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OCEAN TERRACE VILLAS II CONDOMINIUM

DECLARATION OF CONDOMINIUM

DECLARATION OF CONDOMINIUM OF OCEAN TERRACE VILLAS II

THIS DECLARATION OF CONDOMINIUM is made this 18th day of Sept, 2007 (the "Declaration") by **TUTTLE & TUTTLE, INC.**, a Florida corporation, having a mailing address of 1758 South 3rd Street, Jacksonville, FL 32082, (the "Developer") for and on behalf of the Developer, its successor, assigns and grantees.

The Developer, being the owner of fee simple title of record to those certain lands located and situated in Duval County, Florida, being more particularly described in Exhibit "A" attached hereto, does hereby submit the land and improvements to condominium ownership pursuant to the provisions of Chapter 718 of the Florida Statutes, hereinafter referred to as the "Condominium Act," as amended from time to time.

1. NAME AND DESCRIPTION OF CONDOMINIUM PROPERTY

The name by which this condominium is to be identified is:

OCEAN TERRACE VILLAS II (the "Condominium")

1.1 This Condominium shall be developed pursuant to Chapter 718, Florida Statutes, consisting of the real property legally described and the units in the building and other improvements as shown on Exhibit "A" attached hereto, being submitted to the Condominium form of ownership by this Declaration. The Units of this Condominium shall own a fractional, undivided interest in the Common Elements and be responsible for a fractional share of the Common Expenses of this Condominium as set forth in Exhibit "B" attached hereto. Upon Completion of the buildings, a surveyor's certificate will be recorded certifying that the buildings, all Units within the buildings and their appurtenant Common Elements are substantially complete.

1.2 The number, minimum, maximum and general size of Units to be included are as follows:

(a) The Condominium when constructed, will consist of a minimum and maximum of eight (8) Units in two (2), three (3) story buildings, which contain a one thousand, nine hundred and five square feet (1,905 sq. ft.) of heated and air conditioned space and three (3) bedrooms and three and one-half (3 ½) bathrooms.

By acceptance of a deed to its Unit, each Unit Owner acknowledges and agrees that the actual square footage is based on the "Condominium Parcel," rather than merely the Unit square footage and that the Condominium Parcel includes the Unit plus the undivided fractional share in the Common Elements, plus the exclusive right to use certain Limited Common Elements, plus

an exclusive easement for the use of the airspace occupied by the Unit, plus membership in the Association.

1.3 Each Unit's fractional ownership in the Common Elements shall be equal to all other Units. Each Unit shall own a fractional share in the Common Elements, Common Surpluses and obligation for Common Expenses, represented by a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Units declared to Condominium ownership in the Condominium, as set forth on Exhibit "B" attached hereto.

1.4 Each Unit is entitled to one (1) vote in the Association.

1.5 The ownership of the Common Elements attributable to each Unit would be that Unit's fractional share ownership, as set forth in Section 1.3 and Exhibit "B."

1.6 Time share estates shall not be a part of this Condominium.

1.7 During the construction of this Condominium, the Developer, except for Units which have been conveyed to the Unit Owner, shall have the right to use any portion of the Condominium Property, including the common Elements, for the construction, marketing and sale of Units.

2. DEFINITIONS

The terms used in this Declaration and in its exhibits, including the Articles of Incorporation and Bylaws of the Association, shall be defined in accordance with the provisions of the Condominium Act, and as follows unless the context otherwise requires. All other definitions except as set forth herein shall be determined by the definitions set forth in Section 718.103, Florida Statutes as written as of the date of recording of this Declaration.

2.1 Assessment means a share of the funds which are required for the payment of Common Expenses, which from time to time is assessed against the Unit Owner.

2.2 Association means OCEAN TERRACE VILLAS II CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, and its successors, which is responsible for the operation and maintenance of the Condominium, and as further defined in Section 718.103(2), Florida Statutes.

2.3 Charge or Special Charge means the obligation of a unit owner to pay or reimburse money to the Association that cannot be secured as an assessment under Florida Statute 718.116, but which will, if the charge is not paid, give rise to a cause of action against the unit owner under this declaration.

2.4 Committee means a group of Board members, Unit Owners, or Board members and Unit Owners appointed by the Board or a member of the Board to make recommendations to the Board regarding the Association budget or take action on behalf of the Board.

2.5 Common Elements includes the following.

(a) Any portion of the Condominium Property located on or within a Condominium Building which is not designated as a Unit.

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

(c) Easements of support which are hereby created in every portion of a Unit which contributes to the support of a Condominium Building.

(d) The property and installations required for the furnishing of Utility Services and other services to more than one Unit, to the Common Elements, or to a Unit other than the Unit containing the installation, except those whose ownership is retained by the Utility companies providing the Utility Services.

(e) Any fixtures on or within a Condominium Building owned or held for the common use, benefit and enjoyment of all Owners of Units in the Condominium.

(f) The stairwells, hallways, elevators, elevator lobbies, trash rooms and mechanical closets, electrical room, air conditioning and pump room, emergency generator room and all other Improvements which are not designated on the plot plan attached as Exhibit "C" as Units, Limited Common Elements or common property of the Association.

(g) All easements for ingress and egress serving the Condominium Property.

(h) Any other area designated as a Common Element on the plot plan attached hereto as Exhibit "A."

2.6 Common Expenses shall include:

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

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

(c) The costs of carrying out the powers and duties of the Association.

(d) Expenses declared Common Expenses by the provision of this Declaration or by the Bylaws of the Association or Condominium Act, or by Florida Statutes.

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

(f) Rental, membership fees, operations, replacements, and other expenses of land or possessory interests in lands purchased by the Association pursuant to Sections 718.111 and 718.114, Florida Statutes.

(g) Assessments charged the Association or costs incurred by the Association in the operation, management, maintenance and repair of the storm water system as permitted by the SJRWMD, including lakes, retention areas, water management areas, ditches, canals, culverts, structures, related appurtenances, drainage structures and drainage easements.

(h) Any other expenses reasonably and necessarily related to the common elements.

2.7 Common Surplus means the excess of all receipts of the Association collected on behalf of a Condominium (including, but not limited to, assessments, rents, profits, and revenues on account of the Common Elements) over the Common Expenses.

2.8 Condominium Documents means this Declaration and the attached exhibits setting forth the nature of the property rights in this Condominium and the covenants running with the land that govern these rights. All the other Condominium documents will be subject to the provisions of the Declaration. The order of priority of the documents will be as follows: (1) Declaration; (2) Association Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations.

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

2.10 Condominium Property means the lands, leasehold, and personal property that are subjected to Condominium ownership, whether or not contiguous, including the Subsequent Phase Land if and when it is subjected to the terms and conditions of this Declaration and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.11 Developer means Tuttle & Tuttle, Inc., and its successors and assigns. Developer may assign all or a portion of its rights hereunder or all or a portion of such rights in connection with specific portions of the Condominium. In the event of any partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of the Developer as are specifically assigned to it. Any such assignment may be made on a non-exclusive basis. The rights of the Developer under this Declaration are independent of the Developer's right to control the Board of Directors of the Association, and accordingly, shall not be deemed waived, transferred or assigned to the Unit Owners, the Board or the Association upon transfer of control of the Association.

2.12 Family means one natural person or a group of two or more natural persons, each of whom is related to each of the others by blood, marriage or adoption (exclusive of household servants); or not more than two adult persons not so related, and the children or either or both of them, who reside together as a single not-for-profit housekeeping unit.

2.13 Institutional Mortgages means a bank, life insurance company, savings and loan association, saving bank, real estate investment trust, and the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or Veterans Administration, or any institution under the conservatorship or receivership of the Resolution Trust Corporation or Federal Deposit Insurance Corporation or any such affiliate who shall hold a guaranty mortgage on the Condominium Parcel, including, without limitation, the Developer, if Developer holds a mortgage on a Condominium Parcel.

2.14 Guest means any person who is physically present in or occupies a unit on a temporary basis at the invitation of the unit owner without the payment of consideration.

2.15 Lease means the grant by a unit owner of a temporary right of use of the owner's unit for a valuable consideration.

2.16 Limited Common Elements means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, as specified herein. References to Common Elements herein shall mean and refer to Limited Common Elements, unless the context would prohibit it or it is otherwise expressly prohibited.

2.17 Operation or operation of the Condominium means and includes the administration and management of the Condominium Property.

2.18 SJRWMD means the St. Johns River Water Management District.

2.19 Special Assessment means an assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.

2.20 Stormwater Management System or Surface Water Management System means a system which is designed, constructed, or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code.

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

2.22 Unit Owner or Owner of Unit means the fee simple owner of a Condominium Parcel as shown by the real estate records in the offices of the Clerk of the County, whether such Owner be the Developer, one or more persons, firms, associations, corporations or other legal entities. "Owner" shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

2.23 Utility Services shall include but not be limited to electric power, gas, water, telephone, air condition, garbage and trash disposal, sewers, and cable television, together with all other public service and convenience facilities.

2.24 Voting Certificate means a document which designates one of the record title owners, or the corporate, partnership, or entity representative, who is authorized to vote on behalf of a Condominium Unit that is owned by more than one owner or by any entity.

3. EXHIBITS

Exhibits attached to this Declaration of Condominium shall include the following:

3.1 (a) Exhibit "A" - The legal description of the land described herein and submitted by this Declaration to the Condominium form of ownership and a survey of the land showing all existing easements and a graphic description of the improvements in which Units are located and a plot plan thereof which together with the Declaration are in sufficient detail to identify the Common Elements and each Unit and their relative location and approximate dimensions, and identification of each Unit by number so that no Unit bears the same designation as any other Unit. Upon substantial completion of a building and its appurtenant Common Elements, a

surveyor's certificate will be attached to Exhibit "A" and Exhibit "A" will be amended as each building is substantially completed.

3.2 Exhibit "B" - The fractional shares of ownership schedule of the Common Elements, Common Surplus and Common Expenses.

3.3 Exhibit "C" - The Articles of Incorporation of the Association.

3.4 Exhibit "D" - The Bylaws of the Association.

4. EASEMENTS AND RESERVATIONS

Easements are expressly provided for and reserved in favor of the Unit Owners, their lessees, their guests and invitees, and the Association, the Ocean Terrace Villas II Condominium Association and their respective successors and assigns, as follows:

4.1 Utilities. Easements are reserved through the Condominium Property as may be required for utility service (including but not limited to cable TV) in order to serve the specific Condominium Property and Condominium Parcel; however, such easements shall be only in accordance with the plans and specifications for the building and improvements, or as the building or improvements are actually constructed, unless approved in writing by the Board of Directors and the affected Unit Owners.

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

4.3 Traffic. A non-exclusive easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, 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 or otherwise intended for purposes of ingress, egress and access to the public ways and for such other purposes as are commensurate with need, and such easement or easements shall be for the use and benefit of the Unit Owners of the Condominium Property, and those claiming by, through or under the aforesaid Unit Owners; 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 space may be specifically designated for parking purposes.

4.4 Easements and Reservations for Developer and Ingress, Egress and Utilities. There is reserved in the Developer, its successors and assigns, the right to create utility easements and to install utilities and to use same over and across the land declared to Condominium ownership hereunder for the benefit of the Developer, its successors and assigns and any designated provider of such utility services. Such right to create and install and use utilities shall not encumber or encroach upon any Unit or impair the exclusive use and ownership of any Unit. Such use of the lands for utilities shall be established as five feet (5') on either side of the actual installed improvements. There is reserved in the Developer the right of ingress and egress over all of the Condominium.

4.5 Reservation in the Developer to Use Facilities for Sale, Marketing, and Advertising of Units. It is contemplated that the Developer will construct and market all Units. There is hereby reserved in the Developer, its successors and assigns, the right to use the Units (including Units designated as a sales office and/or model Unit) and all recreational facilities for the marketing, sale and advertising of all Units constructed. For so long as the Developer owns an interest in the Ocean Terrace Villas II Condominium and for a period running one (1) year from such date, the Association and the Association's management company is prohibited from restricting access to the Ocean Terrace Villas II Condominium by agents or sales prospects. This reservation is made notwithstanding the use restrictions set forth in Article 12.1, and such reservation is intended with respect to the Developer, its successors and assigns, to be superior to such use restriction in Article 12.1. Such reservation shall continue for so long as the Developer, its successors and assigns, shall own any land within the Ocean Terrace Villas II Condominium with the intention to sell Units to the public. Notwithstanding anything to the contrary in this Declaration, Developer may maintain a model and sales center on the Property for a period of one (1) year following the date of sale of the last Unit owned by the Developer, which model and sales center may be used for the purpose of marketing other properties owned or developed by Developer.

4.6 Easement through Interior Walls, Ceilings and Under Units. The Association and adjoining Unit Owners shall have easements in and through all interior walls through the area between the ceiling and the roof and under the Units as necessary for the installation, maintenance and repair of pipes, wires and other conduits within said walls, ceilings or under the Units as required to provide utilities services to Units in the Condominium. Any damage to a Unit in gaining access to any such conduit shall be repaired by the person or entity responsible for repairing the conduit in question.

4.7 Permits, Licenses and Easements over Common Elements. In addition to the rights of the Developer, the Association shall have the right to grant permits, licenses and easements over the Common Elements for the installation, moving and terminating of easements for utilities, roads and other purposes necessary for the operation of the Condominium.

4.8 The Developer reserves for itself, its successors, nominees and assigns, a perpetual nonexclusive easement for the installation, maintenance, operation and connection of utilities and for stormwater drainage over and across the Condominium property. The Developer further reserves the right to terminate the rights created by this Section, which termination shall not require the consent of any person(s) and shall automatically be exercised at such time as Developer records a Notice of Termination regarding the rights created by this Section among the public records of the County. As the date hereof, Developer is the fee simple owner of all the Condominium. However, it is Developer's intent that the rights created by this Section not merge with Developer's fee simple interest in the Condominium; instead, Developer as well as any person or person hereafter possessing any right, title and interest in the Subsequent Phase Land or adjacent land, shall be entitled to exercise the rights created by this Section, until such rights are terminated by Developer as provided above.

4.9 Recorded Easements and Licenses. The Condominium Property shall be subject to all easements and licenses as shown on any recorded plat affecting the Condominium Property and to any other easements or licenses of record or the use as of the date of recordation of this Declaration. The recording data for all presently recorded easements and licenses appurtenant to or included in the Condominium have been set forth in Exhibit "A" attached hereto. In addition, the Condominium Property is subject to all easements created or permitted by this Declaration.

4.10 **Easement for Access and Drainage. The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the St. John's River Water Management District.**

4.11 Easement for Warranty Purposes. For as long as Developer remains liable under any warranty, whether statutory, express or implied, for act or omission of Developer in the development, construction, sale and marketing of the Condominium, then Developer and its contractors, agents and designees shall have the right, in Developer's sole discretion and from time to time and without requiring prior approval of the Association and/or any Unit Owner

(provided, however, that absent an emergency situation, Developer shall provide reasonable advance notice), to enter the Condominium Property, including the Units, Common Elements and Limited Common Elements, for the purpose of inspecting, testing and surveying same to determine the need for repairs, improvements and/or replacements, and effecting same, so that Developer can fulfill any of its warranty obligations. The easements reserved in this Section shall expressly survive the transfer of control of the Association to Unit Owners other than the Developer and the issuance of any certificates of occupancy for the Condominium Property (or portions thereof).

5. UNIT BOUNDARIES

Each Unit shall include that part of the structure containing the Unit that lies within the boundaries of the Unit, which boundaries are as follow:

5.1 The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

- (a) Upper Boundaries – The lowest surface of the unfinished ceilings of the Unit.
- (b) Lower Boundaries – The lowest surface of the unfinished floors of the Unit.

5.2 The perimetrical boundaries of the Unit shall be the vertical planes established by the unfinished interior walls, doors and windows bounding the Unit extending to the intersection with each other and with the upper and lower boundaries; and where there is attached to the Unit a patio or balcony and so designated on the plot plan and/or floor plans, it shall not be considered a part of the Unit to which it is attached and shall be considered a Limited Common Element for the exclusive use of the Unit to which it is attached.

5.3 Each Unit Owner shall not own the undecorated or unfinished surfaces of the perimeter walls, floors, and ceiling surrounding his Unit, nor shall he own pipes, weirs, conduits or other utility lines running through his Unit which are utilized for or serve more than one Unit, which items are hereby made a part of the Common Elements. Said Owner, however, shall own the walls and partitions which are contained within his Unit and inner decorated or finished surfaces of the perimeter walls, floors and ceiling, including plaster, paint and wallpaper.

5.4 Each Unit shall be identified by the use of a letter, number, or any combination thereof, all of which are graphically described in Exhibit "A" attached hereto and made a part hereof.

6. APPURTENANCES TO UNITS

6.1 Appurtenances. There shall pass with each Unit as appurtenances thereto the following:

(a) The Owner of each Unit shall own an undivided share and interest in the Condominium Property, which shall include an undivided share in the Common Elements and Common Surplus, the exclusive right to use the portion of the Common Elements as provided herein, the easements herein provided, and the right of exclusive use of his Unit subject to the rights of the Association, which share and interest shall be appurtenant to the Unit, said undivided interest in the Condominium Property and the Common Elements and Common Surplus being as designated and set forth in Exhibit "B" attached hereto and made a part hereof.

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

(c) Membership of the Unit Owner in the Association, and the right to use the Common Elements and to access the Common Elements, subject to the rules and regulations as adopted from time to time by the Association.

(d) A perpetual, non-exclusive easement for ingress and egress by the Owners, their families, guests, tenants, servants, agents, invitees and lessees over streets, walks, and other rights-of-way, including the Common Elements, serving the Units of the Condominium, necessary to provide reasonable access to the public ways and for unassigned parking of permitted vehicles within the designated parking areas and for assigned parking of vehicles within the designated carport parking areas.

(e) An exclusive easement for the use of such Limited Common Elements as may be designated in this Declaration or in the deed conveying the Unit.

(f) The parking areas outside of the garage areas of the Units will be Ocean Terrace Villas II common property. It is contemplated that the parking adjacent to the garages of each Unit will be assigned to that Unit; provided however, that the Developer (and the Ocean Terrace Villas II Condominium Association following turnover of control of the Ocean Terrace Villas II Condominium Association), reserves the right to assign parking space(s) in its sole and absolute discretion. By acceptance of a deed to a Unit, each Owner acknowledges and agrees that any parking space may be relocated at any time, and from time to time, by the Developer (or Ocean Terrace Villas II Condominium Association, as applicable) to comply with applicable Federal, State and local laws and regulations regarding or affecting handicap accessibility, including without limitation the Fair Housing Act and the Americans with Disabilities Act.

6.2 Limited Common Elements. Each Unit shall have an exclusive use right for Limited Common Elements as follows:

(a) Patios and/or Balconies. The patios and balconies appurtenant to a Unit are Limited Common Elements of the Units having direct and exclusive access thereto.

(b) Air Condition and Heating Units. That portion of the air conditioning and heating unit appurtenant to, but located outside of a Unit is a Limited Common Element of the Unit.

7. MAINTENANCE, ALTERATION AND IMPROVEMENT

Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement shall be as follows:

7.1 Units:

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

(1) All Common Elements and Limited Common Elements, except as provided in Section 7.1(b)(1).

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

(3) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services contained in the Unit.

(4) All incidental damage caused to a Unit by reason of maintenance, repair and replacement accomplished pursuant to the provisions of Sections 7.1(a)(1), (2) and (3) above.

(5) The Association shall repair any leaks which are not accessible to the Unit Owner at least once per year.

(b) By the Unit Owner. The responsibility of the Unit Owner for maintenance, repair and replacement shall be as follows:

(1) To maintain, repair and replace at the Unit Owner's expense all portions of the Unit, including, but not limited to, the water heater, air handlers and the air conditioning and heating unit which services the Unit Owner's Unit, including, but not limited to, that portion of the air conditioning and heating unit which is designated as a Limited Common Element.

(2) Included within the responsibility of the Unit Owner shall be all windows, screens and doors opening into or onto the Unit, sliding glass doors opening into or onto the Unit, carpeting, electrical fixtures and appliances in the Units, non-supporting walls and partitions, all contents of the Units and built-in cabinets in the Units and all exterior lighting attached to the patio/balcony of the Unit. All such maintenance, repair and replacement shall be done without disturbing the rights of other Unit Owners and shall be of a design, quality specification and décor consistent with the Condominium Property.

(3) A Unit Owner shall not modify, alter, or otherwise decorate or change the appearance, décor or demeanor of any portion of the Condominium Property, windows, doors, or screens, nor shall any Unit Owner attach any thing or fixture to the Condominium Property or exterior of the Unit without the prior written approval, of the owners of record of seventy-five percent (75%) of the Board of Directors of the Association; provided however, that such approval shall not be required to display the American flag in accordance with the conditions set forth in Section 718.113(c)(4), Florida Statutes.

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

(5) The Unit Owner is responsible for the cost, repair, maintenance and replacement of the balcony and of any enclosure on the patio or balcony and also the costs incurred should the Association be required to repair the patio or balcony or any of its structure and in the process of such repair, such enclosure or additions installed by the Unit Owner are destroyed or harmed.

7.2 Alterations and Improvement.

(a) After the completion of the improvements included in the Condominium Property which are contemplated in this Declaration, there shall be no material alteration or substantial additions to the Common elements without with prior approval of seventy-five percent (75%) of the total voting interests of the Association. The cost of such material alteration or improvements shall be a Common Expense and so assessed. Any such material alteration or improvement shall not interfere with the rights of any Unit Owner respecting the use of his Unit without his consent.

(b) Subject to the restrictions set forth in Article 12, no Unit Owner shall make any addition, alteration, or improvements in or to his Unit, the Common Elements, or the Limited Common Elements, and no structure or improvement may be erected, installed, maintained, or removed on the Condominium Property, until the design, construction, specifications, and a plan showing the location of the structure have been approved in writing by the Board of Directors.

(c) Nothing contained in this Section shall be construed to lessen the obligation of any Owner to make prompt application for and obtain all necessary governmental permits and other approvals with respect to any such improvement. In no event shall a Unit Owner make any alterations in the portions of the improvements of the Condominium which are to be maintained by the Association, remove any portion thereof, make any additions thereto, do any work which would jeopardize the safety or soundness of the Condominium building containing his Unit, or impair any easement.

(d) A Unit Owner making or causing to be made any such additions, alterations, or improvements agrees, and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, and any manager of the Condominium, together with all their officers, partners and all other Unit Owners, harmless from any liability or damage to the Condominium Property and expenses arising therefrom, and shall be solely responsible for the maintenance and repair thereof from and after the date of installation or construction thereof, as may be required by the Association. The provisions of this Article shall not apply to the Developer.

7.3 Hurricane Shutters. The Board of Directors may, from time to time, establish hurricane shutter specifications that comply with the applicable building code and that establish permitted color/tints, styles and materials for hurricane shutters. Subject to the provisions hereof, the Association shall approve the installation or replacement of hurricane shutters conforming with the Board's specifications. The Board may, with the approval of the majority voting interests of the Condominium, install hurricane shutters or laminated glass or other indoor window film and may (without regard to approval of the membership) maintain, repair or replace such approved shutters or glass whether on or within Common Elements, Limited Common Elements or Units. If shutters are permitted, all shutters shall remain open unless and until a storm or a storm warning is announced by the National Weather Center or other recognized weather forecaster. A Unit Owner or occupant who plans to be absent during all or any portion of the hurricane season must prepare a Unit prior to departure by designating a responsible firm or individual to care for his Unit should a hurricane threaten the Unit or should the Unit suffer hurricane damage and furnishing the Association with the names of such firm or individual.

7.4 Improvements The installation of any improvement must be submitted to and approved by the Board of Directors and must be compatible with the overall structure and design of the building. The Board of Directors may require a structural engineer to review certain of the proposed improvements with such review to be at the Owner's sole cost and expense. In addition, the Board of Directors shall have the right to specify the exact material to be used on balconies. Owners will be held strictly liable for all violations of these restrictions and for all damages resulting therefrom and the Association has the right to required immediate removal of such violations. Developer makes no representations of warranties with respect to the sound

transmission qualities of the Units. Each owner by acceptance of a deed or other conveyance for its Unit hereby acknowledges and agrees that sound transmission in a multi-story building such as the Condominium, is very difficult to control and that the noises from adjoining or nearby Units, the Limited Common Elements or mechanical equipment can often be heard in another Unit. The Developer does not make any representation or warranty as to the level of sound transmission between and among the Units and other portions of the Condominium Property and each Owner hereby waives and expressly releases such warranty and claim for loss or damages resulting from sound transmission.

7.5 Window Treatments. All window treatments must have an exterior appearance of white or off white when viewed from the exterior of the Building and no reflective or paper material may be used as a window treatment.

8. ASSOCIATION ASSESSMENTS AND COMMON EXPENSES

8.1 Common Expenses. The Association, through its Board of Directors, shall have the power to determine and fix the sums necessary to provide for the Common Expenses, including the expense allocable to services being rendered by a management company with whom the Association may contract. The annual Assessment for each Unit shall commence when such Unit is made subject to the terms and conditions of this Declaration and shall initially be payable monthly in advance; however, the Board of Directors shall have the power to levy Special Assessments against Units in their respective fractional shares for the following purposes: (i) if a deficit should develop in the payment of Common Expenses during any period that the level of assessments has not been guaranteed by the Developer (see Section 8.6 hereof); (ii) for the costs incurred by the Association for specific purposes of a nonrecurring nature which are not capital improvements; or (iii) costs incurred by the Association for the acquisition, installation, construction or replacement of any capital improvements located or to be located within the Common Elements. Unless waived pursuant to Section 718.112(2)(f), Florida Statutes, Condominium dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessment. In addition to the reserves which may be required to be maintained by the Association, the Board of Directors may include sums to establish reasonable reserves against future contingencies in each annual Assessment.

8.2 Liability for Assessments. A Unit Owner, regardless of the manner in which he acquired title to his Unit including, without limitation, a purchaser at a judicial sale or by deed in lieu of foreclosure, shall be liable for all Assessments while he is the Owner of a Unit. A grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for his share of the Common Expenses up to the time of the conveyance, except that the

liability for prior Assessments of Institutional Mortgagee who joins the Association in a foreclosure action and who acquires title through foreclosure or deed in lieu of foreclosure shall be limited to the lesser of: (i) the Unit's unpaid Common Expenses and regular periodic assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association, or (ii) one percent (1%) of the original mortgage debt. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements, services or recreation facilities, or by abandonment of the Unit against which the Assessment was made. The Association may charge and administrative late fee, in addition to interest, on any late Assessment payments not to exceed the maximum amount permitted under the Condominium Act. No institutional Mortgagee is required to collect Assessments. Failure to pay Assessments shall not be deemed a default under any mortgage, except as provided in the mortgage instrument.

Any unpaid share of Common Expenses or Assessments for which an Institutional Mortgagee is relieved from liability under the provision of this Declaration shall be deemed to be a Common Expense, collectible from all Unit Owners, including the acquirer of the Condominium Parcel, his successors and assigns. An Institutional Mortgagee may not, during the period of its ownership of such Condominium Parcel, whether or not such Condominium Parcel is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership. Nothing contained herein shall abridge or limit the right or responsibilities of Institutional Mortgagees as set forth in the Condominium Act.

8.3 Assessments. The making and collection of Assessments against each Unit Owner for Common Expenses, and for reserves as may from time to time be established by the Association, shall be pursuant to the Bylaws of the Association, subject to the following provisions:

(a) Interest and Late Charge; Application of Payments. Assessments and installments on such Assessments paid on or before five (5) days after the date when due, shall not bear interest, but all sums not paid on or before five (5) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum from the date when due until paid and there shall also be assessed as an Administrative late fee of five percent (5%) of the sum due, but not to exceed twenty five and 00/100 dollars (\$25.00). All payments on accounts shall be first applied to interest accrued by the Association, then to any Administrative late fee, then to costs and attorney's fees, and then to the delinquent assessment payment first due.

(b) Lien for Assessments. The Association shall have a lien against each Condominium Parcel for any unpaid assessments, including interest, costs and reasonable attorneys' fees incurred by the Association incident to the collection for such assessment or enforcement of such lien, whether or not legal proceedings are initiated. The said liens may be recorded among the public records of the county where located by filing a claim therein which

states the description of the Condominium Parcel, the name of the record owner, the name and the address of the Association, the amount due and the due dates, and said lien shall continue in effect until all sums secured by said lien shall have been paid or one (1) year from the recording of said lien, whichever shall first occur, unless within the one (1) year period an action to enforce the lien is commenced in a court of competent jurisdiction. Such claims of lien shall be executed and acknowledged by an officer of the Association, or by an authorized agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien.

8.4 Collection. Assessments shall be due and payable upon conveyance of the first Unit from the Developer to its purchaser. The Association shall have the power and authority to charge, assess and collect all fees, charges and assessments allowed by this Declaration, Florida law, the Articles or Bylaws from Unit Owners and shall be entitled to use such remedies for collection as are allowed by this Declaration, Articles, Bylaws and the laws of the State of Florida.

8.5 Subordination of Lien. The lien for Assessments or other charges that the Association has on a Unit is effective from and shall relate back to the last to occur of the recording of this Declaration or the recording of the amendment to the Declaration adding such Unit. As to first mortgages of record, however, the lien for Assessments or other charges is effective from and after the date of recording a claim of lien in the public records of Duval County, Florida. Notwithstanding the foregoing, the lien for Assessments or other charges that the Association has on a Unit will be deemed to be subordinate to a first mortgage on the Unit if the mortgage was recorded before the delinquent Assessment was due.

8.6 Developer's Responsibility for Assessments. In accordance with Section 718.116(9)(a)(2), Florida Statutes, the Developer shall be excused from the payment of its Share of Common Expenses for the Units owned by Developer for the period of time that the Developer has guaranteed the level of assessments to be paid to the Association by the Unit Owners of the Condominium and that the Developer has agreed to pay any common expense that exceed the guaranteed amount. The Developer has agreed to guarantee the amount of payments due to the Condominium Association for the period commencing on the date of the Closing on the first unit and continuing for one (1) year thereafter, or turnover of control of the Association from the Developer to the non-developer members of the Association (the "Guarantee Period").

Following the Guarantee Period, each Unit Owner will be required to pay its actual pro-rata share of expenses based on the budget in effect at the time of Guarantee Period expires.

In accordance with Section 718.116(9)(a)(2), Florida Statutes, the Developer shall be excused from the payment of its share of Common Expenses for the Units owned by Developer for the period of time that Developer has guaranteed the level of assessments to be paid to the

Condominium Association by the Unit Owners of the Condominium and that the Developer has agreed to pay any common expenses that exceed the guaranteed budget amount. So long as the Association has maintained all insurance coverages required by Section 718.111(11)(a), Florida Statutes, the Common Expenses incurred during the Guaranty Period resulting from a natural disaster or an Act of God, which are not covered by insurance proceeds from the insurance maintained by the Association may be assessed against all Unit Owners, including the Developer, owning Units in accordance with their share of Common Expenses on the date of such natural disaster or Act of God.

8.7 Reserves. In accordance with Section 718.112(2)(f)(2), Florida Statutes, as of the date this Declaration is recorded, the Association has elected to maintain reserve accounts for capital expenditures and deferred maintenance. Reserves will therefore be collected from the Unit Owners as part of the Annual Assessment.

9. ASSOCIATION

The operation of the Condominium shall be by the Association, which shall fulfill its functions pursuant to the following provisions:

9.1 Membership and Voting Right in Association. Membership of each Unit Owner in the Association is mandatory and shall be acquired pursuant to the provisions of the Articles of Incorporation and Bylaws of the Association. The interest of each Unit Owner in the funds and assets held by the Association shall be in the same proportion as the liability of each such Owner for Common Expenses. Each Unit shall be entitled to one vote in the Association.

9.2 Articles of Incorporation. A copy of the Articles of Incorporation of the Association, which sets forth its powers and duties, is attached as Exhibit "C" and made a part hereof.

9.3 Bylaws. A copy of the Bylaws of the Association are attached as Exhibit "D" and made a part hereof.

9.4 Restraint Upon Assignment of Shares and Assets. The Unit Owner's share in the funds and assets of the Association cannot and shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

9.5 Association Name. The Association shall be named as provided in Section 2.2 herein and shall be a corporation not-for-profit.

9.6 Purchase or Lease of Properties. The Association shall have the power and authority to purchase real estate, leaseholds or possessory interest therein, including membership pursuant to Sections 718.111 and 718.114, Florida Statutes.

9.7 Association's Access to Units. The Association and its authorized agents shall have the right to enter the Condominium Units and Limited Common Elements at reasonable times for the purposes of making repairs or otherwise maintaining the Condominium Property other than the Units, or to abate emergency situations which threaten damage to the Condominium Property other than the Unit entered.

9.8 Right of Action. The Association and any aggrieved Unit Owner has the right of action against Unit Owners who fail to comply with the provisions of the Condominium documents or the decisions made by the Association.

10. INSURANCE

The insurance that shall be carried upon the Condominium Property shall be governed by the following provisions:

10.1 Authority to Purchase; Named Insured. All insurance policies upon the Condominium Property shall be purchased by the Association. The named insured shall be the Association individually and as agent for the Unit Owners, without naming them, and as agent for their Institutional Mortgagees. Provisions shall be made for the issuance of the mortgagee endorsements and memoranda of insurance to the Institutional mortgages of Unit Owners. Such policies shall provide that payments by the insurer for losses shall be made to the Association or the insurance trustee designated below, and all policies and their endorsement shall be deposited with the Association or the insurance trustee as set forth herein.

10.2 Personal Property of Unit Owners. Unit Owners should obtain coverage at their own expense upon their personal property and improvements within their Unit not covered by the Association and for their personal liability and living expenses including without limitation those matters in Section 10.3(a)(3), and such insurance shall not be the responsibility of the Association.

10.3 Coverage.

(a) Casualty. All buildings and improvements upon the Condominium Property shall be insured in the amount equal to the insurable replacement value, excluding foundation and excavation costs, and all personal property included in the Common Elements shall be insured

for its value, all as shall be determined annually by the Board of Directors of the Association. Coverage shall afford protection against:

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

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including, but not limited to, vandalism and malicious mischief.

(3) Hazard policies issued to protect 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 unfurnished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof, of like kind and quality, in accordance with the original plans and specifications or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available. However, the word "building" shall not include Unit floor coverings, air conditioning and heating equipment, water heaters or built-in cabinets required to be replaced or repaired by the Unit Owner. With respect to the coverage provided by this Section, the Unit Owner shall be considered as an additional insured under the policy.

(b) Public Liability. Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including, but not limited to, hired vehicles, owned, and non-owned vehicle coverage, and with cross liability endorsements to cover liabilities of the Unit Owner as a group to the Unit Owner.

(c) Worker's Compensation. Worker's Compensation insurance will meet the requirements of law.

(d) Flood Insurance. Flood Insurance, where required by federal or other regulatory authority.

(e) Liability Insurance. Liability Insurance for its officers and directors or persons who are in control or disburse funds of the Association.

(f) Other. Such other insurance that Board of Directors of the Association shall determine from time to time.

(g) Insurance/Fidelity Bond. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The

insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

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

10.5 Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit owners and their Institutional Mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or names insurance trustee as Trustee or such Trustee in Florida with Trust Powers a my be designated as Insurance Trustee from time to time by the Board of Directors of the Association when required by this Declaration (hereinafter referred to as the "Insurance Trustee"). The Insurance Trustee shall not be liable for payment of premiums nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes stated herein for the benefit of the Unit Owners and their Institutional Mortgagees in the following shares, provided, however, such shares need not be set forth on the records of the Insurance Trustee.

(a) Proceeds on Account of Damage to Common Elements and Limited Common Elements. An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements and Limited Common Elements appurtenant to the Unit as set forth on Exhibit "B" attached hereto.

(b) Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(1) When the Building is to be Restored. For the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, said cost to be determined by the Association.

(2) When the Building is Not to be Restored. An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(c) Institutional Mortgagees. In the event a mortgagee endorsement has been issued to a Unit, the share of the Unit Owner shall be held in trust for the Institutional Mortgagee and the Unit Owner as their interest may appear; provided, however, that no Institutional Mortgagee

shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and Institutional Mortgagee pursuant to the provisions of this Declaration.

(d) Insurance Trustee. An Insurance Trustee need not be appointed until there exists major damage as defined in Sections 11.1(b) and 11.6(b)(2) or until there shall have been a request by an Institutional Mortgagee for such appointment.

10.6 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, remittances to Unit Owners and their Institutional Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any Institutional Mortgagee of a Unit.

(c) If it is determined in the manner provided herein that the damage for which proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their Institutional Mortgagee being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, the Institutional Mortgagee of a Unit.

(d) In making distribution to Unit Owners and their Institutional Mortgagees, the Insurance Trustee may rely upon a Certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their respective shares of the distribution.

10.7 Association as Agent. The Association is hereby irrevocably appointed Agent for each Unit Owner and for each Owner of any other interest in the Condominium Property to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of a claim.

11. RECONSTRUCTION OR REPAIR AFTER CASUALTY OR CONDEMNATION

11.1 Determination to Reconstruct or Repair. If any part of the Condominium Property is damaged or taken by casualty or by condemnation or deed in lieu thereof, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Minor Damage or Condemnation. If the damage or taken improvement is a Common Element and/or Limited Common Element, or if the damaged or taken improvement is a building in which less than sixty percent (60%) of the Units to which the Common Elements are appurtenant are untenable, then the damaged or taken property shall be reconstructed or repaired, unless it is determined that the Condominium shall be terminated.

(b) Major Damage. If the damaged or taken improvement is a building, and if Units to which sixty percent (60%) of the common Elements are appurtenant are found by the Board of Directors to be not tenable, then the damaged or taken property will not be reconstructed or repaired and the Condominium will be terminated without agreement, unless within one hundred sixty (160) days after the casualty, the Owners of eighty percent (80%) of the Common Elements and fifty-one percent (51%) of the Eligible Institutional Mortgagees agree in writing to such reconstruction or repair.

(c) Certificate. The Insurance Trustee may rely upon a Certificate of the Association made by its President and attested by its Secretary as to whether or not the damaged or taken property is to be reconstructed or repaired.

11.2 Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original building, or in lieu thereof, according to the plans and specifications approved by the Board of Directors of the Association, and if the damaged or taken property is in a building and reconstruction is not substantially in accordance with the original plans and specifications, then, approval by the Owners of not less than eighty percent (80%) of the Common Elements, including the Owners of all damaged or taken Units, together with the approval of fifty-one percent (51%) of the Eligible Institutional Mortgagees shall be required, which approval shall not be unreasonably withheld.

11.3 Responsibility. If the damage or taking is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Owner shall be responsible for reconstruction and repair after casualty or taking. In all other instances, the responsibility of reconstruction and repair after casualty or taking shall be that of the Association. Each Owner hereby appoints the Association to be attorney-in-fact in any negotiating settlements or agreements.

11.4 Estimates of Cost. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

11.5 Assessments. If it is determined that reconstruction and repair should occur and if the proceeds of insurance or condemnation are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against all Unit Owners in the case of damage or taking of Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage or taking of Common Elements shall be in proportion to the Unit Owner's obligation for Common Expenses.

11.6 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty or taking shall be paid to the Association or Insurance Trustee for the benefit of Owners and the Institutional Mortgagees. They shall consist of proceeds of insurance held by the Association or the Insurance Trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of assessments made by the Association in order to provide funds for the payment of reconstruction and repair that is the responsibility of the Association is more than five hundred thousand and 00/100 dollars (\$500,000.00), then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse them in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance or condemnation collected on account of casualty or taking, and the sums deposited with the Insurance Trustee by the Association from collections of Assessments against Unit Owners on account of such casualty or taking shall constitute a construction fund which shall be disbursed in payment of the costs and reconstruction and repair in the following manner and order:

(1) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than five hundred thousand and 00/100 dollars (\$500,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association, provided, however, that upon request by an Institutional Mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than five hundred thousand and 00/100 dollars (\$500,000.00), then the construction fund shall be disbursed in payment of such costs pursuant to the approval of an architect selected by the Board of Directors.

(3) Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner shall be paid to the Owner, or if there is a mortgagee endorsement as to the Unit, then to the Owner thereof and the Institutional Mortgagee jointly, who may use such proceeds as they may agree.

(4) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance or condemnation proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund; except, however, that only those portions of a distribution to the beneficial Owners in excess of assessments paid by a Unit Owner to the construction fund shall be made payable to any Institutional Mortgagee.

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether sums paid by the Unit Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a Certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, that when an Institutional Mortgagee is required in this instrument to be named payee, the Insurance Trustee shall also name the Institutional Mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further, provided that when the Association or an Institutional Mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires the approval of an architect named by the Association shall be first obtained by the Association prior to the disbursements in payment of costs and reconstruction and repair.

12. USE RESTRICTIONS

The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists upon the land:

12.1 Units. This is a residential condominium, and therefore, each of the Units shall be occupied only as a single family residential private dwelling by no more than six (6) persons at any one time. No Unit may be divided or subdivided into a smaller Unit. Home-based occupations that meet all applicable zoning requirements may be operated in the Units, provided that: (i) there are no employees working within the Units, (ii) no signage and (iii) such use meets all other municipal code requirements.

12.2 Common Elements and Limited Common Elements. The Common Elements and Limited Common Elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

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

12.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or a Unit, and all applicable laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

12.5 Leasing of Units. A Unit may be rented, ***subject to approval of the Association, which approval shall be reasonably granted***, provided the occupancy is only by the lessee, his family and guests. No rooms may be rented. The lease of any Unit shall not release or discharge the Owner from compliance with any of his obligations and duties as an Owner. No lease or sublease shall be for a period of less than twelve (12) calendar months (e.g., an Owner cannot lease its Unit for twelve (12) months or more and then allow the lessee to rent out all or any portion of the Unit for periods of less than twelve (12) months). Every lease shall be in writing. Every lease of a Unit shall specifically provide (or, if it does not, shall be automatically deemed to provide) that a material condition of the lease shall be the tenant's full compliance with the covenants, terms, conditions and restrictions of the Declaration (and all Exhibits hereto) and with any and all rules and regulations adopted by the Association from time to time (before or after the execution of the lease). The Owner will be jointly and severally liable with the tenant to the Association for any amount which is required by the Association to repair any damage to the Condominium Property resulting from acts or omissions of tenants (as determined in the sole discretion of the Association) and to pay any claim for injury or damage to property caused by the negligence of the tenant and special Assessments may be levied against the Unit therefore. All leases are subordinate to any lien filed by the Association, whether prior or subsequent to such

lease. If so required by the Association, any Owner desiring to lease a Unit may be required to place in escrow with the Association a reasonable sum, not to exceed the equivalent of one month's rental, which may be used by the Association to repair any damage to the Condominium Property resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). Payment of interest, claims against the deposit, funds and disputes regarding the disposition of the deposit shall be handled in the same fashion as provided in Part II of Chapter 83, Florida Statutes. When a Unit is leased, the tenant shall have all use rights in the Condominium Property otherwise readily available for use generally by Owners, and the Owner of the leased Unit shall not have such rights, except as a guest, unless such rights are waived in writing by the tenant. Nothing herein shall interfere with the access rights of the Unit Owner as a landlord pursuant to Chapter 83, Florida Statutes. The Association shall have the right to adopt rules to prohibit dual usage by an Owner and a tenant of the Condominium Property otherwise readily available for use generally by Owners. A covenant shall exist designating the Association as the Owner's agent for the purpose of and with the authority to terminate any such lease agreement in the event of violations by the tenant of such covenants, which covenant shall be an essential element of any such lease or tenancy agreement. A copy of such written lease shall be delivered by the Owner to the Association within fifteen (15) days preceding execution of the lease.

12.6 Signs. No signs shall be displayed from a Unit or from the Condominium Property except those signs as shall have advance written approval by the Association except that the Developer shall be entitled to install such marketing signs as are necessary and convenient during the period of time the Developer is marketing the Units. Notwithstanding the foregoing, prior to turnover of control of the Association by the Developer, no sign or advertisement, including "For Sale" and "For Lease" signs, shall be erected or displayed upon any Unit or from any window, except on Units owned by the Developer.

12.7 Children. A person over the age of twenty-one (21) must supervise any children on the Condominium property.

12.8 Alteration of Exterior Appearance. No reflective film or other type of window treatment shall be placed or installed on the inside or the outside of any Unit without the prior written consent of the Board of Directors. All such window treatments, if approved, shall have an exterior appearance of white or off white. Reflective and/or paper materials are prohibited. Any alterations, decorations, repairs or replacements which have an effect on the exterior appearance must be first approved by the Board of Directors. The restriction set forth in this section shall not be construed to limit the rights of Unit Owners to display the American flag in accordance with Section 12.16.

12.9 Use of Property. No articles shall be hung or shaken from the doors, windows, lanais, or balconies. No articles shall be placed upon the outside window sills or outside of balcony railings of the Units. Lanais and balconies are not to be used for storage. Any kickplates added to patio screen doors must be approved by the Association prior to installation. Only patio furniture and potted plants shall be allowed on the Limited Common Area balconies.

12.10 Grills and Broilers, etc. Charcoal grills, burners, broilers, fryers and/or other open flame devices are not permitted to be used within the Units or on balconies, lanai areas, patios or in any of the Common Elements. Gas grills, not larger than 31" (thirty one inches) in length and 20" (twenty inches in depth), are permitted and may be used within the Limited Common Element of the balcony, so long as such use is permitted by applicable local building and safety codes.

12.11 Fireworks. No sparklers, bottle rockets or any other type or form of fireworks shall be used or ignited in or from the Residence, on or from the Property or on or from the Common Elements.

12.12 Storage. All storage must be kept inside the Unit. Fire regulations prohibit the storage of gasoline, paint, or any combustible items presenting a fire hazard. Common Elements cannot be used for storage purposes.

12.13 Pets. Unit Owners must register all pets with the Association. Unit Owners are granted a license to maintain not more than a total of two (2) pets, (which must be either dogs or cats), per Unit, provided such pets are (a) permitted to be so kept by applicable laws and regulations, (b) not a breed considered to be dangerous by the Board of Directors, and c) if dogs, the individual dogs do not exceed fifty (50) pounds. This license may be revoked by the Board of Directors of the Association. The Board of Directors is authorized from time to time to make such rules restricting or permitting pets on the Condominium Property, including, without limitation, rules relating to the size or weight of such pets. Pets shall not create a nuisance to other Unit Owners by any behavior, including but not limited to, continuous and repeated barking, whining, crying or other disturbance. No pet will be permitted on the condominium Property which creates a nuisance. Guests of Unit Owners are not permitted to bring pets into the building. Pet sitting for outside pets is not permitted. No pet houses, doghouses, cat houses, pet bedding, cages, pet containers, or similar pet storage items will be allowed on the balconies or other limited common areas or in any common areas appurtenant to the Units.

All permitted pets must be caged or on a short leash at all times when they are on any portion of the Condominium Property (except the Unit Owner's Unit). Pets are not allowed to roam freely or play in the hallways or any other interior common area. Pets must be on the grass before the pet is permitted to stop and relieve itself. At no time may a pet relieve itself in the breezeway or hallway. Unit Owners should not allow landscape areas adjacent to the buildings

or the building structures themselves to be used for elimination. Unit Owners are required to pick up, remove and properly dispose of litter deposited by their pets on Condominium Property.

Animals that are typically kept in cages or containers wholly within the Unit such as small birds, fish, turtles and hamsters may be maintained provided such animals are of the breed or variety commonly kept as household pets in similar buildings, are not kept or bred for any commercial purpose, and are kept in strict accordance with the rules and regulations outlined in this policy and in accordance with applicable law. If any such pets become a nuisance, the Board of Directors shall have the right, but not the obligation, to require their removal. Wild animals, exotic animals, farm animals, poisonous creatures, and tarantulas are not allowed. Specifically prohibited are any variety of pig, ferrets and similar animals, and snakes.

Neither the Board, Developer, nor the Association shall be liable for any personal injury, death or property damage result from a violation of the foregoing rules and regulations governing pets and every Unit Owner maintaining a pet on the Condominium Property agrees to defend, indemnify and hold the Association, its Board of Directors, Developer, each Unit Owner and the Management Company and their employees harmless against any loss, claim, damage or liability of any kind or character whatsoever arising or growing out of the privilege of having a pet at Ocean Terrace Villas II Condominium. Any landscaping damage or other damage to the Common Elements, caused by a Unit Owner's pet must be promptly repaired by the Unit Owner. The Association retains the right to effect said repairs and charge the Unit Owner therefore.

A violation of the provisions of this Section shall entitle the Association and the Board of Directors to all of its rights and remedies available under the Declaration, Bylaws, Florida Statutes and any applicable rules and regulations, including, but not limited to, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Condominium Property. This section shall also apply to tenants who have pets.

12.14 Refuse. All refuse shall be disposed of with care and in containers intended for such purpose. All trash must be contained in plastic trash bags and secured and placed in trash containers. Trash bags are to be placed in the proper location for pick-up on designated pick up days.

12.15 Satellite Dishes and Antennae. Small satellite dishes, antennae or similar equipment for the reception of television signals will only be allowed in designated areas.

12.16 Flags. Any Unit Owner may display one (1) portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, September 11, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4½ feet by 6 feet, that represent the United States Army, Navy, Air Force,

Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.

12.17 Rules and Regulations. Reasonable regulations and rules concerning the use of the Condominium Property may be promulgated, modified or amended from time to time by the Board of Directors of the Association. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium upon request. The Association shall have the right to enforce all restrictions set forth in this Article and in the Declaration in any manner it deems necessary, including without limitation injunctions, suits for damages, or fines.

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

In addition to these specific rules and regulations, the Board of Directors may establish reasonable rules and regulations on its own motion and vote which will govern the use, maintenance, and operation of the Common Elements. Such rules and regulations shall be reasonable and shall be consistent with the maintenance of a high standard and quality use and maintenance of the Common Elements. Such rules and regulations made by the Board of Directors may, in addition to new rules and regulations, clarify these existing rules and regulations.

13. STORMWATER MANAGEMENT SYSTEM

13.1 Blanket Easement. The plan for the development of Ocean Terrace Villas II Condominium includes the construction of a Stormwater Management System, in accordance with all applicable permits issued by the SJRWMD, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, pumps, and berms across the Condominium Property. Developer hereby reserves for itself, its successors and assigns, and grants to the Association and their designees, a perpetual, nonexclusive easement over and across all areas of the Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water of stormwater management system as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater

management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

13.2 Maintenance/Duties of the Association. Maintenance of the surface water or stormwater management system(s) shall mean the exercises of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the St. Johns River Water Management District. The Association shall operate, maintain and repair the Stormwater Management System. No person shall alter the drainage flow of the surface water or Stormwater Management System without the prior written approval of the SJRWMD.

13.3 LIABILITY. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO THE PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE. ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES

WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES, OR BOTTOMS. FURTHER, THE LISTED PARTIES SHALL NOT BE LIABLE OR RESPONSIBLE FOR ELIMINATING ALGAE IN THE STORMWATER MANAGEMENT SYSTEM (EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY THE PERMITS, THE SJRWMD OR AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY) OR FOR CONTROLLING FROGS, INSECTS, GNATS, MOSQUITOES, TOADS, REPTILES OR OTHER PESTS.

13.4 Enforcement. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration of Condominium or in the Easements and Reservations section of this document which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

14. COMPLIANCE AND DEFAULT

Each Unit Owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation and Bylaws and the Rules and Regulations adopted pursuant to those documents, as they may be amended from time to time. Failure of a Unit Owner to comply with such documents and regulations shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

14.1 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. There shall be no absolute liability imposed on such Owner.

14.2 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the Bylaws, or the Rules and Regulations adopted pursuant to them, and the documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding, and recover such reasonable attorneys' fees as may be awarded by any Court, before, at trial or appellate levels and administrative hearings, in bankruptcy or in post-judgment collection.

14.3 No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Association, the Bylaws or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

15. AMENDMENTS

Except as provided herein, this Declaration of Condominium and the Articles and Bylaws of the Association, may be amended in the following manner:

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

15.2 Resolution - Notice. A resolution made by the Board for the adoption of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

15.3 Resolution - Voting. A resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Association or by the Unit Owners of the Association. Unit Owners may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty percent (20%) of the Unit Owners. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President, or, in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the Unit Owners to be held not sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendment. Directors and Unit Owners not present in person or by proxy at the meeting considering the amendment may express their approval or disapproval in writing, provided such approval or disapproval is delivered to the Secretary at or prior to the meeting, and provided, however, that such approval or disapproval expressed by any Director not present may not be used as a vote for or against any such amendment and may not be used for the purposes of creating a quorum at such meeting of the Unit Owners. Except as provided herein, such approval must be by not less than sixty-seven percent (67%) of the votes of the entire Unit Owners of the Association.

15.4 Proviso. Provided, however, that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units, unless the Unit Owners so affected shall consent; and no amendment shall change any Unit nor the share in the Common Elements appurtenant to it nor increase the Owner's share of the Common Expenses, unless the record Owner for the Unit concerned and all Institutional Mortgagees on such Unit shall join in the execution of the amendment and unless at least a majority of the record owners of all other units

approve the amendment. Any vote to amend the Declaration of Condominium relating to a change in the fractional share of ownership in the Common Elements or sharing of the Common Expenses shall be conducted by secret ballot. Neither shall an amendment make any change in the Section entitled "Insurance" nor the Section entitled "Reconstruction or Repair After Casualty" unless fifty-one percent (51%) of the Eligible Institutional Mortgagees (as hereafter defined) of any Condominium Property shall join in the execution of such amendment. Nor shall any amendment make any change which would in any way affect any of the rights, privileges, powers and/or options herein provided in favor of or reserved to the Developer, or any person who is an officer, stockholder or director of the Developer, or any corporation having some or all of its directors, officers or stockholders in common with the Developer, unless the Developer or any limited partner or general partner shall join in the execution of such amendment.

15.5 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, and the certificate shall be executed by the President of the Association and attested by the Secretary with the formalities of a deed, and shall be effective upon recordation thereof in the Public Records of the County and State in which the land is situate.

15.6 Stormwater Management System. Any amendment of this Declaration which alters or affects the Stormwater Management System, including the water management portions of the Common Elements, beyond maintenance in its original condition, must have the prior written approval of the SJRWMD.

15.7 Association. This Declaration shall not be amended in any manner so as to adversely affect the rights of Ocean Terrace Villas II Condominium Association, Inc., without the written approval of the Ocean Terrace Villas II Condominium Association, Inc. Any such approval shall be evidenced by a recordable instrument executed by the Ocean Terrace Villas II Condominium Association, Inc.

15.8 Scrivener's Errors. Prior to the transfer of control of the Association, Developer may amend this Declaration and any exhibits thereto in order to correct a scrivener's error or other defect or omission without the consent of the Owners or the Board of Directors, provided that such amendment does not materially and adversely affect the right of Unit Owners, lienors or mortgagees. This amendment shall be signed by Developer only and need not be approved by the Association, Unit Owners, lienors or mortgagees, whether or not elsewhere required for amendment, and a copy of the amendment shall be furnished to each Unit Owner, the Association and all listed Institutional Mortgagees as soon after recordation thereof among the Public Records of the County and State in which the land is situate as is practicable. After the transfer of control to the Association, amendments for the correction of scrivener's errors or other

nonmaterial changes may be made by the affirmative vote of two-thirds (2/3) of the Board of Directors and without the consent of the Unit Owners or the Institutional Mortgagees.

16. TERMINATION

The Condominium may be terminated in the following manners, in addition to the manner provided by the Condominium Act:

16.1 Destruction. If it is determined as provided herein that all the Buildings shall not be reconstructed because of major damage or taking by condemnation or deed in lieu thereof, the Condominium plan of ownership shall be terminated by the agreement of Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Association and by Eligible Institutional Mortgagees who represent at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Institutional Mortgagees. "Eligible Institutional Mortgagee" shall mean those who hold a first mortgage on a Unit and who have requested notice, in writing, stating their name, address and the unit number of the mortgaged Unit.

16.2 Agreement. The Condominium may be terminated at any time by the approval in writing of seventy-five percent (75%) of records Owners of Units, and Eligible Institutional Mortgagees. The Board shall notify the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division") before taking any action to terminate the Condominium. Notice of a meeting at which the proposed termination is to be considered shall be given not less than thirty (30) days prior to the date of such meeting. Provided that the approval of Owners of not less than seventy-five percent (75%) of the Common Elements, and the approval of seventy-five percent (75%) of the Eligible Institution Mortgagees, are obtained at the meeting or within thirty (30) days thereafter, then the approving Owners shall have an option to buy all of the Units of th Owners not approving of termination, said option to continue for a period of sixty (60) days from the date of such meeting. Approval by a Unit Owner of a Unit, or of a lien encumbering a Unit, shall be irrevocable until expiration of the above recited option to purchase the Unit of Owners not so approving, and if the option to purchase such Unit is exercised, then such approval shall be irrevocable. The Option to purchase the Units not approving of termination shall be exercised upon the following terms:

(a) Exercise of Option. The option shall be exercised by delivery or mailing by registered mail to each of the record Owners of the Units to be purchased an agreement to purchase signed by the records Owners of the Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Owner and shall require the purchase of all Units owned by Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(b) Price. The sale price for each Unit shall be the fair market value determined by agreement between the seller and the purchaser within thirty (30) days from the deliver or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association by appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser. In any such action for specific performance the prevailing party shall also be entitled to his reasonable attorneys' fees and costs incurred in connection therewith.

(c) Payment. The purchase price shall be paid in cash, provided, in the event there shall be a pre-existing first mortgage on the Unit, then the purchaser shall have the option of assuming the remaining principal obligation thereof, and that portion of the purchase price which is in excess of such mortgage shall be payable in cash at closing.

(d) Closing. The sale shall be closed within thirty (30) days following the determination of the sale price.

16.3 Certificate. Termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying to the facts effecting the termination, said certificate to become effective upon being recorded in the Public Records of the County and State in which the land is situate. Upon recordation of the instrument evidencing consent of all of the Unit Owners to terminate the Condominium, the Association within thirty (30) business days shall notify the Division of the termination and the date the document was recorded, the county where the document was recorded, and the book and page number of the public records where the document was recorded, and shall provide the Division a copy of the recorded termination notice certified by the clerk.

16.4 Shares of Owners after Termination. After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares that shall be the same as the undivided shares in the Common Elements appurtenant to the Owners' Units prior to the termination.

17. SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any Section, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association shall not affect the validity of the remaining portions.

18. RULE AGAINST PERPETUITIES

The rule against perpetuities shall not defeat a right given any person or entity by the Declaration of Condominium for the purpose of allowing Unit Owners to retain reasonable control over the use, occupancy and transfer of Units.

19. JOINDER AND CONSENTS

A person who joins in or consents to the execution of this Declaration of Condominium subjects his interest in the Condominium Property to the provisions of the Declaration.

20. ENFORCEABILITY

All provision of this Declaration of Condominium are enforceable equitable servitudes, run with the land and are effective until the Condominium is terminated. The terms and conditions of this Declaration may be enforced by the Developer, the Association, and any Owner.

21. PARTITION

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. The share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Units. Shares in the Common Elements appurtenant to Units are undivided, and no action for partition of the Common Elements shall lie.

22. LIMITATION OF LIABILITY

22.1 Unit Owner Liability. The liability of each Unit Owner for Common Expenses shall be limited to the amounts assessed against him from time to time in accordance with the Condominium Act, this Declaration, the Articles and the Bylaws.

A Unit Owner may be personally liable for any damages caused by the Association in connection with the use of the Common Elements, but only to the extent of his or her pro rata share of that liability in the same fractional share as his interest in the Common Elements, and in no event shall said liability exceed the value of his Unit. Each Unit Owner shall be liable for injuries or damages resulting from an accident in his own Unit to the same extent and degree that the owner of a house or any other property owner would be liable for such an occurrence.

22.2 Association Liability. Notwithstanding anything contained in his Declaration, the Articles, Bylaws or rules and regulations of the Association or any other document governing or binding the Association ("Property Documents"), neither the Developer nor the Association will be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any families, guests, invitees, licensees, agents, servants, contractors or subcontractors, nor for any property of such persons.

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

(b) Neither the Developer nor the Association is empowered to enforce or ensure compliance with the laws of the United States, the State of Florida or the County or any other jurisdiction or to prevent tortious activities by Owners or third parties.

(c) The provisions of the Property Documents setting forth the uses of the Condominium Property that relate to health, safety or welfare will be interpreted as limitation on the uses of such funds and not as creating a duty of the Association or the Developer to protect or further the safety or welfare of the persons even if such funds are used for such purposes.

(d) Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for entry or damage, other than the cost of maintenance and repair, caused by any latent condition of the Condominium Property. Further, the Association shall not be liable for any such injury or damage caused by defects in the design or workmanship or other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Unit Owners regardless of whether or not the same shall have been approved by the Association as provided hereunder. The Association shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby; or (ii) the Association could not obtain such insurance at reasonable cost or upon reasonable terms.

22.3 Legal Action Against the Association. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners, and they shall have a right to intervene in and defend any action arising therefrom.

22.4 Owner Covenant. Each Owner, his heirs, successors and assigns, by virtue of his or her acceptance of title, and each other person or entity having an interest or lien upon, or making the use of, any portion of the Condominium Property, by virtue of accepting such interest or lien or by making use thereof, will be bound by this Section and will be deemed to have automatically waived any and all rights, claims, demands or causes of action against the Association or the Developer arising from or connected with any matter for which the liability of the Association or the Developer has been disclaimed in this Section.

22.5 Noise Disclaimer. Each Owner, by acceptance of a deed or other conveyance of his or her Unit, acknowledges and agrees that sound transmission in a multi-story building, such as a Condominium, is very difficult to control, and that noises from adjoining or nearby Units or mechanical equipment, can often be heard in another Unit. The Developer does not make any representation or warranty as to the level of sound transmission between and among the Units and other portions of the Condominium Property and each Owner waives and expressly releases such warranty and claim for loss or damages resulting from sound transmission.

23. REQUIREMENT OF FNMA, FHLMC, VA AND HUD

Notwithstanding anything herein to the contrary set forth in this Declaration of Condominium and its attached exhibits, the following shall prevail and be binding on all Unit Owners, the Developer, and anyone having an interest in the Condominium Property where the lender holds a mortgage upon a Unit in this Condominium and is subject to the Federal Home Loan Mortgage Corp. ("FHLMC"), Federal National Mortgage Association ("FNMA"), U.S. Department of Housing and Urban Development ("HUD"), and/or Veterans Administration ("VA") regulations:

23.1 Any first Institutional Mortgagee who obtains title to a Condominium Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid dues or charges which accrue prior to the acquisition of title to such Unit by the Institutional Mortgagee, except as required by Florida Statute.

23.2 Except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Element of the Condominium Project, unless at least fifty-one percent (51%) of the Eligible Institutional Mortgagees (based on one vote for each first mortgage owned), and by Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Association (other than the sponsor, Developer, or builder) of the individual Condominium Units have given their prior written approval, Condominium Association shall not be entitled to:

- (a) By act or omission, seek to abandon or terminate the Condominium Project;

(b) Change the pro-rata interest or obligations of any individual Condominium Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro-rata share of ownership of each Condominium Unit and the Common Elements;

(c) Partition or subdivide any Condominium Unit, or the exclusive easement rights appertaining thereto;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or Limited Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements for the Condominium Project shall not be deemed to transfer within the meaning of this clause);

(e) Use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for more than a repair, replacement or construction of such Condominium Property substantially in accordance with the original plans and specification and this Declaration;

(f) Change the voting rights appertaining to any Unit; and

(g) Amend any provisions of the Declaration, Articles or Bylaws which are for the express benefit of Institutional Mortgagees.

Notwithstanding the foregoing, if the Institutional Mortgagee fails to respond to any written proposal within thirty (30) days after it receives proper notice of the proposal, provided that notice was delivered by registered or certified mail with a return receipt requested, implied approval may be assumed.

23.3 All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominium Units and not the Condominium Parcel as a whole.

23.4 For so long as the Developer controls the Association, and provided that the Federal Housing Administration or Veteran's Administration has guaranteed of a mortgage on a Unit, annexation of additional properties (other than Subsequent Phase amendment of this Declaration), amendment of Declaration, or dedication of the Common Elements shall require the approval of HUD or VA, which approval shall not be unreasonably withheld.

23.5 Upon written request, the Association shall furnish the following notices to the Institutional Mortgagee of any Unit in the Condominium:

- (a) Notice of any condemnation or casualty loss that affects a material portion of the Condominium Property or the applicable Unit.
- (b) Notice of any delinquency and the payment of the Assessments or charges more than sixty (60) days past due as to the applicable unit.
- (c) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Notice of any proposed action which would require the consent of a percentage of mortgage holders.

24. MERGER AND CONSOLIDATION

As provided by Section 718.110(7), Florida Statutes, this Condominium shall be entitled to merge or consolidate with any other condominium. The Board shall notify the Division before taking any action to merge or consolidate the Condominium. Said merger or consolidation shall allow the operation of the period though it was a single Condominium for all matter, including budgets, assessments, accounting, record-keeping and similar matters. In the event of such merger or consolidation, Common Expenses for residential Condominiums in such a project being operated by a single association may be assessed against all Unit Owners in such project pursuant to the proportions or percentages established therefore in the Declarations as initially recorded or in the Bylaws as initially adopted, subject, however, to the limitations of Sections 718.116 and 718.302, Florida Statutes. Such merger or consolidation shall be complete upon compliance with Section 718.110(7), Florida Statutes and may be subject to approval of VA/FHA.

25. ASSOCIATION

The Ocean Terrace Villas II Condominium Association, Inc., is responsible for the improvement, operation, maintenance or repair of the following: (1) all common elements including all signs, landscaping, irrigation systems and other improvements located on the common areas; (2) all sidewalks located in the public right-of-way; (3) and Surface Water or Stormwater Management System of the Ocean Terrace Villas II Condominium Association.

[Remainder of this page intentionally left blank]

The Developer has executed this Declaration this 18th day of Sept., 2007.

TUTTLE & TUTTLE, INC.

Claudia Lynne Bain
Witness
Claudia Lynne Bain
Printed Name

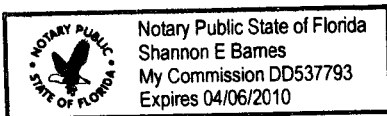
Barbara L Brown
Witness
BARBARA L BROWN
Printed Name

By: [Signature]
Printed Name: Greg Tuttle
Its: President
(Corporate Seal)

STATE OF FL
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 18th day of Sept., 2007, by Greg Tuttle, the authorized agent of TUTTLE & TUTTLE, INC., for and on behalf of said corporation. Such person ☐ is personally known to the undersigned, or ☒ produced FL DL as identification.

{NOTARY SEAL MUST BE AFFIXED}



Shannon E. Barnes
Signature of Notary

Shannon E. Barnes
Printed Name
NOTARY PUBLIC, STATE OF FLORIDA

OCEAN TERRACE VILLAS II CONDOMINIUM

EXHIBIT A

LEGAL DESCRIPTION

PLOT PLAN AND SURVEY

GRAPHIC DESCRIPTION OF UNITS AND FLOOR PLANS

LEGAL DESCRIPTION
FOR
OCEAN TERRACE VILLAS II CONDOMINIUM

SOUTHWEST 1/4 AND EAST 1/2 OF LOT 5 AND ALL OF LOT
6, BLOCK 22, PABLO BEACH SOUTH, AS RECORDED IN
PLAT BOOK 3, PAGE 28 OF THE CURRENT PUBLIC
RECORDS OF DUVAL COUNTY, FLORIDA

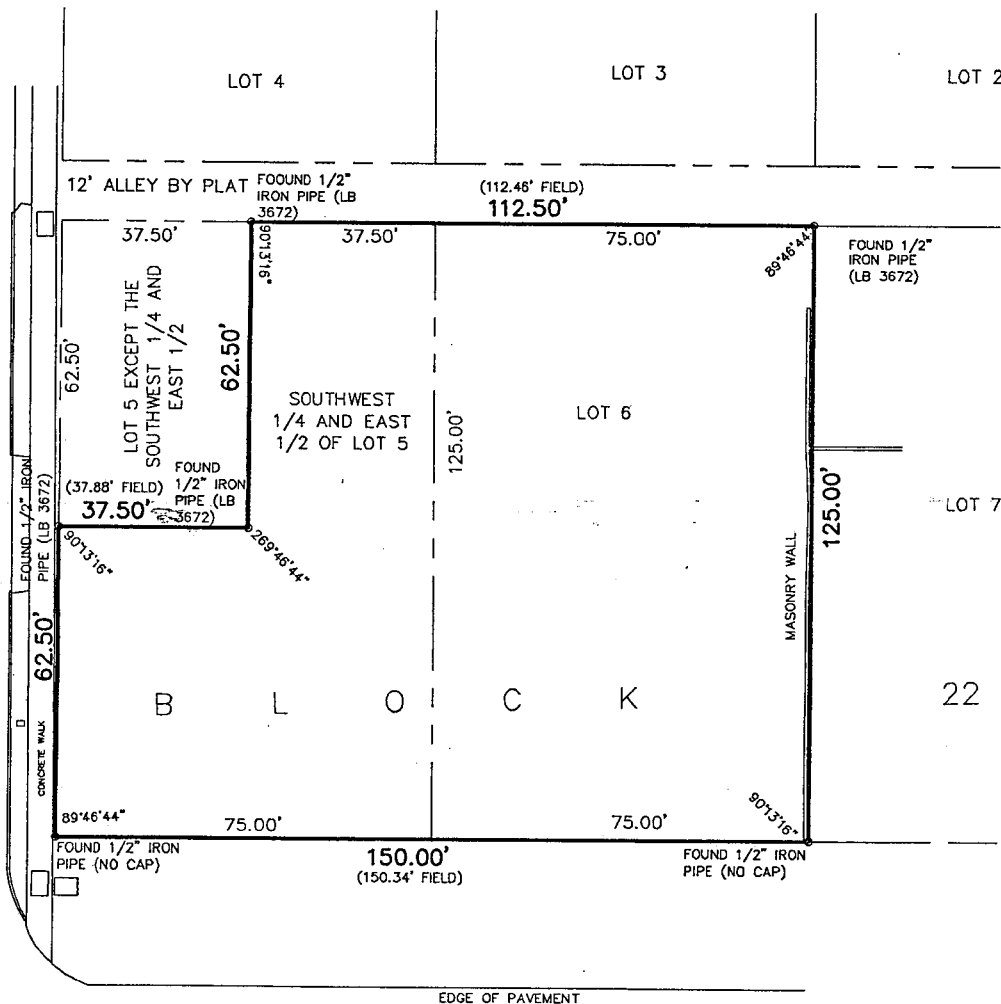
OCEAN TERRACE VILLAS II A CONDOMINIUM MAP SHOWING SURVEY OF

SOUTHWEST 1/4 AND EAST 1/2 OF LOT 5 AND ALL OF LOT 6, BLOCK 22,
PABLO BEACH SOUTH, AS RECORDED IN PLAT BOOK 3, PAGE 28 OF THE
CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA

SCALE 1" = 30'

SECOND (2ND) STREET SOUTH

50' RIGHT-OF-WAY PAVED



THIRD (3RD) AVENUE SOUTH

NOTES:

1. THIS IS A BOUNDARY SURVEY.
2. ANGLES AS PER FIELD SURVEY.
3. NORTH PROTRACTED FROM PLAT.
4. NO BUILDING RESTRICTION LINES PER PLAT.

(FORMERLY GREINER AVENUE) 80' RIGHT-OF-WAY PAVED

THE PROPERTY SHOWN HEREON LIES IN FLOOD ZONE "X" (AREA OUTSIDE 500 YEAR FLOOD PLAIN) AS WELL AS CAN BE DETERMINED FROM THE FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NUMBER 120078 0002 D, REVISED APRIL 17, 1989 FOR THE CITY OF JACKSONVILLE BEACH, FLORIDA.

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

Stephen W. Crews
STEPHEN W. CREWS, P.S.M.
FLA. LIC. SURVEYOR AND MAPPER No. LS 5996
FLA. LIC. SURVEYING & MAPPING BUSINESS No. LB 3672

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 1 OF 18

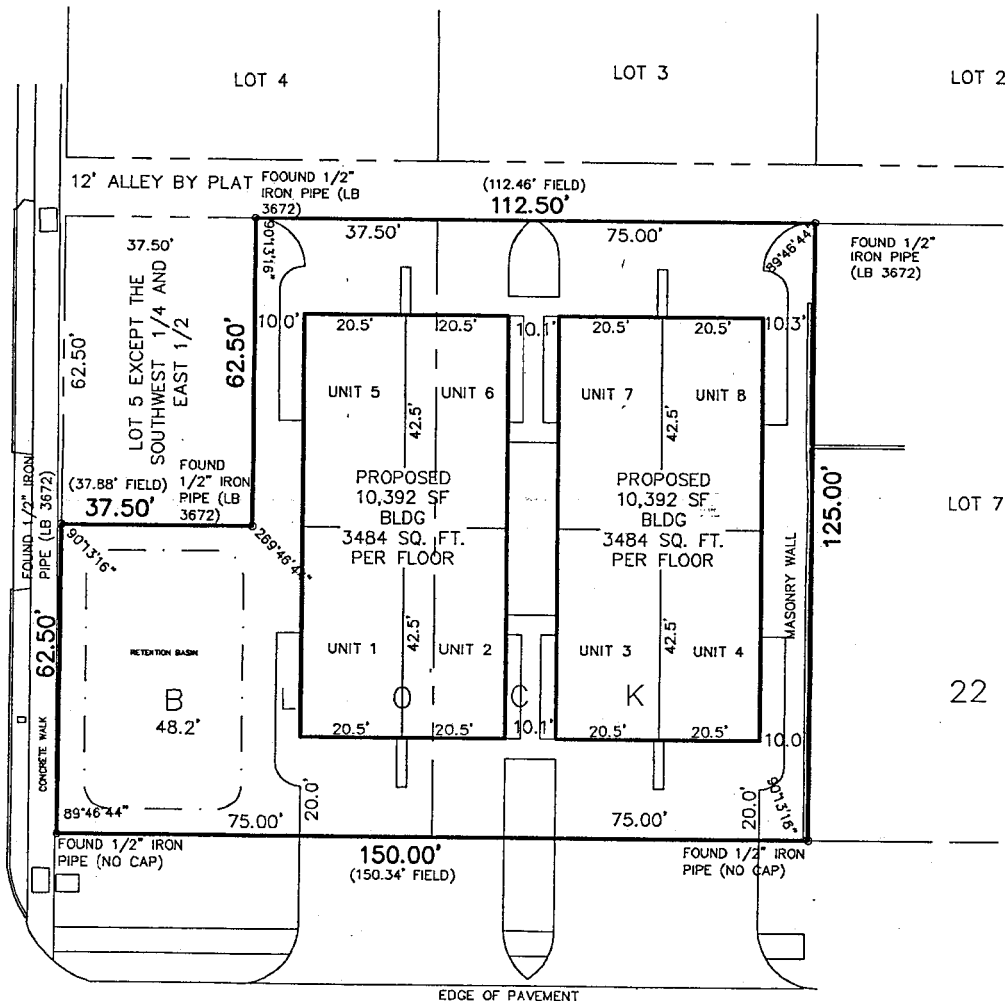
EXHIBIT A

OCEAN TERRACE VILLAS II A CONDOMINIUM SITE PLAN

SCALE 1" = 30'

SECOND (2ND) STREET SOUTH

50' RIGHT-OF-WAY PAVED



THIRD (3RD) AVENUE SOUTH

(FORMERLY GREINER AVENUE) 80' RIGHT-OF-WAY PAVED

NOTES:

1. THIS IS A MAP ONLY.
2. BOUNDARY AS PER SHEET 1.
3. ALL IMPROVEMENTS ARE PROPOSED.

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

REVISED DRIVEWAYS - JUNE 15, 2005

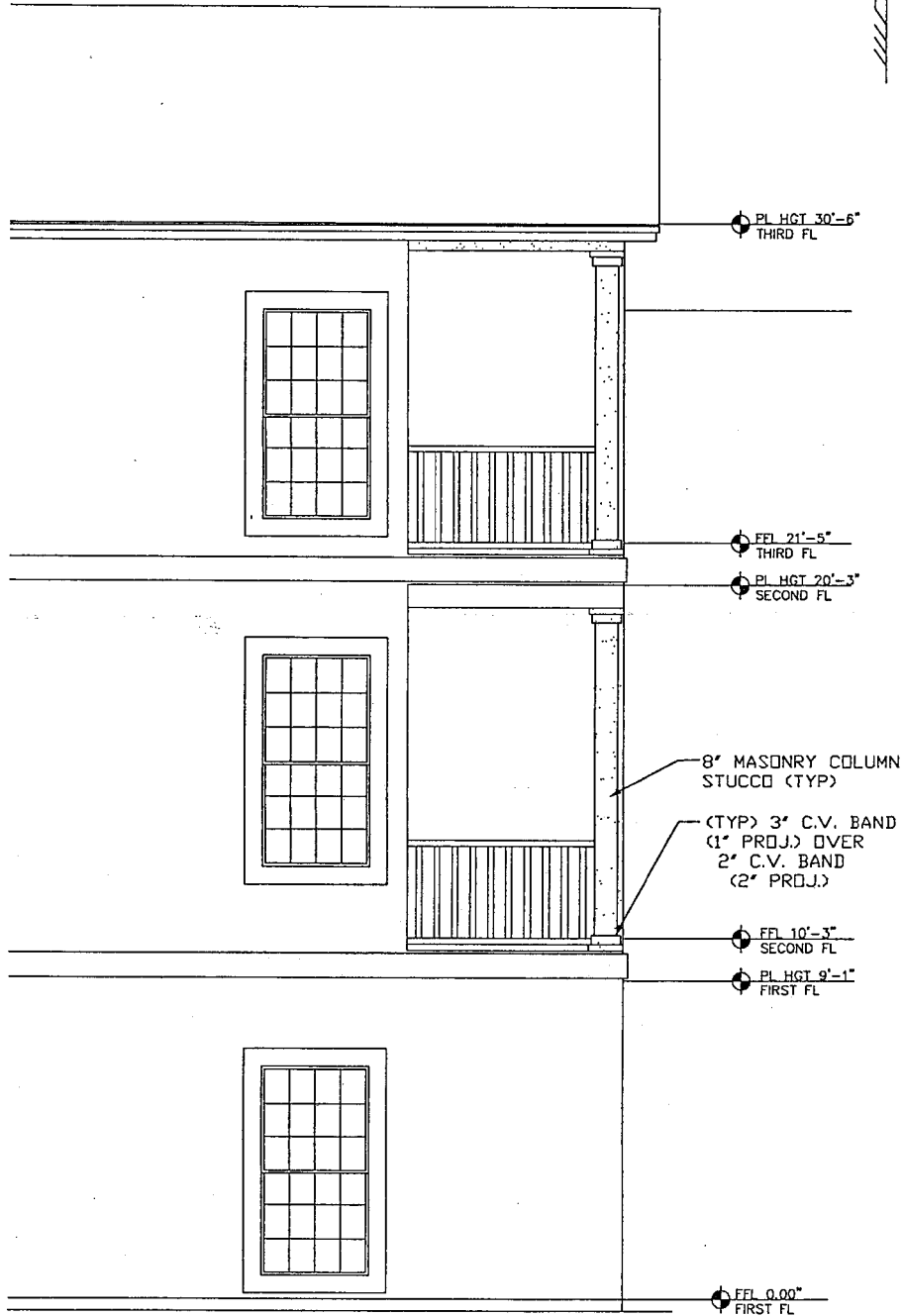
CHECKED BY: gmc
DRAWN BY: PHC
FILE #: 2005-0528

BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 2 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM ELEVATION

SCALE 1" = 50'



NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.
2. BOTH BUILDINGS ON THIS SITE ARE THE SAME, AND ALL DIMENSIONS HOLD FOR BOTH.

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

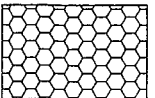
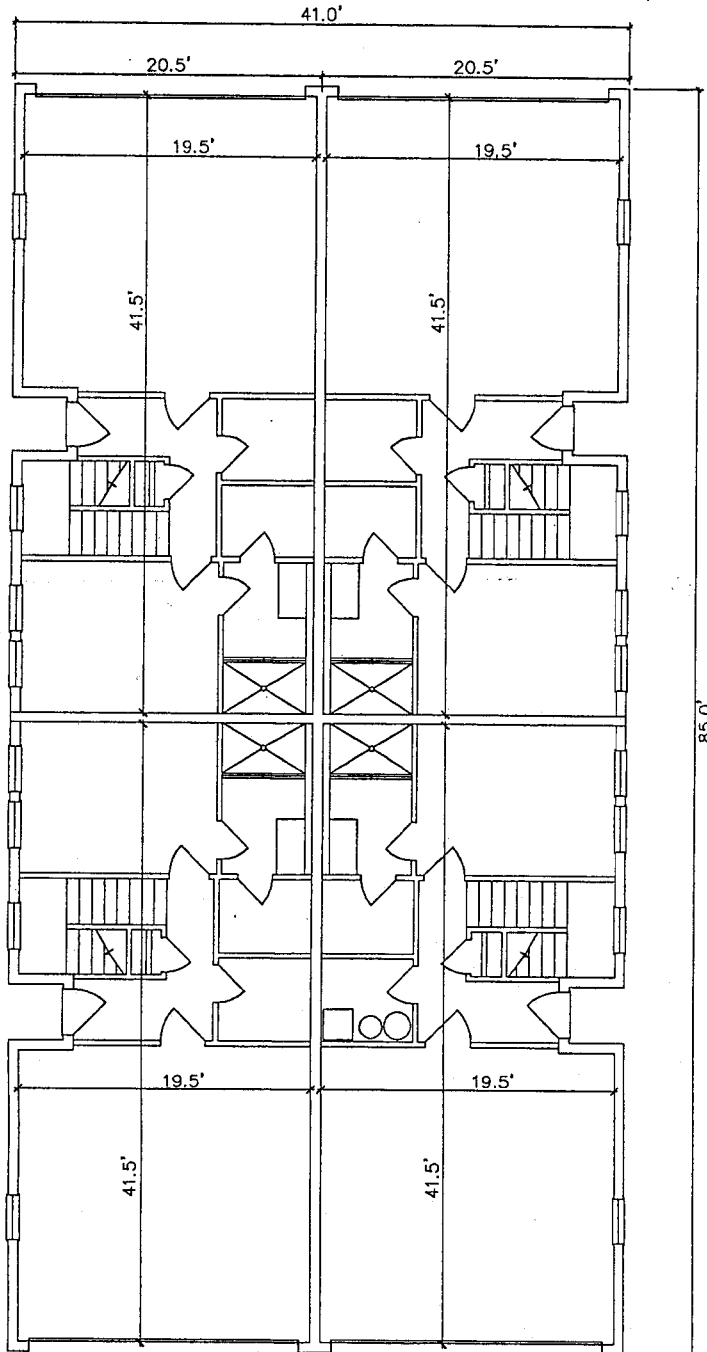
DATE: APRIL 1, 2005
SHEET 3 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

1st FLOOR

41.0' x 85.0'
3,485 SQUARE FEET

SCALE 1" = 100'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.
2. BOTH BUILDINGS ON THIS SITE ARE THE SAME, AND ALL DIMENSIONS HOLD FOR BOTH.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

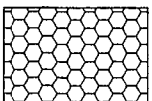
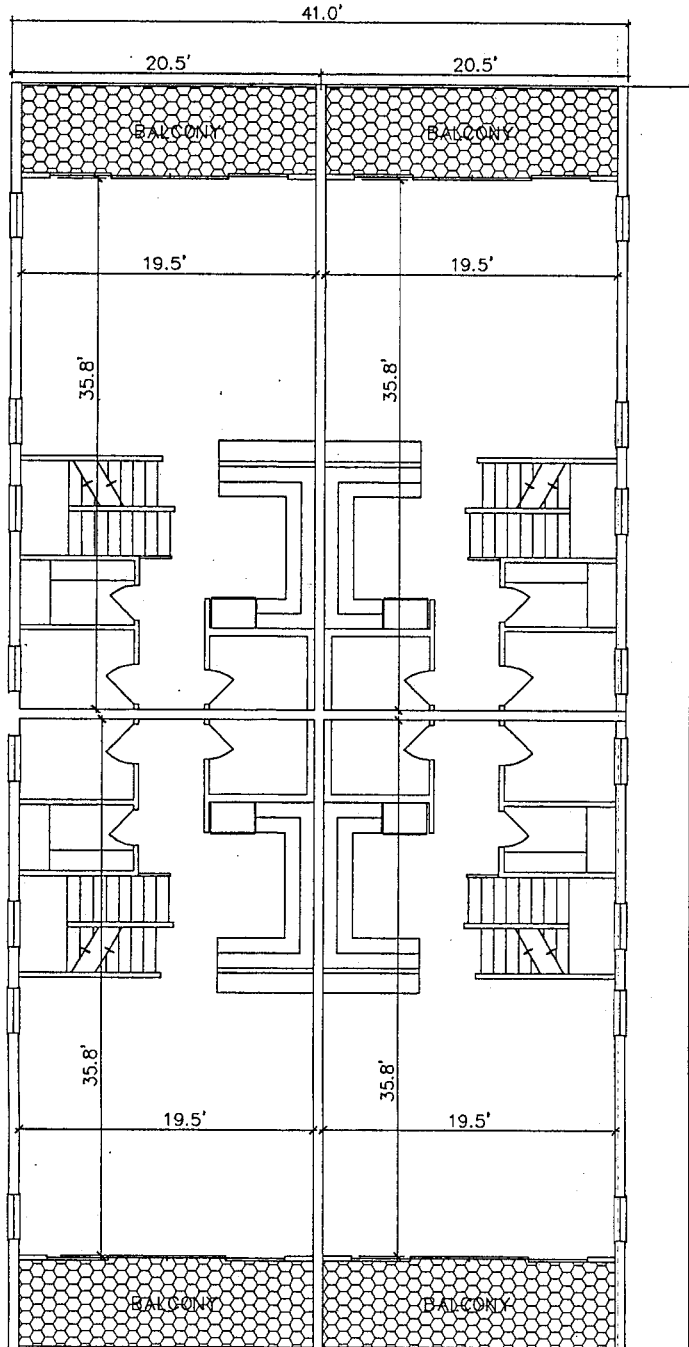
DATE: APRIL 1, 2005
SHEET 4 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

2nd FLOOR

41.0' x 85.0'
3,485 SQUARE FEET

SCALE 1" = 100'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.
2. BOTH BUILDINGS ON THIS SITE ARE THE SAME, AND ALL DIMENSIONS HOLD FOR BOTH.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

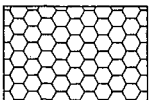
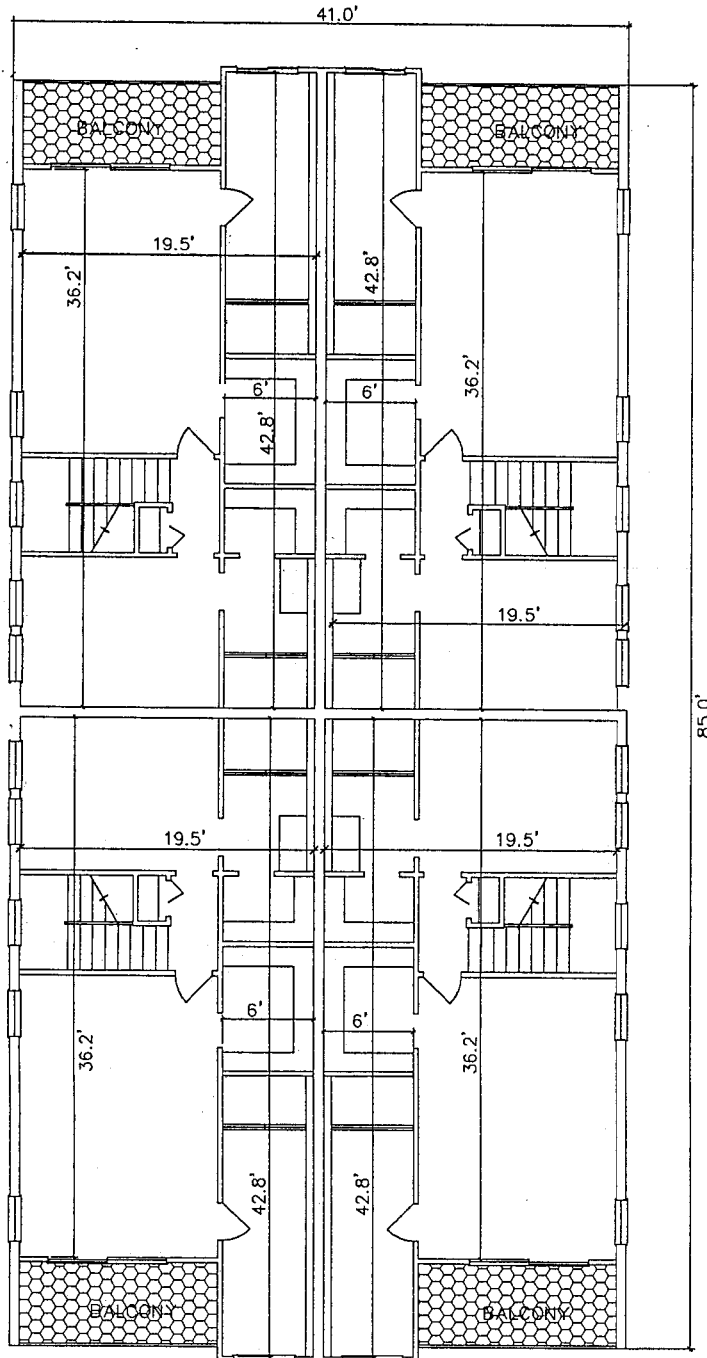
DATE: APRIL 1, 2005
SHEET 5 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

3rd FLOOR

41.0' x 85.0'
3,485 SQUARE FEET

SCALE 1" = 100'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.
2. BOTH BUILDINGS ON THIS SITE ARE THE SAME, AND ALL DIMENSIONS HOLD FOR BOTH.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

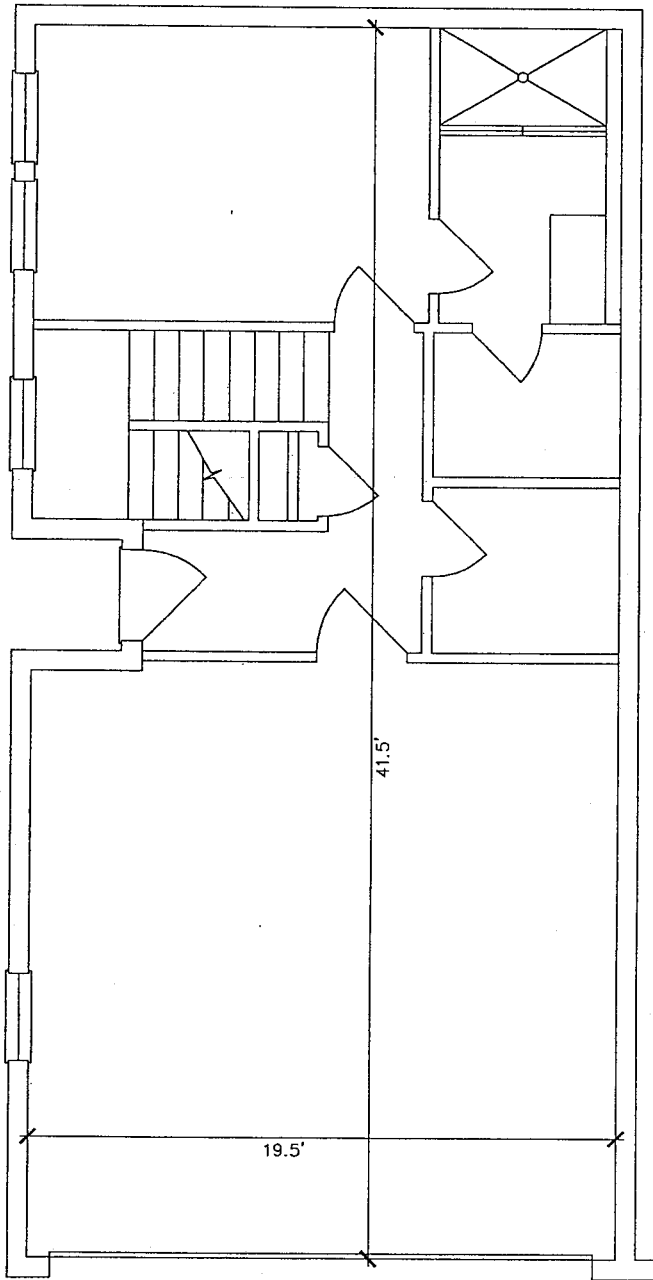
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 6 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 1 & 3
1st FLOOR
20.5'x 42.5'
871 SQUARE FEET

SCALE 1" = 5'



NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

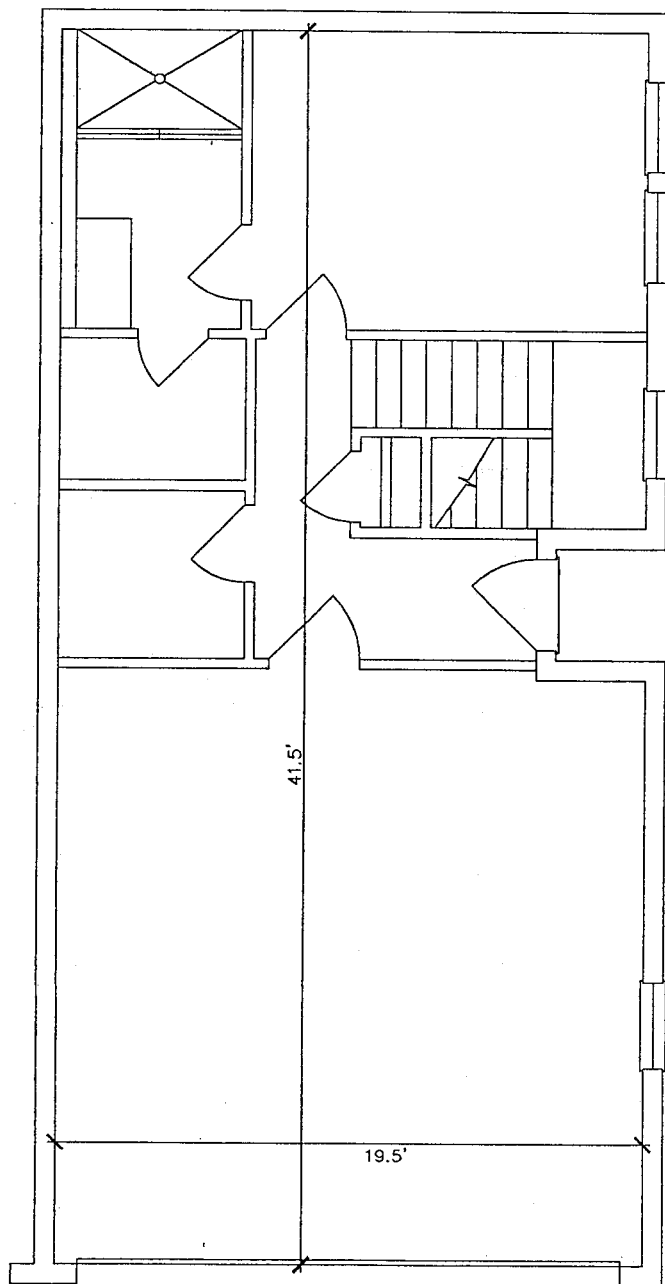
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 7 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 2 & 4
1st FLOOR
20.5'x 42.5'
871 SQUARE FEET

SCALE 1" = 5'



NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

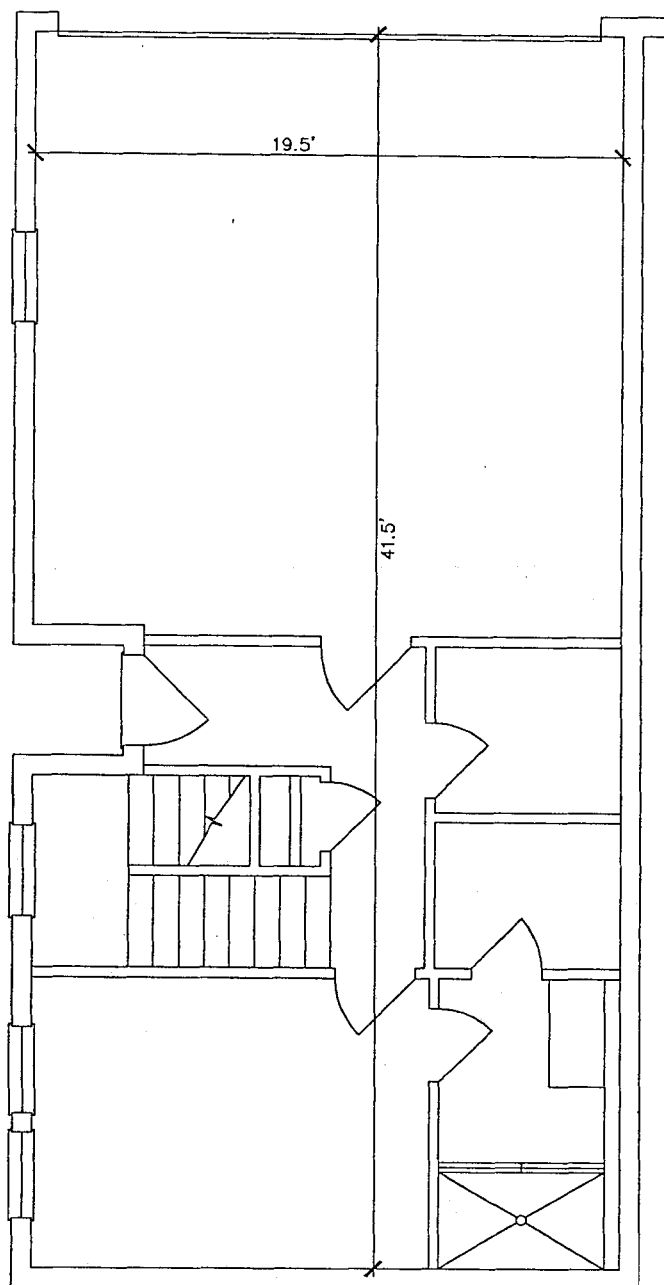
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 8 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 5 & 7
1st FLOOR
20.5'x 42.5'
871 SQUARE FEET

SCALE 1" = 5'



NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

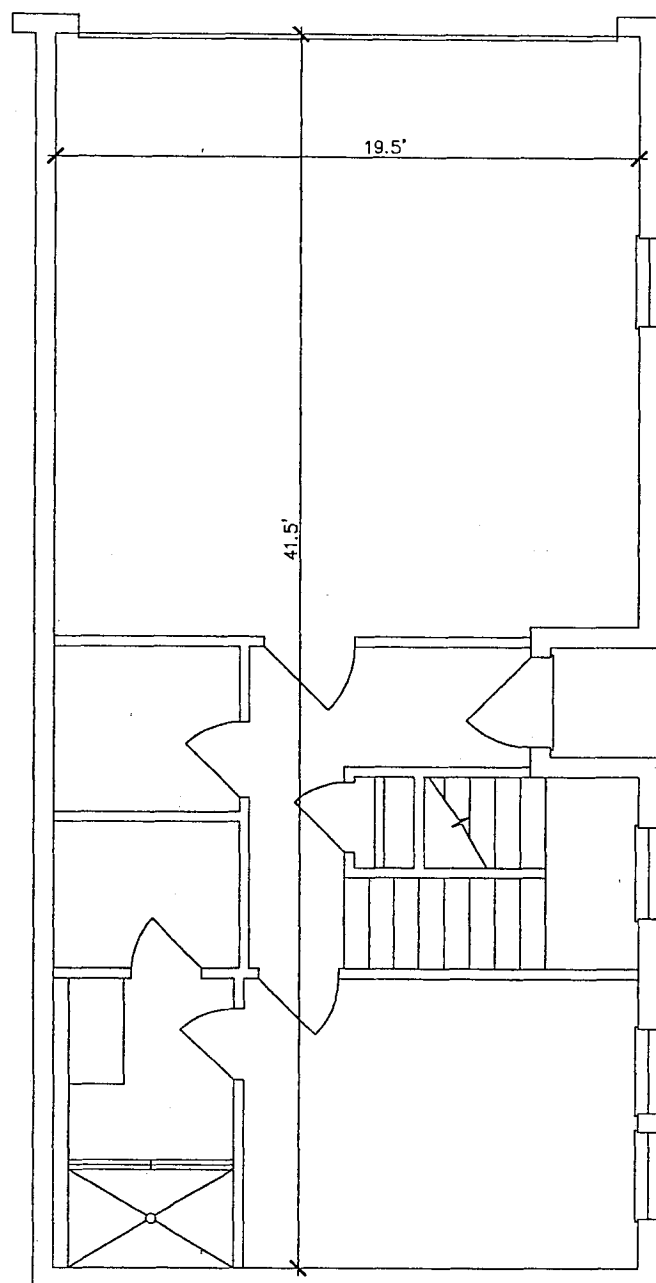
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 9 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 6 & 8
1st FLOOR
19.5'x 41.5'
809 SQUARE FEET

 SCALE 1" = 5'



NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

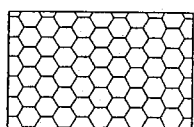
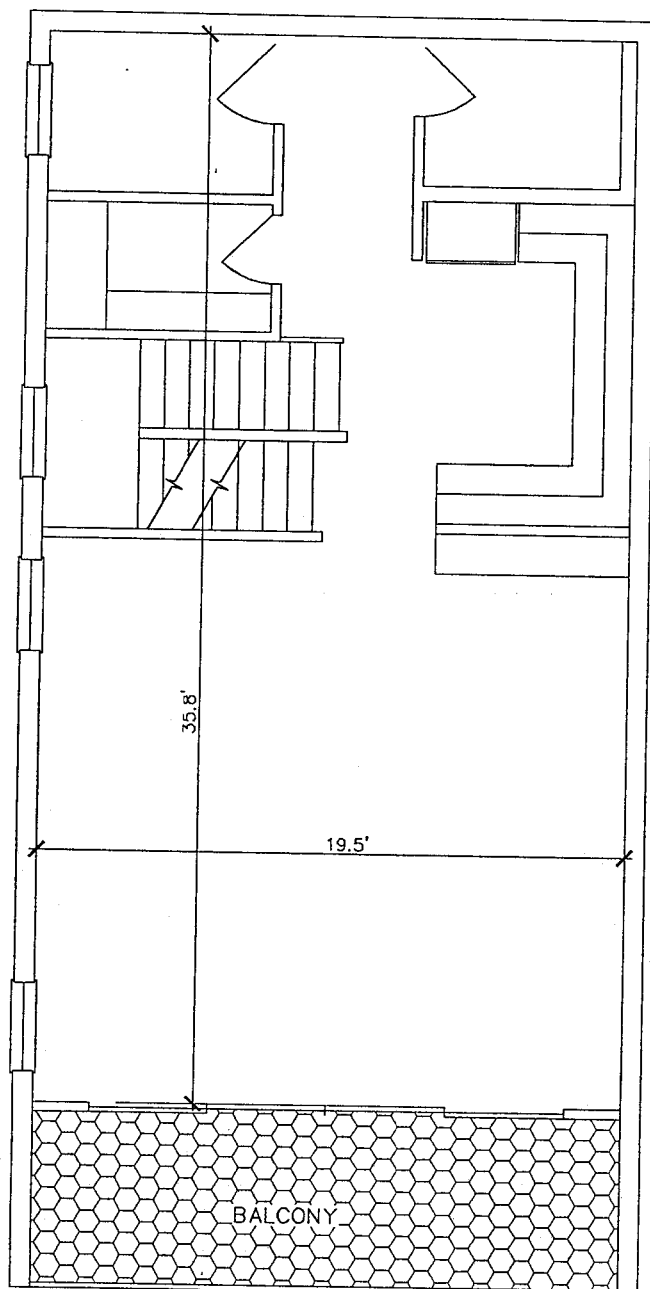
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 10 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 1 & 3
2nd FLOOR
19.5'x 35.8'
698 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

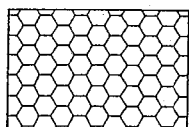
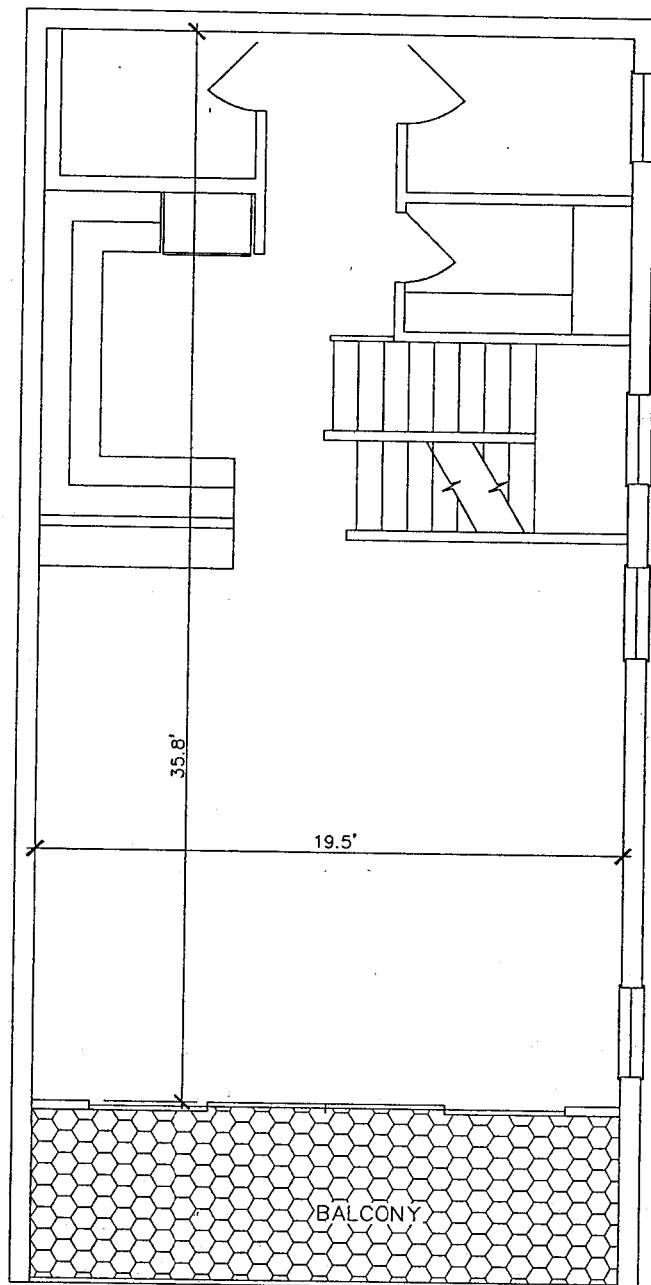
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 11 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 2 & 4
2nd FLOOR
19.5'x 35.8'
698 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

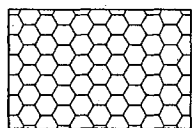
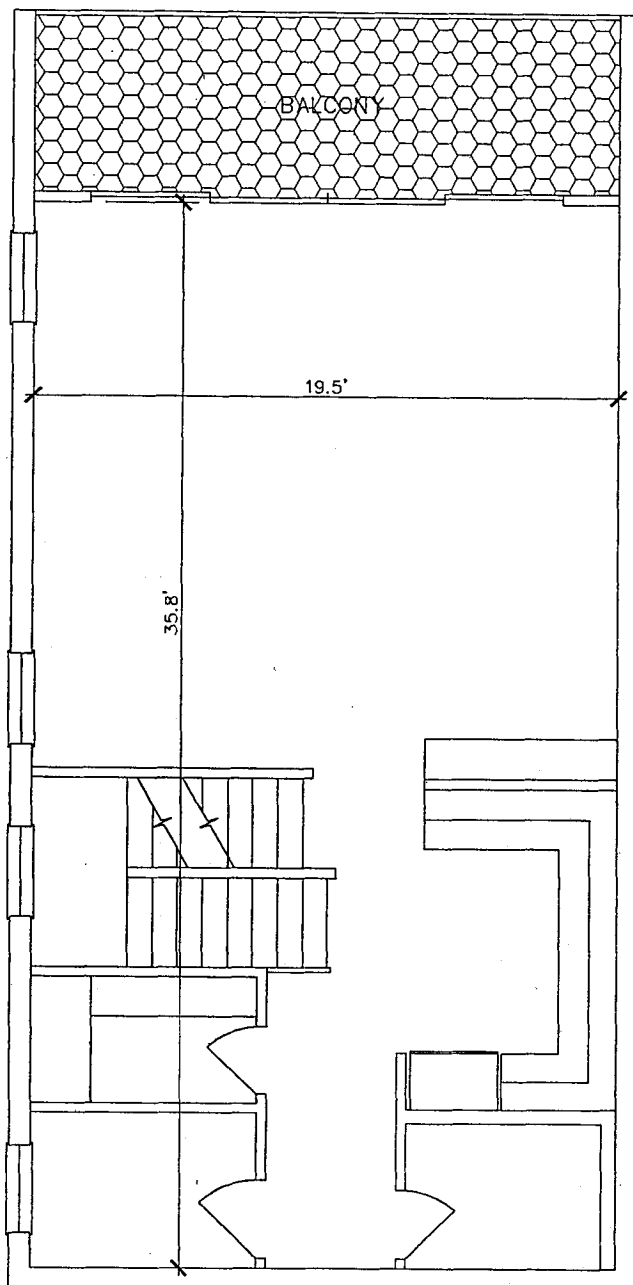
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 12 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 5 & 7
2nd FLOOR
19.5' x 35.8'
698 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

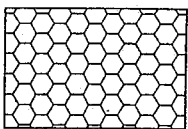
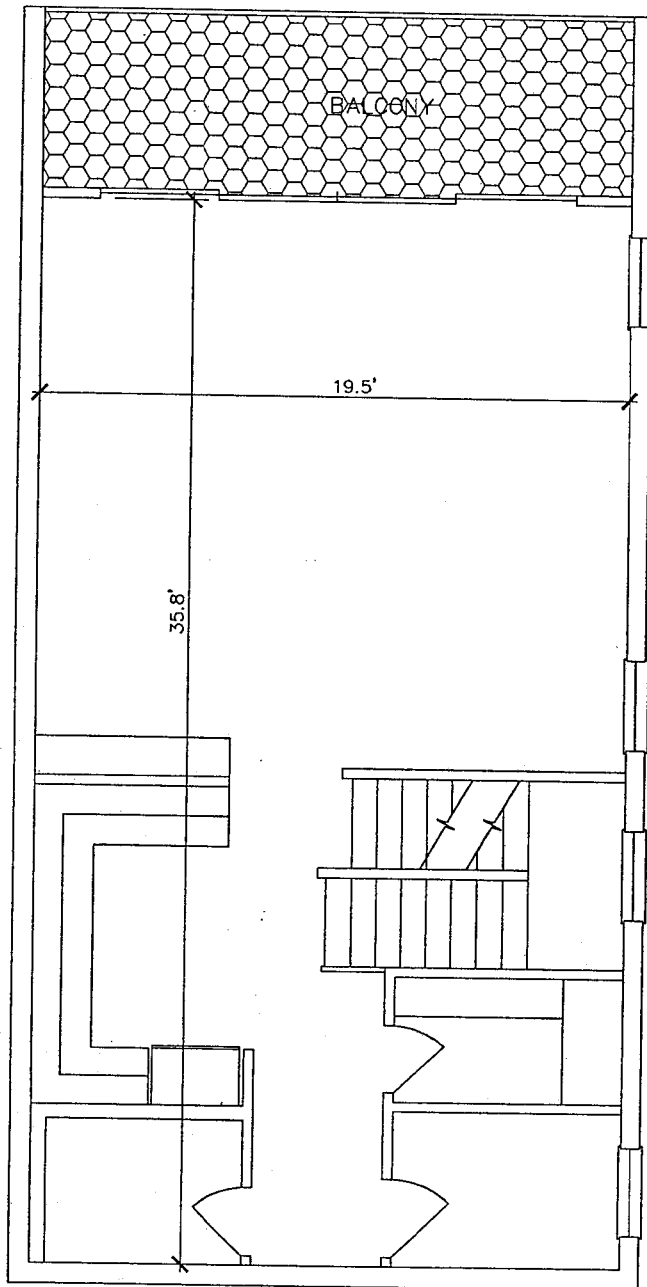
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 13 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 5 & 7
2nd FLOOR
19.5' x 35.8'
698 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

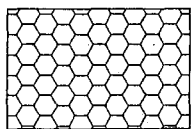
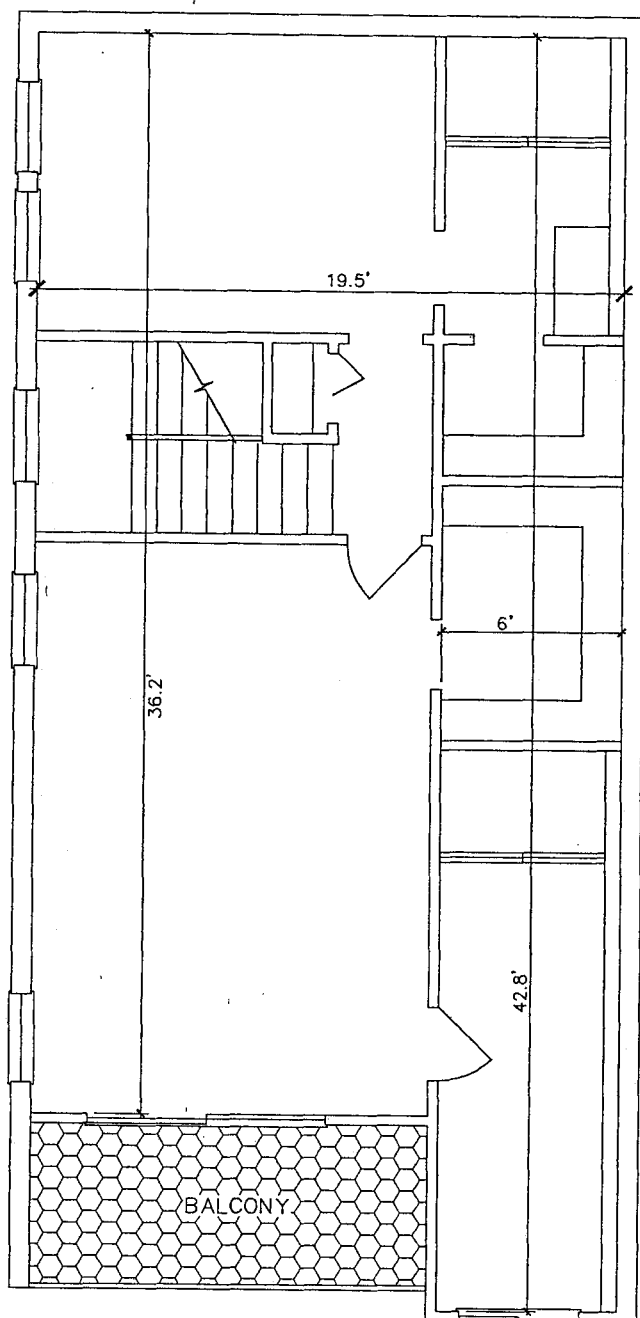
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 14 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 1 & 3
3rd FLOOR
19.5" x 42.8"
745 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

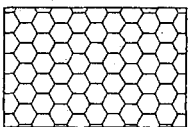
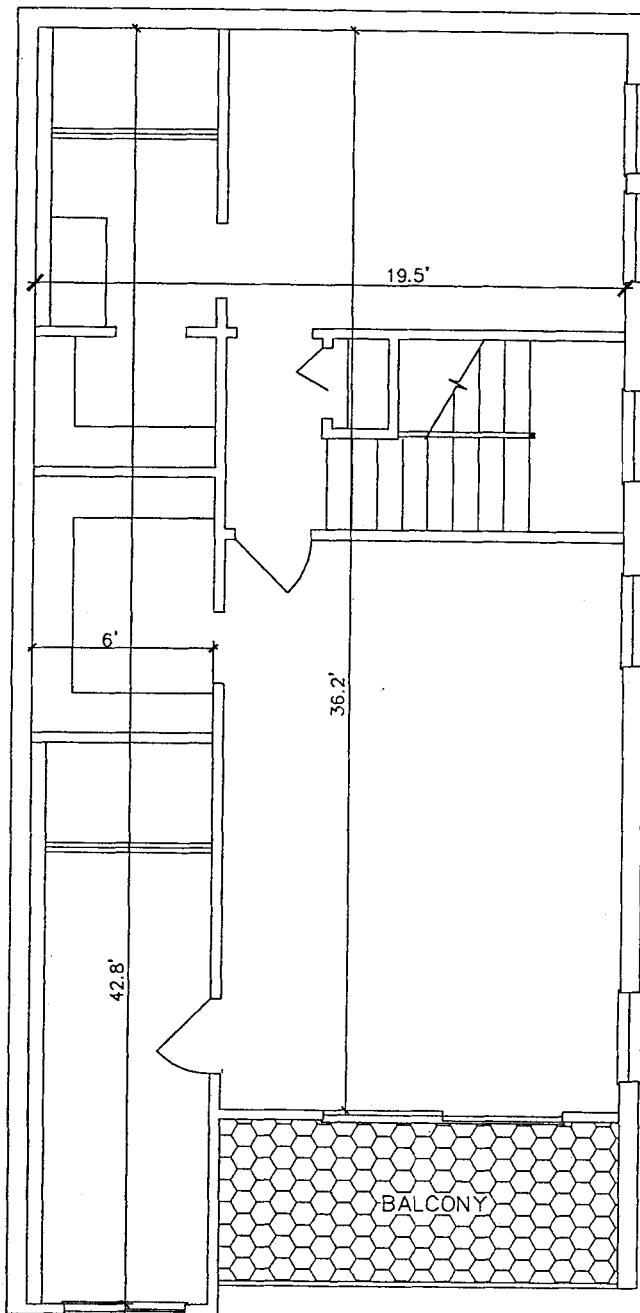
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 15 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 2 & 4
3rd FLOOR
19.5' x 42.8'
745 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

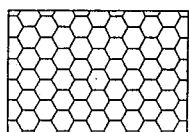
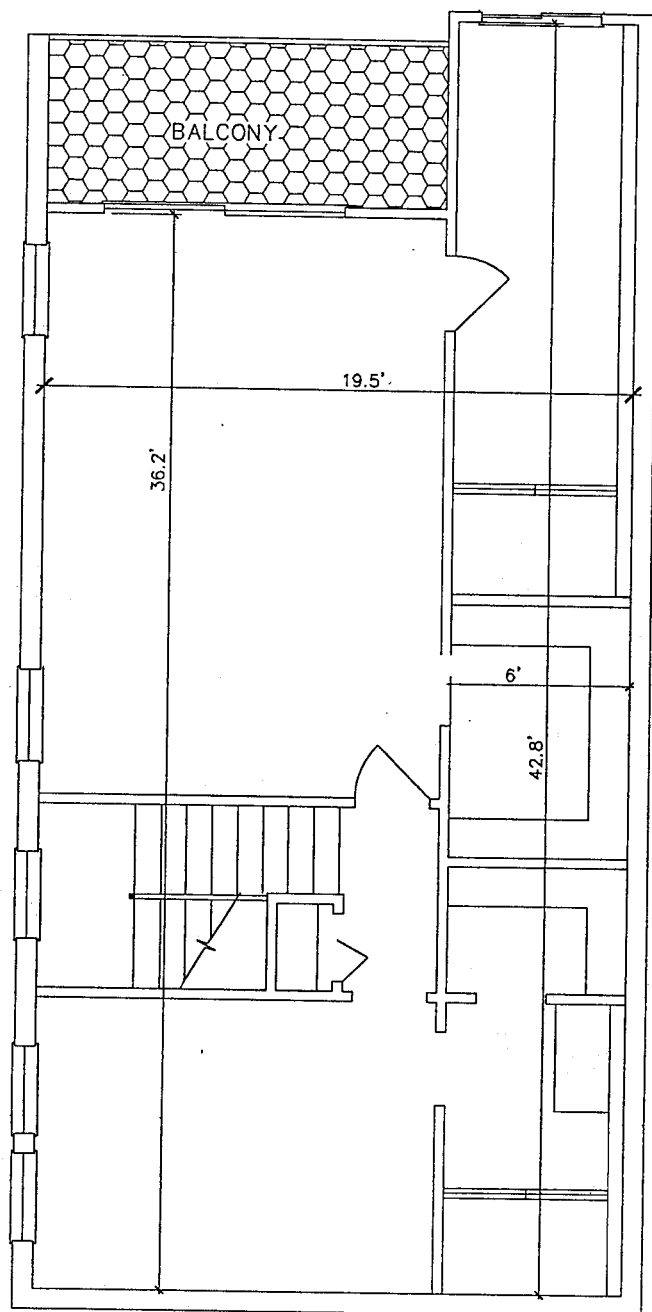
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 16 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 5 & 7
3rd FLOOR
19.5' x 42.8'
745 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

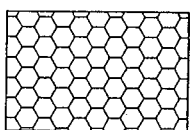
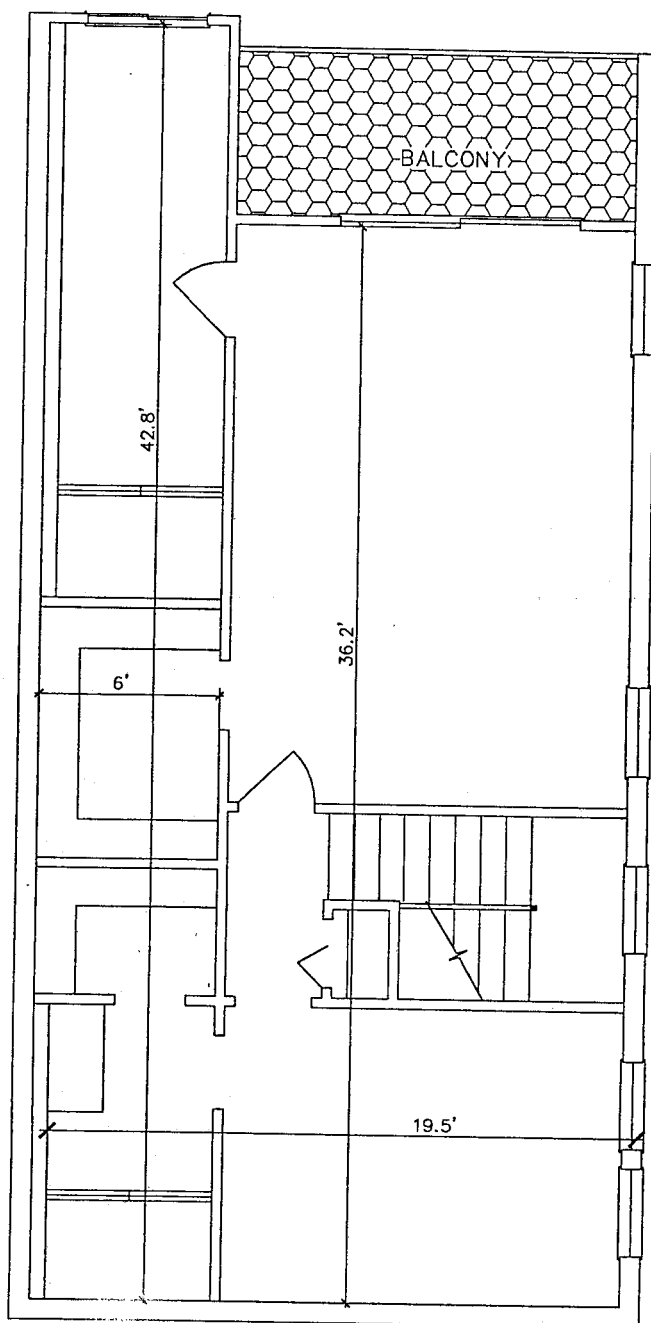
BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 17 OF 18

OCEAN TERRACE VILLAS II A CONDOMINIUM

UNITS 6 & 8
3rd FLOOR
19.5' x 42.8'
745 SQUARE FEET

SCALE 1" = 5'



DENOTES LIMITED
COMMON AREA

NOTES:

1. ALL AREAS NOT WITHIN A UNIT OR SHOWN AS A
LIMITED COMMON AREA IS A COMMON AREA.

CHECKED BY: _____
DRAWN BY: PHC
FILE #: 2005-0528

BOATWRIGHT LAND SURVEYORS, INC.
1500 ROBERTS DRIVE
JACKSONVILLE BEACH, FLORIDA 241-8550

DATE: APRIL 1, 2005
SHEET 18 OF 18

OCEAN TERRACE VILLAS II CONDOMINIUM

EXHIBIT B

FRACTIONAL SHARES OF
COMMON ELEMENTS, COMMON EXPENSES AND COMMON SURPLUS

EXHIBIT B
TO
DECLARATION OF CONDOMINIUM
OCEAN TERRACE VILLAS II CONDOMINIUM
FRACTIONAL SHARE OF COMMON ELEMENTS
COMMON EXPENSES AND COMMON SURPLUS

The Common Elements, Common Expenses and Common Surplus are owned in equal undivided shares by the Owners based upon fractional shares, the numerator of which is "1" and denominator of which is the total number of Units which have been subjected to the Declaration.

The Fractional Shares of Common Elements, Common Expenses and Common Surplus for Units in Ocean Terrace Villas II Condominium are as follows:

Building Number	Unit Numbers	Fractional Share
1	1	1/8th
1	2	1/8th
1	5	1/8th
1	6	1/8th
2	3	1/8th
2	4	1/8th
2	7	1/8th
2	8	1/8th

OCEAN TERRACE VILLAS II CONDOMINIUM

EXHIBIT C

ARTICLES OF INCORPORATION

OCEAN TERRACE VILLAS II CONDOMINIUM ASSOCIATION

ARTICLES OF INCORPORATION
OF
OCEAN TERRACE VILLAS II CONDOMINIUM ASSOCIATION

The undersigned does hereby form this corporation for the purpose of forming a corporation not-for-profit as allowed by Chapter 718 and Chapter 617 of the Florida Statutes. Pursuant to the provisions and laws of the State of Florida, the undersigned certifies as follows:

1. NAME

The name of the corporation shall be OCEAN TERRACE VILLAS II CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the ("Association"), with its principal registered office located at 1758 South 3rd Street, Jacksonville Beach, FL 32250. The Board of Directors may, from time to time, move the principal office to any other address in Florida.

2. PURPOSE

The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, hereinafter called the "Condominium Act," for the operation of OCEAN TERRACE VILLAS II CONDOMINIUM (the "Condominium") to be created pursuant to the provisions of its Declaration of Condominium and the Condominium Act.

3. POWERS

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

3.1 The Association shall have all of the common law and statutory powers of a corporation not-for-profit, not in conflict with the terms of these Articles of Incorporation or the Condominium Act.

3.2 The Association shall have all the powers and duties set forth in the Condominium Act, these Articles of Incorporation and the Declaration of Condominium and its attendant documents, and all of the powers and duties reasonably necessary for operation of the Condominium.

3.3 All funds and titles to all properties acquired by the Association, and their proceeds, shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation, and the Bylaws of the Association, and the costs, expenses, maintenance, care and upkeep of such properties for the benefit of the members shall be considered Common Expenses of the Condominium.

3.4 The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium and the Bylaws.

3.5 The Association shall have the power and authority to levy, charge, assess, and collect fees, charges and assessments from the Unit Owners as allowed by the Declaration of Condominium, including without limitation, assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

3.6 Notwithstanding anything herein to the contrary, the corporation shall exercise only such powers as are in furtherance of the exempt purposes of organizations set forth in Section 501(c)(7) of the Internal Revenue Code and its regulations as the same now exists or they may be hereinafter amended from time to time.

3.7 The corporation shall have no power to declare dividends, and no part of its net earnings shall inure to the benefit of any member or director of the corporation or to any other private individual. The corporation shall have no power or authority to engage in activities which consist of carrying on propaganda or otherwise attempting to influence legislation or to participate in, or intervene in, any political campaign on behalf of any candidate for public office.

3.8 The corporation is not for profit and as such, shall have no capital stock.

3.9 The Association shall operate, maintain and manage the Stormwater Management System in a manner consistent with the SJRWMD permit number 42-031-99754-1 requirements and applicable SJRWMD rules and shall assist in the enforcement of the Declaration of Condominium for Ocean Terrace Villas II Condominium which relate to the Stormwater Management System.

3.10 The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the Stormwater Management System.

4. MEMBERSHIP

4.1 The members of the Association shall consist of all of the record Owners of Units in the Condominium, hereinafter referred to as ("Units"), and after termination of the Condominium shall consist of those who are members at the time of such termination, and their successors and assigns.

4.2 Membership shall be acquired by recording in the public records of Duval County, Florida, a deed or other instrument establishing record title to a Unit in the Condominium, the Owner designated by such instrument thus becoming a member of the Association, and the

membership of the prior owner being thereby terminated, provided, however, any party who owns more than one Unit shall remain a member of the Association so long as he shall retain title to or a fee ownership interest in any Unit.

4.3 The share of the member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

4.4 On all matters upon which the members shall be entitled to vote, there shall be one vote for each Unit, which vote may be exercised or cast in such manner as may be provided in the Bylaws of the Association. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.

4.5 Tuttle & Tuttle, Inc. ("Developer") shall be a member of the Association and shall be allowed one vote for each Unit owned by the Developer.

5. EXISTENCE

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity. The Association may be dissolved with the assent given in writing and signed by not less than seventy five percent (75%) of the Members in accordance with the provisions of the Declaration. The Association may be dissolved in the event of destruction of the Condominium, if approved by the requisite percentage to terminate as provided in the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidate, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

In the event of termination, dissolution or final liquidation of the Association, any responsibility that the Association has for the operation and maintenance of the Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the SJRWMD prior to such termination, dissolution or liquidation.

6. SUBSCRIBER

The name and address of the subscriber to these Articles of Incorporation is:

Greg Tuttle
1758 South 3rd Street
Jacksonville Beach, FL 32250

7. OFFICERS

The affairs of the Association shall be administered by a President, Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time designate. Any person may hold two offices, excepting that the same person shall not hold the office of President and Secretary. Officers of the Association shall be those set forth herein or elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President/Treasurer:	Greg Tuttle, 1758 South 3 rd St., Jacksonville Beach, FL 32250
Vice President:	Lee Tuttle, 1758 South 3 rd St., Jacksonville Beach, FL 32250
Secretary:	Maggie Tuttle, 1758 South 3 rd St., Jacksonville Beach, FL 32250

8. DIRECTORS

8.1 The affairs of the Association shall be managed by a Board of Directors who need not be members of the Association. The membership of the Board shall consist of not less than three (3) Directors until the control of the Association is transferred to the Unit Owners other than the developer pursuant to Section 718.301, Florida Statutes. Thereafter, the Board shall consist of not less than three (3) Directors; provided, however, that the Board shall always consist of an odd number of Directors.

8.2 Directors of the Association shall be elected at the annual meeting of the members in the manner provided by the Bylaws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the Bylaws.

8.3 The first election of Directors shall not be held until the Developer, as defined in the Declaration of Condominium, is required by law to elect directors in accordance with Section 718.301, Florida Statutes.

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

NAME	ADDRESS
Greg Tuttle	1758 South 3 rd Street Jacksonville Beach, FL 32250
Lee Tuttle	1758 South 3 rd Street Jacksonville Beach, FL 32250
Maggie Tuttle	1758 South 3 rd Street Jacksonville Beach, FL 32250

The Directors named in these Articles shall serve until the first election of Directors, and any vacancies in office occurring before the first election shall be filled by the remaining Directors and/or the Developer.

9. INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceedings or the settlement of any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance, malfeasance, or nonfeasance, or found to have breached his fiduciary duty, in the performance of his duties. The foregoing right of indemnification shall be in addition to and exclusive of all other rights and remedies to which such Director or Officer may be entitled.

10. BYLAWS

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

11. AMENDMENT

These Articles of Incorporation may be amended in the following manner:

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

11.2 A resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Association or by members of the Association. A member may propose such an amendment by instrument in writing directed to any member of the Board of Directors signed by not less than twenty percent (20%) of the membership. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President, or in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the membership to be held no sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendments. Directors and members not present in person at the meeting considering the amendment may express their approval in writing provided such approval is delivered to the Secretary prior to the meeting. Except as provided herein, such approval must be by not less than sixty-six and two-thirds percent (66 2/3%) of the votes of the entire membership of the Association.

11.3 Provided, however, that no amendment shall make any changes in the qualifications for membership not the voting rights of the members, nor any change in Paragraph 3.3, without approval in writing by all members and the joinder of all record Owners of mortgages on the Condominium Units. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium. No amendment shall be made without the written approval of the Developer if such amendment shall cause an assessment of the Developer as a Unit Owner for capital improvements, constitute an action that would be detrimental to the sales of Units by the Developer or any such action which would inhibit, impair, or otherwise preclude the rights reserved to the Developer by way of the Declaration of Condominium.

11.4 A copy of each amendment shall be filed with the Secretary of State, pursuant to the provisions of the applicable Florida Statutes, and a copy certified by the Secretary of State shall be recorded in the public records of the County where the Condominium is located.

11.5 Any amendment that affects the Stormwater Management System must be approved by the St. Johns River Water Management District.

12. APPROVAL BY VA AND HUD

For so long as the Developer has the right to appoint the majority of the members of the Board of Directors, the Developer shall obtain the approval of the Department of Housing and Urban Development ("HUD") or the Veteran's Administration ("VA") prior to: annexation of additional properties (other than subsequent phases), merger or consolidation of this Association, mortgaging of the Common Elements or dissolution or amendment of the Articles.

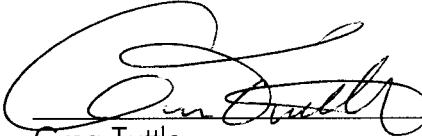
13. REGISTERED AGENT

The name and address of the Registered Agent of the Association is:

Greg Tuttle
1758 South 3rd Street
Jacksonville Beach, FL 32250
(904) 543-8195

[Signature appears on following page]

The Subscriber has affixed his signature hereto this 9th day of May, 2006.


Greg Tuttle

ACCEPTANCE OF REGISTERED AGENT

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

GREG TUTTLE

By: 

Name: Greg Tuttle

Title: President

Date: 5/9/10

OCEAN TERRACE VILLAS II CONDOMINIUM

EXHIBIT D

BYLAWS

OCEAN TERRACE VILLAS II CONDOMINIUM ASSOCIATION

BYLAWS
OF
OCEAN TERRACE VILLAS II CONDOMINIUM ASSOCIATION

1. IDENTITY

These are the Bylaws of OCEAN TERRACE VILLAS II, CONDOMINIUM ASSOCIATION, hereinafter called the "Association," a corporation not for profit under the laws of the State of Florida. These Bylaws are adopted for the purpose of governing the Association and incorporate by reference the terms and conditions of the Articles of Incorporation of the Association and of the Declaration of Condominium referred to therein.

1.1 Office. The office of the Association shall be at 1758 South 3rd Street, Jacksonville Beach, FL 32250.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall bear the name of corporation, the word "Florida," and the words "Corporation Not for Profit."

2. MEMBERS' MEETINGS

2.1 Annual Meeting. The annual members' meeting shall be held at least once each year in the month of February at the office of the Association unless otherwise designated by the Board of Directors, at a time and date determined by the Board. Such annual members' meetings shall be for the purpose of transacting annual business of the Association authorized to be transacted by the members.

2.2 Special Meetings. Special members' meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be called by such officer upon receipt of a written request from members entitled to cast ten percent (10%) of the votes of the entire membership. Provided, however, until Developer has relinquished control of the Association, no special members' meetings shall be called or convened for the purpose of removal of the Directors appointed by the Developer or to amend this Declaration or its exhibits to remove rights and reservations in the Developer.

2.3 Notice. Notice of all members' meetings, with an agenda stating the time and place and the object for which the meeting is called, shall be given by the President or Secretary. Such notice shall be in writing (unless waived by the Unit Owner in writing) to each member at his address last furnished to the Association and shall be given not less than fourteen (14) days prior to the date of the meeting. An Officer of the Association shall provide an Affidavit, to be included in the official records of the Association, affirming that a Notice of the Association meeting was mailed, hand delivered or electronically transmitted (to those Unit Owners who consent to receive notice by electronic transmission), in accordance with this provision, to each unit owner at the addresses last furnished to the Association. Notice of a meeting may be waived in writing before or after the meeting. If it is an annual meeting, the Notice shall also be posted in a conspicuous place on the condominium property at least fourteen (14) continuous hours in advance of the meeting, except in emergency. Notice of any meeting in which

assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

2.4 Quorum. A quorum at members' meetings shall consist of a majority of the voting interests entitled to cast votes of the entire membership. The acts approved by a majority of the votes present at a meeting of which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, these Bylaws, or Chapter 718, Florida Statutes (the "Condominium Act").

2.5 Voting.

(a) In any meeting of members, the Owners of the Units shall designate a "Primary Occupant" to be entitled to cast one vote for each Unit owner.

(b) If a Unit is owned by one person, the Primary Occupant for that Unit shall be established by the record title to the Unit. If any Unit is owned by more than one person, the Primary Occupant for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, such entity shall designate a natural person to serve as Primary occupant for that Unit by a certificate designed by the President or duly authorized officer or agent and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superceded by a subsequent certificate or until a change in the ownership of the Unit concerned. If such certificate is not on file, the vote for such Owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.6 Proxies. Votes may be cast in person or by proxy as defined and limited by Section 718.112(2)(b), Florida Statutes. A proxy may be made by any person entitled to vote and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof and in no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. The proxy shall be revocable at any time at the pleasure of the Unit owner executing it, and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

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

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

- (a) Collection of election ballots;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of Committees;
- (f) Appointment of inspectors of election;
- (g) Election of directors;
- (h) Determination of less than adequate reserves or no reserves;
- (i) Unfinished business;

- (i) New business; and
- (k) Adjournment.

3. DIRECTORS

The affairs of the Association shall be determined by a Board of Directors. The first Board of Directors shall consist of three (3) directors who need not be members of the Association. The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided, however, that the Board must always consist of an odd number of members, and provided, further, that there shall never be less than three (3) Directors on the Board. The Board shall remain at three (3) Directors until such time as the Developer transfers control of the Association to Unit Owners other than the Developer at which time the Board shall consist of not less than five (5) members, all of whom shall be members of the Association. Any increase or decrease in the number of members on the Board shall be effectuated at least sixty (60) days prior to a regular annual election of the Board, and such change in number shall be effective as of the date of the next regular election. The term of the first Board of Directors or their replacements, shall continue until the Developer is required by statute to relinquish control or voluntarily relinquishes control of the Association. There shall be an annual meeting of the Unit Owners. Unless the Bylaws provide otherwise, a vacancy on the Board of Directors caused by the expiration of a director's term shall be filled by electing a new board member, and the election shall be by secret ballot; however, if the number of vacancies equals or exceeds the number of candidates, no election is required. If there is no provision in the Bylaws for term of the members of the Board of Directors, the terms of all members of the Board of Directors shall expire upon the election of their successors at the annual meeting. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership. The validity of any action by the Board is not affected if it is later determined that a Director is ineligible for Board membership due to having been convicted of a felony.

3.1 Election of Directors shall be conducted in the following manner:

(a) Election of Directors shall be held at the annual members' meeting, with the first election being at the first member meeting required to be called pursuant to Section 718.301, Florida Statutes, to elect a Board member, or members, to provide for the percentage of Unit Owners other than the Developer on the Board of Directors as required by Section 718.301, Florida Statutes. Said election of Unit Owners other than the Developer shall take place in accordance with the procedures as set forth in the Condominium Act and the Florida Administrative Code effective as of the date of adoption of these Bylaws. Election of Directors thereafter shall be at the year's annual meeting.

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

(c) Subsequent to delivery of control of the Board to the Unit Owners other than the Developer, pursuant to Section 718.301, Florida Statutes, any member of the board of administration may be recalled and removed from office with or without cause, by the vote or agreement in writing by a majority of all Unit Owners. A special meeting of the Unit Owners to recall a member or members of the board of administration may be called by ten percent (10%) of the Unit Owners giving notice of the

meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting. Recall of Board members shall operate in accordance with Section 718.112(2)(j), Florida Statutes.

(d) Provided, however, that until the Developer has relinquished control of the Association, the first directors of the Association shall serve, and in the event of vacancies, the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer. Directors who are appointed by the Developer cannot be removed by a vote pursuant to Section 3.1(c) above. Directors who are elected prior to turnover by Unit Owners may be removed by a vote pursuant to Section 3.1(c) above; provided, however, that the Developer cannot participate in such vote. This shall not be interpreted or be construed so as to preclude annual meetings of the membership.

3.2 Directors' Term. The term of each director's service, subject to the provisions of Section 3.1(d) above, shall be as follows: The first Board elected subsequent to the transfer of control to the Unit Owners shall elect two (2) Board members for two years and the remaining Board members for one (1) year. At the end of the initial term, they shall thereafter be elected for two (2) year terms, thereby staggering the Board members. In the event of a five member Board of Directors or a larger Board of Directors, the majority number of Directors shall be elected every two (2) years. Notwithstanding the foregoing, each Director elected at the turnover meeting to serve a one (1) year term shall serve until the first annual meeting following the turnover meeting; provided, however, that if such period shall be less than six (6) months, such directors shall serve until the second annual meeting following the turnover meeting.

3.3 Organization Meeting. The organization meeting of the newly-elected Board of Directors shall be held with ten (10) days after their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and a notice of such meeting shall be posted conspicuously on the condominium property at least forth-either (48) continuous hours preceding the meeting.

3.4 Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, by mail, hand delivery, or electronic transmission at least forty-eight (48) continuous hours prior to the day named for such meeting. Notice to member of Directors' meeting shall be given by posting such notice in a conspicuous place forty-eight (48) continuous hours in advance of the meeting. The meeting shall be open to all Unit Owner who shall have the right to speak at such meetings with reasonable rules governing the frequency, duration and manner of Unit Owner statements.

3.5 Special Meetings. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third of the Directors. Not less than forth-eight (48) hours notice of the meeting shall be given my mail, hand delivery, or electronic transmission, which notice shall state the time, place and purpose of the meeting. Notice to members of Directors' meetings shall be given by posting such notice in a conspicuous place forth-eight (48) continuous hours in advance of the meeting. The meeting shall be open to all Unit Owners who shall have the right to speak at such meetings with reference to all designated agenda items. The Board of Directors may adopt written reasonable rules governing the frequency, duration and manner of Unit Owner statements.

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

3.7 Quorum. A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

3.8 Adjourned Meeting. If at any meeting the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. No further notice need be given of an adjourned meeting.

3.9 Joinder by Director. A director who is present at a meeting is presumed to have assented to an action unless he votes otherwise. A member of the Board may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

3.10 Presiding Officer. The presiding officer of Directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

3.11 Order of Business. The order of business at directors' meetings shall be:

- (a) Calling of roll;
- (b) Proof of due notice of meeting;
- (c) Reading and disposal of any unapproved minutes;
- (d) Reports of officers and committees;
- (e) Election of officers;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

3.12 No Fee for Service. A Director shall not be entitled to, nor paid any fee for his or her services as a Director.

3.13. Telephone or Other Attendance. A Director shall be considered as present for a regular or special meeting if he or she is in simultaneous communication by telephone or other media with all other Directors, as well as with any Unit Owners present at the meeting. A telephone speaker must be used so that the conversation of those Directors attending by telephone or other media may be heard by the other Directors as well as by any Unit Owners present at the meeting.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

4.1 Powers and Duties of Association. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these Bylaws, shall be exercised exclusively by the Board of Directors, subject only to the approval by Unit

Owners where such approval is specifically required. Without limiting the powers and duties of the Board of Directors, it shall have the following express powers, in addition to all others herein granted, and provided for by the Declaration of Condominium and the Condominium Act:

(a) To enter into a long-term management contract, providing for the management of the Condominium Property and of the Association Property.

(b) To charge, assess and collect fees, charges, assessments, including reserves for the Condominium (if approved by the Owners), not less frequently than quarterly, and to enforce the collection according to the Declaration of Condominium and the exhibits and as allowed by law.

(c) To lease, maintain, repair and replace the Common Elements and Association Property.

(d) To purchase or lease real and personal property in the Association's name.

(e) To maintain minutes of all meetings of the Unit Owners and the Board of Directors. (The minutes, together with current copies of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, books, records and audited financial statements shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, any holder, insurer or guarantor of any first mortgage that is secured by a Unit, any prospective purchaser of a Unit, or any agency or corporation which has an interest or prospective interest in the Condominium, and Board members at any reasonable time. All accounting records and all minutes shall be retained for a period of time not less than seven (7) years).

(f) To create and promulgate reasonable rules and regulations for the operation of the Condominium.

(g) To adopt a budget for the Association.

(h) To enter into contracts for the purpose of making available to the Owners and residents of the units such services as, but not limited to, doorman and automobile parking, maid service, security and security alarm system, contracts for maintenance, repair, replacement of common elements and the like, provided, however, that: (i) the term period of such contracts shall not exceed three (3) years; (ii) the contracts may provide for additional extensions of the original term in the absence of written notice of termination by either party; and (iii) the Board shall have no obligation to provide such services.

(i) To operate, maintain and manage the Stormwater Management System in a manner which is consistent with the applicable St. Johns River Waste Management District Permit and rules and to assist in the enforcement of the terms of the Declaration which relate to the Stormwater Management System.

(j) To convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

5. OFFICERS

5.1 Officers. The officers of the Association shall be a President and Vice President, who shall be a Director, Secretary and a Treasurer, all of whom shall be elected annually by the Board of Directors, and such other officers as the Board of Directors may, from time to time, designate. Any officer may be removed peremptorily, without cause, by a vote of two-thirds (2/3) of the directors present at any duly constituted meeting.

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

5.3 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the directors' and the members' meetings; shall tend to the giving and serving of all notices of the members and directors and other notices required by law; shall have custody of the seal and affix it to instruments requiring a seal when duly signed; shall keep the records of the Association, and shall perform all duties incident to the office and as may be required by the directors or the President.

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

5.6 No Compensation. No compensation shall be paid to any officer of the Association. No officer who is a designee of the Developer shall receive any compensation for his or her services as an officer.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium, Articles of Incorporation of the Association, and the Condominium Acts shall be supplemented by the following provisions:

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

(a) Current Expenses. Current expenses, which shall include all receipts and expenditures within the year for which the budget is made, including, if applicable, but not limited to those expenses listed in Section 718.504(21), Florida Statutes, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year shall be applied to reduce the

assessments for operating expenses for the succeeding year, or may be distributed to the membership, as the Directors shall determine.

(b) Reserve Accounts. Reserve accounts for capital expenditures and deferred maintenance: each of these accounts shall include, but not be limited to roof replacement, building painting, and pavement resurfacing. The establishment and funding of these reserve accounts shall be subject to the conditions and exceptions set forth in Section 718.112(2)(f), Florida Statutes.

(c) Operations. Operations, which shall include gross revenues from the use of Common Elements and from other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation shall be used to reduce the assessments for current expense for the year during which the surplus is realized.

6.2 Budget. The Board of Directors shall adopt a Budget for each fiscal year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for reserves. The form of the annual budget shall be in conformance with Sections 718.111, 718.112 and 718.504(21), Florida Statutes. A copy of the Budget shall be delivered by mail or hand delivery at the address of the Unit Owner last furnished to the Association not less than fourteen (14) days prior to the meeting of the Unit Owners or the Board of Directors at which it is to be considered, together with a notice of that meeting. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year and the Board receives, within twenty-one (21) days after adoption of the annual budget, written application of ten percent (10%) of the Unit Owners to consider a substitute budget, the Board shall call a special meeting of the Unit Owners for such consideration which special meeting shall be conducted with sixty (60) days after the adoption of the annual budget and notice of the special meeting shall be hand delivered, mailed or electronically transmitted (to those Unit Owners who consent to receive notice by electronic transmission) to each Unit Owner at least fourteen (14) days prior to such special meeting. At the special meeting, the Unit Owners shall consider and enact a budget. The adoption of the budget requires a vote of all Unit Owners. The budget shall be considered adopted if less than a majority of the Unit Owners at the meeting or in writing. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owner, then the budget adopted by the Board of Directors goes into effect as scheduled. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium property must be excluded from the computation. However, as long as the Developer is in control of the Board of Administration, the Board may not impose an assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of the majority of all of the Unit Owners.

6.3 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the fiscal year annually, in advance, thirty (30) days preceding the fiscal year for which the assessments are made. Such assessments shall be due and payable as determined by the Board of Directors, but not less frequently than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and payments on such assessment shall be due and payable in the same manner as the prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable as determined by the Board

of Directors. Provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.4 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an assessment, the Board of Directors may accelerate the remaining quarterly balance of the assessment upon notice to the Unit Owner, and the then unpaid quarterly balance of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.5 Depository. The depository of the Association shall be such bank or savings and loan association as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the directors, provided that a Management Agreement may include in its provisions authority in a designated agent to sign checks on behalf of the Association for payment of the obligations of the Association.

6.6 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all persons including officers and Directors controlling or disbursing funds of the Association in accordance with Section 718.111(11)(d), Florida Statutes. The premiums on such bonds shall be paid by the Association.

6.7 Financial Records.

(a) Within ninety (90) days following the end of the fiscal year, the Board of Directors of the Association shall prepare and complete, or cause to be prepared and completed by a third party, a complete financial report for the preceding fiscal year prepared in accordance with the generally accepted accounting principles. Within twenty-one (21) days after the financial report is completed or received by the Association, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand delivered to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed, hand delivered or electronically transmitted (to those Unit Owners who consent to receive notice by electronic transmission) to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

(b) The financial statements shall be based upon the Association's total annual revenues, as follows:

(i) If the Association's total annual revenues are \$100,000 or more, but less than \$200,000, the Association shall prepare compiled financial statements.

(ii) If the Association's total annual revenues are at least \$200,000, but less than \$400,000, the Association shall prepare reviewed financial statements;

(iii) If the Association's total annual revenues are \$400,000 or more, the Association shall prepare audited financial statements; and

(iv) If the Association's total annual revenues are less than \$100,000, the Association shall prepare a report of cash receipts and expenditures. A report of cash receipt and

disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional and management fees and expenses, taxes, costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expense, and reserved accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the association maintains reserves.

(c) The Association may prepare or cause to be prepared, without a meeting or approval by the Unit Owners:

(i) Compiled, reviewed, or audited financial statements, if the Association is required to prepare a report of cash receipts and expenditures;

(ii) Reviewed or audited financial statements, if the Association is required to prepare compiled financial statements; or

(iii) Audited financial statements if the Association is required to prepare reviewed financial statements.

7. PARLIAMENTARY RULES

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

8. AMENDMENTS

A resolution for the adoption of a proposed amendment of these Bylaws may be proposed by either the Board of Directors of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty percent (20%) of the membership. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided for, the President or, in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the membership be held within sixty (60) days for the purpose of considering said amendment. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting, and provided, however, that such approval or disapproval expressed by a Director not present may not be used as a vote for or against any such amendment and may not be used for the purposes of creating a quorum at such meeting. Except as elsewhere provided, such approvals must be by not less than sixty-six and two thirds percent (66 2/3%) of the votes of the entire membership of the Association.

8.1 Proviso. Provided, however, that no amendment shall discriminate against any Condominium Unit Owner nor against any Condominium Unit or class or group of Units unless the Condominium Unit Owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium. For so long as the Developer has the right to appoint the majority of the members of the Board of Directors, any amendment to these

Bylaws shall require the prior written approval of the Department of Housing and Urban Development ("HUD"), the Federal Home Administration ("FHA") or the Veterans Administration ("VA") in accordance with the regulations of the U.S. Department of Housing and Urban Development. Each amendment shall, on the first page, identify the book and page of the public records where the declaration of each condominium operated by the Association is recorded.

8.2 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and Bylaws, which certificate shall be executed by the President or duly qualified officer of the Association with the formalities of a deed. The amendment shall be effective when such certificate shall be annexed to and recorded with an amendment to the Declaration of Condominium where the Condominium is located.

8.3 Format of Amendment. No Bylaws shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. Non-material errors or omissions in the Bylaw process shall not invalidate and otherwise properly promulgate an amendment. Extensive changes to the Bylaws may be changed in accordance with Section 718.112(2)(h), Florida Statutes.

9. FINES, LEVY AND FORECLOSURE

9.1 Power to Levy Fines. The Board of Directors of the Association shall have the power and authority to levy and assess fines in accordance with the Declaration of Condominium, Articles of Incorporation, Bylaws and Rules and Regulations periodically created from time to time by the Board of Directors and/or the Association for the operation and management of the Condominium property.

9.2 Procedures. In the event a fine is to be levied, the following procedures shall be followed:

(a) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of other Unit Owners after reasonable notice of not less than fourteen (14) days, and said notice shall include:

- (1) A Statement of the date, time and place of the hearing;
- (2) A statement of the provisions of the Declaration, Association Bylaws, or Association rules which have allegedly been violated; and
- (3) A short and plain statement of the matters asserted by the Association.

(b) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

(c) The hearing shall be conducted before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

(d) The fine may not become a lien against the Unit. The amount of the fine must be in compliance with Section 718.303(3), Florida Statutes.

10. CERTIFICATE OF COMPLIANCE

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of the Units' compliance with applicable fire and life safety codes.

11. ARBITRATION

In the event of a dispute between the Association and one or more Unit Owners, each party shall submit to mandatory, non-binding arbitration in accordance with Section 718.1255(4), Florida Statutes.

12. RESPONSE TO INQUIRY

When a Unit Owner files a written inquiry by certified mail with the Board of Directors, the Board will respond in writing to the Unit Owner within thirty (30) days of the inquiry. The Board's response with either: (i) give a substantive response; (ii) notify the Unit Owner that legal advice has been requested; or (iii) notify the Unit Owner that advice has been requested from the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation.

The foregoing were adopted as the Bylaws of the Association at the first meeting of the Board of Directors held on the 15th day of September, 2007.

OCEAN TERRACE VILLAS II

CONSENT OF MORTGAGEE

Aug 30 06 04:46p

Tuttle & Tuttle Inc.

9045438194

p.2

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS: That: The Monticello Bank, is the owner and holder of the following mortgage which encumbers the lands on Exhibit "A" attached hereto:

and hereby consents to the making of the Declaration of Condominium for Ocean Terrace Villas II and the recording of same in the public records of Duval County, Florida, and the Mortgagee agrees that the lien of its mortgage as it applies to the property described herein shall be subject to the terms, provisions and conditions contained in said Declaration of Condominium.

DATED this ____ day of August, 2006.

Signed, sealed and delivered
in the presence of:

Sign [Signature]
Print Name: Neal Flanagan

Sign [Signature]
Print Name: Brenda Swisher

MONTICELLO BANK

By: [Signature]
Print Name: M. K. Kelly
Its Executive Vice Pres.

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 22 day of August, 2006, by _____, as _____ of The Monticello Bank, on behalf of said bank. Said person is personally known to me, or produced _____ as identification.

[Signature]
NOTARY PUBLIC

August 22, 2006
DATE

SEAL:

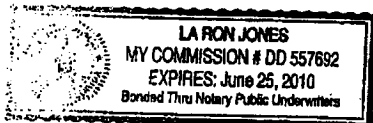


EXHIBIT "A"

SOUTHWEST 1/4 AND EAST 1/2 OF LOT 5 AND ALL OF LOT
6, BLOCK 22, PABLO BEACH SOUTH, AS RECORDED IN
PLAT BOOK 3, PAGE 28 OF THE CURRENT PUBLIC
RECORDS OF DUVAL COUNTY, FLORIDA