

Sea Air Towers
A Condominium

Prospectus for

Sea Air Towers
A Condominium
February 15, 1996

Sea Air Towers

Amendments to

the Documents

Amendment to the By-Laws of Sea Air Towers
Page 2 of 2

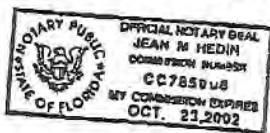
STATE OF FLORIDA)
)SS
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Edwin Felich, President and Olga Boca, Secretary respectively of the corporation named in the foregoing amendment, and that they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said Corporation and that the seal affixed thereto is the true and corporate seal of said Corporation.

WITNESS my hand and official seal in the County and State last aforesaid on this 15 day of Nov, 1999.

Jean M Hedin
Notary's Name Typed/Printed
[Signature]
NOTARY PUBLIC, State of Florida
At Large

My Commission No.:
My Commission Exp.:



Personally known to me.

INSTR # 99771982
OR BK 30124 PG 1930
RECORDED 12/23/1999 08:40 AM
COMMISSION
BROWARD COUNTY
DEPUTY CLERK 1033

This Instrument Prepared By:
MICHAEL L. HYMAN, ESQUIRE
HYMAN & KAPLAN, P.A.
27th Floor, Museum Tower
150 West Flagler Street
Miami, Florida 33130

**AMENDMENT TO THE ARTICLES OF INCORPORATION OF
SEA AIR TOWERS CONDOMINIUM ASSOCIATION, INC.**

The undersigned, being respectively the President and Secretary of SEA AIR TOWERS, a Condominium, located in Broward County, Florida, the Declaration of Condominium having been recorded in Official Records Book No. 24492, at Page 717 of the Public Records of Broward County, Florida, do hereby certify that at a duly noticed meeting of the members of SEA AIR TOWERS CONDOMINIUM ASSOCIATION, INC. held on January 08, 1999, not less than a majority of the total vote of the unit owners present at the meeting in person or by proxy approved the following Amendment to the Articles of Incorporation of Sea Air Towers, a Condominium, in accordance with the provisions of Article XII thereof.

(NOTE: New language is indicated by underscored type.)

I. Article IX, Section A of the Articles of Incorporation is amended to read as follows:

- A. The form of administration of the Association shall be by a Board of not less than three (3) nor more than five (5) Directors, with the precise number to be determined in the manner provided in the By-Laws.

IN WITNESS WHEREOF, the SEA AIR TOWERS CONDOMINIUM ASSOCIATION, INC. has duly approved and executed the foregoing amendment to its Articles of Incorporation and has affixed its corporate seal on this 15th day of November, 1999.

[CORPORATE SEAL]

SEA AIR TOWERS CONDOMINIUM ASSOCIATION, INC.

ATTESTED:

BY: [Signature]
President

BY: [Signature]
Secretary

WITNESSES:

[Signature]
Witness Signature

Witness Signature

Joan M. Liebeskind-L.C.A.M.
Witness' Name Printed

Witness' Name Printed

[Signature]
Witness Signature

Witness Signature

Joan M. Hedra
Witness' Name Printed

Witness' Name Printed

10/11/99

This instrument prepared by or under the supervision of
(and after recording should be returned to):

Name: Richard J. Giusto, Esquire
Address: Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quental, P.A.
1221 Brickell Avenue
Miami, Florida 33131

(Space Reserved for Clerk of Court)

AMENDMENT TO EASEMENT AGREEMENT

THIS AMENDMENT TO EASEMENT AGREEMENT is made as of the 15th day of November, 1995 by and between SEA AIR TOWERS, LTD., a Florida limited partnership, and its successors and assigns ("Owner") and CRESCENT HEIGHTS XLVI, INC., a Florida corporation, and its successors and assigns ("Grantee").

RECITALS:

A. Owner and Grantee are the parties to that certain Easement Agreement dated August 29, 1995 and recorded August 30, 1995 in Official Records Book 23850, at Page 649 of the Public Records of Broward County, Florida (the "Easement Agreement").

B. Owner has obtained the written communication from the City of Hollywood, Florida as provided in Paragraph 6 of the Easement Agreement.

C. At the time of recordation of the Easement Agreement, Exhibit "C" referenced therein was inadvertently not attached to the Easement Agreement.

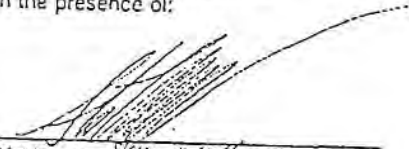
D. WHEREAS, Owner and Grantee desire to amend the Easement to: (i) provide for a release from the restrictions in accordance with Paragraph 6 of the Easement Agreement, and (ii) include the correct Exhibit "C" to the Easement Agreement.

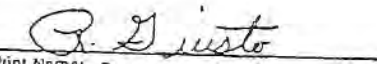
NOW, THEREFORE, in consideration of the sum of Ten and No/100 (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. All of the foregoing recitals are true and correct and are incorporated herein by this reference. All initial capitalized terms shall have the same meaning as set forth in the Easement Agreement unless a contrary intent is indicated herein.
2. Paragraph 6 of the Easement Agreement is hereby released and deleted in its entirety and is of no further force or effect.
3. Exhibit "C" to the Easement Agreement is hereby deemed to be that certain property described on Exhibit "C" attached hereto and by this reference made a part hereof. As a result, the Easement Area is comprised only of that portion of the Outparcel described on Exhibit "C".
4. Except as specifically modified hereby, all of the provisions of the Easement Agreement which are not in conflict with the terms of this Amendment to Easement Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Easement Agreement on the day and year first above written.


Signed, sealed and delivered
In the presence of:


Print Name: Richard J. Giusto


Print Name: Richard Giusto

OWNER:

SEA AIR TOWERS, LTD., a Florida limited partnership

By: 
Name: Irving Cowan
Title: General Partner

EX 21, 166 PG 0584

Olivia Las
Print Name: _____
[Signature]
Print Name: ROSMAID

GRANTEE:

CRESCENT HEIGHTS XLVI, INC., a Florida corporation

By: *[Signature]*
Name: Russell Galbut
Title: Vice President

STATE OF FLORIDA)
COUNTY OF DADE)

SS:

The foregoing instrument was acknowledged before me this 15th of November, 1995 by Irving Cowan as General Partner of SEA AIR TOWERS, LTD., a Florida limited partnership, on behalf of the partnership. He personally appeared before me, is personally known to me or produced _____ as identification.



ANNE R. OSMAN
My Commission Expires 12/28/98
Commission No. CC428108

Notary: *[Signature]*
Print Name: _____
Notary Public, State of Florida
My commission expires: _____

STATE OF FLORIDA)
COUNTY OF DADE)

SS:

The foregoing instrument was acknowledged before me this 15th of November, 1995 by Russell Galbut, as Vice President of Crescent Heights XLVI, Inc., a Florida corporation, on behalf of the corporation. He personally appeared before me, is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: *[Signature]*
Print Name: _____
Notary Public, State of Florida
My commission expires: _____



ANNE R. OSMAN
My Commission Expires 12/28/98
Commission No. CC428108

Record & Return to

GALBUT, GALBUT, MENIN
& WASSERMAN, P.A.
899 WASHINGTON AVENUE
MIAMI BEACH, FL 33139

BK24166PG0585

This instrument prepared by:
ABRAHAM A. GALBUT, ESQ.
GALBUT, GALBUT, MENIN &
WASSERMAN, P.A.
999 Washington Avenue
Miami Beach, Florida 33139

SECOND AMENDMENT TO EASEMENT AGREEMENT

THIS AMENDMENT TO EASEMENT AGREEMENT is made as of the 14 day of December, 1995, by and between SEA AIRS TOWERS, LTD., a Florida limited partnership, and its successors and assigns ("Owner") and CRESCENT HEIGHTS XLVI, INC., a Florida corporation, and its successors and assigns ("Grantee").

RECITALS:

A. Owner and Grantee are the parties to that certain Easement Agreement dated August 29, 1995, and recorded August 30, 1995, in Official Records Book 23850, Page 649, of the Public Records of Broward County, Florida (the "Easement Agreement").

B. Owner and Grantee desire to amend the easement agreement as to the third paragraph of Paragraph 5 as to the use of the Grantee Property as a 362 unit apartment complex condominium project.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. All of the foregoing recitals are true and correct and are incorporated herein by this reference. All initial capitalized terms shall have the same meaning as set forth in the Easement Agreement unless a contrary intent is indicated herein.

2. The third paragraph of Paragraph 5 is hereby amended and replaced with the following:

"Notwithstanding anything to the contrary contained herein, Owner shall make available within the Outparcel sufficient additional parking spaces as may be required by all governmental authorities and applicable zoning laws and ordinances for use of the Grantee Property as a 362 unit apartment complex/condominium project, provided that Grantee shall not, at any time, reduce the number of parking spaces presently existing on the Grantee Property."

3. Except as specifically modified hereby, all of the provisions of the Easement Agreement which are not in conflict with the terms of this Second Amendment to Easement Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Easement Agreement on the day and year first above written.

Signed, sealed and delivered in the presence of:

OWNER:
SEA AIR TOWERS, LTD., a
Florida limited partnership

By: Irving Gowan
Irving Gowan, General
Partner

Noelleen Stewart
Print Name: NOELLEEN STEWART
Regina C. Emerick
Print Name: REGINA C. EMERICK

GRANTEE:

CRESCENT HEIGHTS XLVI, INC.,

By: Russell Galbut
Russell Galbut,
Vice President

Richard Kacut
Print Name: RICHARD KACUT
Patricia Powell
Print Name: PATRICIA POWELL

BK 26305 PC 0382

STATE OF FLORIDA
COUNTY OF ~~DADE~~ BROWARD

THE FOREGOING INSTRUMENT was acknowledged before me this 14 day of December, 1995, by Irving Cowan, as General Partner of SEA AIR TOWERS, LTD., a Florida limited partnership, on behalf of the partnership. He personally appeared before me, is personally known to me or produced _____ as identification.

Rochelle F. Morse

NOTARY PUBLIC
OFFICIAL NOTARY SEAL
ROCHELLE F MORSE
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC439475
MY COMMISSION EXPIRES FEB. 10, 1999

STATE OF FLORIDA
COUNTY OF DADE

THE FOREGOING INSTRUMENT was acknowledged before me this 14 day of December, 1995, by Russell W. Galbut, as Vice President of CRESCENT HEIGHTS XLVI, INC., a Florida corporation, on behalf of the corporation. He personally appeared before me, is personally known to me or produced N/A as identification.

[Signature]

NOTARY PUBLIC



JOHN R. GORDON
My Commission Expires 12/31/99
Commission No. 00400000

RECORDED IN THE OFFICIAL RECORDS BOOK
IN BROWARD COUNTY, FLORIDA
COUNTY ADMINISTRATION

BK24305PC0383

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THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.

PROSPECTUS FOR
SEA AIR TOWERS, A CONDOMINIUM

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

SUMMARY

IMPORTANT MATTERS

1. THIS CONDOMINIUM IS BEING CREATED AND SOLD ON FEE SIMPLE ABSOLUTE INTERESTS.

2. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

Please refer to Article XXIII of the Declaration of Condominium attached as Schedule "1" of this Prospectus and provided for in Florida Statutes.

3. THE SALE, LEASE OR TRANSFER OF YOUR UNIT IS RESTRICTED OR CONTROLLED.

Please refer to Article XV of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

4. RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT THE CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

Please refer to Article 8.03 of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

5. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

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SCHEDULES

Schedule "1"	Declaration of Condominium
Exhibit "A"	Legal Description, Survey, Affidavit of Surveyor as to Certificate of Substantial Completion, Plot Plan, Floor Plans and Graphic Description
Exhibit "B"	Undivided Interest in Common Elements And Percentage of Sharing Common Expenses and Owning Common Surplus
Exhibit "C"	Articles of Incorporation
Exhibit "D"	By-Laws
Schedule "2"	Unit Number, Unit Type, Number of Bedrooms/Bathrooms, and Undivided Interest
Schedule "3"	Estimated Operating Budget for the Condominium Property
Schedule "4"	Form of Purchase Agreement Utilized in the Sale of Condominium Units
Schedule "5"	Escrow Agreement Establishing Escrow Account Between Developer and Escrow Agent
Schedule "6"	Form of Receipt for Condominium Documents Utilized in the Sale of Condominium Units
Schedule "7"	Initial Rules and Regulations
Schedule "8"	Conversion Inspection Report and Termite Inspection Report
Schedule "9"	Floor Plans for All Units
Schedule "10"	Copy of Warranty Deed
Schedule "11"	Frequently Asked Questions and Answers
Schedule "12"	Contracts and/or Leases in Excess of One Year
Schedule "13"	Easement Agreement
Schedule "14"	Code Compliance Letter

GENERAL INFORMATION
CONCERNING THE CONDOMINIUM

1. Description of Condominium.

a. Introduction. The Developer pursuant to this Offering is CRESCENT HEIGHTS XLVI, INC., a Florida corporation. It is specifically understood that this Offering is limited to the Units contained herein and does not encompass any other property owned by the Developer. All references in this Offering to Developer shall be deemed to mean CRESCENT HEIGHTS XLVI, INC., a Florida corporation.

b. Use of Property. Pursuant to this Offering, Condominium Units ("Units") shall be offered for residential use. Each Purchaser's use of the property must be in compliance with applicable zoning regulations.

c. Name. The name of this Condominium is SEA AIR TOWERS, A CONDOMINIUM, located at 3725 South Ocean Drive, Hollywood, Florida 33019.

d. Description of Condominium Property. The Condominium contains one (1) building located at 3725 South Ocean Drive, Hollywood, Florida 33019. The building is sixteen (16) stories high, containing a total of three hundred sixty two (362) Units. The number of bedrooms and bathrooms in each Unit is shown on Schedule "2" attached hereto. Floor plans of the Units are attached as Schedule "9" of this Offering Plan. Dimensions set forth in said floor plans, however, are approximations only and subject to modification. The actual plans and specifications of the Condominium are available for inspection at the Developer's office upon request. For a more complete description of the number of Units and the number of bedrooms and bathrooms in each Unit, please refer to Schedule "2" attached to this Prospectus.

e. Legal Description of Condominium/Survey, Plot Plan and Graphic Description of Improvements. The legal description of the Property to be submitted to a condominium form of ownership is attached as Exhibit "A" to the Declaration of Condominium. The Survey, Plot Plan and Graphic Description of Improvements are also attached as Exhibit "A" to the Declaration of Condominium. The grantee's rights under the Easement Agreement attached hereto as Schedule "13" is part of this Condominium.

f. Latest Estimated Date of Completion of Construction, Finishing and Equipping. The latest estimated date of completion of construction, finishing and equipping the Units and the Common Elements is December 31, 1997.

2. Maximum Number of Units That Will Use Facilities in Common with the Condominium.

As previously indicated, the maximum number of Units in this Condominium is three hundred sixty two (362) Units.

3. Form of Ownership.

THIS CONDOMINIUM IS BEING CREATED AND SOLD ON FEE SIMPLE ABSOLUTE INTEREST.

4. Description of Recreational and Other Commonly Used Facilities.

Unit Owners are required to pay their share of the costs and expenses of maintenance, management, upkeep, and replacement costs.

Please refer to Article XXI of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT THE CONSENT OF THE UNIT OWNERS OR THE ASSOCIATION.

Please refer to Article 8.03 of the Declaration of Condominium attached as Schedule "1" of this Prospectus. In the event of such an expansion, Unit Owners will not be required to contribute to the cost of such expansion or addition, but will be required to contribute to the maintenance thereof as the expansion or addition will be Common Elements.

The following is a description of the recreational and other commonly used facilities that will be used only by the Unit Owners of this Condominium property (including the Developer), their tenants, guests and invitees (some of the facilities described below are Limited Common Elements as set forth in the Declaration and their use is subject to the provisions of the Declaration regarding Limited Common Elements):

a. Description: Pool Deck

- (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.
- (2) Approximate size: 28,350 square feet
- (3) Maximum capacity: 400

- b. Description: Pool
- (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.
 - (2) Approximate size: 1,950 square feet
 - (3) Approximate depth: 3' to 6'
 - (4) Maximum capacity: 78
 - (5) The pool is heated.
- c. Description: Elevator Lobby (Basement Floor)
- (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.
 - (2) Approximate size: 243 square feet
 - (3) Maximum capacity: 16
- d. Description: Elevator Lobby (Lobby Floor)
- (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.
 - (2) Approximate size: 600 square feet
 - (3) Maximum capacity: 40
- e. Description: Sitting Lobby (Lobby Floor)
- (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.
 - (2) Approximate size: 1,536 square feet
 - (3) Maximum capacity: 102
- f. Description: Elevator Lobby (Typical Floors [14])
- (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.
 - (2) Approximate size: 360 square feet each
 - (3) Maximum capacity: 24 each

g. Description: Laundry Room (Typical Floors [14])

(1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium.

(2) Approximate size: 104 square feet each

(3) Maximum capacity: 7 each

The Developer will expend a minimum of \$2,500.00 in personal property for the Condominium.

The Developer is not obligated to provide additional facilities not described above.

5. Expansion of Recreational Facilities.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT THE CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

6. Leasing by Developer.

THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

The Developer may engage in a program of leasing any Units which are unsold as of the date of recordation of the Declaration of Condominium establishing the Condominium. In this regard, the Units subject to the leasing arrangement may include any Units that the Developer has not sold prior to creation of the Condominium. The terms of such leasing may include such rental terms and conditions as the Developer may designate, but shall not be for less than thirty (30) days. Notwithstanding anything contained herein to the contrary, it is the Developer's intention to sell all Units within the Condominium as expeditiously as possible and the Developer's leasing program, with respect to any unsold Units, shall continue only until such time as such Unit(s) have been sold or closed.

7. Arrangements for Management.

The Association may enter into a Management Agreement to provide for management and operation of the Condominium. To date, a management firm has not been employed, and the Association will manage the Condominium.

8. Right to Retain Control.

THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

Please refer to Article XXIII of the Declaration of Condominium attached as Schedule "1" of this Prospectus and provided for in Florida Statutes.

9. Restriction on Sale, Lease or Transfer.

THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

Please refer to Article XV of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

10. Statement of Conversion Conditions.

This Condominium is being created by the conversion of existing improvements. Each Unit shall be delivered in the manner represented in "as is" condition without any express warranties or representations by the Developer, the Association or any broker or agent.

No converter reserve account has been established pursuant to Section 718.618(7), Florida Statutes. Therefore, pursuant to Section 718.618(7), Florida Statutes, the Developer is deemed to have granted to the purchaser of each Unit an implied warranty of fitness and merchantability for the purposes or uses intended, as to the roof and structural components of the improvements; as to fireproofing and fire protection systems; and as to mechanical, electrical and plumbing elements serving the improvements, except mechanical elements serving only one Unit. Pursuant to Section 718.616, Florida Statutes, the condition of the Condominium has been disclosed as set forth in the Conversion Inspection Report prepared by Morris Ross, Architect. The statements contained in the Conversion Inspection Report are the opinions of Mr. Ross and they represent his best estimates based upon available information. His opinions are subject to reasonable debate and do not constitute a warranty or representation as to the condition of the Condominium.

To the extent permitted by law, the Developer specifically disclaims any and all other implied warranties of merchantability and fitness as to the Condominium Property, any Unit, or any appurtenance thereto, including any appliances, furniture, fixtures or personal property.

In connection with this conversion, the Developer hereby disclosed the condition of the Condominium as required pursuant to the provisions of Florida Statutes, Chapter 718.616.

In this regard, a statement of the conversion conditions, as well as a statement of repairs and improvements to be made by the Developer, are attached hereto and made a part hereof as Schedule "8" of this Prospectus.

A copy of the termite inspection report is attached hereto and made a part of Schedule "8" of this Prospectus.

11. Summary of Use Restrictions To Be Imposed Upon Units Concerning the Use of the Condominium Property.

In addition to the other obligations and duties set forth in the Declaration, every Unit shall:

(a) Promptly pay the Assessments levied by the Association.

(b) Maintain in a clean and sanitary manner and repair his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings, floors, etc.) whether or not a part of the Unit or Common Elements which are a part of the Unit, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit.

(c) Not use or permit the use of his Unit except for purposes consistent with the laws of governing authorities having jurisdiction over the property.

(d) Not permit or suffer anything to be done or kept in his Unit which would increase the insurance rates on his Unit of the Common Elements, or which will obstruct or interfere with the rights of other members or annoy them with unreasonable noises or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his Unit or on the Common Elements.

(e) Conform to and abide by the By-Laws and uniform rules and regulations in regard to the use of the Unit and Common Elements which may be adopted in writing from time to time by the Association, and to see that all persons using the Owner's property, by, through or under him do likewise.

(f) Make no alteration, decoration, repair, replacement or change of the Common Elements or to any outside or exterior portion of the building without the prior written consent of the Association.

(g) Allow the Board of Administration or the agents and employees of the Association to enter any Unit for the purpose of maintenance, repair or replacement of any Common Elements or building system or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units. If no key has been provided to the Association, then the expense of entry into a Unit for emergency purposes shall be borne by the Owner of the Unit.

(h) Show no sign, advertisement or notice of any type on the Common Elements or his Unit, and erect no exterior antennas and aerials, except as provided in uniform regulations promulgated by the Association.

(i) Abide by any regulations regarding children as may be established by the Association, except that no regulations shall prohibit children from residing in or occupying a Unit.

(j) Make no repairs to any plumbing, air conditioning systems or electrical wiring within a Unit, except by plumbers, repairmen or electricians authorized to do such work by the management of the Association. Plumbing, air conditioning and electrical repairs within a Unit shall be paid for and be the financial obligation of the Owner of the Unit. The Association shall pay for and be responsible for plumbing, air conditioning repairs and electrical wiring within the Common Elements. The Association shall have the right to exclude any unauthorized repairmen from the Condominium.

(k) Return the "Condominium Parcel" for the purpose of ad valorem taxes to the respective taxing authorities having jurisdiction over them for separate Assessment against his Condominium Parcel. For the purposes of ad valorem taxation, the interest of the Owner of a "Condominium Parcel" in his "Condominium Unit" and in the "Common Elements" shall be considered as a Unit. The value of said Unit shall be equal to the proportion or percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said Unit in Exhibit "B" of the Declaration attached hereto as Schedule "1." The total of all said proportions or percentages equals the value of all of the land and improvements thereon.

(l) Use the parking spaces as provided herein.

(m) Not replace and/or remove screens, jalousies or other enclosures on balconies, patios or terraces or on other parts of the building, even though such areas may be Limited Common Elements, except with prior written approval of the Board of Administration.

(n) No balconies, patios or terraces shall be extended, enclosed or decorated in any way whatsoever by a Unit Owner without the prior written consent of the Board of Administration.

(o) Except as otherwise provided herein, not divide or subdivide a Unit for purpose of sale or lease, except that a Unit may be combined with a contiguous Unit and occupied as one dwelling Unit.

(p) Not hang any laundry, garments or other objects which are visible from outside of the Unit, except for draperies, blinds, shades or other suitable window coverings. Decorative window coverings shall not include any type of reflective film on any glass windows or doors. The exterior appearance of all window coverings shall be white in color.

(q) Not allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles provided therefor, so that each Unit, the Common Elements and Limited Common Elements shall at all times remain in a clean and sanitary condition.

(r) Not make any use of a Unit that violates any laws, ordinances and regulations of any governmental body having jurisdiction thereof.

(s) Pets may be kept in a Unit. No pet shall be allowed to commit a nuisance in any public portion of the Condominium building or grounds. The term "pets" shall be limited to dogs, cats, birds and tropical fish. All other animals are expressly forbidden unless otherwise allowed by the Association. The total weight of all pets belonging to a Unit Owner shall not exceed twenty five (25) pounds. No more than three (3) pets are allowed per Unit, tropical fish excluded. Pets shall not be allowed on the balcony of a Unit unless the Unit Owner is present.

(t) The Board of Directors shall have the right to promulgate rules and regulations regarding soundproofing of floors in connection with the installation of floor coverings.

(u) The Association shall provide after turnover all residents with picture identification.

(v) In order to provide for proper safety, food or beverages shall be consumed at the pool only in the area designated by the Association.

(w) No radios or tape recorders may be played at the pool by any resident or guests of the property.

(x) Pool chairs may not be removed from the pool deck.

(y) All residents must provide proper identification to gain access to the pool.

(z) No parties may be held on the pool deck or other Common Element without the approval of the Association.

(aa) Owners must accompany their guests to the pool at all times. No more than two (2) guests are permitted at any time.

(ab) Other than the Developer, Owners may not do any construction or renovation without written notification to the Association at least seventy-two (72) hours in advance. The Association may reasonably restrict the time and manner of construction, except as it relates to the Developer. Other than the Developer, Unit Owners must provide the Association with a \$500.00 security deposit prior to commencing construction or renovation. Additionally, while the Developer maintains a construction dumpster on-site, all Unit Owners constructing or renovating their Units must pay to the Developer a nonrefundable fee of up to \$200.00 for use of the dumpster.

(ac) Other than the Developer, Owners must provide copies of proper permits, licenses and insurance certificates and plans and specifications to the Association before commencing with work. Owners must use only properly licensed workers.

(ad) Other than the Developer, all construction or renovation in Units may be done on Monday through Friday during the hours between 10:00 a.m. to 5:00 p.m.

(ae) Other than the Developer, contractors must reserve elevators to deliver materials to the Units.

(af) Proper attire is required, including shirts and shoes, when walking through Common Elements.

(ag) No pets are permitted in the lobby or pool areas. Pets must be carried through the garage area and must be carried in designated service elevator.

(ah) Owners and residents must deposit their trash in the trash chute located on each floor.

(ai) Owners must provide security with at least one set of keys to their Unit(s), in case of emergency.

The Developer shall be exempt from all provisions herein requiring the consent of the Association. Notwithstanding anything contained herein to the contrary, the Developer shall not be exempt from the following: (1) requirements that leases or lessees be approved by the Association; (2) restrictions on the presence of pets; (3) restrictions on occupancy of Units based on age; and (4) restrictions on the type of vehicles allowed to park on the

Condominium Property or Association property; however, the Developer and its designees shall have the right to be exempt from any such parking restriction if the vehicle is engaged in any activity relating to construction, maintenance or marketing of Units, if such exemption is provided in the Condominium documents.

12. Manner in Which Utilities and Other Services Are To Be Provided.

The manner in which the needs of the utilities and other services will be met, including, but not limited to, sewage and waste disposal, water supply and storm drainage is as follows:

a. Water supply, storm drainage, waste and sewage disposal shall be supplied to the Condominium by the City of Hollywood.

b. Electrical services shall be supplied to the Condominium by Florida Power & Light Company.

c. Trash removal services shall be supplied to the Condominium by Browning-Ferris, Inc., or another company approved by the Association.

d. Gas shall be supplied to the Condominium by People's Gas.

13. Explanation of Manner in Which the Common Expenses and Ownership of the Common Elements Has Been Determined.

Both the percentage of ownership of Common Elements and the Common Expenses of the Units were apportioned equally to all Units. Each Unit is 1/362. For a more complete description of the apportionment of ownership in Common Elements and Common Expenses, please refer to Exhibit "B" attached to the Declaration of Condominium which is attached as Schedule "1" to this Prospectus. The Association shall have the right, at the Association's expense, to install a separate electric meter for any or all of the "LA" Limited Common Elements. In the event any such meters are installed, the Owner of the Unit to which the "LA" Limited Common Element is appurtenant shall be responsible for payment of the electric bill.

14. Estimated Operating Budget and Guarantee.

A Budget for the Offered Condominium is attached to this Offering Circular as Schedule "3." The Budget constitutes a summary of the mandatory financial obligations of Unit Owners payable to the Association as Common Expenses. Reference should be made to the Notes to Budget in reading and understanding the

assumptions used in preparing the Budget. Developer believes that the Budget is reliable; however, because expenditures may differ from estimated expenditures and because of possible changes in the future expenses of the offered Condominium, it is not intended nor should it be considered as a representation, guarantee or warranty of any kind whatsoever including, without limitation, that the actual expenses for any period of operation may not vary from the amount estimated, that the Association will not incur additional expenses or that the Association will not provide for additional reserves or other sums not reflected in the proposed budget. Hence, the Budget does not constitute any warranty or guarantee as to the magnitude of "Annual Assessments" levied under Article 13 of the Declaration or the Budget adopted after the termination of the "Guarantee Period" discussed below.

The Budget is not intended nor should it be considered all inclusive or as a representation, guarantee or warranty of any kind whatsoever of all expenses to be incurred as a result of Unit ownership. For example, the Budget does not include real estate taxes on the Units, Unit Owners' insurance, telephone, electricity or other utility services which are billed directly to the Unit Owner and not through the Association.

The Developer shall be excused from the payment of its share of the Common Expenses and Assessments related to those Units it owns for a period of time commencing from the date of recordation of the Declaration of Condominium and terminating December 31, 1996. However, the Developer must pay the portion of Common Expenses incurred during that period which exceeds the amount assessed against other Unit Owners. The dollar amount for each Unit Type during the guarantee period is set forth in the Estimated Operating Budget attached as Schedule "3" to this Prospectus.

15. Schedule of Closing Expenses.

The Purchaser is required under the terms of the Purchase Agreement executed by the Purchaser to pay the following expenses in connection with the closing of this transaction:

a. A proposed charge for monthly maintenance assessments as set forth in the Estimated Operating Budget for the Association attached as Schedule "3" to this Prospectus.

b. The initial working capital contribution as set forth in the Purchase Agreement, which shall be equal to twice the monthly maintenance fee.

c. Real property taxes from the date of closing to the end of the calendar year in which said closing took place.

d. Mortgage closing charges (if the transaction is to be financed) which may include, but are not limited to, the following expenses, the extent of which must be ascertained from the lender by Purchaser.

- (1) Abstract charges
- (2) Documentary Stamps on the Mortgage
- (3) Intangible taxes on the Mortgage
- (4) Fee for recordation of the Mortgage
- (5) Prepaid interest
- (6) Credit report
- (7) Appraisal fee
- (8) Mortgagee's closing costs (commonly called points)
- (9) Mortgagee's attorney's fees
- (10) Payments into any escrow account which may be required by the lender.
- (11) Premium for Mortgagee policy of title insurance.

e. In addition to the foregoing, a closing fee equal to one and one-half (1½%) percent of the purchase price or \$1,500.00, whichever is greater, shall be charged to cover, in part, but not limited to, payment of the following items:

- (1) Recordation of Warranty Deed
- (2) Florida Documentary Stamps on Warranty Deed
- (3) Owner's Policy of Title Insurance to be furnished by the Developer.
- (4) Document preparation.

16. Identity of Developer.

The Developer pursuant to this Offering is CRESCENT HEIGHTS XLVI, INC., a Florida corporation. This is the first condominium development undertaken by CRESCENT HEIGHTS XLVI, INC. The Chief Executive Officer of the Developer is Sonny Kahn. Mr. Kahn has been involved in condominium conversion in California for over twelve (12) years, as well as The Carriage Club South, The Carriage Club North, The Carriage House, The Alexander, The Castle Beach Club, The Amethyst, The Decoplage, The Hampton on Washington Avenue, The Alexander Towers, The Casablanca, The Aventura Beach Club, and Venetia, on Miami Beach, Florida. Many of his conversion projects have included large tenant occupied apartment buildings and hotels. Mr. Kahn is experienced with condominium conversions from construction to successfully operating the projects.

17. Contracts and Leases.

As of the date of this Prospectus, the Association has not entered into any contracts or leases having a term in excess of one (1) year for the purpose of maintenance and operation of the Condominium property and of other property that will serve the Unit Owners of the Condominium property, except for Private Cable Television Lease and Service Agreement attached hereto as Schedule "12".

18. Binding Arbitration.

All disputes between a Unit Owner and the Developer or between the Association and the Developer shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association. Without limiting the effect of the foregoing sentence, pursuant to Section 718.1255(4), Florida Statutes, prior to the institution of Court litigation (whether to enforce an arbitration award or otherwise), the parties to a dispute shall petition the Division for nonbinding arbitration.

19. Existing and Intended Easements.

In addition to the easements set forth in the Declaration, the property is subject to the following easements and covenants:

(a) Restrictions, conditions, reservations, easements and other matters as contained on the Plat of AMENDED PLAT OF SEMINOLE BEACH, as recorded in Plat Book 1, at Page 15, of the Public Records of Broward County, Florida.

(b) Easement as recorded in Official Records Book 3495, at Page 380, of the Public Records of Broward County, Florida.

(c) Easement Deed as recorded in Official Records Book 6662, at Page 771, of the Public Records of Broward County, Florida.

20. Copies of Documents Included as Schedules.

Copies of the following are included as Schedules to this Prospectus:

- a. Schedule "1" - Declaration of Condominium
- b. Schedule "2" - Number of Units, Unit Type, Number of Bedrooms/Bathrooms in Each Unit and Undivided Interest

- c. Schedule "3" - Estimated Operating Budget for the Condominium Property
- d. Schedule "4" - Form of Purchase Agreement Utilized in the Sale of Condominium Units
- e. Schedule "5" - Escrow Agreement Establishing Escrow Account Between Developer and Escrow Agent
- f. Schedule "6" - Form of Receipt for Condominium Documents Utilized in the Sale of Condominium Units
- g. Schedule "7" - Initial Rules and Regulations
- h. Schedule "8" - Conversion Inspection Report and Termite Inspection Report
- i. Schedule "9" - Floor Plans for All Units
- j. Schedule "10" - Copy of Warranty Deed
- k. Schedule "11" - Frequently Asked Questions and Answers
- l. Schedule "12" - Contracts and/or Leases in Excess of One Year
- m. Schedule "13" - Easement Agreement
- n. Schedule "14" - Code Compliance Letter

SCHEDULE "1"

SEA AIR TOWERS, A CONDOMINIUM

DECLARATION OF CONDOMINIUM ESTABLISHING
SEA AIR TOWERS, A CONDOMINIUM

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THIS INSTRUMENT PREPARED BY:
LEONARD LUBART, ESQUIRE
GREENSPOON, MARDER, HIRSCHFELD
& RAFKIN, P.A.
Trade Centre South, Suite 700
100 West Cypress Creek Road
Fort Lauderdale, Florida 33309

DECLARATION OF CONDOMINIUM

ESTABLISHING

SEA AIR TOWERS, A CONDOMINIUM

SUBMISSION STATEMENT

CRESCENT HEIGHTS XLVI, INC., a Florida corporation, hereinafter called the "Developer," for itself, its successors, grantees and assigns, being the holder of fee simple title to the real property described in Exhibit "A," Sheet 1, attached hereto and made a part hereof, including the grantee's interest in that certain Easement Agreement recorded in Official Records Book 23850, at Page 649, of the Public Records of Broward County, Florida, hereby states and declares that said property is submitted to condominium ownership, pursuant to the requirements of the statutes of the State of Florida, hereinafter sometimes referred to as the "Condominium Act," the provisions of which are hereby incorporated by reference as is fully set forth herein, and does hereby file for record this Declaration of Condominium.

All restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land as the case may be, shall be non-exclusive and perpetual unless sooner terminated as upon all Unit Owners, as hereinafter defined, and their grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns and all parties claiming by, through or under such persons agree to be bound by the provisions hereof and the By-Laws of the Association. Both the burdens imposed and the benefits granted shall run with each Unit and the interests in the Common Elements.

I. Name

1.01 The name of the Condominium is: SEA AIR TOWERS, A CONDOMINIUM.

1.02 The name of the Unit Owners' Association is SEA AIR TOWERS CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereinafter referred to as the "Association."

II. Land

The land comprising this condominium is described on Exhibit "A," Sheet 1, attached hereto and made a part hereof as if fully set forth herein.

III. Definitions

The terms used in this Declaration and in its Exhibits, including the By-Laws of the Association, shall be defined in accordance with the provisions of the Condominium Act, State of Florida and as follows unless the context otherwise requires:

3.01 "Unit" or "Apartment" - means a part of the Condominium Property which is subject to exclusive ownership. A Unit may be in improvements, land, or land and improvements together, as specified in this Declaration.

3.02 "Unit Owner" or "Owner of a Unit" - means the owner of a Condominium Parcel.

3.03 "Assessment" - means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Unit Owner.

3.04 "Association" - means the corporate entity responsible for the operation of the Condominium.

3.05 "By-Laws" - means the By-Laws of the Association existing from time to time.

3.06 "Common Elements" - means the portions of the Condominium Property not included in the Units.

3.07 "Common Expenses" - means all expenses and Assessments properly incurred by the Association for the Condominium.

3.08 "Common Surplus" - means the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, over the Common Expenses.

3.09 "Condominium" - means that form of ownership of real property which is created pursuant to the provisions of the Florida 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 the Common Elements.

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

3.11 "Declaration" or "Declaration of Condominium" - means the instrument or instruments by which a Condominium is created as they are from time to time amended.

3.12 "Limited Common Elements" - means those Common elements which are reserved for the use of a certain Condominium Unit or Units to the exclusion of other Units as specified in the Declaration of Condominium.

3.13 "Operation" or "Operation of the Condominium" - includes the administration and management of the Condominium Property.

3.14 "Developer" - means a person who creates a Condominium or offers Condominium Parcels for sale or lease in the ordinary course of business, but does not include an Owner or lessee of a Unit who has acquired his Unit for his own occupancy. As used herein, the term "Developer" shall include assigns and successors in interest to the original Developer.

3.15 "Board of Administration" - means the Board of Directors of the Association or other representative body responsible for administration of the Association.

3.16 "Condominium Property" - means the lands, leaseholds, and personal property that are subject to condominium ownership, whether or not contiguous, all improvements thereon, and all easements and rights appurtenant hereto intended for use in connection with the Condominium.

3.17 "Mortgagee" or "Institutional First Mortgagee" - means a bank, Federal or State savings and loan association, insurance company, mortgage company, real estate investment or business trust, pension fund, an agency of the United States government, any other lender generally recognized as an institutional type lender, or the Developer (including any nominee of Developer) owning and holding a mortgage encumbering a Condominium Unit.

3.18 "Institutional First Mortgage" - means a mortgage owned or held by an Institutional First Mortgagee.

Whenever the context so permits, the use of the singular shall include the plural, and the plural shall include the

singular, and the use of any gender shall be deemed to include all genders.

IV. Description The Condominium is described as follows:

4.01 A survey of the land submitted to condominium ownership is set forth on Exhibit "A" attached hereto. The Affidavit of Surveyor as to the Substantial Completion of the improvements is attached hereto and made a part hereof as Exhibit "A." A graphic description of the improvement or improvements in which Units are located and the identification of each Unit by letter, name or number, so that no Unit bears the same designation as any other Unit, and the plot plan thereof, all in sufficient detail to identify the Common Elements and each Unit and their respective locations and approximate dimensions is attached hereto as and made a part hereof as Exhibit "A."

4.02 The Developer reserves the right to change the interior or exterior design or arrangement of all Units as long as the Developer owns the Units so changed and altered or receives permission from the Owner. If such change reflects a material change to the exterior design or arrangement of one or more Units, it shall be reflected by an amendment of this Declaration; any amendment for such purpose need be signed and acknowledged only by the Developer and Mortgagee, if any, and need not be approved by any other person, including, but not limited to, the Association, contract vendees, or Unit Owners, anything herein to the contrary notwithstanding. The rights reserved in this paragraph 4.02 shall permit the Developer at its option prior to creating this Condominium to change the number of Units within the Condominium and/or the interests of the Unit Owners in the Common or Limited Common Elements. However, notwithstanding any of the foregoing to the contrary, the aggregate of the undivided interests of the Unit Owners in the Common or Limited Common Elements of such units so redesigned or rearranged shall remain the same, although the undivided interests of the Unit Owners in the Common Elements or Limited Common Elements of such Units so redesigned or changed may be different than as originally provided herein. Additionally, with respect to Units L05 and L06, Units 706 and 708, Units 718 and 720, Units PH6 and PH8, and Units PH18 and PH20, the Developer, or any subsequent owner of any such Units that are adjacent to each other, reserves the right to install or remove the wall separating the Units in order that the Units can be occupied either as a single dwelling or as two dwellings, provided that any such construction is in accordance with applicable governmental regulations. In the event two (2) adjacent Units are occupied as a single dwelling, they shall continue to be considered as two (2) Units, each having its own vote and proportion or percentage by which the Owner of the parcel shares the Common Expenses or owns the Common Surplus. No consent of the Association nor amendment to the Declaration shall be required in connection with the

installation or removal of a wall as provided herein. To the extent that an amendment under this Section changes the configuration or size of any Unit in any material fashion, materially alters or modifies the appurtenances to the Unit or changes the proportion or percentage by which the Owner of the parcel shares the Common Expenses or owns the Common Surplus, such an amendment shall require a majority of total voting interests unless required by any governmental entity. Any amendment under this Section is also limited by the provisions of Section 718.110(2) F.S.

4.03 The following non-exclusive easements shall be covenants running with the land and are expressly granted and/or reserved in favor of the Unit Owners, occupants of any Unit, their guests and invitees, to-wit:

(1) Utilities: Blanket non-exclusive easements are reserved throughout the Condominium Property as may be required for utility services in order to adequately serve the Condominium. In the event any Unit, recreation area, Common or Limited Common Element encroaches upon any utility easement either granted or reserved hereby, by plat or otherwise, such encroachment shall entitle the Owner or Owners of such encroaching property and their mortgagees, if any, to an automatic non-exclusive easement on said utility easement for as long as such encroachment shall continue.

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

(3) Traffic: An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, elevators, if any, and other portions of the Common Elements as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, and such easements shall be for the use and benefit of the Unit Owners and those claiming by, through or under the aforesaid; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium Property, except to the extent that the space may be specifically designated and assigned for parking purposes.

(4) Access: Each Unit Owner and any officer, agent, employee or designee of the Association or member of the Board of Administration of the Association shall have access across any Limited Common Elements for the purpose of ingress and egress.

(5) A non-exclusive easement for ingress and egress over streets, walks and other rights-of-way serving the Units of

this Condominium as part of the Common Elements necessary to provide reasonable access to the public ways.

4.04 The Association shall not permit the commercial use of any portion of the Common Elements by the Association, a Unit Owner or a licensee or designee of the Association. Commercial use as used herein shall include any trade or business, whether or not for profit.

V. Identification of Units, Limited Common Elements and Common Elements, Survey, Shares in Common Elements, Prorations of Common Expenses, Voting Rights

5.01 The Condominium Units and all other improvements constructed on the Condominium Property are set forth in detail in Exhibit "A" attached hereto. Each Condominium Unit is described in such a manner that there can be determined therefrom the identification, location and dimensions of such Unit and the Common Elements appurtenant thereto.

Each Condominium Unit is identified by a number, letter or name or combination thereof, so that no Unit bears the same designation as any other Unit. Areas designated as "LCE" or Limited Common Elements on Exhibit "A" attached hereto are Limited Common Elements in accordance with Article XIII hereof. All remaining areas are Common Elements.

5.02 Subject to any provisions of the By-Laws of the Association applicable thereto, a Unit Owner is entitled to one (1) vote for each Unit owned. If a Unit is owned by more than one person, the Owners of said Unit shall designate one (1) of them as the voting member, or, in the case of ownership by a corporation, an officer or an employee thereof shall be designated the voting member. The vote of a Unit shall not be divisible.

VI. Condominium Parcels, Appurtenances, Possession and Enjoyment

6.01 The Condominium Parcel is a separate parcel of real property owned in fee simple, or any other estate of real property recognizable by law.

6.02 There shall pass with a Unit as appurtenances thereto:

(1) An undivided share in the Common Elements and Common Surplus.

(2) The exclusive right to use the portion of the Common Elements as may be provided by the Declaration.

(3) An exclusive easement for the use of the air spaces occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time. An easement in air space which is vacated shall be terminated automatically.

(4) A Unit Owner is entitled to the exclusive possession of his Unit, subject to the irrevocable right of the Association to access to each Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common elements, or for making emergency repairs necessary to prevent damage to Common Elements or to another Unit or Units. A Unit Owner shall be entitled to use the Common Elements in accordance with the purpose for which they are intended, but no use may hinder or encroach upon the lawful rights of other Unit Owners.

VII. Restraint Upon Separation and Partition of Common Elements

7.01 The undivided share in the Common Elements which is appurtenant to a Unit shall not be separated from it and shall pass with the title to the Unit whether or not separately described.

7.02 The share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered, except with the Unit.

7.03 The share in the Common Elements appurtenant to Units are undivided, and no action for partition of the Common Elements shall lie.

VIII. Common Elements

8.01 Common Elements include within their meaning the following items:

(1) The Condominium Property which is not included within the Units.

(2) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Unit and the Common Elements.

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

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

8.02 Any person having any interest under mortgages of record that encumber any portion of the Common Elements that are not satisfied prior to the recordation of this Declaration shall consent to the recordation of this Declaration; provided, however, in lieu of joining in the execution of this Declaration, any mortgagee may execute an appropriate consent or subordination agreement with the formalities required for deeds.

8.03 Recreational facilities may be expanded or added by the Developer without the consent of the Unit Owners or the Association. In the event of such an expansion, Unit Owners will not be required to contribute to the cost of such expansion or addition, but will be required to contribute to the maintenance thereof as the expansion or addition will be Common Elements.

IX. Amendment of Declaration

9.01 Unless otherwise provided herein, the Declaration may be amended by two thirds (2/3) of the Unit Owners executing a modification or amendment to this Declaration with the formalities of a deed and recording same in the Public Records of the County in which the Condominium is located; or in the alternative, this Declaration may be amended at any regular or special meeting of the Unit Owners called or convened in accordance with the By-Laws the affirmative vote of voting members casting not less than two thirds (2/3) of the total vote of the members of the Association and the execution by the Association of a certificate of the amendment with the formalities of a deed and recording same in the Public Records of the County in which the Condominium is located.

(1) Such an amendment may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the Owner of the Unit shares the Common Expenses and owns the Common Surplus provided the record Owner of the Unit and all record owners of liens on it join in the execution of the amendment, provided, however, this section shall not apply to the acquisition of a Unit by the Association.

(2) If it appears that through scrivener's error a Unit has not been designated as owning an appropriate undivided share of the Common Elements or does not bear an appropriate share of the Common Expenses or that all the Common Expenses or interest in the Common Surplus or all of the Common elements in that Condominium have not been distributed in this Declaration, so that the sum total of the shares of Common Elements which have been distributed or the sum total of the shares of the Common Expenses or ownership of Common Surplus fails to equal one hundred (100%) percent, or if it appears that more than one hundred (100%) percent of Common Elements or Common Expenses or ownership of Common

Surplus have been distributed, the error may be corrected by filing an amendment to this Declaration approved by the Board of Administration or a majority of the Unit Owners. To be effective the amendment must be executed by the Association and the Owners of the Units and the owners of mortgages thereon affected by the modifications being made in the shares of Common Elements, Common Expenses or Common Surplus. No other Unit Owner is required to join in or execute the amendment.

(3) The Common Elements designated by this Declaration may be enlarged by an amendment in the Declaration. The amendment must describe the interest in the property and must submit the property to the terms of this Declaration. The amendment must be approved and executed as provided herein. The amendment shall vest title in the Unit Owners as part of the Common Elements, without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements which are appurtenant to the Unit owned by them.

(4) No amendment shall be passed which shall impair or prejudice the rights and priorities of Mortgagees.

Notwithstanding the foregoing, the consent or joinder of owners of liens on a Unit shall only be required for amendments materially affecting the rights or interests of the lienholder or as otherwise required by the Federal National Mortgage Corporation or the Federal Home Loan Mortgage Corporation, provided that such a requirement provides that such consent may not be unreasonably withheld. This provision is subject to the provisions of Section 18.14 hereof.

9.02 Notwithstanding anything contained herein to the contrary, while the Developer is entitled to appoint a majority of the Board of Directors, the Declaration may be amended by a majority of the Board of Directors provided that such Amendment shall not change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, nor increase the proportion of Common Expenses nor decrease the ownership of Common Elements borne by a Unit Owner or change a Unit Owner's voting rights without the consent of the affected Unit Owners. Without limiting the generality hereof, such an amendment may include the changing of a Common Element to a Limited Common Element and the changing of an unassigned Limited Common Element to a Common Element. No amendment pursuant to this subsection may change the configuration or size of any Residential Unit in any material fashion, materially alter or modify the appurtenances to the Unit or change the proportion or percentage by which the Owner of the parcel shares the Common Expenses or owns the Common Surplus.

Said amendment need only be executed and acknowledged by the Board of Directors and the consent of the Unit

Owners, the owner and holder of any lien encumbering a Unit in this Condominium, or any others, shall not be required.

X. Termination

10.01 The Condominium Property may be removed from the provisions of Florida Statutes Condominium Act only by consent of all of the Unit Owners evidenced by a recorded instrument to that effect, and upon the written consent by all of the holders of recorded liens affecting any of the Condominium Parcels.

10.02 Upon removal of the Condominium Property from the provisions of the Condominium Act, the Condominium Property is owned in common by the Unit Owners in the same undivided shares as each Owner previously owned in the Common Elements. All liens shall be transferred to the undivided share in the Condominium Property attributable to the Unit originally encumbered by the lien in its same priority.

10.03 The termination of a Condominium does not bar the creation of another Condominium affecting all or any portion of the same property.

XI. Equitable Relief

In the event of substantial damage to or destruction of all or a substantial part of the Condominium Property, and if the property is not repaired, reconstructed, or rebuilt within a reasonable period of time, any Unit Owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition.

XII. Enforcement of Maintenance

In the event the Owner of a Unit violates the provisions hereof, the Association or any other Unit Owner shall have the right to proceed in a court of equity to seek compliance with the provisions hereof; or the Association shall have the right to charge the Unit Owner for the necessary sums to correct the violation and to collect such charge. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair or replacement of any common elements or for making emergency repairs which are necessary to prevent damage to the common elements or to another unit or units.

XIII. Limited Common Elements

In this Condominium there are Limited Common Elements appurtenant to some of the Units. There shall pass with a Unit, as appurtenant thereto, the exclusive right to use the Limited Common Elements so appurtenant as shown on Exhibit "A". Expense of maintenance and repair relating to these Limited Common Elements shall be considered Common Expenses for the purpose of cost of repair and maintenance, except that the Association shall not be responsible for the repair or replacement of any improvements to any of these Limited Common Elements whether in the course of maintenance of the Limited Common Elements or otherwise.

The Owner of the Unit to which a Limited Common Element is appurtenant shall have the right to construct improvements, at its sole cost and expense, on the Limited Common Element provided that the improvement(s) shall be in compliance with all applicable governmental laws and regulations. The Limited Common Elements labeled as "UOS", "ST" or "R" on Exhibit "A" attached hereto may be constructed upon and utilized for residential purposes, provided that the Limited Common Element is physically attached to the Unit to which it is appurtenant. Except with respect to the Limited Common Elements described in subparagraph (2) below and Limited Common Elements appurtenant or assigned to Units owned by the Developer, the improvement(s) to the Limited Common Element shall also be subject to the approval of the Board of Directors of the Association, whose consent shall not be unreasonably withheld. In the case where more than one Unit has the right to use a Limited Common Element, any improvement to the Limited Common Element shall require the unanimous approval of the Owners of all such Units.

(1) Automobile Parking Spaces - Certain parking areas of the Condominium are Limited Common Elements of the Condominium and are set out in Exhibit "A" hereto. One or more parking spaces may be assigned to a Condominium Unit as a Limited Common Element. Such parking spaces shall initially be assigned by the Developer, and the Developer may receive compensation from a purchaser in connection with the assignment of a parking space to a Unit. The Association may promulgate rules and regulations regarding the transfer of parking spaces among Unit Owners.

Unassigned parking spaces shall be used by the Developer for prospective Unit purchasers and such other parties as the Developer may reasonably determine, so long as the Developer has Units for sale. After the Developer has sold all residential units, parking in all unassigned parking spaces shall be valet parking for the benefit of Owners who do not have assigned spaces and for guests. Except as specifically authorized by the Owner of a Unit that has been assigned a parking space or spaces as a Limited Common Element, there shall be no self-parking of automobiles. Each Owner shall be entitled to have no more than one (1) vehicle valet parked at any one time, provided, however,

there is no assurance that there will be a parking space available at all times for each Unit Owner. The valet parking provided to Owners as set forth herein shall be at no cost to the Owners. Notwithstanding the foregoing, Owners that have been assigned a parking space(s) as a Limited Common Element shall have no right to free valet parking whatsoever.

No parking space shall bear the same identifying number as any other.

Other than themselves, Owners may only allow their parking space(s), whether assigned or valet, to be used by a residing tenant of their Unit. Guests of the Owner may valet park for a fee as set forth above, provided, however, that guests of an Owner may utilize the parking area only while visiting the Owner.

(2) Assignable Limited Common Elements - Certain Automobile Parking Spaces, the "LA" Limited Common Elements, the "UOS" Limited Common Elements, the "ST" Limited Common Elements and the "R" Limited Common Elements, and other Limited Common Elements (other than balconies accessible only from a Unit(s) or an entrance vestibule directly shared by Units) that are not labelled as being a Limited Common Element for a particular Unit shall be considered an "Assignable LCE" and may be assigned to a Unit by the Developer, and the Developer may receive compensation from a purchaser in connection with the assignment of an Assignable LCE to a Unit. The Developer may assign all of a "UOS" Limited Common Element to a Unit or may assign portions of each "UOS" Limited Common Element to different Units. An Assignable LCE may be reassigned among Unit Owners, and the Association may promulgate reasonable rules and regulations regarding the reassignment of an Assignable LCE among Unit Owners. The Developer has the right to assign Limited Common Elements as long as it owns any Unit in the Condominium. Only the "LA" Limited Common Elements may be used for any lawful purpose, including, but not limited to, a commercial purpose in accordance with applicable governmental laws and regulations. The Owner of a Unit to which an "LA" Limited Common Element is appurtenant has the right to permit the public to use the Limited Common Element and to charge a fee to both Owners and to the public. No action may be taken which adversely affects the rights and interests of the Owner of the Unit to which an "LA" Limited Common Element is appurtenant without the Owner's prior written consent. All of these rights may be included in an assignment of the right to use an "LA" Limited Common Element. Individual Limited Common Elements may be assigned by the Owner of the Unit to which the Limited Common Element is appurtenant and no approval of the Association shall be required for any such assignment notwithstanding anything contained herein to the contrary. The Association shall have the right, at the Association's expense, to install a separate electric meter for any or all of the "LA" Limited Common Elements. In the event any such meters are installed, the Owner of the Unit to which the "LA" Limited Common Element is appurtenant shall be responsible for payment of the electric bill.

(3) Initially, Balcony Limited Common Elements must be covered with a flooring material specified by the Developer, which material may be the same for all Balcony Limited Common

Elements. The Association may, when replacement of such material is necessary, choose a different color or style of material, provided that such choice must be consistent for all Units.

XIV. Insurance and Condemnation Provision

The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property and the Condominium Property required to be insured by the Association pursuant to paragraph 14.02 below. A copy of each policy of insurance in effect shall be made available for inspection by Unit Owners at reasonable times. In addition, the Association shall maintain such insurance as may be required under any agreements to which the Association is a party or may be bound.

The insurance, other than title insurance, which shall be carried upon the Condominium Property and property of the Unit Owners shall be governed by the following provisions:

14.01 Liability Insurance: The Board of Administration of the Association shall obtain public liability and property damage insurance covering all of the Common Elements of the Condominium, and insuring the Association and the Unit Owners, as its and their interests appear, in such amount as the Board of Administration of the Association may determine from time to time, provided that the minimum amount of coverage shall be \$100,000/\$300,000/\$10,000. Said insurance shall include, but not be limited to, water damage, legal liability, hired automobile, non-owned automobile, and off-premises employee coverages. All liability insurance shall contain a cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner. Premiums for payment of such insurance shall be paid by the Association and charged as a Common Expense.

14.02 Casualty Insurance:

(1) Purchase of Insurance: The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance, insuring all of the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interest of the Association and all Unit Owners and their mortgagees, as their interests may appear, from a company acceptable to the Board of Administration of the Association, in an amount equal to the maximum insurable replacement value, as determined annually by the Board of Administration. All hazard policies issued to protect the Condominium buildings shall provide that the word "building" wherever used in the policy shall include, but shall not necessarily be limited to, fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed, or replacements thereof like kind or quality, in accordance with the original plans and specifications, or as existed at the time the Unit was initially conveyed if the original specifications are not available. However, the word "building" shall not include floor coverings,

wall coverings or ceiling coverings. With respect to the coverage provided for by this paragraph, the Unit Owners shall be considered additional insureds under the policy. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and shall be charged as a Common Expense. The company or companies, with which the Association shall place its insurance coverage, as herein provided must be good and responsible companies, authorized to do business in the State of Florida. The Institutional First Mortgagee having the highest dollar indebtedness on Units in the Condominium Property shall have the right to approve the policies, the company or companies who are the insurers under the insurance placed by the Association, and the amount thereof, and the right to designate and appoint the Insurance Trustee, which shall be a bank in Florida with trust powers. (All rights granted to Mortgagees in this paragraph shall be referred to as "Mortgagee's Insurance Rights.") In the absence of the action of said Mortgagee, the Association shall have said right without qualifications.

14.03 Loss Payable Provision - Insurance Trustee: All policies purchased by the Association shall be for the benefit of the Association, all Unit Owners and their mortgagees, as their interest may appear. Such policies shall be deposited with the Insurance Trustee who must first acknowledge that the policies and any proceeds thereof 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 Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal, the sufficiency of policies, the failure to collect any insurance proceeds, nor the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes herein stated, and for the benefit of the Association, the Unit Owners, and their respective mortgagees (hereinafter sometimes collectively referred to as "Beneficial Owner"), in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee:

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

(2) Condominium Units: Proceeds on account of Units shall be in the following undivided shares:

(a) Partial Destruction - When units are to be repaired and restored for the Owners of the damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner.

(b) Total destruction of Condominium improvements or where "very substantial" damage occurs and the Condominium improvements are not to be restored, as hereinafter

provided in this Article XIV, for the Owners of all Units, each Owner's share being in proportion to his share in the Common Elements appurtenant to his Unit.

(3) Mortgagees: In the event an Institutional First Mortgage encumbers a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner, as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

14.04 Distribution of Proceeds: Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Beneficial Owners and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:

(1) Reconstruction or Repair: If the damage, for which the proceeds were paid, is to be repaired and restored, the proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the Beneficial Owners (or retained, pursuant to paragraph 14.08 below). All remittances to Unit Owners and their mortgagees shall be payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same. Said remittance shall be made solely to an Institutional First Mortgagee when requested by such Institutional First Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of reduction of its mortgage debt.

(2) Failure to Reconstruct or Repair: If it is determined, in the manner herein provided, that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the Beneficial Owners; remittance to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same. Said remittance shall be made solely to an Institutional First Mortgagee when requested by such Institutional First Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association, and should the Board of Administration determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the Beneficial Owners as surplus in the manner provided in this Article XIV, or retained pursuant to paragraph 14.08 below.

(3) Certificate: In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the name of the Unit Owners

and their respective shares of the distribution, 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. Upon request of the Insurance Trustee, the Association shall forthwith deliver such certificate.

14.05 Loss Within a Single Unit: If loss shall occur within a single Unit without damage of the Common Elements, the insurance proceeds shall be distributed to the Beneficial Unit Owner with remittances to said Unit Owner and his mortgagee being payable jointly. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same; provided, however, such remittance shall be made solely to an Institutional First Mortgagee in the event its mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt. Upon the payment of such remittance, the Unit Owner shall be fully responsible for the restoration of his Unit.

14.06 Loss Less Than "Very Substantial": Where a loss or damage occurs to more than one Unit, to the Common Elements, or to any Unit or Units and the Common Elements, but said loss is less than "very substantial" (as hereinafter defined), it shall be obligatory upon the Association and the Unit Owners to repair or restore the damage caused by said loss. Where such loss or damage is less than "very substantial":

(1) The Board of Administration shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(2) If the damage or loss is limited to the Common Elements, with no, or inconsequential damage or loss to any individual Unit and if such damage or loss to the Common Elements is less than \$3,000, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration of the damage.

(3) Subject to the provisions of subparagraph (6) infra, if the damage or loss involves any individual Unit as well as the Common Elements, or if the damage is limited to the Common Elements alone, but is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association; provided, however, that upon the request of the Institutional First Mortgagee having the highest dollar indebtedness on Units in the Condominium Property, the written approval shall also be required of such Institutional First Mortgagee. Should written approval be required as aforesaid, it shall be said mortgagee's duty to give written notice thereof to

the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the Institutional First Mortgagee, if said Institutional First Mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and final releases and waivers of mechanics' liens to the Insurance Trustee, and execute any Affidavit required by law or by the Association, the aforesaid Institutional First Mortgagee, or the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the Institutional First Mortgagee whose approval may be required as aforesaid, shall have the right to require the Association to obtain a completion, performance, and payment bond in an amount and with a bonding company authorized to do business in the State of Florida which is acceptable to said mortgagee.

(4) Subject to the foregoing, the Board of Administration shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(5) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a special Assessment against all Unit Owners in proportion to the Unit Owners' share in the Common Elements, for that portion of the deficiency as is attributable to the cost of restoration of the Common Elements, and a Special Charge against the individual Unit Owners for that portion of the deficiency as is attributable to his individual Unit; provided, however, that if the Board of Administration finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual Unit which has been damaged, then the Board of Administration shall levy the Assessment for the total deficiency against all of the Unit Owners in proportion to the Unit Owners' share in the Common Elements, just as though all of said damage had occurred in the Common Elements. The Special Charge is fully enforceable in the manner of foreclosing a mortgage upon real property. The special Assessment funds and Special Charge funds shall be delivered by the Association to the Insurance Trustee and added, by said Trustee, to the proceeds available for the repair and restoration of the property.

(6) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special Assessment within ninety (90) days after the casualty, so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have the right to require the application of insurance proceeds as to the payment of its loan; provided, however, this provision may be waived by the Board of Administration in favor of any Institutional First Mortgagee upon request therefor at any time. To the extent that

any insurance proceeds are required to be paid over to such Mortgagee, the Unit Owner shall be obliged to replenish the funds so paid over.

14.07 "Very Substantial" Damage: As used in this Declaration, or any other context dealing with this Condominium, the term "very substantial" damage shall mean loss or damage whereby three-quarters (3/4) or more of the total unit space in any building comprising the Condominium Property is rendered untenable, or loss or damage whereby seventy-five (75%) percent or more of the total amount of insurance coverage on any of said buildings becomes payable. The Board of Administration shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof. Should such "very substantial" damage occur, then:

(1) If such very substantial damage has occurred to the building, and in the absence of any determination to abandon the Condominium as herein provided, then all of the insurance proceeds payable on account of such very substantial damage to the building shall be held by the Insurance Trustee solely for the benefit of Unit Owners (and their mortgagees).

(2) Thereupon, a membership meeting shall be called by the Board of Administration, to be held not later than thirty (30) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the Condominium subject to the following:

(a) If the net insurance proceeds available for restoration and repair, together with funds to be advanced by Unit Owners to replace insurance proceeds paid over to the Institutional First Mortgagees, are sufficient to cover the cost thereof so that no special Assessment is required, then the Condominium Property shall be restored and repaired unless three fourths (3/4) of the total votes of the members of the Condominium shall vote to abandon the Condominium in which case the Condominium Property shall be removed from the provisions of the law, in accordance with the statutes of the State of Florida.

(b) If the net insurance proceeds available for restoration and repair, together with funds to be advanced by Unit Owners to replace insurance proceeds paid over to the Institutional First Mortgagees, are not sufficient to cover the cost thereof so that a special Assessment will be required, as set forth above, then a vote will be taken of the membership of this Condominium to determine whether the Condominium should be abandoned. Said Assessment shall be made and the Condominium Property restored and repaired, unless two thirds (2/3) of the total votes of the members of this Condominium shall vote to abandon, the Association shall immediately levy such special Assessment.

(c) Unless it is determined to abandon the Condominium, the Association shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions set forth above. The special Assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available for the repair and restoration of the Property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the Property, as hereinabove provided. To the extent that any insurance proceeds are paid over to Institutional First Mortgagees, and in the event it is determined not to abandon the Condominium and to vote a special Assessment, the Unit Owner shall be obliged to replenish the funds so paid over to his mortgagee, and said Unit Owner shall be liable to the Association for such sum.

(3) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Board of Administration shall be binding upon all Unit Owners (but not upon Institutional First mortgagees).

14.08 Surplus: It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after the payment of all costs of the repair and restoration, such balance may be retained as a reserve, or wholly or partly distributed, at the discretion of the Board of Administration, unless the Institutional First Mortgagee holding and owning the highest dollar indebtedness on Units in the Condominium Property requires distribution. In the event of distribution, then the Insurance Trustee shall distribute such balance to the Beneficial Owners of the fund in accordance with each Unit's undivided interest in the Common Surplus of the Association.

14.09 Certificate: The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

14.10 Plans and Specifications: Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board of Administration, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all Institutional First Mortgagees shall also be required.

14.11 Association's Power to Compromise Claim: The Association is hereby irrevocably appointed agent for each Unit

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

14.12 Institutional First Mortgagee's Right to Advance Premiums: Should the Association fail to pay insurance premiums required hereunder when due, or should the Association fail to comply with other insurance requirements of the mortgagee(s), said Institutional Mortgagee(s) shall have the right, at its option to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said Mortgagee shall be subrogated to the Assessment and lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

14.13 Worker's Compensation policy to meet the requirements of law.

14.14 Such other insurance as the Board of Administration shall determine from time to time be desirable.

14.15 Each individual Unit Owner shall be responsible for purchasing at his own expense, liability insurance to cover accidents occurring within his own Unit, and for purchasing insurance upon his own personal property, and living expense insurance.

14.16 Anything in this Article XIV to the contrary notwithstanding, an Institutional First Mortgagee shall always be entitled to receive, in reduction of its mortgage debt, that portion of insurance proceeds apportioned to its mortgaged Unit in the same share as the share in the Common Elements appurtenant to such Unit, in the event: (a) its mortgage is not in good standing and is in default; or, either (b) the insurance proceeds are not sufficient to complete restoration, reconstruction or repair and the Association has not made additional funds available for such purpose; or (c) it is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different from that existing prior to the casualty and such Mortgagee has not consented in writing to such change or alteration.

14.17 Notwithstanding anything contained herein to the contrary, in the event a loss occurs which is determined to have been attributable to a particular Unit and such loss causes damage to the Common Elements and/or other Units within the Condominium, then the Unit Owner of the Unit to which the loss is attributable shall be liable for the entire expense of the insured's policy deductible, if any. In the event a loss occurs to the Common Elements and/or more than one (1) Unit within the Condominium and such loss cannot be determined to have emanated from any particular Unit, then all Unit Owners within the Condominium -- in the event

the damage is solely to the Common Elements or the owners of the Units so damaged in the event the loss involves more than one (1) Condominium Unit -- shall bear the expense of the insured's policy deductible, if any, on a pro rata basis.

14.18 Condemnation:

(1) Deposit of Awards with Insurance Trustee: The taking of Condominium Property by condemnation shall be deemed to be a casualty and the awards for the taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failing to so do, the defaulting Unit Owner shall be liable to the Association in the amount of his award or the amount of that award shall be set off against the sums hereafter made payable to that Unit Owner.

(2) Determination Whether to Continue Condominium: Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

(3) Disbursement of Funds: If the Condominium is terminated after condemnation, the proceeds of the awards and special Assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the Condominium is terminated after casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the Owners of condemned Units will be made whole and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

(4) Unit Reduced But Tenantable: If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(a) Restoration of Unit: The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the Owner of the Unit shall be obliged to pay such excess amount.

(b) Distribution of Surplus: The balance of the award, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made