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DECLARATION OF CONDOMINIUM

ESTABLISHING

HARBOR INN, NORTH

(A CONDOMINIUM)

This instrument prepared by:

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Vero Beach, FL 32963

231-5144

RETURN TO
(call)

DECLARATION OF CONDOMINIUM

OF

HARBOR INN NORTH

(A CONDOMINIUM)

The Moorings Harbor, Inc., a Florida corporation, herein called "developer" on behalf of itself, its successors, grantees and assigns, to its grantees and assigns and their heirs, successors and assigns hereby makes this Declaration of Condominium:

1. SUBMISSION TO CONDOMINIUM - The lands located in Indian River County, Florida, owned by Developer and is hereinafter described are by this Declaration submitted to the condominium form of ownership, and shall be known as HARBOR INN NORTH, a condominium.

A portion of Lot 56, The Moorings, Unit #2, as recorded in Plat Book 8, Page 28A, Public Records of Indian River County, Florida, and more particularly described as follows:

Beginning at the Southeast corner of Lot No. 60 of The Moorings, Unit 2, as recorded in Plat Book 8, Page 28A of the Public Records of Indian River County, Florida;

thence, N 88 degrees 55' 02" E, 226.00 feet to a point;

thence, N 01 degrees 04' 58" W, 104.14 feet to a point on the Southerly right-of-way line of Windward Way;

thence, S 89 degrees 54' 43" W along said right-of-way line 22.09 feet to the point of curvature of a tangent circular curve concave to the North and having a radius of 355.00 feet;

thence, Along said circular curve and along said right-of-way line for an arc distance of 160.56 feet and through a central angle of 25 degrees 54' 52" to a point, said point being the point of curvature of a tangent circular curve concave to the Southwest having a radius of 96.16 feet;

thence, Along said circular curve and along said right-of-way for an arc distance of 47.28 feet and through a central angle of 28 degrees 10' 21" to a point, said point being the Northeasterly corner of Lot 60 of said plat;

thence, S 00 degrees 19' 38" W, 153.34 feet to the Point of Beginning.

Said parcel contains 0.6335 acres and lies wholly in Indian River County, Florida.

2. HARBOR INN NORTH - PLAN OF DEVELOPMENT - Developer proposes to construct fifteen (15) residential units and associated improvements designated HARBOR INN NORTH, a Condominium. The fifteen (15) units will be constructed in one

three residential story building, with each apartment/suite being on a single floor with an associated covered parking space.

3. NAME - ASSOCIATION - The name of the condominium association is Harbor Inn at the Moorings Association, Inc. This association is incorporated as a non-profit Florida corporation, which administers this condominium.

4. DEFINITIONS - The terms used herein shall have the meanings stated in the Condominium Act (Florida Statutes, Chapter 718) and as follows unless the context otherwise requires:

A. UNIT - A part of the condominium property which is subject to exclusive ownership.

B. UNIT OWNER - The owner of a Condominium parcel.

C. UNIT NUMBER - The number which is designated upon the surveyor's plans, and which is used as identification of a unit.

D. ASSESSMENT - A share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner.

E. ASSOCIATION - The corporation responsible for the operation of the condominium.

F. BOARD OF ADMINISTRATION - means the Board of Directors responsible for administration of the association.

G. COMMON AREAS - The properties and facilities owned by the Association.

H. COMMON ELEMENTS - The portions of the condominium property not included in the units as defined in Florida Statute 718.108, including:

(1) The land.

(2) All parts of the improvements which are not included within the units.

(3) Easements.

(4) Installations for the furnishing of services to more than one unit or to the common elements, such as electricity, gas, water and sewer.

(5) Personal property - tangible personal property may be purchased, sold, leased, replaced and otherwise dealt with by the association, through its Board of Directors, on behalf of the members of the association, without the necessity of any joinder by the members.

I. LIMITED COMMON ELEMENTS - means and includes those common elements which are reserved for the use of a certain units or units to the exclusion of other units.

J. COMMON EXPENSES - All expenses and assessments properly incurred by the association for the condominium.

K. COMMON SURPLUS - means the excess of all receipts of the association including but not limited to assessments, rents, profits and revenues on account of the common elements over the amount of the common expenses.

L. PERSON - means an individual, corporation, trustee, or other legal entity capable of holding title to real property.

M. SINGULAR, PLURAL, GENDER - Whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and use of any gender shall be deemed to include all genders.

N. CONDOMINIUM DOCUMENTS - means the declaration and its lettered exhibits, which set forth the nature of the property rights in the condominium and the covenants running with the land which govern these rights. All the condominium documents shall be subject to the provisions of the declaration.

O. CONDOMINIUM PARCEL - means a unit together with the undivided share in the common elements which is appurtenant to the unit.

P. CONDOMINIUM PROPERTY - means the lands and personal property subject to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto.

Q. OPERATION - means and includes the administration and management of the condominium property.

5. UNITS SHALL BE CONSTITUTED AS FOLLOWS:

A. REAL PROPERTY - Each unit, together with space within it, and together with all appurtenances thereto, for all purposes, constitute a separate parcel of real property, which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parts of the property, subject only to the provisions of this declaration and applicable laws.

B. BOUNDARIES - Each unit shall be bounded as to both horizontal and vertical boundaries as below defined, whether the same exist now or are created by construction, settlement or movement of the building, or permissible repairs, reconstruction or alterations. Said boundaries are intended to be as follows and shall be determined in the following manner:

(1) HORIZONTAL BOUNDARIES: The upper and lower boundaries of the units shall be:

(i) UPPER BOUNDARY - The plane along the underside of the unfinished undecorated slab or lower surface of the roof if there is no slab of the uppermost story including the slab above the porch area of the unit.

(ii) LOWER BOUNDARY - The plane along the upperside of the unfinished undecorated slab of the lowermost story including the courtyard, terrace or balcony area of the unit.

(2) VERTICAL BOUNDARIES: The vertical boundaries shall be the interior surfaces of the perimeter walls of the unit including the interior surfaces of the units' courtyard, terrace, balcony or balcony walls and doors, entrance doors and windows, all of which abut the exterior of the building or common areas, extended to meet the horizontal boundaries.

C. EXCLUSIVE USE - Each unit owner shall have the exclusive use of his unit.

D. APPURTENANCES - The ownership of each unit shall include, and there shall pass as appurtenances thereto whether or not separately described, all of the right, title and interest of

a unit owner in the condominium property which shall include but not be limited to:

(1) COMMON ELEMENTS - an undivided share of the common elements as defined in Chapter 718.108, Florida Statutes.

(2) LIMITED COMMON ELEMENTS - The exclusive use (or use in common with one or more other designated units) of the following limited common elements that may exist:

(1) The parking space or spaces as designated on the site plan, which space shall be identified with the number of the Unit to which it is appurtenant.

(3) ASSOCIATION MEMBERSHIP and an undivided share in the common surplus and property, real and personal, held by the association.

E. EASEMENT TO AIR SPACE - An exclusive easement for the use of the air space occupied by the unit as it exists at any particular time and as the unit may be lawfully altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

F. EASEMENTS - The Developer owns land adjacent to the herein described property, upon which Developer contemplates constructing improvements. The following non-exclusive easements from the Developer to itself, each unit owner, to the association and its employees, agents and hired contractors, to utility companies, unit owners' families in residence, guests, invitees and to governmental and emergency services are hereby granted and created:

(1) INGRESS AND EGRESS - Easements over the common areas for ingress and egress, to units and public ways.

(2) MAINTENANCE, REPAIR AND REPLACEMENT - Easements through the units and common elements for maintenance, repair and replacements. Such access may be had at any time in case of emergency.

(3) UTILITIES - Easements through the common areas and units for conduits, ducts, plumbing, chimney flues, wiring and other facilities for the furnishing of services to other units and the common elements.

(4) PUBLIC SERVICES - Emergency, regulatory, law enforcement and other public services in the lawful performance of their duties upon the condominium property.

(5) ACCESS TO DOCKS - The developer owns certain boat slips and docks riparian to, but not a part of the herein described property. An easement for access thereto is hereby granted to Moorings Harbor, Inc., The Moorings Development Company, all lessees of said slips, their guests, invitees, licensees and agents over certain property described as follows:

Commencing at the Southeast corner of Lot 60 of The Moorings, Unit 2, as recorded in Plat Book 8, Page 28A of the Public Records of Indian River County, Florida;

thence, N 88 degrees 55' 02" E, 15.00 feet to the Point of Beginning;

thence, N 88 degrees 55' 02" E, 148.47 feet to a point;

thence, N 01 degree 04' 58" W, 8.00 feet to a point;

thence, S 88 degrees 55' 02" W, 148.47 feet to a point;

thence, S 01 degrees 04' 58" E, 8.00 feet to the Point of Beginning.

(6) ACCESS AND CROSS PARKING - There is also a certain "Cross Parking Agreement Between Certain Properties" found as Exhibit M to this Declaration of Condominium.

G. MAINTENANCE - The responsibility for the maintenance of a unit shall be as follows:

(1) BY THE ASSOCIATION - The association shall maintain, repair, and replace at the association's expense:

(i) Such portions of the unit as contribute to the support of the building including but not limited to the perimeter walls, columns, roof and unfinished floor slabs. Also, wiring, piping, ductwork and other mechanical or electrical or other installations or equipment serving the common areas or other units. The exterior entrance doors to the unit shall be maintained by the Association.

(ii) All incidental damage caused to a unit by work done or ordered by the association shall be promptly repaired by and at the expense of the association.

(iii) All expenses which are particular to the buildings in one condominium in the project, such as painting or roof repair, shall be borne pro-ratably by the owners of that condominium and not distributed among other condominiums in the project.

(iv) Expenses which benefit all condominiums of the project, such as landscape maintenance, shall be pro-ratably assessed against all owners of the condominium or condominiums that then exist on the project.

(2) BY THE UNIT OWNER - The responsibility of the unit owner shall be as follows:

(i) To maintain, repair and replace at his expense, all portions of the unit except the portions to be maintained, repaired and replaced by the association. The unit owner's responsibility specifically includes, but is not limited to, windows, window and balcony glass, doors, patio screens and associated hardware, patio gates (where same exists), appliances, fixtures, switches, fan motors, compressors, plumbing, wiring, piping and ductwork serving only the particular unit.

(ii) Not to paint or otherwise decorate or change the appearance of any portion of the building not within the interior walls of the unit or which is visible from the exterior, unless the written consent of the association is obtained in advance. (This shall not be construed to require approval of interior shades, drapes or curtains or for placing appropriate furniture on balconies, patios or terraces. However, unit owner shall abide by the Rules and Regulations concerning these items found as Exhibit O.)

H. ALTERATION AND IMPROVEMENT - No owners shall make any alterations in the portions of the improvements which are to be maintained by the association or remove any portion thereof or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building, or impair any easements.

I. COMMON ELEMENTS -

(1) The common elements shall be owned by the unit owners in undivided shares on a pro rata basis as set forth in Article 21.

(2) No action for partition of the common elements shall lie.

(3) The maintenance and operation of the common elements shall be the responsibility of the association which shall not, however, prohibit management contracts.

(4) Each unit owner and the association shall be entitled to use the common elements in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of owners of other units.

(5) Enlargement or material alteration of or substantial additions to the common elements may be effectuated only by amendment to the declaration.

6. FISCAL MANAGEMENT - The fiscal management of the condominium including budget, fiscal year, assessments, lien for and collection of assessments, and accounts shall be as set forth in the Bylaws.

7. ASSOCIATION - The administration of the condominium or condominiums by the Board of Directors and its powers and duties shall be as set forth in the Bylaws.

8. INSURANCE - The insurance which shall be carried upon the property shall be governed by the following provisions:

A. AUTHORITY TO PURCHASE - Except Builders Risk and other required insurance furnished by developer during construction, all insurance policies (except as hereinafter allowed) shall be purchased by the association, for itself and as agent for the owners and their mortgagees as their interest may appear.

B. UNIT OWNERS - Each unit owner may obtain insurance at his own expense, affording coverage upon his personal property and for his personal liability, for owner or mortgagee title insurance, and as may be required by law.

C. COVERAGE:

(1) CASUALTY - The building and all other insurable improvements upon the land and all personal property owned by the association (exclusive of personal property, additions and/or alterations installed by the owners) shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined by the insurance company affording such coverage. Such coverage shall afford protection against:

(i) LOSS OR DAMAGE BY FIRE, WINDSTORM and other hazards covered by the standard extended coverage endorsement;

(ii) SUCH OTHER RISKS as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the buildings, including but not limited to flood insurance, vandalism and malicious mischief, if available.

(2) PUBLIC LIABILITY AND PROPERTY DAMAGE in such amounts and in such forms as shall be required by the association, including but not limited to legal liability, hired automobile, non-owned automobile, and off-premises employee coverages;

(3) WORKER'S COMPENSATION AND UNEMPLOYMENT COMPENSATION to meet the requirement of law.

D. PREMIUMS - Premiums upon insurance policies purchased by the association shall be paid by the association and charged as common expenses.

E. ALL INSURANCE POLICIES PURCHASED by the association shall be for the benefit of the association and the unit owners and their mortgages as their respective interests may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to any bank in Florida with trust powers as may be approved by the association. Such bank is herein referred to as the "Insurance Trustee." The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the sufficiency of coverage, nor for the form or contents of the policies, 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 to hold and disburse them as provided in Paragraph 9, next following.

9. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE - If any part of the common elements or units shall be damaged or destroyed by casualty, the same shall be repaired or replaced unless such damage rendered 75% or more of the units untenable, and 80% of the owners at a meeting called and held within sixty (60) days of the casualty or thirty (30) days after the insurance claim is adjusted (whichever comes first), vote against such repair or replacement, in which event the proceeds shall be distributed to the unit owners and their mortgages, as their interests may appear, and the condominium shall be terminated as provided in Paragraph 15 following.

A. ANY SUCH RECONSTRUCTION OR REPAIR shall be substantially in accordance with the original plans and specifications utilized in construction.

B. CERTIFICATE - The Insurance Trustee may rely upon a Certificate of the association certifying as to whether or not the damaged property is to be reconstructed or repaired. The association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

C. ESTIMATE OF COSTS - Immediately after a casualty causing damage to property for which the association has the responsibility of maintenance and repair, the association shall obtain reliable and detailed estimates of the cost to place the damaged property, insofar as reasonably possible, in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

D. ASSESSMENTS - If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the association (including the aforesaid fees and premium, if any) assessments shall be made against the unit owners who own the damaged property in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, such funds are insufficient, special assessment shall be made against the unit owners who own the damaged property in sufficient amounts to provide funds for the payment of such costs.

E. CONSTRUCTION FUNDS - The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by 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.

(1) **UNIT OWNER** - The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the unit owner to such contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the unit owner may direct, or if there is a mortgagee endorsement, then to such payees as the unit owner and the first mortgagee jointly direct. Nothing contained herein, however, shall be construed as to limit or modify the responsibility of the unit owner to make such reconstruction or repair.

(2) **ASSOCIATION** - Said Trustee shall make such payments upon the written request of the association, accompanied by a certificate signed by an officer of the association, and by the architect or General Contractor in charge of the work, who shall be selected by the association, setting forth that the sum then requested either has been paid by the association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials and several amounts so paid, or now due, and that the total cost as estimated by the person signing such certificate, does not exceed the remainder of the construction funds after the payment of the sum so disbursed.

(3) **SURPLUS** - It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and, 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 jointly to the beneficial owners of the funds, who are the unit owners and their mortgagees.

F. INSURANCE ADJUSTMENTS - Each unit owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association except in any case where the responsibility of reconstruction and repair lies with the unit owner, subject to the rights of mortgagees of such unit owners.

10. USE RESTRICTIONS - The use of the property of the condominium shall be in accordance with the Rules and Regulations attached as Exhibit O and the following provisions:

A. LAWFUL USE - All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the repair and maintenance of the property concerned as expressed earlier in this Declaration.

B. INTERPRETATION - In interpreting deeds, mortgages, and plans the existing physical boundaries of the unit shall be conclusively presumed to be its boundaries regardless of settling or lateral movement of the buildings and regardless of minor variances between boundaries shown on the plans or in the deed and those of the buildings.

C. REGULATIONS - Reasonable regulations concerning the use of the condominium property may be made and amended from time

to time by a seventy-five (75%) vote of the association. Copies of such regulations and amendments thereto shall be posted conspicuously and shall be furnished by the association to all unit owners. No regulation may discriminate against any group or class of users. No new or amended rule or regulations may be enforced prior to approval by the owners.

11. CONVEYANCE, DISPOSITION, FINANCING - In order to assure a community of congenial residents and thus protect the value of the units, the conveyance, disposal and financing of the units by any owner other than the developer shall be subject to the following provisions:

A. NO OWNER may sell, lease, give or dispose of a unit or any interest therein in any manner without the written approval of the Association except to another unit owner. Only entire units may be leased.

B. NO OWNER OTHER THAN THE DEVELOPER MAY MORTGAGE or finance his unit in any manner without the written approval of the association except to an institutional lender, provided that this shall not require approval for a unit owner who sells his unit from taking back a purchase money mortgage.

C. THE APPROVAL OF THE ASSOCIATION shall be obtained as follows:

(1) WRITTEN NOTICE SHALL BE GIVEN the association by the owner of his intention to lease, convey, dispose, finance or assign such interest, which notice shall include the name and address of the proposed acquirer and a correct and complete copy of the proposed documents to be executed to effectuate the transaction. The association may require such other and further information as it deems reasonably necessary, but may impose no charge in excess of actual expenditures reasonably required with a maximum charge of \$50.00. No charge shall be made in connection with an extension or renewal of a lease.

(2) IF A SALE, the association must, within 15 days after receipt of the information required above, either approve the transaction or furnish an alternate purchaser it approves or itself elect to purchase and the owner must sell to such alternate or to the association upon the same terms set forth in the proposal given the association, or the owner may withdraw his proposed sale. If the Association fails or refuses within the allotted time to notify the owner of either approval or disapproval, in writing, or if it fails to provide an alternate purchaser or purchase the unit itself then the Association shall conclusively be presumed to have approved the transaction, and the Association shall, upon demand, provide a certificate of approval.

(3) AT THE OPTION OF THE OWNER, if a dispute arises, it shall be resolved by arbitration in accord with the then existing rules of the American Arbitration Association and a judgment of specific performance upon the arbitrators' award may be entered in any court of jurisdiction. The arbitration expense shall be shared equally by the owner and the association.

(4) THE SALE SHALL BE CLOSED WITHIN THIRTY (30) DAYS after an alternate purchaser has been furnished or the Association has elected to purchase or within thirty (30) days of the arbitration award, whichever is later.

D. IF THE PROPOSED TRANSACTION IS A LEASE, GIFT, mortgage to a lender other than those types listed in Paragraph B above, assignment of interest or other disposition than a sale, notice of disapproval of the association shall be promptly sent

in writing to the owner or interest holder and the transaction shall not be made.

E. LIENS -

(1) **PROTECTION OF PROPERTY** - All liens against a unit other than for permitted mortgages, taxes or special assessments, will be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special assessments upon a unit shall be paid before becoming delinquent.

(2) **NOTICE OF LIEN** - An owner shall give notice to the association of every lien upon his unit other than for permitted mortgages, taxes and special assessments within seven (7) business days after the attaching of the lien.

(3) **NOTICE OF SUIT** - An owner shall give notice to the association of every suit or other proceedings which may affect the title to his unit, such notice to be given within seven (7) business days after the owner receives knowledge thereof.

(4) **FAILURE TO COMPLY** with this section concerning liens shall not affect the validity of any judicial sale.

F. JUDICIAL SALES - No judicial sale of a unit nor any interest therein shall be valid unless the sale is a public sale with open bidding.

G. UNAUTHORIZED TRANSACTIONS - Any transaction which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the association.

12. COMPLIANCE AND DEFAULT - Each owner and the association shall be governed by and shall comply with the terms of the condominium documents as they may be amended from time to time.

A. Failure to comply shall be grounds for relief, which relief may include but shall not be limited to an action to recover sums due for damages or injunctive relief or both, and which actions may be maintained by the association or by an aggrieved owner.

B. In any such proceeding the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be awarded by the Court.

C. In the event that the grievance is that of an owner or owners against the Board of Directors or a member thereof, prior to the institution of litigation, written notice in detail of the grievance shall be given the Directors and they shall be allowed a period of twenty (20) days in which to cure or correct.

D. NO WAIVER OF RIGHTS - The failure of the association or any owner to enforce any covenant, restriction or other provision of the condominium documents shall not constitute a waiver of the right to do so thereafter as to later infractions.

13. LEASING - Apartments in this condominium may be leased provided that approval of the Association is received pursuant to Article 11 of this Declaration and also in accordance with the Rules of the Association, as from time to time may be amended. No unit owner is required to use a leasing agent affiliated with the developer.

14. AMENDMENTS - Amendments to any of the condominium documents shall be in accordance with the following:

A. An amendment may be proposed either by the Board of Directors or by any owner and may be considered at any meeting of the owners, regular or special, of which due notice has been given according to the Bylaws, which notice includes notice of the substance of the proposed amendment. Passage shall be evidenced by a certificate executed with the formalities of a deed signed by the President or Vice President and Secretary of the association that it has been enacted by the affirmative vote of the required percentage of unit owners (which vote may be evidenced by written approval of owners not present) and the separate written joinder of mortgagees where required; shall include the recording data identifying the Declaration and which shall become effective when recorded according to law.

B. AMENDMENT OF LEGAL DESCRIPTION - Developer may make nonmaterial changes in the legal description and create or amend the description and easements without permission of the unit owner or owners.

C. CORRECTORY AMENDMENT - Whenever it shall appear that there is a defect, error or omission in any of the condominium documents amendment of which will not materially adversely affect the property rights of unit owners, a fifty-one (51%) vote of the owners shall be the required percentage, or the procedure set forth in F.S. 718.110(5) may be utilized.

D. REGULAR AMENDMENTS - An amendment which does not change the configuration or size of any condominium unit or appurtenances in a fashion which materially adversely affects the property rights of owners may be enacted by a seventy-five percent (75%) vote.

E. EXTRAORDINARY AMENDMENTS - An amendment which will have the effect of doing any of the things mentioned in "C" next-above shall require the affirmative vote of all the record owners of the affected units and all record owners of liens thereon and the affirmative vote of the owners of all other units. This section shall be deemed to include enlargement of, material alteration of or substantial additions to the common elements only if the same will have a material adverse effect on the owners' property rights; which shall otherwise be treated as regular amendments. Any vote changing the percentage of ownership of the common elements or sharing the common expenses shall be conducted by secret ballot.

15. TERMINATION - The condominium shall be terminated, if at all, in the following manner:

A. By the agreement of one hundred percent (100%) of the owners which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyance of land. The termination shall become effective when such Agreement has been recorded according to law. In the event of damage or destruction by casualty as set forth in Article 8 of this Declaration, the required percentage shall be eighty percent (80%).

B. SHARES OF UNIT OWNERS AFTER TERMINATION - After termination of the condominium, the owners shall own the property as tenants in common in undivided shares and the holders of mortgages and liens against the unit or units formerly owned by such owners shall have mortgages and liens upon the respective undivided shares of the owners. Such undivided shares of the owners shall be as by the formula set forth in Article 19. All funds held by the Association, except for the reasonably necessary expenses of winding up shall be disbursed to the Unit owners in the shares set forth in Article 19. The costs incurred by the Association in connection with a termination shall be a common expense.

C. FOLLOWING TERMINATION - The property may be partitioned and sold upon the application of any owner. Provided however, that if the Board of Directors following a termination, by unanimous vote, determines to accept an offer for the sale of the property as a whole, each owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

D. THE MEMBERS OF THE LAST BOARD OF DIRECTORS shall continue to have such powers as in this Declaration are granted, notwithstanding the fact that the association itself may be dissolved upon a termination.

16. PROVISIONS PERTAINING TO THE DEVELOPER -

A. So long as the Developer holds more than one unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

(1) Assessment of the Developer as a unit owner for capital improvements.

(2) Any action by the association that would be detrimental to the sale of units or the completion of the project by the Developer including such use of unsold units, common elements, and common areas as may facilitate completion and/or sale, maintenance of a sales office, showing the property and display of signs.

B. Until a majority of the Board of Directors of the Association is elected from owners other than the Developer or its nominees, the Developer reserves the right for itself or its nominees to provide and charge for management which shall be fair and reasonable, provided Developer first enter into a management agreement with the Association.

C. The Developer guarantees that each unit owner shall be required to pay no more than \$200 per month (payable \$600 quarterly, in advance) as common expenses of each apartment for a one year period following the closing of the first unit in the condominium; except as to increases for insurance premiums and utilities (non-statutory guarantee). Developer is not excused from payments for this period.

D. The Developer reserves for itself and its successors easements for utilities, ingress, egress, traffic flow, parking (except where specifically reserved for a unit owner) and such other easement as may facilitate the development of other condominiums on the project, on and over the condominium to serve other condominiums which may be constructed on adjacent properties.

E. The Developer is selling units in this condominium as interests in real property and not as a security or investment contract.

17. RIGHTS OF MORTGAGEES - Where the mortgagee of a first mortgage of record obtains title to a unit by foreclosure, or deed in lieu of foreclosure, such mortgagee and its successors and assigns shall not be liable for such unit's assessments or share of the common expenses which become due prior to acquisition of title unless such share is secured by a claim of lien for assessments recorded prior to the recordation of the

subject mortgage. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. See F.S. 718.116(1)(a).

Also, such mortgagees may occupy, lease, sell or otherwise dispose of such unit without the approval of the association.

For the period that a contract to purchase a unit which is the subject of this Declaration of Condominium is executory, the interest of the contract purchaser is subordinate to the lien of the construction lender. The lien of the construction lender will be released as to a particular unit upon the sale of a particular unit in the ordinary course of business.

18. ENFORCEMENT OF ASSESSMENT LIENS - Liens for assessments may be foreclosed by suit brought in the name of the association in like manner as a foreclosure of mortgage on real property. During his occupancy, the foreclosed owner may, in the discretion of the court, be required to pay a reasonable rental and the association shall be entitled to the appointment of a receiver to collect the same, and the association shall have all the powers provided in F.S. 718.116, including specifically interest at the highest interest rate allowable by law, not to exceed 18% per annum on unpaid assessments and reasonable attorney's fees incident to the collection of such assessment of enforcement of such lien, with or without suit.

19. ADMINISTRATION OF THE CONDOMINIUM BY THE ASSOCIATION - To efficiently and effectively provide for the administration of the Condominium by the owners of Units, a non-profit Florida corporation, known and designated as "HARBOR INN AT THE MOORINGS ASSOCIATION, INC." (referred to herein as the "Association"), has been organized, and said corporation shall administer the operation and management of the Condominium. The Association will undertake and perform all acts and duties in accordance with the terms of this and other Declarations of Condominium, and the terms of the Articles of Incorporation of the Association, and the By-Laws of said corporation are annexed hereto and expressly made a part hereof as Exhibits B and C, respectively.

A. ALL OWNERS OF UNITS shall automatically become members of the Association upon acquiring an ownership interest in or title to any unit and appurtenant undivided interest in common property in Harbor Inn North, a condominium, or in any other condominium which may be established on lands adjoining, adjacent, contiguous or nearby to the land herein submitted to the condominium form of ownership by Developer. No other persons or entities shall be entitled to membership.

B. MEMBERSHIP IN THE ASSOCIATION shall be established by the recording in the Public Records of Indian River County, Florida, a deed or other instrument establishing a change of record title to a unit in the condominium and delivery to the association of a copy of such instrument, the new owner thereby becoming a member of the association. The membership of the prior owner shall be thereby terminated. Provided, however, that the change of ownership and occupancy of the new owner must have been in compliance with this declaration and the association need not recognize membership or ownership in any person until its requirements have been complied with.

C. ASSOCIATION POWERS - In the administration of the operation and management of the Condominium, said Association shall have the authority and power to enforce the provisions of this Declaration of Condominium, levy and collect assessments in the manner herein provided, and to adopt, promulgate and enforce

such rules and regulations governing the use of the Units, Association Property, Common Elements, Limited Common Elements, Common Areas and Limited Common Areas as the Board of Directors of the Association may deem to be in the best interest of the Condominium.

D. VOTE - On all matters on which the membership is entitled to vote, there shall be one (1) vote for each Unit in this or other Condominiums. Should any member own more than one Unit in the Condominium, or in Condominiums heretofore or subsequently created upon Lot 56, Unit 2, The Moorings, such member shall be entitled to exercise as many votes as he owns Units.

E. OWNERSHIP OF ASSOCIATION PROPERTY shall be on a pro-rata basis, each member's share based on the following formula:

$$\frac{1}{\text{Number of Units in All Condominiums on the Project}} = \text{Share of Ownership}$$

20. INDEMNIFICATION - Every Director of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been a Director of the Association, or any settlement thereof, whether or not he is a Director at the time such expenses are incurred, except in cases wherein the Director is adjudged guilty of nonfeasance, misfeasance or malfeasance in the performance of his duties, or shall have breached his fiduciary duty to the members of the Association. Provided, however, that the Association shall not be liable for payment of a voluntary settlement unless it is first approved by the Board of Directors.

21. COMMON EXPENSES, COMMON SURPLUS, AND OWNERSHIP OF COMMON ELEMENTS - The apportionment of common expenses and ownership of the common elements and surplus has been determined on a per unit basis, each unit's payment share is based on a share of the total by the following formula:

$$\frac{1}{\text{Number of Units in the Condominium}} = \text{Share of Common Expenses, Surplus and Elements}$$

The Developer's obligations hereunder are subject to the Developer entering into a sufficient number of Contracts for Sale to assure satisfactory condominium operation.

22. PARKING - Each unit shall have such parking space or spaces as designated on the Plot Plan, Exhibit G and/or as may otherwise be designated on said plan.

23. UNTIL THE COMPLETION OF THE CONTEMPLATED IMPROVEMENTS to the condominium property, the Developer specifically reserves the right, without the joinder of any person, to make such changes in the declaration and its attachments or in the plan of development, as may be required by any lender, governmental authority or as may be, in its judgment, necessary or desirable. This paragraph shall take precedence over any other provision of the declaration or its attachments.

24. NO TIME SHARING - No unit or units in the condominium may be converted to time sharing or interval ownership usage or any other vacation-type plan.

25. RECREATION AND COMMON FACILITIES - The Developer does not commit to build facilities located in Harbor Inn North, a Condominium, until such time as Developer enters into sufficient Contracts for Sale to assure satisfactory condominium operation.

A. OCEANFRONT PROPERTY - There is available an optional membership in THE MOORINGS OF VERO PROPERTY OWNERS' ASSOCIATION, INC., hereinafter "Moorings Owners' Association," with facilities described as follows:

Oceanfront recreational property of The Moorings Owners' Association consists of Lot 50, as shown on the plat of The Moorings, Unit One, an oceanfront lot having approximately 400 feet of ocean frontage and an average depth of approximately 300 feet. The Moorings Development Company has conveyed this lot to Moorings of Vero Property Owners' Association, a Florida corporation not for profit, for the sole use and benefit of eligible owners of residential property in all present and future units of The Moorings Subdivision who are members in good standing of the aforementioned Association or are otherwise authorized to use this lot by the Articles of Incorporation and Bylaws of The Moorings of Vero Property Owners' Association. Located on the east central part of the property are two tiki huts and two charcoal grills. For further information about the Moorings Owners Association concerning privileges and fees, one should contact them directly by writing P. O. Box 3726, Vero Beach, FL 32964.

B. THE MOORINGS CLUB - There may be available an OPTIONAL membership in THE MOORINGS CLUB, INC. herein "Moorings Club" with facilities as follows:

The Club property is approximately 73 acres located in Section 21, Township 33S, Range 40E, in unincorporated Indian River County. On this property are a clubhouse, swimming pool, 18-hole executive golf course, and tennis courts. For further information, see "The Moorings Club, Inc. Membership Plan", available from the Club Secretary. The Moorings Club, Inc. is a Florida corporation not for profit.

26. SECURITY - This condominium and other condominiums on the project participate in the security program offered by THE MOORINGS OF VERO SECURITY, INC. This is a Florida corporation not for profit and operated by owners in The Moorings Subdivision independent of the Developer.

27. TIME FOR CONSTRUCTION - The Developer states that the time period within which Harbor Inn North, a Condominium must be completed is December 31, 1989.

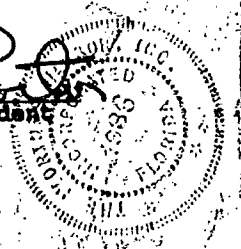
NOTE: The Developer has every expectation that the condominium will be completed much sooner than shown above, but as the Condominium Act, F.S. 718.503(1), requires that a legal deadline be set forth in the Declaration, ample time is being given to cover any eventuality.

28. SEVERABILITY - If any provision of this Declaration or the exhibits thereto, as now constituted or as later amended, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances is held invalid, the validity of the remainder and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

THIS DECLARATION OF CONDOMINIUM and attachments hereto made and entered into this 29th day of February, 1988.

THE MOORINGS HARBOR, INC.
a Florida corporation

By *Donald C. Proctor*
Donald C. Proctor, President

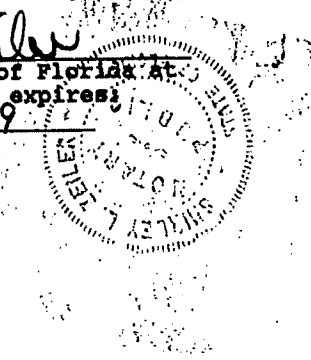


STATE OF FLORIDA
COUNTY OF INDIAN RIVER

I hereby certify that on this 29th day of February, 1988, before me personally appeared DONALD C. PROCTOR, President of The Moorings Harbor, Inc., a corporation under the laws of the State of Florida, to be known to be the person who signed the Declaration of Condominium as such individual and acknowledged the execution thereof to be his free act and deed as such officer for the uses and purposes therein mentioned and that he affixed thereto the official seal of said corporation and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal in the County of Indian River, State of Florida, the day and year last aforesaid.

Shirley L. Ziler
Notary Public, State of Florida At-Large. My Commission expires 2-5-89



10-50
Copies 2.00

542401

CONSENT OF MORTGAGEE

ATICO SAVINGS BANK, a stock savings and loan association existing under the laws of the State of Florida, the owner and holder of a mortgage executed by THE MOORINGS HARBOR, INC., a Florida corporation, to ATICO SAVINGS BANK dated June 3, 1987 and recorded on June 4, 1987 in Official Records Book 770, page 175, public records of Indian River County, Florida, and covering the following described property to wit:

A portion of Lot 56, The Moorings, Unit #2, as recorded in Plat Book 8, Page 28A, Public Records of Indian River County, Florida, and more particularly described as follows:

Beginning at the Southeast corner of Lot No. 60 of The Moorings, Unit 2, as recorded in Plat Book 8, Page 28A of the Public Records of Indian River County, Florida;

thence, N 88 degrees 55' 02" E, 226.00 feet to a point;

thence, N 01 degrees 04' 58" W, 104.14 feet to a point on the Southerly right-of-way line of Windward Way;

thence, S 89 degrees 54' 43" W along said right-of-way line 22.09 feet to the point of curvature of a tangent circular curve concave to the North and having a radius of 355.00 feet;

thence, Along said circular curve and along said right-of-way line for an arc distance of 160.56 feet and through a central angle of 25 degrees 54' 52" to a point, said point being the point of curvature of a tangent circular curve concave to the Southwest having a radius of 96.16 feet;

thence, Along said circular curve and along said right-of-way for an arc distance of 47.28 feet and through a central angle of 28 degrees 10' 21" to a point, said point being the Northeasterly corner of Lot 60 of said plat;

thence, S 00 degrees 19' 38" W, 153.34 feet to the Point of Beginning.

Said parcel contains 0.6335 acres and lies wholly in Indian River County, Florida.

joins in and consents to the Declaration of Condominium of Harbor Inn, North, a condominium dated the 29th day of February, 1988, covering the above-described property, but does not join in such Declaration with prejudice to its rights under its mortgage, and such joinder is not meant to include mortgages as a developer in any way and mortgagee assumes no obligations of the developer through this Consent nor do any obligation of the developer attach to it.

THIS INSTRUMENT PREPARED BY:
DOROTHY A. HUDSON, ESQ.
2125 WINDWARD WAY
VERO BEACH, FL 32960
Call 231-5144

FILED FOR RECORD
BOOK AND PAGE ABOVE
88 MAR -8 PH 1:13
FRED A. WRIGHT
CLERK OF CIRCUIT COURT
INDIAN RIVER CO., FL.
BY *Fred Wright*

IN WITNESS WHEREOF said Mortgagee has caused this Consent of Mortgagee to be executed in its name and by its duly authorized officer, and has caused its corporate seal to be hereunto affixed this 7th day of March, 1988.

Signed, sealed and delivered in the presence of:

Diana L. Stares
Deanna M. Lee

ATICO SAVINGS BANK

By: [Signature]
Vice-President

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF DADE

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared RICHARD D. NELSON, well known to me to be the Vice President of ATICO SAVINGS BANK, and he acknowledged executing the same for the purpose therein set forth in the presence of two subscribing witnesses freely and voluntarily under authority vested in him by said corporation and that the seal affixed thereto is the corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 7th day of March, 1988.

[Signature]
NOTARY PUBLIC, State of Florida at
Large.

My commission expires: NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JULY 8, 1991

1cc 2/23
copies
5.00

call Dorothy Hudson 231-5144

State of Florida



Department of State

542402

I certify that the attached is a true and correct copy of the Articles of Incorporation of HARBOR INN AT THE MOORINGS ASSOCIATION, INC.

a corporation organized under the Laws of the State of Florida, filed on January 3, 1986

The charter number for this corporation is N12849

FILED FOR RECORD
BOOK AND PAGE ABOVE

88 MAR -8 PM 1:13

FREDA WRIGHT
CLERK OF CIRCUIT COURT
INDIAN RIVER CO., FLA.
BY *Dotti Redford*, D.C.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 3rd day of January, 1986.

George Firestone
Secretary of State



WP-104 CER-101