

DECLARATION OF CONDOMINIUM

OF

COSTA DEL REY, NORTH, A CONDOMINIUM

I. SUBMISSION STATEMENT

WESLEY DEVELOPMENT COMPANY, a Florida Corporation, 2155 South Ocean Boulevard, Delray Beach, Florida (hereinafter the "Developer"), owns the fee simple title to that certain land in Palm Beach County, Florida, legally described in Exhibit 1 annexed hereto. Developer does hereby submit said land, and the improvements thereon and the appurtenances thereto, to condominium ownership pursuant to Chapter 718 of the Florida Statutes (the "Condominium Act"), and declares same a condominium known as COSTA DEL REY, NORTH, A Condominium (the "Condominium").

All restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land as the case may be, and shall be binding on each unit owner, his heirs, personal representatives, successors and assigns. Both the burdens imposed and the benefits provided shall run with the title to each unit and their appurtenant interests in the common elements as defined herein.

II. DEFINITIONS

As used in the Declaration of Condominium and By-Laws and Exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

(1) "Assessment" means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner.

(2) "Association" means COSTA DEL REY, NORTH Condominium Association, which is responsible for the operation of the condominium.

(3) "Board of Administration" means the Board of Directors or other representative body responsible for administration of the Association.

(4) "By-Laws" means the By-Laws of the COSTA DEL REY, NORTH Condominium Association.

(5) "Common elements" includes within its meaning the following items:

A. All parts of the improvements which are not included within the units.

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This instrument Prepared by:
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CORAL GABLES, Fla. 33134

✓ Pioneer Title

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B. Easements through units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to units and the common elements.

C. An easement of support in every portion of a unit which contributes to the support of a building.

D. Installation for the furnishing of utility services to more than one residence, or to the common elements or to a unit other than the residence containing the installation.

E. A non-exclusive easement for ingress and egress over the walks and other rights of way of the common elements as shall be necessary to provide access to the public ways to and from the residences.

F. The property and installations in connection therewith required for the furnishing of services to more than one residence or to the common elements.

G. All tangible personal property required for the maintenance and operation of the Condominium even though owned by the Association.

H. The term "common elements" when used in this Declaration and By-Laws, shall mean both common elements and limited common elements unless the context otherwise specifically requires.

(6) "Common expenses" includes:

A. Expenses of administration, management, and insurance of the condominium property.

B. Expenses of maintenance, operation, repair or replacement of the common elements, limited common elements and of the portions of the units, if any, to be maintained by the Association.

C. Costs and expenses of capital improvements, replacements and betterments and/or additions to the common elements.

D. Expenses declared common expenses by the provisions of this Declaration or by the By-Laws of the Association.

E. Any valid charge against the Condominium property as a whole.

(7) "Common Surplus" means the excess of all receipts of the Association, including but not limited to assessments, rents, profits and revenues on account of the common elements, over the common expenses.

(8) "Condominium" means that form of ownership of real property which is created pursuant to the provisions of Chapter 718 of the Florida Statutes, and

which is comprised of units that may be owned by one or more persons, and there is appurtenant to each unit an undivided share in common elements.

(9) "Condominium parcel" means a unit together with the undivided share in the common elements which is appurtenant to the unit.

(10) "Condominium property" means the lands and personal property that are subjected to condominium ownership, whether or not contiguous, all improvements thereon, and all easements and rights appurtenant thereto intended for use in connection with the condominium.

(11) "Declaration" or "Declaration of Condominium" means the instrument or instruments by which the condominium is created as they are from time to time amended.

(12) "Developer" means Wesley Development Company, its successors and assigns.

(13) "Limited common elements" means those common elements which are reserved for the use of a certain condominium unit or units to the exclusion of other units as specified in the Declaration of Condominium.

(14) "Operation" or "operation of the condominium" includes the administration and management of the condominium property.

(15) "Unit" means a part of the condominium property which is subject to exclusive ownership. The term "unit" includes within its meaning the terms "apartment" and "residence" as used in this Declaration, By-Laws, and disclosure materials.

III. NAME

The name by which this Condominium is to be identified is COSTA DEL REY, NORTH, a Condominium.

IV. DEVELOPMENT PLAN

This Condominium consists of two apartment buildings, together with the subjacent lands, as more particularly described in this Declaration. The buildings will be equipped with all the pertinent electrical, plumbing, air conditioning, and elevator facilities as provided in the plans and specifications of the Developer.

A. SURVEY. A survey of the land showing the improvements on it is attached as Exhibit 2.

B. PLOT PLANS AND GRAPHIC DESCRIPTION OF IMPROVEMENTS. The improvements upon the land will be constructed substantially in accordance with the plans and specifications prepared by O.K. Houston; a portion of the plans are attached as Exhibit 3.

The identification, location and dimensions of each unit and the common elements appear on the afore-described exhibits. Together with this Declaration,

they are in sufficient detail to identify the common elements, each unit and their locations and dimensions. The legend and notes contained in Exhibits 2 and 3 are incorporated herein and made a part hereof by reference.

C. AMENDMENT OF PLANS.

1. Alteration of unit plans. The interior of a unit may be changed by its owner, and the boundaries between units may be changed by the owners of the units affected. No units may be subdivided. No change shall be made in balconies, or patios. No change in the boundaries of units shall encroach upon the boundaries of the common elements. Boundary walls and flooring must be sound-conditioned and must be equal in quality of design and construction to the existing boundary walls and flooring. Any changes in the boundaries of units shall be effected in accordance with plans prepared by an architect licensed to practice in this state, which plans shall be first filed with the Association. Any change that is made within a unit or in its boundaries shall also comply with the requirements of the section concerning Maintenance, Alteration and Improvement. The Developer reserves the right to make changes within units during construction of the building as long as those changes do not change the size of the units for which contract of purchase has been signed, unless such change in size is approved by the purchaser affected by the change.

2. Amendment of Declaration. A change in the boundaries between units shall be set forth in an amendment of this Declaration. Plans of the units concerned showing the units after the change in boundaries and prepared by an architect licensed to practice in this state shall be attached to the amendment as exhibits, together with the certificate of a surveyor required by the Condominium Act. The amendment shall apportion between the units concerned the shares in the common elements appurtenant to those units. Such an amendment shall be signed and acknowledged by the owners of the units concerned; and if Developer is not such an owner, the amendment also shall be approved by the Board of Directors of the Association and signed and acknowledged by the Association. Such an amendment also shall be signed and acknowledged by all lienors and mortgagees of the units concerned; but it need not be approved or signed by other unit owners, whether or not elsewhere required for an amendment.

D. IMPROVEMENTS - GENERAL DESCRIPTION

1. Apartment building. The condominium - includes two residential buildings. The east building will contain twelve (12) residences consisting of six (6) townhouses, four (4) penthouses, and two single level residences. The west building will contain eighteen (18) residences, consisting of five (5) townhouses, six (6) single level residences, two (2) single level penthouses, and five (5) Bi-level penthouses.

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2. Other improvements. The condominium includes gardens and landscaping, swimming pool-spa, automobile parking areas and other facilities located substantially as shown upon the plans and which are part of the common elements.

E. UNIT BOUNDARIES. Each unit shall include that part of the building containing the unit that lies within the boundaries of the unit, which boundaries are as follows:

1. Upper and Lower boundaries. The upper and lower boundaries of a unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

a. Upper boundaries - the horizontal plane of the undecorated finished ceiling.

b. Lower boundaries - the horizontal plane of the undecorated finished floor.

2. Perimetrical boundaries. The perimetrical boundaries of the unit shall be the vertical planes of the undecorated finished interior of the walls bounding the unit extended to intersections with each other and with the upper and lower boundaries with the following exception: when the vertical planes of the undecorated finished interior of bounding walls do not intersect with each other on the undecorated interior surfaces of the bounding walls or within an intervening partition, the vertical planes of the undecorated finished interior surfaces of the bounding walls shall be extended to intersect with the plane of the center line of the intervening partition and that plane shall be one of the perimetrical boundaries of the unit.

F. The construction of the condominium residences is not substantially completed. Developer covenants that the condominium residences will be completed substantially in accordance with the Survey, Plot Plan and Graphic Description of the improvements attached as Exhibits 2 and 3. Upon completion of the improvements, the

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Developer shall file and place of public record an amendment to this Declaration, together with a final Survey, Plot Plan, and Graphic Description which will contain a certification of a surveyor as to the completed construction. The certification shall be as required in Chapter 718.104(4)(e) of the Act, but the amendment shall be signed and acknowledged by the Developer alone, pursuant to its rights to amend the Declaration as set forth in Article XIX.

V. CONDOMINIUM PROPERTY

A. The title to the condominium property being herewith submitted to condominium ownership shall be hereby subject to: taxes for the year in which the Declaration is filed and subsequent years; conditions, restrictions, limitations, covenants and easements, utility agreements and other matters of record; the rights, if any, of the public to use as a public beach or recreation area any part of the land lying or formerly lying between the bodies of land abutting the property and the natural lines of vegetation, bluff, extreme high water line or other apparent boundary line separating the publicly used area from the upland private area as it may have existed prior to the construction, if any, of seawall or bulkhead thereon.

B. There shall pass with each unit as an appurtenance thereto:

1. An undivided interest in the common elements.
2. An undivided share in the common surplus.
3. An exclusive easement for the use of the air space occupied by the unit as it exists at any particular time and as the unit may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.
4. Such other easements, rights or privileges, which, pursuant to the provisions to this Declaration and of law, are deemed appurtenances to the condominium parcel.

C. The owner of a unit is entitled to the exclusive possession of his unit. He shall be entitled to use the common elements in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of owners of other units. There shall be a joint use of the common elements (other than limited common elements) and a joint mutual easement for that purpose is hereby created.

D. Balconies and patios adjoining each condominium unit are deemed Limited Common Elements of that unit and the owner of a condominium unit shall have the exclusive use of the particular balcony or patio adjoining his condominium unit. Each owner shall pay the cost of maintaining his sliding glass doors, the replacement or repair of the following: screening; wiring; electrical outlets and fixtures which are wholly within the unit; and of ordinary cleaning and maintenance of the patios and balconies.

E. A unit may be used only for residential purposes.

F. The storage areas and assigned parking spaces shall be limited common elements for the exclusive use of the unit to which it is appurtenant.

VI. LIMITED COMMON ELEMENTS

A. Limited Common Elements. Those areas reserved for the use of certain unit owners or a certain unit owner to the exclusion of other unit owners, are designated as "limited common elements," and are shown and located on the plot plan annexed as Exhibit 3. Any expense for the maintenance, repair or replacement relating to limited common elements shall be treated as and paid for as part of the common expenses of the Association unless otherwise specifically provided in this Declaration and Exhibits attached hereto. Should said maintenance, repair or replacement be caused by the negligence or misuse by unit owner, his family, guests, servants and invitees, he shall be responsible therefor, and the Association shall have the right to levy an assessment against the owner of said unit, which assessment shall have the same force and effect as all other special assessments.

B. Parking. The Developer shall assign specific parking spaces to the unit owners in this condominium. All parking spaces are located within the parking area shown and designated on Exhibit 3. Each condominium unit shall be entitled to the exclusive use of at least one (1) parking space by the Developer. A portion of the parking spaces may be for the use of guest parking and/or additional parking spaces for condominium units in the condominium as determined by and pursuant to the Rules and Regulations adopted by the Association. Each parking space is given an identifying number or letter and no parking space bears the same identifying number or letter as any other parking space. When a specific parking space is assigned to a unit owner, it shall be deemed a limited common element for the exclusive use of said unit owner.

The Association shall have authority to make reasonable regulations for the control of automobile parking and the use of parking spaces; provided, however, that the use shall be limited to the residents of the condominium and their guests.

VII. EASEMENTS

The following easements are covenants running with the land of the Condominium:

A. Utility easements are reserved through the Condominium property as may required for utility service in order to adequately serve the condominium; provided, however, that such easements through an apartment shall be only according to the plans and specifications for the apartment building, or as the building is constructed, unless approved in writing by the apartment owner.

B. An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks and other portions of the common elements as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the common elements as may from time to time be paved and intended for such purposes, and such easement shall be for the use and benefit of the apartment owners, Developer, and all those claiming by, through or under the aforesaid; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium property except to the extent that space may be specifically designated and assigned for parking purposes.

VIII. SHARES IN COMMON EXPENSES, COMMON SURPLUS AND COMMON ELEMENTS.

The owner of each condominium residence shall own an equal undivided share and interest in the condominium property, which share and interest shall be appurtenant to the apartment, said undivided interest in the condominium property and common elements being equal to one-thirtieth (1/30) of the common elements.

The common expenses shall be shared equally and the common surplus shall be owned equally by all unit owners at COSTA DEL REY, NORTH, said expenses and surplus being assessed one-thirtieth (1/30) to each unit.

The fee title to each Condominium parcel shall include both the Condominium unit and the above respective undivided interest in the common elements, and common surplus, said undivided interest in the common elements and common surplus to be deemed to be conveyed or encumbered with its respective condominium units. Any attempt to separate the fee title to a condominium unit from the undivided interest in the common elements and common surplus appurtenant to each unit, shall be null and void.

IX. VOTING RIGHTS.

There should be one person with respect to each unit ownership who shall be entitled to vote at any meeting of the Association, and such person shall be known (and is herein referred to) as a "Voting Member." If a unit is owned by more than one person, the owners of said unit shall designate one of them as the Voting Member, or in the case of a corporate owner, an officer or employee thereof shall be the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Association. The vote of a condominium unit is not divisible.

X. ASSESSMENTS

A. Duty to Pay. It is hereby stated to be the express duty of each unit owner to promptly pay his share of the Common Expenses and all assessments levied by the Board.

B. Assessments. The making and collection of assessments against unit owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

1. Interest; Application of Payments. The portions of assessments and installments on assessments that are not paid when due shall bear interest at the rate of ten percent, (10%) per annum from the date when due until paid. All payments upon accounts shall be applied first to interest and then to the assessment payment first due.

2. Lien for assessments. The Association shall have a lien against each apartment for any unpaid assessments. The lien for unpaid assessments shall secure reasonable attorneys' fees including but not limited to fees for appellate court representation incurred by the Association incident to the collection of an assessment as enforcement of the lien. All such liens shall be subordinate to the lien of institutional first mortgages recorded prior to the date of recording the claim of lien.

3. Rental pending foreclosure. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the Association shall be entitled to the appointment of a receiver to collect rent.

C. It is specifically acknowledged that the provisions of Chapter 718.116(6) of the Condominium Act are applicable to this Condominium, and further, in the event a mortgagee obtains title to an apartment by voluntary conveyance (i.e., deed in lieu of foreclosure), such mortgagee, its successors, and assigns, shall not be liable for accrued assessments or common expenses, as fully as though the property were acquired by foreclosure as provided by Chapter 718.116(6) of the Condominium Act.

D. It is specifically acknowledged and provided that the Developer hereby guarantees that the assessment charges provided for in the disclosure materials given to each purchaser are in effect for the period during which the Developer has a condominium unit for sale in the ordinary course of business, or until Developer elects to pay its pro rata share of the common expenses, whichever shall first occur. The assessments are estimates only of the annual assessment set forth in the disclosure materials. The Developer is not paying any assessments for apartments which it owns, however, the Developer guarantees that during the period above described, the assessments for common expenses of the condominium imposed upon the unit owners other than the Developer should not increase over the stated dollar amount set forth in the assessments, and purchase agreement, and the Developer hereby obligates himself to pay any amount of common expenses incurred during that period and not produced by the assessments at the guaranteed level receivable from the other unit owners. Thereafter, Developer and other apartment owners will be assessed for common expenses

upon the apartments owned by them in the manner provided herein and in the By-Laws of the Condominium.

XI. ASSOCIATION

The operation of the Condominium shall be by COSTA DEL REY, NORTH Condominium Association, Inc., a corporation not for profit under the laws of the State of Florida, which shall fulfill its functions pursuant to the following provisions:

A. Articles of Incorporation. The Articles of Incorporation of the Association, which sets forth its powers and duties.

B. By-Laws. A copy of the By-Laws of the Association is attached as Exhibit 4.

C. Limitation upon liability of Association. Notwithstanding the duty of the Association to maintain and repair portions of the Condominium property, the Association shall not be liable to apartment owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

D. Restraint upon assignment of shares and assets. The share of a member in the funds and assets of the Association cannot and shall not be assigned, hypothecated, or transferred in any manner except as an appurtenance to his apartment unit.

E. Approval or disapproval of matters. Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

F. Every owner of a Condominium Unit, whether he has acquired his ownership by purchase, gift, conveyance, transfer by operation of law, or otherwise, shall be bound by the By-Laws, the Articles of Incorporation, the Rules and Regulations, and the provisions of this Declaration.

XII. MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

A. Maintenance, Alteration and Improvements. Responsibility for the maintenance of the condominium property and restrictions upon its alteration and improvement shall be as follows:

1. Units.

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

(1) All common elements and limited common elements.

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

(3) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services contained in the portions of a unit that service part or parts of the condominium other than the unit within which contained.

(4) All incidental damage caused to a unit by reason of maintenance, repair and replacement accomplished pursuant to the above provisions.

(5) Notwithstanding any other provisions of this Article, in the event of an insurable loss, the Association shall be considered as solely responsible for the maintenance, repair and replacement of walls, fixtures, installations, conduits, ducts, plumbing, wiring and other facilities for furnishing utility services within an apartment, and for any other items not otherwise mentioned, to the full extent of the coverage provided under the Association's insurance policies. The amount of such insurable loss not actually paid because of a deductible provision of the policy, shall be a common expense of the Association.

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

(1) To maintain, repair and replace at his expense all portions of his unit except the portions to be maintained, repaired and replaced by the Association. Included within the responsibility of the unit owner shall be windows, screens and doors opening into or onto his unit and interior plumbing and electrical fixtures. All such maintenance, repairs and replacement shall be done without disturbing the rights of other unit owners.

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

(3) A unit owner shall not paint or otherwise decorate or change the appearance of any portion of the exterior of the building or any exterior surface of any doors or windows to his condominium unit without the prior approval, in writing, of the Association.

2. Parking Spaces. The Association shall maintain and repair at the Association's expense, all parking spaces, including those which have been assigned as appurtenances to a unit.

3. Alteration and Improvement. After completion of the improvements included in the common elements which are contemplated in the Declaration, there shall be no alteration or further improvements of common elements without the prior approval in writing by record owners of a majority of all unit owners in the condominium. The cost of such alteration or improvement shall be a common expense and so assessed. Provided, however, there shall be no assessment of the Developer-owned apartments for alterations or further improvements unless consented to in writing by the Developer. Further, this paragraph shall have no application to the rights vested in the Developer in other articles of this Declaration.

4. The Board of Directors of the Association may enter into a contract with any firm, person, or corporation, with other condominium associations, and entities in contracting for the maintenance and repair of the condominium property.

XIII. MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the units, the transfer of units by any owner other than the Developer shall be subject to the following provisions as long as the condominium exists and the buildings in useful condition exist upon the land, which provisions each unit owner covenants to observe:

1. Transfers subject to approval.

a. Sale. No unit owner or lessee of a unit may dispose of a unit or any interest in a unit by sale without approval of the Association, except to the owner of another unit.

b. Lease. No unit owner or lessee of a unit may dispose of a unit or any interest in a unit by lease without approval of the Association, except to the owner of another unit.

c. Gift. If any unit owner shall acquire his title by gift, the continuance of his ownership of his unit shall be subject to the approval of the Association.

d. Devise or inheritance. If any unit owner shall acquire his title by devise or inheritance, the continuance of his ownership of his unit shall be subject to the approval of the Association.

e. Other transfers. If any unit owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of his unit shall be subject to the approval of the Association.

2. Approval by Association. The approval of the Association that is required for the transfer of ownership of units shall be obtained in the following manner:

a. Notice to Association.

(1) Sale. A unit owner intending to make a bona fide sale of a unit or any interest in it shall give to the Association notice of that intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. The notice at the unit owner's option may include a demand by the unit owner that the Association furnish a purchaser of the unit if the proposed purchaser is not approved; and if that demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(2) Lease. A unit owner intending to make a bona fide lease of a unit or any interest in it shall give to the Association notice of that intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require and an executed copy of the proposed lease.

(3) Gift, devise or inheritance; other transfers. A unit owner intending to make a gift of a unit or any interest in a unit, and a unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not previously approved by the Association, shall give to the Association notice of the proposed gift or of the acquiring of title, together with such information concerning the transferee as the Association may reasonably require, and a certified copy of the instrument evidencing a transferee's title.

(4) Failure to give notice. If the above-required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the Association at its election and without notice may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the sale, transfer, or lease shall be null and void and confer no right, title or interest in the intended purchaser, lessee, or transferee.

b. Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then within 30 days after receipt of the notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association in recordable form. The certificate shall be recorded in the public records of Palm Beach County, Florida, at the expense of the purchaser.

(2) Lease. If the proposed transaction is a lease, then within 30 days after receipt of the notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association in non-recordable form.

(3) Gift; devise or inheritance; other transfers. If the notice is of an intended gift or the unit owner giving notice has acquired his title by gift, devise or inheritance or in any other manner not previously approved by the Association, then within 30 days after receipt of the notice and information, the Association must either approve or disapprove the donee or the continuance of the transferree's ownership of his unit. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association in recordable form. The certificate shall be recorded in the public records of Palm Beach County, Florida, at the expense of the unit owner.

3. Disapproval by the Association. If the Association shall disapprove a transfer of ownership of a unit, the matter shall be treated in the following manner:

a. Sale. If the proposed transaction is a sale and if the notice of sale given by the unit owner shall so demand, then within 30 days after receipt of the notice and information the Association shall deliver or mail by certified mail to the unit owner an agreement signed by a purchaser approved by the Association and obligating the purchaser to buy the unit upon the terms hereafter stated. The seller shall be obligated to sell the unit to the purchaser upon the following terms:

(1) At the option of the purchaser to be stated in the agreement, the price to be paid shall be that stated in the disapproved contract to sell or shall be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two M.A.I. appraisers appointed by the American Arbitration Association, who shall base their determination upon an average of their appraisals of the unit; and a judgment of specific performance of the sale upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. In any such action for specific performance, the prevailing party shall be entitled to receive reasonable attorney's fees and court costs incurred.

(2) The purchase price shall be paid in cash, or upon terms approved by the seller.

(3) The sale shall be closed within thirty (30) days after the delivery or mailing of the agreement to purchase or within ten (10) days after the determination of the sale price, if it is by arbitration, whichever is the later.

(4) A certificate of the Association executed by its president and secretary and approving the purchaser shall be recorded in the public records of Palm Beach County, Florida, at the expense of the purchaser.

(5) If the Association shall fail to provide a purchaser upon the demand of the unit owner in the manner provided, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval the proposed transaction shall be deemed to have been approved and the Association shall furnish a certificate of approval as elsewhere provided. The certificate shall be recorded in the public records of Palm Beach County, Florida, at the expense of the purchaser.

b. Lease. If the proposed transaction is a lease, the unit owner shall be advised in writing of the disapproval and the lease shall not be made.

c. Gifts; devise or inheritance; other transfer. If the notice is of a proposed gift, the unit owner shall be advised in writing of the disapproval and the gift shall not be made. Any attempted gift to a party who is not approved by the Association shall be void. If the unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within thirty (30) days after receipt from the unit owner of the notice and information required to be furnished, the Association shall deliver or mail by certified mail to the unit owner an agreement signed by a purchaser approved by the Association and obligating the purchaser to buy the unit upon the terms hereafter stated. The seller shall be obligated to sell the unit to the purchaser upon the following terms:

(1) The sale price shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of the agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two M.A.I. appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit. A judgment of specific performance of the sale upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser. In any action for specific performance, the prevailing party shall be entitled to receive reasonable attorney's fees and court costs incurred.

(2) The purchase price shall be paid in cash or upon terms approved by the seller.

(3) The sale shall be closed within ten (10) days following the determination of the sale price.

(4) A certificate of the Association executed by its president and secretary and approving the purchaser shall be recorded in the public records of Palm Beach County, Florida, at the expense of the purchaser.

(5) If the Association shall fail to provide a purchaser in the manner provided, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval, the ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided. The certificate shall be recorded in the public records of Palm Beach County, Florida, at the expense of the unit owner.

4. Mortgage. No unit owner may mortgage a unit nor any interest in it without the approval of the Association except to a bank, life insurance company or a savings and loan association, or to a vendor to secure a portion or all of the purchase price. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

5. Exceptions. The foregoing provisions of the section entitled "Maintenance of Community Interest" shall not apply to:

a. a transfer to or purchase by a bank, life insurance company or savings and loan association that acquires its title as the result of owning a mortgage upon the unit concerned, whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings; a mortgage lender whose net worth is at least \$15,000,000.

b. a transfer, sale or lease by a bank, life insurance company or savings and loan association that so acquires its title; a mortgage lender whose net worth is at least \$15,000,000.

c. a transfer to a purchaser who acquires the title to a unit at a duly advertised public sale with opening bidding that is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale;

d. a mortgage or transfer to or a purchase or other acquisition by Developer, nor to a lease, mortgage, sale or other transfer by Developer.

6. Unauthorized transactions. Any sale, mortgage, lease or assignment of lease that is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

XIV RIGHTS OF DEVELOPER

Notwithstanding any provisions to the contrary, so long as Developer shall own any unit, whether by reacquisition or otherwise, the Developer shall have the absolute right to lease, sell or mortgage any such unit to any person, firm or corporation, upon any terms and conditions as it shall deem in its own best interests, and as to the lease, sale or mortgage of any unit by the Developer, the rights of notice and consent herein granted to the Association in this Declaration shall not be operative or effective in any manner. This provision of the Declaration may not be suspended or superseded by any amendment unless consented to in writing by the Developer. The Developer shall have the right to transact on the condominium property any business necessary to consummate sale or lease of units, including but not limited to the right to maintain models, have signs, employees in the office, use the Common Elements, and to show apartments and may assign this commercial usage right to such other persons or entities as it may choose. A sales office, signs, and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer. The Developer reserves the right to conduct such activities upon the condominium property as may be necessary to complete construction of the improvements upon the land. Such activities shall include the right to use Common Elements to store construction materials, the right to temporarily close off access to portions of the Common Elements and the right to have Developer's general contractor, sub-contractors, materialmen, laborers, and employees carrying on the business of construction. Developer shall have the right to transact on the condominium property any business necessary to complete the construction of COSTA DEL REY, NORTH.

XV. OBLIGATIONS OF UNIT OWNERS

In addition to other obligations and duties heretofore set out in this Declaration, each unit owner shall:

A. Promptly pay the assessments levied by the Association.

B. Maintain in good condition and repair his unit and all interior surfaces within or surrounding his unit (such as the surfaces of the walls, ceilings, floors), whether or not a part of the unit or common elements, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his unit.

C. Not permit or suffer anything to be done or kept in his unit which will increase the insurance rates on his unit or the common elements, or which will obstruct or interfere with the rights of other members or annoy them by unreasonable noises or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his unit or on the common elements.

D. Conform to and abide by the By-Laws and uniform rules and regulations in regard to the use of the unit and common elements which may be adopted in writing from time to time by the Board of Directors of the Association, and to see that all persons using owner's property by, through or under him do likewise.

E. Make no alteration, decoration, repair or replacement or change of the common elements or to any outside or exterior portion of the building without the express written consent of the Association.

F. Allow the Board of Directors or the agents and employees of the Association to enter any unit for the purpose of maintenance, inspection, repair, replacement of the improvements within units or the common elements, or in case of emergency threatening units or the common elements, or to determine compliance with this Condominium Declaration.

G. Show no sign, advertisement or notice of any type on the common elements or his unit.

H. Make no repairs to any plumbing or electrical wiring except within a unit. Plumbing and electrical repairs within a unit shall be the financial obligation of the owner of the unit and paid for forthwith. The Association shall pay for and be responsible for plumbing repairs and electrical wiring within the common elements.

XVI INSURANCE

The insurance other than title insurance that shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

1. Purchase; named insured; custody and payment of policies.

a. Purchase. All insurance policies upon the condominium property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida.

b. Approval. Each insurance policy and the agency and company issuing the policy shall be subject to approval by the institutional mortgagee that, according to the roster of mortgagees at the time for approval, is the owner and holder of the greatest number of mortgages held by such an institution upon a unit covered by the policy. The approval may be obtained by directing to the mortgagee having the right of approval a request in writing for approval or disapproval within ten days after the receipt of the request; and if a response from the mortgagee is not received within that ten-day period, the request shall be deemed to be approved. An approval shall not be unreasonably withheld or denied.

c. Named insured. The named insured shall be the Association individually and as agent for the owners of units covered by the policy without naming them, and shall include mortgagees listed in the roster of mortgagees who hold mortgages upon units covered by the policy whether or not the mortgagees are named. Unit owners may obtain

insurance coverage at their own expense upon their personal property and for their personal liability and living expense.

d. Custody of policies and payment of proceeds. All policies shall provide that payments for losses made by the insurer shall be paid to the insurance trustee designated by the Board of Directors of the Association, and all policies and endorsements on them shall be deposited with the insurance trustee.

e. Copies to mortgagees. One copy of each insurance policy and of all endorsements on it shall be furnished by the Association to each mortgagee included in the mortgagee roster who holds mortgages upon units covered by the policy. The copies shall be furnished not less than ten days prior to the beginning of the term of the policy or not less than ten days prior to the expiration of each preceding policy that is being renewed or replaced, whichever date shall first occur.

2. Coverage

a. Casualty. All buildings and improvements upon the land shall be insured in such amounts that the insured will not be a co-insurer except under deductible clauses required to obtain coverage at a reasonable cost. The coverage shall exclude foundation and excavation costs, that part of the value of each unit occasioned by special improvement not common to units otherwise comparable in construction and finish, and all increase in value of units occasioned by special improvement not common to units otherwise comparable in construction and finish, and all increase in value of units occasioned by alterations, betterments and further improvement. All personal property included in the common elements shall be insured. Values of insured property shall be determined annually by the Board of Directors of the Association. Insurance coverage shall afford protection against:

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

(2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to insurance covering flooding, vandalism and malicious mischief. The bailee liability, if any, of the Association to unit owners shall be insured.

The policies shall state whether the following items are included within the coverage in order that unit owners may insure themselves if the items are not insured by the Association: air handling equipment for space cooling and heating; service equipment, such as dishwasher, laundry, refrigerator, oven, stove, water heater, whether or not those items are built-in equipment; interior fixtures such as electrical and plumbing fixtures; floor coverings except the floor slab; and inside paint and other inside wall finishes.

When appropriate and possible, the policies shall waive the insurer's right to

(a) subrogation against the Association and against the unit owners individually and as a group;

(b) the pro rata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and

(c) avoid liability for a loss that is caused by an act of the Board of Directors of the Association or by one or more unit owners.

b. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner.

c. Workmen's compensation policy to meet the requirements of law.

d. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by use for other than a residence or misuse, occupancy or abandonment of a unit or its appurtenances or of the common elements by a unit owner shall be assessed against and paid by that owner. Not less than ten days prior to the date when a premium is due, evidence of the payment shall be furnished by the Association to each mortgagee listed in the roster of mortgagees.

4. Insurance trustee; shares of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to such bank in Florida with trust powers as may be designated as insurance trustee by the Board of Directors of the Association, which trustee is referred to in this instrument as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive and hold the insurance proceeds and other funds that are paid to it in trust for the purposes elsewhere stated in this instrument and for the benefit of the unit owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee;

a. Common elements. Proceeds on account of damage to common elements, an undivided share for each unit owner, such share being the same as the undivided share in the common elements appurtenant to his unit.

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

(1) When the building is to be restored for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Association.

(2) When the building is not to be restored, an undivided share for each unit owner such share being the same as the undivided share in the common elements appurtenant to his unit.

c. Mortgagees. In the event a mortgagee endorsement of an insurance policy has been issued as to a unit and this is deposited with the Insurance Trustee, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of proceeds made to the unit owner and mortgagee.

5. Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the manner hereafter provided in the section entitled "Reconstruction or Repair after Casualty."

6. Association as agent. The Association is irrevocably appointed agent for each unit owner and for each owner of a mortgage or other lien upon a unit and for each owner of any other interest in the condominium property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

7. Benefit of mortgagee. Certain provisions in this section entitled "Insurance" are for the benefit of mortgagees of condominium parcels. All of these provisions are covenants for the benefit of any mortgagee of a unit and may be enforced by that mortgagee. If the Association fails to procure requisite coverage and pay the premiums therefor, the institutional mortgagee holding the greatest number of mortgages will have the right to order and pay for the policies and be subrogated to the assessment and lien rights of the Association with respect to such payments.

XVII RECONSTRUCTION AND REPAIR AFTER CASUALTY

1. Determination whether to reconstruct and repair. Whether or not condominium property damaged by casualty shall be reconstructed and repaired shall be determined in the following manner:

a. Lesser damage. If units to which 50% of the common elements are appurtenant are found by the Board of Directors of the Association to be tenantable after the casualty, the damaged property shall be reconstructed and repaired.

b. Major damage. If units to which more than 50% of the common elements are appurtenant are found by the Board of Directors of the Association to be not tenantable after the casualty, whether the damaged property will be reconstructed and repaired or the condominium terminated shall be determined in the following manner:

(1) Immediately after the determination of the amount of insurance proceeds, the Association shall give notice to all unit owners, of the casualty, the extent of the damage, the estimated cost to rebuild and repair, the amount of insurance proceeds and the estimated amount of assessments required to pay the excess of the cost of reconstruction and repair over the amount of insurance proceeds.

(2) The notice shall call a meeting of unit owners to be held within thirty (30) days from the mailing of the notice.

(3) If the reconstruction and repair is approved at the meeting by the owners of 75% of the common elements, the damaged property will be reconstructed and repaired; but if not so approved, the condominium shall be terminated without agreement as elsewhere provided.

(4) The approval of a unit owner may be expressed by vote or in writing filed with the Association at or prior to the meeting.

(5) The expense of this determination shall be assessed against all unit owners as a common expense.

c. Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed and repaired.

2. Report of damage. If any part of the condominium property shall be damaged and insurance proceeds or other funds are paid to the Insurance Trustee on account of the damage, a report of the damage shall be submitted by the Association to the Insurance Trustee. The report shall include the following information:

a. Date and cause of damage.

b. Whether the damaged property will be reconstructed and repaired or the condominium terminated.

If the damaged property will be reconstructed and repaired, the report shall include the following information:

c. Schedule of damage for which the Association has responsibility for reconstruction and repair and the estimated costs of reconstruction and repair.

d. Whether damaged property for which the Association has responsibility for reconstruction and repair includes structural parts of a building.

e. Schedule of damage for which unit owners have the responsibility for reconstruction and repair and the estimated costs of each owner for reconstruction and repair.

f. The Insurance Trustee shall approve the manner of determining the estimated costs of reconstruction and repair and the findings as to whether the damaged property includes structural parts of a building, or the report of damage shall be substantiated by an attached report of an architect qualified to practice in this state.

3. Responsibility for reconstruction and repair. The responsibility for reconstruction and repair after casualty shall be the same as for maintenance and repair of the condominium property as provided in the section entitled "Maintenance, Alteration and Improvement."

4. Plans and specifications. Any reconstruction and repair must be substantially in accordance with the plans and specifications for the original improvements, portions of which are attached as exhibits; or, if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is the apartment building, by the owners of not less than 75% of the common elements, including the owners of all units the plans for which are to be altered.

5. Assessments; determination of sufficiency of funds.

a. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair for which the Association is responsible, or if at any time during that work or upon completion of the work the funds available for the payment of the costs are insufficient, assessments shall be made by the Association against all unit owners in sufficient amounts to provide funds for the payment of those costs. The assessments shall be made as for a common expense, except that the cost of construction, reconstruction and repair occasioned by special improvement made at the request of the owner and not common to other units shall be assessed to the owner of the unit.

b. Determination of sufficiency of funds. If the estimated costs of reconstruction and repair for which the Association is responsible do not exceed \$10,000, the sufficiency of funds to pay the costs shall be determined by the Board of Directors of the

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Association and the sums paid upon the assessments shall be held by the Association. If the estimated costs exceed \$10,000, the sufficiency of funds to pay the costs shall be determined by an architect qualified to practice in Florida and employed by the Association to supervise the work, and the sums paid upon the assessments shall be deposited by the Association with the Insurance Trustee.

6. Disbursement of funds. The funds held by the Association or by the Insurance Trustee after a casualty which will consist of proceeds of insurance and the sums collected from assessments against unit owners on account of the casualty, shall be disbursed in the following manner and order:

a. Expense of the trust. All expenses of the Insurance Trustee shall be first paid or provision made for payment.

b. Termination of the condominium. If the condominium is terminated, either by agreement after lesser damage or by failure of the unit owners to approve reconstruction and repair after major damage, the remaining funds shall be deemed to be condominium property and shall be owned by the unit owners as tenants in common in the undivided shares in which they own the common elements prior to the termination. The balance of the funds shall be distributed to the beneficial owners upon demand of the Association in the amounts certified by the Association, remittances to unit owners and their mortgagees being made payable jointly to them.

c. Reconstruction and repair of damage. If the damaged property is reconstructed and repaired, the funds shall be disbursed in the following manner:

(1) By Association -- damages of \$10,000 or less. If the estimated costs of reconstruction and repair that is the responsibility of the Association do not exceed \$10,000, the funds shall be disbursed in payment of these costs upon the order of the Association; provided, however, the funds shall be disbursed in the manner hereafter provided for the reconstruction and repair of damage of more than \$10,000 if the damaged property includes structural parts of a building, or if requested by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the funds.

(2) By Association -- damages of more than \$10,000. If the estimated costs of reconstruction and repair that is the responsibility of the Association exceed \$10,000, the funds shall be disbursed in payment of these costs in the manner required by the Board of Directors of the Association; provided, however that an architect qualified to practice in Florida and employed by the Association to supervise the work shall approve all disbursements as being due and properly payable.

(3) By unit owners. If there is a balance of insurance proceeds after payment of costs of reconstruction and repair that is the responsibility of the Association, this balance shall be distributed to owners of damaged units, who have responsibility for reconstruction and repair of their units. The distribution shall be in the shares that the estimated cost of reconstruction and repair of this damage in damaged unit bears to the total of these costs in all damaged units; provided, however, that no unit owner shall be paid an amount in excess of the estimated costs for his unit. If there is a mortgage upon a unit, the distribution shall be paid to the unit owner and the mortgagee jointly and they may use the proceeds as they may determine.

(4) Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance remaining after payment of the costs for which the funds are collected, the balance shall be distributed to the beneficial owners of the funds, remittances to unit owners and their mortgagees being made payable jointly to them; provided, however, that the part of a distribution to a unit owner that is not in excess of assessments paid by that owner into the funds shall not be made payable to any mortgagee.

d. Reliance upon certificates. Notwithstanding the provisions of this Declaration, the Insurance Trustee shall not be required to make a determination as to the existence of certain facts upon which the distribution of funds is conditioned. Instead, the Insurance Trustee may rely upon the certificate of the Association made by its president and secretary stating:

(1) Whether the damaged property will be reconstructed and repaired or the condominium terminated.

(2) Whether or not payments upon assessments against unit owners shall be deposited with the Insurance Trustee.

(3) That sums to be paid are due and properly payable, the name of the payee and the amount to be paid.

(4) The names of unit owners to receive distribution of funds and the amounts to be distributed to them; provided, however, that when a mortgagee is required by this instrument to be named as payee of a distribution to a unit owner, the Insurance Trustee also shall name the mortgagee as payee of any distribution of insurance proceeds to a unit owner.

e. Proviso. Provided, however, that under the following circumstances the approval of the architect elsewhere required shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair;

(1) When the report of damage shows that the damaged property includes structural parts of a building.

(2) When the report of damage shows that the estimated costs of reconstruction and repair that is the responsibility of the Association exceed \$10,000.

(3) If required by the Association or by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the funds to be disbursed.

7. Benefit of mortgagees. Certain provisions in this section entitled "Reconstruction or Repair after Casualty" are for the benefit of mortgagees of condominium parcels. All of these provisions are covenants for the benefit of any mortgagee of a unit and may be enforced by the mortgagee.

XVIII-EMINENT DOMAIN OR CONDEMNATION PROCEEDINGS

1. Deposit of awards with Insurance Trustee. The taking of condominium property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to unit owners, the unit owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors of the Association a special assessment shall be made against a defaulting unit owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that owner.

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

3. Disbursement of funds. If the condominium is terminated after condemnation, the proceeds of the awards and special assessments will be deemed to be condominium property and shall be owned and distributed in the manner provided for insurance proceeds if the condominium is terminated after a casualty. If the condominium is not terminated after condemnation, the size of the condominium will be reduced, the owners of condemned units will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for

disbursement of funds by the Insurance Trustee after a casualty.

4. Unit reduced but tenantable. If the taking reduces the size of a unit and the remaining portion of the unit can be made tenantable, the award for the taking of a portion of the unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

a. Restoration of unit. The unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the owner of the unit.

b. Distribution of surplus. The balance of the award, if any, shall be distributed to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and mortgagees.

c. Adjustment of shares in common elements. If the floor area of the unit is reduced by the taking, the number representing the share in the common elements appurtenant to the unit shall be reduced in the proportion by which the floor area of the unit is reduced by the taking, and then the shares of all unit owners in the common elements shall be restated as percentages of the total of the numbers representing their original shares as reduced by the taking.

5. Unit made untenable. If the taking is of the entire unit or so reduces the size of a unit that it cannot be made tenantable, the award for the taking of the unit shall be used for the following purposes in the order stated and the following changes shall be effected in the condominium:

a. Payment of award. The market value of the unit immediately prior to the taking shall be paid to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and mortgagees.

b. Addition to common elements. The remaining portion of the unit, if any, shall become a part of the common elements and shall be placed in condition for use by all of the unit owners in the manner approved by the Board of Directors of the Association; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the common elements.

c. Adjustment of shares in common elements. The shares in the common elements appurtenant to the units that continue as part of the condominium shall be adjusted to distribute the ownership of the common elements among the reduced number of unit owners.

This shall be done by restating the shares of continuing unit owners in the common elements as percentages of the total of the numbers representing the shares of these owners as they exist prior to the adjustment.

d. Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned unit to the owner and to condition the remaining portion of the unit for use as a part of the common elements, the additional funds required for those purposes shall be raised by assessments against all of the unit owners who will continue as owners of units after the changes in the condominium effected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after the changes effected by the taking.

e. Arbitration. If the market value of a unit prior to the taking cannot be determined by agreement between the unit owner and mortgagees of the unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all unit owners in proportion to the shares of the owners in the common elements as they exist prior to the changes effected by the taking.

6. Taking of common elements. Awards for taking of common elements shall be used to make the remaining portion of the common elements useable in the manner approved by the Board of Directors of the Association; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the common elements. The balance of the awards for the taking of common elements, if any, shall be distributed to the unit owners in the shares in which they own the common elements after adjustment of these shares on account of the condemnation. If there is a mortgage of a unit, the distribution shall be paid jointly to the owner and mortgagees of the unit.

7. Amendment of declaration. The changes in units, in the common elements and in the ownership of the common elements that are effected by condemnation shall be evidenced by an amendment of the Declaration of Condominium that need be approved only by a majority of all directors of the Association.

XIX AMENDMENT TO DECLARATION

Amendments. Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

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

2. A Resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Association or by members of the Association. Owners may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by persons owning not less than ten (10%) percent of the units. Amendments may be proposed by the Board of Directors at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President or in the event of his refusal or failure to act, the Vice-President elected by the Directors from the Condominium or in the event of his refusal or failure to act, then the Board of Directors, shall call a meeting of the members of the Association, to be held not sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendment.

Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(a) Not less than sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) of the entire membership of the Board of Directors and not less than fifty-one percent (51%) of the unit owners; or

(b) Not less than seventy-five (75%) percent of the entire membership, provided, however, that until such time as a majority of the members of the Board of Directors are elected by unit owners other than the Developer, all amendments to the Declaration shall be approved as set forth in paragraph (a) or (d) herein; and

(c) In the alternative, an amendment may be made by an agreement signed and acknowledged by all condominium owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Palm Beach County, Florida, provided, however, that until such time as a majority of the members of the Board of Directors are elected by unit owners other than the Developer, all amendments to the Declaration shall be approved as set forth in paragraph (a) or (d) herein.

(d) Until the unit owners, other than the Developer, are entitled to elect a majority of the Board of Directors, a proposed amendment to the Declaration shall require approval of all of the Directors, and no meeting of the unit owners nor any other approval thereof need be had.

3. Proviso. Provided, however, that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units, unless the Unit Owners so affected shall consent; and no amendment shall change any Unit nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the Unit concerned and all record owners of mortgages on such Unit shall join in the execution of the amendment. Neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair after Casualty" unless the record owners of all institutional mortgages upon the Condominium shall join in the execution of such amendment. No amendment shall be adopted without the consent and approval of the Developer, so long as it shall own five (5) or more condominium units in COSTA DEL REY, NORTH. No amendment shall make any change which would in any way affect any of the rights, privileges, powers and/or options herein provided in favor of or reserved to the Developer, or any person who is an officer, stockholder or director of the Developer, or any corporation having some or all of its directors, officers, or any stockholders in common with the Developer, unless the Developer shall join in the execution of such amendment. No amendment can be made to Article XVIII. of the Declaration without the joinder of all institutional mortgagees.

4. Execution and recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, and the said certificate shall be executed by the President of the Association and attested to by the Secretary with the formalities of a deed, and shall be effective upon recordation thereof in the Public Records of Palm Beach County.

XX TERMINATION

The condominium may be terminated in the following ways in addition to the manner provided by the Condominium Act:

1. Destruction. If it is determined in the manner elsewhere provided that the building shall not be reconstructed because of major damage, the condominium plan of ownership thereby will be terminated without agreement.

2. Agreement. The condominium may be terminated by approval in writing of all record owners of units and all record owners of mortgages on units.

3. Approval and options to purchase. If the proposed termination is submitted to a meeting of the members of the Association and the notice of the meeting gives notice of the proposed termination, and if approvals by owners of not less than 75% of the common elements and by the record owners of all mortgages upon the units are obtained in writing not later than 30 days after the date of that meeting, then the approving unit owners shall have an option to buy all of the units of the other unit owners for the period ending on the 60th day after the date of that meeting. Approvals of the termination shall be irrevocable until the

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expiration of the option, and if the option is exercised, the approvals shall be irrevocable. The option shall be upon the following terms:

a. Exercise of option. The option shall be exercised in the following manner:

(1) A party desiring to exercise the option shall execute and deliver to the Association two counterparts of an agreement in a form supplied by the Association agreeing to purchase the units desired by him upon the terms hereafter stated. An agreement signed by the seller may be conditioned upon the termination of the condominium. If the agreement is not signed by the seller, it shall be an offer to purchase. If more than one offer is made for the purchase of the same unit, the unit will be sold under the first offer received by the Association, which offer shall be irrevocable and shall constitute an agreement to purchase conditioned upon the exercise of the option to purchase all of the units subject to the option and the termination of the condominium.

(2) The option shall be deemed to be exercised if the Association receives within the time stated contracts or offers for the purchase of all of the units owned by the unit owners who do not approve the termination.

(3) The exercise of the option shall be evidenced by the certificate of the Association executed by its president and secretary stating that all of the units owned by the unit owners who do not approve the termination have been purchased and identifying the purchasers and the units purchased by them. A copy of the certificate shall be delivered or mailed by certified or registered mail, return receipt requested, to each record owner of the units being purchased, together with an executed counterpart of the agreement or offer to purchase each unit owned by the person receiving the certificate.

b. Price. The sale price of a unit sold under an agreement signed by the seller shall be the price stated in the agreement. The sale price of a unit sold under an offer to purchase shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of the agreement to the seller. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two M.A.I. appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit. A judgment of specific performance of the sale upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser. In any action

for specific performance, the prevailing party shall also be entitled to reasonable attorneys' fees and costs incurred in connection therewith.

c. Payment. The purchase price shall be paid in cash, or upon terms approved by the seller and the Association.

d. Closing. The sale shall be closed within ten days following the determination of the sale price, or within 60 days after the exercise of the option; whichever shall last occur.

e. Termination. The closing of the purchase of all of the units subject to the option shall effect a termination of the condominium without further act except the filing of the certificate hereafter required.

f. Failure to purchase. If the option to purchase all of the units owned by unit owners who do not approve the termination of the condominium is not exercised, and if all of the sales under the option are not closed within a reasonable time after the closing date provided above, the proposed termination of the condominium shall fail. The failure shall be evidenced by a certificate of the Association, and thereafter the offers and agreements to purchase under this provision that have not resulted in closed sales shall be void.

4. Certificate. The termination of the condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its president and secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Palm Beach County, Florida.

5. Shares of owners after termination. After termination of the condominium, unit owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the unit owners. The undivided shares of the unit owners shall be the same as the undivided shares of the common elements appurtenant to the owners' units prior to the termination.

6. Amendment. This section concerning termination cannot be amended without consent of all unit owners and of all record owners of mortgages upon the units.

XXI MISCELLANEOUS PROVISIONS

A. Should any dispute or litigation arise between any of the parties whose rights and/or duties are affected or determined by this Declaration or any of the Exhibits attached hereto, said dispute or litigation shall be determined pursuant to the laws of the State of Florida.

B. In the event that any of the terms, provisions, or covenants of the Declaration or any of the Exhibits

attached hereto are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holdings will 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 herein.

C. Notwithstanding anything to the contrary herein contained, unless institutional mortgagees have given their prior written approval, the Association shall not be entitled to: (1) change the pro rata interest or obligations of any unit for purposes of levying assessments and charges and determining shares of common elements and proceeds of the Condominium; (2) partition or subdivide any unit for the common elements of the Condominium, nor (3) by act or omission seek to abandon the Condominium regime, except as provided by statute in case of substantial loss to the units and common elements of the Condominium.

D. The remedies for violation provided for in the Condominium Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring court action to bring about the compliance with the law, this Declaration and By-Laws, upon a finding by the Court that the violation complained of is willful and deliberate, the unit owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action as determined by the Court.

E. Whenever the context so permits, the use of the plural shall include the singular, and any gender shall be deemed to include all genders.

F. Notwithstanding anything to the contrary herein, nothing shall prevent the combining of units in the condominium, but said combined units shall retain the original appurtenant shares of the common elements, expenses, surplus and voting rights.

G. Captions used in these documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the documents.

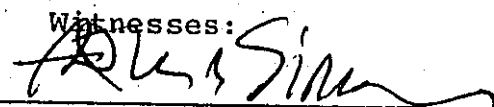
H. Upon written request, mortgagees of the units herein shall have the right to examine the books and records of the Association.

I. All rights, options and privileges of the Developer under this Declaration and under the other condominium documents will inure to the benefit of any institutional mortgagee succeeding to the ownership of any unit(s) from the Developer as a result of foreclosure or acceptance of a deed in lieu of foreclosure.

J. If (1) any unit shall encroach upon a portion of the common elements for any reason not caused by the intentional or negligent act of the owner of such unit, or (2) a portion of the common elements shall encroach upon any unit, or (3) a unit shall encroach upon any other unit for any reason not caused by the intentional or negligent act of the owner of the encroaching unit, then in any such event an easement shall exist for the continuance of the encroachment for so long as the encroachment shall exist.

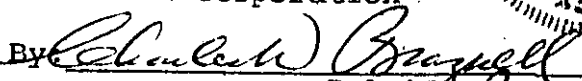
IN WITNESS WHEREOF, WESLEY DEVELOPMENT COMPANY, a Florida corporation has caused these presents to be signed in its name by its undersigned authorized signatory and its seal to be affixed this 22 day of December, 1980.

Witnesses:



(Corporate Seal)

WESLEY DEVELOPMENT COMPANY
a Florida corporation

By  President

Attest:  Secretary

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

BEFORE ME, the undersigned authority, personally appeared CHARLES BRAZNELL, to me well known to be the person described in and who executed the foregoing Declaration of Condominium as President of WESLEY DEVELOPMENT COMPANY, and he acknowledged before me that he executed such instrument as such officer and that the seal affixed to the foregoing Declaration of Condominium is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said Declaration of Condominium is the free act and deed of said corporation.

WITNESS my hand and official seal, this 22 day of December, 1980.

[Signature]
Notary Public, State of Florida

My Commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JUNE 25 1981

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, COSTS DEL REY, NORTH CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereby agrees to accept all the benefits and all the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration of Condominium and Exhibits attached hereto.

IN WITNESS WHEREOF, the above-described Corporation, a Florida corporation not for profit, has caused the presents to be signed in its name by its President and its corporate seal affixed, this 22 day of December, 1980.

Signed, sealed and
delivered in the
presence of:

COSTA DEL REY, NORTH CONDOMINIUM
ASSOCIATION, INC., a Florida
corporation not for profit

[Signature] BY: [Signature] Braznell (SEAL)



B3448 P0235

EXHIBIT 1

Beginning at a point where the Easterly right-of-way line of a highway known as State Road A-1-A, as shown on a Florida State Road Department right-of-way Map - Project 1001 - dated 1-10-39, intersects a line drawn parallel with and 400 feet North from the South line of Government Lot 1, Section 28, Township 46 South, Range 43 East, Palm Beach County, Florida, thence run East along said parallel line 18.50 feet; then run North 0.30 feet; thence run East 13.13 feet, thence run South 0.30 feet, thence run East 171.30 feet, thence run North 74.0 feet, thence run East 35.43 feet, thence run South 9.00 feet, thence run East 30.57 feet, thence run South $21^{\circ}53'17''$ East for 41.60 feet, thence run South $0^{\circ}25'00''$ East, for 26.40 feet to said parallel line, thence run East 162 feet more or less to the waters edge of the Atlantic Ocean thence run Northerly along the waters edge 200.2 feet more or less to a Point 600 feet North of (as measured at right angles to) the South line of the aforementioned Government Lot 1, thence run West along a line parallel to the South line of said Government Lot 1, 437 feet more or less, to intercept the East right-of-way line of State Road A-1-A and a Point of Curvature concave to the East, having a radius of 34,327.5 feet and a local tangent of $S-5^{\circ}-14'-18''$ West, thence run Southerly along the arc of said curve 200.79 feet through a central angle of $0^{\circ}-20'-07''$ to the Point of Beginning.

Said land lying and being in Delray Beach, Palm Beach County, Florida.

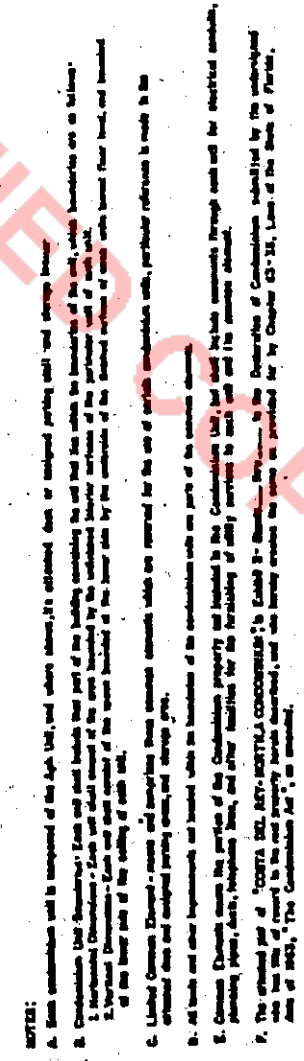
B3448 P0236

COSTA DEL REY - NORTH
A CONDOMINIUM

[illegible][illegible]

THIS CERTIFICATION was this 27th day of October, 1977, by the undersigned Registered Land Surveyor authorized to practice in the State of Florida, in and to the premises of Section 78-00-0-03 at the 17th Period, Tract No. 1977-1, 1977-2, 1977-3, 1977-4, 1977-5, 1977-6, 1977-7, 1977-8, 1977-9, 1977-10, 1977-11, 1977-12, 1977-13, 1977-14, 1977-15, 1977-16, 1977-17, 1977-18, 1977-19, 1977-20, 1977-21, 1977-22, 1977-23, 1977-24, 1977-25, 1977-26, 1977-27, 1977-28, 1977-29, 1977-30, 1977-31, 1977-32, 1977-33, 1977-34, 1977-35, 1977-36, 1977-37, 1977-38, 1977-39, 1977-40, 1977-41, 1977-42, 1977-43, 1977-44, 1977-45, 1977-46, 1977-47, 1977-48, 1977-49, 1977-50, 1977-51, 1977-52, 1977-53, 1977-54, 1977-55, 1977-56, 1977-57, 1977-58, 1977-59, 1977-60, 1977-61, 1977-62, 1977-63, 1977-64, 1977-65, 1977-66, 1977-67, 1977-68, 1977-69, 1977-70, 1977-71, 1977-72, 1977-73, 1977-74, 1977-75, 1977-76, 1977-77, 1977-78, 1977-79, 1977-80, 1977-81, 1977-82, 1977-83, 1977-84, 1977-85, 1977-86, 1977-87, 1977-88, 1977-89, 1977-90, 1977-91, 1977-92, 1977-93, 1977-94, 1977-95, 1977-96, 1977-97, 1977-98, 1977-99, 1977-100, 1977-101, 1977-102, 1977-103, 1977-104, 1977-105, 1977-106, 1977-107, 1977-108, 1977-109, 1977-110, 1977-111, 1977-112, 1977-113, 1977-114, 1977-115, 1977-116, 1977-117, 1977-118, 1977-119, 1977-120, 1977-121, 1977-122, 1977-123, 1977-124, 1977-125, 1977-126, 1977-127, 1977-128, 1977-129, 1977-130, 1977-131, 1977-132, 1977-133, 1977-134, 1977-135, 1977-136, 1977-137, 1977-138, 1977-139, 1977-140, 1977-141, 1977-142, 1977-143, 1977-144, 1977-145, 1977-146, 1977-147, 1977-148, 1977-149, 1977-150, 1977-151, 1977-152, 1977-153, 1977-154, 1977-155, 1977-156, 1977-157, 1977-158, 1977-159, 1977-160, 1977-161, 1977-162, 1977-163, 1977-164, 1977-165, 1977-166, 1977-167, 1977-168, 1977-169, 1977-170, 1977-171, 1977-172, 1977-173, 1977-174, 1977-175, 1977-176, 1977-177, 1977-178, 1977-179, 1977-180, 1977-181, 1977-182, 1977-183, 1977-184, 1977-185, 1977-186, 1977-187, 1977-188, 1977-189, 1977-190, 1977-191, 1977-192, 1977-193, 1977-194, 1977-195, 1977-196, 1977-197, 1977-198, 1977-199, 1977-200, 1977-201, 1977-202, 1977-203, 1977-204, 1977-205, 1977-206, 1977-207, 1977-208, 1977-209, 1977-210, 1977-211, 1977-212, 1977-213, 1977-214, 1977-215, 1977-216, 1977-217, 1977-218, 1977-219, 1977-220, 1977-221, 1977-222, 1977-223, 1977-224, 1977-225, 1977-226, 1977-227, 1977-228, 1977-229, 1977-230, 1977-231, 1977-232, 1977-233, 1977-234, 1977-235, 1977-236, 1977-237, 1977-238, 1977-239, 1977-240, 1977-241, 1977-242, 1977-243, 1977-244, 1977-245, 1977-246, 1977-247, 1977-248, 1977-249, 1977-250, 1977-251, 1977-252, 1977-253, 1977-254, 1977-255, 1977-256, 1977-257, 1977-258, 1977-259, 1977-260, 1977-261, 1977-262, 1977-263, 1977-264, 1977-265, 1977-266, 1977-267, 1977-268, 1977-269, 1977-270, 1977-271, 1977-272, 1977-273, 1977-274, 1977-275, 1977-276, 1977-277, 1977-278, 1977-279, 1977-280, 1977-281, 1977-282, 1977-283, 1977-284, 1977-285, 1977-286, 1977-287, 1977-288, 1977-289, 1977-290, 1977-291, 1977-292, 1977-293, 1977-294, 1977-295, 1977-296, 1977-297, 1977-298, 1977-299, 1977-300, 1977-301, 1977-302, 1977-303, 1977-304, 1977-305, 1977-306, 1977-307, 1977-308, 1977-309, 1977-310, 1977-311, 1977-312, 1977-313, 1977-314, 1977-315, 1977-316, 1977-317, 1977-318, 1977-319, 1977-320, 1977-321, 1977-322, 1977-323, 1977-324, 1977-325, 1977-326, 1977-327, 1977-328, 1977-329, 1977-330, 1977-331, 1977-332, 1977-333, 1977-334, 1977-335, 1977-336, 1977-337, 1977-338, 1977-339, 1977-340, 1977-341, 1977-342, 1977-343, 1977-344, 1977-345, 1977-346, 1977-347, 1977-348, 1977-349, 1977-350, 1977-351, 1977-352, 1977-353, 1977-354, 1977-355, 1977-356, 1977-357, 1977-358, 1977-359, 1977-360, 1977-361, 1977-362, 1977-363, 1977-364, 1977-365, 1977-366, 1977-367, 1977-368, 1977-369, 1977-370, 1977-371, 1977-372, 1977-373, 1977-374, 1977-375, 1977-376, 1977-377, 1977-378, 1977-379, 1977-380, 1977-381, 1977-382, 1977-383, 1977-384, 1977-385, 1977-386, 1977-387, 1977-388, 1977-389, 1977-390, 1977-391, 1977-392, 1977-393, 1977-394, 1977-395, 1977-396, 1977-397, 1977-398, 1977-399, 1977-400, 1977-401, 1977-402, 1977-403, 1977-404, 1977-405, 1977-406, 1977-407, 1977-408, 1977-409, 1977-410, 1977-411, 1977-412, 1977

Prepared by
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Registered Land Surveyor
1400 West 49th Place
Melbourne, Florida 32912

[illegible]

David J. Ramsey
 Registered Land Surveyor No. 1806
 State of Florida

**COSTA DEL REY - NORTH
A CONDOMINIUM**

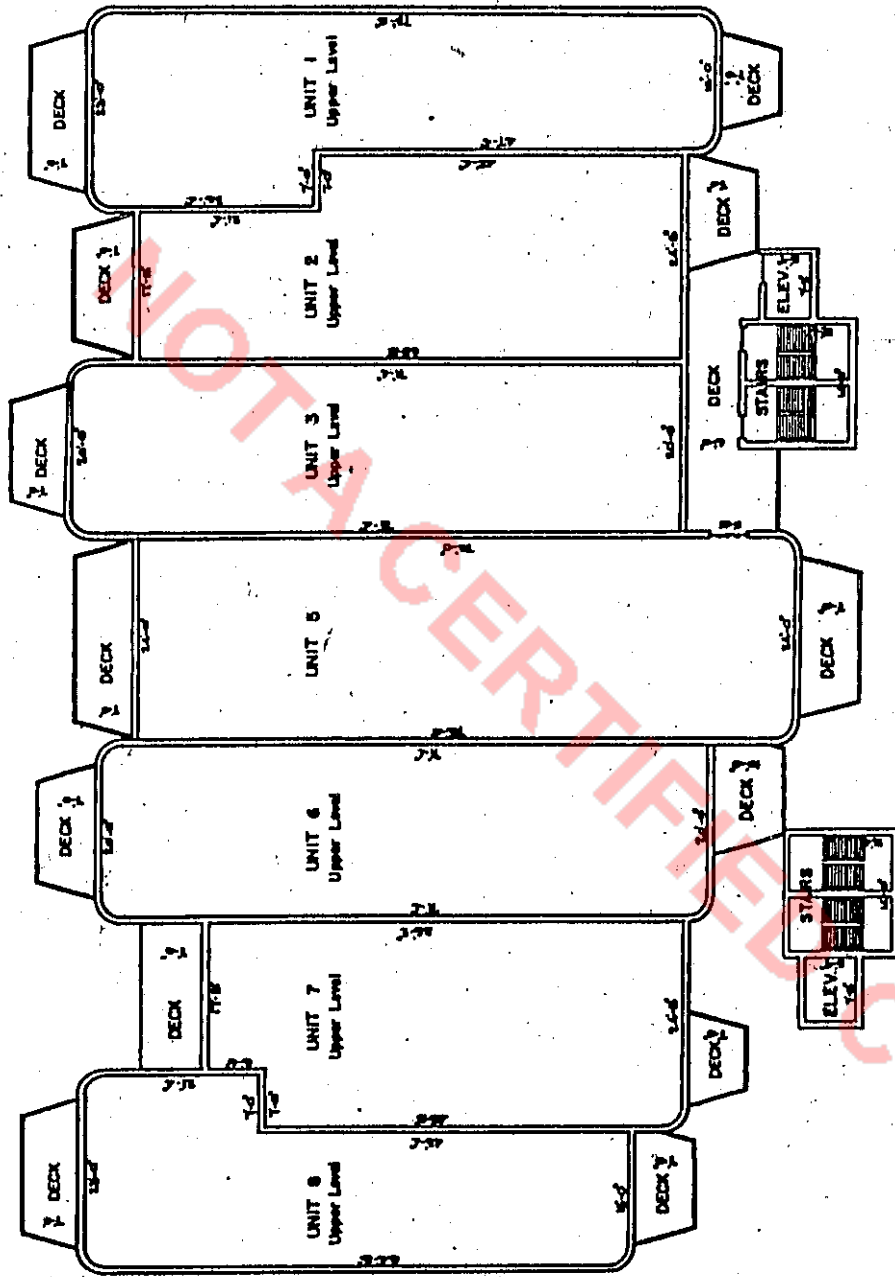


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EXHIBIT 3
to the Declaration of Condominium
of Costa Del Rey-North, & Condominium.

B3448 P0240

COSTA DEL REY - NORTH A CONDOMINIUM



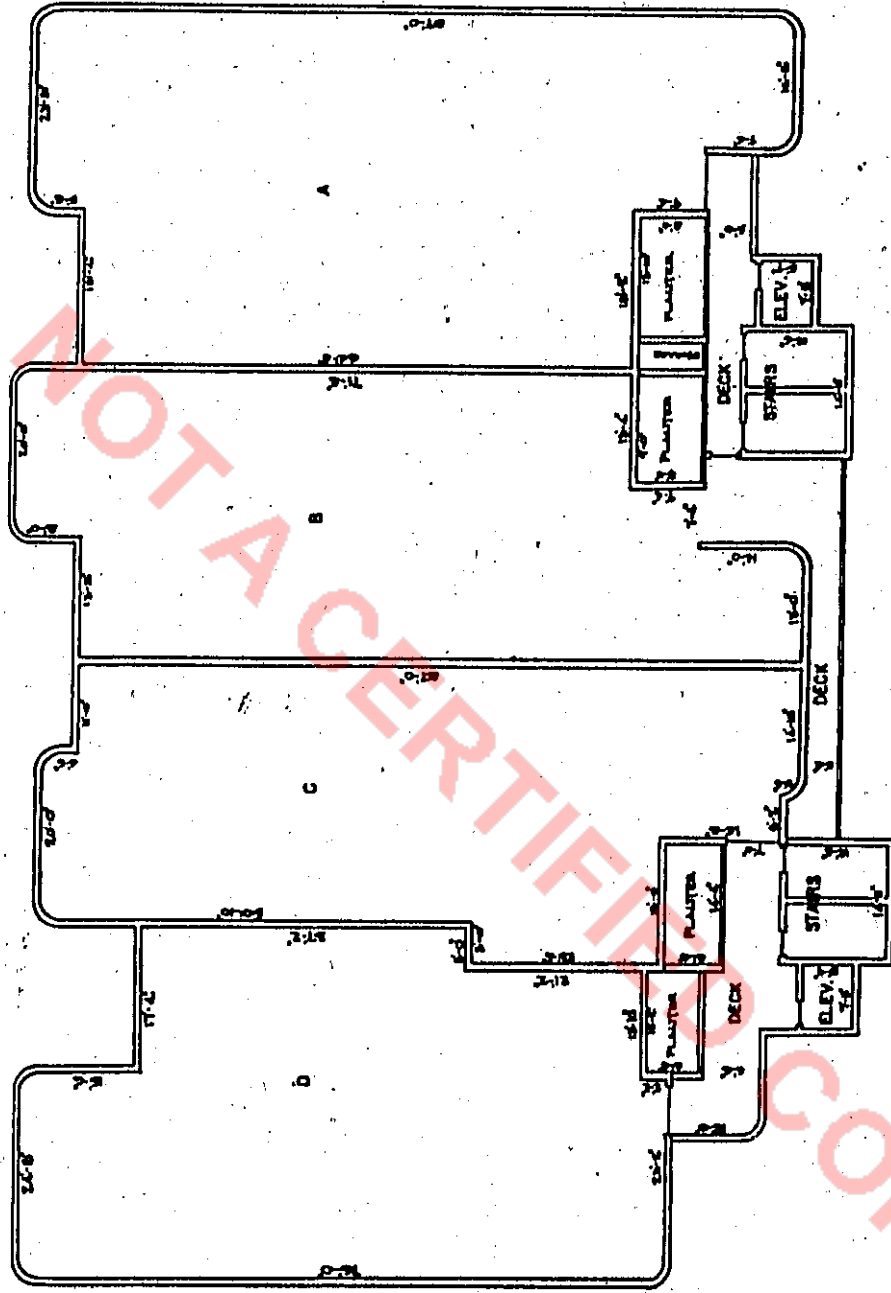
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EXHIBIT 3
To the Declaration of Condominium
of Costa Del Rey - North, A Condominium.
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SECOND FLOOR PLAN - EAST BUILDING



COSTA DEL REY - NORTH A CONDOMINIUM

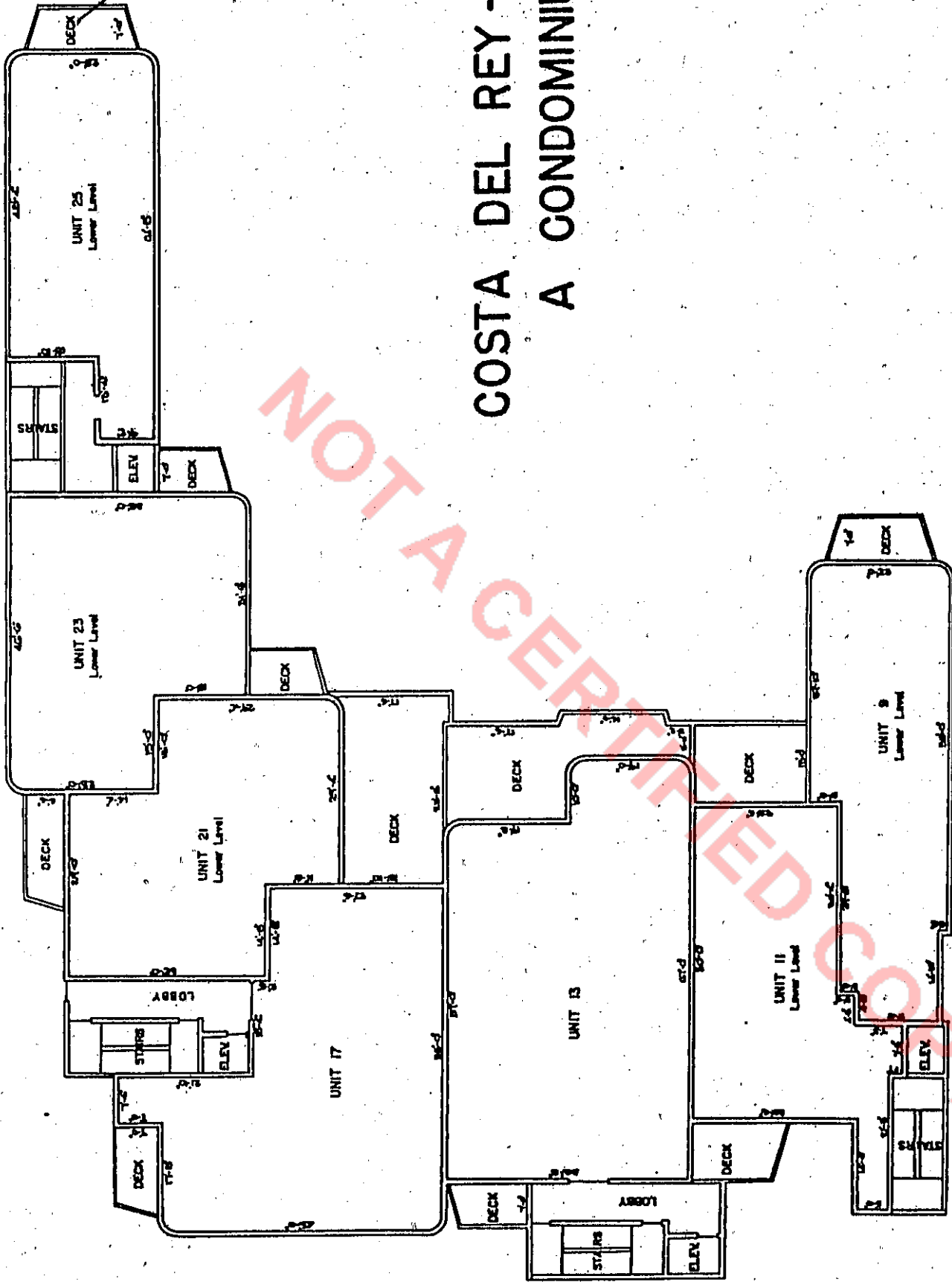


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PENTHOUSE FLOOR PLAN - EAST BUILDING



B3448 P0242



COSTA DEL REY - NORTH A CONDOMINIUM

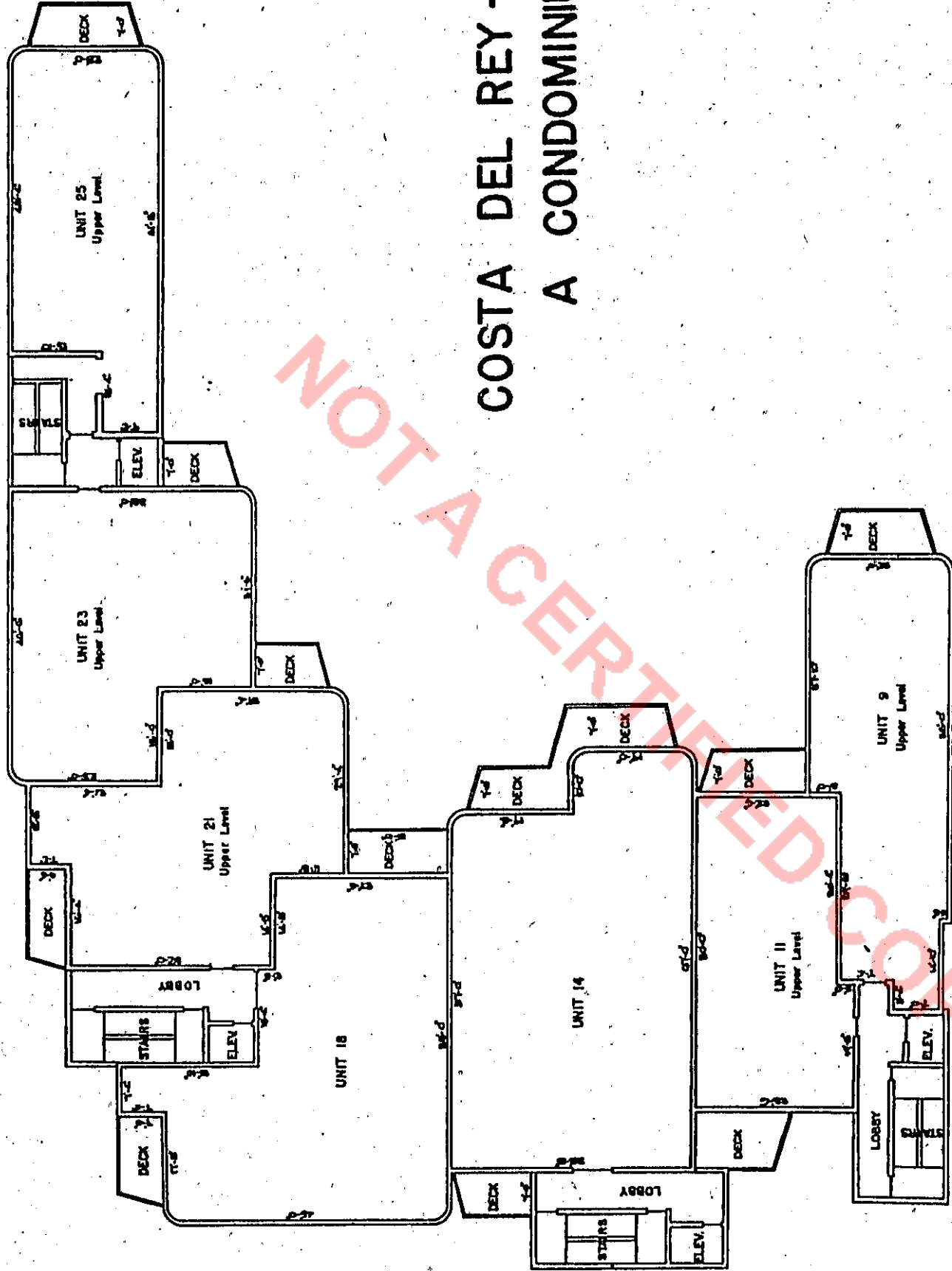
EXHIBIT 3
Is the Declaration of Condominium
of Costa Del Rey-North, A Condominium
Page 5 of 10

FIRST FLOOR PLAN - WEST BUILDING



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B3448 P0243



COSTA DEL REY - NORTH A CONDOMINIUM

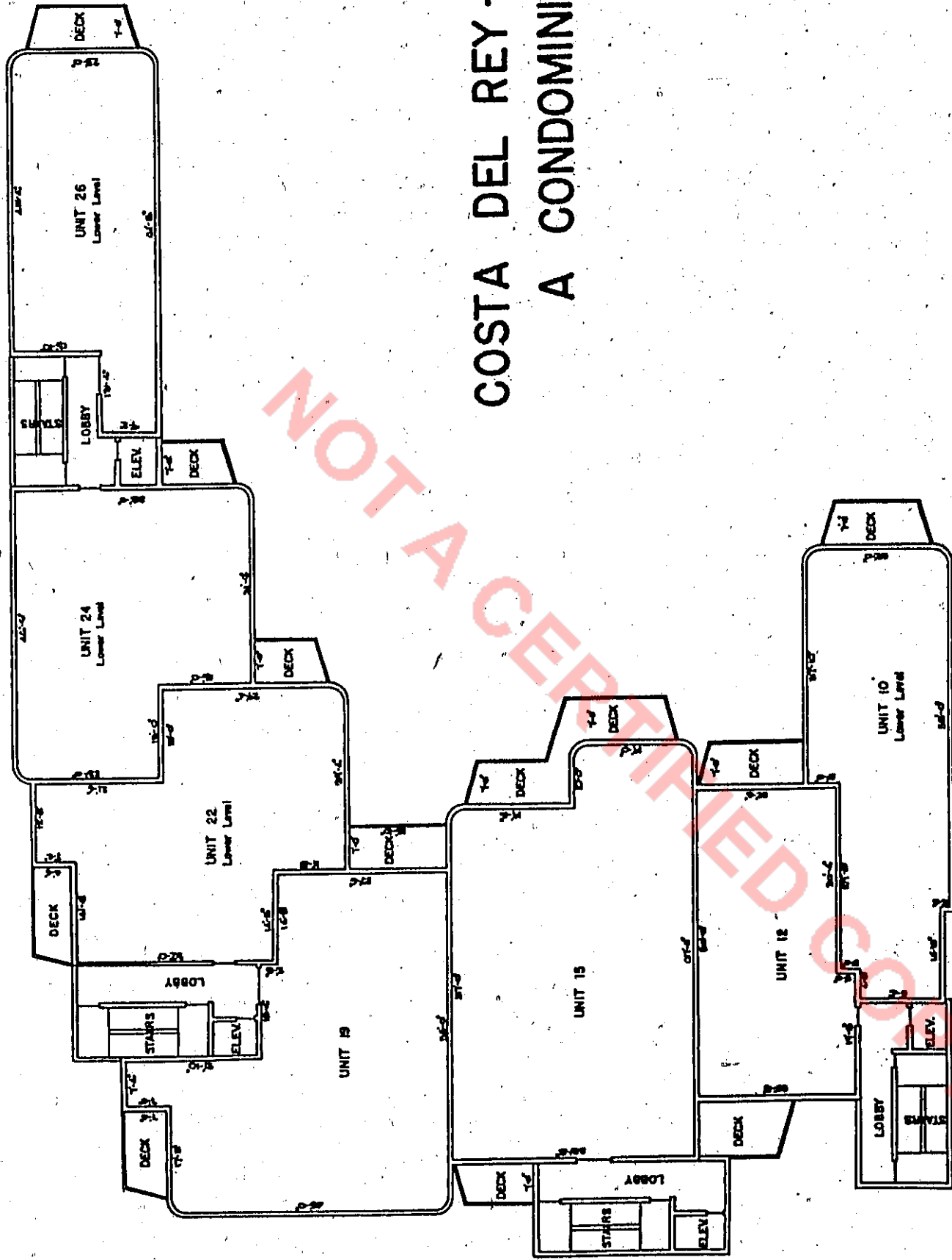
SECOND FLOOR PLAN - WEST BUILDING

Prepared by
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EXHIBIT 3
to the Declaration of Condominium
of Costa Del Rey-North, A Condominium
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COSTA DEL REY - NORTH A CONDOMINIUM

EXHIBIT 3
to the Declaration of Condominium
of Costa Del Rey - North, A Condominium
Page 1 of 10

THIRD FLOOR PLAN - WEST BUILDING



Prepared by
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Miami, Florida, 33012

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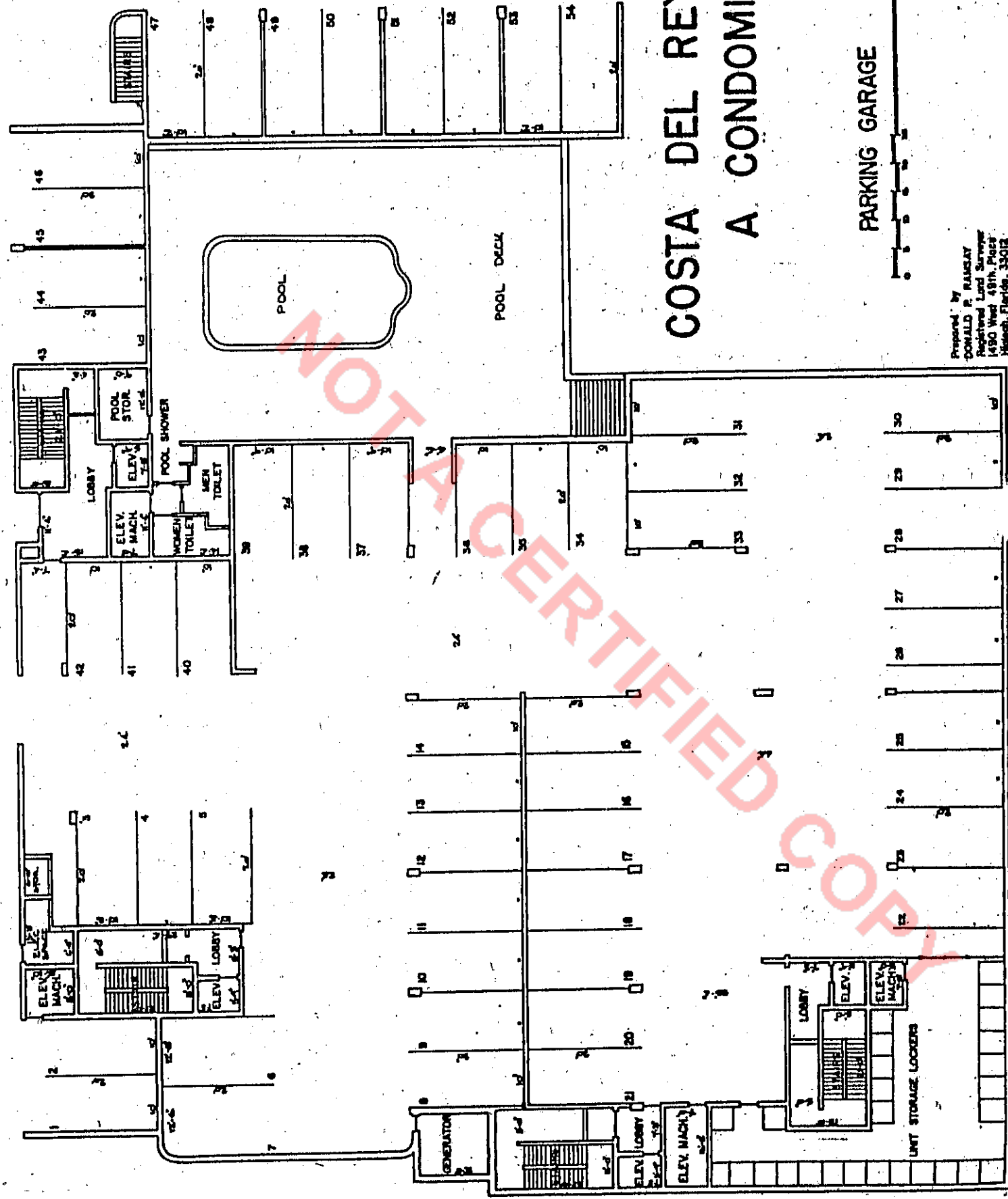
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Exhibit 3

INDEX

DONALD F. RAMSEY
Registered Land Surveyor
1480 West 49th Place
Hialeah, Florida, 33012





COSTA DEL REY - NORTH A CONDOMINIUM

PARKING GARAGE

EXHIBIT 3

to the Declaration of Condominium
of Costa Del Rey - North, A Condominium

Page 3 of 10

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Miami, Florida, 33012

**COSTA DEL REY - NORTH
A CONDOMINIUM**



VERTICAL ELEVATION PLAN

BY-LAWS
OF
COSTA DEL REY, NORTH CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

General

1. Identity. These are the By-Laws of COSTA DEL REY, NORTH CONDOMINIUM ASSOCIATION, INC., called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Florida. The Articles of Incorporation of the Association were filed in the office of the Secretary of State on May 2, 1977. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, called the "Condominium Act" in these By-Laws, which condominium is identified by the name COSTA DEL REY, NORTH.

1.1 The office of the Association shall be at 2155 South Ocean Boulevard, Delray Beach, Florida.

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

1.3 The seal of the Association shall bear the name of the corporation, the word, "Florida", the words "Corporation not for profit", and the year of incorporation.

1.4 The provisions of these By-Laws shall be interpreted in accordance with the definitions and provisions of Chapter 718, Florida Statutes, the Condominium Act (the "Act"), the Declaration of Condominium to which these By-Laws are attached, and the Articles of Incorporation of the Association (the "Articles").

1.5 The term "Developer" means Wesley Development Company, its successors and assigns.

ARTICLE II

Membership

2.1 Membership in the Association is limited to owners of the condominium units. Membership is automatically conferred upon acquisition of a condominium unit. Membership is an incident of ownership and is not separately transferable.

2.2 Membership in the Association may be transferred only as an incident to the transfer of title to a condominium parcel and shall become effective upon the recording of a deed to such condominium parcel.

2.3 Membership shall terminate upon the transfer of title to a condominium unit.

2.4 The Association shall maintain a roster of the names and mailing addresses of unit owners, which shall constitute a roster of members. The roster shall be maintained

B3448 P0248

from evidence of ownership furnished to the Association from time to time to substantiate the holding of a membership and from changes of mailing addresses furnished from time to time. Each member shall furnish to the Association a certified copy of the record evidence of his title substantiating his ownership of a condominium unit at COSTA DEL REY, NORTH.

ARTICLE III

Meetings, Special Meetings, Quorums, Proxies

3.1 Meetings of Members

All meetings of the Corporation shall be held at such time and place as shall be stated in the notice thereof.

A. Annual Meetings

The annual members' meetings shall be held at 8:00 P.M. on the first Thursday of December of each year, for the purpose of electing directors and to transact any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a legal holiday.

3.2 Special Meetings

Special meetings shall be held whenever called by the President, or by a majority of the Board of Directors and must be called by the Secretary upon receipt of a written request from members of the corporation owning a majority of the condominium units. Business transacted at all special meetings shall be confined to the objects and action to be taken, as stated in the notice of the meeting. However, until the Developer terminates his control of the Board of Directors of the Association, no special members' meetings shall be called or convened, except with the written consent of the Developer.

3.3 Proxies

A vote may be cast in person or by proxy. Proxies must be filed with the Secretary of the corporation at least 12 hours prior to the meeting. A proxy shall be valid and entitle the holder thereof to vote until revoked in writing by the grantor, such revocation to be lodged with the Secretary, or until the death or legal incompetence of the grantor.

3.4 Quorum

A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership.

3.5 Voting Required to Make Decisions

When a quorum is present at any meeting, the vote of a majority of the members present in person or by proxy shall decide any question brought before the meeting, unless the Declaration or these By-Laws or any applicable statute provides otherwise, in which event the vote prescribed by the Declaration or the By-Laws shall control over the statutory requirement.

3.6 Voting

(A) In any meeting of members, the owners of condominium units shall be entitled to cast one vote for each condominium unit owned.

(B) If a condominium parcel is owned by more than one owner, co-partners or a corporation, there shall nevertheless be only one membership assigned to such parcel, and the vote for such membership shall be cast by the person designated in writing by all of the owners of said parcel, and in the absence of such a writing, such vote shall not be counted.

3.7 Adjourned Meetings.

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

3.8 Election of New Directors.

Within sixty (60) days after unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call and give not less than thirty (30) days nor more than forty (40) days notice of a membership meeting to be held for the purpose of electing such new director(s). Such meeting may be called and a notice given by any unit owner if the Association shall fail to do so in the time required.

3.9 Turnover Meeting.

Not later than sixty (60) days after unit owners other than the Developer elect a majority of the members of the Board of Directors, a membership meeting shall be held for the purpose of allowing the Developer to relinquish control of the Association to the members and to deliver to the Association the property of the unit owners and of the Association held by or controlled by the Developer.

3.10 Proviso.

Provided, however, that until a majority of the Directors of the Association are elected by the members other than the Developer of the condominium, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors.

ARTICLE IV

Notice

4.1 Written notice of the annual meeting of members shall be sent by certified mail to each member entitled to notice and posted in a conspicuous place on the condominium property at least fourteen (14) days prior to the meeting. A unit owner may waive in writing his right to receive notice of the annual meeting by certified mail.

Written notice of every meeting of the Association, stating whether it is a regular meeting or a special meeting and stating the time, place and object of such meeting shall be served upon or mailed to each member entitled to vote and

posted in a conspicuous place on the condominium property, at least fourteen (14) days before such meeting.

4.2 Nothing herein is to be construed to prevent unit owners from waiving notice of meetings or acting by written agreement without meetings.

ARTICLE V

Procedure

5.1 Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and By-Laws of the corporation or with the Statutes of Florida.

5.2 The order of business at annual members' meetings and as far as practical at other members' meetings, will be:

- A. Call to Order by President
- B. Roll Call and certifying of proxies
- C. Proof of Notice of Meeting or Waiver of Notice
- D. Reading of Minutes of Prior Meeting
- E. Officers' Reports
- F. Committee Reports
- G. Determination of the number of Directors
- H. Election of Directors
- I. Unfinished business
- J. New Business
- K. Adjournment

ARTICLE VI

Directors

6.1 Membership. The affairs of the Association shall be managed by a board of not less than three nor more than eleven directors, the exact number to be determined at the time of election; provided, however, until the Developer has sold all units at COSTA DEL REY, NORTH, there shall only be three directors. There shall always be an odd number of directors of the Association. Directors need not be members of the Association.

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

(a) Election of Directors shall be held at the annual members' meeting, subject to the provisions of sub-paragraph 6.2(f) and sub-paragraph 3.8 hereof.

(b) The Board of Directors may, at its discretion, designate nominating committees of

not less than three (3) nor more than five (5) members each. In the event the Board shall elect to designate such committee, such designation shall be made not less than thirty (30) days prior to the annual election meeting. Provided, however, additional nominations from condominium owners shall be received from the floor prior to elections at the annual election meeting.

(c) The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

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

(e) Any Director may be removed or recalled by concurrence of two-thirds (2/3) of the vote of the condominium owners present at a special meeting called for that purpose. The vacancy in the Board of Directors so created shall be filled by a vote of the members.

(f) Provided, however, that until a majority of the Directors are elected by the members other than the Developer of the condominium, neither the first directors of the Association nor any Directors replacing them nor any Directors named by the Developer shall be subject to removal by members other than the Developer. The first Directors and Directors replacing them may be removed by the Developer.

6.3 First Board of Directors. The members of the first Board of Directors are designated in the Articles of Incorporation. They shall serve until FIFTEEN PERCENT (15%) of the Units are sold, at which time one (1) of them shall be replaced by a Director elected by the unit owners other than the Developer. Unit owners other than the Developer shall be entitled to elect a majority of the Board of Directors, either three (3) months after NINETY PERCENT (90%) of the units have been sold; three (3) years after FIFTY PERCENT (50%) of the units have been sold; or when all of the units are completed, some have been sold and none of the others are being offered for sale by the Developer, whichever occurs sooner. The Developer shall be entitled to elect at least one (1) Director as long as it is offering Units for sale in the ordinary course of business.

6.4 The term of each Director's service, subject to the provisions of 6.2(e) and 6.2(f) and 6.3 above, shall extend until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

6.5 The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and times as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

6.6 Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from

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time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

6.7 Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of a majority of the Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

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

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

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

6.11 Joinder in meeting by approval of minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

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

6.13 The order of business at Directors' meetings shall be:

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

6.14 Directors' fees, if any, shall be determined by members of the Association, and approval of any such fees shall

require the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Association, provided, Directors designated by the Developer, and the first Board of Directors, shall not be entitled to any fees or compensation for their services as Directors.

6.15 Minutes. Minutes of all meetings of Directors shall be kept in a business-like manner and available for inspection by unit owners and Board members at all reasonable times.

6.16 Open meetings. Except in emergency situations, meetings of the Board of Directors shall be open to all members and notice of meetings shall be posted conspicuously on the condominium property at least forty-eight (48) hours in advance for the attention of the members.

6.17 Vacancies. A vacancy in any directorship shall be filled by the person or body having the right to originally elect or appoint such Director.

ARTICLE VII

Powers and Duties of the Board of Directors

7.1 Power and duties of the Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by condominium unit owners where such approval is specifically required. Without limiting the powers and duties of the Board of Directors, it shall have the following express powers, in addition to all others herein granted, and provided for by the Declaration of Condominium and the Condominium Act, to-wit:

A. All of the powers specifically provided for in the Declaration, the Articles of Incorporation, and the Condominium Act.

B. The power to levy and collect assessments.

C. The power to expend monies collected for the purpose of paying the common expenses of the corporation.

D. The power to purchase equipment, supplies and material required in the maintenance, repair, replacement, operation and management of the common elements.

E. The power to insure and keep insured the buildings and improvements of the condominium as provided for and limited by the Declaration.

F. The power to employ the personnel required for the operation of the common elements.

G. The power to pay utility bills for utilities serving the common elements.

H. The power to contract for the management of the condominium and to delegate to its contractor as manager, all of the powers and duties of the corporation, except those things which must be approved by the members.

I. The power to make reasonable rules and regulations and to amend them from time to time, and to see to it that all members are notified of such changes in the rules and regulations as may be enacted.

J. The power to improve the condominium property subject to the limitations of the Declaration.

K. The power to enforce by any legal means the provisions of the Articles of Incorporation, the By-Laws, the Declaration of Condominium, and the Rules and Regulations duly promulgated by the Board of Directors.

L. The power to collect delinquent assessments by suit or otherwise, and to abate nuisance and enjoin or seek damages from unit owners for violation of the provisions of the condominium documents.

M. The power to pay all taxes and assessments which are liens against the common elements.

N. The power to deal with and approve or disapprove all conveyances or leases of condominium parcels or assignments of parking spaces as provided for under the terms of the Declaration, and pursuant thereto.

O. The power to select depositories for the corporation funds, and to determine the manner of receiving, depositing, and disbursing corporate funds, and the form of check and the person or persons by whom the same shall be signed, as otherwise provided by these By-Laws.

P. The power to possess, enjoy and exercise all powers necessary to implement, enforce and carry into effect the powers above described, including the power to acquire, hold, convey and deal in real and personal property.

Q. The power to enter into, ratify, modify and amend each and every of the agreements and undertakings contemplated by and in the Declaration of Condominium to which these By-Laws are attached.

R. The power to subscribe to and enter into a contract with any person, firm, corporation or real estate management agent of any nature or kind to provide for the maintenance, operation, repair and upkeep of the condominium's property.

1. Said contract may provide that the total operation of said managing agent, firm or corporation shall be at the cost of this corporation. Said contract may further provide that the managing agent shall be paid from time to time a reasonable fee either stated as a fixed fee or as a percentage of the total costs of maintenance, operation, repair and upkeep, or of the total funds of this corporation, handled and managed by the managing agent. Such fee, if any, shall be another of the management function costs to be borne by the Association, unless the contract provides to the contrary.

2. Nothing in this sub-paragraph R or in the Declaration of Condominium shall be deemed to require the Association to maintain the interior of any condominium unit, or to enter into any contract or undertaking to provide for the maintenance or upkeep of the interior of the condominium units of the Condominium.

S. The power to establish the office of additional officers of this Corporation and to appoint all officers.

ARTICLE VIII

Officers

The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors, and who may be peremptorily removed at any meeting by a vote of two-thirds (2/3) of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

8.2 The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

8.3 The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association as may be required by the directors or the President.

8.4 The Assistant Secretary shall exercise the powers and perform the duties of the Secretary in the absence or disability of the Secretary.

8.5 The Treasurer shall have custody of all property of the Association, including funds, securities and evidences

of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a Treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of Treasurer.

The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Board of Directors. And in the event the corporation enters into a management agreement, it shall be proper to delegate such of the Treasurer functions to the management agent as is deemed appropriate by the Board of Directors.

8.6 No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is a designee of the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine upon, nor shall anything herein be construed so as to preclude the Board from contracting with a Director or officer or with any corporation in which a Director or officer of the Association may be a stockholder, officer, or director or employee, for the management of the condominium for such compensation as shall be mutually agreed between the Board and such officer or Director.

ARTICLE IX

Fiscal Management

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

9.1 Accounts. Receipts and expenditures shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) Current expenses, which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to capital surplus or to additional improvements.

(b) Capital surplus for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(c) Capital surplus for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(d) Capital surplus for betterments which shall include funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

9.2 Budget.

(a) Adoption by Board of Directors. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for reserves. The adoption of a budget for the condominium shall comply with the requirements hereinafter set forth:

(1) Notice of meeting. A copy of the proposed budget of common expenses shall be mailed to each unit owner not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting.

(2) Revision of Budget.

A. Special Membership Meeting. If a budget is adopted by the Board of Directors which requires assessment against the unit owners in any year exceeding one hundred and fifteen (115%) percent of such assessments for the preceding year, as hereinafter defined, upon written application of ten (10%) percent of the unit owners, a special meeting of the unit owners shall be held within thirty (30) days of delivery of such application to the Board of Directors or any member thereof. The notice of said meeting shall state the purpose of the meeting being to consider and enact a revision of the budget.

B. Revision of Budget. During such period of time as the Developer shall have the right to elect a majority of the Directors of the Association, a revision of the budget adopted by the Board of Directors shall require the affirmative vote of all the unit owners. Subsequent thereto, the revision of the budget adopted by the Board of Directors shall require the affirmative vote of not less than seventy-five (75%) percent of unit owners present at the meeting to consider the revision of the budget.

(3) Proviso. So long as the Developer is in control of the Board of Directors of the Association such Board shall not impose an assessment for a year greater than one hundred and fifteen (115%) percent of the prior year's assessment, as hereinafter defined, without the approval of a majority of the unit owners present at the meeting to consider the proposed budget.

(4) Approval of Budget by Membership. Notwithstanding the foregoing, the Board of Directors may, in any event, propose a budget to the unit owners at a meeting of members or by writing and if such budget or proposed budget be approved by the unit owners at the meeting or by a majority of their whole number by a writing, such budget shall not thereafter be re-examined by the unit owners in the manner hereinabove set forth.

(5) Budget Requiring Assessments Against Unit Owners Exceeding One Hundred and Fifteen (115%) Percent of Assessments for the Preceding Year. In determining whether a budget requiring assessment against unit owners in any year exceeding one hundred and fifteen (115%) percent of assessments for the preceding year, there shall be excluded in the computations any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the condominium property or in respect of anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis and there shall be excluded from such computation assessments for betterments to the condominium property.

(b) Adoption of Budget by Membership. In the event that the Board of Directors shall be unable to adopt a budget for the Association in accordance with the requirements of sub-paragraph (a) above, the Directors may call a special membership meeting for the purpose of considering and adopting a budget for the Association, which meeting shall be called and held in the manner provided for such special membership meetings in paragraph (a) (2) above, and such budget adopted by the membership, upon the approval of the majority of the Board of Directors, shall become the budget of the Association for such year.

(c) It is further provided that until the Developer of the condominium has completed all of the contemplated improvements, and closed the sales of all units of the condominium, or until the Developer elects to pay its pro rata share of assessments for common expenses, whichever shall first occur, there will be no budget for the condominium. Instead, the owners of units that have been sold by the Developer will be assessed for common expenses at the rates stated in their contracts for purchase of units, and the Developer will be assessed for the amounts by which the common expenses exceed the amounts assessed against the owners of units sold by the Developer.

9.3 Assessments. Assessments against the condominium unit owners for their share of the items of the budget shall be made for the calendar year annually in advance on or before December 20th preceding the year for which the assessments are made. Such assessments shall be due in equal installments, payable on the first day of each month of the year for which the assessments are made. Any installments not paid within ten (10) days shall constitute a default. Thereafter, the assessment shall bear interest at ten (10%) percent per annum from the date when due. In addition, if assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the calendar year for which an amended assessment is made shall be payable in as many equal installments as there are full months of the calendar year left as of the date of such amended assessment, each such monthly installment to be paid on the first day of the month, commencing the first day of the next ensuing month. Provided nothing herein

shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

9.4 Acceleration of assessment installments upon default. If a condominium unit owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the condominium unit owner, and the then unpaid balance of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the condominium unit owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

In the event an assessment is not then paid, the Association, through the Board of Directors, may proceed to enforce and collect said assessment from the delinquent owner in any manner provided for by the Condominium Act, the Declaration, and these By-Laws. Each condominium unit owner shall be individually responsible for the payment of assessments against his unit and for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due, and the enforcement of any lien held by the Association.

ARTICLE X

Administrative Rules and Regulations

The Board of Directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the common elements, and such other rules and restrictions as are designed to prevent unreasonable interference with the use of the units, limited common elements and common elements by the members and all members shall abide thereby, provided that said rules and regulations shall be equally applicable to all members, and uniform in their application and effect.

Those restrictions in the Declaration of Condominium, which in any way limit the use of the individual units or of the common elements are declared to be house rules and regulations.

ARTICLE XI

Compliance and Default

11.1 Violations. In the event of a violation (other than the non-payment of an assessment) by the unit owner in any of the provisions of the Declaration of Condominium, of these By-Laws, of the Rules and Regulations, or of the applicable portions of the Condominium Act, the Association, by direction of the Board of Directors, may notify the unit owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the By-Laws, or of the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damage, on behalf of the Association or on behalf of the other unit owners.

(b) An action in equity to enforce performance on the part of the unit owner; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances including injunctive relief.

The unit owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from date of a written request, signed by a unit owner, sent to the Board of Directors, shall authorize any unit owner to bring an action in equity or suit at law on account of the violation in the manner provided for in the Condominium Act. Any violations which are deemed by the Board of Directors to be a hazard to public health, may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the unit owner as a specific item, which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses.

11.2 Negligence or Carelessness of Unit Owner, etc.

All unit owners shall be liable for the expense of any maintenance, repair or replacement tendered 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 the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenance. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance company of rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said owner as a specific item which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses.

11.3 Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

11.4 No Waiver of Rights. The failure of the Association or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents, shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition which may be granted by the Condominium documents, shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition of the future.

11.5 Election of Remedies. All rights, remedies and privileges granted to the Association or unit owners of the Condominium 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 right, remedies or privileges as may be granted to

such other party by Condominium documents or at law or in equity.

ARTICLE XII

Amendments to By-Laws

12.1 Amendments. A resolution for the adoption of a proposed amendment of these By-Laws may be proposed by either the Board of Directors of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than ten (10%) percent of the membership. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided for, the President, or, in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the membership to be held within sixty (60) days for the purpose of considering said amendment. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(a) Not less than sixty-six and two-thirds (66 2/3%) percent of the entire membership of the Board of Directors and by not less than fifty-one (51%) percent of the votes of the members of the Association; or

(b) Not less than seventy-five (75%) percent of the votes of the entire membership of the Association. Provided, however, that until such time as a majority of the members of the Board of Directors of the Association shall be elected by unit owners other than the Developer, all amendments to the By-Laws shall be approved as set forth in sub-paragraphs 12(1)(a) or (d); and

(c) In the alternative, an amendment may be made by an agreement signed and acknowledged by all condominium owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Palm Beach County, Florida. Provided, however, that until such time as a majority of the members of the Board of Directors of the Association shall be elected by unit owners other than the Developer, all amendments to the By-Laws shall be approved as set forth in paragraphs 12(1)(a) or (d).

(d) Until the first election of Directors, by unit owners other than the Developer, and so long as the Developer shall have the right to fill vacancies existing in the original Board of Directors, proposal of an amendment and approval thereof shall require only the affirmative action of all of the Directors, and no meeting of the Condominium unit owners nor any approval thereof need be had.

12.2 Proviso. Provided, however, that no amendment shall discriminate against any condominium unit owner not against any condominium unit or class or group of units unless the condominium unit owners so affected consent. No amendment shall be made that is in conflict with the Condominium Act, the Articles of Incorporation, or any of the provisions of the Declaration of Condominium. No amendment shall be adopted without the consent and approval of the Developer so long as it shall own five (5) or more condominium units in COSTA DEL REY, NORTH.

12.3 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are duly recorded as an amendment to the Declaration of Condominium, in the Public Records of Palm Beach County, Florida.

The foregoing were adopted as the By-Laws of COSTA DEL REY, NORTH CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 22 day of December, 1980.

Mary Lou Brannell
Secretary

Approved:

Charles W. Brannell
President

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JOINDER OF MORTGAGEE

WESTINGHOUSE CREDIT CORPORATION, a Delaware corporation, herein called "Mortgagee", the owner and holder of a Mortgage and Security Agreement encumbering the Property, which mortgage is dated the 30th day of June, 1978, and was recorded on July 11, 1978, in Official Record Book 2890, Page 392, (which mortgage was amended and modified by that certain "Amendment to Mortgage and Security Agreement" dated March 1, 1979, and recorded March 2, 1979, in Official Record Book 3017, Page 276), and which mortgage was assigned to the Mortgagee by instrument dated April 19, 1971, and recorded April 19, 1971, under Clerks File No. 71R-71682, all of said instruments having been recorded among the Public Records of Palm Beach County, Florida, to the extent it may be required to do so under the Act, and without subordinating said mortgage to this Declaration, joins in the execution of the foregoing Declaration, and Mortgagee agrees that the lien of its mortgage shall hereinafter be upon each and every of the Parcels set forth and referred to in said Declaration.

CORPORATE SEAL

WESTINGHOUSE CREDIT CORPORATION,
a Delaware corporation

By:

W.A. Powe
W.A. Powe, Vice President

Witness

Nancy C. Schuler
Witness

Attest:

Joseph H. Harrison

Commonwealth
STATE OF PENNSYLVANIA)

COUNTY OF Allegheny) ss.

The foregoing instrument was acknowledged before me this 29th
day of December, 1980, by W.A. Powe
and J.A. Harrison, Vice President and
Secretary, respectively, of WESTINGHOUSE CREDIT
CORPORATION, a Delaware corporation, on behalf of the corporation.



Mary Ann Zellerbach
Notary Public,

My commission expires:

RECORD VERIFIED
PALM BEACH COUNTY, FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT

B3448 P0264