IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA
CIVIL DIVISION

STATE OF FLORIDA, OFFICE OF FINANCIAL REGULATION,

Plaintiff, **Case No.: 07-43672-CA-09**

v.

BERMAN MORTGAGE CORPORATION, a Florida corporation, et al.,

Defendants.

_____/

GULF ISLAND BEACH AND TENNIS CLUB CONDOMINIUM ASSOCIATION, INC.'S MOTION TO INTERVENE AND MOTION TO COMPEL RECEIVER TO PAY PAST DUE AND FUTURE CONDOMINIUM ASSESSMENTS

COMES NOW Gulf Island Beach and Tennis Club Condominium Association, Inc. (the "**Intervenor Association**"), by and through its undersigned counsel, and seeks the entry of an order allowing the Intervenor Association to Intervene in this action, and an order directing the Receiver to pay past due and future condominium assessments for condominium units owned by Relief Defendant, Oceanside Acquisitions, LLC ("**Oceanside**"). In support thereof, Intervenor Association states as follows:

STATEMENT OF RELEVANT FACTS

1. Oceanside is the owner of the following-described condominium units in Gulf Island Beach and Tennis Club Condominium in Pasco County, Florida:

> Condominium Units 104A, 105A, 111A, 202A, 301A, 302A, 311A, 406A, 408A, 601A, 803A, and 804A of Gulf Island Beach and Tennis Club I, a Condominium, according to the Declaration of Condominium thereof filed for record in Official Records Book 1381, Page 932 of the Public Records of Pasco County, Florida, together with all dock spaces, parking spaces and other limited common elements appurtenant thereto.

(the "**Oceanside Units**").

2. The Oceanside Units are subject to the recorded Declaration of Condominium of Gulf Island Resort and Racquet Club, A Condominium (the "**Declaration**"), which provides for the payment of periodic assessments by unit owners and further provides that the Intervenor Association shall have the right to enforce the collection of said assessments by way of a lien upon the lots of said owners. A copy of the Declaration is attached hereto and incorporated herein as **Exhibit A**.

3. Oceanside has failed to pay assessments on the Oceanside Units to the Intervenor Association since November 2006. Therefore, the Intervenor Association recorded liens against the Oceanside Units, and filed lien foreclosure actions in Pasco County, Florida.[1] The lien foreclosure actions were styled *Gulf Island Beach and Tennis Club Condominium Association, Inc. v. Oceanside Acquisitions, LLC*, Pasco County Civil Case Nos.:

(a) 51-2008-CC-003134 (Unit 804A);

(b) 51-2008-CC-003135 (Unit 104A);

(c) 51-2008-CC-003136 (Unit 406A);

(d) 51-2008-CC-003138 (Unit 105A);

(e) 51-2008-CC-003139 (Unit 111A);

(f) 51-2008-CC-003141 (Unit 601A);

(g) 51-2008-CC-003144 (Unit 803A);

(h) 51-2008-CC-003146 (Unit 301A);

(i) 51-2008-CC-003148 (Unit 302A);

(j) 51-2008-CC-003163 (Unit 408A);

(k) 51-2008-CC-003165 (Unit 202A);

[1] The Intervenor Association had no knowledge of the Court's temporary injunction herein at the time of the recording of the liens or at the time of the filing of the Lien Foreclosure Actions.

(l) and 51-2008-CC-003166 (Unit 311A)

Collectively referred to as the "**Lien Foreclosure Actions**".

4. Oceanside filed a Notice of Appearance, Notice of Receivership and Motion to Stay Proceedings in each of the Lien Foreclosure Actions, asserting that the Court's December 11, 2007 Temporary Injunction and Agreed Order Appointing Receiver (the "**Temporary Injunction**") herein stayed the Lien Foreclosure Actions.

5. Intervenor Association continues to provide services and benefits which enhance and protect the Oceanside Units.

6. Despite demand made upon the Receiver for Oceanside, the Intervenor Association has not received payment for these services and benefits. Assessments continue to accrue against the Oceanside Units at the rate of $335.00 per month per unit ($4,020.00 in total per month). Interest continues to accrue on the unpaid assessments at the rate of fifteen percent (15%) per annum. Moreover, even though Oceanside has failed to pay assessments since November 2006, the Intervenor Association is required by law to continue to provide, and Oceanside continues to enjoy, services to the Oceanside Units, including insurance coverage, security, maintenance of the appurtenant common elements, electrical power, water, and sewer (collectively "Services and Amenities"), all of which either directly benefit or preserves the Receiver's assests within this Condominium.

7. Intervenor Association is contractually obligated prusuant to the Declaration of Condominium and Florida law to provide the Services and Amenities to the owners of all condominium units in this condominium.

8. All owners of units in the condominium are obligated pursuant to the contract (Declaration of Condominium) and the Condominium Act to pay for the Services and Amenities.

ARGUMENT AND REQUEST FOR RELIEF

9. Intervenor Association claims an interest in the pending litigation.

10. Intervenor Association's interest is already at issue in this proceeding.

11. Intervenor Association's interest in the case herein is of such a direct and immediate character that the Intervenor Association will either gain or lose by the direct legal operation and effect of a judgment rendered herein.

12. Intervenor Association has been adversely affected by the Court's Temporary Injunction herein.

13. The Court entered its Temporary Injunction, without notice to Intervenor Association, based upon a concern that "immediate and irreparable injury" would be inflicted upon "the investors who have entrusted over $192,000,000 to the Defendants and Relief Defendants" due to "imminent danger that the property of the Defendants and Relief Defendants may be further dissipated and/or commingled."

14. Payment of condominium assessments by the Receiver to the Condominium Association does not threaten to dissipate, commingle, or waste any assets of the Defendants or Relief Defendants, and thus should be required by this Court. Instead, it would recognize the cost of services, benefits and protection being provided to the condominium units in receivership by the Intervenor Condominium Association.

15. Protection of Defendant, Berman Mortgage Corporation's investors, or the financial misfortune or misconduct of Oceanside should not require that this not for profit condominium association must continue to provide services, benefits, and amenities to the condominium units in Receivership without compensation.

16. The Intervenor Association and its unit owners continue to suffer damages due to delay caused by the Temporary Injunction.

17. Intervenor Association has, in good faith, attempted to resolve this matter without seeking the assistance of the Court.

WHEREFORE, Gulf Island Beach and Tennis Club Condominium Association, Inc., respectfully requests that this Honorable Court enter an Order permitting it to assert its rights by intervention in the cause herein; granting it relief in the form of ordering and directing the Receiver to pay the past due and future condominium assessments for the property controlled by the Receiver and granting such other and further relief as the Court deems just and proper.

DATED on March 3, 2009.

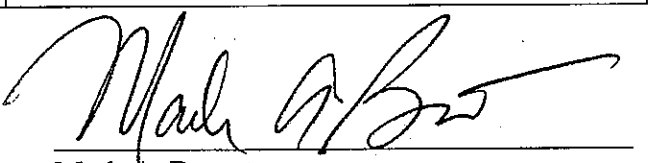
Respectfully submitted,

Mark A. Basurto, Esquire
Florida Bar No.: 531731
Charles Evans Glausier, Esquire
Florida Bar No.: 37035
BUSH ROSS, P.A.
P.O. Box 3913
Tampa, FL 33601-3913
(813) 224-9255
(813) 223-9620 Fax
Attorneys for Gulf Island Beach and Tennis Club Condominium Association, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by facsimile (without exhibits) and U.S. Mail, on this 3rd day of March, 2009 to:

Cristina Saenz, Esq. Assistant General Counsel Office of Financial Regulation 401 NW 2nd Avenue, Suite N-708 Miami, FL 33128	Alan M. Sandler, Esq. Sandler & Sadler 117 Aragon Avenue Coral Gables, FL 33134
Michael P. Ehrenstein, Esq. Ehrenstein Charbonneau Calderin 800 Brickell Avenue Suite 902 Miami, FL 33131-2966	Richard R. Robles, Esq. Law Office of Richard R. Robles, P.A. 905 Brickell Bay Drive Tower II, Mezzanine, Suite 228 Miami, FL 33131
James D. Gassenheimer, Esq. Berger Singerman 200 South Biscayne Boulevard Suite 1000 Miami, FL 33131	



Mark A. Basurto

$441.00

EXHIBIT A

DECLARATION OF CONDOMINIUM

OF

GULF ISLAND RESORT AND RACQUET CLUB

A CONDOMINIUM

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HARBOR LIGHTS VENTURE, INC., a Florida corporation, being the owner of fee simple record title to that certain land located and situate in the City of Hudson, Pasco County, Florida, such land being more particularly described and identified on Page 1 of Exhibit A to this Declaration of Condominium does hereby submit said land and the improvements to be constructed thereon to the condominium form of ownership pursuant to the provisions of Chapter 718, Florida Statutes, hereinafter Condominium Act, and pursuant to the terms and provisions of this Declaration of Condominium, hereinafter Declaration, excepting from this submission those areas retained by the Developer as identified in Exhibit A hereto. The Developer retains the right to convey those areas, or any of them, to the Association at a later date.

1. Name. The name by which this Condominium is to be identified is Gulf Island Resort and Racquet Club, A Condominium.

2. Definitions. The following words and terms used in this Declaration and in its exhibits, including but not limited to the Articles of Incorporation and By-Laws of The Gulf Island Condominium Owners' Association, Inc. shall be defined as follows, unless the context otherwise requires:

2.1 Association. Association means The Gulf Island Condominium Owners' Association, Inc., a nonprofit Florida corporation.

2.2 Building. Buildings means the buildings which contain the Units and certain of the Common Elements.

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2.3 Common Elements. Common Elements means the portions of the Condominium Property not included in the Units, including but not limited to the following, all as identified in Exhibit A hereto:

(a) The Condominium Property which is not included within the Units, except those areas retained by the Developer as identified in Exhibit A.

(b) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services to Units or the Common Elements.

(c) An easement of support in every portion of a Unit which contributes to the support of the Building.

(d) The property and installations required for furnishing of Utility Services or other services to more than one Unit or to the Common Elements.

(e) Tangible personal property required for the maintenance and operation of the Common Elements even though owned by the Association.

2.4 Common Expenses. Except for special assessments pursuant to Paragraph 9.2(d)(1) and Paragraph 9.2(e)(3)(ii) hereof, Common Expenses means all expenses and assessments properly incurred by the Association for the Condominium including but not limited to the following:

(a) Expenses of administration and management of the Condominium Property.

(b) Expenses of maintenance, operation, repair or replacement of the Common Elements, Limited Common Elements and of the parts of the Units to be maintained by the Association.

(c) Costs and expenses of capital improvements and betterments and/or additions to the Common Elements.

(d) That portion of the expenses of administration and management of the Association attributable to the Condominium as hereinafter set forth and as set forth in the Articles of Incorporation and By-Laws of the Association.

(e) Expenses declared Common Expenses by the provisions of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association.

(f) Any valid charge against the Condominium Property as a whole.

2.5 Condominium. Condominium means that form of ownership of real property which is created pursuant to the provisions of the Condominium Act, and which is comprised of Units that may be owned by one or more persons and there is appurtenant to each Unit an undivided share in Common Elements.

2.6 Condominium Parcel. Condominium Parcel means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.

2.7 Condominium Property. Condominium Property means the land, leaseholds and personal property that are subject to Condominium ownership, whether or not contiguous, all improvements thereon, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.8 Developer. Developer means Harbor Lights Venture, Inc., a Florida corporation.

2.9 Limited Common Elements. Limited Common Elements means those Common Elements which are reserved for the use of a certain Unit to the exclusion of other Units. Any reference made to Common Elements in the provisions of this Declaration or in the Articles of Incorporation or By-Laws of the Association is meant to include Limited Common

Elements unless the latter is excepted or dealt with separately.

2.10 Person. Person means an individual, trust, estate partnership, association, company, corporation, joint venture or any legal entity or combination thereof.

2.11 Unit. Unit means a part of the Condominium Property which is subject to exclusive ownership.

2.12 Unit Owner. Unit Owner means the record owner of a Condominium Parcel and includes Developer so long as it shall own any Condominium Parcel.

2.13 Time Share Estate/Time-Sharing: Time Share or time-sharing means any interest in a Unit under which the exclusive right of use, possession, or occupancy of the Unit circulates among the various Owners of time-share estates in such Unit in accordance with a fixed time schedule on a periodically recurring basis for a period of time established by such schedule. Time-share estates are not allowed in this Condominium.

2.14 Utility Services. Utility Services shall include but not be limited to electric power, gas, water, heating and air conditioning, garbage and sewage disposal, storm drainage and telephone.

2.15 Very Substantial Loss or Damage. Very Substantial Loss or Damage means loss or damage whereby two-thirds or more of the total Unit space in the Building is rendered untenantable and/or loss or damage whereby two-thirds or more of casualty insurance coverage becomes payable.

3. Description, Boundaries and Related Items.

3.1 Survey, Graphics Description, Plot Plan and Certificate of Surveyor. Subsection (4) of Section 718.104,

Florida Statutes, requires that the Declaration contain or provide for certain matters. Paragraph (e) of said subsection (4) provides, and requires "a survey of the land and a graphic description of the improvements in which units are located and a plot plan thereof which together with the declaration, are in sufficient detail to identify the common elements and each unit and their respective locations and approximate dimensions. The survey, graphic description and plot plan may be in the form of exhibits consisting of building plans, floor plans, maps, surveys or sketches." Paragraph (e) also provides and requires that "if the construction of the condominium is not substantially completed, then there shall be a statement to that effect and upon substantial completion of construction, the developer or the association shall, in order to have a validly created condominium for conveyancing purposes, amend the declaration to include the certificate described below." With respect to the certificate, paragraph (e) further provides that "there shall be included or attached to the declaration a certificate of a surveyor, authorized to practice in this state, that the construction of the improvements is substantially complete so that the material, together with the provisions of the declaration describing the condominium property, is an accurate representation of the location and the dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each unit can be determined from these materials."

Attached hereto and made a part hereof as Exhibit A to this Declaration is a survey of the land, a graphic description of the improvements in which units are located and a plot plan thereof, all as required and meeting the requirements of Paragraph (e). The Condominium, however, is

not substantially complete, and, therefore, the certificate of a surveyor is not included within this Declaration. Upon substantial completion of the Condominium and prior to the conveyance of Condominium Parcels by the Developer to purchasers, Exhibit A to the Declaration will be amended to include the certificate of a surveyor and, if necessary, Exhibit A or any part thereof will be amended in order to insure that the requirements of Paragraph (e) are fulfilled. Such amendment or amendments need be signed and acknowledged only by the Developer and such amendment or amendments shall not require the approval of Unit Owners or of the Association, nor shall a certificate of the Association be required.

Ownership of certain areas located within the Condominium project are retained by the Developer, as identified in Exhibit A hereto.

3.2 Changes to Interior Layout, Design and Arrangement. Developer reserves the right to change the interior layout, design and arrangement of any Unit so long as Developer owns the Units so changed, provided such changes shall be reflected by an amendment of this Declaration, and provided, further, that an amendment for such purpose need be signed and acknowledged only by the Developer, and such amendment shall not require the approval of Unit Owners or of the Association, nor shall a certificate of the Association be required.

3.3 Changes to Boundaries and Unit Dimensions. Developer reserves the right to change the boundaries between or among Units so long as Developer owns the Units so changed; and to change the boundaries of the Common Elements so long as Developer owns the Unit abutting the Common Elements where the boundaries are being changed, provided no

such change shall be made without amending this Declaration in the manner provided by law.

3.4 Easements. Each of the following easements is reserved and shall exist under, through and over the Condominium Property as applicable.

(a) Utilities. The Developer reserves the right to grant such easements as may be required for the furnishing of Utility Services or other services to service the Condominium Property.

(b) Encroachments. In the event that any Unit shall encroach upon any of the Common Elements or upon any other Unit for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist to the extent of such encroachment so long as the same shall exist.

(c) Developer. Until such time as Developer has completed all of the contemplated improvements on the land and sold all of the Units contained within the Building, easements, including but not limited to ingress and egress, are hereby reserved to Developer and shall exist under, through and over the Condominium Property as may be required by Developer for the completion of the contemplated improvements and the sale of said Units. Neither the Unit Owners, nor the Association, nor the use of the Condominium Property shall in any way interfere with said completion of sale.

Additionally, the Developer, its assignees, and designees, as well as tenants or guests, shall have an easement for ingress, egress, and use of Units, Condominium facilities, and common areas in conjunction with, or pursuant

to, Developer-sponsored rentals as provided in paragraph 10.6 hereof.

(d) Access. A nonexclusive easement for ingress and egress over the streets, walks, and other rights of way serving the Units as necessary to provide access to public rights of way.

3.5 Improvements - General Description.

(a) Units. There are 108 Units in each of the four phases of this Condominium, each of the 432 units being identified by a number as described in Exhibit "A", pages A-30 and A-31 hereto. The first phase to be constructed will be Phase I, scheduled for completion by October 30, 1984. The second phase to be constructed will be Phase II, scheduled for completion by December 30, 1984. Phase III will be completed by May 1, 1985, and Phase IV will be completed by June 30, 1985. The legal description of the land submitted with each phase, as well as the common elements and recreation areas scheduledfor completion with each phase are as disclosed in Exhibit "A".

(b) Other Improvements. The Condominium Property contains other improvements, including but not limited to, landscaping, surface and underground automobile parking areas, a swimming pool, walkways and driveways, storage area, all as indicated in Exhibit "A".

3.6 Unit Boundaries. The boundaries of each Unit are shown on Exhibit "A" and a narrative description of such boundaries is as follows:

(1) Upper Boundary. The upper boundary of each Unit shall be the horizontal plane of each part of the unfinished concrete surface of the underside of the

structural slab located between the exterior and interior perimetrical boundaries, extending to intersections with each part of the exterior and interior perimetrical boundaries.

(2) Lower Boundary. The lower boundary of each Unit shall be the horizontal plane of each part of the unfinished concrete surface of the top side of the structural slab located between the exterior and interior perimetrical boundaries, extending to intersections with each part of the exterior and interior perimetrical boundaries.

(3) Exterior Perimetrical Boundary. The exterior perimetrical boundary of each Unit shall be the vertical plane of each part of the unfinished interior concrete surface of the exterior walls, extending to an intersection with each part of each other and extending to an intersection with each part of the upper and lower boundaries. Where a Unit has a balcony, the balcony shall be deemed part of the Unit. Where the balcony walls do not exist to physically intersect with each part of each other and with each part of the upper boundary, such boundary shall be an imaginary vertical plane located between each part of each physically existing exterior perimetrical boundary and each part of the upper boundary, extending to an intersection with each part of each other. Where the balcony walls do not exist to physically intersect with each part of each other and with each part of the upper and lower boundaries, such boundary shall be an imaginary vertical plane located between each part of each physically existing exterior perimetrical boundary, extending to an intersection with each part of the upper boundary and extending to an intersection with each part of the lower boundary.

(4) Interior Perimetrical Boundary. The interior perimetrical boundary of each Unit shall be the vertical or

horizontal plane, as the case may be, of each part of the unfinished concrete and/or masonry surface of certain walls, as shown on Exhibit A, extending to an intersection with each part of each other and extending to an intersection with each part of the upper and lower boundaries. Where part of such walls do not exist to physically intersect with each part of each other and with each part of the lower boundary, as in the case of door openings, such boundary shall be an imaginary vertical plane located between each part of the physically existing interior perimetrical boundary which surrounds each part of any such opening, extending to an intersection with each part of the lower boundary.

3.7 Common Elements. The Common Elements shall include the portions of the Condominium Property not included in the Units, as defined in Paragraph 2.3, and as shown on Exhibit A.

4. Appurtenances to Units. Appurtenances to each Unit shall include but not be limited to the following, and all appurtenances shall pass with the title to each Unit, whether or not separately described.

4.1 Common Elements. Each Unit Owner shall own an undivided share in the Common Elements, which share shall be an appurtenance to each Unit. The undivided share in the Common Elements appurtenant to each Unit is 1/108 if only Phase I is completed; 1/216 if only Phases I and II are completed; 1/324 if only Phases I, II, and III are completed, and 1/432 if all four phases are completed, as set forth in Exhibit B hereto.

4.2 Limited Common Elements. Except as otherwise provided herein, the Limited Common Elements shall consist of 432 parking spaces as described in Exhibit A hereto. The

extent of the right of each Unit Owner to use the Limited Common Elements shall be as follows:

Parking Spaces. Except as otherwise provided herein, each Unit Owner shall have the right of use of one parking space, which right shall be an appurtenance to the Unit of each Unit Owner. No specific parking space will be assigned to any Unit Owner. The Developer shall have the right to make such assignment if it deems it necessary.

5. Liability for Common Expenses and Interest in Common Surplus. Each Unit Owner, including the Developer so long as it shall own any Units, shall be liable for a proportionate share of the Common Expenses, such share being identical to the undivided share of each Unit Owner in the Common Elements. This provision, however, is exclusive of and does not include the term of the Developer's guarantee of maximum increase in assessments pursuant to Section 718.116(8)(b), Florida Statutes. During that term, the Developer shall not be liable for assessments on any Units it owns. Each Unit Owner shall have an interest in the common surplus of the Association, such interest being identical to the undivided share of each Unit Owner in the Common Elements. Such interest in the common surplus does not, however, include the right to withdraw, or to require payment or distribution of the common surplus.

6. Maintenance, Repair and Replacement; Changes, Improvements and Additions; Condominium Property. Responsibility for the maintenance, repair and replacement of the Condominium Property and restrictions upon changes, improvements and additions thereto shall be as follows:

6.1 Maintenance, Repair and Replacement, Association. The Association shall be responsible for the

maintenance, repair and replacement of the Common Elements provided that any maintenance, repair or replacement to the exposed Common Elements shall not result in a change to the appearance of the building different from its appearance as originally constructed. The Association shall also be responsible for the maintenance, repair and replacement of conduits, ducts, plumbing lines, wiring and other equipment located within a Unit, provided each of the preceding are utilized for the purpose of furnishing Utility Services to part or parts of the Building other than the Unit within which located or are utilized for the purpose of furnishing Services to more than one Unit. The Association shall further be responsible for, and Unit Owners shall not undertake, the maintenance, repair or replacement, except for routine maintenance, minor repairs or minor replacements which shall be the responsibility and costs of Unit Owner, such parts being the exterior glass windows, the exterior glass doors, the exterior panels and, the exterior surfaces which vertically and horizontally face the balcony areas of each Unit, provided that any routine maintenance, minor replacements by Unit Owners and any maintenance, repair or replacement of such exterior glass doors, exterior glass windows, exterior panels, parapet walls and exterior surfaces by Association shall not result in a change to the appearance of the Building different from its appearance as originally constructed and, further, provided that, where such exterior surfaces cannot be maintained, repaired or replaced, except by maintenance, repair or replacement of the surface beneath such exterior surfaces, then the Association shall be responsible for the maintenance, repair or replacement of the surface beneath such exterior surfaces. The Association shall further be responsible for all incidental damage to a

Unit by reason of any maintenance, repair or replacement undertaken by it pursuant to all of the preceding. All costs associated with the Association's responsibilities of maintenance, repair and replacement shall be a Common Expense. If a dispute should occur as to whether maintenance is routine or a repair or a replacement is minor, the Board of Directors of the Association shall decide the question and its decision shall be binding and conclusive upon all Unit Owners.

6.2 Maintenance, Repair and Replacement By Unit Owners. Each Unit Owner shall at his cost be responsible for the maintenance, repair and replacement of all parts of his Unit, including routine maintenance, minor repairs and minor replacements as provided in paragraph 6.1, and including but not limited to maintenance, repair and replacement of all fixtures, mechanical and electrical equipment such as heating and air conditioning systems and any other item of equipment, furnishings and any other item contained with each Unit, except as otherwise provided in paragraph 6.1. Whenever maintenance, repair or replacement, for which a Unit Owner is responsible, results from loss or damage which is covered by insurance maintained by the Association, the proceeds of such insurance received by the Association shall be used for the purpose of any such maintenance, repair or replacement, except that the Unit Owner shall be required to pay such part of the cost of such maintenance, repair or replacement that, by reason of the applicability of any deductibility provision of such insurance, exceeds the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

6.3 Changes, Improvements and Additions, Association. After completion by Developer of the improvements

to Condominium Property and except as otherwise provided below, the Association shall have the right to make or cause to be made changes, improvements or additions to the Common Elements provided any such changes, improvements or additions are approved by the Board of Directors of the Association. The cost of any such changes, improvements or additions shall be a Common Expense. The Association shall not, however, make or cause to be made any changes, improvements or additions to the Common Elements which would result in the partial or total enclosure of any part or all of any balcony or which would result in a change to the appearance of the Building different from its appearance as originally constructed.

6.4 Changes, Improvements and Additions, Unit Owners . Except as otherwise provided herein, a Unit Owner may at his cost make such changes, improvements or additions to his Unit as he may desire, except that a Unit Owner shall not make any changes, improvements or additions to the exterior exposed to the elements parts of his Unit which the Association is required to maintain, repair or replace pursuant to the provisions of paragraph 6.1 nor may he and, except that, a Unit Owner shall not make any changes, improvements or additions to his Unit which would result in the partial or total enclosure of any part or all of his balconies.

7. Assessments. The Board of Directors of the Association shall fix and determine from time to time the sum or sums of money necessary and adequate to provide for the Common Expenses and shall assess the Unit Owners for said sums. The procedure for the making and collection of such

assessments shall be set forth in the By-Laws of the Association. All assessments, including special assessments pursuant to paragraph 9.2(d)(1) and 9.2(e)(3)(ii) hereof, shall be the personal obligation of each Unit Owner, and each Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the Unit Owner, including interest thereon, as hereinafter provided, and all costs incident to the collection thereof including attorney's fees at trial or on appeal. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for his share of all assessments up to the time of conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee.

7.1 Interest, Application of Payments. All Assessments, including special assessments pursuant to paragraphs 9.2 (d)(1) and 9.2(e)(3)(ii) hereof, and installments thereon not paid when due shall bear interest at the rate of 15 percent per annum from the date when due until paid. All payments on account shall be first applied to interest, and then to the assessment payment first due.

7.2 Lien for Assessments. The Association shall have a lien against each Condominium Parcel for any unpaid assessments, including special assessments pursuant to paragraph 9.2(d)(1) and 9.2(e)(3)(ii) hereof, and for interest accruing thereon, which lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of any such assessment or enforcement of such lien, whether or not legal proceedings are initiated. The lien is effective from and after recording of a claim of lien in the Public Records of Pasco County, Florida, stating the

description of the Condominium Parcel, the name of the Unit Owner, the amount due and the due dates. The lien shall continue in effect until all sums secured by it, together with all costs incurred in recording and enforcing said lien, shall have been paid. Such claim of lien shall be signed and acknowledged by an officer of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien, to be prepared and recorded at his expense. The assessment lien provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Condominium Parcel subject to assessments, provided that such mortgage or mortgages are recorded prior to the Association's claim.

7.3 Commencement of Assessments. Assessments for Common Expenses shall commence upon recording of the Declaration of Condominium. The Developer, pursuant to its guarantee of assessments under Section 718.116(8)(b), is exempted from assessments during the first year of operation for each phase. The one-year term of such exemption commences with the first unit closing in each phase.

7.4 Initial Working Contribution. Each purchaser of a Condominium Parcel from the Developer shall pay an amount equal to two months estimated assessments at the time of closing of the Condominium Parcel, which amount shall be deposited to the reserves fund of the Association.

8. Association. The operation of the Condominium shall be by The Gulf Island Condominium Owners' Association, Inc., a corporation not for profit under the laws of the State of Florida. Each Unit Owner shall hold membership in the

Association and an interest in the funds and assets held the Association. Membership of each Unit Owner in the Association shall be acquired pursuant to the provisions of the Articles of Incorporation and By-Laws of the Association. The interest of each Unit Owner in the funds and assets of the Association and his voting interest shall be in the same proportion as the liability of each Unit Owner for Common Expenses, to-wit, 1/108 of the whole if only Phase I is completed, 1/216 if Phases I and II are completed, 1/324 if Phases I, II, and III are completed, and 1/432 if Phases I, II, III, and IV are completed, as disclosed in Exhibit "B" hereto.

The Association shall fulfill its functions pursuant to the following:

8.1 The Condominium Act. Chapter 718, Florida Statutes, as it exists on the date of execution of this Declaration.

8.2 Declaration of Condominium. This Declaration of Condominium, as it may be amended subsequently.

8.3 Articles of Incorporation. The Articles of Incorporation of the Association, a copy of which is attached hereto and made a part hereof as Exhibit C.

8.4 By-Laws. The By-Laws of the Association, a copy of which is attached hereto and made a part hereof as Exhibit D.

8.5 Restraint Upon Assignment of Shares and Assets. The share of a member in the funds and assets of the Association cannot and shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Condominium Parcel.

9. Insurance.

9.1 Liability Insurance. The Board of Directors of the Association shall obtain public liability and property damage insurance covering all the Condominium Property, and insuring the Association, the Unit Owners, as its and their interests appear, in such amount and providing such coverage as the Board of Directors of the Association may determine from time to time. Premiums for the payment of such insurance shall be paid by the Association, and such premiums shall be a Common Expense.

9.2 Casualty Insurance.

(a) Purchase of Insurance. The Association shall obtain fire and extended coverage insurance with other perils endorsement and vandalism and malicious mischief insurance, insuring all of the improvements on the Condominium Property, and all property owned by the Association, in and for the interests of the Association, all Unit Owners and their first mortgagees of record, as their interests may appear, in a company acceptable to the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and such premiums and other expenses shall be a Common Expense.

(b) Loss Payable Provisions. All policies purchased by the Association shall be for the benefit of and made payable to the Association and all Unit Owners, and their first mortgagees of record, as their interests may appear. Such policies shall be deposited with the Association, and the policies and any proceeds will be held in accordance with the terms hereof. Said policies shall provide

that all insurance proceeds payable on account of loss or damage shall be payable to the Association. Mortgagee endorsements for first mortgages of record shall be issued as to said policies. It shall be the duty of the Association to receive such proceeds as are paid, and hold the same in trust for the purposes stated herein, for the benefit of the Association and the Unit Owners and their respective first mortgagees of record in the following shares:

(1) Common Elements. Proceeds on account of loss or damage to Common Elements, an undivided share for each Unit Owner, such share being the same as his undivided share in the Common Elements appurtenant to his Unit.

(2) Units. Proceeds on account of loss or damage to Units shall be in the following undivided shares:

(i) Loss or Damage Less Than Very Substantial Loss or Damage, or Very Substantial Loss or Damage: When the Building is to be Repaired or Reconstructed; Loss or damage less than Very Substantial Loss or Damage, or Very Substantial Loss or Damage when the Building is to be repaired or reconstructed, as hereinafter provided, for the Unit Owners of the damaged Units in proportion to the cost of repairing or reconstructing the loss or damages suffered by each Unit Owner.

(ii) Very Substantial Loss or Damage When Building is not to be Repaired or Reconstructed: Very Substantial Loss or Damage when the Building is not to be repaired or reconstructed, as hereinafter provided, for all Unit Owners, each Unit Owner's share being in proportion to his share in the Common Elements appurtenant to his Unit.

(3) Mortgagees. In the event a mortgagee endorsement has been issued to a Unit, the share of the Unit

Owner shall be held in trust for the first mortgagee of record and the Unit Owner, as their interests may appear, provided, however, that no first mortgagee of record or any other 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.

(c) Distribution of Proceeds. Insurance Policy proceeds received by the Association shall be distributed to or for the benefit of the beneficial owners, and expended or disbursed in the following manner:

(1) Reconstruction or Repair. If the loss or damage for which the proceeds were paid is to be repaired or reconstructed, as hereinafter provided, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to Unit Owners and their first mortgages of record being payable jointly to them and distributed, as between them, pursuant to the terms of the mortgage. This is a covenant for the benefit of any first mortgagee of record of a Unit and may be enforced by such first mortgagee.

(2) Failure to Reconstruct or Repair. If it is determined in the manner hereinafter provided that the loss or damage for which the proceeds are paid shall not be repaired or reconstructed, the proceeds shall be disbursed to the beneficial owners, remittances to Unit Owners and their first mortgagees of record being payable jointly to them and, as between them, distributed pursuant to the terms of the mortgage. This is a covenant for the benefit of any first mortgagee of record of a Unit and may be enforced by such first mortgagee. In the event of loss or damage to personal property belonging to the Association, and should

the Board of Directors of the Association determine not to repair or replace such personal property, the proceeds shall be disbursed to the beneficial owners as surplus, in the manner elsewhere stated herein.

(3) Certificate. Prior to making any distribution to Unit Owners and their first mortgagees, the Association shall prepare or cause to be prepared a certificate with the names of the Unit Owners and their first mortgagees of record, such certificate to be approved in writing by an attorney authorized to practice law in the State of Florida, or a title insurance company or abstract company authorized to do business in the State of Florida, prior to any distributions being made.

(d) Loss or Damage Less Than Very Substantial Loss or Damage. Where loss or damage occurs with a Unit or Units, or to the Common Elements, or to any Unit or Units and the Common Elements, but said loss or damage is less than Very Substantial Loss or Damage, it shall be obligatory upon the Association and the Unit Owners to repair or reconstruct the damage caused by said loss. Where such loss or damage is less than Very Substantial Loss or Damage, the Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the costs of repairing or reconstructing, and after obtaining the same the Association shall promptly contract for the repair or reconstruction of such loss or damage. No first mortgagee of record or any other mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan except as to remaining proceeds, as provided in paragraph 9.2(c)(1) hereof.

(1) Assessments for Repair and Reconstruction. If the proceeds of insurance are not sufficient

to defray the estimated cost of repair or reconstruction, or if at any time during repair or reconstruction, or upon completion of repair or reconstruction, the funds for payment of the cost of repair or reconstruction are insufficient, a special assessment shall be made by the Board of Directors of the Association against the Unit Owners who own the damaged Units, and against all Unit Owners in the case of damage to common Elements, in sufficient amount to provide funds for the payment of such costs. Such assessment against Unit Owners for damage to Units shall be in proportion to the cost of repair or reconstruction of their respective Units. Such assessment on account of damage to Common Elements shall be in proportion to each Unit Owner's share of Common Elements.

(e) Very Substantial Loss or Damage. Should Very Substantial Loss or Damage occur, then:

(1) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repair or reconstruction.

(2) The Board of Directors of the Association shall ascertain as promptly as possible the net amount of insurance proceeds available for repair or reconstruction. No first mortgagee of record or any other mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan except as to remaining proceeds, as provided in paragraph 9.2(c)(2) hereof.

(3) Thereupon, a special meeting of members shall be called by the Board of Directors of the Association to be held not later than sixty days after the casualty, to effect the termination of the Condominium, subject to the following:

(i) If the net insurance proceeds available for repair or reconstruction are sufficient to cover the cost thereof, so that no special assessment is required, then the Building shall be repaired or reconstructed, unless sixty percent of the total number of members of the Association entitled to vote shall vote to terminate this Condominium in which case the Condominium Property shall be removed from the provisions of the law by the recording, in the Public Records of Pasco County, Florida, of an instrument terminating this Condominium, which instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its president and secretary. The termination of the Condominium shall become effective upon the recording of said instrument in the Public Records of Pasco County, Florida, and the Unit Owners shall thereupon become owners as tenants in common of the Condominium Property, and their undivided interest in the Condominium Property as tenants in common shall be the same as their undivided interest in the Common Elements prior to termination. Upon termination, all mortgages and other liens upon Condominium Parcels shall become mortgages and liens upon the undivided interest of such tenants in common, with the same priority as existed prior to the termination of the Condominium.

(ii) If the net insurance proceeds available for repair or reconstruction are not sufficient to cover the cost thereof, so that a special assessment will be required, the Board of Directors shall determine the amount of such assessment. If after discussion of such assessment, sixty percent of the total number of members of the Association entitled to vote shall vote to terminate this Condominium, then it shall be so terminated and the Condominium

Property shall be removed from the provisions of the law in accordance with the procedures set forth in paragraph 9.2(e)(3)(i) hereof, and the Unit Owners shall thereupon become owners as tenants in common of the Condominium Property in such undivided interest, and all mortgages and other liens upon the Condominium Parcels shall encumber the undivided interest of such tenants in common, as provided in paragraph 9.2(e)(3)(i) hereof. If the Condominium is not terminated as above provided, the Board of Directors of the Association shall immediately levy such assessment, such assessment to be made in the manner and as provided in paragraph 9.2(d)(1) hereof, and thereupon, the Association shall proceed to negotiate and contract for such repairs or reconstruction.

(4) If a dispute should occur as to whether Very Substantial Loss or Damage has occurred, the Board of Directors of the Association shall decide the question and their decision shall be binding and conclusive upon all Unit Owners.

(f) Surplus. It shall be presumed that the first monies disbursed in payment of costs of repair or reconstruction shall be from the insurance proceeds, and if there is a balance in the funds after the payment of all costs of repair or reconstruction, such balance shall be distributed to the beneficial owners of the fund in the manner heretofore provided.

(g) Plans and Specifications. Any repair or reconstruction must be substantially in accordance with the plans and specifications for the original Building, or as the Building was last repaired or reconstructed.

(h) Association's Power to Compromise Claim. The Association is hereby irrevocably appointed agent for

each Unit Owner for the purpose of compromising and settling claims arising under insurance policies purchased by the Association and to execute and deliver releases therefore upon the payment of claims.

9.3 Workers' Compensation Policy. Policies of workers' compensation insurance shall be obtained to meet the requirements of law.

9.4 Other Insurance. The Association is authorized to obtain such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable. The Board of Directors of the Association may obtain insurance policies, as provided under this paragraph 9, which contain such deductible clauses as the Board of Directors determines.

9.5 Unit Owner's Insurance. Each Unit Owner shall be responsible for purchasing, at his own expense, liability insurance upon his own personal property and such other insurance as he shall desire.

9.6 Insurance Companies. Insurance companies authorized to do business in the State of Florida shall be affirmatively presumed to be good and responsible companies, and the Board of Directors of the Association shall not be responsible for the quality of financial responsibility of the insurance companies provided same are licenses to do business in the State of Florida.

10. Use Restrictions. The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists.

10.1 Units. Each of the Units shall be occupied only as a single family residential dwelling by the Unit Owner, members of his family, his guests, invitees, and lessees, and in the case of lessees, their families, guests

and invitees. Except as the right is reserved to Developer herein, no Unit may be divided or subdivided into a smaller Unit.

Notwithstanding the preceding, so long as Developer owns a Unit, it or its agents may utilize a Unit or Units for a sales office, a model Unit or any other usage for the purpose of selling Units. Units may be rented through an organization approved by the Developer, regardless of whether or not Developer owns any Units at that time.

10.2 Common Elements and Limited Common Elements. The Common Elements and Limited Common Elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities to the Units and the Unit Owners.

10.3 Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium Property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or make any use of the Common Elements that will increase the cost of insurance upon the Condominium Property.

10.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part of it, and all valid laws, zoning ordinances and regulations of the governmental bodies having jurisdiction shall be observed.

10.5 Leasing of Units. There are none nor shall there be any restrictions or limitations upon the leasing of

Units, and each Unit Owner may lease his Unit upon such terms and conditions as he may desire, provided that the lease of a Unit shall not discharge the Unit Owner from compliance with any of his obligations and duties as a Unit Owner and approval of the Association as provided in Article 11 hereof. All of the terms and provisions of the Condominium Act, the Declaration, Articles of Incorporation, the By- Laws, and the rules and regulations of the Association pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Unit as a tenant to the same extent as against a Unit Owner, and a covenant upon the part of each such tenant to abide by the rules and regulations of the Association, and the terms and provisions of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association.

10.6 Provision for Developer Sponsored Rentals. Notwithstanding anything to the contrary set forth in this Declaration, the Developer may modify or waive any of the foregoing use restrictions as may be desired by it in connection with any rental arrangement sponsored by the Developer, its affiliates or assigns. It is specifically understood and agreed that the Developer, its designees or assignees may offer a rental arrangement whereunder individually owned Units will be made available for rental occupancy under the sponsorship or with the assistance of the Developer for such terms of occupancy, (daily, weekly or longer) as may be determined by the Developer and in no event shall such arrangements or activities by Developer or the resulting uses therefrom be deemed a violation of the Declaration, Articles of Incorporation, or By-Laws of the Gulf Island Condominium Owners' Association.

The Developer shall also have the right to rent those areas not submitted to condominium ownership and retained by it to the public at large, to the Association, or

to the Unit Owners, on a per-use basis. Those areas are identified in Exhibit A. An easement for access, ingress, and use of facilities is reserved to the Developer, its guests, and invitees in conjunction with such rentals.

10.7 Signs. No "For Sale" or "For Rent" signs or any other type of sign or other displays or advertising shall be maintained on any part of the Common Elements, Limited Common Elements or the Units, except for identification signs located on the exterior of the Building which are part of the original construction of the Building or signs which are located within the interior of the Building not visible to view from the exterior of the Building and except that the right is specifically reserved to the Developer to place "For Sale" or "For Rent" signs in connection with any unsold or unoccupied Units it may from time to time own, or with any Units rented by Developer, its designees or assignees pursuant to paragraph 10.6 hereof.

10.8 Parking Spaces. No trucks or other commercial vehicles, boats, house trailers, boat trailers, mobile homes, campers or trailers of any description shall be parked in any surface parking space except with the written consent of the Board of Directors of the Association. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pickup, delivery, and such other services as may be necessary.

10.9 Rules and Regulations. Rules and Regulations concerning use of the Condominium Property shall be made by and may be amended from time to time by the Board of Directors of the Association in the manner provided by its Articles of Incorporation and ByLaws. Copies of such rules and regulations and amendments thereto shall be furnished by the

Association to all Unit Owners and residents of the Building upon request.

10.10 Clothes Drying. All outdoor drying of clothes by line, rack or otherwise shall be prohibited.

10.11 Antennae. No television or radio antennae or towers of any nature shall be erected on any part of the Condominium Property, except that one antenna may be used as a master antenna for the Building.

10.12 Cooking. No cooking of any nature whatsoever shall take place or be permitted on Unit balconies.

10.13 Developer's Use. Until such time as Developer has completed all the contemplated improvements of the Condominium and closed the sale of all the Condominium Parcels, neither the Unit Owners nor the Association, nor the use of the Condominium Property shall interfere with the completion of the contemplated improvements and the sale of the Condominium Parcels. Developer may make such use of any unsold Units, and the Common Elements as may facilitate such completion and sale including but not limited to maintenance of a sales office, showing of the Units, and the display of signs.

11. Maintenance of Community Interest. In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the Unit, the transfer of Unit by any Owner other than the Developer or by an Owner to the Developer shall be subject to the following provisions as long as the Condominium exists and the Unit Buildings in useful condition exist upon the land, which provisions each Unit Owner covenants to observe.

11.1 (a) Sale. No Unit Owner may dispose of a Unit or any interest in a Unit without providing the Developer or its successors or assigns with the right of first

refusal to either purchase the Unit from the Unit Owner at a price and upon terms and conditions to be determined at the time of the proposed sale or to sell the Unit to a third party at a price and upon terms and conditions acceptable to the Unit Owner. A Unit Owner must notify the Developer in writing by registered mail or certified mail at the office of the Developer at: Post Office Drawer 2600, Daytona Beach, Florida 32015 The Developer or its successors or assigns shall have this right for a period of thirty (30) days from the date it receives notice of Unit Owner's intention to sell and if the Developer does not exercise this right, Association approval of the proposed sale shall be required.

(b) Lease. No Unit Owner may dispose of a Unit or any interest in a Unit by lease without approval of the Association except to another Unit Owner whose Unit is governed by the Association or to the Developer. A Unit Owner may enter into a written lease with the Developer as his agent to lease or rent his Unit for a period of three (3) consecutive years or less without the approval of the Association.

(c) Gift. If any Unit Owner shall acquire his title by gift, the continuance of his ownership of the Unit shall be subject to the approval of the Association.

(d) Devise or Inheritance. If any Unit Owner shall acquire his title by devise or inheritance, the continuance of his ownership of his Unit shall be subject to the approval of the Association.

(e) Other Acquisitions. If any Unit Owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of the Unit shall be subject to the approval of the Association.

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

(a) Notice to Association;

(i) Sale. A Unit Owner intending to make a bona fide sale of his Unit or any interest in it other than to the Developer, its successors or assigns, shall give to the Association notice of such intention together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. Such notice, at the Unit Owner's option, may include a demand by the Unit Owner that the Association furnish a purchaser for the Unit if the proposed purchaser is not approved; and, if such a demand is made, the notice shall be accompanied by an executed copy of the contract to sell.

(ii) Lease. A Unit Owner intending to make a bona fide lease of his Unit or any interest in it shall give to the Association notice of such intention together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require and an executed copy of the proposed lease.

(iii) Gift, Devise, or Inheritance; Other Transfers. A Unit Owner who has obtained his title by gift, devise or inheritance, or by any manner not previously considered shall give to the Association notice of the acquiring of his title together with such information concerning the Unit Owners as the Association may reasonably require and a certified copy of the instrument evidencing the Owner's title.

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

(b) Certificate of Approval:

(i) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. Provided, that should the selling Owner give concurrent notice to the Developer under Section 11.1(a) and to the Association under Section 11.2(a), the Association approval or disapproval shall be done within ten (10) days of expiration of the Developer's Waiver, whichever is earlier. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association which shall be recorded in the Public Records of Pasco, County, Florida, at the expense of the purchaser.

(ii) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association in recordable form, which, at the election of the Association, shall be delivered to the lessee or shall be recorded in the Public Records of Pasco County, Florida, at the expense of the lessee.

(iii) Gift, Devise or Inheritance; Other Transfers. If the Unit Owner giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the continuance of the Unit Owner's ownership of the Unit. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association, and shall be recorded in the Public Records of Pasco County, Florida, at the expense of the Unit Owner.

11.3 Disapproval by Association. If the Association shall disapprove a transfer of ownership of a Unit, the matter shall be disposed of in the following manner:

(a) Sale. If the proposed transaction is a sale and if the notice of sale given by the Unit Owner shall so demand, then within thirty (30) days after receipt of such notice and information, the Association shall deliver or mail by registered mail to the Unit Owner an agreement to purchase the unit by a purchaser approved by the Association who will purchase the Unit, and to whom the Unit Owner must sell the Unit, upon the following terms:

(i) At the option of the purchaser 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 the arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment 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 expenses of the arbitration shall be paid by the purchaser.

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

(iii) The sale shall be closed within thirty (30) days after 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 later.

(iv) A certificate of the Association executed by its president and secretary and approving the purchaser shall be recorded in the Public Records of Pasco County, Florida, at the expense of the purchaser.

(v) If the Association shall fail to provide a purchaser upon the demand of the Unit Owner in the manner provided, or if a purchaser furnished by the Association shall default in his agreement to purchase, then, and notwithstanding the disapproval of the proposed transaction, it shall be deemed to have been approved and the Association shall furnish a certificate of approval as elsewhere provided herein, which shall be recorded in the Public Records of Pasco County, Florida, at the expense of the purchaser.

(b) Lease. If the proposed transaction is a lease, the Unit Owner shall be advised of the disapproval in writing, and the lease shall not be made.

(c) Gifts, Devise or Inheritance; Other Transfers. If the Unit Owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within thirty (30) days after receipt from the Unit Owner of the notice and information required to be furnished, the Association shall deliver or mail by registered mail to

the Unit Owner an agreement to purchase approved by the Association upon the following terms:

(i) The sale price shall be the fair market value determined by agreement between the seller and the purchaser within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their appraisals of the Unit; and, a judgment of specific performance of the sale upon award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expenses of the arbitration shall be paid by the purchaser.

11.4 Mortgage. No Unit Owner may mortgage his Unit nor any interest in it without the approval of the Association except to a bank, life insurance company or a savings and loan association or to a vendor to secure a portion or all of the purchase price or to the Developer, its successors or assigns. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

11.5 Mortgagees' Liabilities for Common Elements. Where the mortgagee of the first mortgage of record, or the purchaser or purchasers of a Condominium Unit obtains title to the Condominium parcel or Unit as a result of foreclosure of the first mortgage, or by voluntary conveyance in lieu of such foreclosure, said mortgagee shall not be liable for the shares of common expenses or assessments by the Association pertaining to such Condominium Unit which became due prior to acquisition of title by said mortgagee or purchaser as a

result of the foreclosure or voluntary conveyance in lieu of said foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Owners of Condominium Units, including a successor or assignee of the mortgagee. The waiver of liability granted herein for the payment of past due common expenses and assessments shall not apply to an Owner who takes back a purchase money mortgage.

11.6 Exceptions. The foregoing provisions of this Section entitled "Maintenance of Community Interests" shall not apply to a transfer to or purchase by a bank, life insurance company or savings and loan association that acquires its title as the result of owning a mortgage upon the apartment concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company or savings and loan association that so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a Unit at a duly advertised public sale with open bidding provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale. that so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a Unit at a duly advertised public sale with open bidding provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale.

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

12. Compliance and Default. Each Unit Owner shall be governed by and shall comply with the terms and provisions of the Condominium Act, as exists on the date of execution of this Declaration as it may subsequently be amended, the Articles of Incorporation and By-Laws of the Association, and the rules and regulations adopted pursuant thereto, as they all may be amended from time to time. Failure of a Unit Owner to comply shall entitle the Association or any aggrieved party to the following relief in addition to the remedies provided by the Condominium Act.

Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act or neglect, or the act or neglect of any member of his family, his guests, employees, agents, invitees or lessees, but only to the extent that such expenses are not met by the proceeds of insurance carried by the Association. A Unit Owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy, or abandonment of his Unit, its appurtenances or the Common Elements, and such amount shall be treated as an assessment for that individual owner as provided in this Declaration.

12.2 No Waiver of Rights. The failure of the Developer, the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association, or the rules and regulations of the Association shall not constitute a waiver of the right to do so thereafter.

13. Amendments. Except as otherwise provided in paragraph 3.1, 3.2, 3.3 and 4.3, and except as otherwise

provided in paragraph 13.4, amendments to this Declaration shall be proposed and adopted in the following manner.

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

13.2 Resolution. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors of the Association or by the members of the Association entitled to vote at an Association meeting. Such members may propose such an amendment by instrument in writing directed to the president or secretary of the Association signed by a majority of such members. Amendments may be proposed by the Board of Directors by action of a majority of the Board of Directors at any regular or special meeting thereof. Upon an amendment being proposed as herein provided, the secretary of the Association shall call a special meeting of the members of the Association to be held not sooner than twenty days nor later than sixty days thereafter for the purpose of considering said amendment. Such amendment must be approved by the affirmative vote of sixty percent of the total number of Association members entitled to vote.

13.3 Limitations. No amendment to this Declaration amending paragraph 9, entitled Insurance, or any part thereof, including subparagraphs, shall be effective unless all first mortgagees of record shall join in the execution of any such amendment, nor shall any amendment to paragraph 10.5, entitled Leasing of Units, or any part hereof, be effective unless Unit Owners of all Condominium Parcels join in the execution of any such amendment. Further, no amendment shall make any changes which would in any way affect any of the rights, privileges, or powers herein provided in favor or reserved to the Developer, unless the Developer shall join

in the execution of any such amendment. Further, no amendment to paragraph 14, entitled Termination, or any part thereof, including subparagraphs, Parcels and the owners of all first mortgages of record on Condominium Parcels and the owners of all first mortgages of record on Condominium Parcels join in the execution of any such amendment. Further, no amendment to paragraph 6, entitled Maintenance, Repair and Replacement; Changes, Improvements and Additions; Condominium Property, or any part thereof, including subparagraphs, shall be effective unless the Unit Owners of all Condominium Parcels join in the execution of any such amendment.

13.4 Amendments Prior to Transfer of Control of Condominium. Notwithstanding the provisions of paragraphs 13.2 and 13.3 hereof, until the first election of the members of the Board of Directors by Unit Owners, as provided in the Articles of Incorporation and By-ByLaws of the Association, proposal of an amendment shall be made by the Board of Directors and approval thereof shall require only the affirmative vote of all of the Directors at any regular or special meeting thereof. No revisions of the provisions hereof governed by Section 718.403(2), Florida Statutes, as presently worded, shall be made pursuant to this Article subsection.

13.5 Correcting Errors or Omissions. The Developer may, during the time it owns any Units, amend the Declaration to correct errors or omissions. No such amendment shall adversely modify the substantial rights of any Unit Owners without their written consent.

13.6 Execution and Recording. Except as otherwise provided in this Declaration or in the Condominium Act, a copy of each amendment shall be attached to a certificate which shall include the recording date identifying this Declaration, certifying that the amendment was duly adopted,

and said certificate shall be executed by the president of the Association and attest to by the secretary with the formalities of a deed and shall be effective upon recordation thereof in the Public Records of Pasco County, Florida.

14. Termination. The Condominium may be terminated as provided in paragraph 9.2(e)(3)(i) and 9.2(e)(3)(ii) hereof, and in the following manner:

14.1 Agreement. The Condominium may be terminated at any time by the approval in writing of all Unit Owners together with the approval in writing of all owners of first mortgages of record on Condominium Parcels. Upon approval as aforesaid, the Condominium Property shall be removed from the provisions of law by the recording, in the Public Records of Pasco County, Florida, of an instrument terminating this Condominium, which instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its president and secretary. The termination of the Condominium shall become effective upon the recording of said instrument in the Public Records of Pasco County, Florida, and the Unit Owners shall thereupon become owners as tenants in common of the Condominium Property, and their undivided interests in the Condominium Property, and their undivided interests in the Condominium Property as tenants in common shall be the same as their undivided interests in the Common Elements prior to termination. Upon termination, all mortgages and other liens upon Condominium Parcels shall become mortgages and liens upon the priority as existed prior to the termination of the Condominium.

15. Severability. Invalidation of any of the provisions of this Declaration, the Articles of Incorporation or By-Laws of the Association shall not affect any of the remaining provisions, which shall remain in full force and effect.

16. Title and Captions. Title or other captions contained in this Declaration, the Articles of Incorporation or By-Laws of the Association are inserted only as a matter of convenience and for reference purposes and in no way define, limit, extend or describe the scope of this Declaration, the Articles of Incorporation or the By-Laws of the Association, or the intent of any provision.

16.1 Conflict of Law. Any conflicts between the contents of this Declaration and the Condominium Act shall be construed in a manner consistent with the Act, as it is enacted this date. The Act shall be considered paramount in resolving any such conflicts, however, any conflicting or ambiguous provisions are to be construed in favor of the Developer.

17. Person and Gender. Whenever the singular number is used in this Declaration, the Articles of Incorporation or the By-Laws of the Association, and when required by the context, the same shall include the plural, and masculine gender shall include the feminine and neuter genders.

IN WITNESS WHEREOF, the Developer has caused this Declaration of Condominium to be executed, this 1st day of August, 1984.

Witnesses:

HARBOR LIGHTS VENTURE, INC.
a Florida corporation, Developer

By: Joseph Senkovich, Jr.
President

Attest: Linda Thomason
Secretary

STATE OF FLORIDA

COUNTY OF VOLUSIA

Execution of the foregoing instrument was acknowledged before me this 1st day of August, 1984, by Joseph Senkovich, Jr., as President, and by Linda Thomason, as Secretary, of Harbor Lights Venture, Inc., a Florida corporation, on behalf of the said corporation.

Dea M. Bradley

Notary Public, State of Florida

My Commission Expires: 12/19/86

EXHIBIT "A"
LEGAL DESCRIPTIONS

PHASE I

A portion of Section 33, Township 24 South, Range 16 East, Pasco County, Florida. Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida as a POINT OF BEGINNING, run S. 89°29'25" W., 350.01 ft.; due North 127.26 ft.; thence N. 45°00'00" E., 63.64 ft.; due North 145.00 ft.; thence N. 45°00'00" W., 63.64 ft.; due North 225.00 ft.; due West 80.00 ft.; due North 751.28 ft.; thence N. 89°36'30" E., 430.01 ft.; due South 1338.36 feet to the POINT OF BEGINNING, containing 11.94 acres, more or less.

PHASE I SALES/ADMINISTRATION AREA (DEVELOPER-RETAINED AREA)

A portion of Section 33, Township 24 South, Range 16 East, Pasco County, Florida. Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida as a POINT OF BEGINNING, run S. 89°29'25" W., 350.01 ft.; due North 127.26 ft.; thence N. 45°00'00" E., 63.64 ft.; thence S. 45°00'00" E., 19.95 ft.; thence N. 54°00'00" E., 85.00 ft.; thence S. 42°00'00" E., 140.43 ft.; thence S. 27°00'00" E., 40.00 feet; due East 110.00 ft.; due South 65.00 feet to the POINT OF BEGINNING, containing 1.029 acres, more or less.

PHASE I DOCK AREA (DEVELOPER-RETAINED AREA)

A portion of Section 33, Township 24 South, Range 16 East, Pasco County, Florida. Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run due North 65.00 ft.; due West 35.00 ft. for a POINT OF BEGINNING; continue West 58.00 ft.; due North 565.00 ft.; due East 58.00 ft.; due South 565.00 ft. to the POINT OF BEGINNING, containing 0.752 acres, more or less.

PHASE I TENNIS COURTS, DRIVES and PARKING (DEVELOPER - RETAINED AREA)

Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run due North 205.00 ft.; due West 93.00 ft. for a POINT OF BEGINNING; continue West 129.13 ft.; thence S. 54°00'00" W., 85.00 ft.; thence N. 45°00'00" W., 19.95 ft.; due North 145.00 ft.; thence N. 45°00'00" W., 14.70 ft.; thence N. 57°00'00" E., 101.82 ft.; due North 145.00 ft.; thence N. 45°00'00" E., 35.36 ft.; due East 92.00 ft.; due South 140.00 ft.; due East 20.00 ft.; due South 205.00 ft. to the POINT OF BEGINNING, containing 1.328 acres, more or less.

PHASE II

Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 350.01 ft. for a POINT OF BEGINNING; continue S. 89°29'25" W., 184.61 ft.; thence N. 03°00'00" E., 86.54 ft.; thence N. 87°00'00" W., 305.34 ft.; due North 172.36 ft.; due East 25.00 ft.; due North 1062.83 ft.; thence N. 89°36'30" E., 380.01 ft.; due South 751.28 ft.; due East 80.00 ft.; due South 225.00 ft.; thence S. 45°00'00" E., 63.64 ft.; due South 145.00 ft.; thence S. 45°00'00" W., 63.64 ft.; due South 127.26 ft. to

the POINT OF BEGINNING, containing 12.456 acres, more or less.

PHASE II TENNIS COURTS, DRIVES and PARKING (DEVELOPER-RETAINED AREA)

Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 534.62 ft.; thence N. 03°00'00" E., 86.54 ft.; thence N. 87°00'00" W., 198.84 ft. for a POINT OF BEGINNING; continue N. 87°00'00" W., 106.50 ft.; due North 172.36 ft.; due East 25.00 ft.; due North 140.00 ft.; due East 115.00 ft.; thence S. 30°00'00" E., 20.80 ft., thence S. 60°00'00" W., 63.97 ft.; due South 90.00 ft., due East 35.72 ft.; thence N. 60°00'00" E., 80.00 ft.; due East 330.00 ft.; due South 140.86 ft.; thence 178.79 ft. along the arc of a curve concave to the South, radius 788.00, chord S. 83°30'00" W., 178.41 ft.; thence S. 77°00'00" W., 252.86 ft. to the POINT OF BEGINNING, containing 2.312 acres, more or less.

PHASE III

Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 534.62 ft. for a POINT OF BEGINNING; continue S. 89°29'25" W., 787.48 ft.; thence N. 03°00'00" E., 134.74 ft.; thence S. 87°00'00" E., 240.33 ft., due North 189.78 ft.; due West 135.00 ft.; due North 1030.09 ft.; thence N. 89°36'30" E., 400.01 ft.; due South 1062.83 ft.; due West 25.00 ft.; due South 172.36 ft.; thence S. 87°00'00" E., 305.34 ft.; thence S. 03°00'00" W., 86.54 ft. to the POINT OF BEGINNING, containing 12.565 acres, more or less.

PHASE III DOCK AREA (DEVELOPER-RETAINED AREA)

Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 534.62 ft.; thence N. 03°00'00" E., 28.54 ft. for a POINT OF BEGINNING; thence N. 87°00'00" W., 786.00 ft., thence N. 03°00'00" E., 58.00 ft.; thence S. 87°00'00" E., 786.00 ft.; thence S. 03°00'00" W., 58.00 ft. to the POINT OF BEGINNING, containing 1.047 acres, more or less.

PHASE III TENNIS COURTS, DRIVES and PARKING (DEVELOPER-RETAINED AREA)

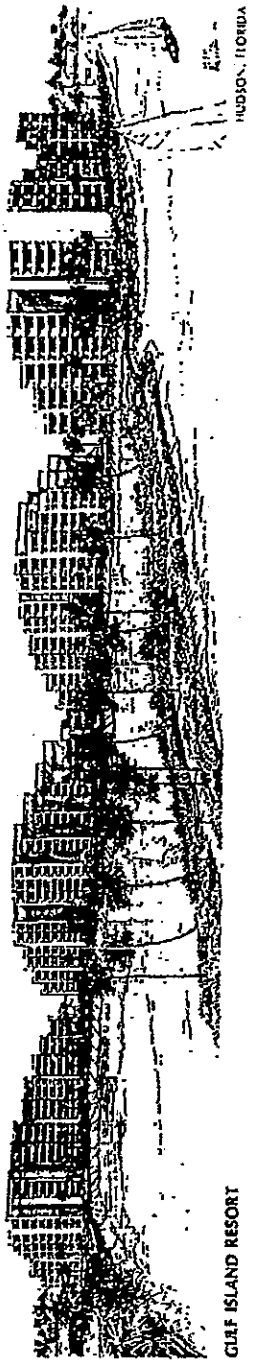
Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 534.62 ft., thence N. 03°00'00" E., 86.54 ft.; thence N. 87°00'00" W., 305.34 ft. for a POINT OF BEGINNING: continue N. 87°00'00" W., 240.33 ft., due North 159.78 ft.; due East 240.00 ft.; due South 172.36 ft. to the POINT OF BEGINNING, containing 0.919 acres, more or less.

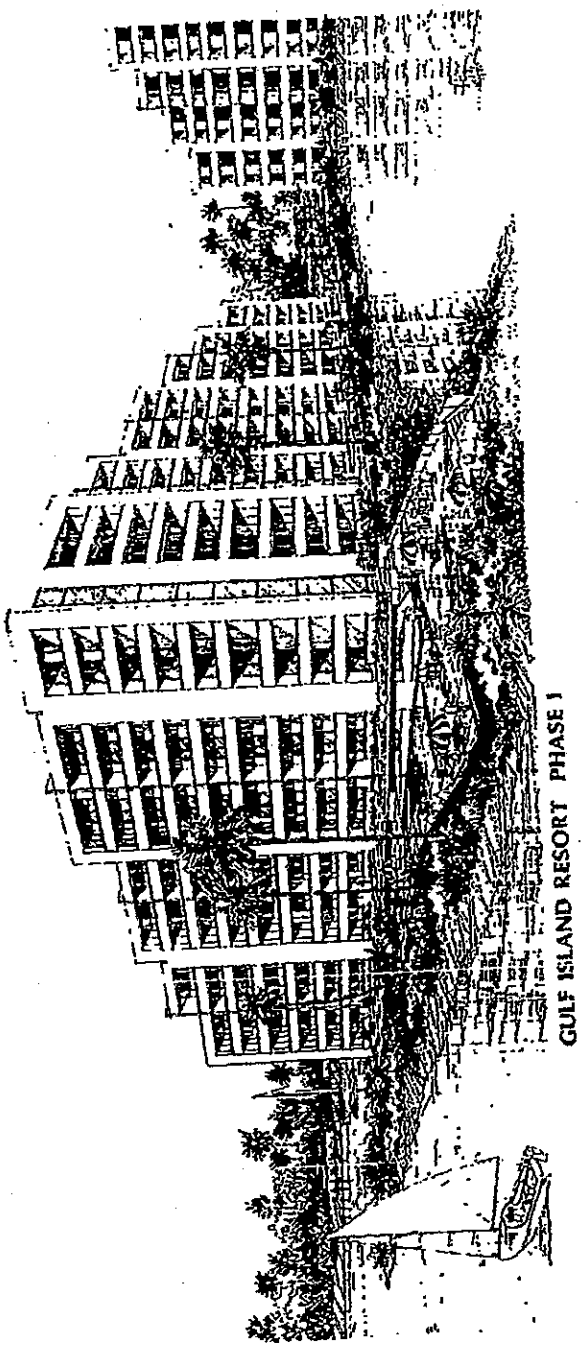
LEGAL DESCRIPTION - PHASE IV

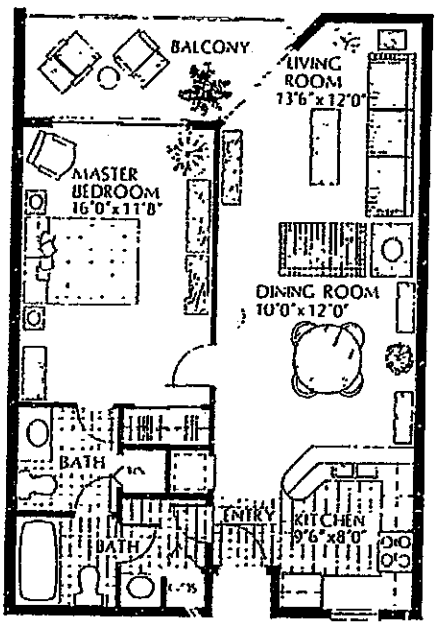
Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 1322.10 ft. for a POINT OF BEGINNING; continue S. 89°29'25" W., 175.92 ft.; due North 1341.45 ft.; thence N. 89°36'30" E., 287.97 ft.; due South 1030.09 ft.; due East 135.00 ft.; due South 189.78 ft.; thence N. 87°00'00" W., 240.33 ft.; thence S. 03°00'00" W., 134.74 ft. to the POINT OF BEGINNING, containing 9.116 acres, more or less.

PHASE IV TENNIS COURTS, DRIVES and PARKING (DEVELOPER-RETAINED AREA)

Commencing at the SE corner of the land recorded in O.R. Book 774, Page 499 of the Public Records of Pasco County, Florida, run S. 89°29'25" W., 1322.10 ft., thence N. 03°00'00" E., 134.74 ft. for a POINT OF BEGINNING; due West 85.00 ft.; due North 107.20 ft.; due East 20.00 ft.; due North 110.00; thence N. 45°00'00" E., 28.28 ft.; due East 30.00 ft., due South 25.00 ft.; thence S. 45°00'00" E., 91.92 ft.; due East 35.00 ft.; due North 30.00 ft.; due East 155.00 ft.; due South 189.78 ft.; thence N. 87°00'00" W., 240.33 ft. to the POINT OF BEGINNING, containing 1.368 acres, more or less.

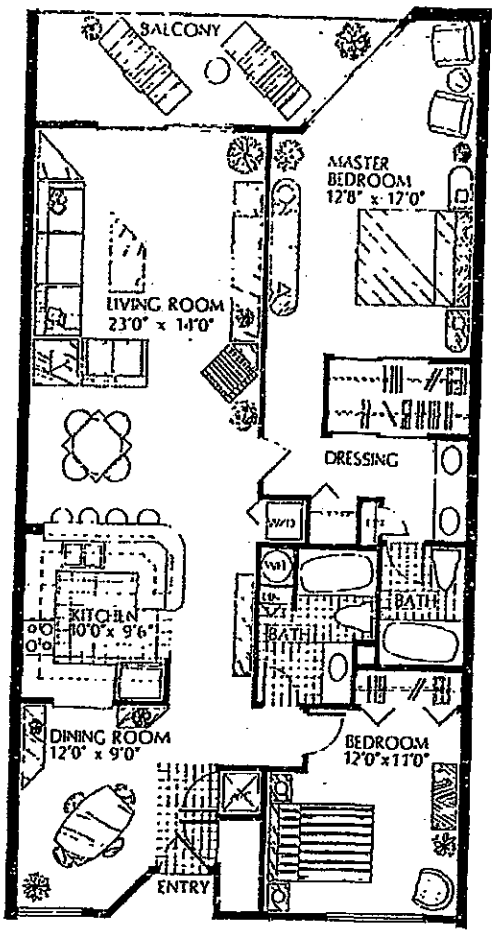



GULF ISLAND RESORT PHASE I



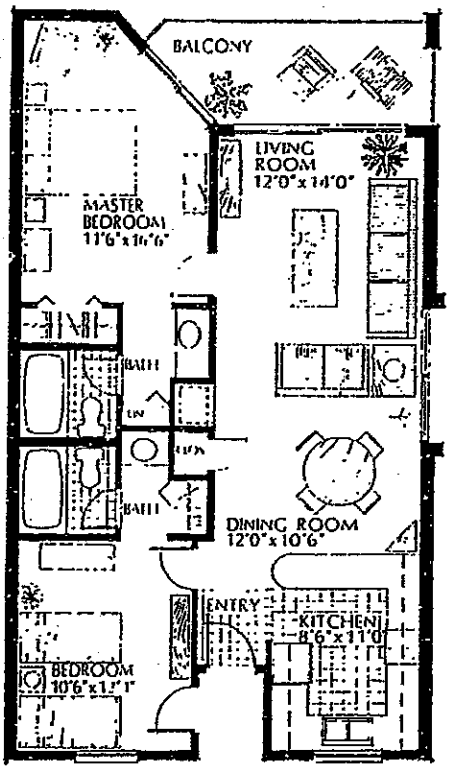
1-BEDROOM 11/2-BATH UNIT

0 1 2 4 6 8
GRAPHIC SCALE FEET



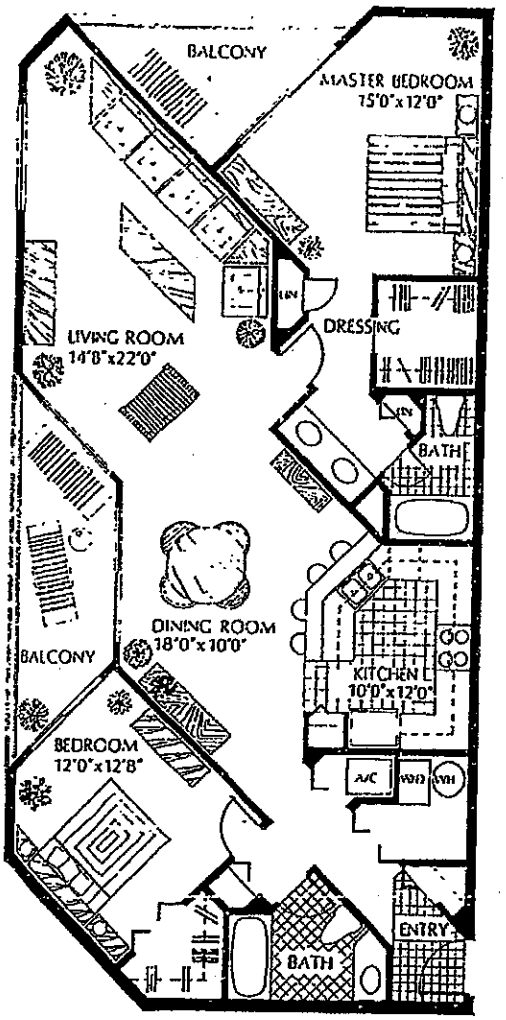
GULF ISLAND RESORT

2 BEDROOM 2 BATH - TYPICAL UNIT



2-BEDROOM 2-BATH UNIT

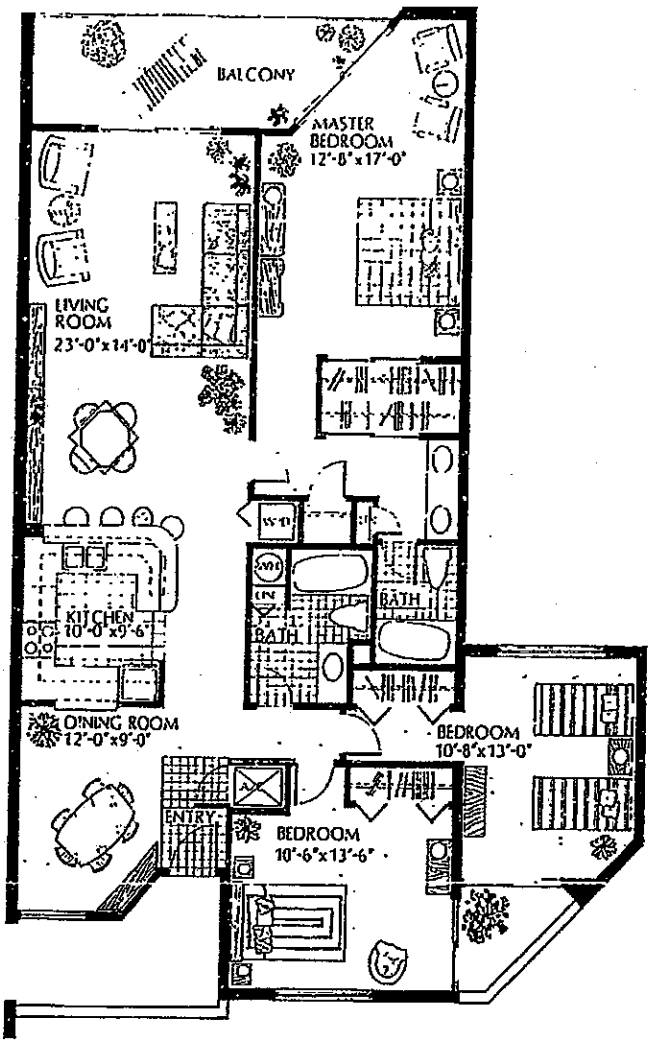
0 1 2 4 6 8
GRAPHIC SCALE FEET



2 BEDROOM 2 BATH - CORNER UNIT

0 2 4 6 8
GRAPHIC SCALE FEET

O.R. 1381 PG 0982

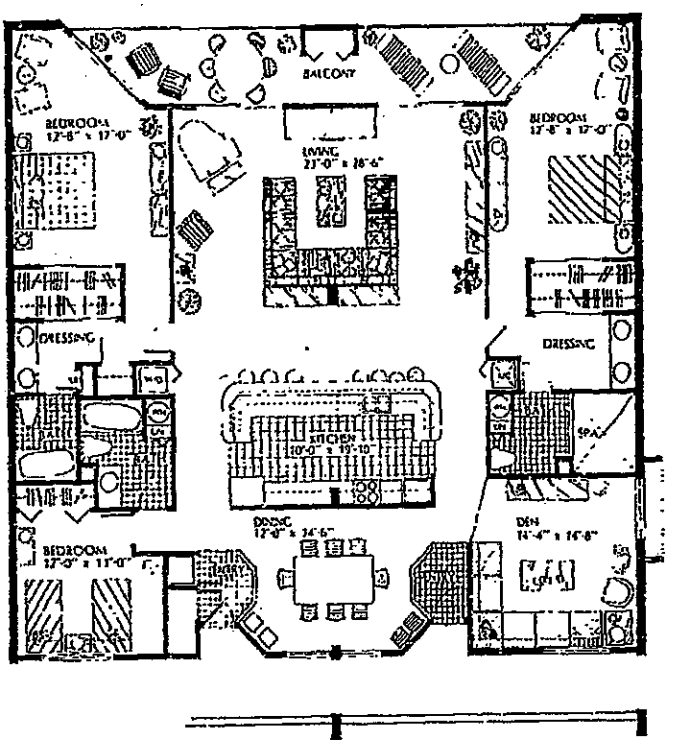


GULF ISLAND RESORT

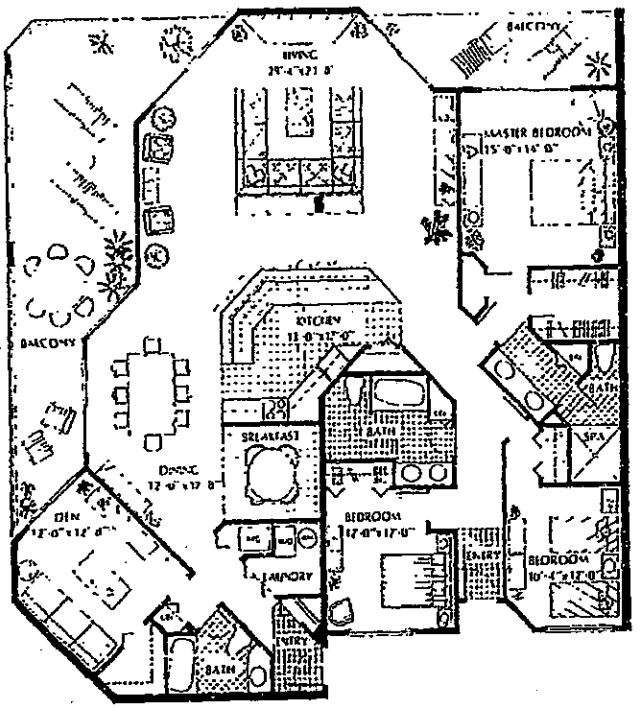
3 BEDROOM 2 BATH - END UNIT

0 2 4 6 8
GRAPHIC SCALE FEET

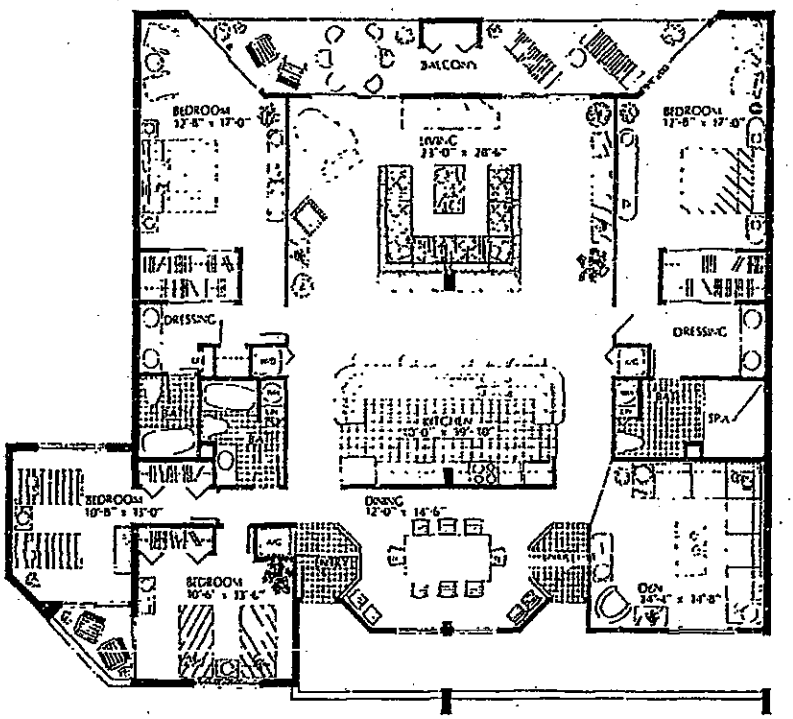
O.R. 1381 PG 0983



GULF ISLAND RESORT
3 BEDROOM 3 BATH PENTHOUSE UNIT



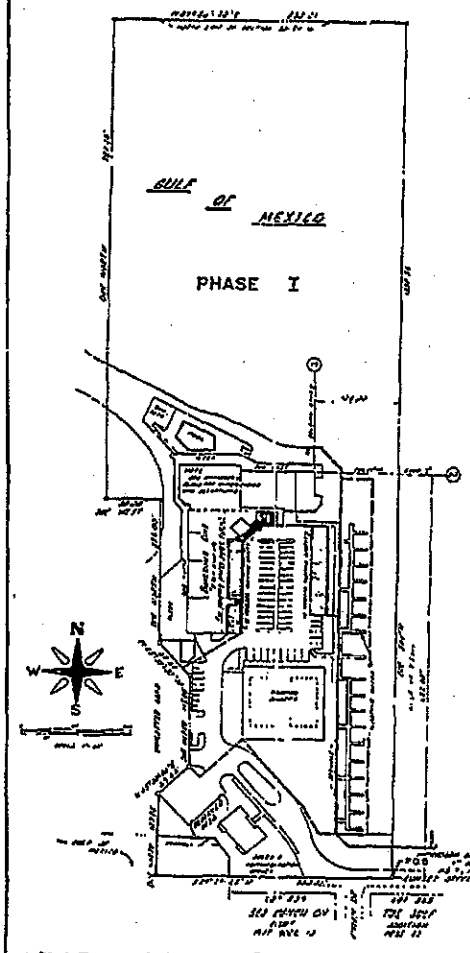
GULF ISLAND RESORT
3 BEDROOM 3 BATH PENTHOUSE CORNER UNIT

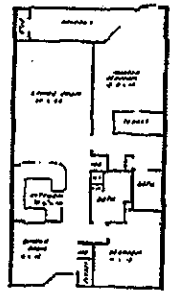


GULF ISLAND RESORT
4 BEDROOM 3 BATH PENTHOUSE END UNIT

GULF ISLAND RESORT AND RACQUET CLUB
A CONDOMINIUM
PHASE I

A PORTION OF SECTION 33, TOWNSHIP 24 SOUTH, RANGE 16 EAST,
PASCO COUNTY, FLORIDA





2-BR, 2-BATH TYPICAL UNIT

C. Fred Brasi and Associates, Inc.

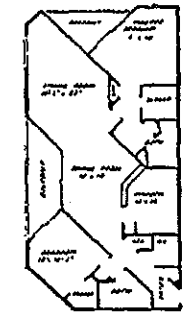
SHEET 1 OF 4

GULF ISLAND RESORT AND RACQUET CLUB

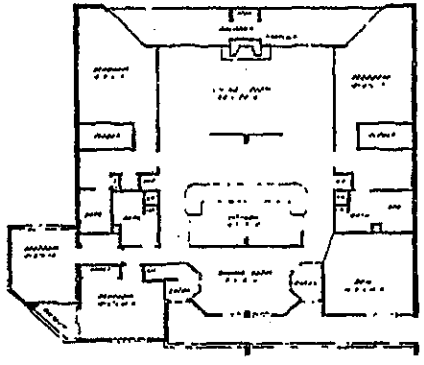
A CONDOMINIUM

PHASE I

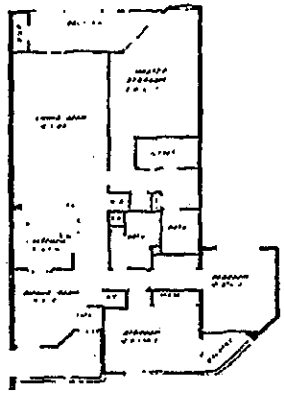
A PORTION OF SECTION 33, TOWNSHIP 24 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA



2-BR, 2 BATH — CORNER UNIT
N.T.S.



4-BR, 3-BATH — TYPICAL UNIT
N.T.S.



3-BR, 2-BATH — END UNIT
N.T.S.

NOTE:

The dimensions shown are approximate and subject to slight variations which may occur during construction. The dimensions are elevations and a deviation from the plans prepared by Barter and Zalfa, Inc. are filed with the Condominium Documents in O.R. Book , Page , Pasco County, Florida.

C. Fred Brust and Associates, Inc.

SHEET 2 OF 4

GULF ISLAND RESORT AND RACQUET CLUB

A CONDOMINIUM

PHASE PLAN

A PORTION OF SECTION 33, TOWNSHIP 24 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA

C. Fred Deuel and Associates, Inc.

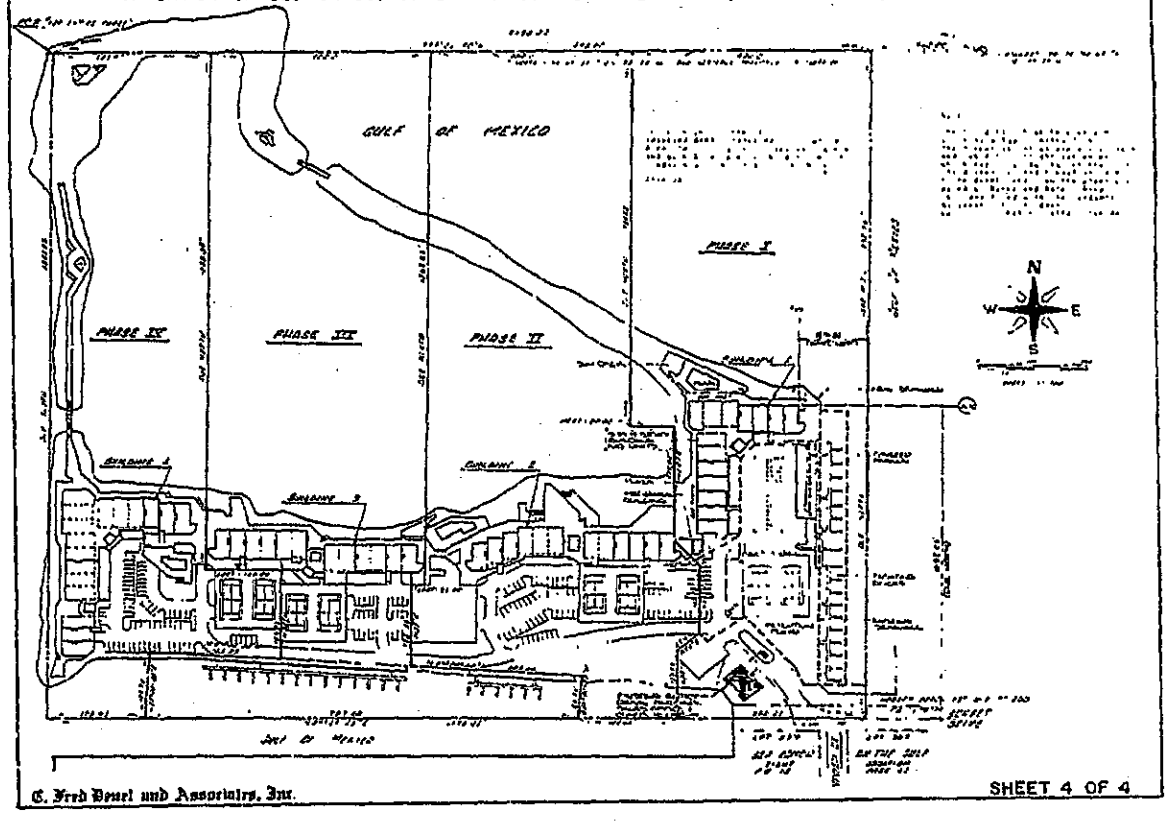
SHEET 3 OF 4

GULF ISLAND RESORT AND RACQUET CLUB

A CONDOMINIUM

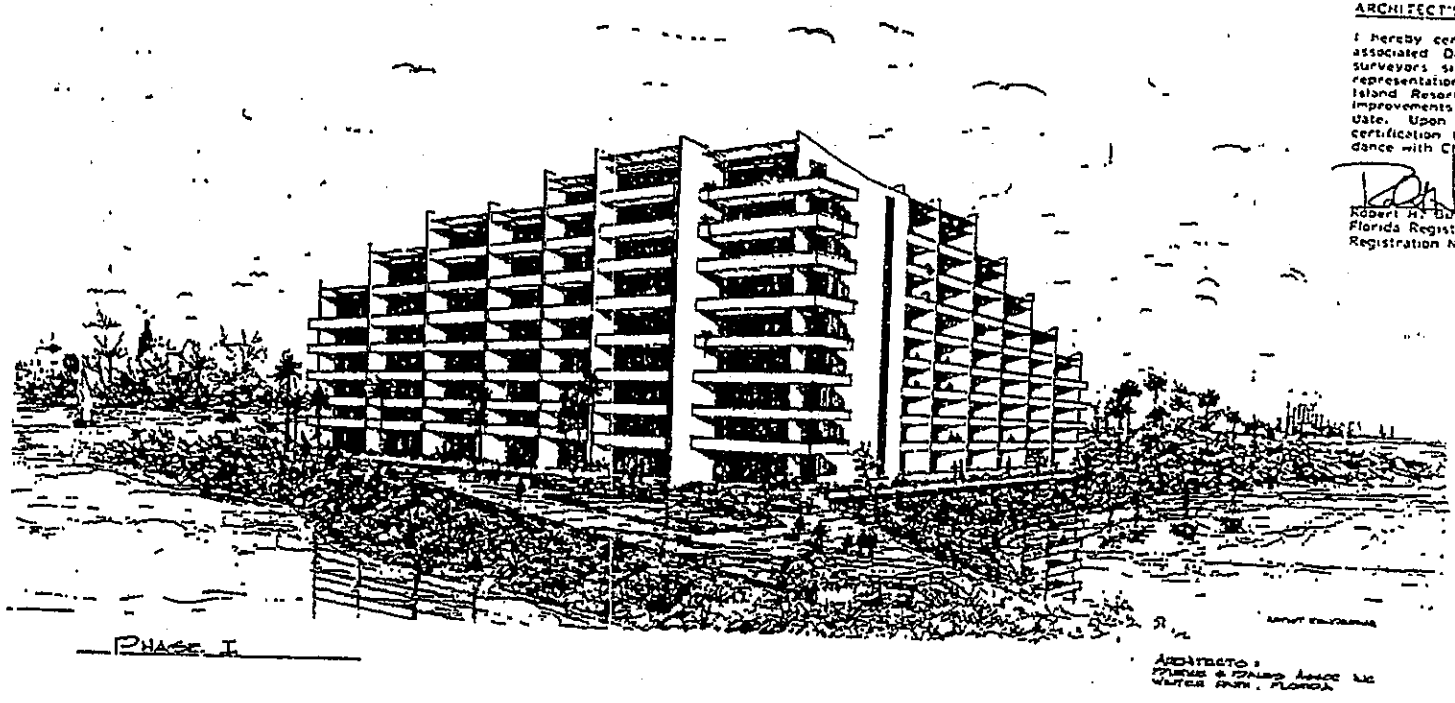
PHASE PLAN

A PORTION OF SECTION 33, TOWNSHIP 24 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA



C. Fred Pearl and Associates, Inc.

SHEET 4 OF 4



ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

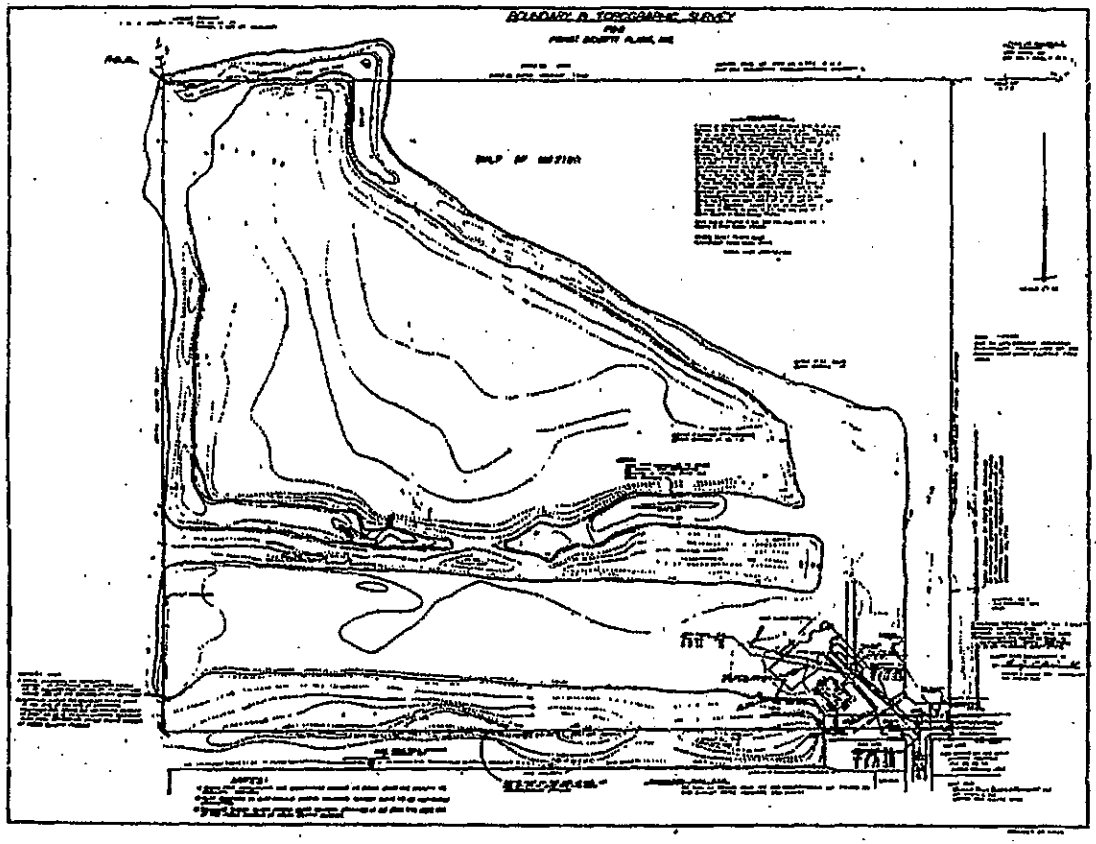
Robert H. Gurney, Jr.
Florida Registered Architect
Registration No. AR 0006478

3/11/83
Date

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 1 OF 12 SHEETS



ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

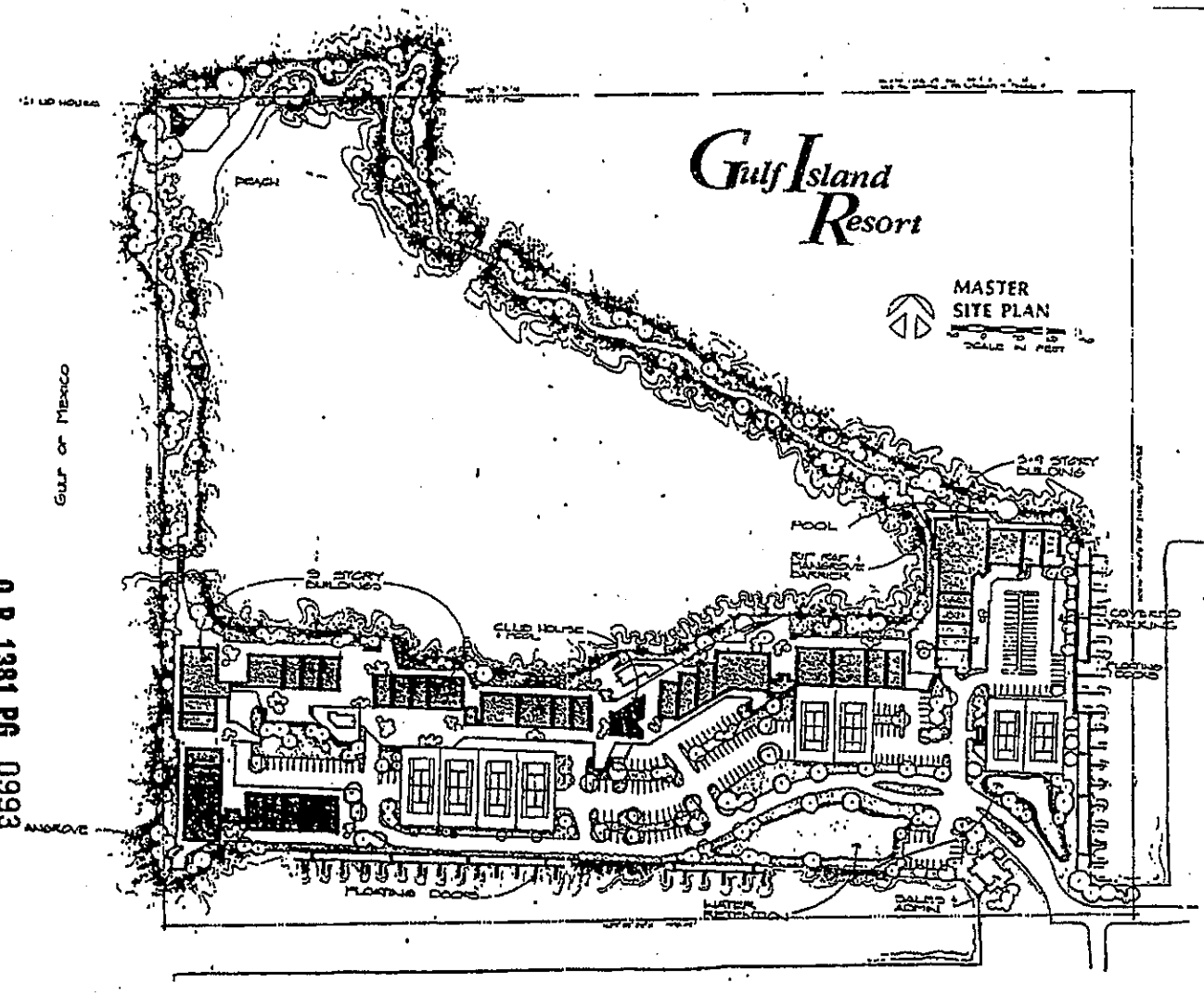
Robert H. Bowker, Jr.
Florida Registered Architect
Registration No. AR 0006475

3/11/83
Date

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 2 OF 12 SHEETS



ARCHITECT'S CERTIFICATE

I hereby certify that these plans together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.108 of the Florida Statutes.

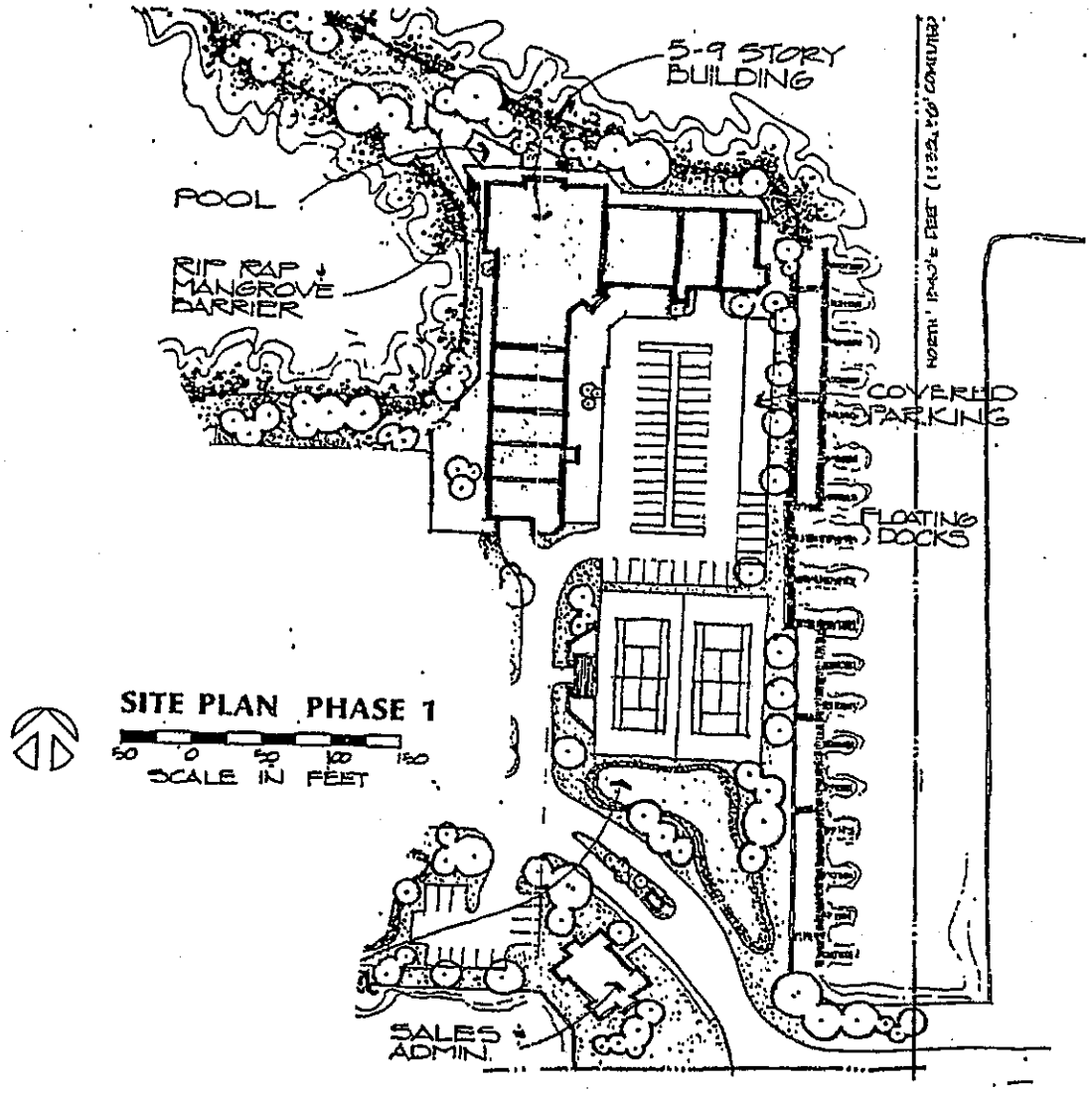
3/11/83
Date

Robert H. Bohrer, Jr.
Florida Registered Architect
Registration No. AR 0006478

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 3 OF 12 SHEETS



ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 3, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

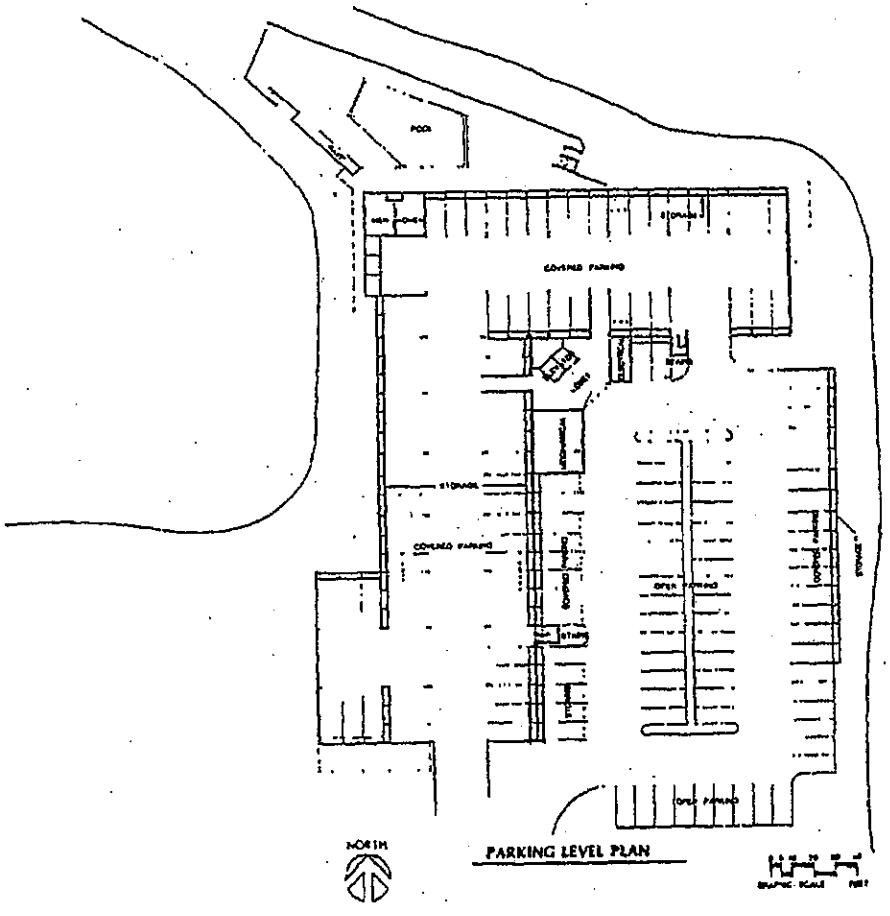
3/11/83
Date

Robert H. Burke, Jr.
Florida Registered Architect
Registration No. AR 0006478

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 4 OF 12 SHEETS



PARKING LEVEL PLAN

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

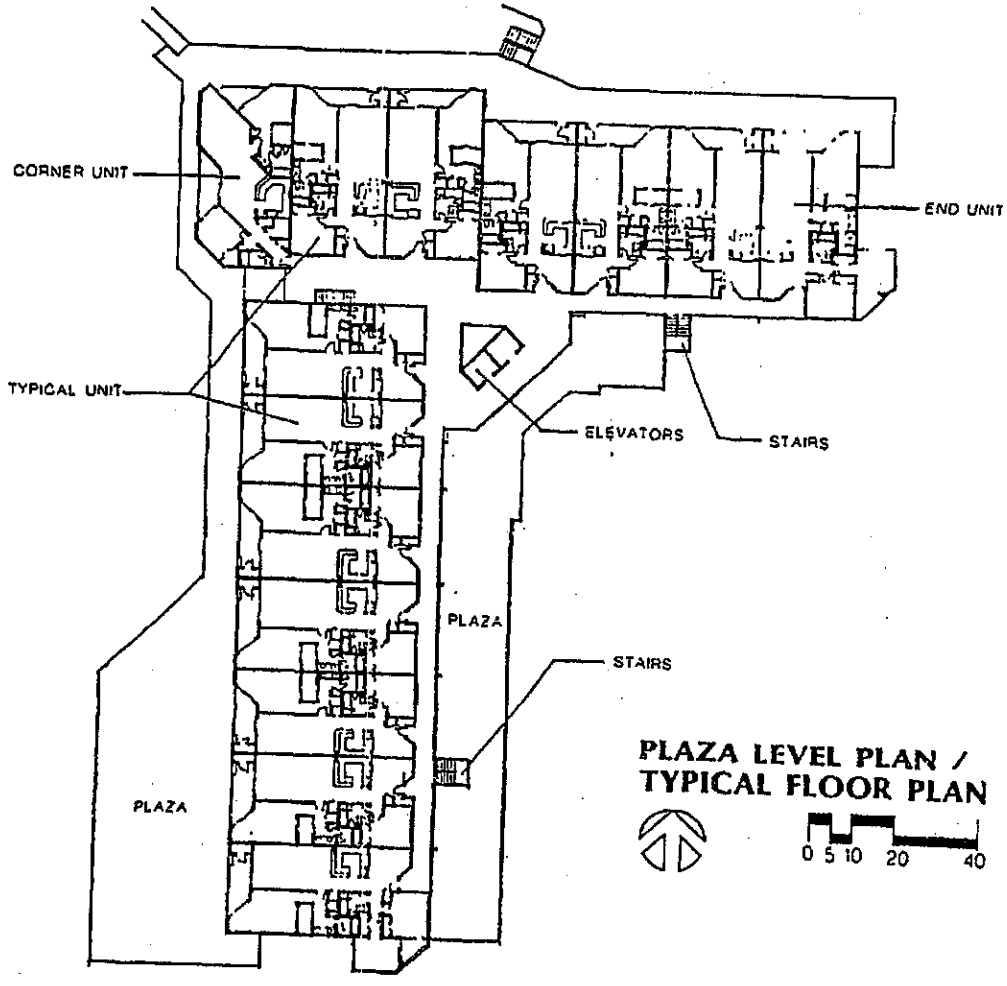
Robert H. Butler, Jr.
Florida Registered Architect
Registration No. AR 0006478

3/11/83
Date

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 5 OF 12 SHEETS



PLAZA LEVEL PLAN / TYPICAL FLOOR PLAN

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718 104 of the Florida Statutes.

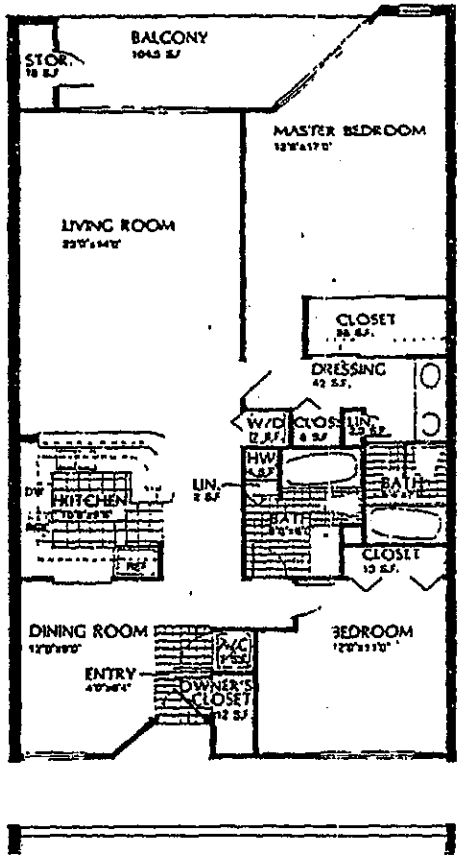
3/11/83
Date

Robert H. Bonner Jr.
Florida Registered Architect
Registration No. AR 0006478

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 6 OF 12 SHEETS



2 BEDROOM 2 BATH - TYPICAL UNIT

GRAPHIC SCALE

GROSS LIVING AREA:	1,323 SF
EXTERIOR STORAGE:	18 SF
BALCONY AREA:	104.5 SF
TOTAL AREA:	1,445.5 SF

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

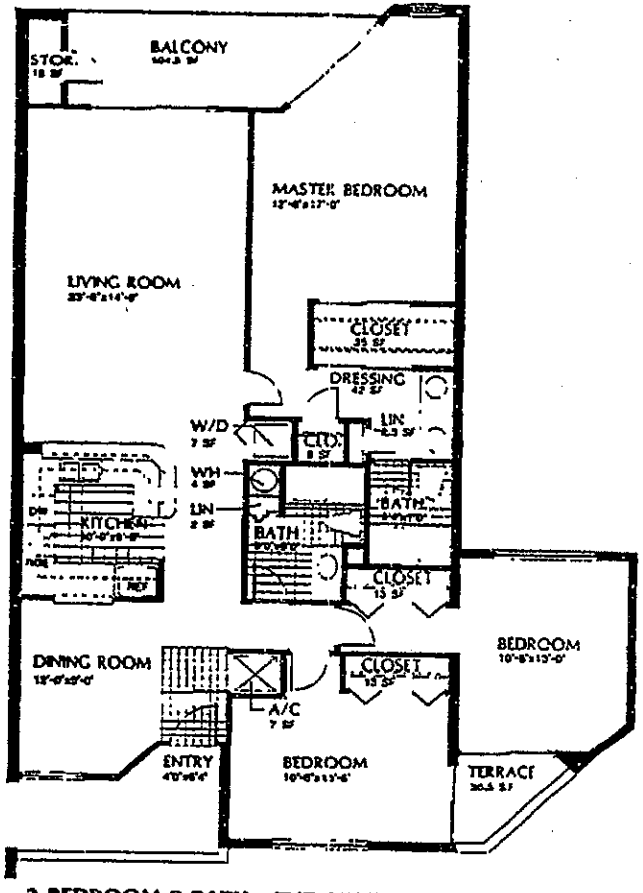
3/11/83
Date

Robert H. Burney, Jr.
Florida Registered Architect
Registration No. AR 0006478

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 7 OF 12 SHEETS



3 BEDROOM 2 BATH - END UNIT

GRAPHIC SCALE

GROSS LIVING AREA:	1,547 SF
EXTERIOR STORAGE:	18 SF
BALCONY AREA:	140 SF
TOTAL AREA:	1,705 SF

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes

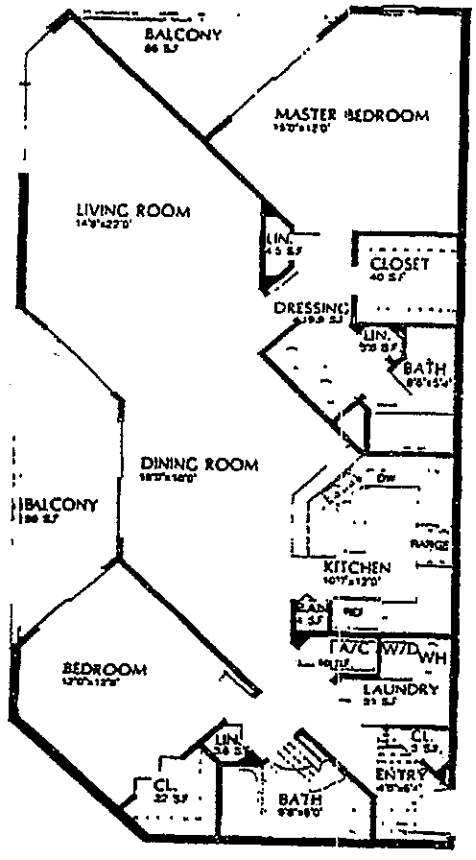
Robert H. Bo[illegible] Jr.
Florida Registered Architect
Registration No. AR 0006478

3/11/83
Date

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 8 OF 12 SHEETS



2 BEDROOM 2 BATH - CORNER UNIT

GRAPHIC SCALE

GROSS LIVING AREA:	1,402 SF
BALCONY AREA:	185 SF
TOTAL AREA:	1,587 SF

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 7 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

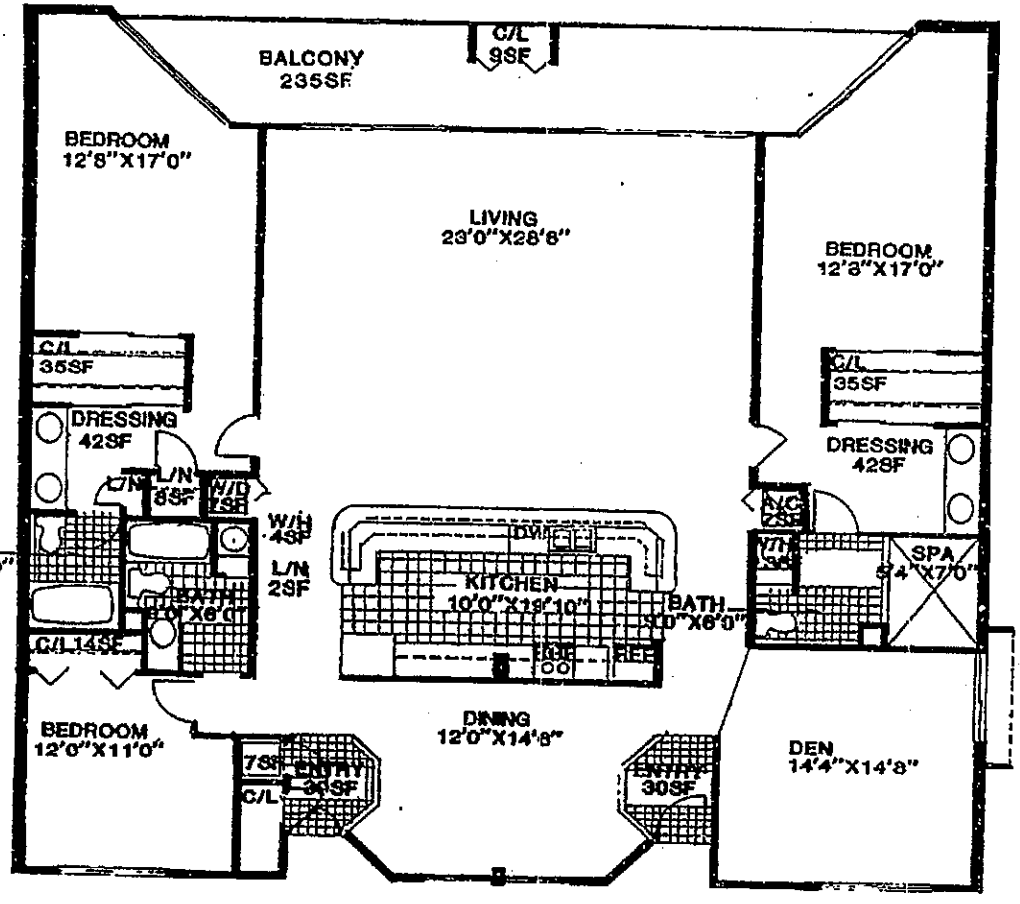
Robert H. Berk, Jr.
Florida Registered Architect
Registration No. AR 0006878

3/11/83
Date

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 9 OF 12 SHEETS



GULF ISLAND RESORT

3 BEDROOM 3 BATH PENTHOUSE UNIT

0 1 2 4 6 8
GRAPHIC SCALE FEET

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

Robert H. Dupree, Jr.
Florida Registered Architect
Registration No. AR 0006678

30 June 1983
Date

GROSS LIVING AREA:	2,421 SF
BALCONY AREA:	235 SF
EXTERIOR STORAGE:	9 SF
TOTAL AREA:	2,665 SF

GULF ISLAND RESORT

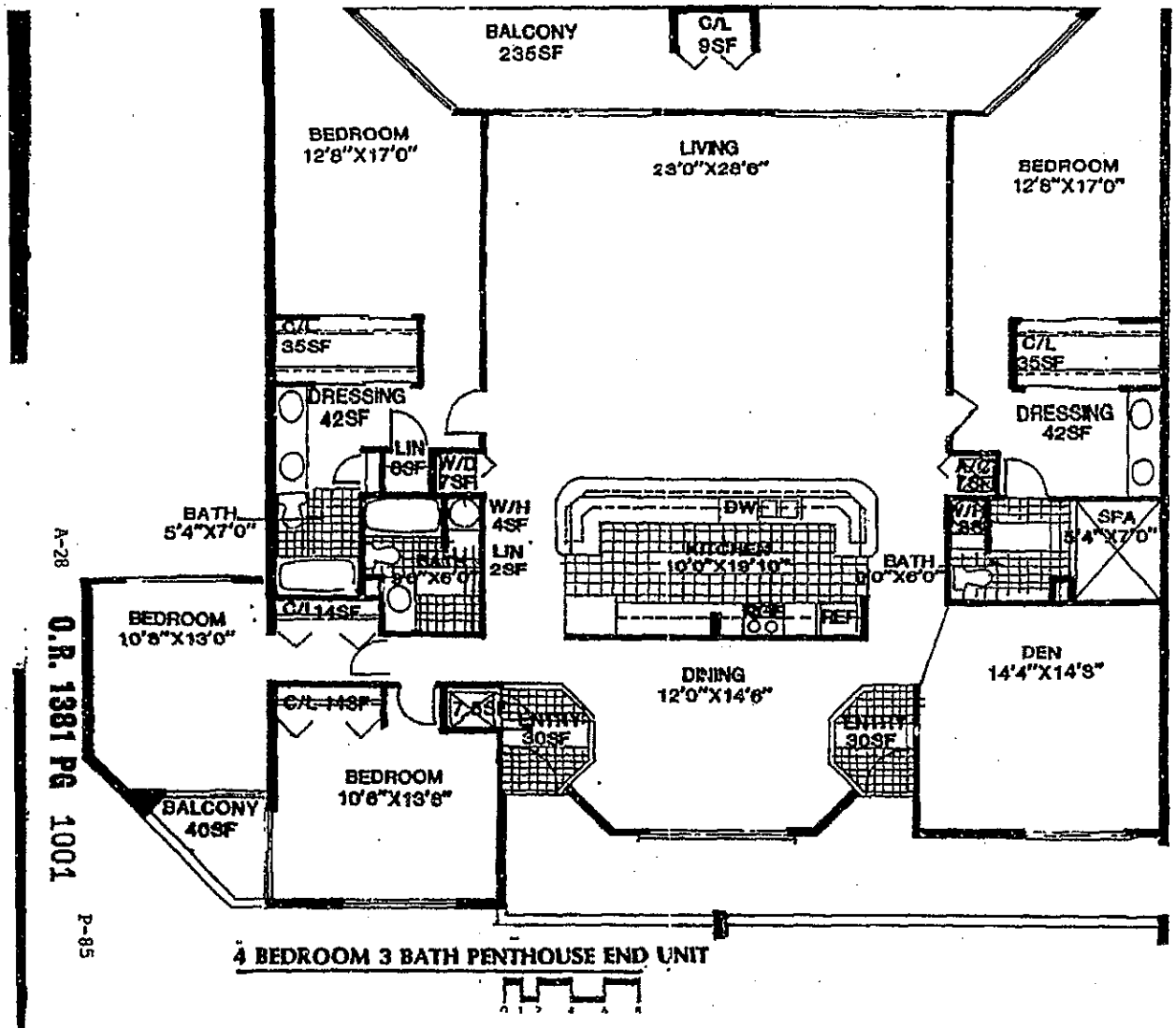
DECLARATION OF CONDOMINIUM

SHEET 10 OF 12 SHEETS

A-27

O.R. 1381 PG 1000

P-84



ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

Robert H. Bowen, Jr.
Florida Registered Architect
Registration No. AR 0006478

30 June 1983
Date

GROSS LIVING AREA:	2,646 SF
EXTERIOR STORAGE	9 SF
BALCONY AREA:	275 SF
TOTAL AREA:	2,930 SF

GULF ISLAND RESORT

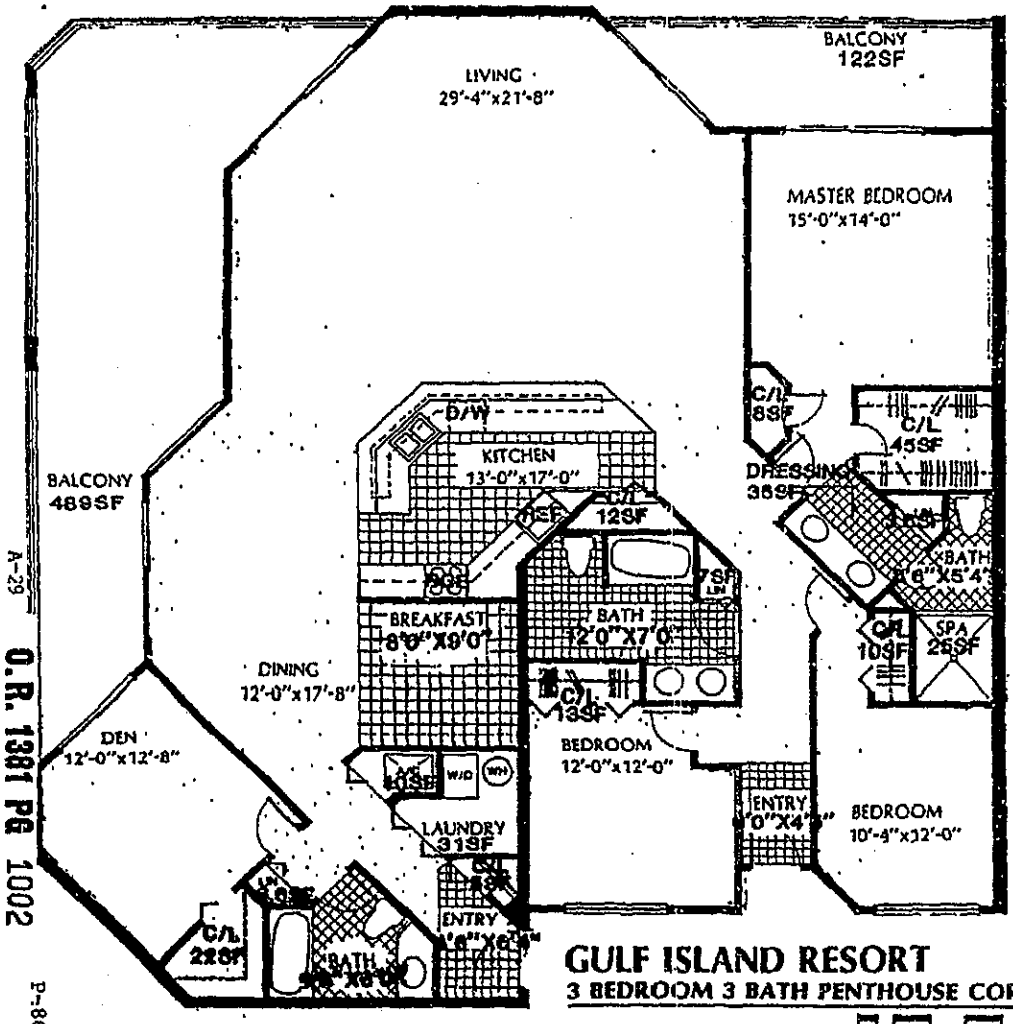
DECLARATION OF CONDOMINIUM

SHEET 11 OF 12 SHEETS

A-28

O.R. 1381 PG 1001

P-85



GULF ISLAND RESORT

3 BEDROOM 3 BATH PENTHOUSE CORNER UNIT

0 1 2 4 6 8
GRAPHIC SCALE: FEET

ARCHITECT'S CERTIFICATE

I hereby certify that these plans, together with the associated Declaration of Condominium and certified surveyors site plan, Sheet 1 and 2 are a correct representation of the proposed improvements at Gulf Island Resort at location shown on Sheet 1, which improvements are not substantially completed as of this date. Upon Substantial Completion of Construction, a certification to that effect will be recorded in accordance with Chapter 718.104 of the Florida Statutes.

Robert H. Burns, Jr.
Florida Registered Architect
Registration No. AR 0006478

30 June 1983
Date

GROSS LIVING AREA:	2,870 SF
BALCONY AREA:	611.5 SF
TOTAL AREA:	3,481.5 SF

GULF ISLAND RESORT

DECLARATION OF CONDOMINIUM

SHEET 12 OF 12 SHEETS

GULF ISLAND RESORT

PHASE I & IV

				904	902	900
		808	806	804	802	800
	710	708	706	704	702	700
612	610	608	606	604	602	600
512	510	508	506	504	502	500
412	410	408	406	404	402	400
312	310	308	306	304	302	300
212	210	208	206	204	202	200
112	110	108	106	104	102	100

901	903					
801	803	805	807			
701	703	705	707	709		
601	603	605	607	609	611	
501	503	505	507	509	511	515
401	403	405	407	409	511	415
301	303	305	307	309	311	315
201	203	205	207	209	211	215
101	103	105	107	109	111	115

All units in Phase I are denoted by an "A" after the unit number
All units in Phase IV are denoted by a "D" after the unit number

GULF ISLAND RESORT

PHASE II & III

				910	909	908
		812	811	810	809	808
	714	712	711	710	709	708
615	614	612	611	610	609	608
515	514	512	511	510	509	508
415	414	412	411	410	409	408
315	314	312	311	310	309	308
215	214	212	211	210	209	208
115	114	112	111	110	109	108

907	906					
807	806	805	804			
707	706	705	704	703		
607	606	605	604	603	602	
507	506	505	504	503	502	501
407	406	405	404	403	402	401
307	306	305	304	303	302	301
207	206	205	204	203	202	201
107	106	105	104	103	102	101

All units in Phase II are denoted by "B" after the unit number
All units in Phase III are denoted by a "C" after the unit number

EXHIBIT "B"

SCHEDULE OF UNDIVIDED SHARE IN THE COMMON ELEMENTS AND PERCENTAGES OF SHARING COMMON EXPENSES AND OWNING COMMON SURPLUS

IF ONLY PHASE I IS COMPLETED:

The undivided share in the Common Elements appurtenant to each Unit, stated as percentages, and the percentage of sharing common expenses and common surplus is 1/108 of the whole.

IF ONLY PHASES I AND II ARE COMPLETED:

The undivided share in the Common Elements appurtenant to each Unit, stated as percentages, and the percentage of sharing common expenses and common surplus is 1/216 of the whole.

IF ONLY PHASE I, II AND III ARE COMPLETED:

The undivided share in the Common Elements appurtenant to each Unit, stated as percentages, and the percentage of sharing common expenses and common surplus is 1/324 of the whole.

IF PHASES I, II, III AND IV ARE COMPLETED:

The undivided share in the Common Elements appurtenant to each Unit, stated as percentages, and the percentage of sharing common expenses and common surplus is 1/432 of the whole.

EXHIBIT "C"

to

DECLARATION OF CONDOMINIUM

of

GULF ISLAND RESORT AND RACQUET CLUB,
A CONDOMINIUM

ARTICLES OF INCORPORATION

of

THE GULF ISLAND
CONDOMINIUM OWNERS' ASSOCIATION, INC.

A Florida Corporation Not For Profit

INDEX

to

ARTICLES OF INCORPORATION

of

THE GULF ISLAND
CONDOMINIUM OWNERS' ASSOCIATION, INC.

ARTICLES OF INCORPORATION

OF

THE GULF ISLAND
CONDOMINIUM OWNERS' ASSOCIATION, INC.

A Florida Corporation Not For Profit

The undersigned, for the purpose of forming a not-for-profit corporation in accordance with the laws of the State of Florida, acknowledges and files these Articles of Incorporation in the Office of the Secretary of State of the State of Florida.

ARTICLE I

NAME

The name of this corporation shall be the GULF ISLAND CONDOMINIUM OWNERS' ASSOCIATION, INC., a non-profit corporation; the Corporation shall herein be referred to as the "Association."

ARTICLE II

PURPOSE

The purpose of this corporation is the operation and management of Gulf Island Resort and Racquet Club, A Condominium (hereinafter referred to as the "Condominium"), as the same may now or hereafter be constituted, and to undertake the performance of, and to carry out the acts and duties incident to the administration of the operation and management of said Condominium in accordance with the terms, provisions, and authorizations contained herein and the Declaration of Condominium which will be recorded in the Public Records of Pasco County, Florida; and to own, operate, lease, sell, trade, and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said Condominium.

ARTICLE III

POWERS

The Association shall have the following powers subject to and exercised in accordance with, the provisions of the Declaration of Condominium, and further specified by the By-Laws:

1. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles, the said Declaration of Condominium, the By-Laws, and Chapter 718, Florida Statutes (the "Condominium Act").

2. The Association shall have all of the powers of condominium associations under and pursuant to the Condominium Act, as the same may be amended from time to time, and shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

A. To make, establish, and enforce reasonable rules and regulations governing the use of Condominium units, common elements, limited common elements, and Condominium property as said terms may be defined in the Declaration of Condominium to be recorded.

B. To make and collect assessments against members as unit owners, to defray the costs, expenses, and losses of the Condominium, and to use and expend to proceeds of assessments in the exercise of the powers and duties of the Association.

C. To maintain, repair, replace, and operate the Condominium property to which the Association has the right and power to maintain, repair, replace, and operate in

accordance with the Declaration of Condominium, the By-Laws, and the Condominium Act.

D. To purchase insurance upon the Condominium property and insurance for the protection of the Association and its members, as apartment owners and to disburse insurance proceeds pursuant to the provisions of the Declaration of Condominium and By-Laws.

E. To reconstruct improvements on the Condominium property after casualty or other loss, and the further improvement of the property.

F. To enforce, by legal means, the provisions of the Declaration of Condominium, the By-Laws, the rules and regulations, and all documents referred to in the Declaration and these Articles of Incorporation.

G. To contract for the maintenance and management of the Condominium property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the Powers and duties granted by the Declaration of Condominium, these Articles, the By-Laws, and the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association.

H. To acquire and enter into agreements whereby it acquires leaseholds, memberships, or other possessory or use interests, in land or facilities, intended to provide for

the enjoyment, recreation, or other use or benefit of the members of the Association.

I. To acquire by purchase or otherwise, condominium parcels of the Condominium, subject, nevertheless, to the provisions of the Declaration and/or By-Laws, and the Condominium Act, the latter taking precedence in the case of conflict.

ARTICLE IV

EXISTENCE

The Association shall have perpetual existence, unless the Condominium is terminated pursuant to the provisions of its Declaration in which event the Association shall be dissolved in accordance with the law.

ARTICLE V

PRINCIPAL OFFICE

The principal office of the Association shall be located at 1500 Sunset Drive, Hudson, Florida 33567, but the Association may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

ARTICLE VI

SUBSCRIBERS

The name and address of the subscriber is as follows:

Name	Address
Joseph Senkovich, Jr.	104 Point O'Woods Drive Daytona Beach, FL 32014

ARTICLE VII

MEMBERS

1. After the Declaration of Condominium is filed, membership in the Association shall be established by the

acquisition of title to a fee interest in a Condominium parcel, whether by conveyance, devise, judicial decree, or otherwise,subject to the provisions of the Declaration of Condominium and by the recordation in the Public Records of Pasco County, Florida, of the Deed or other instrument establishing the acquisition and designating the Condominium parcel affected thereby. The owner designated in such Deed or other instrument shall thereupon become a member of this Association, and the membership of the prior owner in this Association as to parcel designated shall be terminated.

2. Each unit in the Condominium has one vote. The record owner of more that one unit is entitled to one vote for each unit.

3. If a unit is owned by one person, his right to vote shall be established by the record title to his unit. The procedures for determining how the vote shall be cast for a unit which is owned by more that one person, or by a corporation, shall be specified in the By-Laws.

ARTICLE VIII

DIRECTORS

1. The affairs of the Association shall be managed by a Board consisting of the number of Directors determined by the By-Laws, but not less than three (3) Directors, and in the absence of such determination, shall consist of three (3) Directors.

2. Directors of the Association shall be elected at the annual meeting of members, in the manner determined by the By-Laws. In the event of a vacancy, the Directors may appoint replacements, as specified in the By-Laws.

3. Notwithstanding any of the foregoing, the members of the first Board of Directors, named by the Developer, are as follows:

Name	Address
Joseph Senkovich, Jr.	104 Point O'Woods Drive Daytona Beach, Forida 32014
Linda Thomason	5401 West Kennedy Boulevard Suite 480 Tampa, Florida 33609
James A. Slatton	1021 Highway 98 East Destin, Florida 32541

A member of the first Board shall be elected by Unit Owners other than the Developer to replace a developer-appointed director when Unit Owners other than the Developer own fifteen (15%) percent or more of the units that will be operated ultimately by the Association. Members of the first Board need not be members of the Association, except for the Unit Owners' Director, who shall be a member. Members of the first Board shall serve until the first election of all Directors by Unit Owners other than the Developer, as specified in Paragraph 4, Article VIII, of these Articles. In the event of a vacancy on the first Board prior to the first election of all Directors by Unit Owners other than the Developer, except in the case of a vacancy in the Directorship elected by Unit Owners other than the Developer, the Developer may appoint replacements who shall serve as fully qualified members of the first Board. In the event of a vacancy in the Directorship elected by Unit Owners other than the Developer, a replacement will be elected by Unite Owners other than the Developer.

4. Further notwithstanding any of the foregoing, the members of the Association other than the Developer shall first exercise the right to elect not less than a majority of

the Board when one of the following events occurs, whichever occurs first:

A. Three years after fifty (50%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers.

B. Three months after ninety (90%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers.

C. When some of the units have been conveyed to purchasers and none of the other are being offered for sale by the Developer in the ordinary course of business. The Developer is entitled to elect at least one member of the Board as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units in the Condominium.

ARTICLE IX

OFFICERS

1. The Board of Directors shall elect a President, Secretary, and Treasurer and as many Vice-Presidents, Assistant Secretaries, and Assistant Treasurers as the Board of Directors shall, from time to time, determine. The President shall be elected from among the membership of the Board, but no other officer need be a Director.

2. The names and addresses of the officers who are to serve until their successors are designated by the Board of Directors are as follows:

President:	Joseph Senkovich, Jr. 104 Point O'Woods Drive Daytona Beach, FL 32014
Vice-President:	James A. Slatton 1021 Highway 98 East Destin, Florida 32541
Secretary/Treasurer:	Linda Thomason 5401 West Kennedy Boulevard Suite 480 Tampa, Florida 33609

ARTICLE X

BY-LAWS

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

ARTICLE XI

AMENDMENT

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

1. Notice of the subject matter of the proposed amendments shall be included in the notice of any meeting at which such proposed amendment is considered.

2. Proposed amendments shall fist be presented to the Board of Directors, and shall have been approved in writing by a majority of such Board of Directors, who shall certify such amendment for vote of the members of the Association.

3. Such amendment must then be approved by the affirmative vote of the owners of sixty-six and two-thirds (66 2/3%) percent of the units.

4. A certificate of amendment executed by the duly authorized officers of the Association shall then be recorded among the Public Records of Pasco County, Florida.

5. No amendment may be made to the Articles of Incorporation which shall in any manner amend, affect, or modify the provisions and obligations set forth in the Declaration of Condominium.

ARTICLE XII

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses

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

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 25th day of August, 1983.

Linda Thomason

James A. Slatton

Joseph Senkovich, Jr.

STATE OF FLORIDA
COUNTY OF VOLUSIA

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County above to take acknowledgements, personally appeared Joseph Senkovich, Jr., James A. Slatton, and Linda Thomason, to me known to be the persons described as the subscribers in and who executed the foregoing Articles of Incorporation, and acknowledged before me that they subscribed to those Articles of Incorporation, this 25th day of August, 1983.

Notary Public
My commisison expires:

Notary Public, State of Florida at Large
My Commission Expires June 8, 1984
Bonded Thru Troy Fain Insurance Inc.

RWMS01
HC053/11

CERTIFICATE DESIGNATING PLACE OF BUSINESS
OR DOMICILE FOR THE SERVICE OF PROCESS
WITHIN FLORIDA, NAMING AGENT UPON WHOM
PROCESS MAY BE SERVED

In compliance with Section 48.091, Florida Statutes, the following is submitted:

FIRST--that the GULF ISLAND CONDOMINIUM OWNERS' ASSOCIATION, INC., desiring to organize or qualify under the laws of the State of Florida with its principal place of business at the City of Tampa, Florida, has named Joseph Senkovich, Jr., located at 104 Point O'Woods Drive, Daytona Beach, Florida 32014, as its agent to accept service of process within Florida.

Joseph Senkovich Jr.

Date: 8/19/83

Having been named to accept service of process for the above-stated corporation at the place designated in this certificate, I hereby agree to act in this capacity and I further agree to coply with the provision of all statutes relative to the complete performance of my duties.

Joseph Senkovich Jr.

Date: 8/19/83

EXHIBIT "D"

to

DECLARATION OF CONDOMINIUM

of

GULF ISLAND RESORT AND RACQUET CLUB,
A CONDOMINIUM

BY-LAWS

of

THE GULF ISLAND
CONDOMINIUM OWNERS' ASSOCIATION, INC.

A Florida Corporation Not For Profit

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to

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of

THE GULF ISLAND
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HC057/2

BY-LAWS

OF

THE GULF ISLAND
CONDOMINIUM OWNERS' ASSOCIATION, INC.

A Florida Corporation Not For Profit

ARTICLE I. - IDENTITY

These are the By-Laws of THE GULF ISLAND CONDOMINIUM OWNERS' ASSOCIATION, INC., hereafter referred to as the "Association," a non-profit corporation, provided for in Chapter 718, Florida Statutes, for the purpose of administering Gulf Island, A Condominium.

1.1 Office. The office of the Association shall be at the site of the Condominium or such other place as may be designated by the Board of Directors.

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

ARTICLE II. - MEMBERS

2.1 Qualification. the members of the Association shall consist of all of the record owners of units in the Condominium.

2.2 Change of Membership. Change of membership in the Association shall be established by recording in the Public Record of Pasco County, Florida, a deed or other instrument establishing a record title to a unit in the Condominium and the delivery to the Association of a copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

2.3 Voting Rights. The owner of each unit shall be entitled to one vote for each unit owned, notwithstanding the percentage share of common elements appurtenant to his unit or units, as a member of the Association, and the manner of exercising such voting rights shall be determined by these By-Laws. The term "majority" as used in these By-Laws and other Condominium instruments in reference to voting by Unit Owners, Association members, and the Board of Directors, means more than fifty (50%) percent.

2.4 Voting Certification. If a unit is owned by one person, his right to vote shall be established by the record title to this unit. If a unit is owned by more than one person, the person entitled to cast a vote for the unit shall be designated by a certificate signed by all of the Association. If such a certificate is not on file, the vote of such unit shall not be considered for any purpose whatsoever. If a unit is owned by a corporation, the person entitled to

cast the vote for the unit shall be designated by a certificate of appointment signed by the President or Vice-President and attested by the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner thereof.

2.5 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at the Association meeting, unless the joinder of record owners is specifically required by the Declaration or these By-Laws.

2.6 Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his unit.

ARTICLE III. - MEMBERS' MEETING

3.1 Annual Members' Meeting. The annual members' meeting shall be held at the office of the Association, at such date and time as shall be designated by the Board of Directors for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day. The annual meeting may be waived by a unanimous agreement of the members in writing.

3.2 Notice of Annual Members' Meeting. Notice of the annual members' meeting stating the time and place and the objects for which the meeting is called shall be given unless waived in writing. Such notice shall be in writing and furnished to each member not less than fourteen (14) days nor more than sixty (60) days in advance of the date of the meeting. The notice to each member shall be furnished by mailing the same by certified mail to each member at his address as it appears on the books of the Association. Proof of such mailing shall be given by the Post Office Certificate of Mailing which shall be retained by the Association. Notice of meetings may be waived either before or after the meeting in writing. If assessments against Unit Owners are to be considered for any reason at such annual meeting, the notice shall specifically contain a statement that assessments will be considered and the nature of the assessments.

3.3 Special Members' Meeting. Special members' meetings shall be held whenever called by the President or by a majority of the Board of Directors and must be called by such directors upon receipt of a written request from members entitled to cast a majority of the votes of the entire membership.

3.4 Notice of Special Members' Meeting. Except in the event of an emergency, notice of a special meeting stating

the time, place, and object thereof, shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Association, at least five (5) days prior to such meeting. Notice of a special meeting may be waived either before or after the meeting, in writing. If assessments against Unit Owners are to be considered for any reason at a special meeting, the notice shall specifically contain a statement that assessments will be considered and the nature of such assessments.

3.5 Quorum. A quorum at members' meetings shall consist of those persons present in person or by proxy at a duly called meeting. The acts approved by a majority of those present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, or these By-Laws. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall not constitute the presence of such member for the purpose of determining a quorum.

3.6 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it is given. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it. Proxies shall be filed with the Secretary before the appointed time of the meeting.

3.7 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

3.8 Order of Business. The Order of Business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

(a) Calling of the roll and certifying of proxies.

(b) Proof of notice of meeting or waiver of notice.

(c) Reading of disposal of any unapproved minutes.

(d) Reports of officers.

(e) Reports of committees.

(f) Elections.

(g) Unfinished business.

(h) Adjournment.

ARTICLE IV - BOARD OF DIRECTORS

4.1 Membership. The affairs of the Association shall be managed by a Board of Directors as set forth in the Articles of Incorporation. Each Director shall be a person entitled to cast a vote in the Association, except as provided in Section 4.2(d) of these By-Laws.

4.2 Election of Directors.

(a) Members of the Board of Directors shall be elected by a majority vote of the owners present in person or by proxy at the annual meeting of the members of the Association, and entitled to vote.

(b) Except as to vacancies provided by removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of the members shall be filled by the remaining Directors. Notwithstanding the foregoing, the Developer shall have the right to fill any vacancies caused by death or resignation of a Developer-appointed Director, except vacancies occurring to facilitate transfer of Association control to Unit Owners as provided below.

(c) Any Director not designated by the Developer may be removed by the vote or agreement in writing of a majority of all of the members of the Association. A special meeting may be called by members holding ten percent (10%) of the votes of the Unit Owners for that purpose. Notice shall be given or waived as provided herein for special members' meetings. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(d) Notwithstanding any of the foregoing, the Developer shall be vested with the power to designate the initial Board of Directors and such other Directors as set forth in Section 4.2(d)(1) below and their successors until the first election of all Board members by the Association members other than the Developer. Any member of the initial Board of Directors must be an owner of a unit in the Condominium unless designated by the Developer either as a member of the initial Board of Directors or otherwise. Unless the Developer has elected to transfer control of the Association to the owners at an earlier date, the Developer shall transfer control of the Association to the Unit Owners as provided in the following formula.

The members of the Association, other than the Developer, will be entitled to elect one Director to replace a Developer-appointed Director after fifteen percent (15%) of the units have been sold. The members of the Association, other than the Developer, shall have the right to elect a majority of the Board of Directors either (a) within three years after such time as fifty percent (50%) of the units have been sold or (b) within three months after such time as ninety percent (90%) of the units shall have been sold, or (c) when some of the units have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever of

these three events (a), (b), or (c) shall first occur. Provided, however, that so long as the Developer shall hold at least five percent (5%) of the units for sale in the ordinary course of business, the Developer shall be entitled to elect at least one (1) Board member. For purposes of this By-Law, the date of sale shall be the date when the deed has been recorded in the Public Records of Pasco County, Florida, and when the Developer has received the funds to which he is entitled for the sale.

4.3 Election and Term of Office. Except for Directors named by the Developer, the term of office of one (1) member of the Board of Directors shall be fixed at three (3) years, the term of office of one (1) member of the Board of Directors shall be fixed at two (2) years, and the term of office of one (1) member of the Board of Directors shall be fixed at one (1) year. The first Board of Directors shall be elected simultaneously with one ballot or election. The person receiving the highest number of votes shall be elected for the three-year term. The person receiving the next highest number of votes shall be elected for the two-year term. The person receiving the third highest number of votes shall be elected for the one-year term. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

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

4.5 Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph at least three (3) days prior to the day named for such meeting. Notice of such meetings shall be posted conspicuously on the Condominium property at least 48 hours in advance.

4.6 Special Meeting. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of two-thirds (2/3) of the Directors. Except in an emergency, not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting. Except in an emergency, notice of such meeting shall be posted on the Condominium property at least 48 hours in advance.

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

4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The

acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or these By-Laws.

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

4.10 Joinder in Meeting by approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall not constitute the presence of that Director for the purpose of determining a quorum.

4.11 Directors' Meetings. Meetings of the Board of Directors shall be open to all Unit Owners, and notices of such meetings shall be posted conspicuously forty-eight (48) hours in advance of such meetings for the attention of Unit Owners, except in an emergency.

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

4.13 Directors' Fees. Directors' fees, if any, shall be determined by the members of the Association; provided, Directors designated by the Developer shall never, under any circumstances, be entitled to Directors' fees.

ARTICLE V. - POWERS AND DUTIES OF BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by Unit Owners when such is specifically required. Such powers and duties of the Directors shall include, but not be limited to, the following, subject, however, to the provisions of the Declaration of Condominium, Articles of Incorporation, and these By-Laws:

5.1. Assess. To make and collect assessments against members to defray the costs and expenses of the Condominium.

5.2 Disburse. To use the proceeds from assessments in the exercise of its powers and duties.

5.3 Maintain. To maintain, repair, replace, and operate the Condominium property.

5.4 Insure. To purchase insurance upon the Condominium property and insurance for the protection of the Association and its members.

5.5 Reconstruct. To reconstruct improvements after casualty and further improve the Condominium property.

5.6 Regulate. To make and amend reasonable rules and regulations respecting the use of the property in the Condominium as provided in Article IX of the Declaration of Condominium.

5.7 Management Contract. May contract for the maintenance, management, or operation of the Condominium property and to authorize a manager to perform such matters on its behalf as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the common elements with funds as shall be made available for the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration of Condominium, the Articles of Incorporation, these By-Laws, and the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association.

5.8 Payment of Liens. To pay taxes, assessments, and fines which are liens against any part of the Condominium property other than individual units unless the individual unit is owned by the Association and to assess the same against the units subject to such liens.

5.9 Enforcement. To enforce by legal means provisions of the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, the By-Laws, and the regulations for the use of the property in the Condominium. In the event that the Board of Directors determines that any Unit Owner is in violation of any provision of the Condominium Act, the Declaration, Articles, By-Laws, or Rules and Regulations, the Board or agent of the Board designated for that purpose, shall notify the Unit Owner of the nature of the violation. If said violation is not cured within five (5) days, or if said violation consists of acts or conduct by the Unit Owner, and such acts or conduct are repeated, the Board may take such action, consistent with the terms and provisions of this Declaration, the Articles of Incorporation, By-Laws, Rules and Regulations, and the Condominium Act as it deems appropriate.

5.10 Utilities. To pay the cost of all power, water, sewer, and other utility services rendered to the Condominium and not separately billed to Unit Owners.

5.11 Employment. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

5.12 Record of Mortgages of Units. To maintain a book or other written record of all holders of mortgages upon each unit. The holder of each mortgage shall be designated as

either a mortgagee or not, as the case may be. Each Unit Owner must notify the Association of any mortgage on his unit, and the name and address of the mortgagee, within five (5) days after entering into a mortgage on his unit. This record shall be open to inspection by Unit Owners and mortgagees during normal business hours.

ARTICLE VI. - OFFICERS

6.1 Officers and Election. The executive officers of the Association shall be a President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the board shall find necessary to properly manage the affairs of the Association.

6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall serve as Chairman of the Board and members' meetings.

6.3 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Directors or the President. The duties of the Secretary may be fulfilled by a manager employed by the Association.

6.4 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and provide for collection of assessment; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

6.5 Compensation. The compensation, if any, of all officers shall be fixed by the members at their annual meeting. No officer who is a designee of the Developer shall receive any compensation for his services as such.

6.6 Indemnification and Insurance of Directors and Officers. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may

become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of these duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. The Board of Directors may, and shall, if reasonably available, purchase liability insurance to insure all Directors, officers, or agents, past and present against all expenses and liabilities as set forth above. The premiums for such insurance shall be paid by the Unit Owners as a part of the common expense.

ARTICLE VII. - FISCAL MANAGEMENT

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

7.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) Current Expenses. Current expenses shall include all receipt and expenditures to be made within the year for which the receipts are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in assessments for current expense for the succeeding year or to fund reserves.

(b) Reserves. The following reserves shall be established by the Board of Directors:

(1) Reserves for Deferred Maintenance and Capital Expenditures. Reserves for deferred maintenance and capital expenditures shall include, but shall not be limited to, funds for roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each item. Such reserves may be eliminated from the budget, or reduced, for a particular fiscal year if members of the Association vote to do so in a duly called meeting of the Association, by a majority vote.

The following reserves may be established in the discretion of the Board of Directors. Any or no amount may be budgeted for such reserves, in the sole discretion of the Board of Directors:

(i) Reserve for Taxes and Other Contingencies. Reserve for taxes and other contingencies shall include funds to be used to pay taxes, the exact amount of which may not be known when the reserve fund is established, and to pay for other contingencies.

(ii) Betterments. Reserve for betterments shall include funds to be used for capital expenditures

for additional improvements or additional personal property that will be part of the common elements.

(c) Other Accounts. The Board of Directors shall establish and maintain such other accounts as required by the Condominium Act.

7.2 Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expenses and shall provide funds for the foregoing reserves, except as otherwise provided.

(a) A copy of a proposed annual budget of common expenses shall be mailed to the Unit Owners not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered. The Unit Owners shall also be given written notice of the time and place at which the meeting shall be held, and such meeting shall be open to the Unit Owners. If a budget is adopted by the Board of Directors which requires assessment against the Unit Owners in any fiscal year exceeding 115% of the assessments for the preceding year, upon written application to the Board of Directors of ten percent (10%) of all the Unit Owners, a special meeting shall be held upon not less than ten (10) days days' written notice to each Unit Owner, but within thirty (30) days of the delivery of such application. At this special meeting, Unit Owners may consider and enact a revision of the budget. The revision of the budget shall require a vote of not less than a majority of the votes of all Unit Owners. The Board of Directors may in any event propose a budget to the Unit Owners at a meeting of members or in writing, and if such budget or proposed budget be approved by the Unit Owners at the meeting, or by a majority of all Unit Owners in writing, such budget shall not thereafter be reexamined by the Unit Owners in the manner hereinabove set forth. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded from the computation any authorized provisions for reasonable reserves to repair or replace any of the Condominium property, anticipated expenses by the Association which are not anticipated to be incurred on a regular basis, or assessments for betterments of the Condominium property. Provision for common expenses shall be mailed to the Unit Owners not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered. The Unit Owners shall also be given written notice of the time and place at which the meeting shall be held, and such meeting shall be open to the Unit Owners. Provided, however, that so long as the Developer is in control of the Board of Directors, the Board shall not impose as assessment for a year greater that 115% of the prior calendar year's assessment without approval of a majority of the Unit Owners.

7.3 Excess Assessments in Fiscal Year. Recognizing that it is extremely difficult to adopt a budget for each calendar year that exactly coincides with the actual expenses during that year, the Board of Directors, at the annual meeting of Unit Owners, shall report the amount, if any, by which assessments for the preceding fiscal year to date have

exceeded the expenditures of the Association. Such excess shall be applied automatically by vote of seventy-five percent (75%) of those present in person or by proxy, vote to return the excess to the Unit Owners in the same percentages as the percentage of ownership of the common elements appurtenant to each unit.

7.4 Assessments. Assessments against the Unit Owners for their shares of the items of the budget shall be made in advance on or before ten (10) days preceding the year for which the assessments are made. Such assessments shall be due in twelve (12) equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If any annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or otherwise provided by the Board of Directors. The first assessment shall be determined by the first Board of Directors of the Association.

7.5 Acceleration of Assessment Installments Upon Default. If Unit Owner does not pay an installment of an assessment due to the Association within thirty (30) days from the time it becomes due, the Unit Owner shall be deemed to be in default. Upon such default, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the Unit Owner, and then all unpaid installments shall become due upon the date stated in the notice to the Unit Owner. Thereafter, the Association may enforce its lien for assessments in accordance with the terms of the Declaration of Condominium and of applicable law.

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

7.7 Additional Assessments. The Declaration and the Articles of Incorporation provide that the corporation has the power to acquire the ownership of property, real and personal, enter into lease or leasehold agreements, covering real or personal property, acquire memberships or other possessory or use interests and the expenses of mortgage payments, lease payments, rents, taxes, fees, operation, maintenance, replacements, and other undertakings in connection therewith are to be treated as common expenses and are to be provided for in the annual budget. Additional

assessments may be made, upon affirmative vote of a majority of the Unit Owners, to establish reserves for capital improvements. Such funds are to be earmarked for specific capital improvements and are to be considered as contributions or capital.

7.8 Legal Actions, Requirement to Notify Unit Owners. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability, and they shall have the right to intervene and defend. A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

7.9 Depository. The depository of the Association will be such banks or savings and loan associations as shall be designated from time to time by the Board of Directors and in which the withdrawal of monies from such accounts shall be only by checks signed by those persons authorized by the Board of Directors. Provided, however, that the provisions of this section may be superseded by the terms of a management agreement entered into by the Association.

7.10 Audit. An audit of the accounts of the Association shall be made annually by a public accountant, and a copy of the audit report shall be furnished to each member not later than one hundred twenty (120) days following the end of the fiscal year for which the audit is made.

7.11 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums for such bonds shall be paid by the Association.

7.12 Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors from time to time.

ARTICLE VIII. - PARKING

The Developer has the right to assign parking spaces with the sale of each unit. The Developer's right to assign parking spaces shall continue until the Developer sells the last Condominium unit. Thereafter the Association shall have the right to assign and control all unassigned parking spaces so long as the Association does not interfere with, alter, or change the previously made Developer's assignments. Parking spaces may be transferred and swapped only among the various Unit Owners, but every unit must at all times have one parking space which is assigned to it exclusively and the right to which shall be transferrable at the time of the sale or transfer of the unit. Maintenance of the parking area is declared to be a common expense. Thereafter, the Association shall have the right to assign additional parking spaces to a unit.

8.1 Assignment of Parking Spaces. The Association shall maintain a book for the purpose of listing each assignee of each parking space and the transfers thereof (the "Book"). Upon assignment of such parking space, the Developer shall cause the Association to record the transfer in the Book. Upon conveyance of, or passing of, title to the unit to which the said assignment of parking space has been made, the owner of the unit making the conveyance of title shall execute a notice of transfer to the Association and record the transfer in the Book. The same procedure shall be followed in the event of a trade of spaces.

ARTICLE IX. - PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, the Articles of Incorporation, or these By-Laws.

ARTICLE X. - MAINTENANCE, ALTERATION, AND IMPROVEMENT OF CONDOMINIUM PROPERTY

Responsibility for the maintenance of the Condominium property, and restrictions upon its alterations and improvements shall be as follows:

10.1 By the Association. The Association shall maintain, repair, and replace at the Association's expense:

(a) All common elements and limited common elements, except as otherwise provided herein.

(b) All portions of a Condominium unit, except interior surfaces, contributing to the support of the apartment building, which portions shall include, but not be limited to, load-bearing columns and load-bearing walls.

(c) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services contained in the portions of a Condominium unit that service part or parts of the Condominium other than the Condominium unit within which contained.

(d) All incidental damage caused to a Condominium unit by reason of maintenance, repair, and replacement accomplished pursuant to the provisions of 4.1(a), (b), and (c) above.

To facility and carry out the obligations of the Association for maintenance, repair, and replacement as set forth above, there is reserved unto the Association the right to enter in and upon any unit at any reasonable time.

10.2 By the Condominium Unit Owner. The responsibility of the Condominium Unit Owner for maintenance, repair, and replacement shall be as follows:

(a) To maintain, repair, and replace at his expense all portions of his Condominium unit except the

portions to be maintained, repaired, and replaced by the Association. Included within the responsibility of the Condominium Unit Owner shall be windows, screens, and doors opening into or onto his Condominium unit; all air conditioning and heating equipment, all stoves, refrigerators, fans, and other appliances or equipment including fixtures and/or their connections required to provide water, light, power, telephone, sewage, and sanitary service to the particular unit. All such maintenance, repairs, and replacement shall be done without disturbing the rights of other Condominium Unit Owners.

(b) To not paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment buildings without the prior approval, in writing, of the majority of the Board of Administration.

(c) If entitled to the exclusive use of an area designated as a limited common element appurtenant to his unit, to be reasonable for the upkeep and cleanliness of said area, except parking areas (if any) which shall be maintained by the Association.

(d) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

10.3 Architectural Control Committee. Except for the original construction and except for purposes of proper maintenance and repair or as otherwise in this Declaration provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, plant, remove, or construct any lighting, shades, screens, awnings, patio cover, decorations, fences, sprinkler line, parking spaces, hedges, landscaping features, walls, aerials, antennae, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, fireplaces, or to make any changes or otherwise alter (including any alteration in color), in any manner whatsoever the exterior of any Dwelling Unit, or upon any of the common areas within the project or to remove or alter any windows or exterior doors of any Dwelling Unit, materially increase the cost of operating or insuring the Association property or impair any easement, until the complete plans and specifications showing the location, nature, shape, height, form of change (including, without limitation, any other information specified by the Board of Administration or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the cost of maintaining and insuring the Association property and harmony of design, color, and location in relation to surrounding structures and topography, the Board of Administration of the Association, or by an architectural control committee designated by it.

10.4 Architectural Control Committee - Operation. The Architectural Control Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Administration of the Association, and such persons shall serve at the pleasure of the Board of Administration. In the event the Board of Administration fails to

appoint an Architectural Control Committee, then the Board of Administration shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling, or order, or to issue any permit, consent, authorization, approval, or the like pursuant to the authority contained in this Article. In no event shall the powers and duties herein provided in any way alter or affect the ultimate control or powers of the Board as provided in this Declaration.

10.5 Approvals, etc. Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within ninety (90) days after such plans and specifications (and all materials and information required by the Architectural Control Committee) have been submitted to it in writing, then approval will not be required, and this Article will be deemed to have been fully complied with.

10.6 Alteration and Improvement. Except as provided in 3.7 herein, there shall be no alteration or further improvements of common elements or limited common elements without the prior approval, in writing, by record owners of seventy-five percent (75%) of all Condominium Unit Owners, together with the approval of the Association. The cost of such alteration or improvement shall not interfere with the rights of any Condominium Unit Owner without his consent.

ARTICLE XI. - ASSESSMENTS

The making and collection of assessments, including special assessments as required and approved by the Association, against Condominium Unit Owners for a proportionate share of the common expenses and reserves, as established by the Association, shall be pursuant to the By-Laws of the Association, subject to the following provisions of this Declaration:

11.1 Share of Common Expenses. Each Condominium Unit Owner shall be liable for an equal share of the common expenses and shall share in the common surplus upon termination of the Condominium, such shares being the same as the undivided share in the common elements appurtenant to the Condominium unit owned by him; provided, however, that pursuant to the Condominium Act, the Developer may guarantee the maximum monthly assessment amount for each unit for a specified period of time. Such guaranteed amount and the period of time to which it pertains shall operate, pursuant to the Condominium Act, to excuse the Developer from the payment of the common expenses with respect to the unit(s) it owns, provided that during said period of guaranty the

Developer shall pay any amount of common expenses actually incurred which exceeds the amount receivable from Unit Owner assessments.

11.2 Interest; Application of Payments. Assessments and installments on such assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of fifteen percent (15%) per annum from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

11.3 Lien for Assessments. The Association shall have a lien against each Condominium unit for any unpaid assessments against the owner thereof, and for interest accruing thereon, which lien shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien, including any appeal thereof, and whether or not legal proceedings are initiated. The said liens may be recorded in the Public Records of Pasco County, Florida, by filing a claim therein which states the legal description of the Condominium unit, and the amount claimed to be due, and said lien shall continue in effect until all sums secured by the lien, together with all costs incurred in recording and enforcing said lien, shall have been paid. Such claims of lien may be signed and verified by an officer of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien, to be prepared and recorded at his expense. All such liens shall be subordinate to the lien or mortgages or other liens recorded prior to the date of recording the claim of lien, and all such liens may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure or a mortgage on real property. In any such foreclosure, the owner of the Condominium unit subject to the lien shall be required to pay a reasonable rental for the Condominium unit, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association may also, at its option, sue to recover a money judgment for unpaid assessments without thereby waiving the lien securing the same. In the event a mortgagee of a first mortgage of record shall obtain title to the Condominium unit as a result of the foreclosure of a first mortgage, or in the event an institutional first mortgagee shall obtain title to a Condominium unit as the result of a conveyance in lieu of such foreclosure of such first mortgage, such acquirer of title, its successors, and assigns, shall not be liable for that share of the common expenses or assessments by the Association chargeable to the Condominium unit, or the owner thereof, which became due prior to the acquisition of title by such institutional mortgagee or purchaser at foreclosure sale. Any such unpaid share of common expenses, or assessments, chargeable against any such foreclosed Condominium unit, or against a Condominium unit transferred in lieu of a foreclosure, shall be deemed a common expense, to be paid in the same manner as other common expenses of the Condominium by all of the Condominium Unit Owners. This mortgagee provision shall not be applicable where the Association has recorded a claim of lien prior to the recordation of the mortgage. In addition, said

purchaser at foreclosure sale or mortgagee so acquiring title shall be liable for assessments accruing subsequent to such acquisition of title.

ARTICLE XII. - USE RESTRICTIONS AND REGULATIONS.

Reasonable regulations concerning the use of Condominium property may be made and amended from time to time by the Board of Administration of the Association in the manner provided by the Articles of Incorporation and these By-Laws. The Association rules and regulations or the failure to maintain the unit or to take other steps as provided in these By-Laws to ensure compliance. Copies of such regulations and amendments shall be furnished by the Association to all Condominium Unit Owners and residents of the Condominium upon request. Provided, however, that until the Developer has closed the sale of all of the units in the Condominium, neither the Condominium Unit Owners, nor the Association, nor the use of the Condominium property shall interfere with the sale or lease by the Developer of the units. The Developer may make such use of the unsold units, common elements, and common areas, as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, model units, showing the property, and the display of signs.

12.1 Right of Entry.

(a) Each owner hereby grants the right of entry to the manager or to any other persons authorized by the Board of Directors of the Association in case of emergency originating in or threatening his apartment, whether the owner is present at the time or not.

(b) An owner shall permit representatives of the Association when so required, to enter his apartment for the purpose of performing installations, alteration, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

12.2 Conduct.

(a) Each of the units shall be occupied only as a single family residential dwelling by the Unit Owner, members of his family, his guests, invitees, and lessees, and in the case of lessees, their families, guests, and invitees. No unit may be divided or subdivided into component units. As long as the Developer owns a unit, it or its agents may utilize a unit or units for a sales office, a model unit, or any other usage for the purpose of selling units. Units may be rented by Unit Owners and through the Developer-sponsored rental program.

(b) The common elements and limited common elements shall be used for the purpose for which they are intended in the furnishing of services and facilities to the units and the Unit Owners, their guests, invitees, and lesses.

(c) No nuisances shall be allowed upon the Condominium property, not any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium property by its residents. All parts of the Condominium property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his unit or make any use of the common elements that will increase the cost of insurance upon the Condominium property.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Condominium property nor any part of it, and all valid laws, zoning ordinances, and regulations of the governmental bodies having jurisdiction shall be observed.

(e) No "For Sale" or "For Rent" signs or any other type of sign or other displays or advertising shall be maintained on any part of the common elements, limited common elements, or the units, except for identification signs located on the exterior of the building which are part of the original construction of the building or signs which are located within the interior of the building not visible to view from the exterior of the building and except that the right is specifically reserved to the Developer to place "For Sale" signs in connection with any unsold units it may from time to time own.

(f) No trucks or other commercial vehicles, boats, house trailers, boat trailers, mobile homes, campers, or trailers of any description shall be parked in any parking space except with the written consent of the board of Directors of the Association. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery, and such other services as may be necessary.

(g) Rules and regulations concerning use of the Condominium property shall be made by and may be amended from time to time by the Board of Directors of the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the building upon request.

(h) All outdoor drying of clothes by line, rack, or otherwise shall be prohibited.

(i) No television or radio antennae or towers of any nature shall be erected on any part of the Condominium property except that one antenna may be erected by the Association; as a master antenna for the building.

(j) Owners, guests, or lessees are not permitted to have any animals as pets on the Condominium property, except for dogs which shall be restricted to lap dogs (small enough to be held in the owner's lap, and weighing less than 20 pounds), and such dogs shall be kept by each owner in the owner's unit. Dogs, when not in the owners' unit, must be on

a leash and may be exercised on Condominium property in designated areas only. Each owner, his guest, or lessee is liable for any damage to Condominium property by action of his dog. Pet "accidents" occurring on any common area going to or coming from designated areas must be immediately cleaned up by the Unit Owner.

(k) No cooking of any nature whatsoever shall take place or be permitted in any of the corridors.

(l) Until such times as Developer has completed all the contemplated improvements of the Condominium and closed the sale of all the Condominium parcels, neither the Unit Owners nor the Association, nor the use of the Condominium property shall interfere with the completion of the contemplated improvements and the sale of the Condominium parcels. Developer may make such use of any unsold units and the common elements as may facilitate such completion and sale including, but not limited to, maintenance of sales office, showing of the units, and the display of signs.

(m) Members of the Association shall submit internal disputes arising from the operation of the Condominium to voluntary binding arbitration in accordance with Section 718.1255, Florida Statutes.

ARTICLE XIII. - AMENDMENT

A resolution for the adoption of a proposed amendment of these By-Laws may be proposed by either the Board of Directors of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Association signed by owners of not less than twenty percent (20%) of the units. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided for, the President, or in the event of his refusal or failure to act, the Board of Directors shall call a meeting of the membership to be held within sixty (60) days for the purpose of considering said amendment. Except as elsewhere provided, such approvals must be either by:

(a) The votes of not less than fifty-one percent (51%) of Unit Owners present at such meeting in person or by proxy; or

(b) In the alternative, an amendment may be made by an agreement signed and acknowledged by all Condominium Unit Owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Pasco County, Florida.

13.1 Proviso. No amendment shall discriminate against any Condominium Unit Owner nor against any Condominium unit or class or group of units unless the Condominium Unit Owners so affected shall consent. No amendment shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation.

13.2 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Pasco County, Florida.

ARTICLE XIV. - CONSTRUCTION

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine, or neuter, singular or plural, whenever the context so requires.

ARTICLE XV. - INVALIDITY OF PROVISION

Should any of the covenants herein imposed be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

The foregoing were adopted as The By-Laws of the Gulf Island Condominium Owners' Association, Inc., a condominium corporation and a non-profit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on September 1, 1983.

President

Secretary

STATE OF FLORIDA

DEPARTMENT OF BUSINESS REGULATION

THE JOHNS BUILDING
725 SOUTH BRONOUGH STREET
TALLAHASSEE, FLORIDA 32301

Bob Graham, Governor
Gary R. Rutledge, Secretary

August 7, 1984

F. James Kearney, Director
Division of Florida Land Sales
and Condominiums

Richard W. Withers, Esquire
Dunn, Smith, Withers & Hart
P.O. Drawer 2600
Daytona Beach, FL 32015

RE: Gulf Island Resort and Racquet Club
Harbor Lights Venture, Inc.
IP11569, Phase I

Dear Mr. Withers:

Pursuant to Rule 7D-17.05, F.A.C., our examination of the documents filed for the above referenced condominium is complete. The condominium documents are now considered proper for filing purposes and the developer may close on contracts for sale or lease for a lease period of more than five years. This letter does not, however, constitute approval of the offering, nor shall it relieve the developer of any responsibility under Chapter 718 of the Florida Statutes or the Rules promulgated by the Division.

Sincerely,

Candy McKinney

Candy McKinney
Examination Section

Alexander M. Knight, Chief
Bureau of Condominiums

Note: Rule 7D-17.01(4), F.A.C. requires the developer to notify the Division within 30 working days of recording information. Refer to the Rule for specific directions.

AMK/CM/jc

cc: Harbor Lights Venture, Inc.
P.O. Drawer 2600
Daytona Beach, FL 32015