

## INDEX TO PROSPECTUS

### SOMERSET BAY, A CONDOMINIUM

	<u>PAGE</u>
1. NAME AND LOCATION	1
2. PHASE DEVELOPMENT	1
3. EASEMENTS	1
4. MAXIMUM NUMBER OF UNITS USING COMMON FACILITIES	1
5. NUMBER OF UNITS BEING SOLD SUBJECT TO A LEASE	1
6. RECREATIONAL AND OTHER COMMON FACILITIES	2
7. OPERATING BUDGET	2
8. UTILITIES	2
9. APPORTIONMENT OF COMMON EXPENSES, OWNERSHIP OF COMMON ELEMENTS AND PROPERTY	2
10. RESTRICTIONS ON CONDOMINIUM USE	3
11. CLOSING EXPENSES	3
12. IDENTITY AND EXPERIENCE OF DEVELOPER AND CHIEF OPERATING OFFICER	3
13. DEVELOPER'S OBLIGATION FOR COMMON EXPENSES	3
14. WARRANTIES	3
15. OPERATING RESERVES	4
16. TIME-SHARE ESTATES	4
17. EVIDENCE OF DEVELOPER'S OWNERSHIP INTEREST	4

#### THE FOLLOWING ITEMS ARE INCLUDED AS EXHIBITS TO THIS PROSPECTUS:

1. Declaration of Condominium
2. Articles of Incorporation
3. By-Laws
4. Plot plan showing the location of the residential buildings and the recreation and other common areas and the floor plans of the units
5. Estimated operating budget and the schedule of unit owner's expenses
6. Contract for Sale and Purchase
7. Executed Escrow Agreement
8. Evidence of Developer's Ownership
9. Sales Brochure (N/A)
10. Frequently Asked Questions
11. Receipt for Condominium Documents

1. **NAME AND LOCATION:** SOMERSET BAY, A CONDOMINIUM, is located at Somerset Bay Lane, in Vero Beach, Florida. The Condominium will consist of a minimum of three (3) buildings containing eighteen (18) residential units, and a maximum of eleven (11) buildings containing sixty-six (66). The minimum number of units contained in each building will be six (6) and the maximum number of units in any building will be six (6). The minimum number of bathrooms in any unit will be two (2) and the maximum number of bathrooms in any unit will be three (3).

There are two (2) type units:

A-type unit - 2760 square feet of living area; 2 bedrooms and 2 baths;  
B-type unit - 2760 square feet of living area; 3 bedrooms and 3 baths;

The graphic description of each building is shown on Pages 7, 13, 18, and 22, of Exhibit A to the Declaration of Condominium. For legal description, survey and plot plan of the Condominium see Exhibit A to the Declaration of Condominium. Completion of construction, finishing, and equipping of Phase I of the Condominium is estimated to be by January 31, 2001.

2. **PHASE DEVELOPMENT:** SOMERSET BAY, A CONDOMINIUM is a Phase Condominium. The legal descriptions and location of four phases are shown on Exhibit A, Pages 5, 6, 9, 10, 11, 12, 16, 17, 20, and 21. The first phase (Phase I) will contain no less than and no more than three (3) buildings containing no more than and no less than eighteen (18) units. The second phase (Phase II), if added to the Condominium, will contain no more than and no less than three (3) buildings containing no more than and no less than eighteen (18) units. The third phase (Phase III), if added to the Condominium, will contain no more than and no less than three (3) buildings containing no more than and no less than eighteen (18) units. The fourth phase (Phase IV), if added to the Condominium, will contain no more than and no less than two (2) buildings containing no more than and no less than twelve (12) units. In all four phases, the unit sizes shall be approximately 2,760 square feet (all computed under roof and enclosed). The residential buildings and units which may be added to the Condominium will not be substantially different from the residential buildings and units in Phase I of the Condominium. Phases II, III, and IV must be submitted within seven (7) years from the date the Declaration is recorded in the Public Records of Indian River County, Florida. The law requires all phases to be added to the Condominium to be submitted within seven (7) years from the recording of the Declaration. The types of units contained in each Phase will be dependent on the preferences of the buyers.

**THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM.**

See Article XXXII of the Declaration of Condominium for further description of phasing.

3. **EASEMENTS:** The unit owners and occupants of SOMERSET BAY shall have a non-exclusive easement to streets, walks, and other common elements from and to the public streets adjacent to the condominium complex with all of the owners and/or occupants of the Condominium. The non-exclusive easements are described in detail in Article II of the Declaration of Condominium.
4. **MAXIMUM NUMBER OF UNITS USING COMMON FACILITIES:** The maximum number of units using the common facilities will be sixty-six (66) units.
5. **NUMBER OF UNITS BEING SOLD SUBJECT TO A LEASE:** There are no units being sold subject to a lease, although the Developer reserves the right to rent units in its sole discretion.

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

1. NAME AND LOCATION: SOMERSET BAY, A CONDOMINIUM, is located at Somerset Bay Lane, in Vero Beach, Florida. The Condominium will consist of a minimum of three (3) buildings containing eighteen (18) residential units, and a maximum of eleven (11) buildings containing sixty-six (66). The minimum number of units contained in each building will be six (6) and the maximum number of units in any building will be six (6). The minimum number of bathrooms in any unit will be two (2) and the maximum number of bathrooms in any unit will be three (3).

There are two (2) type units:

- A-type unit - 2760 square feet of living area; 2 bedrooms and 2 baths;
- B-type unit - 2760 square feet of living area; 3 bedrooms and 3 baths;

The graphic description of each building is shown on Pages 7, 13, 18, and 22, of Exhibit A to the Declaration of Condominium. For legal description, survey and plot plan of the Condominium see Exhibit A to the Declaration of Condominium. Completion of construction, finishing, and equipping of Phase I of the Condominium is estimated to be by January 31, 2001.

2. PHASE DEVELOPMENT: SOMERSET BAY, A CONDOMINIUM is a Phase Condominium. The legal descriptions and location of four phases are shown on Exhibit A, Pages 5, 6, 9, 10, 11, 12, 16, 17, 20, and 21. The first phase (Phase I) will contain no less than and no more than three (3) buildings containing no more than and no less than eighteen (18) units. The second phase (Phase II), if added to the Condominium, will contain no more than and no less than three (3) buildings containing no more than and no less than eighteen (18) units. The third phase (Phase III), if added to the Condominium, will contain no more than and no less than three (3) buildings containing no more than and no less than eighteen (18) units. The fourth phase (Phase IV), if added to the Condominium, will contain no more than and no less than two (2) buildings containing no more than and no less than twelve (12) units. In all four phases, the unit sizes shall be approximately 2,760 square feet (all computed under roof and enclosed). The residential buildings and units which may be added to the Condominium will not be substantially different from the residential buildings and units in Phase I of the Condominium. Phases II, III, and IV must be submitted within seven (7) years from the date the Declaration is recorded in the Public Records of Indian River County, Florida. The law requires all phases to be added to the Condominium to be submitted within seven (7) years from the recording of the Declaration. The types of units contained in each Phase will be dependent on the preferences of the buyers.

**THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM.**

See Article XXXII of the Declaration of Condominium for further description of phasing.

3. EASEMENTS: The unit owners and occupants of SOMERSET BAY shall have a non-exclusive easement to streets, walks, and other common elements from and to the public streets adjacent to the condominium complex with all of the owners and/or occupants of the Condominium. The non-exclusive easements are described in detail in Article II of the Declaration of Condominium.
4. MAXIMUM NUMBER OF UNITS USING COMMON FACILITIES: The maximum number of units using the common facilities will be sixty-six (66) units.
5. NUMBER OF UNITS BEING SOLD SUBJECT TO A LEASE: There are no units being sold subject to a lease, although the Developer reserves the right to rent units in its sole discretion.

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

THE CONDOMINIUM IS BEING CREATED AND ALL UNITS ARE BEING SOLD AS FEE SIMPLE INTERESTS.

6. RECREATIONAL AND OTHER COMMON FACILITIES: The recreational facilities to be constructed in the Condominium consist of one swimming pool and a clubhouse of approximately 3,500 square feet enclosed.

SWIMMING POOL

Size	50' x 20'
Depth	3-6 feet
Approximate Capacity	40 persons
Deck	2,640 square feet
Heated	Yes
Estimated Date of Completion	January, 2004

The Developer will not provide any items of personal property. The Developer may provide additional recreational facilities; but none are planned. The recreational facilities will be contained in Phase II of the Condominium and will be constructed if Phase II is completed.

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

The Developer's plan does not include a program of leasing units rather than selling them, although the Developer reserves the right to lease units in its discretion.

There will not be a contract for the management or maintenance and operation of the condominium property.

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

See Article VI, page 5, of the Declaration of Condominium.

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

See Article X (B) page 15 of the Declaration of Condominium.

7. OPERATING BUDGET: The estimated operating budget for SOMERSET BAY, A CONDOMINIUM, is enclosed in the condominium documents. Monthly and annual operating costs per unit are itemized. (See Exhibit 5 to this Prospectus).

8. UTILITIES: Utilities will be provided as follows:

Water	Indian River County
Electricity	FPL
Telephone	BellSouth
Cable Television	AT&T Cable
Sewer Disposal	Indian River County
Trash Removal	Waste Management

Electricity for the common elements, complete ground care, maintenance and repair of the building, pool, insurance on the building and common facilities, are listed in the Projected Operating Budget attached hereto as Exhibit 5. (See Article IX, Page 14, of the Declaration of Condominium as to the owner's responsibility for maintenance and repairs within his/her own unit).

9. APPORTIONMENT OF COMMON EXPENSES, OWNERSHIP OF COMMON ELEMENTS AND PROPERTY: Each unit's percentage ownership in the common elements is determined by a fraction, the numerator of which is one and the denominator of which is

the total number of units in the Condominium. This fraction will determine each unit's proportion of ownership in the common elements, manner of sharing common expenses, and ownership of the common surplus. Since this is a Phase Condominium, a unit's applicable percentage will change with the addition of an additional Phase. If only Phase I is built, each unit's percentage ownership will be 1/18. If and when Phase II is completed, each unit's percentage will be 1/36. If and when Phase III is completed, each unit's percentage will be 1/54. If and when Phase IV is completed, each unit's percentage will be 1/66.

10. **RESTRICTIONS ON CONDOMINIUM USE:** Each unit is restricted to residential use by the owner or owners thereof, their immediate families, guests, servants and invitees. Each two (2) bedroom unit is hereby restricted to no more than five (5) occupants; and each three (3) bedroom unit is hereby restricted to no more than six (6) occupants. There are no restrictions upon children. Units may be leased by written lease which shall be submitted in writing to the Board prior to occupancy by the tenant. The minimal rental period is six (6) months. A maximum of two (2) pets (dogs or cats) shall be allowed to be kept in the owner's unit; however, the total weight of any pet shall not exceed forty (40) pounds, and all pets must be kept on a leash on the Condominium grounds and shall not create a nuisance. No sign, advertisement or notice of any type shall be shown on the common property or any unit and no exterior antennas and aerials shall be erected except as provided under uniform regulations promulgated by the Association. It is prohibited to hang garments, rugs, etc. from the windows or from any of the facades of the project. No auto parking space may be used for any purpose other than parking automobiles, vans and non-commercial pick-up trucks which are in operating condition. No other vehicles or objects including but not limited to commercial trucks, recreational vehicles, motorhomes, motorcycles, boats or trailers will be parked or placed upon such portions of the Condominium property unless permitted by the Board of Administration. All owners and residents of the Condominium are restricted to two permitted vehicles without the Association's consent to bring additional vehicles on the premises. All vehicles shall be parked in the appropriate garage or on the assigned driveway except when loading or unloading vehicles. See Use Restrictions, Article X, Pages 15 and 16, of the Declaration of Condominium.
11. **CLOSING EXPENSES:** At the time of closing, Developer shall provide an owner's title insurance policy in the amount of the purchase price and the cost of recording any corrective instruments. Buyer shall pay for the owner's title insurance policy, the state documentary stamps to be affixed to the warranty deed, recording of the warranty deed and all mortgage costs, including mortgage title insurance, if Buyer's unit is to be mortgaged. At closing, Buyer shall pay a contribution of \$500.00 to the Developer for deposit into the Condominium working capital fund. This contribution is not to be considered as advance maintenance payments.
12. **IDENTITY AND EXPERIENCE OF DEVELOPER AND CHIEF OPERATING OFFICER:** The Developer is WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation. This corporation has no prior experience in developing condominiums. JOHN GENONI, SR., the President of WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation, is the chief operating officer of the corporation. Mr. Genoni has more than thirty (30) years of experience in residential real estate construction and development in Florida, including condominiums.
13. **DEVELOPER'S OBLIGATION FOR COMMON EXPENSES:** The Developer shall be excused from the payment of its share of common expenses and assessments related thereto on units it owns in the Condominium for a period of time commencing with the date of the recording of the Declaration of Condominium until December 31, 2005, during which period Developer guarantees that the assessments for common expenses of the Condominium imposed upon the respective unit owners shall not increase over \$398.00 per month, and obligates itself to pay any amount of common expenses incurred during said period of time not offset by the assessments at the guaranteed level.
14. **WARRANTIES:** There are no express warranties unless they are stated in writing by the Developer.

15. OPERATING RESERVES: The Board of Directors shall establish reserve accounts for capital expenditures and deferred maintenance. These accounts shall include but not be limited to roof replacement, building painting and pavement resurfacing. (See Article 6 B of the By-Laws.)
16. TIME-SHARE ESTATES: The Developer has not reserved the right to create time-share estates pursuant to Section 718.1045, Florida Statutes.
17. EVIDENCE OF DEVELOPER'S OWNERSHIP INTEREST: A copy of the Contract for Sale and Purchase is attached hereto as Exhibit 8.

# SOMERSET BAY, A CONDOMINIUM

## TABLE OF CONTENTS

- I. Prospectus
  - A. Exhibits
    - 1. Declaration of Condominium
    - 2. Articles of Incorporation
    - 3. By-Laws
    - 4. Plot plan showing the location of the residential buildings and the recreation and other common areas and the floor plans of the units
    - 5. Estimated operating budget and the schedule of unit owner's expenses
    - 6. Contract for Sale and Purchase
    - 7. Executed Escrow Agreement
    - 8. Evidence of Developer's Ownership
    - 9. Sales Brochure
    - 10. Frequently asked questions
    - 11. Receipt for Condominium Documents

This instrument prepared by and return to:  
GARY B. FRESE, ESQ.  
FRESE, NASH & HANSEN, P.A.  
930 S. Harbor City Blvd., Suite 303  
Melbourne, Florida 32901

## INDEX TO DECLARATION OF CONDOMINIUM

OF

### SOMERSET BAY, A CONDOMINIUM

		PAGE
I.	ESTABLISHMENT OF CONDOMINIUM	2
II.	SURVEY AND DESCRIPTION OF IMPROVEMENTS	2
III.	OWNERSHIP OF UNITS AND APPURTENANT SHARE IN COMMON ELEMENTS	3
IV.	UNIT BOUNDARIES, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS	4
V.	ADMINISTRATION OF CONDOMINIUM BY SOMERSET BAY CONDOMINIUM ASSOCIATION, INC.	5
VI.	MEMBERSHIP AND VOTING RIGHTS	5
VII.	COMMON EXPENSES, ASSESSMENTS, COLLECTION, LIEN AND ENFORCEMENT LIMITATIONS	6
VIII.	INSURANCE COVERAGE, USE AND DISTRIBUTION OF PROCEEDS, REPAIR OR RECONSTRUCTION AFTER CASUALTY, CONDEMNATION	10
IX.	RESPONSIBILITY FOR MAINTENANCE AND REPAIRS	14
X.	USE RESTRICTIONS	15
XI.	LIMITATIONS UPON RIGHT OF OWNER TO ALTER OR MODIFY UNIT	17
XII.	ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY ASSOCIATION	17
XIII.	AMENDMENT OF DECLARATION	17
XIV.	TERMINATION OF CONDOMINIUM	17
XV.	ENCROACHMENTS	19
XVI.	ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES	20
XVII.	ESCROW FOR INSURANCE PREMIUMS	20
XVIII.	REAL PROPERTY TAXES DURING INITIAL YEAR OF CONDOMINIUM	21
XIX.	RESPONSIBILITY OF UNIT OWNERS	21
XX.	WAIVER	21
XXI.	CONSTRUCTION	21
XXII.	GENDER	22
XXIII.	CAPTIONS	22
XXIV.	REMEDIES FOR VIOLATIONS	22
XXV.	TIME-SHARE RESERVATION	22
XXVI.	FINES	23
XXVII.	SIGNAGE	23
XXVIII.	INSTITUTIONAL MORTGAGEE	23
XXIX.	RIGHTS RESERVED UNTO INSTITUTIONAL MORTGAGEES	23
XXX.	NOTICE TO INSTITUTIONAL MORTGAGEES	24
XXXI.	CABLE TV	24
XXXII.	PHASE CONDOMINIUM	24
		25



DECLARATION OF CONDOMINIUM  
OF  
SOMERSET BAY, A CONDOMINIUM

WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation, hereinafter called "Developer," does hereby make, declare, and establish this Declaration of Condominium (hereinafter sometimes called "this Declaration"), as and for a plan of condominium unit ownership for SOMERSET BAY, A CONDOMINIUM, consisting of real property and improvements thereon as hereinafter described.

All restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, and shall rule perpetually unless terminated as provided herein and shall be binding upon all parties or persons subsequently owning property in said condominium, and in consideration of receiving and by acceptance of a conveyance, grant, devise, lease, or mortgage, all grantees, devisees, lessees, and assigns and all parties claiming by, through or under such persons, agree to be bound by all provisions hereof. Both the burdens imposed and the benefits shall run with each unit and the interests in the common property as herein defined.

I

ESTABLISHMENT OF CONDOMINIUM

The Developer is the owner of the fee simple title to that certain real property situate in the County of Indian River, and State of Florida, which property is more particularly described as follows; to-wit:

SEE EXHIBIT "A"

and on which property the Developer plans to build three (3) buildings containing a total of eighteen (18) units with garages and other appurtenant improvements as hereinafter described. There are two (2) different types of units planned:

A-type unit - 2760 square feet of living area; 2 bedrooms and 2 baths

B-type unit - 2760 square feet of living area; 3 bedrooms and 3 baths

The Developer does hereby submit the above described real property, together with the improvements thereon, to condominium ownership pursuant to the Florida Condominium Act, and hereby declares the same to be known and identified as SOMERSET BAY, A CONDOMINIUM, hereinafter referred to as the "condominium." This is a Phase Condominium. See Article XXXII for provisions related to additional phases.

The provisions of the Florida Condominium Act are hereby adopted herein by express reference and shall govern the condominium and the rights, duties and responsibilities of unit owners hereof, except where permissive variances therefrom appear in the Declaration and the By-Laws and Articles of Incorporation of SOMERSET BAY CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit.

The definitions contained in the Florida Condominium Act shall be the definition of like terms as used in this Declaration and exhibits hereto unless other definitions are specifically set forth.

II

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Attached hereto and made a part hereof, and marked Exhibit B consisting of thirty-one (31) pages are boundary surveys of the entire premises, a graphic plot plan of the overall planned improvements, and graphic descriptions of the improvements in which units are located, and plot plans thereof, identifying the units, the common elements and the limited common elements, and their respective locations and dimensions.

Said surveys, graphic descriptions and plot plans were prepared by:

MASTELLER, MOLER & REED, INC.  
2205 14th Avenue  
Vero Beach, Florida 32960

and have been certified in the manner required by the Florida Condominium Act. Each unit is identified and designated by a specific number. No unit bears the same numerical designation as any other unit. The specific numbers identifying each unit are listed on Pages 7, 13, 18, 22, 25, 26, and 27 of Exhibit "B" attached to this Declaration of Condominium.

It is anticipated that construction of Phase I of the Condominium will be completed by January 31, 2001.

"Surface Water or Stormwater Management System" means a system which is designed and 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 otherwise affect the quantity and quality of discharges.

### III

#### OWNERSHIP OF UNITS AND APPURTENANT SHARE IN COMMON ELEMENTS AND COMMON SURPLUS AND SHARE OF COMMON EXPENSES

Each unit shall be conveyed as an individual property capable of independent use and fee simple ownership and the owner or owners of each unit shall own, as an appurtenance to the ownership of each said unit, an undivided equal share of all common elements of the condominium, which includes, but is not limited to, ground support area, walkways, yard area, parking areas, foundations, etc., and substantial portions of the exterior walls, floors, ceiling and walls between units. The space within any of the units and common elements shall not be further subdivided. Any undivided interest in the common elements is hereby declared to be appurtenant to each unit and such undivided interest shall not be separate from the unit and such interest shall be deemed conveyed, devised, encumbered or otherwise included with the unit even though such interest is not expressly mentioned or described in the conveyance, or other instrument. Any instrument, whether a conveyance, mortgage or otherwise, which describes only a portion of the space within any unit shall be deemed to describe the entire unit owned by the person executing such instrument and an undivided equal share in all common elements of the condominium.

The Developer hereby, and each subsequent owner of any interest in a unit and in the common elements, by acceptance of a conveyance or any instrument transferring an interest, waives the right of partition of any interest in the common elements under the laws of the State of Florida as it exists now or hereafter until this condominium unit project is terminated according to the provisions hereof or by law. Any owner may freely convey an interest in a unit together with an undivided interest in the common elements subject to the provisions of this Declaration. With the consent of a majority of the unit owners, the Developer hereby reserves the right to remove any party walls between any condominium units owned by the Developer in order that the said units may be used together as one (1) integral unit. All assessments and voting rights, however, shall be calculated as if such units were as originally designated on the exhibits attached to this Declaration, notwithstanding the fact that the several units are used as one.

All owners of units shall have as an appurtenance to their units a perpetual easement of ingress to and egress from their units over streets, walks, terraces and other common elements from and to the public highways bounding the condominium complex, and a perpetual right or easement, in common with all persons owning an interest in any unit in the condominium complex, to the use and enjoyment of all public portions of the buildings and to other common facilities (including but not limited to facilities as they now exist) located in the common elements.

All property covered by the exhibits hereto shall be subject to a perpetual easement for encroachments which now exist or hereafter may exist caused by settlement or movement of the buildings, and such encroachments shall be permitted to remain undisturbed and such easement shall continue until such encroachment no longer exists.

All units and the common elements shall be subject to a perpetual easement in gross granted to SOMERSET BAY CONDOMINIUM ASSOCIATION, INC., and its successors, for ingress and egress for the purpose of having its employees and agents perform all obligations and duties of the Association set forth herein. The Association shall have the right to grant utility easements under, through or over the common elements and such other easements as the Board, in its sole discretion, shall decide. The consent of the unit owners to the granting of any such easement shall not be required.

The common expenses shall be shared and the common surplus shall be owned in the same proportion as each such unit owner's share of the ownership of the common elements.

#### IV

#### UNIT BOUNDARIES, COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS

The units of the condominium consist of that volume of space which is contained within the decorated or finished exposed interior surfaces of the perimeter walls, floors (excluding carpeting and other floor coverings) and ceilings of the units. The boundaries of the units are more specifically shown in Exhibit B, attached hereto. The dark solid lines on the floor plans hereinabove mentioned represent the perimetrical boundaries of the units, while the upper and lower boundaries of the units, relating to the elevations of the units, are shown in notes on said plan.

There are limited common elements appurtenant to each of the units in this condominium, which are the parking garages assigned to specific units. These limited common elements are reserved for the use of the units appurtenant thereto, to the exclusion of other units, and there shall pass with a unit, as an appurtenance thereto, the exclusive right to use the limited common elements so appurtenant.

The common elements of the condominium unit consist of all of the real property, improvements and facilities of the condominium other than the units and the limited common elements as the same are hereinabove defined, and shall include walkways, stairways, driveways, elevators, easements through the units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to the units, limited common elements and common elements and easements of support in every portion of a unit which contributes to the support of improvements and shall further include all personal property held and maintained for the joint use and enjoyment of all the owners of the units.

The Developer will construct Drainage Swales in each Phase for the purpose of managing and containing the flow of excess surface water, if any, found upon such property from time to time. The Association shall be responsible for the maintenance, operation and repair of the swales. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the Drainage Swales shall be authorized and any damage to any Drainage Swales, whether caused by natural or human-induced phenomena, shall be repaired and the Drainage Swale returned to its former condition as soon as possible by the Association.

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 property 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 relevant 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.

V

ADMINISTRATION OF CONDOMINIUM BY  
SOMERSET BAY CONDOMINIUM ASSOCIATION, INC.

The operation and management of the condominium shall be administered by SOMERSET BAY CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, organized and existing under the laws of the State of Florida, hereinafter referred to as the "Association."

The Association shall make available to unit owners, lenders and the holders and insurers of the first mortgage on any unit, current copies of the Declaration, By-Laws and other rules governing the condominium, and other books, records and financial statements of the Association. The Association also shall be required to make available to prospective purchasers current copies of the Declaration, By-Laws, other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared. "Available" shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

The Association, upon written request from any of the agencies or corporations which have an interest or prospective interest in the condominium, shall prepare and furnish within a reasonable time a financial statement of the Association for the immediately preceding fiscal year.

The Association shall have all of the powers and duties set forth in the Florida Condominium Act and, where not inconsistent therewith, those powers and duties set forth in this Declaration, Articles of Incorporation and By-Laws of the Association. True and correct copies of the Articles of Incorporation and the By-Laws are attached hereto, made a part hereof, and marked Exhibits "C" and "D", respectively.

The Association shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System(s) shall mean the exercise 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.

VI

MEMBERSHIP AND VOTING RIGHTS

The Developer and all persons hereafter owning a vested present interest in the fee title to any one of the units shown on the exhibits hereto and which interest is evidenced by recordation of a proper instrument in the Public Records of Indian River County, Florida, shall automatically be members and their memberships shall automatically terminate when they no longer own such interest.

The owner of each condominium unit (designated as such on the exhibits attached to this Declaration) shall be entitled to cast one (1) vote. Where a condominium unit is owned by a corporation, partnership or other legal entity or by more than one (1) person, all the owners thereof shall be collectively entitled to the vote assigned to such unit and such owners shall, in writing, designate an individual who shall be entitled to cast the vote on behalf of the owners of such condominium unit of which he is one until such authorization shall have been changed in writing. The term, "owner," as used herein, shall be deemed to include the Developer.

All of the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Administration of the Association, the directors of which shall be elected annually by the members entitled to vote, as provided in the By-Laws of the Association. Each director shall be the owner of a condominium unit (or a partial owner of a condominium unit where such unit is owned by more than one (1) individual, or if a unit is owned by a corporation, including the Developer, any duly elected officer or officers of an owner corporation may be elected a director or directors). The first election of directors shall be held sixty (60) days from the date of recording of the Declaration of Condominium.

The owners shall place directors on the Board of Administration in accordance with the schedule as follows: When unit owners other than the Developer own fifteen percent (15%) or more of the units, the unit owners shall be entitled to elect not less than one-third (1/3) of the directors of the Board of Administration. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Administration: (a) Three years after fifty (50%) percent of the units that will be operated ultimately by the Association have been conveyed to the purchasers; (b) Three (3) months after ninety (90%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (c) When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; and (d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or seven years after recordation of the Declaration of Condominium, or in the case of an association which may ultimately operate more than one condominium, seven years after recordation of the declaration for the first condominium it operates, or in the case of an association operating a phase condominium created pursuant to Section 718.403, Florida Statutes, seven years after recordation of the declaration creating the initial phase, whichever shall occur first. The Developer is entitled to elect or appoint at least one director of the Board of Administration of an association as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units in the condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the Association or selecting the majority directors of the Board of Administration.

The Developer reserves the right to transfer control of the Association to unit owners other than the Developer at any time, in its sole discretion. The unit owners shall take control of the Association if the Developer elects to transfer control prior to the time stated in the above schedule.

## VII

### COMMON EXPENSES, ASSESSMENTS, COLLECTION LIEN AND ENFORCEMENT LIMITATIONS

The Board of Administration of the Association shall propose annual budgets in advance for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the common expense budget, which shall include, but not be limited to, the estimated amounts necessary for maintenance, and operation of common elements and limited common elements, landscaping, street and walkways, office expense, utility services, replacement and operating reserve, casualty insurance, liability insurance, administration and salaries. Failure of the Board to include any item in the annual budget shall not preclude the Board from levying an additional assessment in any calendar year for which the budget has been projected. In determining such common expenses, the Board of Administration may provide for an operating reserve not to exceed fifteen (15%) percent of the total projected common expenses for the year. Each unit owner shall be liable for the payment to the Association of an equal share of the common expenses as determined in said budget.

Common expenses include the expenses of the operation, maintenance, repair, or replacement of the common elements, costs of carrying out the powers and duties of the Association and any other expenses designated as common expense by the Condominium Act, the Declaration, the Articles of Incorporation, or the Bylaws of the Association. Common expenses also include reasonable

transportation services, insurance for directors and officers, road maintenance and operation expenses, in-house communications, and security services, which are reasonably related to the general benefit of the unit owners, even if such expenses do not attach to the common elements or property of the condominium. However, such common expenses must either have been services or items provided from the date the control of the Board of Administration of the Association was transferred from the Developer to the unit owners or must be services or items provided for in the condominium documents or Bylaws. Assessments shall also be used for the maintenance and repair of the Surface Water or Stormwater Management Systems including but not limited to work within retention areas, drainage structures and drainage easements.

After adoption of the budget and determination of the annual assessment per unit, as provided in the By-Laws, the Association shall assess such sum by promptly notifying all owners by delivering or mailing notice thereof to the voting member representing each unit at such member's most recent address as shown by the books and records of the Association. One-twelfth (1/12) of the annual assessment shall be due and payable in advance to the Association on the first (1st) day of each month.

Each initial unit owner other than the Developer shall pay at closing a capital contribution in an amount of \$500.00 to the Association. This contribution shall not be credited against the regular assessments for the unit.

Special assessments may be made by the Board of Administration from time to time to meet other needs or requirements of the Association in the operation and management of the condominium and to provide for emergencies, repairs or replacements, and infrequently recurring items of maintenance. However, any special assessment in excess of two hundred dollars (\$200.00) which is not connected with an actual operating, managerial or maintenance expense of the condominium, shall not be levied without the prior approval of the members owning a majority of the units in the condominium.

The specific purpose or purposes of any special assessment approved in accordance with the condominium documents shall be set forth in a written notice of such assessment sent or delivered to each unit owner. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the board, either be returned to the unit owners or applied as a credit towards future assessments.

The liability for any assessment or portion thereof may not be avoided by a unit owner or waived by reason of such unit owner's waiver of the use and enjoyment of any of the common elements of the condominium or by abandonment of the unit for which the assessments are made.

The record owners of each unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, made by the Association and for all costs of collection of delinquent assessments. In the event assessments against a unit are not paid within thirty (30) days after their due date, the Association shall have the right to foreclose its lien for such assessments.

Assessments and installments of them that are unpaid for over thirty (30) days after their due date shall bear interest at the maximum rate permitted by law per annum from the due date until paid. If a payment is more than fifteen (15) days late, the Association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25.00 or five percent of each installment of the assessment for each delinquent installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee shall not be subject to the provisions in Chapter 687 or Section 718.303(3), Florida Statutes.

The Association has a lien on each condominium parcel for any unpaid assessments with interest and for reasonable attorney's fees incurred by the Association which are incident to the

collection of the assessment for enforcement of the lien. Except as set forth below, the lien shall be effective from and shall relate back to the recording of the original Declaration of Condominium. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien. The lien shall be recorded in the Public Records in the county in which the condominium parcel is located which states the name and address of the condominium, the description of the condominium parcel, the name of the record owner, the amount due, and the due dates. No such lien shall be effective longer than one year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The one (1) year period shall be automatically extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any person claiming an interest in the parcel. The claim of lien shall secure all unpaid assessments, which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a Certificate of Title, as well as interest and all reasonable costs and attorney's fees incurred by the Association incident to the collection process. A claim of lien must be signed and acknowledged by an officer or authorized agent of the association. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien. By recording a notice in substantially the following form, a unit owner or his agent or attorney may require the Association to enforce a recorded claim of lien against his condominium parcel:

Notice of Contest of Lien

TO: SOMERSET BAY CONDOMINIUM ASSOCIATION, INC.  
4760 N. Harbor City Blvd., Suite 201  
Melbourne, Florida 32935

You are notified that the undersigned contests the claim of lien filed by you on \_\_\_\_\_, \_\_\_\_\_, and recorded in Official Records Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Public Records of Indian River County, Florida, and that the time within which you may file suit to enforce your lien is limited to ninety (90) days from the date of service of this notice.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

Signed: \_\_\_\_\_  
Owner, Agent or Attorney

After service of a copy of the Notice of Contest of Lien, the Association shall have ninety (90) days in which to file an action to enforce the lien, and if the action is not filed within that ninety (90) day period, the lien is void.

The Association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage on real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or any action to recover a money judgment for unpaid assessments.

No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his last known address; and upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a Notice of Contest of Lien as provided above. The notice requirements of this subsection do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the Association would be affected by such foreclosure; and if actual, constructive, or substitute service of process has been made on the unit owner.

If the unit owner remains in possession of the unit after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent. The expenses of the Receiver shall be paid by the party which does not prevail in the foreclosure action.

The Association has the power to purchase the condominium parcel at the foreclosure sale and to hold, lease, mortgage or convey it.

A first mortgagee acquiring title to a condominium parcel as a result of foreclosure, or a deed in lieu of foreclosure, may not during the period of its ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

Within fifteen (15) days after request by a unit owner or unit mortgagee, the Association shall provide a certificate stating all assessments and other monies owed to the Association by the unit owner with respect to the condominium parcel. Any person other than the owner who relies upon such certificate shall be protected thereby.

Any unit owner has the right to require from the Association a certificate showing the amount of unpaid assessments against him with respect to his condominium parcel. The holder of a mortgage or other lien of record has the same right as to any condominium parcel upon which he has a lien.

Any first mortgagee may make use of any unit acquired as may facilitate its sale including, but not limited to, the showing of the property and the display of "For Sale" signs and neither the other unit owners nor the corporation shall interfere with the sale of such units.

As to priority between the lien of a recorded mortgage and the lien for any assessment, the lien for assessment shall be subordinate and inferior to any recorded mortgage, unless the assessment is secured by a claim of lien which is recorded prior to the recording date of the mortgage.

Any person purchasing or encumbering a unit shall have the right to rely upon any statement made in writing by an officer of the Association regarding assessments against units which have already been made and which are due and payable to the Association, and the Association and the members shall be bound thereby.

In addition the Association may accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

A unit owner, regardless of how title has been acquired, including a purchaser at a judicial sale, is liable for all assessments which come due while he is the unit owner. The grantee is 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 transfer of title, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. A first mortgagee who acquires title to the unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed. However, the mortgagee's liability is limited to a period not exceeding 6 months, but in no event does the first mortgagee's liability exceed 1 percent of the original mortgage debt. The first mortgagee's liability for such expenses or assessments does not commence until 30 days after the date the first mortgagee received the last payment of principal or interest. In no event shall the mortgagee be liable for more than 6 months of the unit's unpaid common expenses or assessments accrued before the acquisition of the title to the unit by the mortgagee or 1 percent of the original mortgage debt, whichever amount is less.



INSURANCE COVERAGE, USE AND DISTRIBUTION OF  
PROCEEDS, REPAIR OR RECONSTRUCTION AFTER CASUALTY, CONDEMNATION

A. Type and Scope of Insurance Coverage Required

I. Insurance for Fire and Other Perils

The Association shall obtain, maintain, and pay the premiums upon, as a common expense, a "master" or "blanket" type policy of property insurance covering all of the common elements and limited common elements, (except land, foundation and excavation costs) including fixtures, to the extent they are part of the common elements of the condominium, building service equipment and supplies, and other common personal property belonging to the Association. All references herein to a "master" or "blanket" type policy of property insurance shall denote single entity condominium insurance coverage. Every hazard policy which is issued to protect a condominium building shall provide that the word "building" wherever used in the policy include, but not necessarily be limited to, fixtures, installations, or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed, or replacements thereof of like kind or quality, in accordance with the original plans and specifications, or as they existed at the time the unit was initially conveyed if the original plans and specifications are not available. The work "building" does not include unit floor coverings, wall coverings, or ceiling coverings, and does not include the following equipment if it is located within a unit and the unit owner is required to repair or replace such equipment: electrical fixtures, appliances, air conditioner or heating equipment, water heaters, or built-in cabinets. With respect to the coverage provided for by this paragraph, the unit owners shall be considered additional insureds under the policy.

The "master" policy shall be in an amount equal to one hundred (100%) percent of current replacement cost of the condominium, exclusive of land, foundation, excavation and other items normally excluded from coverage, if available.

The policies may also be issued in the name of an authorized representative of the Association, including any insurance trustee with whom the Association has entered into an insurance trust agreement, or any successor trustee, as insured, for the use and benefit of the individual owners. Loss payable shall be in favor of the Association or insurance trustee, as a trustee, for each unit owner and each such owner's mortgagee. The Association or insurance trustee, if any, shall hold any proceeds of insurance in trust for unit owners and their first mortgage holders, as their interests may appear. Each unit owner and each unit owner's mortgagee, if any, shall be beneficiaries of the policy in the fraction of common ownership set forth in this Declaration. Certificates of insurance shall be issued to each unit owner and mortgagee upon request. Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the Indian River County area and shall name any holder of first mortgages on units within the condominium. Such policies shall provide that they may not be canceled or substantially modified, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policies.

Policies are unacceptable where: (i) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FEDERAL HOME LOAN MORTGAGE CORPORATION; hereinafter referred to as FHLMC, FEDERAL NATIONAL MORTGAGE ASSOCIATION, hereinafter referred to as FNMA, or the designee of FHLMC or FNMA; or (ii) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members, or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA, FHLMC, or the borrowers from collecting insurance proceeds.

The policies shall also provide for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against unit owners individually; that the insurance is not prejudiced by any act or neglect of individual unit owners which is not in the control of such owners collectively; and that the policy is primary in the event the unit owner has other insurance covering the same loss.

The insurance policy shall afford, as a minimum, protection against the following:

- (a) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and
- (b) in the event the condominium contains a steam boiler, loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000.00 per accident per location (or such greater amount as deemed prudent based on the nature of the property); and
- (c) all other perils which are customarily covered with respect to condominiums similar in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement.

In addition, such policies shall include an "agreed amount endorsement" and, if available, an "inflation guard endorsement."

The Association shall provide, on an individual case basis, if required by the holder of first mortgages on individual units, construction code endorsements (such as a demolition cost endorsement, a contingent liability from operation of building laws endorsement and an increased cost of construction endorsement) if the condominium is subject to a construction code provision which would become operative and require changes to undamaged portions of the building(s), thereby imposing significant costs in the event of partial destruction of the condominium by an insured hazard.

## 2. Liability Insurance

The Association shall maintain comprehensive general liability insurance coverage covering all of the common elements, commercial space owned and leased by the Association, and public ways of the condominium project. Coverage limits shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common elements, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies shall provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage on any unit in the condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. The Association shall provide, if required by the holder of first mortgages on individual units, such coverage to include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including but not limited to, host liquor liability; employers liability insurance, contractual and all written contract insurance, and comprehensive automobile liability insurance.

## 3. Flood Insurance

If the condominium is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), the Association shall obtain and pay the premiums upon, as a common expense, a "master" or "blanket" policy of flood insurance on the buildings and any other property covered by the required form of policy (herein insurable property), in an amount deemed appropriate by the Association, as follows:

The lesser of: (a) the maximum coverage available under the NFIP for all buildings and other insurable property within the condominium to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) one hundred (100%) percent of current "replacement cost" of all buildings and other insurable property within such area.

Such policy shall be in a form which meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator.

4. Fidelity Bonds

Adequate fidelity bonds shall be maintained by the Association for all officers, directors, and employees of the Association and all other persons who control or disburse funds of the Association. Such fidelity bonds shall name the Association as an obligee. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums of all bonds required herein shall be paid by the Association as a common expense. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association, insurance trustee and the Federal National Mortgage Association, if applicable. The fidelity bonds must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. Under no circumstances shall the principal sum of the bonds be less than \$50,000 for each officer, director or employee unless such lesser sum is permitted by Florida Law and such lesser sum is approved by the Board of Administration.

5. Insurance Trustees: Power of Attorney

The Association may name as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as "insurance trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Each unit owner by acceptance of a deed conveying a unit in the condominium to the unit owner hereby appoints the Association, or any insurance trustee or substitute insurance trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

6. Qualifications of Insurance Carriers

The Association shall use generally acceptable insurance carriers. Only those carriers meeting the specific requirements regarding the qualifications of insurance carriers as set forth in the Federal National Mortgage Association Conventional Home Mortgage Selling Contract Supplements and the FHLMC Sellers Guide shall be used.

7. Condemnation and Total or Partial Loss or Destruction

The Association shall represent the unit owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common elements, or part thereof, by the condemning authority. Each unit owner hereby appoints the Association as attorney-in-fact for such purpose.

The Association may appoint a trustee to act on behalf of the unit owners, in carrying out the above functions, in lieu of the Association.

In the event of a taking or acquisition of part or all of the common elements by a condominium authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, to be held in trust for the unit owners and their first mortgage holders as their interests may appear.

In the event any loss, damage or destruction to the insured premises is not substantial (as such term "substantial" is hereinafter defined), and such loss, damage or destruction is replaced, repaired or restored with the Association's funds, the first mortgagees which are named as payee upon the draft issued by the insurance carrier shall endorse the draft and deliver the same to the Association, provided, however, that any repair and restoration on account of physical damage shall restore the improvements to substantially the same condition as existed prior to the casualty.

Substantial loss, damage or destruction as the term is herein used, shall mean any loss, damage or destruction sustained to the insured improvements which would require an expenditure of sums in excess of ten (10%) percent of the amount of coverage under the Association's casualty insurance policy or policies then existing, in order to restore, repair or reconstruct the loss, damage or destruction sustained.

In the event the Association chooses not to appoint an insurance trustee, any casualty insurance proceeds becoming due by reason of substantial loss, damage or destruction sustained to the condominium improvements shall be payable to the Association and all first mortgagees which shall have been issued loss payable mortgagee endorsements, and such proceeds shall be made available to the first mortgagee which shall hold the greater number of mortgages encumbering the units in the condominium, which proceeds shall be held in a construction fund to provide for the payment for all work, labor and materials to be furnished for the reconstruction, restoration and repair of the condominium improvements. Disbursements from such construction fund shall be by usual and customary construction loan procedures. No fee whatsoever shall be charged by such first mortgagee for its services in the administration of the construction loan fund. Any sums remaining in the construction loan fund after the completion of the restoration, reconstruction and repair of the improvements and full payment therefore, shall be paid over to the Association and held for, and/or distributed to the unit owners in proportion to each unit owner's share of common surplus. If the insurance proceeds payable as the result of such casualty are not sufficient to pay the estimated costs of such restoration, repair and reconstruction, which estimate shall be made prior to proceeding with restoration, repair or reconstruction, the Association shall levy a special assessment against the unit owners for the amount of such insufficiency, and shall pay said sum into the aforesaid construction loan fund.

Notwithstanding which first mortgagee holds the greater number of mortgages encumbering the units, such mortgagees may agree between themselves as to which one shall administer the construction loan fund.

If the damage sustained to the improvements is less than substantial, as heretofore defined, the Board of Administration may determine that it is in the best interests of the Association to pay the insurance proceeds into a construction fund to be administered by an institutional first mortgagee as hereinabove provided. No institutional first mortgagee shall be required to cause such insurance proceeds to be made available to the Association prior to completion of any necessary restoration, repairs or reconstruction, unless arrangements are made by the Association to satisfactorily assure that such restoration, repairs and reconstruction shall be completed. Such assurances may consist of, without limitation: (1) obtaining a construction loan from other sources; (2) obtaining a binding contract with a contractor or contractors to perform the necessary restoration, repairs and reconstruction; and (3) the furnishing of performance and payment bonds.

Any restoration, repair or reconstruction made necessary through a casualty shall be commenced and completed as expeditiously as reasonably possible, and must substantially be in accordance with the plans and specifications for the construction of the original building. In no event shall any reconstruction or repair change the relative locations and approximate

dimensions of the common elements and of any unit, unless an appropriate amendment be made to this Declaration.

Where physical damage has been sustained to the condominium improvements and the insurance proceeds have not been paid into a construction loan fund as hereinabove more fully provided, and where restoration, repair or reconstruction has not been commenced, an institutional mortgagee who has commenced foreclosure proceedings upon a mortgage encumbering a unit, shall be entitled to receive that portion of the insurance proceeds apportioned to said unit in the same share as the share in the common elements appurtenant to said unit.

If substantial loss, damage or destruction shall be sustained to the condominium improvements, and at a special members' meeting called for such purpose, the owners of a majority of the units in the condominium vote and agree in writing that the damaged property will not be repaired or reconstructed, the condominium shall be terminated; provided, however, such termination will not be effective without the written consent of all first mortgagees holding mortgages encumbering units.

## IX

### RESPONSIBILITY FOR MAINTENANCE AND REPAIRS

- A. Each unit owner shall bear the cost and be responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, electrical and plumbing fixtures, kitchen and bathroom fixtures, and all other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his unit and which may now, or hereafter be affixed or contained within his unit. Such owner shall further be responsible for maintenance, repair and replacement of any air conditioning equipment servicing his unit, although such equipment not be located in the unit, and of any and all wall, ceiling and floor surfaces, and screened balconies, painting, decorating and furnishings and all other accessories which such owner may desire to place or maintain therein. Unit owners are responsible for the maintenance, including cleaning, repair or replacement of windows and screening thereon and screening on balconies and patios, screen doors, and fixed and sliding glass doors. For the purposes of this paragraph, air conditioning equipment servicing individual units shall be deemed to be limited common elements appurtenant to such units.
- B. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all the common elements, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, sprinkler systems, wiring and other facilities located in the common elements, for the furnishing of utility services to the units, and including artesian wells, pumps, piping, and fixtures serving individual air conditioning units. Painting and cleaning of all exterior portions of the building, including all exterior doors opening into walkways, shall also be the Association's responsibility. Sliding glass doors, screen doors, storm shutters on balconies and windows, windows and screens on windows or balconies, shall not be the Association's responsibility, but shall be the responsibility of the unit owner. Should any damage be caused to any unit by reason of any work which may be done by the Association in the maintenance, repair or replacement of the common elements, the Association shall bear the expense of repairing such damage.
- C. Where loss, damage or destruction is sustained by casualty to any part of the building, whether interior or exterior, whether inside a unit or not, whether a fixture or equipment attached to the common elements or attached to and completely located inside a unit, and such loss, damage or destruction is insured for such casualty under the terms of the Association's casualty insurance policy or policies, but the insurance proceeds payable on account of such loss, damage or destruction are insufficient for restoration, repair or reconstruction, all the unit owners shall be specially assessed to make up the deficiency, irrespective of a determination as to whether the loss, damage or destruction is to a part of the building, or to fixtures or equipment which it is a unit owner's responsibility to maintain.

No unit owner shall do anything within his unit or on the common elements which would adversely affect the safety or soundness or the common elements or any portion of the Association property or Condominium property which is to be maintained by the Association.

- D. In the event owners of a unit make any structural addition or alteration without the required written consent, the Association or an owner with an interest in any unit shall have the right to proceed in a court of equity to seek compliance with the provisions hereof. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or as necessary to prevent damage to the common elements or to a unit or units.

Maintenance of the common elements is the responsibility of the Association. All limited common elements shall be maintained by the Owner who has exclusive use of such elements.

- E. The Board of Administration of the Association may enter into a contract with any firm, person or corporation for the maintenance and repair of the common elements and may join with other condominium corporations in contracting with the same firm, person or corporation for maintenance and repair.

- F. The Association shall determine the exterior color scheme of all buildings and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window, patio or any exterior surface, etc., at any time without the written consent of the Association.

X

#### USE RESTRICTIONS

- A. Each unit is hereby restricted to residential use by the owner or owners thereof, their immediate families, lessees, guests and invitees. Each two-bedroom unit is restricted to no more than five (5) occupants; and each three-bedroom unit is restricted to no more than six (6) occupants, without the Association's consent. There are no restrictions upon children.
- B. The unit may be rented provided the occupancy is only by one (1) lessee and members of his/her immediate family and guests. No rooms may be rented and no transient tenants may be accommodated. No lease of a unit shall release or discharge the owner thereof of compliance with this Section X or any of his other duties as a unit owner. Time sharing of units is prohibited. Ownership of a unit on a monthly or weekly time sharing program is prohibited. Subleasing of units is prohibited. All leases shall be in a writing which names all persons who will occupy the unit during the term of the Lease and shall be subject to this Declaration, the Articles of Incorporation, By-Laws, and the Rules and Regulations of the Association and shall be approved by the Association prior to the tenant's occupancy. No lease shall be for a term of less than six (6) months.
- C. No nuisances shall be allowed to be committed or maintained upon the condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the 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 use of the common elements that will increase the cost of insurance upon the condominium property.
- D. No immoral, improper, or offensive use shall be made of the condominium property nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the condominium shall be observed.
- E. Reasonable rules and regulations concerning the use of the condominium property may be made and amended from time to time by the Board of Administration of the Association as provided by its Articles of Incorporation and By-Laws.

- F. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or of any portion of a unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the common elements or to a unit or units.
- G. No sign, advertisement or notice of any type shall be shown on the common elements or any unit and no exterior antennas and aerials shall be erected except as provided under uniform regulations promulgated by the Association. This subparagraph G shall not apply to the Developer and/or institutional first mortgagees.
- H. An owner shall not place or cause to be placed in the walkways or in or on any other common elements and facilities, any furniture, packages or objects of any kind. Such areas shall be used for no other reason than for normal transit through them. The Association may permit a unit owner to place small potted plants near the front doors of the unit so long as the potted plants do not protrude into or block access to the common walkways. The Association reserves the right to restrict or prohibit the placement of potted plants on the common elements.
- I. It is prohibited to hang garments, rugs, etc., from the windows, patios or balconies from any of the facades of the buildings.
- J. It is prohibited to dust rugs, etc., from windows, patios or balconies or to clean rugs, etc., by beating on the exterior of the buildings.
- K. No auto parking space may be used for any purpose other than parking automobiles, vans and non-commercial pick-up trucks which are in operating condition with a current license tag. No other vehicles or objects, including but not limited to commercial trucks, trucks, motorcycles, recreational vehicles, motorhomes, trailers, and boats, will be parked or placed upon the condominium property unless permitted by the Board of Administration. In the event motorhomes or recreational vehicles are permitted to be parked in designated areas, overnight camping in these vehicles is prohibited. No parking space shall be used by any other person other than an occupant of the condominium who is an actual resident or by a guest or visitor and by such guest or visitor only when such guest or visitor is, in fact, visiting and upon the premises. All owners and residents of the condominium are restricted to two (2) permitted vehicles without the Association's consent to bring additional vehicles on the premises.
- L. Until the Developer has closed all the sales of the units in the condominium, neither the other unit owners nor the Association shall interfere with the sale of such units. The Developer may make such use of the unsold units and common elements as may facilitate its sales, including but not limited to maintenance of a sales office, model units, the showing of the property, and the display of signs. The Developer may not be restricted in the use of the common elements or areas by anyone until the sale of all units is completed by the Developer.
- M. Two (2) dogs or cats (no more than a total of two (2) of such pets) shall be allowed to be kept in the owner's unit; however, no pets shall not exceed forty (40) pounds in weight. All pets must be kept on a leash not more than ten (10) feet long when outside the owner's unit. Each pet owner shall be responsible for cleaning up after his/her pets in the common elements. Pets shall not create a nuisance.
- N. A unit owner shall not place, store or use any item, upon any patio, balcony, terrace or porch without the approval of the Association, other than standard patio chairs, tables and furnishings. Gas or electric grills and potted plants are permitted on porches but charcoal grills are prohibited.
- O. When a unit is leased, a tenant shall have all use rights in the Association property and those common elements otherwise readily available for use generally by unit owners and the unit owners shall not have such rights except as a guest. Nothing in this subsection 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 a unit

FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM OF SOMERSET BAY, A CONDOMINIUM

WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation, hereinafter called "Developer", in accordance with Article XII of the Declaration of Condominium of Somerset Bay, a Condominium (the "Declaration"), dated July 13, 2000, and recorded at Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, et. seq. of the Public Records of Indian River County, Florida, hereby amends the Declaration as follows:

1. Article X, Use Restrictions shall be amended by adding new subparagraph P., which shall read in its entirety as follows:

P. "Fire safety regulations and local fire department officials require a clear, unobstructed passageway between each elevator opening and emergency exit stairway at all times. Furthermore, access passage within each unit to an existing stairway shall not be obstructed by a door with a locking device. No doors within a unit shall have a locking device that locks against the direction of travel to an emergency exit stairway. Each unit owner shall maintain unobstructed access passageway to exit stairways. The doors between the units and the emergency exit stairwells may be locked in one direction of travel to prevent free access to the unit from the stairwell."

2. Article XI, Limitations Upon Right of Owner to Alter or Modify Unit shall be amended in its entirety as follows:

"No owner of a unit (other than the Developer) shall make any structural modifications or alterations of the unit. Further, no owner shall cause any improvements or changes to be made on or to the exterior of the unit buildings, including painting or other decoration, the installation of awnings, shutters, electrical wiring, air conditioning units and other things which might protrude through or to be attached to the walls of the unit building; further, no owner shall in any manner change the appearance of any portion of the unit building not wholly within the boundaries of his unit. The Board of Administration shall adopt specifications for any screens to be installed on any balcony or terrace of any unit. Any screens installed on or around any balcony or terrace shall comply with the specifications approved by the Board of Administration. The Board of Administration shall adopt hurricane shutter specifications for each building within each condominium operated by the Association which shall include color, style, and other factors deemed relevant by the board. All specifications adopted by the Board shall comply with the applicable building code. Notwithstanding any provision to the contrary in the condominium documents, if approval is required by the documents, the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board. The installation, replacement, and maintenance of such shutters in accordance with the procedures set forth herein shall not be deemed a material alteration to the common elements within the meaning of the Condominium Act."

IN WITNESS WHEREOF, the above-stated Developer has caused these presents to be signed and sealed on this 11 day of June, 2001.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

*[Handwritten signatures]*  
Heather H. Johnson

DEVELOPER:

WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation

By: *[Handwritten signature]*  
John Genoni, Sr., President

(CORPORATE SEAL)

STATE OF FLORIDA  
COUNTY OF BREVARD

BEFORE ME, the undersigned authority, personally appeared JOHN GENONI, SR., President of WESTON REAL ESTATE INVESTMENTS CORP., a Florida corporation, personally known to me, and who executed the foregoing and acknowledged the execution thereof to be his free act and deed for the uses and purposes therein mentioned.

WITNESS my signature and official seal in the State and County just aforesaid on this 11 day of June, 2001.



*[Handwritten signature]*  
Notary Public  
State of Florida at Large  
My Commission Expires:

... and by their respective institutional first mortgages.

Notwithstanding anything to the contrary contained in this Declaration, the Developer expressly reserves the right to amend the Declaration so as to correct any legal description contained herein, which legal description or descriptions may have been incorrect by reason of a scrivener's or surveyor's error. The Developer may amend this Declaration as aforescribed by filing an amended legal description (or descriptions) as an amendment to the Declaration among the Public Records of



Indian River County, Florida, which amendment (or amendments) shall expressly describe that legal description which is being corrected (by reference to the exhibit containing said legal description or otherwise), in addition to the corrected legal description. Such amendments need to be executed and acknowledged only by the Developer and need not be approved by the Association, unit owners, lienors or mortgagees of units of the condominium whether or not elsewhere required for amendments. As part and parcel of any such amendment as provided for in this paragraph, however, there shall be attached thereto an affidavit of the individual or individuals responsible for the original incorrect legal description, whether he be scrivener or surveyor, which affidavit shall set forth (1) that said individual made an error in the legal description, (2) that the error is corrected by the description contained in the amendment, and (3) that it was the intent at the time of the incorrect original legal description to make that description such as is contained in the new amendment. In the event the party responsible for the original incorrect legal description has died, or is not available, then in that event, any other party having personal knowledge of the incorrect legal description by reason of the scrivener's or surveyor's error may execute the required affidavit for the amendment provided herein.

Pursuant to Section 718.110(2), Florida Statutes, the Developer may make amendments to this Declaration without consent of the unit owners which shall be limited to matters other than those under Section 718.110(4) and (8), Florida Statutes.

In the event it shall appear that there is an error or omission in this Declaration or exhibits thereto, then and in that event the Association may correct such error and/or omission by an amendment to this Declaration in the manner hereinafter described to effectuate an amendment for the purpose of curing defects, errors or omissions. Such an amendment shall not require a vote of approval as provided above but shall require a vote in the following manner:

(a) Notice of the subject matter of a proposed amendment to cure defect, error or omission shall be included in the notice of any meeting at which such proposed amendment is to be considered.

(b) A resolution for the adoption of such a proposed amendment may be proposed by either the Board of Administration of the Association or by the members of the Association, and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(i) Not less than thirty-three and one-third (33 1/3%) percent of the Board of Administration and by not less than ten (10%) percent of the votes of the entire membership of the condominium; or

(ii) Not less than twenty-five (25%) percent of the votes of the entire membership of the Association; or

(iii) In the alternative, an amendment may be made by an agreement signed and acknowledged by all unit owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Indian River County, Florida.

(c) The foregoing provisions relative to amendments for defects, errors or omissions are in accordance with and pursuant to Section 718.110(1), Florida Statutes.

(d) That the amendment made pursuant to this paragraph need only be executed and acknowledged by the Developer or the Association and by no other parties whatsoever.

Notwithstanding anything to the contrary contained in this Declaration, with the consent of a majority of the unit owners, the Developer reserves the right to change the interior designs and arrangement of all units and to alter the boundaries between units, as long as the Developer owns the units so altered; however, no such change shall impinge the number of units nor alter the boundaries of the common elements, except the party wall between any units. If the Developer shall make any changes in units, as provided in this paragraph, such changes shall be reflected by an amendment to

this Declaration with a survey attached reflecting such authorized alteration of units. The survey shall be certified in the manner required by the Condominium Act. If more than one (1) unit is concerned, the Developer shall not apportion between the units the shares in the common elements, common expenses and common surplus shall remain unchanged in the amendment of this Declaration unless all unit owners approve the amendment changing the shares.

Any amendment to the Declaration which alters any provision relating to the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the St. Johns River Water Management District.

No provision of the Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of the Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

Substantial rewording of Declaration. "See provision... for present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

Invalidation of any one (1) or more of these restrictions, reservations, covenants, conditions and easements, or any provision contained in this Declaration, or in a conveyance of unit by the Developer, by judgment, court order, or law, shall in no wise affect any of the other provisions which shall remain in full force and effect.

In the event that any court should hereafter determine that any provision, as originally drafted herein, violates the rule against perpetuities or any other rule of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, the measuring life shall be that of the youngest incorporator of the Association.

These restrictions, reservations, covenants, conditions and easements shall be binding upon and inure to the benefit of all property owners and their grantees, heirs, personal representatives, successors and assigns, and all parties claiming by, through or under any member.

#### XIV

#### TERMINATION OF CONDOMINIUM

Except as otherwise provided in Article VIII of this Declaration, the condominium created and established hereby may only be terminated upon the vote of members of the Association owning sixty-seven (67%) of the units in the condominium, provided that the written consent to such termination is obtained from all institutional first mortgagees holding mortgages encumbering the units.

Immediately after the required vote of consent to terminate, each and every unit owner shall immediately convey by warranty deed to the Association all of said unit owners' right, title and interest to any unit and to the common elements, provided the Association's officers and employees handling funds have been adequately bonded and the Association or any member shall have the right to enforce such conveyance by specific performance in a court of equity.

The Board of Administration of the Association shall then sell all of the property at public or private sale upon terms approved in writing by all of the institutional first mortgagees. Upon the sale of said property, the costs, fees and charges for affecting said sale, the cost of liquidation and dissolution of the Association and all obligations incurred by the Association in connection with the

management and operation of the property up to and including the time when distribution is made to the unit owners, shall be paid out of the proceeds of said sale, and the remaining balance (hereinafter referred to as "net proceeds of sale") shall be distributed to the unit owners in the manner now about to be set forth.

The distributive share of each unit owner in the net proceeds of sale, though subject to the provisions hereinafter contained, shall be the following portion thereof; to-wit:

#### AN UNDIVIDED EQUAL SHARE

Upon the determination of each unit owner's share as above provided for, the Association shall pay out of each unit owner's share all mortgages and other liens encumbering said unit in accordance with their priority, and upon such payment being made, all mortgagees and lienors shall execute and record satisfactions or releases of their liens against said unit or units, regardless of whether the same are paid in full. Thereupon, the Board of Administration of the Association shall proceed to liquidate and dissolve the Association, and distribute the remaining portion of each distributive share, if any, to the owner or owners entitled thereto. If more than one person has an interest in a unit, the Association shall pay the remaining distributive share allocable to said unit to the various owners of such unit, excepting that if there is a dispute as to the validity, priority or amount of mortgages or liens encumbering a unit, then payment shall be made to the owner and/or owners of such unit and to the owners and holders of the mortgages and liens encumbering said unit.

As evidence of the members' resolution to abandon passed by the required vote or written consent of the members, the President and Secretary of the Association shall effect and place in the Public Records of Indian River County, Florida, an affidavit stating that such resolution was properly passed, so approved by the members, and also shall record the written consents, if any, of institutional first mortgagees to such abandonment. Upon recordation of the instrument evidencing consent of Sixty-seven (67%) percent of the unit owners to terminate the condominium, the Association shall notify the division within 30 working days 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.

After such an affidavit has been recorded and all owners have conveyed their interest in the condominium parcel to the Association and the Association to the purchaser, the title to said property thereafter shall be free and clear from all restrictions, reservations, covenants, conditions and easements set forth in this Declaration, and the purchaser and subsequent grantees of any of said property shall receive title to said lands free and clear thereof.

#### XV

#### ENCROACHMENTS

If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, or if any encroachment shall hereafter occur as the result of settling of the building, or alteration to the common elements made pursuant to the provisions herein, or as the result of repair and restoration, a valid easement shall exist for the continuance of such encroachment for so long as the same shall exist.

#### XVI

#### ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES

The Association shall at all times maintain a register setting forth the names of all owners of units in the condominium, and any purchaser or transferee of a unit shall notify the Association of the names of any party holding a mortgage upon any unit and the name of all lessees in order that the Association may keep a record of same.

XVII

ESCROW FOR INSURANCE PREMIUMS

Any institutional first mortgagee holding a mortgage upon a unit in the condominium shall have the right to cause the Association to create and maintain an escrow account for the purpose of assuring the availability of funds with which to pay premium or premiums due from time to time on casualty insurance policy or policies which the Association is required to keep in existence, it being understood that the Association shall deposit in an escrow depository satisfactory to such institutional first mortgages or institutional first mortgagees a monthly sum equal to one-twelfth (1/12) of the annual amount of such insurance expense, and to contribute such other sum as may be required therefor to the end that there shall be on deposit in said escrow account at least one (1) month prior to the due date for payment of such premium or premiums, a sum which will be sufficient to make full payment therefor.

Premiums for insurance required to be placed by the Association shall be a common expense and shall be paid by the Association.

If two (2) or more institutional mortgagees hold any mortgage or mortgages upon any condominium parcel of condominium parcel, and/or shall be the owner of any condominium parcel or condominium parcels, the exercise of the rights above described or manner of exercising said rights shall vest in the institutional mortgagee owning and holding the first recorded mortgage encumbering a condominium parcel, and the decision of such institutional mortgagee shall be controlling.

XVIII

REAL PROPERTY TAXES  
DURING INITIAL YEAR OF CONDOMINIUM

In the event that during the year in which this condominium is established, real property taxes are assessed against the condominium property as a whole, such taxes will be a common expense.

XIX

RESPONSIBILITY OF UNIT OWNERS

The owner of each unit shall be governed by and shall comply with the provisions of this Declaration as well as the By-Laws and Articles of Incorporation maintenance, repair or replacement made necessary by his act, neglect or employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver of rights or subrogation by insurance companies.

In any action brought against a unit owner by the Association for damages, or injunctive relief due to such unit owner's failure to comply with the provisions of this Declaration or By-Laws of the Association, the prevailing party shall be entitled to court costs, reasonable attorney's fees and expenses incurred by it in connection with the prosecution of such action.

XX

WAIVER

The failure of the Association, a unit owner or institutional first mortgagee to enforce any right, provision, covenant or condition which may be granted herein, or in the By-Laws and Articles of Incorporation of the Association, or the failure to insist upon the compliance with same, shall not constitute a waiver by the Association, such unit owner or institutional first mortgagee to enforce such right, provision, covenant or condition, or insist upon the compliance with same, in the future.

No breach of any of the provisions contained herein shall defeat or adversely affect the lien of any mortgage at any time made in good faith and for a valuable consideration upon said property, or any part thereof, and made by a bank, savings and loan association, or insurance company authorized to transact business in the State of Florida and engage in the business of making loans constituting a first lien upon real property, but the rights and remedies herein granted to the Developer, the Association, and the owner or owners of any part of said condominium, may be enforced against the owner of said property subject to such mortgage, notwithstanding such mortgage.

XXI

CONSTRUCTION

The provisions of this Declaration shall be liberally construed so as to effectuate its purposes. The invalidity of any provision herein shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration.

XXII

GENDER

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender, and the use of the singular or plural shall be taken to mean the other whenever the context may require.

XXIII

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

XXIV

REMEDIES FOR VIOLATIONS

Each unit owner, each tenant and other invitee, and each association shall be governed by, and shall comply with the provisions of the Florida Condominium Act, the declaration, the documents creating the Association, and the Association By-Laws and the provisions thereof shall be deemed expressly incorporated into any lease of a unit. Actions for damages for injunctive relief, or both, for failure to comply with these provisions may be brought by the association or by a unit owner against:

- a. The Association;
- b. A unit owner.
- c. Directors designated by the Developer, for actions taken by them prior to the time control of the Association is assumed by unit owners other than the Developer.
- d. Any Director who willfully and knowingly fails to comply with these provisions.
- e. Any tenant leasing a unit, and any other invitee occupying a unit.

The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in Section 718.503(1) (a), Florida Statutes, is entitled to recover reasonable attorney's fees. A unit owner prevailing in an action between the association and the unit owner under this section, in addition to recovering his reasonable attorney's fees, may recover additional amounts as determined by the Court to be necessary to reimburse the unit owner for his share of assessments levied by the Association

to fund its expenses of the litigation. This relief does not exclude other remedies provided by law.

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 the Covenants and Restrictions which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

XXV

TIME-SHARE RESERVATION

No reservation is made pursuant to Section 718.1045, Florida Statutes, for the creation of time-share estates. Time-share estates are prohibited.

XXVI

FINES

The Association may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee, or invitee, to comply with any provision of the Declaration, the Association By-Laws, or reasonable rules of the Association. No fine may exceed \$100.00 per violation. However, a fine may be levied on the basis of each of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no fine in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The provisions of this Article do not apply to unoccupied units. See Section 4.K(15) of the By-Laws for the procedure to be followed by the Association in levying fines.

XXVII

SIGNAGE

The Association, through its Board of Administration, shall have the right to determine the type, style and location of all signage placed on or within the condominium property.

XXVIII

INSTITUTIONAL MORTGAGEE

An institutional mortgagee means the owner and holder of a mortgage encumbering a condominium parcel, which owner and holder of said mortgage is either a bank or life insurance company or a federal or state savings and loan association, or a mortgage or real estate investment trust, or a pension and profit sharing fund, or a credit union, or a Massachusetts business trust, or an agency of the United States Government, or the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or any entity controlling, controlled by or under common control with any of the foregoing, or a lender generally recognized in the community as an institutional lender or the Developer, or assignee, nominee, or designee of the Developer.

An institutional mortgage means a mortgage owned or held by an institutional mortgagee.

An insurance trustee means that Florida bank having trust powers, designated by the board to receive proceeds on behalf of the association, which proceeds are paid as a result of casualty or fire loss covered by insurance policies.

XXIX

RIGHTS RESERVED UNTO INSTITUTIONAL MORTGAGEES

All rights in favor of the Developer reserved in this Declaration of Condominium and exhibits attached hereto, are likewise reserved to any institutional mortgagee.

The rights and privileges in this Declaration of Condominium and the exhibits hereto in favor of the Developer are freely assignable, in whole or in part, by the Developer to any party who may be hereafter designated by the Developer to have and exercise such rights. Such rights may be exercised by the nominee, assignee or designee of the Developer and/or exercised by the successor or successors in trust of the Developer and/or exercised by the successor or successors in interest or the nominees, assignees or designees of the nominees, assignees or designees of the Developer.

XXX

NOTICE TO INSTITUTIONAL MORTGAGEES

The Association shall provide a holder, insurer or guarantor of a first mortgagee, upon written request (such request to state the name and address of such holder, insurer or guarantor and the unit number) timely notice of:

- A. Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the owners Association appertaining to any unit; or (iv) the purposes to which any unit or the common elements are restricted;
- B. Any proposed termination of the condominium regime;
- C. Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- D. Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;
- E. Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

XXXI

CABLE TELEVISION

The cost of a master antenna television system or duly franchised cable television service obtained pursuant to a bulk contract shall be deemed a common expense, and if not, such cost shall be considered common expense if it is designated as such in a written contract between the board of administration and the company providing the master television antenna system or the cable television service. The contract shall be for a term of not less than two years.

- A. Any contract made by the board for a community antenna system or duly franchised cable television service may be canceled by a majority of the voting interests present at the next regular or special meeting of the Association. Any member may make a motion to cancel said contract, but if no motion is made or if such motion fails to obtain the required majority at the next regular or special meeting, whichever is sooner, following the making of the contract, then such contract shall be deemed ratified for the term therein expressed.

- B. Any such contract shall provide, and shall be deemed to provide if not expressly set forth, that any hearing impaired or legally blind unit owner who does not occupy the unit with a nonhearing impaired or sighted person may discontinue the service without incurring disconnect fees, penalties, or subsequent service charges, and as to such units, the owners shall not be required to pay any common expenses charge related to such service. If less than all members of an association share the expenses of cable television, the expense shall be shared equally by all participating unit owners. The Association may use the provisions of Section 718.116, Florida Statutes, to enforce payment of the shares of such costs by the unit owners receiving cable television.

XXXII

PHASE CONDOMINIUM

The condominium will be developed in phases pursuant to the provisions of Section 718.403, Florida Statutes. The first phase (Phase I) of the Condominium will consist of three buildings consisting of eighteen units. The Developer anticipates construction and development of three (3) additional phases, to be known as Phase II, Phase III, and Phase IV. The Developer is not committed to construct Phases II, III, and IV. The description of all anticipated phases, the impact which the completion of subsequent phases, if constructed, will have upon the first phase and the time period within which each phase shall be completed, is hereinafter set forth.

A. Real Property Comprising the Condominium. The real property to be owned by the Developer, which by this Declaration is submitted to the condominium form or ownership as Phase I of the Condominium, is real property lying in Indian River County as more particularly described on the first page of this Declaration and as more particularly described on Exhibit A attached hereto and made a part hereof. Other real property to be owned by the Developer which may be submitted to the condominium form of ownership as part of this condominium as Phase II, is real property situate in Indian River County, more particularly described on Exhibit A, Pages 11 and 12, which is attached hereto and made a part hereof. A legal description of the real property which may be added to this condominium as Phase III is also included and made a part of Exhibit B, Page 17. A legal description of the real property which may be added to this condominium as Phase IV is also included and made a part of Exhibit B, Page 21.

B. Minimum and Maximum Units. Phase I shall contain eighteen (18) units (minimum and maximum). Phase II shall contain eighteen (18) units (minimum and maximum). Phase III shall contain eighteen (18) units (minimum and maximum). Phase IV shall contain twelve (12) units (minimum and maximum). In all four phases, the unit sizes shall be 2,760 square feet (all computed "under roof" and enclosed).

C. Voting Membership in the Association and Percentage Ownership in the Common Elements. Each Unit Owner in the condominium will be a member of the Association and will be entitled to cast an owner's vote in accordance with the Articles of Incorporation and By-Laws. Each Unit Owner will also own an equal undivided interest in the common elements. When the membership of the Association consists of only Phase I, the following membership votes and percentage ownership shall apply: one (1) vote and a 1/18 undivided ownership interest for each unit.

If Phase II is added, the following membership votes and percentage ownership shall apply: one (1) vote and a 1/36 undivided ownership interest for each unit.

If Phase III is added, the following membership votes and percentage ownership shall apply: one (1) vote and a 1/54 undivided ownership interest for each unit.

If Phase IV is added, the following membership votes and percentage ownership shall apply: one (1) vote and a 1/66 undivided ownership interest for each unit.

D. Discretion to Add Future Phases. The Developer, in the Developer's sole discretion, will determine whether or not Phases II, III, and IV shall be added to this Condominium. Upon substantial completion of the construction of the improvements of any subsequent phase, if any, to




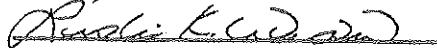
this Condominium, a surveyor shall prepare a survey of the improvements in the phase to be added to this Condominium, and will prepare a surveyor's certificate certifying the facts required by the Florida Condominium Act. The survey of the additional lands included in the subsequent phase, if any, the surveys of the improvements in the subsequent phase or phases and the surveyor's certificate shall be attached to an amendment or amendments to this Declaration and the same shall be executed solely by the Developer and recorded in the Public Records of Indian River County, together with any exhibits relating thereto as the Developer determines, in the Developer's sole discretion, are necessary. Notwithstanding any other provisions of this Declaration to the contrary, pursuant to Section 718.403(6) Florida Statutes, any amendment or amendments adding additional phases to this Condominium shall not be required to be executed by, nor consented to by, Unit owners, the Association nor the members thereof, nor the voters or holders of any lien encumbering a condominium unit previously submitted to condominium ownership by this Declaration. The law requires all phases to be added to the Condominium to be submitted within seven (7) years from the recording of the Declaration, and the estimated completion date is within the seven (7) years from the recording of the Declaration.

E. Time Shares Estates Not Created. Time share estates will not be created with respect to any Units in any phase of the Condominium.

F. Recreation Areas and Facilities. A swimming pool (20' x 50') and a clubhouse containing approximately 3,500 square feet will be provided as part of the Condominium if Phase II is constructed and will be located in Phase II of the Condominium.

IN WITNESS WHEREOF, the above-stated Developer has caused these presents to be signed and sealed on this 17th day of April, 2000.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

(CORPORATE SEAL)

DEVELOPER:

WESTON REAL ESTATE INVESTMENT  
CORP.

By:   
John Genoni, Sr., President



STATE OF FLORIDA        )  
                                  ) ss:  
COUNTY OF BREVARD    )

BEFORE ME, the undersigned authority, personally appeared JOHN GENONI, SR., President of WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation, personally known to me, who did/did not take an oath, and who executed the foregoing and acknowledged the execution thereof to be his free act and deed for the uses and purposes therein mentioned.

WITNESS my signature and official seal in the State and County last aforesaid on this 17th day of April, 2000.

Leslie K. Wervar  
Notary Public  
State of Florida at Large

My Commission Expires:



Leslie K. Wervar  
MY COMMISSION # 00380844 EXPIRES  
AUGUST 8, 2000  
DONOR: TROY TROY FARM INSURANCE, INC.

JOINDER

JOHN GENONI, TRUSTEE, owns a portion of the lands described in the Declaration of Condominium for Somerset Bay, a Condominium, and hereby consents to the foregoing Declaration.

IN WITNESS WHEREOF, JOHN GENONI, TRUSTEE has caused these presents to be signed this 17th day of April, 2000.

  
Witness

  
JOHN GENONI, TRUSTEE

  
Witness

STATE OF FLORIDA  
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 17 day of April, 2000, by JOHN GENONI, TRUSTEE. He is personally known to me.



Leslie K. Weaver  
MY COMMISSION # 00820844 EXPIRES  
August 8, 2000  
BONDED TRUITY FARM INSURANCE, INC.

  
Notary Public  
State of Florida  
My Commission Expires:

**JOINDER**

WASHINGTON MUTUAL holds a mortgage interest in some or all of the Properties described in the Declaration of Condominium of Somerset Bay, a Condominium, and hereby consents to the foregoing declaration in accordance with Section 18.104 of the Condominium Act.

IN WITNESS WHEREOF, WASHINGTON MUTUAL has caused these presents to be signed in its name by its proper officer and its corporate seal to be affixed this \_\_\_\_ day of \_\_\_\_\_, 2000.

Signed, sealed and delivered  
in the presence of:

WASHINGTON MUTUAL

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

\_\_\_\_\_  
Witness

(CORPORATE SEAL)

STATE OF FLORIDA  
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, as \_\_\_\_\_ of WASHINGTON MUTUAL, on behalf of the banking corporation. He/she is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public  
State of Florida  
My Commission Expires:

LEGAL DESCRIPTION

A PARCEL OF LAND LYING IN GOVERNMENT LOTS 5 & 6, SECTION 26, TOWNSHIP 31 SOUTH, RANGE 39 EAST, INDIAN RIVER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
COMMENCE AT THE NORTHWEST CORNER OF CORALSTONE CLUB PHASE 1, A CONDOMINIUM, AS RECORDED IN OFFICIAL RECORDS BOOK 774, PAGE 2294, AND FIRST AMENDMENT RECORDED OFFICIAL RECORDS BOOK 782, PAGE 2824 AND OFFICIAL RECORD BOOK 824, PAGE 607 OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA;  
THENCE S89°59'18"W, ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 6, 927.10 FEET TO THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 5, THENCE S88°38'33"W, ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 5, 65.43 FEET TO THE POINT OF BEGINNING; THENCE S00°34'49"W, 139.98 FEET THENCE S00°00'00"W, 87.50 FEET; THENCE S15°19'27"E, 99.58 FEET; THENCE S28°08'14"E, 273.86 FEET; THENCE S05°23'01"E, 85.18 FEET; THENCE S01°37'02"E, 172.88 FEET; THENCE S51°33'21"W, 73.65 FEET; THENCE S90°00'00"W, 141.81 FEET; THENCE N08°33'01"W, 143.48 FEET; THENCE N01°30'58"E, 47.80 FEET; THENCE N21°28'12"W, 68.00 FEET; THENCE N29°36'34"W, 231.13 FEET; THENCE N13°49'48"W, 34.85 FEET; THENCE N37°08'25"W, 118.35 FEET; THENCE N57°14'11"W, 189.43 FEET; THENCE S88°58'24"W, 62.61 FEET; THENCE S61°12'44"W, 52.22 FEET; THENCE S88°20'51"W, 64.87 FEET; THENCE S88°38'33"W, 68.00 FEET; THENCE N87°07'47"W, 84.83 FEET; THENCE S78°17'18"W, 69.89 FEET; THENCE S84°04'14"W, 54.07 FEET; THENCE S88°22'35"W, 100.65 FEET; THENCE N11°01'08"W, 210.72 FEET; THENCE N08°21'20"W, 32.55 FEET; THENCE N88°38'33"E, 976.78 FEET BACK TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED ROAD RIGHT-OF-WAY: COMMENCING AT THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 5; THENCE S88°38'33"W, 65.43 FEET ALONG THE NORTH LINE OF GOVERNMENT LOT 5; S88°38'33"W, 65.43 FEET; THENCE S00°34'49"W, 139.98 FEET; THENCE S00°00'00"W, 87.50 FEET; THENCE S15°19'27"E, 99.58 FEET; THENCE S28°08'14"E, 273.86 FEET; THENCE S05°23'01"E, 85.18 FEET; S01°37'02"E, 172.88 FEET; THENCE S51°33'21"W, 18.08 FEET TO A POINT ON CURVE ON THE NORTH RIGHT-OF-WAY LINE OF SOMERSET BAY LANE, A 24.00 FOOT ROAD RIGHT-OF-WAY AND THE POINT OF BEGINNING; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A RADIAL BEARING OF N20°43'22"E, A CENTRAL ANGLE OF 62°08'17", A RADIUS OF 70.00 FEET, AND AN ARC LENGTH OF 75.88 FEET TO A POINT OF TANGENCY; THENCE N07°10'21"W, 179.58 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE BEING CONCAVE TO THE SOUTHWEST, HAVING A CENTRAL ANGLE OF 23°20'06", A RADIUS OF 100.00 FEET, AND AN ARC LENGTH OF 40.73

FEET TO A POINT OF TANGENCY; THENCE N30°30'27"W, 188.23 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE BEING CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 18°08'12", A RADIUS OF 100.00 FEET, AND AN ARC LENGTH OF 31.60 FEET TO A POINT OF TANGENCY; THENCE N12°24'18"W, 55.02 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE SOUTHWEST, HAVING A CENTRAL ANGLE OF 44°43'09", A RADIUS OF 172.00 FEET, AND AN ARC LENGTH OF 134.25 FEET TO A POINT OF TANGENCY; THENCE N57°07'24"W, 281.92 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE SOUTHWEST, HAVING A CENTRAL ANGLE OF 34°14'03", A RADIUS OF 124.00 FEET, AND AN ARC LENGTH OF 74.09 FEET TO A POINT OF TANGENCY; THENCE S88°38'33"W, PARALLEL WITH THE NORTH LINE OF SAID GOVERNMENT LOT 5, 450.93 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 286°43'27", A RADIUS OF 45.00 FEET, AND AN ARC LENGTH OF 209.48 FEET, TO A POINT OF REVERSE CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE SOUTHEAST, HAVING A CENTRAL ANGLE OF 88°43'27", A RADIUS OF 25.00 FEET, AND AN ARC LENGTH OF 37.84 FEET, TO A POINT OF TANGENCY; THENCE N88°38'33"E, 411.04 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE SOUTHWEST, HAVING A CENTRAL ANGLE OF 34°14'03", A RADIUS OF 100.00 FEET, AND AN ARC LENGTH OF 69.75 FEET TO A POINT OF TANGENCY; THENCE S57°07'24"E, 281.92 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE SOUTHWEST, HAVING A CENTRAL ANGLE OF 44°43'09", A RADIUS OF 148.00 FEET, AND AN ARC LENGTH OF 118.81 FEET TO A POINT OF TANGENCY; THENCE S12°24'18"E, 55.02 FEET TO A POINT OF CURVE; SAID CURVE BEING CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 18°08'12" A RADIUS OF 124.00 FEET, AND AN ARC LENGTH OF 39.18 FEET TO A POINT OF TANGENCY; THENCE S30°30'27"E, 188.23 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE BEING CONCAVE TO THE SOUTHWEST, HAVING A CENTRAL ANGLE OF 23°20'06" A RADIUS OF 76.00 FEET, AND ARC LENGTH OF 30.85 FEET TO A POINT OF TANGENCY; THENCE S07°10'21"E, 179.58 FEET TO A POINT OF CURVE; THENCE ALONG SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 83°42'33", A RADIUS OF 94.00 FEET, AND AN ARC LENGTH OF 88.12 FEET TO A POINT; THENCE N51°33'21"E, 26.78 FEET BACK TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 7.30 ACRES, MORE OR LESS EXCLUDING DESCRIBED ROAD RIGHT-OF-WAY.



FLORIDA DEPARTMENT OF STATE

Katherine Harris  
Secretary of State

December 6, 1999

GARY B. FRESE, ESQ.  
930 S. HARBOR CITY BLVD.  
SUITE 505  
MELBOURNE, FL 32901

The Articles of Incorporation for SOMERSET BAY CONDOMINIUM ASSOCIATION, INC. were filed on December 2, 1999 and assigned document number N99000007121. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Angela Howell, Document Specialist  
New Filing Section

Letter Number: 699A00057327

Division of Corporations - P.O. BOX 6327 - Tallahassee, Florida 32314

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SOMERSET BAY CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on December 2, 1999, as shown by the records of this office.

The document number of this corporation is N99000007121.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Sixth day of December, 1999



CR2EO22 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State

INDEX  
TO ARTICLES OF INCORPORATION  
OF  
SOMERSET BAY CONDOMINIUM ASSOCIATION, INC.

			<u>PAGE</u>
ARTICLE	I.	NAME	2
ARTICLE	II.	PURPOSE	2
ARTICLE	III.	POWERS	2
ARTICLE	IV.	MEMBERS	3
ARTICLE	V.	TERM	4
ARTICLE	VI.	LOCATION	4
ARTICLE	VII.	DIRECTORS	4
ARTICLE	VIII.	OFFICERS	5
ARTICLE	IX.	INCORPORATOR	5
ARTICLE	X.	BY-LAWS	5
ARTICLE	XI.	INDEMNIFICATION	5
ARTICLE	XII.	AMENDMENTS	6



ARTICLES OF INCORPORATION  
OF  
SOMERSET BAY CONDOMINIUM ASSOCIATION, INC.  
(a corporation not for profit)

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

In order to form a corporation under and in accordance with the provisions of the laws of the State of Florida, for the formation of corporations not for profit, I, the undersigned, hereby submit these Articles to form a corporation for the purpose and with the powers hereinafter mentioned; and to that end I do, by these Articles of Incorporation, set forth:

ARTICLE I  
NAME

The name of the corporation shall be SOMERSET BAY CONDOMINIUM ASSOCIATION, INC. The corporation shall be hereinafter referred to as the "Association".

ARTICLE II  
PURPOSE

The purposes and objects of the Association shall be to administer the operation and management of a condominium to be established by WESTON REAL ESTATE INVESTMENT CORP., a Florida corporation, hereinafter called Developer, the condominium complex to be established in accordance with the laws of the State of Florida upon part or all of the following described property, situate, lying and being in Indian River County, Florida, to-wit:

SEE EXHIBIT "A"

and to undertake the performance of the acts and duties incident to the administration of the operation and management of said condominium and in accordance with the terms, provisions, conditions and authorizations contained in these articles and which may be contained in the Declaration of Condominium which will be recorded in the Public Records of Indian River County, Florida, at the time said property, and the improvements now or hereafter situate thereon are submitted to a plan of condominium ownership; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said condominium. The Association shall operate, maintain and manage the surface water or stormwater management system in a manner consistent with the St. Johns River Water Management District Permit No. 4-061-0181-ERP requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system. The corporation shall be conducted as a non-profit organization for the benefit of its members.

ARTICLE III  
POWERS

The corporation shall have the following powers:

- A. All of the powers and duties granted to corporations and corporations not for profit as set forth in Chapters 607 and 617, Florida Statutes, except as expressly limited or restricted by the Florida Condominium Act, and all of the powers and privileges which may be granted unto said corporation or exercised by it under any other applicable laws of the State of Florida.
- B. All of the powers reasonably necessary to implement and effectuate the purposes of the corporation, including, but not limited to:
  1. Making and establishing reasonable rules and regulations governing the use of condominium units and the common elements in the condominium as said terms may be defined in the Declaration of Condominium.
  2. Levying and collecting assessments against members of the corporation as set forth in the Declaration of Condominium and in the By-Laws of the corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or

personal, including the condominium units in the condominium, which may be necessary or convenient in the operation and management of the condominium and in accomplishing the purposes set forth in the Declaration of Condominium.

3. Maintaining, repairing, replacing, operating and managing the condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the condominium property.

4. Contracting for the management and maintenance of the condominium and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the collection of assessments, preparation of records, enforcement of rules and maintenance of the common elements. The Association shall, however, retain at all times the powers and duties granted them by the Condominium Act, including, but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

5. Enforcing the provisions of the Declaration of Condominium, these Articles of Incorporation, the By-Laws of the corporation which may be hereafter adopted, and the rules and regulations governing the use of the condominium as the same may be hereafter established.

6. To acquire title to property or otherwise hold, convey, lease, and mortgage association property for the use and benefit of its members. The power to acquire personal property shall be exercised by the board of administration. Except as otherwise permitted in subsections (8) and (9) of Section 718.111, Florida Statutes, and in Section 718.114, Florida Statutes, no association may acquire, convey, lease, or mortgage association real property except in the manner provided in the declaration, and if the declaration does not specify the procedure, then approval of 75 percent of the total voting interests shall be required.

7. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the corporation pursuant to the Declaration of Condominium.

#### ARTICLE IV MEMBERS

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

A. The owners of all condominium units in the condominium shall be members of the corporation, and no other persons or entities shall be entitled to membership, except as provided in Item B of this Article IV.

B. Membership shall be established by the acquisition of fee title to a condominium unit in the condominium or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of a party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in all units in the condominium.

C. The interest of a member in the funds and assets of the corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his condominium unit. The funds and assets of the corporation shall belong solely to the corporation, subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium, and in the said By-Laws.

D. On all matters on which the membership shall be entitled to vote, there shall be only one (1) vote for each condominium unit in the condominium, which vote shall be exercised or cast by the owner or owners of each condominium unit in such manner as may be provided in the By-Laws hereafter adopted. Should any member own more than one (1) condominium unit, such member shall

be entitled to exercise or cast as many votes as he owns condominium units, in the manner provided in said By-Laws.

E. Until such time as the property described in Article II hereof is submitted to a plan of condominium ownership by the recordation of said Declaration of Condominium, the membership of the corporation shall be comprised of the subscribers of these Articles, each of which subscribers shall be entitled to cast one (1) vote on all matters on which that membership shall be entitled to vote.

ARTICLE V  
TERM

The Corporation shall have perpetual existence. However, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or 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 St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VI  
LOCATION

The principal office of the Association shall be located at 3410 N. Harbor City Blvd., Suite A, Melbourne, Florida 32935, but the Association may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Administration.

ARTICLE VII  
DIRECTORS

The affairs of the corporation shall be managed by the Board of Administration. The number of members of the Board of Administration of the corporation shall be a minimum of three (3) with the exact number determined by a vote of the members. The members of the Board of Administration shall be elected as provided by the By-Laws of the corporation. The Board of Administration shall be members of the corporation or shall be authorized representatives, officers or employees of a corporate member of this corporation. Notwithstanding the foregoing, the first election of directors will be held in accordance with Article VI of the Declaration of Condominium of SOMERSET BAY, A CONDOMINIUM. Any vacancies in the Board of Administration occurring before the first election will be filled by the remaining directors, unless the vacancy occurs when both the Developer and unit owners other than the Developer are entitled to representation in which event the vacancy shall be filled by an election as provided in rule 61B-23.0021 F.A.C. The first election of director shall be held sixty (60) days from the date of recording of the Declaration of Condominium; thereafter, elections of directors shall be held once a year at the annual membership meeting.

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

JOHN GENONI, SR.	3410 N. Harbor City Blvd., Suite A Melbourne, Florida 32935
JOHN GENONI, JR.	3410 N. Harbor City Blvd., Suite A Melbourne, Florida 32935
CHARLES B. GENONI	3410 N. Harbor City Blvd., Suite A Melbourne, Florida 32935

ARTICLE VIII  
OFFICERS

The Board of Administration shall elect a President, a Secretary and a Treasurer and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Administration shall determine. The President shall be elected from among the membership of the Board of Administration but no other officer needs to be a director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, that the office of the President and Vice President shall not be held by the same person, nor shall the office of President, Secretary or Assistant Secretary be held by the same person.

The affairs of the corporation shall be administered by the officers designated in the By-Laws of the corporation. Said officers will be elected by the Board of Administration at its first meeting following the annual meeting of the members of the Association and with the approval of the Board of Administration, may employ a managing agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the condominium, and the affairs of the corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the corporation or a director of the corporation.

The name and address of the officer who will serve until his successor is designated is as follows:

JOHN GENONI, SR. President	3410 N. Harbor City Blvd., Suite A Melbourne, Florida 32935
JOHN GENONI, JR. Vice-President	3410 N. Harbor City Blvd., Suite A Melbourne, Florida 32935
CHARLES B. GENONI Secretary/Treasurer	3410 N. Harbor City Blvd., Suite A Melbourne, Florida 32935

ARTICLE IX  
INCORPORATOR

The incorporator to these Articles of Incorporation is subscribed hereto and his name and address are listed below:

GARY B. FRESE	930 S. Harbor City Blvd., Suite 505 Melbourne, Florida 32901
---------------	---

ARTICLE X  
BY-LAWS

The original By-Laws of the Corporation shall be adopted by the Board of Administration and thereafter, such By-Laws may be altered or rescinded by the Board of Administration only in such manner as said By-Laws may provide.

ARTICLE XI  
INDEMNIFICATION

Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the corporation, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the

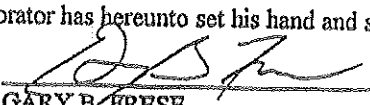
indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XII  
AMENDMENTS

Any amendment or amendments to these Articles of Incorporation may be proposed by the Board of Administration of the corporation acting upon a vote of the majority of the directors, or by the members of the corporation owning a majority of the condominium units in the condominium, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles being proposed by said Board of Administration or members, such proposed amendment or amendments shall be transmitted to the President of the corporation or other officer of the corporation in the absence of the President, who shall thereupon call a special meeting of the members of the corporation for a date not sooner than twenty (20) days nor later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting, stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten (10) days nor more than thirty (30) days before the date set for such meeting. If mailed, the notice of the membership meeting shall be sent by certified mail, return receipt requested, which mailing shall be deemed notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the corporation, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of the members owning a majority of the condominium units in the condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these articles shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State of Florida; and upon the registration of such amendment or amendments which said Secretary of State, a certified copy thereof shall be recorded in the Public Records of Indian River County, Florida, within ten (10) days from the date on which the same are so registered. No amendment is valid until it is recorded in the Public Records. At any meeting held to consider such amendment or amendments of these articles, the written vote of any member of the corporation shall be recognized, if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the corporation at or prior to such meeting.

Notwithstanding the foregoing provisions of this Article XII, no amendment or amendments to these articles which shall abridge, amend or alter the right of the Developer to designate and select directors of each Board of Administration of the corporation, as provided in Article VII hereof, may be adopted or become effective without the prior consent of the Developer.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this 30th day of November, 1999.

  
\_\_\_\_\_  
GARY B. FRESE  
930 S. Harbor City Blvd., Suite 505  
Melbourne, Florida 32901

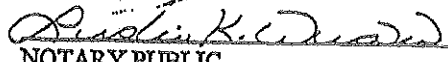
STATE OF FLORIDA  
COUNTY OF BREVARD

BEFORE ME, the undersigned authority, personally appeared GARY B. FRESE, personally known to me and who being by me first duly sworn, acknowledged that he executed the foregoing Articles of Incorporation for the purposes therein expressed on this 30th day of November, 1999.

My Commission Expires:




Leslie K. Weaver  
MY COMMISSION # CC660544 EXPIRES  
AUGUST 9, 2000  
BONDED THRU TROY PAUL INSURANCE, INC.

  
\_\_\_\_\_  
NOTARY PUBLIC

CERTIFICATE OF REGISTERED AGENT

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act.

" SOMERSET BAY CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, desiring to organize under the laws of the State of Florida, with its principal office, as indicated in the Articles of Incorporation, in the City of Melbourne, Florida, County of Brevard, State of Florida, has named GARY B. FRESE, ESQ., 930 S. Harbor City Blvd., Suite 505, Melbourne, Florida 32901, as its agent to accept service of process for the above-stated corporation, at the place designated in this certificate, and he hereby accepts to act in this capacity and agrees to comply with the provisions of said Act relative to keeping open said office.

  
\_\_\_\_\_  
GARY B. FRESE

LEGAL DESCRIPTION:

A PARCEL OF LAND LYING IN GOVERNMENT LOTS 5 AND 6, IN SECTION 26, TOWNSHIP 31 SOUTH, RANGE 39 EAST, INDIAN RIVER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF CORALSTONE CLUB PHASE I, A CONDOMINIUM, AS RECORDED IN OFFICIAL RECORDS BOOK 774, PAGE 2294 AND FIRST AMENDMENT RECORDED IN OFFICIAL RECORDS BOOK 782, PAGE 2824 AND OFFICIAL RECORDS BOOK 824, PAGE 607 OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA; THENCE S88°38'18"W, ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 6, 827.10 FEET TO THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 5; THENCE S88°38'33"W ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 5, 64.98 FEET TO THE POINT OF BEGINNING; THENCE S00°54'49"W, 134.97 FEET; THENCE S00°00'00"W, 88.00 FEET; THENCE N80°00'00"E, 8.11 FEET; THENCE S00°00'00"E, 15.00 FEET; THENCE S12°48'26"E, 90.80 FEET; THENCE S28°06'14"E, 273.86 FEET; THENCE S05°23'01"E, 85.18 FEET; THENCE S01°37'02"E, 172.85 FEET; THENCE S61°33'21"W, 73.65 FEET; THENCE S80°00'00"W, 141.81 FEET; THENCE N06°33'01"W, 143.45 FEET; THENCE N01°30'58"E, 47.80 FEET; THENCE N21°28'12"W, 68.00 FEET; THENCE N29°56'34"W, 231.13 FEET; THENCE N13°48'48"W, 34.85 FEET; THENCE N57°08'25"W, 118.35 FEET; THENCE N57°14'11"W, 189.43 FEET; THENCE S88°58'24"W, 62.61 FEET; THENCE S81°18'44"W, 82.88 FEET; THENCE S88°20'51"W, 84.87 FEET; THENCE S85°38'33"W, 68.00 FEET; THENCE N67°07'47"W, 54.83 FEET; THENCE S78°17'18"W, 69.89 FEET; THENCE S84°04'14"W, 84.07 FEET; THENCE S86°22'36"W, 100.65 FEET; THENCE N11°01'05"W, 210.72 FEET; THENCE N08°21'20"W, 32.85 FEET TO A POINT ON THE NORTH LINE OF SAID GOVERNMENT LOT 5; THENCE N08°38'33"E, 876.78 FEET TO THE POINT OF BEGINNING.  
CONTAINING 8.29 ACRES MORE OR LESS, SUBJECT TO ANY EASEMENTS, RIGHT-OF-WAYS OR RESTRICTIONS OF RECORD AND SUBJECT TO THE FINAL PLAN OF BERMUDA CLUB.

EXHIBIT "A"