

**RESTATED DECLARATION OF CONDOMINIUM
OF
COURT OF DELRAY**

**(A Condominium)
2220 South Ocean Boulevard
Delray Beach, Florida**

KNOW ALL MEN BY THESE PRESENTS:

THAT COURT OF DELRAY CORP., a Florida corporation, does hereby make, declare and establish this Declaration of Condominium as and for the plan of dwelling ownership and condominium for COURT OF DELRAY, a Condominium, being the property and improvements hereinafter described.

I

ESTABLISHMENT OF CONDOMINIUM

COURT OF DELRAY CORP. is the owner in fee simple of that certain property situate in the City of Delray Beach, County of Palm Beach, and State of Florida, which is more particularly described as follows, to wit:

A tract of land 200 feet in width between parallel lines extending from the Intracoastal Waterway to the center line of State Road 140 (now A1A), the South line of said tract being a line parallel to and 100 feet Northerly from the quarter section line, running East and West through Section 28, Township 46 South, Range 43 East, in Palm Beach County, Florida, and the North line of said tract being a line parallel to and 300 feet northerly from said quarter section line, EXCEPTING the right of way of State Road No. 140 (now A1A). The aforesaid quarter section line running East and West through said Section 28 is as established by agreement between Bessemer Properties Incorporated and Basset W. Mitchell and Mary Starr Mitchell, his wife, dated November 20, 1941, recorded in Deed Book 642, Page 474, Palm Beach County records;

and on which property there has been constructed COURT OF DELRAY, a high-rise apartment housing project containing 43 dwelling units and other appurtenant improvements. COURT OF DELRAY CORP. does hereby submit the above described property and improvements to condominium ownership pursuant to Chapter 711, Florida Statutes 1969, and hereby declares the same to be a condominium to be known and identified as "COURT OF DELRAY, a condominium", sometimes hereinafter referred to as the "CONDOMINIUM".

II

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof as Exhibit "A," is a survey of the land and graphic description and plot plans of the improvements constituting the CONDOMINIUM, identifying the APARTMENTS, COMMON PROPERTY and LIMITED COMMON PROPERTY, as said terms are hereinafter defined, and their respective locations and approximate dimensions. Each APARTMENT is identified by specific number on said Exhibit "A," and no APARTMENT bears the same designation as any other APARTMENT. Similarly, each parking space constituting LIMITED COMMON PROPERTY is identified by specific number on said Exhibit "A" and no parking space constituting a part of said LIMITED COMMON PROPERTY bears the same designation as any other parking space.

III

APARTMENTS, COMMON PROPERTY AND LIMITED COMMON PROPERTY

The CONDOMINIUM consists of APARTMENTS, COMMON PROPERTY and LIMITED COMMON PROPERTY, as said terms are hereinafter defined.

APARTMENTS, as the term is used herein, shall mean and comprise the 43 separate and numbered Dwelling Units, with balconies adjacent thereto, which are designated in Exhibit "A" to this Declaration of Condominium, excluding, however, all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each Dwelling Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utility services to APARTMENTS and COMMON PROPERTY.

COMMON PROPERTY, as the term is used herein, shall mean and comprise all of the real property, improvements and facilities of the CONDOMINIUM other than the APARTMENTS, as same are hereinabove defined, and shall include easements through APARTMENTS for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility service to APARTMENTS and COMMON PROPERTY and easements of support in every portion of an APARTMENT which contributes to the support of the improvements, and shall further include all personal property held and maintained for the joint use and enjoyment of all of the owners of all such APARTMENTS.

LIMITED COMMON PROPERTY, as the term is used herein, shall mean and comprise that portion of the COMMON PROPERTY consisting of 43 separate and designated parking spaces, as specifically identified on Exhibit "A" hereto attached, as to each of which said parking spaces a

right of exclusive use may be reserved as an appurtenance to a particular APARTMENT, as hereinafter described.

IV

OWNERSHIP OF APARTMENTS AND APPURTENANT INTEREST IN COMMON PROPERTY

Each APARTMENT shall be conveyed and treated as a individual property capable of independent use and fee simple ownership, and the owner or owners of each said APARTMENT shall own, as an appurtenance to the ownership of each said APARTMENT, an undivided interest in the COMMON PROPERTY, the undivided interest appurtenant to each said APARTMENT being that which is herein specifically assigned thereto. The percentage of undivided interest in the COMMON PROPERTY assigned to each APARTMENT shall not be changed except with the unanimous consent of all of the owners of all of the APARTMENTS.

V

RESTRICTION AGAINST FURTHER SUBDIVIDING OF APARTMENTS AND SEPARATE CONVEYANCE OF APPURTENANT COMMON PROPERTY, ETC.

No APARTMENT may be divided or subdivided into a smaller Dwelling Unit or smaller Dwelling Units than as shown on Exhibit "A" hereto, nor shall any APARTMENT, or portion thereof, be added to or incorporated into any other APARTMENT. The undivided interest in the COMMON PROPERTY declared to be an appurtenance to each APARTMENT shall not be conveyed, devised, encumbered or otherwise dealt with separately from said APARTMENT, and the undivided interest in COMMON PROPERTY appurtenant to each APARTMENT shall be deemed conveyed, devised, encumbered or otherwise included with the APARTMENT even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such APARTMENT. Any conveyance, mortgage or other instrument which purports to affect the conveyance, devise or encumbrance, or which purports to grant any right, interest or lien in, to or upon, an APARTMENT, shall be null, void and of no affect insofar as the same purports to affect any interest in an APARTMENT and its appurtenant undivided interest in COMMON PROPERTY, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire APARTMENT. Any instrument conveying, devising, encumbering or otherwise dealing with any APARTMENT which describes said APARTMENT by the APARTMENT Unit Number assigned thereto in Exhibit "A" without limitation or exception, shall be deemed and construed to affect the entire APARTMENT and its appurtenant undivided interest in the COMMON PROPERTY. Nothing herein contained shall be construed as limiting or preventing ownership of any APARTMENT and its appurtenant undivided interest in the COMMON PROPERTY by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

VI

CONDOMINIUM SUBJECT TO RESTRICTIONS, ETC.

The APARTMENTS, COMMON PROPERTY and LIMITED COMMON PROPERTY shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein, governing the use of said APARTMENTS, COMMON PROPERTY and LIMITED COMMON PROPERTY and setting forth the obligations and responsibilities incident to ownership of each APARTMENT and its appurtenant undivided interest in the COMMON PROPERTY and/or its appurtenant right to use any parking space constituting LIMITED COMMON PROPERTY, if such be an appurtenance, and said APARTMENTS, COMMON PROPERTY and LIMITED COMMON PROPERTY are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the CONDOMINIUM.

VII

PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON PROPERTY

The COMMON PROPERTY shall be, and the same is hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of APARTMENTS in the CONDOMINIUM for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of APARTMENTS. Notwithstanding anything above provided in this Article, COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., hereinafter identified, shall have the right to establish the rules and regulations pursuant to which the owner or owners of any APARTMENT may be entitled to the exclusive use of any parking space or spaces (other than those parking spaces comprising LIMITED COMMON PROPERTY).

VIII

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

In the event that any APARTMENT shall encroach upon any COMMON PROPERTY for any reason not caused by the purposeful, or negligent act of the APARTMENT owner or owners, or agents of such owner or owners, then an easement appurtenant to such APARTMENT shall exist for the continuance of such encroachment unto the COMMON PROPERTY for so long as such encroachment shall naturally exist; and, in the event that any portion of the COMMON PROPERTY shall encroach upon any APARTMENT, then an easement shall exist for the continuance of such encroachment of the COMMON PROPERTY into any APARTMENT for so long as such encroachment shall naturally exist.

IX

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON PROPERTY

Recognizing that the proper use of an APARTMENT by any owner or owners is dependent upon the use and enjoyment of the COMMON PROPERTY in common with the owners of all other APARTMENTS, and that it is in the interest of all owners of APARTMENTS that the ownership of the COMMON PROPERTY be retained in common by the owners of APARTMENTS in the CONDOMINIUM, it is declared that the percentage of the undivided interest in the COMMON PROPERTY appurtenant to each APARTMENT shall remain undivided and no owner of any APARTMENT shall bring or have any right to bring any action for partition or division.

X

PERCENTAGE OF UNDIVIDED INTEREST IN COMMON PROPERTY APPURTENANT TO EACH APARTMENT

The undivided interest in COMMON PROPERTY appurtenant to each APARTMENT is that percentage of undivided interest which is set forth and assigned to each APARTMENT in that certain Schedule which is annexed hereto and expressly made a part hereof as Exhibit "B". Likewise, each APARTMENT shall have appurtenant thereto an undivided interest in the LIMITED COMMON PROPERTY in the same percentage as there is appurtenant thereto an undivided interest in the COMMON PROPERTY, subject, however, to the exclusive right of use in LIMITED COMMON PROPERTY which may be assigned as an appurtenance to a particular APARTMENT.

XI

EASEMENT FOR AIR SPACE

The owner of each APARTMENT shall have an exclusive easement for the use of the air space occupied by said APARTMENT as it exists at any particular time and as said APARTMENT may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

XII

ADMINISTRATION OF CONDOMINIUM BY COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the CONDOMINIUM by the owners of APARTMENTS, a non-profit Florida corporation, known and designated as COURT

OF DELRAY CONDOMINIUM ASSOCIATION, INC., has been organized, and said corporation shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration of Condominium, and in accordance with the terms of the Articles of Incorporation of COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., and the By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of said COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., are annexed hereto and expressly made a part hereof as Exhibits "C" and "D" respectively. The owner or owners of each APARTMENT shall automatically become members of COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., upon his, their or its acquisition of an ownership interest in title to any APARTMENT and its appurtenant undivided interest in COMMON PROPERTY and LIMITED COMMON PROPERTY, and the membership of such owner or owners shall terminate automatically upon such owner or owners being divested of such ownership interest in the title to such APARTMENT, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any APARTMENT shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., or to any of the rights or privileges of such membership. In the administration of the operation and management of the CONDOMINIUM, said COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of Condominium, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate, and enforce such rules and regulations governing the use of the APARTMENTS, COMMON PROPERTY, and LIMITED COMMON PROPERTY, as the Board of Directors of COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., may deem to be in the best interests of the CONDOMINIUM. COURT OF DELRAY CONDOMINIUM ASSOCIATION, INC., is hereinafter referred to as "ASSOCIATION".

XIII

RESIDENTIAL USE RESTRICTION APPLICABLE TO APARTMENTS

Each APARTMENT is hereby restricted to residential use by the owner or owners thereof, their immediate families, guests and invitees. No owner or owners of any APARTMENT shall permit use of the same for transient, hotel or commercial purposes; provided, however, that so long as COURT OF DELRAY CORP. shall retain any interest in the CONDOMINIUM, it may utilize an APARTMENT or APARTMENTS for sales office, model, prototype, or other usage for the purpose of selling APARTMENTS in said CONDOMINIUM. Still further, COURT OF DELRAY CORP. may assign this commercial usage right to such other persons or entities as it may choose; provided, however, that when all APARTMENTS in the CONDOMINIUM have been sold, this commercial right of usage shall immediately cease. Any sale or transfer of an APARTMENT may only be made to natural persons or to the trustees of a trust for the benefit of natural persons.

XIV

USE OF COMMON PROPERTY AND LIMITED COMMON PROPERTY SUBJECT TO RULES OF ASSOCIATION

The use of COMMON PROPERTY by the owner or owners of all APARTMENTS, and all other parties authorized to use the same, and the use of LIMITED COMMON PROPERTY by the owner or owners entitled to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may be hereafter prescribed and established by the ASSOCIATION.

XV

CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES

RESTRICTION AGAINST NUISANCES, ETC.

No immoral, improper, offensive or unlawful use shall be made of any APARTMENT or of the COMMON PROPERTY, or of the LIMITED COMMON PROPERTY, nor any part thereof, and all laws, zoning ordinances and requisitions of all governmental authorities having jurisdiction of the CONDOMINIUM shall be observed. No owner of any APARTMENT shall permit or suffer anything to be done or kept in his APARTMENT, or on the COMMON PROPERTY, or on the LIMITED COMMON PROPERTY, which will increase the rate of insurance on the CONDOMINIUM or which will obstruct or interfere with the rights of other occupants of the building or annoy them by unreasonable noises, nor shall any such owner undertake any use or practice which shall create and constitute a nuisance to any other owner of an APARTMENT, or which interferes with the peaceful possession and proper use of any other APARTMENT, or the COMMON PROPERTY, or the LIMITED COMMON PROPERTY.

XVI

RIGHT OF ENTRY INTO APARTMENTS IN EMERGENCIES

In case of any emergency originating in or threatening any APARTMENT, regardless of whether the owner is present at the time of such emergency, the Board of Directors of ASSOCIATION, or any other person authorized by it, or the building Superintendent or Managing Agent, shall have the right to enter such APARTMENT, for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the owner of each APARTMENT, if required by the ASSOCIATION, shall deposit under the control of the ASSOCIATION a key to such APARTMENT.

XVII

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON PROPERTY

Whenever it is necessary to enter any APARTMENT for the purpose of performing any maintenance, alteration or repair to any portion of the COMMON PROPERTY, or to go upon any LIMITED COMMON PROPERTY for such purpose, the owner of each APARTMENT shall permit other owners or their representatives, or the duly constituted and authorized Agent of ASSOCIATION, to enter such APARTMENT, or to go upon the LIMITED COMMON PROPERTY constituting an appurtenance to any such APARTMENT, for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

XVIII

LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY APARTMENTS

No owner of an APARTMENT shall permit to be made any structural modifications or alterations in such APARTMENT without first obtaining the written consent of ASSOCIATION, which consent may be withheld in the event that a majority of the Board of Directors of said Corporation determine, in their sole discretion, that such structural modifications or alterations would affect or in any manner endanger the CONDOMINIUM in part or in its entirety. If the modification or alteration desired by the owner of any APARTMENT involves the removal of any permanent interior partition, ASSOCIATION shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting COMMON PROPERTY located therein. No owner shall cause any improvements or changes to be made on the exterior of the CONDOMINIUM, including painting or other decoration, or the installation of electrical wiring, television antenna, machines, or air conditioning units, which may protrude through the walls or roof of the CONDOMINIUM, or in any manner change the appearance of any portion of the building not within the walls of such APARTMENT, without the written consent of ASSOCIATION being first had and obtained. Balconies shall be enclosed per the provisions of Article XIX of this Declaration. Tile or other hard surface flooring shall not be permitted to be installed above any bedroom area of another apartment. Tile or other hard surface flooring installed in other areas of an Apartment shall have such sound-proofing material(s) installed underneath the flooring material as may be specified by the Board of Directors from time to time.

XIX

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE PROPERTY AND ASSESSMENT THEREFOR

ASSOCIATION shall have the right to make or cause to be made such alterations or improvements to the COMMON PROPERTY, provided the making of such alterations and improvements are approved by the Board of Directors of said ASSOCIATION, and the cost of such alterations or improvements shall be assessed as common expense to be assessed and collected from all of the owners of APARTMENTS. However, where any alterations and improvements are exclusively or substantially exclusively for the benefit of the owner or owners of an APARTMENT or APARTMENTS requesting the same, then the cost of such alterations and improvements shall be assessed against and collected solely from the owner or owners of the APARTMENT or APARTMENTS exclusively or substantially exclusively benefitted, the assessment to be levied in such proportion as may be determined by the Board of Directors of ASSOCIATION.

The balcony of each APARTMENT shall be enclosed with glass meeting hurricane protection building code requirements in effect at the time of recordation of this amendment and any balcony not so enclosed at such time of recordation shall be enclosed by the ASSOCIATION as a common expense. The maintenance, repair and replacement of such balcony enclosures (not including the day-to-day cleaning of the glass thereof, which shall be the responsibility of the APARTMENT owner) for each APARTMENT shall be the responsibility of the ASSOCIATION as a common expense, and any replacement shall comply with the hurricane protection building code requirements in effect at such time. The Board of Directors shall determine the specifications for the enclosures, including type, style and appearance. Additionally, the windows of or serving each APARTMENT shall be maintained, repaired and replaced by the ASSOCIATION as a common expense, including the glass, frame and locking device(s), mechanism(s) and hardware thereof. Notwithstanding the foregoing, sliding glass doors located on or opening onto any balcony of an APARTMENT shall be maintained, repaired and replaced by the owner of the APARTMENT at such owner's expense, including, without limitation, the glass, frame, screens (if any), track(s) and locking devices, mechanism(s) and hardware thereof.

XX

MAINTENANCE AND REPAIR BY OWNERS OF APARTMENTS

Except as may be otherwise provided by this Declaration, every owner must perform promptly all maintenance and repair work within his APARTMENT which, if omitted, would affect the CONDOMINIUM in its entirety or in part belonging to other owners, being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each APARTMENT shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to

his APARTMENT and which may now or hereafter be situated in his APARTMENT. Such owner shall further be responsible and liable for maintenance, repair and replacement of any and all wall, ceiling and floor interior surfaces, painting, decorating and furnishings, and all other accessories which such owner may desire to place or maintain in his APARTMENT. Wherever the maintenance, repair and replacement of any items for which the owner of an APARTMENT is obligated to maintain, repair or replace at his own expense, is occasioned by any loss or damage which may be covered by any insurance maintained in force by ASSOCIATION, the proceeds of the insurance received by ASSOCIATION, shall be used for the purpose of making such maintenance, repair or replacement, except that the owner of such shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The surface of the floor and interior walls of the balcony attached to his APARTMENT shall be maintained (including day to day cleaning but not including structural maintenance or repair, or painting of the walls) by the owner at his expense not including the glass enclosure thereof which shall be maintained, repaired and replaced by the ASSOCIATION (not including the day-to-day cleaning of the glass thereof which shall be the responsibility of the APARTMENT owner) as provided in Article XIX of this Declaration. Sliding glass doors located on or opening onto any balcony of an APARTMENT shall be maintained, repaired and replaced by the owner of the APARTMENT at such owner's expense, including, without limitation, the glass, frame, screens (if any), track(s), locking device(s), mechanism(s) and hardware thereof. Notwithstanding the foregoing, any floor covering or other alteration or improvement installed by a unit owner in or on a balcony with the prior approval of the ASSOCIATION pursuant to Article XVIII of this Declaration shall be the maintenance, repair and replacement responsibility of the unit owner and the ASSOCIATION shall not be responsible for any damage thereto incidental to the ASSOCIATION performing any action which it is obligated or has the right to undertake under this Declaration or pursuant to applicable law.

XXI

MAINTENANCE AND REPAIR OF COMMON PROPERTY AND LIMITED COMMON PROPERTY BY ASSOCIATION

ASSOCIATION, at its expense, shall be responsible for the maintenance, repair and replacement of all of the COMMON PROPERTY and LIMITED COMMON PROPERTY, including those portions thereof which contribute to the support of the building and all conduits, ducts, plumbing, wiring and other facilities located in the COMMON PROPERTY and LIMITED COMMON PROPERTY for the furnishing of utility services to the APARTMENT and said COMMON PROPERTY and LIMITED COMMON PROPERTY, and should any incidental damage be caused to any APARTMENT by virtue of any work which may be done or caused to be done by ASSOCIATION in the maintenance, repair or replacement of any COMMON PROPERTY, the said ASSOCIATION shall, at its expense, repair such incidental damage.

XXII

LIMITED COMMON PROPERTY: RIGHTS OF DECLAROR, LIMITATION OF SEPARATE TRANSFER ONCE ASSIGNED, AND EXCEPTION FOR TRANSFER TO ASSOCIATION

Within five (5) years from the date of the recording of this Declaration of Condominium, the Declaror, COURT OF DELRAY CORP., shall have the right to assign particular parking spaces in the LIMITED COMMON PROPERTY to particular APARTMENTS, which assignment shall be made by instrument in writing executed with the formalities of a deed, and recorded in the Public Records of Palm Beach County, Florida, and which assignment may be made by separate instrument or by inclusion in any instrument of conveyance of an APARTMENT. Upon such assignment, of such parking space in the LIMITED COMMON PROPERTY to an APARTMENT, the owner of such APARTMENT shall have the exclusive right to the use thereof without separate charge therefor by the ASSOCIATION, although nothing herein contained shall be construed as relieving such owner from any portion of an assessment for common expense made against his APARTMENT, as hereinafter provided, it being the intention hereof that the cost of maintenance and administration of LIMITED COMMON PROPERTY shall be included as part of the common expense applicable to all APARTMENTS for purposes of assessment. Upon such assignment, the exclusive right of the owner of the APARTMENT to which such assignment is made shall become an appurtenance to said APARTMENT, and upon the conveyance of or passing of title to the APARTMENT to which such assignment is made, such exclusive right shall pass as an appurtenance thereto in the same manner as the undivided interest in the COMMON PROPERTY appurtenant to such APARTMENT. No conveyance, encumbrance or passing of title in any manner whatsoever to any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY may be made or accomplished separately from the conveyance, encumbrance or passing of title to the APARTMENT to which it is appurtenant, except that such exclusive right may be separately assigned, transferred or conveyed to the ASSOCIATION or to another APARTMENT owner as an appurtenance to an APARTMENT located in the CONDOMINIUM. Whenever the ASSOCIATION shall become the owner of the exclusive right to use any parking space constituting LIMITED COMMON PROPERTY, the acquisition of which such exclusive right shall be by instrument executed with the formality of a deed, such exclusive right may be thereafter by instrument executed in such formality assigned by the ASSOCIATION to any APARTMENT to the same force and effect as if originally assigned thereto by the Declaror. The ASSOCIATION shall have the exclusive right to use any LIMITED COMMON PROPERTY assigned to it for the purpose of providing controlled parking or attendant parking and to make a charge therefor. In the event that Declaror shall not have assigned the exclusive right to use all parking spaces constituting LIMITED COMMON PROPERTY to particular APARTMENTS at the expiration of five years from the date of recordation of this Declaration of Condominium, then the right of the Declaror to make such assignment shall cease and terminate with respect to the exclusive right to use any then unassigned parking spaces constituting LIMITED COMMON PROPERTY and the rights previously vested in the Declaror as to

said unassigned parking spaces constituting LIMITED COMMON PROPERTY shall pass unto and be vested in ASSOCIATION just as though the Declaror had assigned same to particular APARTMENTS, from which APARTMENTS same had been transferred to the ASSOCIATION.

XXIII

PERSONAL LIABILITY AND RISK OF LOSS OF OWNER OF APARTMENT AND SEPARATE INSURANCE COVERAGE, ETC.

The owner of each APARTMENT may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner, and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's APARTMENT or upon the COMMON PROPERTY or LIMITED COMMON PROPERTY. All such insurance obtained by the owner of each APARTMENT shall, wherever such provision shall be available, provide that the insurer waives its right of subrogation as to any claims against other owners of APARTMENTS, ASSOCIATION, and the respective servants, agents and guests of said other owners and ASSOCIATION. Risk of loss of or damage to any furniture, furnishings, personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the COMMON PROPERTY) belonging to or carried on the person of the owner of each APARTMENT, or which may be stored in any APARTMENT, or in, to or upon COMMON PROPERTY or LIMITED COMMON PROPERTY, shall be borne by the owner of each such APARTMENT. All furniture, furnishings and personal property constituting a portion of the COMMON PROPERTY and held for the joint use and benefit of all owners of all APARTMENTS shall be covered by such insurance as shall be maintained in force and effect by ASSOCIATION as hereinafter provided. The owner of an APARTMENT shall have no personal liability for any damages caused by the ASSOCIATION or in connection with the use of the COMMON PROPERTY or LIMITED COMMON PROPERTY. The owner of an APARTMENT shall be liable for injuries or damages resulting from an accident in his own APARTMENT, to the same extent and degree that the owner of a house would be liable for an accident occurring within the house.

XXIV

INSURANCE COVERAGE TO BE MAINTAINED BY ASSOCIATION; INSURANCE TRUSTEE, APPOINTMENT AND DUTIES; USE AND DISTRIBUTION OF INSURANCE PROCEEDS, ETC.

The following insurance coverage shall be maintained in full force and effect by ASSOCIATION covering the operation and management of the CONDOMINIUM and the said CONDOMINIUM, meaning the APARTMENTS, COMMON PROPERTY and LIMITED COMMON PROPERTY, to wit:

- A) Casualty Insurance covering all of the APARTMENTS, COMMON PROPERTY and

LIMITED COMMON PROPERTY in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsement; and (ii) such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the CONDOMINIUM, including but not limited to vandalism, malicious mischief, windstorm, water damage and war risk insurance, if available;

B) Public liability and property damage insurance in such amounts and in such form as shall be required by ASSOCIATION to protect said ASSOCIATION and the owners of all APARTMENTS, including but not limited to water damage, legal liability, hired automobile, non-owned automobile and off premises employee coverage;

C) Workmen's Compensation Insurance to meet the requirements of law;

D) Such other insurance coverage, other than title insurance, as the Board of Directors of ASSOCIATION, in its sole discretion, may determine from time to time to be in the best interests of ASSOCIATION and the owners of all of the APARTMENTS.

All liability insurance maintained by ASSOCIATION shall contain cross liability endorsements to cover liability of all owners of APARTMENTS as a group to each APARTMENT owner.

All insurance coverage authorized to be purchased shall be purchased by ASSOCIATION for itself and for the benefit of all of the owners of all APARTMENTS. The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are any other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

All policies of casualty insurance covering the CONDOMINIUM shall provide for the insurance proceeds covering any loss to be payable to the ASSOCIATION and the insurance proceeds from casualty loss shall be held for the use and benefit of ASSOCIATION and all of the owners of all APARTMENTS and their respective Mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. ASSOCIATION is hereby declared to be and appointed as Authorized Agent for all of the owners of all APARTMENTS for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of an insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss or damage to insured property.

The company or companies with whom casualty insurance may be placed shall be selected by ASSOCIATION, and all parties beneficially interested in such insurance coverage shall be bound by such selection of insurance company or companies made by ASSOCIATION.

Where any insurance proceeds are paid to the ASSOCIATION for any casualty loss, the holder or holders of any mortgage or mortgages encumbering an APARTMENT shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution to the owner or owners of any APARTMENT or APARTMENTS, and their respective mortgagees, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the owner or owners of any APARTMENT or APARTMENTS, and their respective mortgagee or mortgagees, by reason of loss of or damage to personal property constituting a part of COMMON PROPERTY and as to which a determination is made not to repair, replace or restore such personal property.

In the event of the loss of or damage only to COMMON PROPERTY, real or personal and/or LIMITED COMMON PROPERTY, which loss or damage is covered by the casualty insurance, the proceeds paid to the ASSOCIATION to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such COMMON PROPERTY and/or LIMITED COMMON PROPERTY, then such excess insurance proceeds shall be paid by the ASSOCIATION to the owners of all of the APARTMENTS and their respective mortgagees, irrespective of whether there may be exclusive right to use a parking space constituting LIMITED COMMON PROPERTY appurtenant to any of such APARTMENTS, the distribution to be separately made to the owner of each APARTMENT and his respective mortgagee or mortgagees, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the owner of each APARTMENT and his said mortgagee or mortgagees, if any, shall bear the same ratio to the total excess insurance proceeds as does the undivided interest in COMMON PROPERTY appurtenant to each APARTMENT bear to the total undivided interests in COMMON PROPERTY appurtenant to all APARTMENTS. If it appears that the insurance proceeds covering the casualty loss or damage payable to the ASSOCIATION are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, plus any available Reserve for Replacement Funds which may be utilized under applicable law, then ASSOCIATION shall levy a special assessment of such sum which, together with the insurance proceeds received or to be received, plus any available Reserve for Replacement Funds which may be utilized under applicable law, will enable the ASSOCIATION to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The ASSOCIATION shall levy and collect an assessment against the owners of all APARTMENTS and said APARTMENTS in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction without regard to the existence of any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY which may be an appurtenance to said APARTMENT.

In the event of the loss of or damage to COMMON PROPERTY, LIMITED COMMON PROPERTY, and any APARTMENT or APARTMENTS, which loss or damage is covered by the casualty insurance, the proceeds paid to the ASSOCIATION to cover such loss or damage shall be first applied to the repair, replacement or reconstruction, as the case may be, of COMMON PROPERTY, real or personal, and LIMITED COMMON PROPERTY, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any APARTMENT or APARTMENTS which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the COMMON PROPERTY and LIMITED COMMON PROPERTY and the APARTMENT or APARTMENTS sustaining any loss or damage, then such excess insurance proceeds shall be paid and distributed by the ASSOCIATION to the owners of all APARTMENTS, and to their mortgagee or mortgagees, as their respective interests may appear, such distribution to be made in the manner and in the proportions as are provided hereinbefore. If it appears that the insurance proceeds covering the casualty loss or damage payable to the ASSOCIATION are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Board of Directors of ASSOCIATION shall, based upon reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the COMMON PROPERTY and LIMITED COMMON PROPERTY, and the APARTMENT or APARTMENTS sustaining any loss or damage. If the proceeds of said casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss or damage to COMMON PROPERTY and LIMITED COMMON PROPERTY, but should the same not be sufficient to repair, replace or reconstruct any loss of or damage to any APARTMENT or APARTMENTS, then ASSOCIATION shall levy and collect an assessment from the owner or owners of the APARTMENT or APARTMENTS sustaining any loss or damage, so that the sum on deposit by the ASSOCIATION shall be sufficient to completely pay for the repair, replacement or reconstruction of all COMMON PROPERTY, LIMITED COMMON PROPERTY and APARTMENT or APARTMENTS. In said latter event, the assessment to be levied and collected from the owner or owners of each APARTMENT or APARTMENTS sustaining loss or damage shall be apportioned between such owner or owners in such manner that the assessment levied against each owner of an APARTMENT and his APARTMENT, shall bear the same proportion to the total assessment levied against all of said owners of APARTMENTS sustaining loss or damage as does the cost of repair, replacement or reconstruction of each owner's APARTMENT bear to the cost applicable to all of said APARTMENTS sustaining loss or damage. If the casualty insurance proceeds payable to the ASSOCIATION in the event of the loss of or damage to COMMON PROPERTY, LIMITED COMMON PROPERTY and APARTMENT or APARTMENTS is not in an amount which will pay for the complete repair, replacement or reconstruction of the COMMON PROPERTY and LIMITED COMMON PROPERTY, it being recognized that such insurance proceeds are to be first applied to payment for repair, replacement or reconstruction of said COMMON PROPERTY and LIMITED COMMON PROPERTY before being applied to the repair, replacement or reconstruction of an APARTMENT or APARTMENTS, then the cost to repair, replace or reconstruct said COMMON PROPERTY and LIMITED COMMON PROPERTY in excess of available casualty insurance proceeds shall be levied and collected as an assessment from all of the

owners of all APARTMENTS in the same manner as would such assessment be levied and collected had the loss or damage sustained been solely to COMMON PROPERTY and the casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction, and the cost of repair, replacement or reconstruction of each APARTMENT or APARTMENTS sustaining loss or damage in the same manner as is above provided for the apportionment of such assessment between the owner or owners of APARTMENT or APARTMENTS shall be made without regard to the existence of any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY which may be an appurtenance to any APARTMENT.

In the event of loss of or damage to property covered by such casualty insurance, ASSOCIATION shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before such loss or damage, such estimates to contain and include the cost of any professional fees and premium for such Bond as the Board of Directors of ASSOCIATION may deem to be in the best interests of the membership of said ASSOCIATION.

In the event of the loss of or damage to personal property belonging to ASSOCIATION, the insurance proceeds shall be paid to ASSOCIATION. In the event of the loss or damage to personal property constituting a portion of the COMMON PROPERTY, and should the Board of Directors of ASSOCIATION determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the ASSOCIATION shall be paid to all of the owners of all APARTMENTS and their respective mortgagee or mortgagees, as their interests may appear, in the manner and in the proportions hereinbefore provided for the distribution of excess insurance proceeds.

XXV

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

In the event that any taxing authority having jurisdiction over the CONDOMINIUM shall levy or assess any Tax or Special Assessment against the CONDOMINIUM, as a whole, as opposed to levying and assessing such Tax or Special Assessment against each APARTMENT and its appurtenant undivided interest in COMMON PROPERTY, as now provided by law, then such Tax or Special Assessment so levied shall be paid as a common expense by ASSOCIATION, and any Taxes or Special Assessments which are to be so levied shall be included, wherever possible, in the estimated Annual Budget of ASSOCIATION, or shall be separately levied and collected as an assessment by ASSOCIATION against all of the owners of all APARTMENTS and said APARTMENTS if not included in said Annual Budget. The amount of any Tax or Special Assessment paid or to be paid by ASSOCIATION in the event that such Tax or Special Assessment is levied against the CONDOMINIUM, as a whole, instead of against each separate APARTMENT and its appurtenant undivided interest in COMMON PROPERTY, shall be apportioned among the owners of all APARTMENTS so that the amount of such Tax or Special Assessment so paid or to be paid by ASSOCIATION and attributable to and to be paid by the

owner or owners of each APARTMENT shall be that portion of such total Tax or Special Assessment which bears the same ratio to said total Tax or Special Assessment as the undivided interest in COMMON PROPERTY appurtenant to each APARTMENT bears to the total undivided interest in COMMON PROPERTY appurtenant to all APARTMENTS. In the event that any Tax or Special Assessment shall be levied against the CONDOMINIUM in its entirety, without apportionment by the Taxing authority to the APARTMENTS and appurtenant undivided interests in COMMON PROPERTY, then the assessment by ASSOCIATION, which shall include the proportionate share of such Tax or Special Assessment attributable to each APARTMENT and its appurtenant undivided interests in COMMON PROPERTY, shall separately specify and identify the amount of such assessment attributable to such Tax or Special Assessment, and the amount of such Tax or Special Assessment so designated shall be and constitute a lien, with the priority then provided by law.

All personal property taxes levied or assessed against personal property owned by ASSOCIATION shall be paid by said ASSOCIATION and shall be included as a common expense in the Annual Budget of ASSOCIATION.

In apportionment of any Tax or Special Assessment in accordance with the provisions of this Article XXV, such apportionment shall be made without regard to the existence of any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY which may be an appurtenance to any APARTMENT.

XXVI

CONVEYANCES, SALES, RENTALS, LEASES AND TRANSFERS

A. SALE OF APARTMENT CONTINGENT UPON PRIOR RIGHTS AND APPROVAL OF ASSOCIATION

- 1) An apartment owner may sell his or her apartment subject to the prior rights and the right of approval of the Association acting by and through its Board of Directors.
- 2) With the exception of transfers of ownership of an apartment (1) by one spouse to another, (2) by gift, (3) by a devise by Will, or (4) by the intestate laws of Florida, the Board of Directors of the Association is hereby given and granted the following rights in connection with a proposed sale of an apartment:
 - a) The right to interview the prospective purchaser at the COURT OF DELRAY, Delray Beach, Florida.
 - b) The right to assign an offer to purchase an Apartment to a third party on the same terms and conditions contained in an offer to purchase.
 - c) The right to purchase an Apartment on the same terms and conditions contained in an offer to purchase.

3) An apartment owner intending to sell his or her Apartment or any interest therein shall give notice to the Board of Directors of the Association of such intention, together with the name and address of the intended purchaser; and such other information as the Association reasonably may require, and the terms and conditions of the proposed transaction. The giving of such notice shall constitute a warranty and representation by the apartment owner to the Association and any purchaser produced by the Association as hereinafter provided, that the apartment owner believes the proposal to be bona fide in all respects.

4) Within thirty (30) days after receipt of such notice, the Board of Directors of the Association shall: (1) approve the transaction in writing; (2) disapprove the transaction in writing; or (3) furnish a purchaser approved by the Association (and give notice thereof to the person desiring to sell his apartment) who shall accept the transaction upon terms as favorable to the seller as the terms state in the notice. The approval of the Board of Directors of the Association shall be in recordable form, signed by any two members of the Board, and shall be delivered to the purchaser. The failure of the Association to act within such thirty (30) day period shall be deemed to constitute approval, following which the Association nevertheless shall prepare and deliver written approval in recordable form, as aforesaid. The apartment owner giving such notice shall be bound to consummate the transactions with such purchaser as may be approved and furnished by the Association.

B. LEASE OF APARTMENTS CONTINGENT UPON RIGHT OF APPROVAL OF ASSOCIATION.

1) The board of Directors of the Association is hereby given and granted the right to interview the prospective lessee at the COURT OF DELRAY, Delray Beach, Florida, in connection with a proposed lease of an Apartment.

2) An Apartment Owner may lease his Apartment for a minimum rental period of three (3) consecutive months and a maximum rental period of six (6) consecutive months providing he or she first obtains the approval of the Board of Directors of the Association. The Board of Directors shall require the apartment owner seeking such approval to furnish such information concerning the prospective lessee, and the terms of the proposed lease, as may be reasonably necessary for its determination. The failure of the Association to act within fifteen (15) days after receipt of complete information concerning the proposed lessee shall be deemed to constitute approval, following which the Association nevertheless shall prepare and deliver written approval to the lessor. The lease shall include a provision that the lessee agrees to abide by and comply with all of the terms and restrictions of the Declaration of Condominium, the rules and regulations of the Association, and shall provide that the Association shall

have authority to act as the owner's or lessor's agent in enforcing any compliance with either the terms of the lease or the rules and regulations of the Association.

3) A lessee shall not be permitted to assign his or her lease nor sublease an Apartment.

4) No person or persons other than members of the lessee's immediate family shall be permitted to occupy the leased apartment in the absence of the lessee.

5) Repeated violations of the Rules and Regulations by lessee and/or members of his or her family shall be cause for action by the Board of Directors, acting in its sole discretion, to terminate the lease.

C. The Board of Directors of the Association shall have the right to charge an Apartment Owner a reasonable fee in connection with its approval or disapproval of a prospective purchaser or a prospective lessee.

XXVII

ASSOCIATION TO MAINTAIN REGISTRY OF OWNERS AND MORTGAGEES

The ASSOCIATION shall at all times maintain a Register setting forth the names of the owners of all of the APARTMENTS, and in the event of the sale or transfer of any APARTMENT to a third party, the purchaser or transferee shall notify ASSOCIATION in writing of his interest in such APARTMENT, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any APARTMENT. Further, the owner of each APARTMENT shall at all times notify ASSOCIATION of the names of the parties holding any mortgage or mortgages on any APARTMENT, the amount of such mortgage or mortgages, and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any APARTMENT may, if they so desire, notify ASSOCIATION of the existence of any mortgage or mortgages held by such party on any APARTMENT, and upon receipt of such notice, ASSOCIATION shall register in its records all pertinent information pertaining to the same.

XXVIII

ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

The ASSOCIATION is given the authority to administer the operation and management of the CONDOMINIUM, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all APARTMENTS. To properly administer the operation and

management of the Project, ASSOCIATION will incur, for the mutual benefit of all of the owners of APARTMENTS, costs and expenses which will be continuing or nonrecurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "common expense." To provide the funds necessary for such proper operation and management, the said ASSOCIATION has heretofore been granted the right to make, levy and collect assessments against the owners of all APARTMENTS and said APARTMENTS. In furtherance of said grant of authority to ASSOCIATION to make, levy and collect assessments to pay the costs and expenses for the operation and management of the CONDOMINIUM, the following provisions shall be operative and binding upon the owners of all APARTMENTS, to wit:

A. All assessments levied against the owners of APARTMENTS shall be uniform and, unless specifically otherwise provided for in this Declaration of Condominium, the assessments made by ASSOCIATION shall be in such proportion that the amount of assessment levied against each owner of an APARTMENT and his APARTMENT shall bear the same ratio to the total assessment made against all owners of APARTMENTS and their APARTMENTS as does the undivided interest in COMMON PROPERTY appurtenant to each APARTMENT bear to the total undivided interest in COMMON PROPERTY appurtenant to all APARTMENTS, without increase or diminution for the existence or lack of existence of any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY which may be an appurtenance to any APARTMENT. Should the ASSOCIATION be the owner of any APARTMENT or APARTMENTS, the assessment which would otherwise be due and payable to ASSOCIATION by the owner of such APARTMENT or APARTMENTS, reduced by the amount of income which may be derived from the leasing of such APARTMENT or APARTMENTS by ASSOCIATION, shall be apportioned and assessment therefor levied ratably among the owners of all APARTMENTS which are not owned by ASSOCIATION, based upon their proportionate interests in the COMMON PROPERTY exclusive of the interests therein appurtenant to any APARTMENT or APARTMENTS owned by ASSOCIATION.

"COMMON SURPLUS," meaning all funds and other assets of the ASSOCIATION (including excess of receipts of ASSOCIATION, including but not limited to assessments, rents, profits and revenues from whatever source whatsoever, over amount of the common expenses), shall be owned by the owners of all APARTMENTS in the same proportion that the undivided interest in COMMON PROPERTY appurtenant to each owner's APARTMENT bears to the total of all undivided interests in COMMON PROPERTY appurtenant to all APARTMENTS; provided, however, that said COMMON SURPLUS shall be held by the ASSOCIATION in the manner, and subject to the terms, provisions and conditions hereof imposing certain limitations and restrictions upon the use and distribution of said COMMON SURPLUS. Except for distribution of any insurance indemnity herein provided, or termination of the CONDOMINIUM, any distribution of COMMON SURPLUS which may be made from time to time shall be made to the then owners of APARTMENTS in accordance with their percentage interest in COMMON SURPLUS as declared herein.

B. The assessment levied against the owner of each APARTMENT and his APARTMENT shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of ASSOCIATION.

C. The Board of Directors of ASSOCIATION shall establish an Annual Budget in advance for each fiscal year which shall correspond to the calendar year, and such Budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the CONDOMINIUM, including a reasonable allowance for contingencies and reserves, such Budget to take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Upon adoption of such Annual Budget by the Board of Directors of ASSOCIATION, copies of said Budget shall be delivered to each owner of an APARTMENT and the assessment for said year shall be established based upon such Budget, although the delivery of a copy of said Budget to each owner shall not affect the liability of any owner for such assessment. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the CONDOMINIUM, or in the event of emergencies, said Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

D. The Board of Directors of ASSOCIATION, in establishing said Annual Budget for operation, management and maintenance of the Project, may include therein a sum to be collected and maintained as a reserve fund for replacement of COMMON PROPERTY and LIMITED COMMON PROPERTY, which reserve fund shall be for the purpose of enabling ASSOCIATION to replace structural elements and mechanical equipment constituting a part of the COMMON PROPERTY and LIMITED COMMON PROPERTY, as well as the replacement of personal property which may constitute a portion of the COMMON PROPERTY held for the joint use and benefit of all of the owners of all APARTMENTS. The amount to be allocated to such Reserve Fund for Replacements shall be established by said Board of Directors so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for replacement of said COMMON PROPERTY and LIMITED COMMON PROPERTY. The amount collected and allocated to the Reserve Fund for Replacements from time to time shall be maintained in a separate account by ASSOCIATION, although nothing herein contained shall limit ASSOCIATION from applying any monies in such Reserve Fund for Replacements to meet other needs or requirements of ASSOCIATION in operating or managing the Project in the event of emergencies, or in the event that the sums collected from the owners of APARTMENTS are insufficient to meet the then fiscal financial requirements of ASSOCIATION, but it shall not be a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board of Directors of ASSOCIATION in the sole discretion of said Board of Directors.

E. The Board of Directors of ASSOCIATION, in establishing said Annual Budget for operation, management and maintenance of the Project, may include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a

measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of APARTMENTS as a result of emergencies or for other reason placing financial stress upon the Corporation. The annual amount allocated to such operating reserve and collected therefore shall not exceed 5% of the current annual assessment levied against the owners of all APARTMENTS and their APARTMENTS. Upon accrual in said operating reserve of an amount equal to 25% of the current annual assessment, no further payments shall be collected from the owners of APARTMENTS as a contribution to such operating reserve, unless such operating reserve shall be reduced below said 25% level. In which event contributions to such operating reserve shall be included in the annual assessment so as to restore said operating reserve to an amount which will equal 25% of the current annual amount of said assessment. In no event shall surplus or excess sums be construed as income to the ASSOCIATION, but rather will constitute a liability of the ASSOCIATION to owners of APARTMENTS in direct proportion to their percentage of interest in the COMMON PROPERTY.

F. All monies collected by ASSOCIATION shall be treated as the separate property of the said ASSOCIATION, and such monies may be applied by the said ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration of Condominium and the Articles of Incorporation and By-Laws of said Corporation, and as the monies for any assessment are paid unto ASSOCIATION by any owner of an APARTMENT the same may be co-mingled with the monies paid to the said ASSOCIATION by the other owners of APARTMENTS. Although all funds and other assets of ASSOCIATION, and any increments thereto or profits derived therefrom, or from the leasing or use of common property, shall be held for the benefit of the members of ASSOCIATION, no member of said Corporation shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his APARTMENT. When the owner of an APARTMENT shall cease to be a member of ASSOCIATION by reason of the divestment of his ownership of such APARTMENT, by whatever means, ASSOCIATION shall not be required to account to such owner for any share of the funds or assets of ASSOCIATION, or which may have been paid to said ASSOCIATION by such owner, as all monies which any owner has paid to ASSOCIATION shall be and constitute an asset of said Corporation which may be used in the operation and management of the CONDOMINIUM.

G. The payment of any assessment or installment thereof due to ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid unto ASSOCIATION, on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to ASSOCIATION shall bear interest at the rate of 8% per annum, until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to ASSOCIATION.

H. The owner or owners of each APARTMENT shall be personally liable, jointly and severally, as the case may be, to ASSOCIATION for the payment of all assessments, regular or special, which may be levied by ASSOCIATION while such party or parties are owner or owners

of an APARTMENT in the CONDOMINIUM. In the event that any owner or owners are in default in payment of any assessment or installment thereof owed to ASSOCIATION, such owner or owners of any APARTMENT shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

I. No owner of an APARTMENT may exempt himself from liability for any assessment levied against such owner and his APARTMENT by waiver of the use or enjoyment of any of the COMMON PROPERTY, or by abandonment of the APARTMENT, or in any other manner.

J. Recognizing that the necessity for providing proper operation and management of the Project entails the continuing payment of costs and expenses therefor, which results in benefit to all of the owners of APARTMENTS and that the payment of such common expense represented by the assessments levied and collected by ASSOCIATION is necessary in order to preserve and protect the investment of the owner of each APARTMENT, ASSOCIATION is hereby granted a lien upon such APARTMENT and its appurtenant undivided interest in COMMON PROPERTY and, if applicable, upon any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY which may be an appurtenance to any such APARTMENT, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each APARTMENT, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by ASSOCIATION enforcing this lien upon said APARTMENT and its appurtenant undivided interest in the COMMON PROPERTY and LIMITED COMMON PROPERTY. The lien granted to ASSOCIATION may be foreclosed in the same manner as real estate mortgages may be foreclosed in the State of Florida, and in any suit for the foreclosure of said lien, the ASSOCIATION shall be entitled to rental from the owner of any APARTMENT from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said APARTMENT, without notice to the owner of such APARTMENT. The rental required to be paid shall be equal to the rental charged on comparable type of Dwelling Units in Delray Beach, Florida. The lien granted to the ASSOCIATION shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the ASSOCIATION in order to preserve and protect its lien, and the ASSOCIATION shall further be entitled to interest at the rate of 18% per annum on any such advances made for such purposes. All persons, firms or corporations who shall acquire by whatever means, any interest in the ownership of any APARTMENT, or who may be given or acquire a mortgage, lien or other encumbrance thereon, is hereby placed on notice of the lien granted to ASSOCIATION, and shall acquire such interest in any APARTMENT expressly subject to such lien.

K. The lien granted unto ASSOCIATION shall be effective from and after the time of after recording in the Public Records of Palm Beach County, Florida, a claim of lien stating the description of the APARTMENT encumbered thereby, the name of the record owner, the

amount due and the date when due, and the lien shall continue in effect until all sums secured by said lien, as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the ASSOCIATION. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The claim of lien filed by the ASSOCIATION shall be subordinate to the lien of any first mortgage or any other lien recorded prior to the time of recording of the ASSOCIATION'S claim of lien, except that the lien of the ASSOCIATION for Tax or Special Assessment advances made by ASSOCIATION where any taxing authority having jurisdiction levies any Tax or Special Assessment against the CONDOMINIUM as an entirety instead of levying the same against each APARTMENT and its appurtenant undivided interest in COMMON PROPERTY, shall be prior in lien, right and dignity to the lien of all mortgages, liens and encumbrances, whether or not recorded prior to the ASSOCIATION'S claim of lien therefor, and the ASSOCIATION'S claim of lien for collection of such portion of any Tax or Special Assessment shall specifically designate that the same secures an assessment levied pursuant to Article XXV of this Declaration of Condominium.

In the event that any person, firm or corporation shall acquire title to any APARTMENT and its appurtenant undivided interest in COMMON PROPERTY by virtue of any voluntary conveyance to an institutional first mortgagee in lieu of foreclosure or any foreclosure or judicial sale, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said APARTMENT and its appurtenant undivided interest in COMMON PROPERTY subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title, except that such person, firm or corporation shall acquire such title subject to the lien of any assessment by ASSOCIATION representing an apportionment of Taxes or Special Assessment levied by taxing authorities against the CONDOMINIUM in its entirety. In the event of the acquisition of title to an APARTMENT by voluntary conveyance to an institutional first mortgagee in lieu of foreclosure or by foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all APARTMENTS as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

L. Whenever any APARTMENT may be leased, sold or mortgaged by the owner thereof, which lease or sale shall be concluded only upon compliance with other provisions of this Declaration of Condominium, ASSOCIATION, upon written request of the owner of such APARTMENT, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to ASSOCIATION by the owner of such APARTMENT. Such statement shall be executed by any Officer of the Corporation and any lessee, purchaser or mortgagee may rely upon such

statement in concluding the proposed lease, purchase of mortgage transaction, and ASSOCIATION shall be bound by such statement.

In the event that an APARTMENT is to be leased, sold or mortgaged at the time when payment of any assessment against the owner of said APARTMENT and such APARTMENT due to ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by the ASSOCIATION), then the rent, proceeds of such purchase or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installments thereof due to ASSOCIATION before the payment of any rent, proceeds of purchase or mortgage proceeds to the owner of any APARTMENT who is responsible for payment of such delinquent assessment. The provisions of this paragraph shall not apply to an institutional first mortgagee unless said institutional first mortgagee has received written notice of said delinquent assessment or said claim of lien has been properly recorded.

In any voluntary conveyance of an APARTMENT, the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefor.

Institution of a suit at law to attempt to affect collection of the payment of any delinquent assessment shall not be deemed to be an election by ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure nor shall proceeding by foreclosure to attempt to affect such collection be deemed to be an election precluding the institution of suit at law to attempt to affect collection of any sum then remaining owing to it.

XXIX

LIMITATIONS ON CHILDREN AND PETS

No child under the age of fifteen (15) years shall be permitted to permanently occupy any APARTMENT. Children under the age of fifteen (15) years shall be permitted to occupy APARTMENTS as visitors for brief periods of time. The ASSOCIATION shall have the right to prescribe terms, conditions and duration of such visits.

No pets shall be permitted in the CONDOMINIUM.

XXX

TERMINATION

Notwithstanding anything to the contrary contained in Article XXIV hereof, in the event of fire or other casualty or disaster which shall totally demolish the CONDOMINIUM Building, or

which shall so destroy said CONDOMINIUM Building as to require more than two-thirds (2/3) of said Building, as determined by the Board of Directors of ASSOCIATION, to be reconstructed, than this Declaration of Condominium and the Plan of Condominium Ownership established herein shall terminate, unless all of the owners of all APARTMENTS agree that said CONDOMINIUM Building shall be reconstructed, or unless any policy or policies of casualty insurance which may cover the damage or destruction of said Building required the reconstruction thereof as a condition precedent to the payment of insurance proceeds under such policy or policies, but notwithstanding the fact that the owners of all APARTMENTS agree to reconstruct said Building, or if such policy or policies of casualty insurance require the same to be reconstructed, this Declaration of Condominium and the Plan of Condominium Ownership established herein shall still be terminated if there exists any regulation or order of any governmental authority having jurisdiction of the Project which may then prevent the reconstruction of said CONDOMINIUM Building, although nothing herein contained shall be construed as releasing or in any manner changing any obligation which may be owed to ASSOCIATION, for itself and for the benefit of the owners of all APARTMENTS, under any insurance policy or policies then existing. If, as above provided, this Declaration of Condominium and the Plan of Condominium Ownership established herein is to be terminated, then a Certificate of a Resolution of the Board of Directors of ASSOCIATION to said affect and notice of the cancellation and termination hereof shall be executed by the President and Secretary of ASSOCIATION in recordable form, and such instrument shall be recorded in the Public Records of Palm Beach County, Florida. Upon termination of this Declaration of Condominium and the Plan of Condominium Ownership established herein, all of the owners of APARTMENTS shall be and become tenants in common as to the ownership of the real property herein described, and any then remaining improvements thereon, the undivided interest in such real property and remaining improvements held by the owner or owners of each APARTMENT to be the same as the undivided interest in COMMON PROPERTY which was formerly appurtenant to such APARTMENT and the lien of any mortgage or other encumbrance upon each APARTMENT shall attach, in the same order of priority, to the percentage of undivided interest of the owner of an APARTMENT in the property and then remaining improvements as above provided. Upon termination of this Declaration of Condominium and the Plan of Condominium Ownership established herein, the Insurance Trustee shall distribute any insurance indemnity which may be due under any policy or policies of casualty insurance to the owners of the APARTMENTS and their mortgagees, as their respective interests may appear, such distribution to be made to the owner or owners of each APARTMENT in accordance with their then undivided interest in the real property and remaining improvement as hereinbefore provided. The assets of ASSOCIATION, upon termination of the Plan of Condominium Ownership granted hereby, shall then be distributed to all of the owner or owners of each APARTMENT and to his or their mortgagees, as their respective interests may appear, in the same manner as was above provided for the distribution of any final insurance indemnity. Except in the event of this Declaration of Condominium and the Plan of Condominium Ownership established herein being terminated as hereinbefore provided, this Declaration of Condominium and said Plan of Condominium Ownership may only be otherwise terminated by the unanimous consent of all of the owners of all APARTMENTS and all of the parties holding mortgages, liens or other encumbrances against any of said APARTMENTS; in

which event, the termination of the CONDOMINIUM shall be by such plan as may be then adopted by said owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Declaration of Condominium and the Plan of Condominium Ownership established herein shall be executed in writing by all of the aforementioned parties, and such instrument or instruments shall be recorded in the Public Records of Palm Beach County, Florida.

In the event of the termination of the CONDOMINIUM as above provided any exclusive right to use a parking space constituting LIMITED COMMON PROPERTY and which may be an appurtenance to any APARTMENT shall be automatically cancelled and terminated, and all LIMITED COMMON PROPERTY shall be treated in the same manner as though the same constituted a portion of COMMON PROPERTY as to which no exclusive rights to use the same for parking purposes ever existed.

XXXI

AMENDMENT OF DECLARATION OF CONDOMINIUM

Except for any alteration in the percentage of ownership in COMMON PROPERTY appurtenant to each APARTMENT, or alteration of the basis for apportionment of assessments which may be levied by ASSOCIATION in accordance with the provisions hereof, in which said instances consent of all of the owners of all APARTMENTS and their respective mortgagees shall be required, and except for any alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Declaror, COURT OF DELRAY CORP., which said rights and privileges granted and reserved unto the said COURT OF DELRAY CORP. shall only be altered, amended or modified with the respective express written consent of said Declaror, this Declaration of Condominium may be amended in the following manner:

An amendment or amendments to this Declaration of Condominium may be proposed by the Board of Directors of ASSOCIATION acting upon a vote of the majority of the Directors, or by the members of ASSOCIATION owning a majority of the APARTMENTS in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to this Declaration of Condominium being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of ASSOCIATION, or other Officer of ASSOCIATION in the absence of the President, who shall thereupon either call a Special Meeting of the Members to take a vote of the members on the proposed amendment(s) or shall cause the proposed amendment(s) to be transmitted to all of the members for a vote by written consent. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. The amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than two-thirds (2/3) of the APARTMENTS in the CONDOMINIUM in order for such amendment or amendments to become effective. Thereupon, such amendment

or amendments of this Declaration of Condominium shall be transcribed and certified by the President and Secretary of ASSOCIATION as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a Deed shall be recorded in the Public Records of Palm Beach County, Florida, such amendment or amendments to specifically refer to the recording date identifying the Declaration of Condominium. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the Officers of ASSOCIATION shall be delivered to all of the owners of all APARTMENTS, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of ASSOCIATION 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 ASSOCIATION at or prior to such meeting.

Notwithstanding the terms and provisions of this Article XXXI to the contrary, there shall be no amendment which shall affect the rights of any institutional first mortgagee, including but not limited to the rights under Articles XXIV, XXVI, XXIX and XXXI, nor any amendment which shall diminish the value of the property securing said institutional first mortgages, without the written consent of said institutional first mortgagee.

XXXII

REMEDIES IN EVENT OF DEFAULT

The owner or owners of each APARTMENT shall be governed by and shall comply with the provisions of this Declaration of Condominium, and the Articles of Incorporation and By-Laws of ASSOCIATION, as any of the same are now constituted or as they may be amended from time to time. A default by the owner or owners of any APARTMENT, shall entitle ASSOCIATION or the owner or owners of other APARTMENT or APARTMENTS to the following relief:

A. Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of ASSOCIATION, or which may be adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by ASSOCIATION or, if appropriate, by an aggrieved owner of an APARTMENT.

B. The owner or owners of each APARTMENT shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of an APARTMENT or its appurtenances. Nothing

herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceeding arising because of an alleged default by the owner of any APARTMENT, the ASSOCIATION, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court, but in no event shall the owner of any APARTMENT be entitled to such attorney's fees.

D. The failure of ASSOCIATION or of the Owner of an APARTMENT to enforce any right, provisions, covenant or condition which may be granted by this Declaration of Condominium or other above mentioned documents shall not constitute a waiver of the right of ASSOCIATION or of the owner of an APARTMENT to enforce such right, provision, covenant or condition in the future.

E. All rights, remedies and privileges granted to ASSOCIATION or the owner or owners of an APARTMENT pursuant to any terms, provisions, covenant or conditions of this Declaration of Condominium or other above mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

F. The failure of the Declaror, COURT OF DELRAY CORP., to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration of Condominium or other above mentioned document shall not constitute waiver of the right of either of said parties to thereafter enforce such right, provisions, covenant or conditions in the future.

XXXIII

USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS OF DECLARATION OF CONDOMINIUM, RULES AND REGULATIONS

All present or future owners, tenants, or any other person who might use the facilities of the CONDOMINIUM in any manner, are subject to the provisions of this Declaration of Condominium, and the mere acquisition or rental of any APARTMENT, or the mere act of occupancy of any APARTMENT, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

XXXIV

RIGHT OF DECLAROR TO SELL OR LEASE APARTMENTS OWNED BY IT FREE OF RIGHT OF FIRST REFUSAL OR RIGHT OF REDEMPTION; AND RIGHT OF DECLAROR TO REPRESENTATION ON BOARD OF DIRECTORS OF ASSOCIATION

So long as COURT OF DELRAY CORP., the Declaror herein, shall own any APARTMENT, the said COURT OF DELRAY CORP. shall have the absolute right to lease or sell any such APARTMENT to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests, and as to the lease or sale of any APARTMENT by COURT OF DELRAY CORP., the right of first refusal and any right of redemption herein granted to ASSOCIATION shall not be operative or effective in any manner. Further, so long as COURT OF DELRAY CORP. is the owner of five (5) or more APARTMENTS in the CONDOMINIUM, the said COURT OF DELRAY CORP. shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of ASSOCIATION; and so long as the said COURT OF DELRAY CORP. is the owner of at least one (1), but not more than four (4) APARTMENTS, the said COURT OF DELRAY CORP. shall have the right to designate and select one of the persons who shall serve as a member of each Board of Directors of ASSOCIATION. Whenever COURT OF DELRAY CORP. shall be entitled to designate and select any person or persons to serve on any Board of Directors of ASSOCIATION, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of ASSOCIATION, and COURT OF DELRAY CORP. shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by COURT OF DELRAY CORP. need not be a resident in the CONDOMINIUM. However, the said COURT OF DELRAY CORP. shall be responsible for the payment of any assessments which may be levied by ASSOCIATION against any APARTMENT or APARTMENTS owned by the said COURT OF DELRAY CORP., and for complying with the remaining terms and provisions hereof in the same manner as any other owner of an APARTMENT in the CONDOMINIUM, except as otherwise provided herein.

Any representative of COURT OF DELRAY CORP. serving on the Board of Directors of ASSOCIATION shall not be required to disqualify himself upon any vote upon any management contract or other matter between COURT OF DELRAY CORP. and ASSOCIATION where the said COURT OF DELRAY CORP. may have a pecuniary or other interest. Similarly, COURT OF DELRAY CORP., as a member of ASSOCIATION, shall not be required to disqualify itself in any vote which may come before the membership of ASSOCIATION upon any management contract or other matter between COURT OF DELRAY CORP. and ASSOCIATION where the said COURT OF DELRAY CORP. may have a pecuniary or other interest.

XXXV

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

XXXVI

LIBERAL CONSTRUCTION

The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership.

XXXVII

**DECLARATION OF CONDOMINIUM BINDING UPON DECLAROR,
ITS SUCCESSORS AND ASSIGNS, AND SUBSEQUENT OWNERS.**

The restrictions and burdens imposed by the covenants of this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each APARTMENT and its appurtenant undivided interest in COMMON PROPERTY, and this Declaration of Condominium shall be binding upon COURT OF DELRAY CORP., its successors and assigns, and upon all parties who may subsequently become owners of APARTMENTS in the CONDOMINIM, and their respective heirs, legal representatives, successors and assigns.