said obligation being secured by a right of Lien for Charges of equal dignity to the Common Expense lien created by this Declaration, or alternatively, said Owner may be required to remove and reinstall said modification or alteration, if so determined by the Board of Directors. Further, the Association, its contractors and agents, shall not be liable for any damage to the item arising out of its removal and/or reinstallation, unless occasioned by the gross negligence or willful misconduct of the Association or its contractor or agent, although the Association may provide for stricter liability standards in contracts with contractors.

9.8 Material Alterations or Substantial Additions by Association. Except as may be provided elsewhere in this Declaration to the contrary, there shall be no Material Alteration or Substantial Addition to the Common Elements or Association real property by the Association, except as authorized by the Board of Directors. Provided, however, that if any such Material Alteration or Substantial Addition require or obligate the expenditure of Association funds of more than five percent (5%) of the Association's budget for the fiscal year in which the work is authorized, including reserves, the Board shall obtain approval of two-thirds (2/3) of the Voting Interests of the Association present (in person or by proxy) and voting at a duly noticed meeting at which a quorum has been attained, or by written agreement of two-thirds (2/3) of the entire

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Voting Interests. Necessary maintenance of the Common Elements or Association Property, regardless of the level of expenditure, is the responsibility of the Board of Directors. Cellular antennae and similar apparatus and apparatus to provide communication or internet services as provided in Article 1.12, may be placed on the Condominium Property as authorized by the Board, subject to approval of any other entity that may be required.

9.9 Enforcement of Maintenance. If, after reasonable notice, the Owner of a Unit fails to maintain the Unit or other portions of the Condominium Property as required by the Condominium Documents, or as may be required to comply with law, the Association shall have, without waiver or limitation of other remedies available under the Act or Condominium Documents, the right to enter the Owner's Unit or Common Elements (including Limited Common Elements) and perform or cause performance of the necessary work, and/or institute legal proceedings at law or in equity to enforce compliance, and/or to take any and all other lawful actions to remedy such violation; in which event, the Unit Owner shall be charged for the costs of such activities (including attorneys' fees incurred by the Association) by the Association which shall be secured by a Lien for Charges.

9.10 Damage Caused by Conditions of the Condominium Property. Each Unit Owner shall be liable to the Association and/or other Unit Owners for the expenses of any maintenance, repair or replacement of the Condominium Property, made necessary by his wrongful act, omission, negligence, violation of the Condominium Documents or applicable law, or same by any member of his Family or his or their Occupants, Guests, or Invitees. If any condition, defect or malfunction existing within a Unit or Common Elements which the Unit Owner is obligated to insure, maintain, repair, or replace is caused by the Owner's (or his Family member's, Occupant's, Guest's, or Invitee's) wrongful act, omission, negligence, or failure to comply with the Condominium Documents or applicable law, shall cause damage to the Common Elements, Association Property, or to other Units, the Owner of the offending Unit shall be liable to the person or entity responsible for repairing the damaged areas for all costs of repair or replacement not paid by insurance (including the deductible) and without waiver of any insurer's subrogation rights, and without impairing any coverage obligation which may exist as a matter of law or contract, provided that such responsibility shall be conditioned on the Unit(s) which is/are seeking to impose such liability being adequately insured based on local standards and conditions. Further, any claim of a Unit Owner against the Association or another Unit Owner relative to damage to the Condominium Property, to the extent the Association or other Unit Owner might otherwise be liable pursuant to the Condominium Documents or applicable law, shall be predicated upon the Unit Owner making the claim being adequately insured based on local standards and conditions, whether or not individual Unit Owner insurance is mandated by the Act. Should any Unit Owner fail to maintain such insurance, any claim will be reduced to the extent such Unit Owner's insurance, if obtained pursuant to the above-described standards, would have provided coverage or compensation for the loss and without waiving any other remedy of the Association regarding Unit Owner insurance requirements. The requirement that the individual Unit Owner obtain insurance shall not be construed to confer any additional liability or responsibility on the Association or other Unit Owners (without limitation, the Association shall not be obligated to obtain proof of Unit Owner insurance), but is intended to require Unit Owners and the Association to respectively insure risks that are customarily

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experienced in condominiums located in Florida's coastal communities, condominiums in general, including but not limited to damages occasioned by windstorms, hurricanes, tornadoes, floods, rainstorms, bursting pipes, water seepage and leakage, and mold and mildew, regardless of whether such insurance is legally required.

If one or more of the Units is not occupied at the time a damage incident is discovered (regardless of the cause), the Association may, but is not obligated to, enter the Unit(s) without prior notice to the Owner(s) and take reasonable action to mitigate damage or prevent its spread, including without limitation initiating "dry-out" procedures as agent for the Unit Owner, and at the Unit Owner's expense.

The Association may, but is not obligated to, repair the damage without the prior consent of the Owner in the event of an emergency, and the Owner shall be responsible for reimbursement of the Association, with the cost being secured by a Lien for Charges.

Unit Owners are also required to ensure that electricity, and if separately metered, water and sewer, are always available to service the Unit. If the Unit Owner fails to maintain Utility Services to the Unit, the Association shall have, without waiver of other remedies, the right to enter the Owner's Unit and take any and all lawful actions to make the Utility Services available to service the Unit; in which event, the Unit Owner shall be charged for such activities (including attorneys' fees incurred by the Association) by the Association which shall be secured by a Lien for Charges.

9.11 Combination of Units. Two contiguous Units may, subject to the prior written approval of the Board of Directors, be combined in to a single living space. The Board may disapprove such request, based upon its discretion, and upon a finding that the proposed combination of Units is not in the best interests of the Association. The Board, as a condition of approving the combination of Units, may require sealed plans from an Architect or Professional Engineer licensed to practice in Florida, certifying to the Association that the proposed work affiliated with the Unit combination complies with all applicable laws, codes, and ordinances. The Board may further require such Professional Engineer's or Architect's certification at the end of the work, certifying that said work has been performed in accordance with the plans and specifications, and in accordance with all applicable laws, codes, and ordinances. The Owner (and his successors in title) shall be required to indemnify and hold the Association and Unit Owners harmless for any claim of any nature arising from the combination of the Units. Should the Board, in its discretion, determine that the Association must retain independent professionals to review the request, including but not limited to engineers, architects, or attorneys, the Association may also condition approval of the requesting Unit Owner's agreement to reimburse the Association for said fees and expenses. Units which have been combined shall, after combination, be used only as a "single family" residence (including rental rights), and may not be used as two living quarters. Units which have been combined shall constitute two Units for purposes of sharing Common Expense, ownership of Common Elements, and voting rights. If Units which have been combined are sold, they shall be sold as a single living quarters, unless specifically approved by the Board to the contrary. If combined Units are to be reconfigured into two living spaces, the Board shall have the authority, using the same criteria listed above for combination of Units, to approve the reconfiguration. Without limitation, the Board shall have

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the authority to require plans from an Architect or Professional Engineer licensed to practice in Florida, certifying to the Association, that the reconfiguration of the Units into two living spaces is done in accordance with all applicable laws, codes, and ordinances and in accordance with the original configuration of the Units.

9.12 Hurricane Protection. The Board of Directors shall adopt hurricane shutter specifications for the Condominium which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code.

Unit Owners are responsible for the installation, operation, maintenance, repair and replacement of hurricane protection on windows and doors (including sliding glass doors) servicing the Unit. Notwithstanding any provision in this Declaration to the contrary, the Board may, subject to the provisions of the Act, and with the approval of voting interests as may be required by that statute, install and operate hurricane shutters and/or other forms of code compliant hurricane protection (including but not limited to code compliant impact glass, windows, and/or doors), except that a vote of the Owners is not required for such installations on or to building components where the maintenance, repair and replacement of such component is the responsibility of the Association pursuant to this Declaration, and hurricane protection of such components is the responsibility of the Association. The authority conferred by this Section shall apply whether or not such installations constitute a Material Alteration or Substantial Addition to the Common Elements. Costs of installation shall be assessed or charged, and credits given, as provided in the Act.

10. ASSESSMENTS AND CHARGES. Assessments against Owners shall be made by the Board of Directors of the Association, in the manner provided in the Bylaws and as follows, and shall be borne by the Unit Owners on the basis set forth in Article 6 and elsewhere in these Condominium Documents.

10.1 Liability for Assessments and Charges. A Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments and Charges coming due while he/she is the Unit Owner. Except as provided in Article 10.5, any person or entity which acquires title to a Unit shall be jointly and severally liable with their predecessor in title for all unpaid Assessments and Charges against the predecessor for his/her share of the Charges and Assessments, including interest, late fees, attorneys' fees and other costs and expenses of collection incurred by the Association up to the time of the transfer, without prejudice to any right the transferee may have to recover from the transferor the amounts paid by the transferee. The liability for Assessments or Charges may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments or Charges are made.

10.2 Default in Payment of Assessments for Common Expenses or Charges. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall incur a late fee and bear interest in an amount as determined by the Board of Directors which, unless otherwise specified, shall be the maximum allowed by law. The Board may accelerate unpaid Assessments in the manner prescribed by law. The Association has a lien on

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each Condominium Parcel for any unpaid Assessments on such parcel, with interest, late fees and for reasonable attorneys' fees, as well as costs and expenses of collection incurred by the Association incident to the collection of the Assessment or enforcement of the lien. If prohibited by the Act, no lien may be filed by the Association against a Condominium Unit until thirty (30) days after the date on which a notice of intent to file a lien has been delivered to the Owner, pursuant to the Act. The Association may also accelerate all Assessments or Charges which are accrued, but not yet due, in the manner provided by law. The Association's lien is in effect until all sums secured by it have been fully paid or until barred by law. A claim of lien shall be signed and acknowledged by an Officer or agent of the Association. Upon recording, the Association's claim of lien shall relate back to the date of the filing of the original Declaration of Condominium. Upon payment in full, the Condominium Parcel is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose a lien for Assessments or Charges in the manner that a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid Assessments or Charges without waiving any claim of lien.

10.3 Notice of Intention to Foreclose Lien. So long as required by law, no foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments or Charges. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments or Charges, including those which have been accelerated (if applicable) and those coming due after the claim of lien is recorded, are paid before the entry of a final judgment or foreclosure, the Association shall not recover attorneys' fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified mail, return receipt requested, addressed to the Unit Owner. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law. The notice requirements of this provision are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act.

10.4 First Mortgagee. The priority of the Association's lien and the obligation for payment of past due Assessments or other sums due in relation to first mortgagees who obtain title as a result of foreclosure or deed in lieu of foreclosure, shall be determined by the Act.

10.5 Certificate of Unpaid Assessments or Charges. Any Unit Owner has the right to require from the Association a certificate showing the amount of unpaid Assessments or Charges against him/her with respect to his/her Unit. The Association, its agents, and counsel shall be entitled to charge a fee for preparing such information, in amounts established by the Board, or in a management agreement between the Association and a Community Association Management Firm, or based on reasonable and customary fees charged by legal counsel.

10.6 Lien for Charges. Except as prohibited by law, there is created by this Declaration a common law and contractual lien to secure payment for any service which the Association provides for an individual Unit Owner or expenses which the Association incurs in regard to a Unit Owner and which are not otherwise secured by the statutory lien for Common Expenses. By way of example, but not limitation, a Lien for Charges exists to secure repayment

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to the Association when it must remove or reinstall Unit Owner alterations or items of Unit Owner insurance, maintenance, repair or replacement responsibility in connection with the Association's discharge of its Common Element maintenance responsibilities, or address emergency situations, such as water extraction from a Unit. The Lien for Charges shall be of equal priority to, shall accrue interest and late fees, and shall be foreclosed in the same manner as the Common Expense lien, including the right to recover attorneys' fees, costs and expenses of collection.

10.7 Liens and Encumbrances against Units. The Association shall have the right to satisfy any delinquent lien or other security interest against a Unit, excepting first mortgages, which are superior to the Association's lien, including without limitation unpaid ad valorem taxes. The Association shall have no obligation to satisfy such liens nor ascertain their existence. Prior to paying off a lien against a Unit, the Association shall give the Unit Owner reasonable notice and opportunity to remove the lien. Any such payments made by the Association will be secured by a Lien for Charges.

10.8 Other Remedies. The Board of Directors shall have the authority to impose such other remedies or sanctions permitted by the Act pertaining to non-payment of monetary obligations to the Association. Without limitation, same include suspension of use rights in Common Elements and Association Property; suspension of voting rights; suspension of the right to serve on the Board; and acceleration remainder of annual assessment.

11. ADMINISTRATION AND MANAGEMENT OF CONDOMINIUM. The administration and management of the Condominium shall be by the Association, which shall have by and through its Officers and Directors, such powers, authority and responsibilities as are vested in the Officers and Directors of a corporation not-for-profit under the laws of the State of Florida, including but not limited to those set forth more specifically elsewhere in the Condominium Documents. The Association shall have authority to enter into management and other agreements concerning the matters of common interest through its Officers. The management of the Association and election of the Members to the Board of Directors shall be as set forth in the Bylaws. Without limiting the foregoing, the Association shall have the following rights and powers:

11.1 Unit and Limited Common Element Access. The irrevocable right of access to each Unit and its appurtenant Limited Common Elements during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to this Declaration, or as necessary to prevent damage to the Common Elements or to any Unit or Units, or to determine compliance with the terms and provisions of this Declaration, the exhibits annexed hereto, and the Rules and Regulations adopted pursuant to such documents, as the same may be amended from time to time. A pass key must be provided by the Unit Owner to the Association for each Unit entry door, and as may be applicable air conditioning or utility room or closet, and storage unit. The Association may utilize a master key system. When a Unit Owner must maintain, repair or replace portions of the Condominium Property as provided herein, and which requires access to another Unit for said purpose, the Unit Owner shall have reasonable right of access which shall be administered through the Association. The Unit Owner upon whose behalf access has been

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obtained shall be obligated for the expense of repairing any damage to the Condominium Property, or other property of the Unit Owner or in the Unit.

11.2 Assessments and Charges. The power to make and collect regular and special Assessments and other Charges against Unit Owners and to lease, maintain, repair, and replace the Common Elements and Association Property.

11.3 Delegation. The power to enter into contracts with others, for valuable consideration, for maintenance and management of the Condominium Property and Association Property and in connection therewith, or to Officers, Committees, Management, or other agents, to delegate the powers and rights herein contained, including, without limitation, the making and collecting of Assessments and other Charges against Unit Owners, and perfecting liens for non-payment thereof.

11.4 Regulations. The power to adopt and amend Rules and Regulations regarding the operation of the Association and use, appearance, maintenance, transfer and administration of the Condominium Property and Association Property.

11.5 Acquisition or Transfer of Real or Personal Property; Leasing Common Elements and Association Property. The power to acquire real property and transfer real property owned by the Association or otherwise convey and mortgage real property for the use and benefit of its Members with the same approval of Unit Owners as needed to amend the Declaration. No Unit Owner approval shall be required to acquire, purchase, or mortgage a Unit in connection with foreclosure of a lien or deed in lieu of foreclosure, nor to dispose of such Unit. No Unit Owner approval shall be required in connection with the Association's right of first refusal set forth in Article 17 hereof, nor to dispose of such Unit. Leasing of Common Elements or Association Property may be approved by the Board of Directors, as well as the lease fees, use fees, and other fees permitted by the Act or the Condominium Documents. The Board of Directors shall have the authority to acquire personal property and to dispose of same, without need for membership approval.

11.6 Membership Agreements. The power to enter into agreements to acquire leaseholds, memberships, and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas, and other recreational facilities with the same approval of Unit Owners as needed to amend the Declaration.

11.7 Fees for Use of Common Elements; Other Fees and Deposits. The power to set fees, pursuant to the Act, the Board of Directors shall have the authority to set use fees for private use of Common Elements or Association Property, as well as the regulations and policies pertaining to such use. The Board of Directors may also establish other fees and deposits determined necessary by the Board. Without limitation, same include: clubhouse/meeting room deposits, use fees and/or clean-up fees; fees for the issuance of parking passes or decals; fees for architectural/engineer review of renovation/alteration plans; contractor damage deposits; and internet service, facsimile service and other services using Association equipment. Nothing in this Declaration shall be construed as obligating the Association to provide any of the aforementioned services.

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11.8 Lease of Association Property or Common Elements. The power to lease Association Property or Common Elements, as authorized by the Board of Directors, including, but not limited to, the lease of Building roof areas and other Common Elements for antennas or other telecommunications and similar equipment. No use fee may be charged against a Unit Owner for use of the Common Elements or Association Property except fees set by the Board pertaining to an Owner having exclusive use of the Common Elements or Association Property, or as agreed by the Association and the party leasing Association Property or Common Elements, pursuant to an oral or written Lease agreement, or fees authorized by this Declaration.

11.9 Limitation upon Liability of Association. Notwithstanding the duty to maintain, repair, replace, insure or reconstruct parts of the Condominium Property, the Association is not liable to Unit Owners or any other person for injury or damages of any nature, other than for the cost of maintenance and repair of items for which the Association is otherwise responsible, caused by the acts or omissions of any third party, caused by progressive, latent or unknown condition of the Condominium Property, nor for any claims for damages or expenses affiliated with the maintenance and repair of the Condominium Property, except incidental damage to Owner property as provided in Article 9.1.5 hereof. The Association shall have no liability in any case for loss of use or inability to inhabit the Condominium Property during work performed by, or at the direction of the Association, when the Board of Directors reasonably believes the property cannot be safely occupied during said period(s) of time. Without limiting the intended generality of the foregoing, the Association shall have no liability for loss of use, loss of rental income, alternative housing or subsistence expenses, or loss of value.

Notwithstanding anything contained herein or in the Condominium Documents or any other document governing or binding the Association, the Association shall not be liable or responsible for, or in any manner be a guarantor or insurer of, the health, safety or welfare of any Owner, Occupant, or user of any portion of the Condominium Property. Without limiting the generality of the foregoing:

11.9.1 It is the express intent of the Condominium Documents that the various provisions thereof which are enforceable by the Association, and which govern or regulate the use of the Condominium Property, have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Condominium Property and the value thereof; and

11.9.2 The Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Florida, Okaloosa County, and/or any other jurisdiction or for the prevention of tortious or criminal activities; and

11.9.3 Any provisions of the Condominium Documents setting forth the uses of Assessments which relate to health, safety and or welfare shall be interpreted and applied only as limitations on the uses of Assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if Assessment funds are chosen to be used for any such reason.

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Each Unit Owner and each other person having an interest in or lien upon, or making any use of, any portion of the Condominium Property shall be bound by this provision and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed in this provision.

As used in this section, "Association" shall include within its meaning all of the Association's Directors, Officers, Committee Members and other persons the Association may be required to indemnify, to the extent and limit of such indemnity, and without waiving, reducing or otherwise modifying coverage obligations or subrogation rights of any insurer.

11.10 Disclaimer, Waiver, and Release of Claims Regarding Mold and Mildew. Each Unit Owner acknowledges that the Condominium is located in a hot, humid climate, which is conducive to the growth of mold and/or mildew. The Board of Directors shall have the authority to adopt reasonable Rules and Regulations regarding maximum or minimum temperatures for Units and/or require that the air conditioning to the Units be set within certain temperature and/or humidity ranges and may require Owners to take such further actions as the Board deems advisable to control humidity and mold and/or mildew growth.

The Association shall not be responsible for the prevention of mold and/or mildew or any damages including, but not limited to, any special or consequential damages, property damages, personal injury, loss of income, emotional distress, death, loss of use, diminution or loss of value of the Unit, economic damages, and adverse health effects relating to, arising from or caused by mold and/or mildew accumulation regardless of the cause of said mold/or mildew. Prevention and remediation of mold is a Unit Owner responsibility.

11.11 Restraint upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his/her Unit.

12. INSURANCE. The insurance which shall be carried upon the Condominium Property, including the Units, Common Elements, and Association Property, shall be as follows:

12.1 Authority to Purchase Insurance. All insurance policies shall be purchased by the Association for the benefit of the Association and the Unit Owners and their mortgagees as their respective interests may appear.

12.2 Coverage.

12.2.1 Property Insurance. Except as otherwise provided herein, the Association shall obtain and maintain fire, wind, general property and extended coverage insurance with a responsible insurance company upon all of the Insurable Improvements of the entire Condominium, including Association Property, the Common Elements (including Limited Common Elements), the Units, and the personal property of the Association, for the replacement value thereof, including coverage for changes in building codes, unless the Board determines that

such coverage for changes in building codes is not reasonably available or commercially practicable, and less a commercially reasonable deductible as determined by the Board, provided the Board may exclude landscaping and exterior improvements not customarily insured by condominium associations in the locality, and foundation and excavation costs, in its discretion. The Association shall determine the replacement value of the Insurable Improvements through independent appraisal, at least every 36 months, so long as required by the Act. The Board shall establish deductibles, at a duly noticed meeting of the Board, and shall give notice of such meeting, and determine the deductibles, as required by the Act, so long as required by the Act. Notwithstanding the foregoing requirement, the Association, through its Board of Directors, will have fulfilled its duty to obtain insurance coverage if it obtains and maintains such insurance coverage as may be reasonably available from time to time given market and economic conditions, provided such coverage shall always meet the minimum level of adequate coverage required by the Act. The original policy of insurance shall be held by the Association, and mortgagees shall be furnished, upon request, mortgage endorsements covering their respective interests. The word "Building" or "Insurable Improvement" in every property insurance policy issued to protect a Condominium building does not include: personal property in the Unit or Limited Common Elements; Unit floor, wall, or ceiling coverings; Unit or balcony electrical fixtures; appliances; water heaters; water filters; built-in cabinets or countertops; window treatments, including curtains, drapes, blinds, hardware and similar window treatment components; and replacements of any of the foregoing, which are located within the boundaries of a Unit and serve only one Unit. The Unit Owners shall also be responsible to insure all alterations, modifications or additions made to the Unit, Limited Common Elements, or Common Elements by said Unit Owner, or his predecessor in interest or title.

12.2.2 Flood. The Association shall use its best efforts to obtain and maintain adequate flood insurance, for replacement value, less a commercially reasonable deductible as determined by the Board, and less foundation and excavation costs if determined by the Board. The Association will have discharged its responsibility to use its "best efforts" to obtain "adequate" flood insurance if it is able to purchase flood insurance up to the limits available through the National Flood Insurance Program (NFIP), or through any similar federally-sponsored or related program, or through private carriers with similar coverage, for premium rates that are generally commensurate with flood insurance premium rates for condominiums in the local area.

12.2.3 Liability Insurance. The Association shall obtain and maintain public liability insurance covering all of the Common Elements and Association Property and insuring the Association and the Unit Owners as their interest may appear in such amount as the Board of Directors may deem appropriate. The Board of Directors shall have authority to compromise and settle all claims against the Association or upon insurance policies held by the Association. The Unit Owners shall have no personal liability upon such claims, except as may be otherwise provided by law, and nothing herein contained shall in any way be construed as imposing upon the Association a duty to assess Unit Owners for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage.

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12.2.4 Fidelity Bond. The Association shall obtain and maintain insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks on behalf of the Association, and the President, Secretary, and Treasurer of the Association.

12.2.5 Worker's Compensation. Such worker's compensation coverage as may be required by law, or deemed advisable by the Board.

12.2.6 Other Insurance. Such other insurance as the Board of Directors may from time to time deem to be necessary, including but not limited to Errors and Omissions Officers and Directors Liability insurance coverage and insurance for the benefit of its employees.

12.3 Deductible and Other Insurance Features. The Board of Directors shall establish the amount of the deductible under the insurance policies, and other features (including but not limited to exclusions), as it deems desirable and financially expedient, in the exercise of its business judgment, and in the method provided by the Act. The deductible and other features shall be consistent with industry standards and prevailing practice for communities of similar size and age, and having similar construction and facilities in the locale where the Condominium Property is situated.

12.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

12.5 Insurance Shares or Proceeds. Insurance proceeds of policies purchased by the Association covering property losses shall be paid to the Association, and all policies and endorsements thereon shall be deposited with the Association. The duty of the Association shall be to receive such proceeds as are paid and to hold and disburse the same for the purposes stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares:

12.5.1 Common Elements; Proceeds On Account Of Damage To Common Elements. An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Expenses appurtenant to the Unit.

12.5.2 Unit; Proceeds On Account Of Damage To Units Shall Be Held In The Following Undivided Shares.

12.5.2.1 Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed in the manner elsewhere stated.

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12.5.2.2 Common Elements and Units. When both Common Elements and those portions of the Unit insured by the Association are damaged by a common occurrence, the proceeds of insurance shall be allocated between damage to Common Elements, Limited Common Elements, and Units as the Board of Directors shall determine. It shall be presumed that when there are insurance proceeds received on account of a common Casualty or covered cause of loss under the Association's applicable insurance policy, but insufficient proceeds for Casualty or covered cause of loss repair (including but not limited to shortfalls occasioned by the existence of a deductible), that such shortfalls shall first be applied to Common Elements damage, and then to damage to Units and Limited Common Elements, it being the intent of this provision that when there is a common Casualty loss or covered cause of loss under the Association's applicable insurance policy causing significant damage to the premises, the shortfalls occasioned by deductibles shall be first apportioned to all Unit Owners in proportion to their share of the Common Elements and not applied first to Unit damage.

12.5.3 Mortgages. In the event that a mortgage endorsement has been issued as to a Unit, the share of that Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds.

12.6 Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed in the following manner:

12.6.1 Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the Unit Owners, or, at the option of the Board, may be deposited in the Association's reserve fund.

12.6.2 Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed in accordance with the Plan of Termination approved pursuant to Article 19.

12.7 Association as Agent. The Association is irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon any Unit and for each Owner of any other interest in the Condominium Property or any property in which the Association owns an interest, to adjust all claims arising under insurance policies by the Association, and to execute and deliver releases upon the payment of such claim.

13. RECONSTRUCTION AFTER CASUALTY. If any part of the Condominium Property shall be damaged by Casualty or covered cause of loss under the Association's applicable insurance policy, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

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13.1 Common Elements. If the damaged improvement is any of the Common Elements, the damaged Common Elements shall be reconstructed or repaired, unless the Condominium is to be terminated as provided elsewhere herein.

13.2 The Building.

13.2.1 Lesser Damage. If the damage renders less than 50% of the Units in the Condominium uninhabitable, as determined by the Board of Directors or governmental agencies of jurisdiction, the damaged property shall be reconstructed or repaired.

13.2.2 Major Damage. If the damage renders more than 50% of the Units in the Condominium uninhabitable, as determined by the Board of Directors or governmental agencies of jurisdiction, the damaged property will be reconstructed or repaired, unless 75% of the entire Voting Interests in the Condominium agree in writing that such reconstruction or repair shall not take place. The decision whether or not to reconstruct or repair shall be made within one hundred eighty (180) days after the Casualty or covered cause of loss under the Association's applicable insurance policy, provided however that the Board of Directors shall have the authority to extend this period for decision-making, not to exceed three (3) years, to deal with exigencies in communication with Unit Owners caused by natural disasters or other significant casualties, or to deal with delays in obtaining information regarding reconstruction costs or insurance proceeds available for reconstruction.

13.2.3 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original Building, as set forth in the plans and specifications for the Building, or if not, then according to plans and specifications approved by the Board of Directors, regardless of whether it is a Material Alteration or Substantial Addition as described in Article 9.8, and no vote of the Unit Owners shall be required.

13.2.4 Definition of "Uninhabitable." For purposes of this Declaration, "uninhabitable" shall mean that the Board of Directors has concluded that the Condominium Property which the Association is required to insure cannot be restored to the condition (or a better condition) in which it existed prior to the Casualty or covered cause of loss under the Association's applicable insurance policy through available insurance proceeds, plus a special assessment against each Unit Owner not to exceed 10% of the average fair market value of the Units prior to the Casualty or covered cause of loss, as determined by the Board. This calculation shall not include costs affiliated with those items the Unit Owner is obligated to repair or replace, at the Unit Owner's expense. A governmental agency's declaration or order that the Condominium Property may not be occupied for a defined period of time due to safety concerns shall not conclusively establish that Units are uninhabitable, provided that the Units can be made safe for occupancy pursuant to the standards set forth above. In the event of a dispute as to whether or not Units are "habitable," a resolution enacted by the Board shall be binding on all parties, unless wholly arbitrary or contrary to law.

13.3 Responsibility. All reconstruction work after a Casualty or covered cause of loss under the Association's applicable insurance policy for damaged items that the Association

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insures shall be undertaken by the Association, except that a Unit Owner may undertake reconstruction work on portions of the Unit with the prior written consent of the Board. However, such work, and the disbursement of insurance proceeds, may be conditioned upon the approval of the repair methods, the qualifications of the proposed contractor, the contract that is used for that purpose, and reasonable verification of appropriate steps to ensure that the work is done and that the contractor is paid for the performance of said work. Unit Owners shall be responsible for reconstructing those items that the Unit Owners are required to insure. All required governmental permits and approvals must be obtained prior to commencing reconstruction. Assessments for the cost of the work shall be set forth in Article 13.5 below. If an Owner fails to repair and reconstruct those items that the Unit Owner is responsible for under this Declaration, the Association shall have, without waiver of other remedies, the right to proceed in accordance with Article 9.9, in which event the Unit Owner shall be charged for the costs of such activities (including attorneys' fees incurred by the Association) by the Association which shall be secured by such rights as exist for collecting Common Expenses under these Condominium Documents i.e., a Lien for Charges.

13.4 Estimates of Costs. After a determination is made to rebuild or repair damage to property for which the Association or Unit Owner has the responsibility of reconstruction and repair, the Association or Unit Owner shall obtain promptly reliable and detailed estimates of the cost to rebuild or repair.

13.5 Assessments. The cost of reconstruction after Casualty for those portions of the Condominium Property required to be insured by the Association shall be considered a Common Expense, pursuant to Section 718.111(11)(j) of the Act. However, any cost of repair, reconstruction or replacement of portions of the Condominium Property that is not caused by a Casualty or covered cause of loss under the Association's applicable insurance policy, as determined by the Board of Directors, shall be repaired, and said costs allocated pursuant to the general maintenance, repair, and replacement provisions of this Declaration.

13.6 Damage Caused By Wear and Tear of the Condominium Property. Damage to the Condominium Property that is not caused by a Casualty, as defined in Article 1.9 or covered cause of loss under the Association's applicable insurance policy, shall be repaired or replaced in accordance with the provisions of Article 9 and shall not be subject to this Article 13.

13.7 Termination of Condominium if Not Reconstructed. If the Owners vote not to reconstruct the Condominium by vote described in Article 13.2.2 hereof, the Condominium shall be terminated in accordance with the procedures set forth in Article 19 hereof.

13.8 Additional Board Authority. In addition to Board authority granted by law and the Condominium Documents, the Board shall have the following power and authority in connection with emergency conditions:

13.8.1 To determine after a Casualty whether the Units can be safely occupied, which decision shall not be conclusive as to the determination of habitability in Article 13.2. Such decision shall be based upon the advice of emergency management officials or a licensed professional.

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13.8.2 To declare any portion of the Condominium Property or Association Property unavailable for occupancy by Owners, Family members, or Guests after a Casualty, including during the rebuilding process. Such decision by the Board shall be based upon the advice of emergency management officials or a licensed professional (such as an engineer) and can be made only if necessary to protect the health, safety, or welfare of the Association, Owners, Family members, or Guests.

13.8.3 To mitigate damage and take action to prevent the spread of fungus (including but not limited to mold and mildew) by tearing out wet drywall and carpet (even if the Unit Owner is obligated to insure and/or replace those items) and to remove personal property from the Unit and dispose of damaged property or store such property onsite or at an offsite location, with Owners responsible for reimbursing the Association for items for which the Owner is responsible but which may be necessary to prevent further damage. The Association shall bear no liability for such actions, if taken in good faith.

13.8.4 To contract on behalf of Unit Owners, with said Owners responsible to reimburse the Association, for items for which the Owner is responsible but which may be necessary to prevent further damage. Without limitation, this includes debris removal, dry-out of Units and replacement of damaged air conditioners when necessary to provide climate control in the Units. The Unit Owner shall be responsible to reimburse the Association within ten (10) days of the Association's invoice. The Association's right to payment shall be secured by a Common Expense Lien as provided in the Act and actions to collect such sums shall entitle the Association to recover interest, late fees, attorneys' fees, and other costs and expenses of collection.

13.8.5 To implement a disaster plan prior to, during or after an impending disaster including, but not limited to, shutting down elevators, electricity, security systems, and air conditioners.

13.8.6 To adopt, by Board action, emergency assessments with such notice deemed practicable by the Board.

13.8.7 To adopt emergency Rules and Regulations governing the use and occupancy of the Units, Common Elements, Limited Common Elements, and Association property, with notice given only to those Directors with whom it is practicable to communicate.

13.8.8 To enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.

13.8.9 To exercise all emergency powers set forth in the Act.

14. OWNERSHIP AND USE RESTRICTIONS. Ownership and use of Condominium Property shall be in accordance with the following use restrictions and reservations:

14.1 Occupancy of Units; Single Family Residence. A Condominium Unit shall be used only as a Single Family residence. As used in the Condominium Documents, "Single Family" means one natural person, a group of two or more natural persons who customarily

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reside together as a Single Family housekeeping Unit, each of whom is related to each of the others by blood, marriage (or domestic partnership) or adoption, or not more than two persons not so related, who customarily reside together as a single housekeeping Unit. Visitation by Guests is further governed by Article 15 of this Declaration. Occupancy by Tenants is further governed, and prohibited, by Article 16 of this Declaration. Units may not be used for commercial or business purposes. Unit Owners and Occupants may use Units for "home office" or "telecommuting" purposes, provided that such uses do not involve customers or clients coming onto the Condominium Property, the posting of any signage in the Condominium, the storage of equipment, products, or materials in the Condominium, nor more than two regular deliveries per day of correspondence or similar items from customary express delivery services.

14.2 Nuisance. The Condominium Property shall not be used for any immoral, improper or unlawful purpose and no use or behavior shall be allowed which will create a public or private nuisance, nor which shall unreasonably interfere with the quiet possession or enjoyment of the Condominium Property, nor which becomes a source of annoyance to the Condominium Residents, or which will increase insurance rates. All property shall be kept in a neat and orderly manner. The Common Elements shall be used for the purpose of furnishing services and facilities as herein provided for the welfare and enjoyment of such Residents. The Condominium Property shall be used in accordance with all federal, state, and local laws and ordinances.

14.3 Pet Restriction. A maximum of two (2) domesticated household pets, consisting of dogs and cats only, may be kept in each Unit by a Unit Owner or lineal relative thereof, provided said pets: (i) are not kept, bred, or maintained for any commercial purpose; (ii) do not become a nuisance or annoyance to neighbors; (iii) are not left unattended on balconies or patios; and (iv) are carried, or walked on a leash not more than six (6) feet in length, at all times when on the Common Elements and/or Association Property. Each pet must be licensed and inoculated in accordance with local laws and rules. Each pet must be registered upon arrival at the Condominium. The registration of the pet must include a picture of the pet, a description of the pet, including the type of animal, color, name, and age. The Board of Directors may establish an annual registration fee that will be adequate to defray the cost of implementing and maintaining the requirements of registration and enforcement of the pet policy. The Board of Directors may deny any registration application, and preclude any pet, which has a history of viciousness or fails to otherwise meet the criteria set forth in this Declaration or the registration application adopted by the Board of Directors. No one other than a Unit Owner or lineal relative thereof is permitted to keep pets at the Condominium. The ability to keep said pets is a license and not a right and shall be subject to reasonable rules promulgated by the Board of Directors, including without limitation, rules regarding the size, weight, height and permissible breeds of said pets. Neither the Association, nor its Board of Directors shall be liable for any personal injury, death or property damage resulting from a violation of this section or the rules promulgated by the Board of Directors. Any Occupant of a Unit committing such violation shall fully indemnify and hold harmless the Board of Directors each Unit Owner and the Association in such regard. Unit Owners must pick up all solid wastes of their pets and dispose of such waste appropriately. All pets, including cats, must be leashed at all times when outside the Unit on a leash not more than six (6) feet in length. Pets may not be kept in a Common Element or in a Limited Common

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Element, nor be walked through or kept in public areas of the Condominium Property other than while being walked while on a leash. Except as provided herein, no other animals, livestock, poultry, reptiles, wildlife or other exotic pets shall be kept in or on the Condominium Property. Violation of the provisions of this section shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to require through order of the Board any pet to be permanently removed from the Condominium Property.

14.4 Additional Restrictions. Additional use, transfer and other restrictions are contained in the Rules and Regulations, which may be amended from time to time by the Board of Directors. Amendments to the Rules and Regulations may, but need not be, recorded in the Public Records. Additional use, transfer and other restrictions are also contained elsewhere in the Condominium Documents.

15. GUEST OCCUPANCY. There are various types of Guest uses, which are regulated as follows:

15.1 Non-Overnight Visitation by Guests When Unit Owner is in Residence. Unit Owners (and their respective Families) are permitted to have non-overnight Guests, provided that same does not create a nuisance or annoyance to other Condominium Residents, nor prevent their peaceful enjoyment of the premises. The Association may restrict or prohibit Guest visitation by persons who have committed nuisances upon the Condominium Property or otherwise violated the Condominium Documents in the past, and persons who have been convicted of or pled no contest to a felony, including but not limited to registered sex offenders and persons who have been convicted of or pled no contest to narcotic offenses. Non-overnight Guests need not be registered with the Association, but may be subject to access control protocols or procedures used generally, if any. Non-overnight Guests shall be entitled to use the Association facilities only when accompanied by the Unit Owner, unless otherwise approved by the Board of Directors. The Board may establish additional restrictions on non-overnight Guest usage of Condominium facilities, including but not limited to the maximum numbers of Guests who may use common facilities.

15.2 Overnight Guests When Unit Owner is in Residence. Unit Owners (and their respective Families) may have overnight Guests, so long as the Unit Owner is in simultaneous residence in that Unit. There is no requirement for registration of overnight Guests with the Association when the Unit Owner is simultaneously occupying the Unit, but may be subject to access control protocols or procedures used generally, if any. The Association may restrict or prohibit Guest visitation by persons who have committed nuisances upon the Condominium Property or otherwise violated the Condominium Documents in the past, and persons who have been convicted of or pled no contest to a felony, including but not limited to registered sex offenders and persons who have been convicted of or pled no contest to narcotic offenses.

15.3 Non-Overnight Guests in the Absence of the Unit Owner. Unit Owners and are not permitted to have non-overnight Guests when the Unit Owner is absent from the Condominium. Unit Owners may have Units inspected by caretakers, friends or relatives. However, such individuals shall not be permitted to use Condominium facilities, such as recreational facilities (including but not limited to the pool, parking areas, and beach access).

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15.4 Overnight Guests in the Absence of the Unit Owner. Unit Owners are permitted to have overnight Guests in the absence of the Unit Owner subject to the following conditions, and such other Rules and Regulations as may be deemed necessary by the Board to effectuate the residential, non-transient nature of this Condominium. The Association may restrict or prohibit Guest visitation by persons who have committed nuisances upon the Condominium Property or otherwise violated the Condominium Documents in the past, and persons who have been convicted of or pled no contest to a felony, including but not limited to registered sex offenders and persons who have been convicted of or pled no contest to narcotic offenses.

15.4.1 Non-Related Overnight Guests in the absence of the Unit Owner will be limited to fourteen (14) days per calendar year (cumulative as to all Guests and all occupancies by non-related Guests in the absence of the Owner). All such Guests must have at least one (1) individual staying within the Unit who is at least twenty-five (25) years of age.

15.4.2 Related Overnight Guests may occupy a Unit in the absence of the Unit Owner. For the purpose of this provision, "related" means at least one adult who is occupying the Unit on an overnight basis, in the absence of the Unit Owner, is related to the Unit Owner or Primary Occupant (by blood, marriage, domestic partnership or adoption) to the following degree: parent, grandparent, child, grandchild, or sibling. All such Guests must have at least one (1) individual staying within the Unit who is at least twenty-five (25) years of age.

15.5 Additional Board Authority. The Board may promulgate such rules, policies, and procedures as are necessary to implement this Article. The Board may, at a duly-noticed meeting, temporarily suspend or permanently ban a Guest from entering the Condominium Property if the Board finds that such person has engaged in a serious violation of the Condominium Documents or applicable law upon the Condominium Property, or has engaged in systematic violations of the Condominium Documents or applicable law upon the Condominium Property. Prior to the imposition of such suspension or ban, the Owner of a Unit shall be given at least fourteen (14) days' notice of an opportunity before a hearing before the Board of Directors to show cause why the suspension or ban should not be imposed. The decision of the Board shall be final and shall not be subject to any requirement for a hearing before any type of Committee. In the event that Unit Owners are suspected of circumventing rental restrictions by receiving consideration for occupancies which are held out as guest occupancies, the Association may require proposed Guest Occupants to submit proof of familial relationship, an affidavit as to absence of payment for the right to occupy the premises, or other proof that the leasing provisions of Article 16 are not being violated.

16. LEASING.

16.1 Rental / Lease Prohibition. No Unit in the Condominium shall be Leased for any term.

17. APPROVAL OF SALES AND TITLE TRANSFERS. In order to maintain a community of congenial Unit Owners who are financially responsible, and thus protect the value of the Units, the use and transfer of Units by any Owner shall be subject to the following

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provisions as long as the Condominium exists upon the land, which provisions each Unit Owner covenants to observe:

17.1 Forms of Ownership.

17.1.1 Ownership by Individuals. A Unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.

17.1.2 Co-Ownership. Co-ownership of Units may be permitted. If the co-owners are other than spouses or Domestic Partners, the Board shall condition its approval upon the designation of one approved natural person as "Primary Occupant." Two persons may, in the discretion of the Board and upon request, be each designated as "Primary Occupants" so long as such persons are spouses or Domestic Partners. The intent of this provision is to allow flexibility in estate, financial, or tax planning, and not to create circumstances in which the Unit may be used as a short-term or transient accommodations for several entities, individuals or families as a timeshare, a shared Unit, fractional ownership, or used as Guest accommodations for employees, customers, or Guests of Units owned by business entities, religious, or charitable organizations, and the like. The use of the Unit by other persons shall be as if the Primary Occupant was the only actual Owner. Any changes in the Primary Occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of the Condominium Documents. No more than one change in Primary Occupant will be approved in any twelve (12) month period. Any new Primary Occupant shall be subject to review and approval by the Association in the same manner as a transfer of title. No time share estates may be created. "Unit Sharing" by multiple families and "Fractional Ownership" are prohibited.

17.1.3 Ownership by Corporations, Partnerships, Limited Liability Companies, Trusts, or Other Artificial Entities. A Unit may be owned in trust, or by a corporation, partnership, limited liability company, or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial, or tax planning, and not to create circumstances in which the Unit may be used as a short-term or transient accommodations for several entities, individuals or families as a timeshare, a shared Unit, fractional ownership, or used as Guest accommodations for employees, customers, or Guests of Units owned by business entities, religious, or charitable organizations, and the like. The approval of a partnership, trustee, corporation, limited liability company, or other entity as a Unit Owner shall be conditioned upon designation by the Owner of one natural person to be the "Primary Occupant." As a condition of approval of a transfer to such entity, the Board may require a personal guarantee from the Primary Occupant or other person acceptable to the Board for payment of all Assessments, Charges, and other monetary obligations (including but not limited to use fees and fines) and for the liabilities affiliated with compliance with the Condominium Documents, including but not limited to damages and awards of prevailing party attorneys' fees. The use of the Unit by other persons shall be as if the Primary Occupant were the only actual Unit Owner. The Primary Occupant shall be the person entitled to vote on behalf of the Unit, exercise rights of membership, and discharge the responsibilities incident thereto. Any change in this Primary Occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of the Condominium Documents. No more than one change in designation of Primary Occupant will be approved in any twelve (12) month period.

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Any new Primary Occupant shall be subject to review and approval by the Association in the same manner as a transfer of title.

17.1.4 Life Estate. A Unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved as provided below. In that event, the life tenant shall be the only Member from such Unit, and occupancy of the Unit shall be as if the life tenant were the only Owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy right unless separately approved by the Association. The life tenant shall be liable for all Assessments and Charges against the Unit. Any vote, consent or approval required by the Condominium Documents or law may be given by the life tenant alone, and the vote, consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights.

17.2 Transfers Subject to Approval.

17.2.1 Sale or Other Transfer. No Unit Owner may dispose of a Unit or any interest in same by sale or other title transfer without prior written approval of the Board of Directors. No Unit Owner may dispose of a Unit or any interest therein by other means (including agreement for deed, installment sales contract, lease-option, or other similar transactions) without prior written approval by the Board of Directors. Review and approval of transfer applications may be delegated to an Officer, a Committee or an agent, provided that approval of a transfer shall not be denied, unless approved by a majority of the Board.

17.2.2 Gift. If any Unit Owner is to acquire his title by gift, his ownership of his Unit shall be subject to the prior approval of the Board of Directors. Notice must be given at least thirty (30) days prior to the intended closing or title transfer date.

17.2.3 Devise or Inheritance. If any person shall acquire his title by devise, inheritance or through other succession laws, the continuance of his ownership of his Unit shall be subject to the approval of the Board of Directors.

17.2.4 Other Transfers. If any Unit Owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of such Unit shall be subject to the approval of the Board of Directors. If any person acquires title in any manner not considered in the foregoing subsections, that person shall have no right to occupy or use the Unit before being approved by the Board of Directors under the procedures outlined below.

17.3 Approval by Association. The approval of the Association that is required for the transfer of ownership of Units shall be obtained in the following manner:

17.3.1 Notice to Board of Directors.

17.3.1.1 Sale or Other Transfer. A Unit Owner intending to make a bona fide sale or other title transfer of his Unit or any interest in it, including gifts, transfers to artificial entities, and the grant of partial estates, shall give to the Board of Directors notice of

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such intention, together with the name and address of the intended grantee, an executed copy of the purchase contract and its exhibits, or other documentation evidencing the transfer and such other information concerning the intended grantee and the transaction as the Board of Directors may reasonably require. The Board may require, without limitation, credit history, a criminal background investigation, past residency or employment verification, personal references, and a personal interview with the purchaser(s) and all proposed Unit Occupants.

17.3.1.2 Devise or Inheritance. A Unit Owner who has obtained his title by devise or inheritance, or operation of succession laws, shall give to the Board of Directors notice of the acquiring of his title, together with such information concerning the Unit Owner as the Board of Directors may reasonably require (including that set forth in Article 17.3.1.1 hereof), and a certified copy of the instrument evidencing the Owner's title.

17.3.1.3 Failure to Give Notice. If the above required notice to the Board of Directors is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Unit, the Board of Directors at its election and without notice may approve or disapprove the transaction or ownership. If the Board of Directors disapproves the transaction or ownership, the Board of Directors shall proceed as if it had received the required notice on the date of such disapproval.

17.3.2 Approval by Association.

17.3.2.1 Sale or Other Title Transfer. If the proposed transaction is a sale or other prospective title transfer, then within thirty (30) days after receipt of such notice and information, including a personal interview if requested by Board of Directors, the Board of Directors must either approve or disapprove the proposed transaction.

17.3.2.2 Devise or Inheritance. If the Unit Owner giving notice has acquired his title by devise, inheritance, or through succession law, then within thirty (30) days after receipt of such notice and information, including a personal interview if requested by the Board of Directors, the Board of Directors must either approve or disapprove the continuance of the Unit Owner's ownership of his Unit.

17.3.2.3 Approval of Occupant. If the grantee is a corporation, partnership, trust, limited liability company, other entity, or more than one individual who are not spouses or Domestic Partners, the approval of ownership by the corporation, partnership, trust, other entity, or multiple persons shall be conditioned upon approval of a Primary Occupant.

17.4 Disapproval by Board of Directors. If the Board of Directors shall disapprove a transfer or continuance of ownership of a Unit, the matter shall be disposed of in the following manner:

17.4.1 Sale or Other Arms-Length Transaction to Bona Fide Third Party. If the proposed transaction is a sale or other arms-length transfer to a bona fide third party purchaser, and has been disapproved without good cause, then within thirty (30) days after receipt of such notice and information, the Association shall deliver or mail by certified mail to

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the Unit Owner an agreement to purchase the Unit concerned by a purchaser approved by the Board of Directors, or the Association itself, who will purchase and to whom the Unit Owner must sell the Unit upon the following terms:

17.4.1.1 At the option of the Association to be stated in the agreement, the price to be paid shall be that stated in the disapproved contract to sell or shall be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers, one of whom shall be appointed by the Unit Owner and the other of whom shall be appointed by the Association, who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be shared by the parties.

17.4.1.2 The purchase price shall be paid in cash. The sale shall be closed within thirty (30) days after the delivery or mailing of the agreement to purchase, or within ten (10) days after the determination of the sale price if such is by arbitration, whichever is the later. If the Association shall fail to itself purchase the Unit, or provide a purchaser, or if a purchaser furnished by the Association or the Association shall default in his/their agreement to purchase, then notwithstanding the disapproval, the proposed transaction shall be deemed to have been approved, and the Association shall furnish a certificate of approval.

17.4.2 Gifts; Devise; Inheritance; Familial Transfers. If the Unit Owner giving notice has acquired or will acquire his title by gift, devise, inheritance, or succession laws or in any other manner, and if the Board wishes to disapprove the transfer or continuance of ownership without good cause, then within thirty (30) days after receipt from the Unit Owner of the notice and information required to be furnished, the Association shall deliver or mail by certified mail to the Unit Owner an agreement to purchase the Unit concerned by a purchaser approved by the Board of Directors (including the Association itself) who will purchase and to whom the Unit Owner must sell the Unit upon the following terms:

17.4.2.1 The sale price shall be the fair market value determined by agreement between the grantor and grantee within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, or where transfers are made for less than bona fide value, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers, one of whom shall be appointed by the Association and the other of whom shall be appointed by the Unit Owner, who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be shared by the parties.

17.4.2.2 The purchase price shall be paid in cash. The sale shall be closed within ten (10) days following the determination of the sale price. If the Association shall fail to purchase the Unit or provide a purchaser, or if the Association or a purchaser furnished by the Association shall default in his/their agreement to purchase, then notwithstanding the

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disapproval, such transfer ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided.

17.4.3 Disapproval for Good Cause. Disapproval of title transfers or the continuation of ownership pursuant to this Article 17 shall be made by the Board of Directors if it is determined that the potential Unit Owner does not facially qualify for membership in the Association, or if the proposed transaction will result in a violation of the Condominium Documents. Only the following may be deemed to constitute good cause for disapproval on the grounds that the proposed purchaser does not facially qualify for membership in the Association or the proposed transaction will result in a violation of the Condominium Documents:

17.4.3.1 The application for approval on its face, or subsequent investigation thereof, indicates that the person seeking approval (which shall hereinafter include all proposed Occupants or Residents) intends to conduct himself in a manner inconsistent with the Condominium Documents;

17.4.3.2 The person seeking approval has been convicted of, pled no contest to, or has been released from incarceration, probation or community control for:

(a) a capital, first or second degree felony involving violence to persons within the past ten (10) years; or

(b) a first or second degree felony involving illegal drugs within the past ten (10) years; or

(c) any drug offense involving the manufacture and/or distribution of illegal drugs regardless of when that conviction, plea or release occurred; or

(d) a felony involving sexual battery, sexual abuse, or lewd and lascivious behavior regardless of when that conviction, plea or release occurred;

17.4.3.3 The person seeking approval has been labeled a sexual offender or a sexual predator by any governmental or quasi-governmental agency regardless of when that label occurred;

17.4.3.4 The person seeking approval is currently on probation or community control for a felony involving violence to another or damage to or theft of property;

17.4.3.5 The person seeking approval has a record of financial irresponsibility, including without limitation prior foreclosures or bad debts such that the Board reasonably concludes that the applicant is unable to meet his financial obligations to the Association;

17.4.3.6 The person seeking approval failed to provide the information, fees or appearance required to process the application in a timely manner, or has made material misstatements or withheld material/information during the application process; or

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17.4.3.7 All Assessments and other Charges against the Unit have not been paid in full, unless the Association has reasonable assurances that said amounts will be paid out of the closing proceeds.

If the Board disapproves a transfer for good cause, the Association shall have no duty to purchase the Unit or furnish an alternate purchaser, and the transaction shall not be made, or if made, shall be rescinded in the manner determined by the Board.

17.5 Transfer Fee. The Association may charge a processing fee for the approval of transfers of title. The fee may not exceed the maximum permitted by law per transaction. The Association or its authorized agent may also charge a reasonable fee for the preparation of a certificate, commonly known as an estoppel certificate, stating all assessments and other monies owed to the Association by the Unit Owner with respect to the Condominium Parcel. The fee for the preparation of such certificate shall be established by a written resolution of the Board or provided for in a management, bookkeeping, or maintenance contract.

17.6 Exceptions. The foregoing provisions of this section entitled "Approval of Sales and Title Transfers" shall not apply to a transfer to or purchase by a bank, life insurance company, savings and loan association, or other bona fide mortgagee that acquires its title as the result of owning a purchase money first mortgage upon the Unit concerned; this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. Further exempt shall be purchasers at tax deed sales, judicial sales, and governmental levies. However, a transferee from a first mortgagee or other exempt acquirer of title shall be required to be approved by the Association as a condition of ownership and holding title to a Unit.

17.7 Unauthorized Transactions. Any sale, lease, mortgage or other transfer of ownership or possession not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

18. METHOD OF AMENDMENT OF DECLARATION. Except as elsewhere provided otherwise, this Declaration may be amended in the following manner:

18.1 Proposal of Amendments. An amendment may be proposed by the President of the Association, the Directors, or by twenty-five percent (25%) of the entire Voting Interests.

18.2 Proposed Amendment Format. Proposals to amend the existing Declaration of Condominium shall contain the full text of the article to be amended. New words shall be underlined and words to be deleted shall be ~~lined through~~ with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF DECLARATION OF CONDOMINIUM. SEE ARTICLE NUMBER FOR PRESENT TEXT."

18.3 Notice. The subject matter of proposed amendments shall be included in the notice of any meeting at which a proposed amendment is to be considered or in connection with documentation for action without a meeting.

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18.4 Adoption of Amendments. A resolution for the adoption of a proposed amendment may be adopted by a vote of two-thirds (2/3rds) of the Voting Interests of the Association present (in person or by proxy) and voting at a duly noticed meeting at which a quorum has been attained, or by the written agreement of two-thirds (2/3rds) of the entire Voting Interests. Amendments correcting errors, omissions, scrivener's errors, violations of applicable law, or conflicts between the Condominium Documents, may be executed by the Officers of the Association, upon Board approval, without need for Association membership vote.

18.5 Effective Date. An amendment when adopted shall become effective after being recorded in the Public Records of Okaloosa County, Florida, according to law.

18.6 Automatic Amendment. Whenever the Act, Chapter 617, Florida Statutes, or other applicable statutes or administrative regulations, as amended from time to time, are amended to impose procedural requirements less stringent than set forth in this Declaration, the Board may operate the Association pursuant to the less stringent requirements without the need to change this Declaration. The Board of Directors, without a vote of the Owners, may also adopt by majority vote, amendments to this Declaration as the Board deems necessary to comply with such operational changes as may be enacted by future amendments to Chapters 607, 617, and the Act, or such other statutes or administrative regulations as required for the operation of the Association, all as amended from time to time.

18.7 Proviso. No amendment shall change the configuration of any Unit or the share in the Common Elements appurtenant to it, or increase the Owner's proportionate share of the Common Expenses, unless the record Owner of the Unit concerned and all record Owners of the mortgages on such Unit shall join in the execution of the amendment, and all other Unit Owners approve the amendment.

19. TERMINATION. The Condominium may be terminated under any one of the following alternatives:

19.1 Termination Because of Economic Waste or Impossibility. Notwithstanding anything to the contrary in this Declaration, the condominium form of ownership may be terminated by a plan of termination approved by the percentage of Voting Interests necessary to amend the Declaration when:

- the total estimated cost of repairs necessary to restore the improvements to their former condition or bring them into compliance with applicable laws or regulations exceeds the combined fair market value of all Units in the Condominium after completion of the repair; or
- it becomes impossible to operate or reconstruct the Condominium in its prior physical configuration because of land use laws or regulations.

It is the intent of this provision to incorporate Section 718.117(2) of the Act.

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19.2 Optional Termination. Except as provided in Article 19.1.1, the condominium form of ownership may be terminated pursuant to a plan of termination approved by at least eighty percent (80%) of the total Voting Interests of the Condominium if not more than five percent (5%) of the total Voting Interests of the Condominium have rejected the plan of termination by negative vote or by providing written objections thereto. It is the intent of this provision to incorporate the provisions of Section 718.117(3) of the Act.

19.3 Very Substantial Damage. If the Condominium suffers major damage as defined in Article 13, which shall mean that more than one-half the Units in the Condominium are rendered uninhabitable as determined in the sole discretion of the Board of Directors, the Condominium may be terminated if seventy-five percent (75%) of the total Voting Interests in the Condominium vote to approve a plan of termination.

19.4 Mortgage Lienholders. Notwithstanding any provision to the contrary in this Declaration or the Act, approval of a plan of termination by the holder of a recorded mortgage lien affecting a Condominium Parcel is not required unless the plan of termination would result in less than the full satisfaction of the mortgage lien affecting the Condominium Parcel. If such approval is required and not given, a holder of a recorded mortgage lien who objects to a plan of termination may contest the plan as provided in Section 718.117(16) of the Act.

19.5 Procedures for Termination and Sale. The termination of the Condominium via either of the methods set forth herein shall be as set forth in Section 718.117(4) – (20) of the Act.

19.6 Amendment. This Article 19 may be amended in the same manner in which this Declaration may be amended generally, as set forth in Article 18.

20. CONDEMNATION.

20.1 Awards. The taking of all or any part of the Condominium Property by condemnation or eminent domain shall be deemed to be a Casualty to the portion taken, and the awards for that taking shall be deemed to be proceeds from insurance on account of the Casualty. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Association, and if any fail to do so, a special assessment shall be made against a defaulting Unit Owner in the amount of this award, or the amount of the award shall be set off against any sums payable to that Owner.

20.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be decided in the same manner as repair after Casualty as set forth in Article 13 hereof.

20.3 Distribution of Funds. If the Condominium is terminated after condemnation, the proceeds of all awards and special assessments will be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a Casualty. If the Condominium is not terminated after condemnation, the size of the Condominium may be reduced. The Owners of condemned Units, if any, will share in awards and special assessments as provided below.

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20.4 Association as Agent. The Association is hereby irrevocably appointed as each Unit Owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purpose of realizing just compensation for the taking.

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

20.5.1 Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit.

20.5.2 Distribution of Surplus. The balance of the award, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and mortgagee(s).

20.5.3 Adjustment of Shares in Common Elements. If the floor area of a Unit is reduced by the taking, the number representing the share in the Common Elements appurtenant to the Unit shall be reduced in the proportion by which the floor area of the Unit is reduced by the taking, and then the shares of all Unit Owners in the Common Elements shall be restated as percentages of the total of the numbers representing their original shares as reduced by the taking.

20.6 Units Not Habitable. If the taking of any entire Unit or so reduces the size of the Unit that it cannot be made habitable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

20.6.1 Payment of Award. The condemnation award immediately prior to the taking shall be paid to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and mortgagee(s).

20.6.2 Addition to Common Elements. If possible and practical, the remaining portion of the Unit shall become a part of the Common Elements and shall be placed in condition for use by all Unit Owners in the manner approved by the Board of Directors.

20.6.3 Assessments. If the amount of the award for the taking is not sufficient to pay the fair market value of the condemned Unit to the Unit Owner and to recondition the remaining portion of the Unit, the amount required for those purposes shall be raised by special assessment against all of the Unit Owners who will continue as Owners of any Unit after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the shares of those Owners in the Common Expenses after the changes effected by the taking.

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20.7 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors. The balance of such awards, if any, may be returned to the Unit Owners or used by the Association as the Board may determine.

20.8 Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements that are necessitated by condemnation, shall be evidenced by an amendment of the Declaration of Condominium that need be approved only by a majority of all Directors of the Board.

21. COMPLIANCE AND DEFAULT.

21.1 Duty to Comply; Right to Sue. Each Unit Owner, his Family, Guests, Invitees and all Unit Occupants and the Association shall be governed by and shall comply with the provisions of the Condominium Act and the Condominium Documents. Actions for damages or for injunctive relief, or both, or for failure to comply may be brought by the Association or by a Unit Owner against:

21.1.1 The Association. The Association may, but shall not be required to, seek enforcement of the Condominium Documents. Without limiting the intended generality of the foregoing sentence, the Board shall have the discretion, without further liability to the Association, to decline to take action in cases as to which legal counsel has advised of a reasonable probability of failure on the merits, or in situations which involve disputes, complaints, or allegations of violation of the Condominium Documents involving the interest of the Owners of two different Units, including but not limited to noise complaints, nuisance allegations, and the like;

21.1.2 A Unit Owner; or

21.1.3 Anyone who occupies a Unit as a Unit Owner, Family member, Occupant or Guest. Unit Owners shall be jointly and severally liable for violations of the Condominium Documents by their Family members, Guests, Invitees and Unit Occupants.

21.2 Attorneys' Fees. In any legal proceeding arising out of an alleged failure of a Unit Owner, Family member, Guest, Invitee, Occupant or the Association to comply with the requirements of the Condominium Act or the Condominium Documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs and expenses of the proceeding and a reasonable attorneys' fee before trial, at trial and on appeal.

21.3 No Election of Remedies; Remedies Cumulative. All rights, remedies and privileges granted to the Association or Unit Owners under any terms, provisions, covenants, or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising such other additional rights, remedies, or privileges as may be granted by the Condominium Documents, or at law or in equity. It shall not be presumed that money damages shall be an adequate remedy for violations of the Condominium Documents. It

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is the intent of this Declaration that even where remedies such as self-help may be provided in the Condominium Documents, the Unit Owners and Association stipulate that injunctive or declaratory proceedings may also be pursued, if deemed appropriate to address a violation of the Condominium Documents.

21.4 Waiver of Application of Condominium Documents. The Association shall have the right to waive the application of one or more of the covenants or restrictions of the Condominium Documents, or to permit a deviation from said covenants or restrictions, as to any Unit where, in the discretion of the Board, hardship circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event the Association fails to enforce violation of said covenants or restrictions, such actions or inactions shall not be deemed to prohibit nor restrict the right of the Association, or any other person having the right to enforce said covenants or restrictions, from insisting upon strict compliance with respect to all other Units, nor shall any such actions be deemed a waiver of any of the covenants or restrictions contained in the Condominium Documents as same may be applied in the future.

21.5 Notice of Lien or Suit.

21.5.1 Notice of Lien. A Unit Owner shall give written notice to the Association of every lien upon his Unit, other than for permitted first mortgages, taxes and special assessments, within five (5) days after the Unit Owner receives actual notice of the attachment thereof.

21.5.2 Notice of Suit. A Unit Owner shall give written notice to the Association of every suit or other proceeding which may affect the title to his Unit, or impose liability on the Association, within five (5) days after the Unit Owner receives actual knowledge thereof.

21.5.3 Failure to Comply. Failure of an Owner to comply with this Section 21.5 will not affect the validity of any judicial suit; however, the failure may render the Owner liable to any party injured by such failure.

22. MISCELLANEOUS PROVISIONS.

22.1 Covenants Running with the Land. The covenants and restrictions as herein contained, or forming a part of the Condominium Documents, shall be deemed to run with the land and shall run perpetually unless terminated or amended as provided herein.

22.2 Savings Clause. If any provision of the Condominium Documents hereto, as the same now exist or as may be later amended or any portion thereof, shall be held invalid by any Court, or other governmental agency with proper authority to so hold, the validity of the remainder of said Condominium Documents shall remain in full force and effect.

22.3 Heirs, Successors and Assigns. These Condominium Documents shall be binding upon the heirs, nominees, successors, administrators, executors and assigns of all Unit Owners.

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22.4 Notices. All notices shall be given as provided in the Bylaws.

22.5 Compliance with Fair Housing Laws. There shall be no limitation upon sale, lease, or occupancy of any Unit based upon race, creed, color, sex, religion, national origin, handicap, or familial status. The Association may make reasonable accommodations, including reasonable waiver of the covenants and restrictions of the Condominium Documents, when necessary to afford handicapped individuals the opportunity to enjoy the Condominium premises, or to comply with other legal requirements.

22.6 Conflicts. In the event of a conflict between any provision of the Condominium Documents and the Condominium Act, the Condominium Act shall control, except in cases where the Act permits the Condominium Documents to regulate the subject, in which case the Condominium Documents will control. In the event of a conflict between this Declaration and the other Condominium Documents, same shall be governed as provided in the Bylaws.

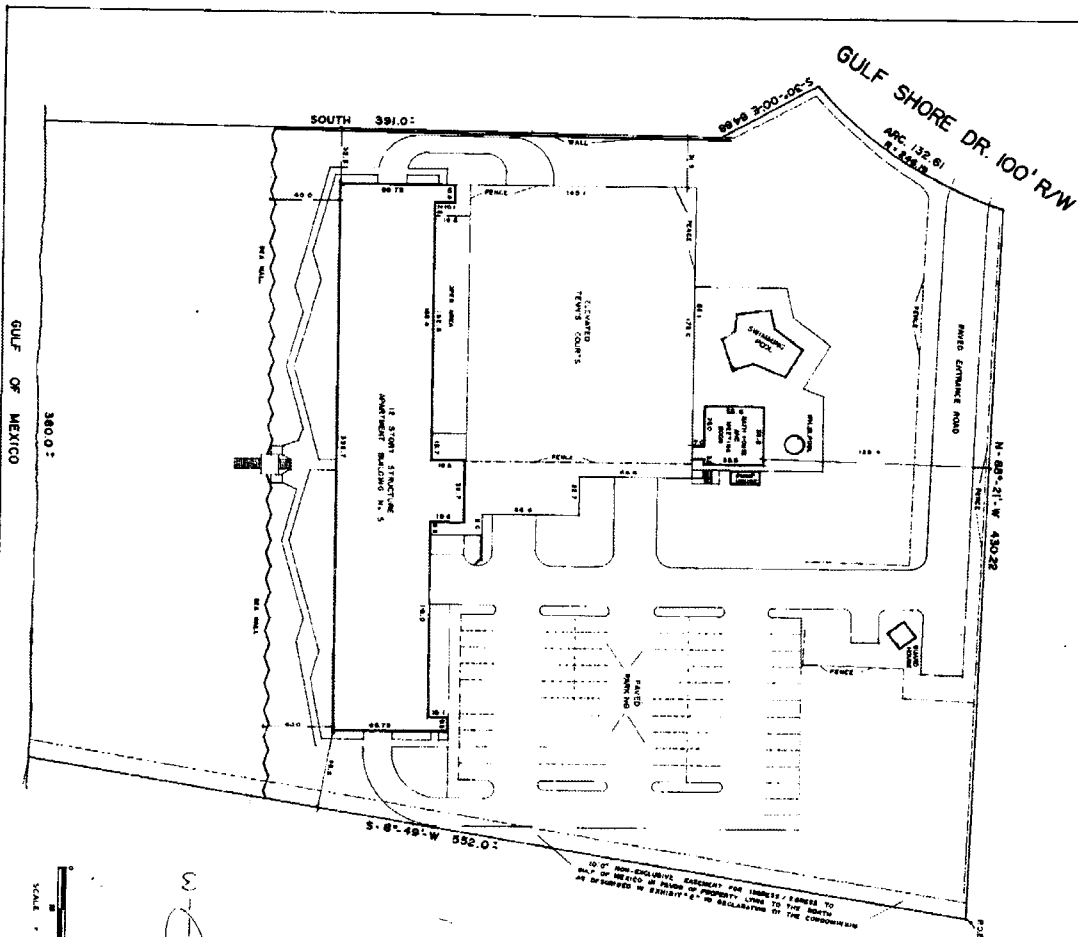
22.7 Interpretation. The Board of Directors shall be responsible for interpreting the provisions of the Condominium Documents. The Board's interpretations shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by Association's legal counsel that an interpretation adopted by the Board is not wholly unreasonable shall conclusively establish the interpretation as valid.

22.8 Captions and Headings. The headings and captions used in the Condominium Documents are solely for convenience sake and shall not be considered a limitation of any nature in interpreting the Condominium Documents.

22.9 Waiver. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

22.10 Plurality; Gender. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all or no genders.

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SHORELINE TOWERS CONDOMINIUM WEST

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DESCRIPTION OF COMMON ELEMENTS

ALL LAND AND ANY IMPROVEMENTS NOT WITHIN ANY APARTMENT UNIT AND NOT SHOWN AS UNITED COMMON ELEMENTS ARE PART OF THE COMMON ELEMENTS.

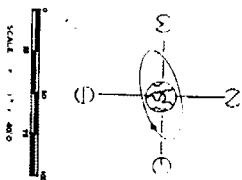
ALL BEARING WALLS AND COLUMNS TO THE UNFINISHED SURFACE OF SAID WALLS AND COLUMNS, LOCATED WITHIN AN APARTMENT UNIT CONSTITUTE PART OF THE COMMON ELEMENTS.

COVERED PARKING ON GROUND FLOOR AND UNDER ELEVATED TENNIS COURTS ARE
LIMITED COMMON ELEMENTS.

SURVEYOR'S CERTIFICATE

1. THE UNDERGROUND, A SAVETOWN KNOWN TO RESIDE IN THE STATE SHOWN ON THE ATTACHED MAP, AND THE CONNECTION OF THE UNDERGROUND'S DESTRUCTION OF JEWELRY AND POSSESSIONS TOGETHER COMMUNAL RESISTANCE TO THE STATE'S POLICE, IS SUBSTANTIALLY CORRECT, AND THAT SUCH BURNING, PROVISIONS OF THE DECLARATION OF CONSPIRACY'S DESTRUCTION OF THE COMMON ELEMENTS AND OF BURN CITY CAN BE DETERMINED FROM THE

DOING THIS 19 DAY OF SEPTEMBER, 1978



REGISTERED FLORIDA SURVEYOR No. 3420

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IMPROVEMENTS TO DECLARATION OF
CONDOMINIUM OF SHORELINE
TOWERS CONDOMINIUM WEST.
BOOK 1 PAGE 85

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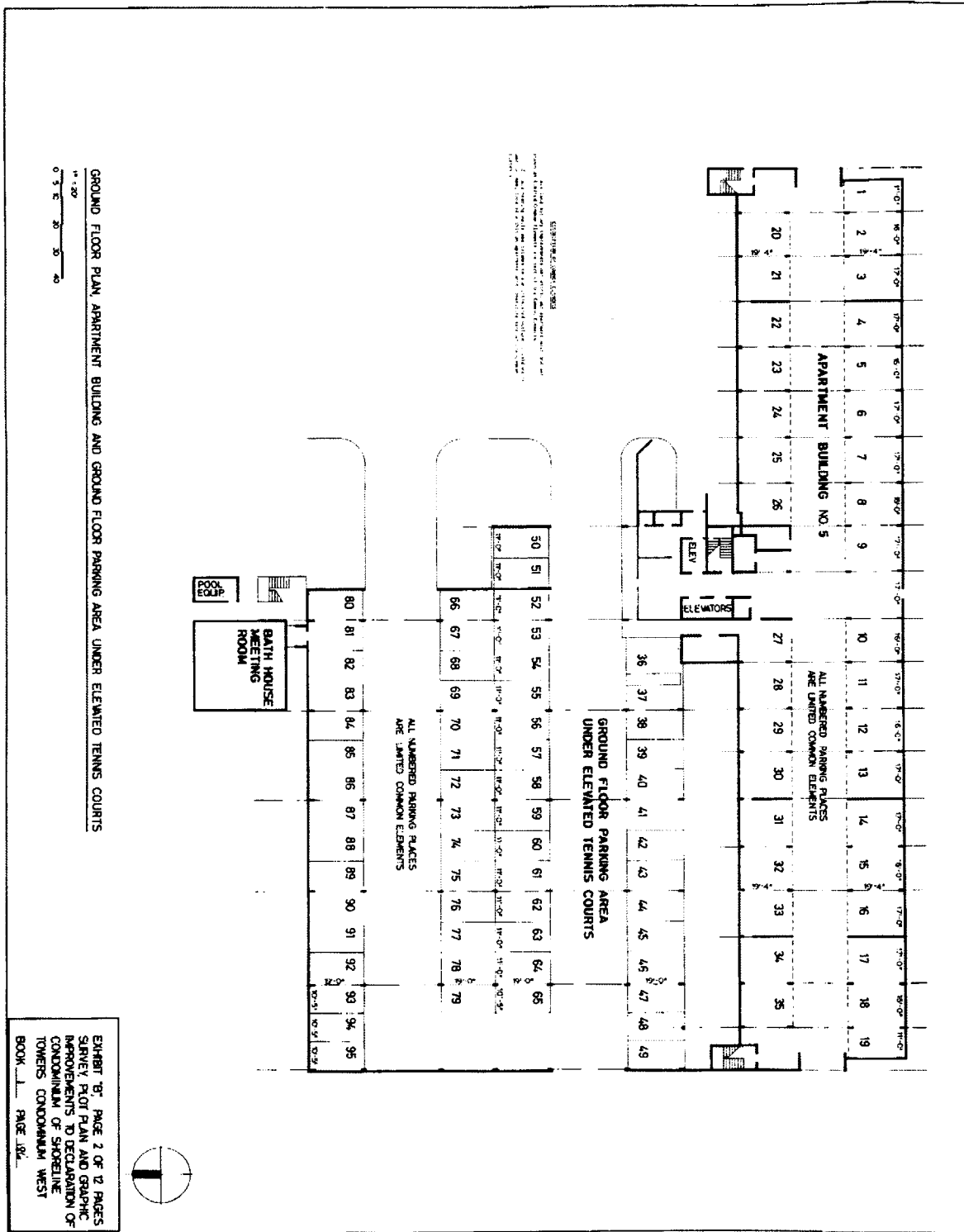


EXHIBIT "B" PAGE 2 OF 12 PAGES
 SURVEY, PLOT PLAN AND GRAPHIC
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 TOWERS CONDOMINIUM WEST
 BOOK 1, PAGE 184

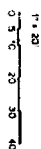
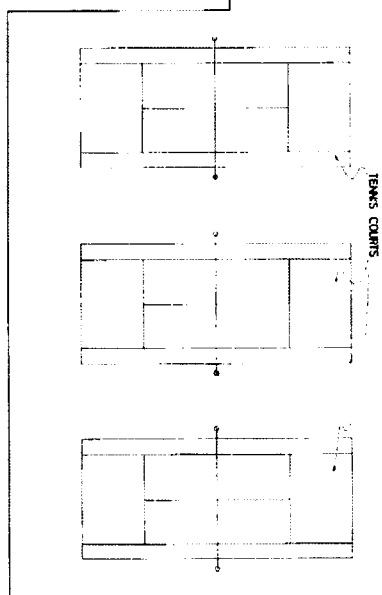
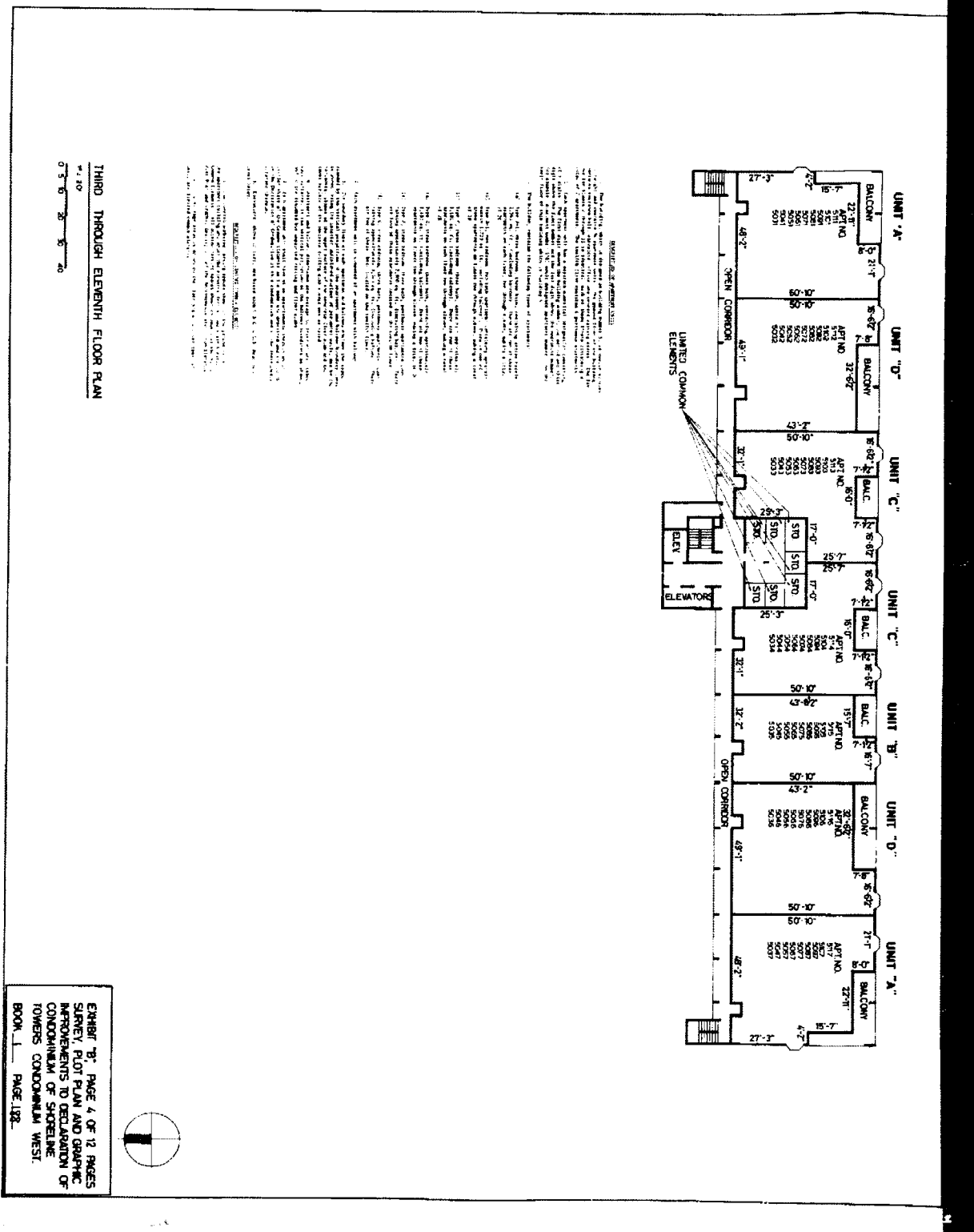
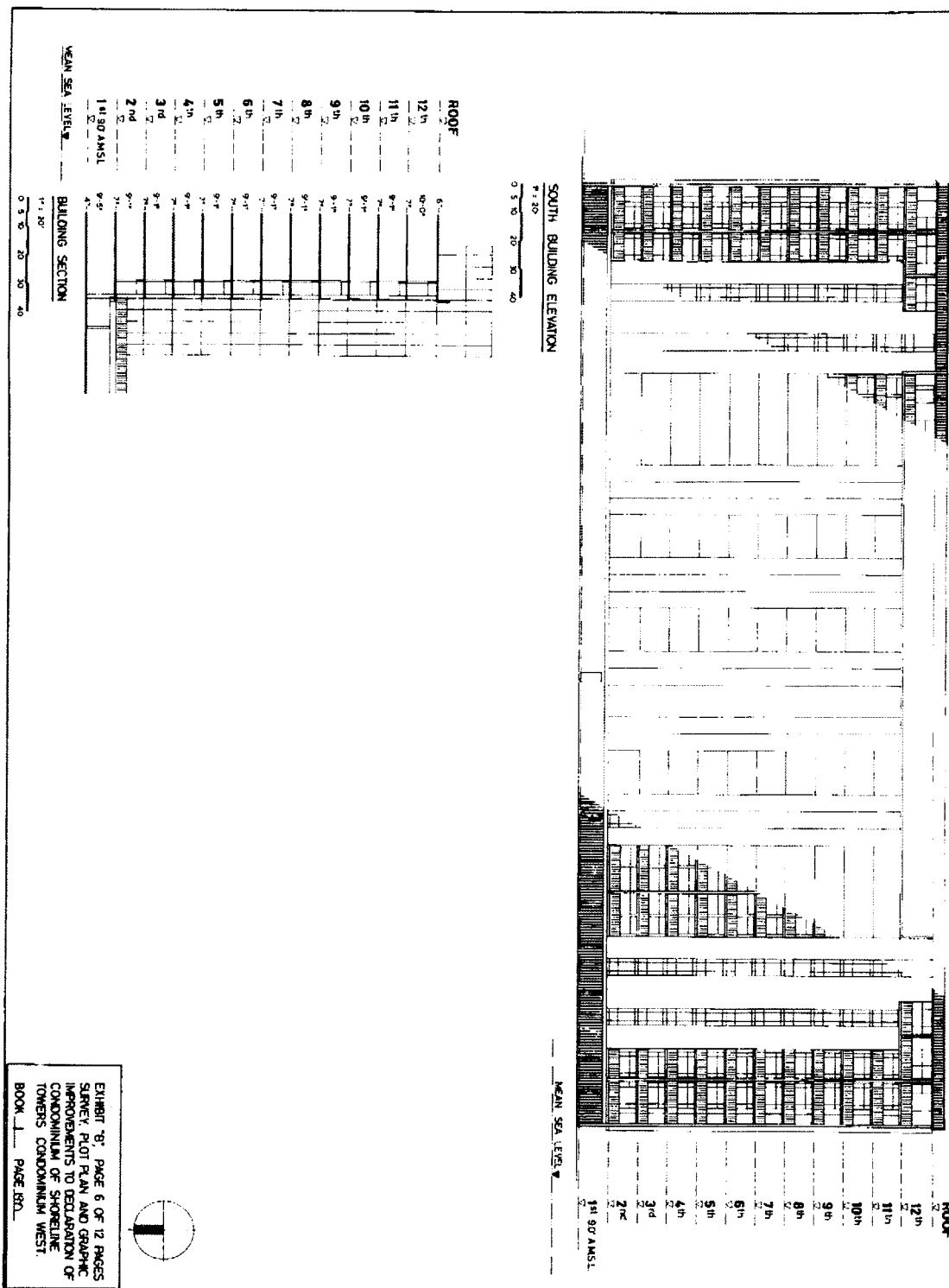
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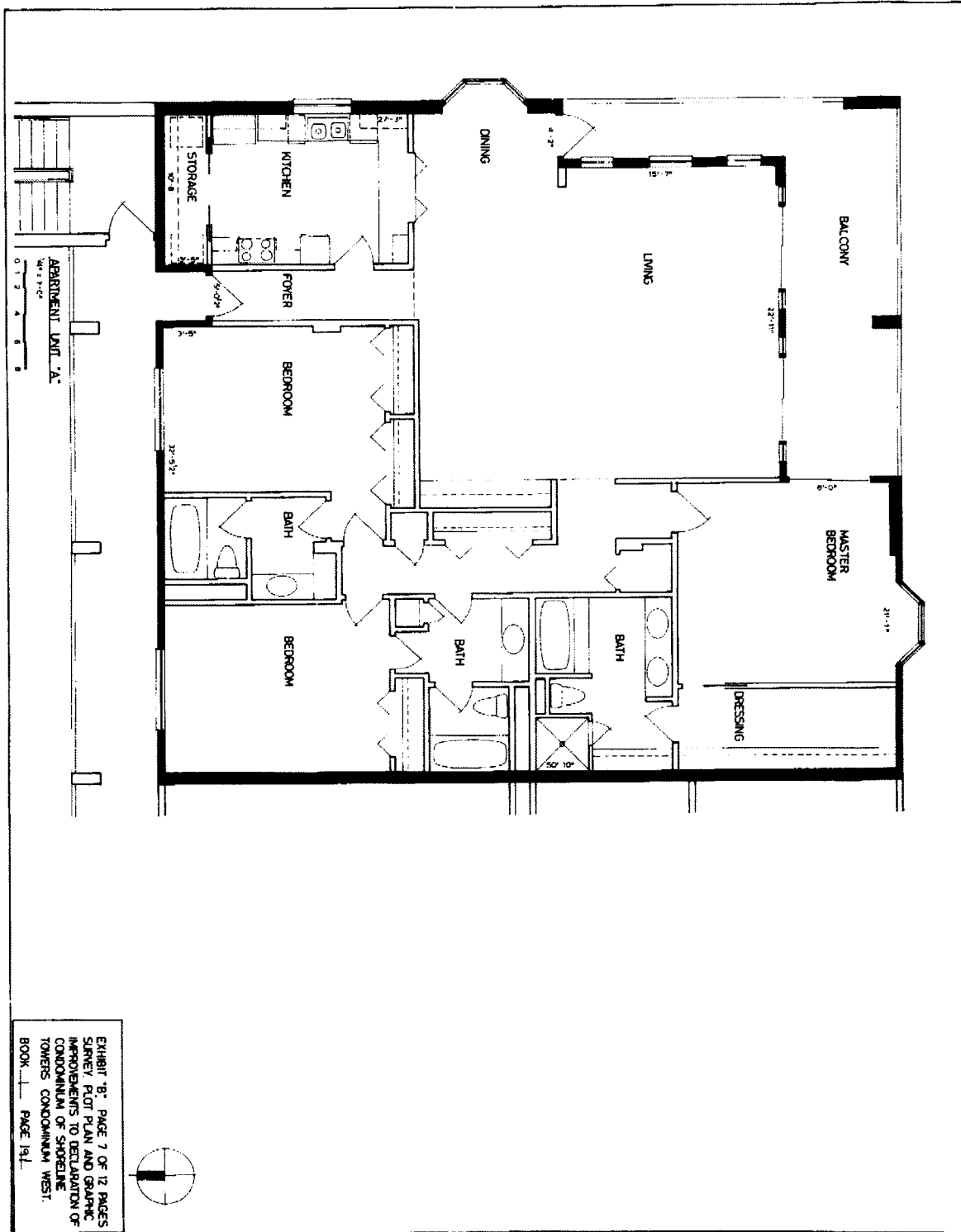
EXHIBIT 'B', PAGE 3 OF 12 PAGES
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CONDOMINIUM OF SHORELINE
TOWERS CONDOMINIUM WEST.
BOOK 4 PAGE 181.



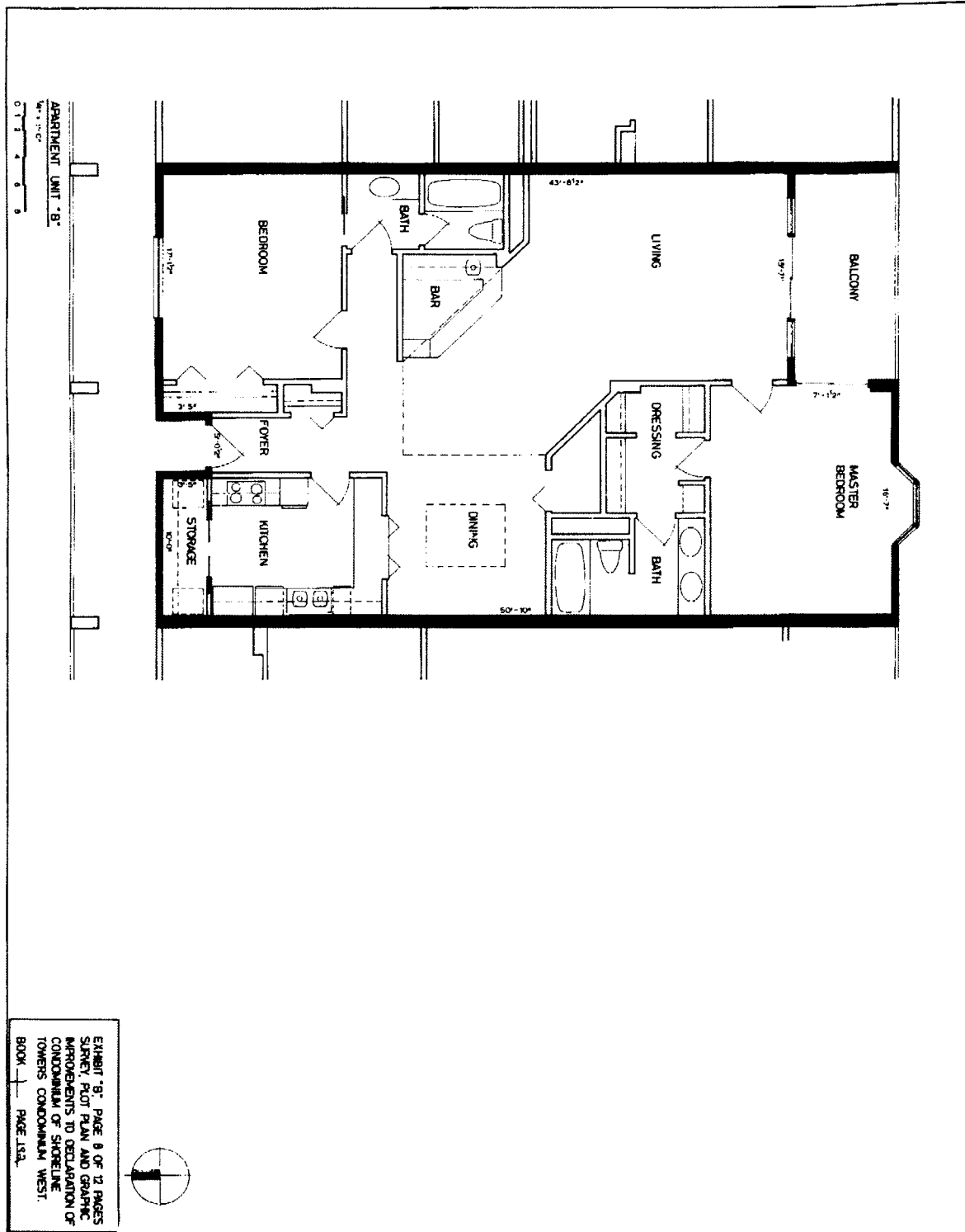
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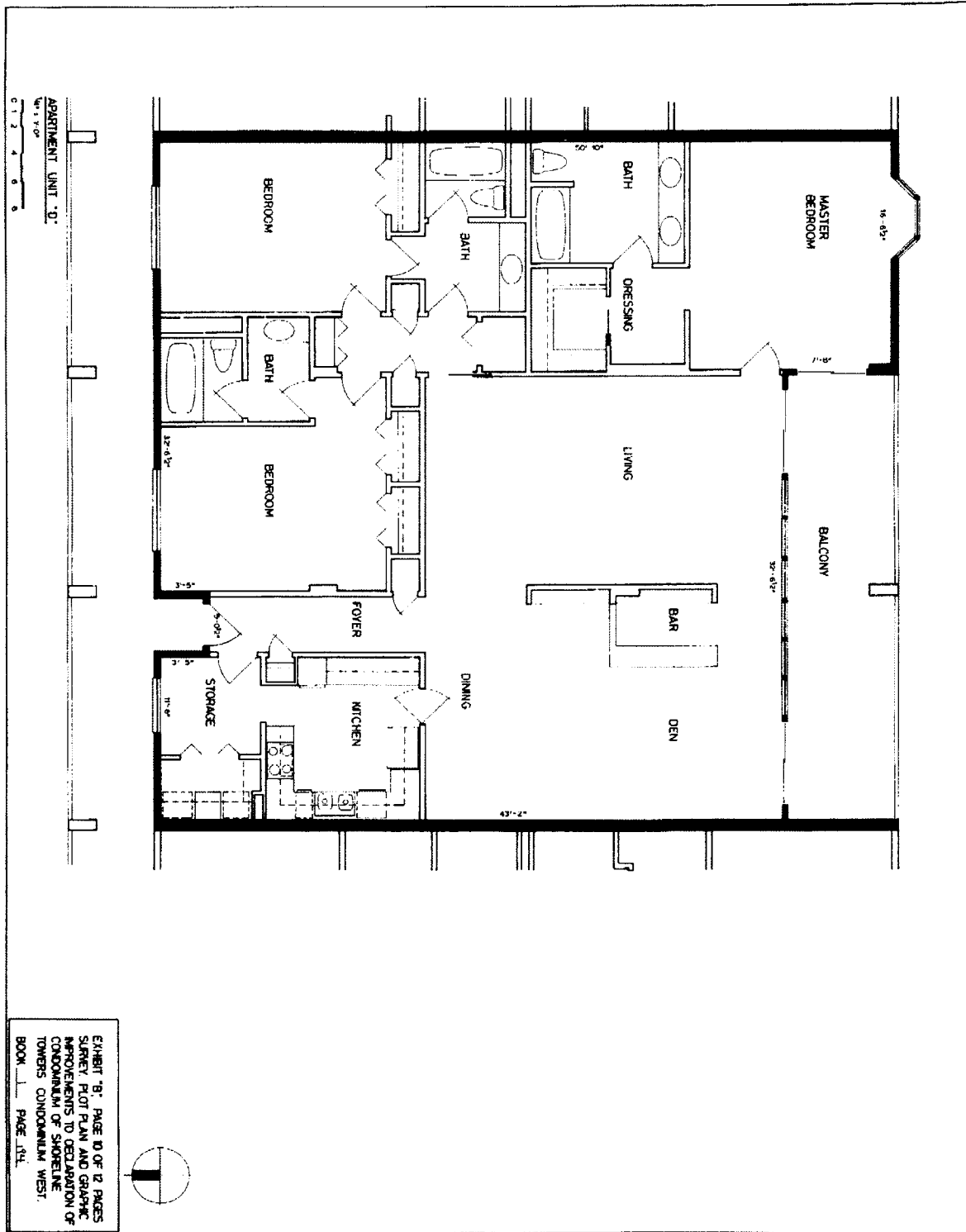
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