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DECLARATION OF COVENANTS AND RESTRICTIONS FOR EASTWOOD SHORES CONDOMINIUMS

VICTOR L. STOSIK, ESQ.
9555 NORTH KENDALL DRIVE
MIAMI, FLORIDA 33176

011. 4837 PAGE 969

THIS DECLARATION, Made this 5th day of APRIL, 1979 by F & R BUILDERS, INC. (the "Developer"), a Florida corporation, which hereby declares that the real property described in Exhibit A which is owned by Developer (hereinafter referred to as "Eastwood Shores", is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes hereinafter referred to as "Covenants and Restrictions") hereinafter set forth.

I DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

A. "Association" shall mean and refer to Eastwood Shores Property Owners Association, Inc., a Florida corporation not for profit. This is the Declaration of Covenants and Restrictions to which the Articles of Incorporation (the "Articles") and By-Laws (the "By-Laws") of the Association make reference. Copies of the Articles and By-Laws are attached hereto and made a part hereof as Exhibits B and C respectively.

B. "Developer" shall mean and refer to F & R Builders, Inc., a Florida corporation, and its successors or assigns if any such successor or assign acquires the Undeveloped Parcel of Eastwood Shores from the Developer for the purpose of development and is designated as such by F & R Builders, Inc.

C. "Eastwood Shores" or "Property" shall mean and refer to all such existing properties and additions thereto as are subject to this Declaration or any supplemental Declaration under the provisions of Article II hereof, and shall include the real property described in Exhibit A.

D. "Unit" shall mean and refer to any residential living unit in Eastwood Shores either presently existing or hereafter created, regardless of the form of ownership thereof.

E. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Property, including contract sellers (but not contract purchasers) and Developer.

F. "Recreation Parcel" shall mean and refer to the real property, described on Exhibit A-1 hereto, (which is a portion of the property described in Exhibit A), together with improvements and personal property thereon which property is owned by the Developer (and may hereafter be owned by the Association) and shall be used for the common benefit and enjoyment of the members of the Association.

G. "Common Driveway and Main Water and Sewer Lines" shall mean and refer to that part of the property now or hereafter actually used and paved for vehicular access and also where the main water and sewer lines serving the entire Eastwood Shores condominium project are or will be located; said common driveway and main water and sewer lines are legally described in Exhibit D attached hereto.

H. "Additional Property" shall mean and refer to the real property described on Exhibit A-3 attached hereto and by this reference made a part hereof, which has been created into a condominium containing 56 units known as "Eastwood Pines Townhomes - Phase I" (formerly known as "Pinellas Pines Townhomes - Phase I") and the real property described on Exhibit A-4, attached hereto and by this reference made a part hereof, which has been created into a condominium containing 68 units known as Eastwood Pines - Phase I (formerly known as Pinellas Pines - Phase I) which Developer may submit, add, annex and declare to be subject to this Declaration of Covenants and Restrictions for Eastwood Shores Condominium but Developer is not obligated to submit, add, annex and declare said property subject to this Declaration of Covenants and Restrictions.

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PINELLAS COUNTY FLORIDA

EXHIBIT

I. "Undeveloped Parcel" shall mean and refer to the real property, described on Exhibit A-2 hereto; which is presently an unimproved parcel of land situated in Eastwood Shores, (and is a portion of the property described on Exhibit A) which Developer may develop, but is not obligated to develop for residential use in the future.

J. "Water Retention Area" shall mean and refer to the real property described on Exhibit E hereto; which is presently an unimproved parcel of land situated in Eastwood Shores and will be developed by the Developer in a future phase of Eastwood Shores condominiums in order to retain storm runoff.

K. "Sewage Lift" shall mean and refer to that part of the property now or hereafter actually used for the construction of a sewage lift station to service the entire Eastwood Shores condominium project; said sewage lift station is legally described on Exhibit F, attached hereto.

L. "Master T.V. Antenna System and Sprinkler System" shall mean and refer to those systems which will service the property which will be developed by F&R Builder Inc., and which will contain a maximum of 476 units; said property is legally described on Exhibit G attached hereto.

II PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO,
DELETIONS THEREFROM

Section 1. Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is legally described on Exhibit A hereto.

Section 2. Restrictions and Amendments. The Developer shall be entitled at any time and from time to time, to plat, and/or replat and/or to submit to Condominium all or any part of the Property and to file restrictions and/or amendments thereto with respect to any portion or portions of the Property not yet developed and/or submitted to Condominium.

Section 3. Addition of Land. Developer may, and shall have the absolute right to, but shall have no obligation to submit, add, annex, and declare the Additional Property to this Declaration of Covenants and Restrictions for Eastwood Shores Condominiums as long as Developer controls the Eastwood Shores Property Owners Association, Inc. Developer further reserves the right to submit, add, annex, and declare either, or both, of the real property which is described as the Additional Property. Upon such determination by the developer to submit, add, annex, or declare all or a portion of the Additional Property to this Declaration of Covenants and Restrictions, the Developer shall file amongst the Public Records of Pinellas County, Florida, as an amendment hereto, a document entitled "Amendment to Declaration of Covenants and Restrictions for Eastwood Shores Condominiums" to which shall be attached a legal description of the portion of Additional Property being submitted, added, annexed and declared subject to said Declaration as well as the joinder and consent of the Condominium Association which operates, manages and maintains the Additional Property being committed thereby. However, said amendment will not require the consent or joinder of the Property Association or any Owner and/or mortgagee of a unit (or any other property) in Eastwood Shores.

It is the specific intent of Developer not to make any portions of the Additional Property subject to this Declaration without the prior approval of the Owner of units constructed on said Additional Property as this recital only sets forth the Developer's right to submit, add, annex, and declare additional properties subject to this Declaration in the future and this recital should in no way affect or cloud the title of said additional properties.

Section 4. Withdrawal of Land. Developer may, and shall have the absolute right to, but shall have no obligation to, withdraw at any time or from time to time from the effect of this Declaration any or all of that portion of the property which is hereinabove identified as the Undeveloped Parcel and/or which has not been submitted to Condominium. The withdrawal of lands as aforesaid shall be made and evidenced by the filing in the Public Records of Pinellas County, Florida, of a supplementary declaration unilaterally executed by the Developer describing the lands to be withdrawn. Developer reserves the right to so amend and supplement this Declaration without the consent or joinder of the Association or of any Owner and/or mortgagee of a Unit (or any other property) in Eastwood Shores. Upon the filing of such a supplementary declaration all such land described therein shall be relieved from the effect of this Declaration and any restrictions, obligations or lien rights hereunder.

Section 1. Owners' Easements of Enjoyment. Subject to the provisions below every Owner shall have a right of use and an easement of enjoyment in and to the Recreational Parcel and the presently improved parts of the Common Driveway and Parking Area (and all parts of the Common Driveway and Parking Area which are hereafter improved unless withdrawn from the effect hereof pursuant to Article II above) together with an easement for access to and from the Recreation Parcel which shall be appurtenant to and shall pass with the title to the property owned by such Owner, including Units, subject to the following:

A. The right of the Association to take such steps as are reasonably necessary to protect the Recreation Parcel and the Common Driveway and Parking Area against foreclosure;

B. All provisions of this Declaration and the Articles and By-Laws of the Association;

C. Rules and regulations governing use and enjoyment of the Recreation Parcel and Common Driveway and Parking Area adopted by the Association; and

D. Restrictions contained on any and all plats of all or any part of the Recreation Parcel and Common Driveway and Parking Area or filed separately with respect to all or any part or parts of the Property.

E. The rights of the Developer, the Association or any condominium association created to manage any part of the land in Exhibit A hereafter submitted to condominium to designate certain parking spaces in the Common Parking Area for exclusive use by Owners of Units Eastwood Shores for purposes of vehicular parking.

Section 2. Recreation Parcel. At such time as Developer conveys title to the last unit developed on the Property by Developer and subject to the provisions hereof, or such earlier time as Developer elects, Developer shall convey title to the Recreation Parcel to the Association, which shall be obligated to accept such conveyance.

IV MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record fee simple Owner of a Unit, including the Developer at all times as long as it owns any part of the Property subject to this Declaration, shall be a member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to, and may not be separated from, ownership of any Unit which is subject to assessment.

Section 2. Classes and Voting. The Association shall have such classes of membership, which classes shall have such voting rights, as are set forth in the Articles of the Association.

V COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Unit owned by it within Eastwood Shores (including Units the Developer may construct upon the Unimproved Parcel in the future) hereby covenants, and each Owner of any Unit (by acceptance of a deed therefor, whether or not is shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association any annual assessments or charges, and any special assessments for capital improvements or major repair; such assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from the due date at the rate of

(including reasonable attorney's fees), shall be a charge on the land and shall be a continuing lien upon the Unit(s) against which each such assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Recreation Parcel and/or of the Common Driveway and Parking Area or by abandonment. Until such time as Developer shall construct units on the Undeveloped Parcel or any part thereof and waives its rights to remove them from the effect hereof only the number of existing units on the property (to wit 600) will be assessed and used as a basis therefor for the cost of maintaining the Recreation Parcel and Common Driveway and Parking Areas. At such time as units are actually constructed on the Undeveloped Parcel, and Developer waives its rights to withdraw them from the effect hereof, the actual number thereof shall be used for such purposes. There shall not be more than 600 units nor less than 476 units subject to the rights and obligations hereunder.

Section 2. Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in Eastwood Shores and in particular for the improvement, maintenance and lighting of the Recreational Parcel, the Common Driveway and Parking Area, the Water Retention Area, the Sewage Lift Station, the main water and sewer lines and the lawn sprinkler system and master T.V. antenna (the cost of maintaining same will only be assessed against the 476 units being serviced by said systems) throughout the Parking Area, and the lawn sprinkler systems throughout the Property subject hereto, and of any easement in favor of the Association, including, but not limited to, the cost of taxes on the Recreation Parcel, insurance, labor, equipment, materials, management, maintenance and supervision thereof, as well as for such other purposes as are permissible activities of, and undertaken by, the Association.

Section 3. Developers Assessment Guaranty. Except as hereinafter provided, the annual assessment, excluding any special assessment for capital improvements or major repair, is hereby guaranteed to all Unit Owners by the Developer not to exceed \$2.00 per Unit for the first calendar year following the first conveyance of title to a Unit in the Property and that thereafter it will not exceed 115% of the amount assessed to such Unit during the prior year each calendar year thereafter. This guaranty shall be in force only until the earlier (i) the date upon which a majority of the Board of the Directors of the Association are elected by unit owners other than the Developer or (ii) such earlier date as Developer elects to terminate this guaranty and pay its proportional share of assessments for expenses of the Association based upon the number of units owned by Developer. During the period of time this guaranty is in force and effect the Developer, as owner of such units, as are owned by it, shall be relieved from the obligation of paying its prorata share of assessments for expenses of the Association, but instead shall be obligated to pay to the Association all sums in excess of sums due from all unit owners other than the developer which are due from all unit owners other than the Developer which are necessary to pay the actual expenses of the Association. The Board of Directors of the Association (the "Board") shall fix the assessments, subject to the aforesaid which shall be in amounts determined in accordance with the projected financial needs of the Association, as to which the decision of the Board of Directors of the Association shall be dispositive.

Section 4. Uniform Rate of Assessment. All regular and special assessments shall be at a uniform rate for each Unit in Eastwood Shores, based upon a fraction the numerator of which is one (1) and the denominator of which is the total number of units subject to assessment.

Section 5. Special Assessments for Capital Improvements and Major Repairs. In addition to any annual assessments, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of

defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement as approved by the Board of Directors of the Association, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Date of Commencement of Annual Assessments: Due Date. The assessments for which provision is herein made shall commence on the date or dates (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessments, and any such assessment shall be payable in advance in monthly, quarterly, semi-annual or annual installments, as determined by the Board.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement, and the amount of, the assessment against each unit, and other portions of the Property, for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessment: the Lien, the Personal Obligation, Remedies of Association.

The lien of the Association shall be effective from and after recording, in the Public Records of Pinellas County, Florida, a claim of lien stating the description of the Unit encumbered thereby, the name of the Owner, the amount and the date when due. Such claim of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

If the assessment is not paid within thirty (30) days after the delinquency date, which shall be set by the Board of Directors of the Association, the assessment shall bear interest from the date due at the rate of ten percent (10%) per annum, and the Association may at any time thereafter bring an action to foreclose the lien against the Unit(s) in like manner as a foreclosure of a mortgage on real property, and/or a suit on the personal obligation against the Owner(s), and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action including a

reasonable attorney's fee), and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 9. Subordination to Lien of Mortgages. The lien of the assessments for which provision is herein made, as well as in any other Article of this Declaration, shall be subordinate to the lien of any first mortgage to a federal or state chartered bank, mortgage company, life insurance company, federal or state savings and loan association or real estate investment trust which is perfected by recording prior to the recording of a claim of lien for any such unpaid assessments by the Association. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Unit by deed in lieu of foreclosure of such Unit or pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure of such mortgage, provided however, any such unit shall be liable, following such sale, for a pro rata share of any unpaid assessments against such unit accruing prior to such sale, in common with all other Property. No sale or other transfer shall relieve any Unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The written opinion of either the Developer or the Association that the lien is subordinate to a mortgage shall be dispositive of any question of subordination.

Section 10. Exempt Property. The Board of Directors shall have the right to exempt any of the Property subject to this Declaration from the assessments, charge and lien created herein provided that such part of the Property exempted is used (and as long as it is used) for any of the following purposes:

A. Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

B. All of the Recreation Parcel and/or Common Driveway and Parking Area as defined in Article I hereof and not designated for vehicular parking appurtenant to a particular Unit.

C. Any of the Property exempted from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association.

Notwithstanding any provisions herein, no land or improvements devoted to residential dwelling or related use shall be exempt from said assessments, charges or lien.

Section 11. Developer's Rights. Until such time as the Association shall actively undertake to perform the responsibilities herein assigned to it or until it holds title to the Recreation Parcel, Developer shall perform necessary maintenance functions therefor. Accordingly, so long as Developer, in lieu of the Association, is performing such functions, all powers of enforcement, rights and lien rights hereunder shall be held by Developer and all assessment shall be levied and collected by Developer.

VI EXTERIOR MAINTENANCE ASSESSMENT

Section 1. Exterior Maintenance. In addition to maintenance upon the Recreation Parcel and Common Driveway and

Parking Area, the Association may provide upon any Unit(s) and/or residential building(s) containing such Unit(s) requiring same, when necessary in the opinion of the Board of Directors of the Association to preserve the beauty, quality and value of the neighborhood, maintenance, including paint, repair, roof repair and replacement, gutters, downspouts, exterior building surfaces, and yard cleanup and/or maintenance.

Section 2. Assessment of Costs. The cost of such maintenance shall be assessed against the Unit(s) within the residential building(s) upon which such maintenance is performed or, in the opinion of the Board of Directors of the Association, benefitting from same. The assessment shall be apportioned among the Units involved in the manner determined to be appropriate by the Board of Directors of the Association. If no allocation is made, the assessment shall be uniformly assessed against all of the Units in the affected area. The exterior maintenance assessments shall not be considered a part of the annual or special assessments. Any exterior maintenance assessment shall be a lien on the Unit(s) and the personal obligation of the Owner and shall become due and payable in all respects, together with interest and fees for the cost of collection, as provided for the other assessments of the Association, and shall be subordinate to mortgage liens to the extent provided by Section 9 of Article V hereinabove.

Section 3. Access. For the purpose of performing the maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Unit(s) or residential building(s) at reasonable hours on any day except Saturday or Sunday. In the case of emergency repairs, access will be permitted at anytime with only such notice as, under the circumstances, is practically affordable.

VIII RESTRICTIONS

Section 1. Residential Uses. The Property subject to these Covenants and Restrictions may be used for recreation, vehicular access and parking and related residential purposes, and for no other purpose. No business or commercial building may be erected and no business may be conducted on any part thereof.

Section 2. Rules and Regulations. The Association may, from time to time and at any time, promulgate such rules and regulations for the use of the Property as it may deem beneficial to the members of the Association.

* Section 3. Nuisances. Nothing shall be done or maintained on any Unit which may be or become an annoyance or nuisance to the neighborhood. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question.

X GENERAL PROVISIONS

Section 1. Duration and Remedies for Violation. The Covenants and Restrictions of this Declaration shall run with

and bind the Property, and shall inure to the benefit of and be enforceable by the Developer, the Association or the Owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for the lesser of (i) the period of time the improvements now located on the Property continue to exist thereon in substantially the same configuration now existing and are used for residential and related purposes, without a complete casualty or (ii) a term of fifty (50) years from the date this Declaration is recorded, after which time said Covenants and Restrictions shall automatically be extended for successive periods of ten (10) years unless an instrument signed by the then Owners of two-thirds (2/3) of the Units has been recorded, agreeing to change or terminate said Covenants and Restrictions in whole or in part. Violation or breach of any condition, covenant or restriction herein contained shall give the Developer and/or Association and/or Owner(s) in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, covenants or restrictions, and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject property, provided such proceeding results in a finding that such Owner was in violation of said Covenants or Restrictions. Expenses of litigation shall include reasonable attorney's fees incurred by Developer and/or the Association in seeking such enforcement.

Section 2. Notices. Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as member or Owner on either the records of the Association or the Public Records of Pinellas County, Florida at the time of such mailing.

Section 3. Severability. Invalidation of any one of these Covenants and Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. This Declaration may be amended at any time and from time to time upon the execution and recordation of an instrument executed by Owners holding not less than two-thirds (2/3) of the voting interests of the membership, provided that so long as Developer is the owner of any Unit, or any Property affected by this Declaration, or amendment hereto, or appoints a Director of the Association, no amendment will be effective without Developer's express written joinder and consent.

Section 5. Usage. Whenever used the singular shall include the plural and the singular, and the use of any gender shall include all genders.

Section 6. Effective Date. This Declaration shall become effective upon its recordation in the Public Records of Pinellas County, Florida.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed as required by law on this, the day and year first above written.

F & R BUILDERS, INC.

By: M. O. Salda
Vice-President

ATTEST:

Victor T. Stosik
Assistant Secretary

(Corporate
Seal)

(i) Change modify or alter the appurtenances to any Unit or Units or the share of any Unit owner in the Common Elements or Common Surplus, unless the record owner of all such units so affected and the record owner of all liens encumbering such units join in the execution of the document.

(ii) No amendment to this Declaration shall make any change in Article XIV hereof, entitled "Insurance", nor in Article XV hereof, entitled "Reconstruction or Repair After Casualty", unless the record owners of all mortgages on Units shall join in the execution and acknowledgment of the amendment.

D. Effective Date and Recording Evidence of Amendment.

As to members of the Association and persons having actual knowledge of the adoption of any amendment to this Declaration, such amendment shall be effective as of the date of adoption or otherwise as may be specified in the resolution or instrument creating the amendment. As to non-members of the Association without actual knowledge of an amendment to this Declaration, the same shall be effective at the time the affected person acquires actual knowledge thereof or at the time of filing the amendment or certificate of amendment in the Public Records of Pinellas County, Florida, whichever occurs first. The President of the Association, or, in the absence of the President, a Vice President or other acting chief executive officer of the Association, shall cause to be filed in the Public Records of Pinellas County, Florida, the original amendment to the Declaration, if it is in the form of an instrument executed and acknowledged by Unit owners and the holders of liens thereon, or a certificate of amendment, if it is a certification by the proper officers of the Association that such amendment was adopted by the Association at a meeting of the members. A true and correct copy of each such amendment or certificate of amendment shall be delivered, after adoption thereof, to the record owners of all Units and to the record owners of all liens on Units, by the President, Vice President or other acting chief executive officer of the Association, upon request to such officer, but delivery of such copies shall not be a condition precedent to the effectiveness of any such amendment.

XIII. MAINTENANCE, REPAIRS AND REPLACEMENTS.

Responsibility for maintenance, repairs and replacements of Condominium Property and property of Unit owners located or situated within the Condominium shall be as follows:

A. Units.

Each Unit, and the fixtures, equipment, such as air conditioning equipment, plumbing, heating, and electrical wiring, and appliances comprising a part thereof, located therein or exclusively serving the same (whether or not located within the unit) shall be maintained, kept in good repair and replaced by and at the expense of the owner(s) thereof. Exterior doors shall be maintained and repaired at the expense of the unit owner whose unit such doors serve. All maintenance, repairs and/or replacements for which Unit owners are responsible and obligated to perform, which, if not

performed or omitted, would affect other Units or Common Elements, shall be performed promptly as the need arises. Notwithstanding the obligation of Unit owners for maintenance, repair and replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss of or damage to or within Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

B. Common Elements.

The Association shall be responsible for, and shall assess against and collect from the owners of all Units in the Condominium, as a Common Expense, the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements except certain of the Limited Common Elements specified below. The Association shall, at the expense of the owners of all Units in the Condominium, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

C. Limited Common Elements.

The Owners shall be responsible for performing necessary maintenance, repairs and replacements, except structural work or maintenance affecting the exterior appearance thereof, but including floor covering on any balconies or patio-yards, and keeping in clean and orderly condition all of those Common Elements designated elsewhere herein as Limited Common Elements, provided that if the owner of a unit shall fail to maintain such Limited Common Elements, the Association may do so and charge the cost thereof to the unit owners whose responsibility it is to maintain such Limited Common Elements and shall have a lien against such unit for the cost thereof until paid, which lien shall arise, exist and be enforceable in the same manner as is the lien for common expenses in Article XVIII hereof.

D. Recreation Parcel and Lawn Sprinkler System:

1. Each unit and each owner thereof, shall be charged with his proportionate share of the costs and expenses in connection with the recreation area. Developer contemplates development of another or other condominiums wherein the Eastwood Shores Condominium project, which other condominium or condominiums shall include an easement for use and enjoyment of the recreation area and developer may develop "Stage One Development" as hereinbefore provided and the owners of living units therein or tenants or lessors, may have an easement for use and enjoyment of the recreation area as hereinbefore provided.

The share of the costs and expenses for each unit in "Stage Three Development" of Eastwood Shores Condominiums in connection with the said recreation area, shall be computed by multiplying each owner's percentage of common expenses as herein provided by a fractional part of said cost and expense in connection with said recreation area. Said fraction shall be arrived at by using the number of units in this condominium as the numerator and initially the figure 104 as the denominator. The denominator of said fraction which initially shall be 104 shall be subject to increase by the Developer from time to time at its option, and accordingly, the Developer reserves the right to decrease the total number of units and living units to be constructed in Eastwood Shores Townhomes and "Stage Three Development". At any time the Developer decreases the total number of units to be constructed in Eastwood Shores Townhomes and/or the living units to be constructed in "Stage Three Development" each of which shall include an easement for use

and enjoyment of said recreation area, the denominator of said fraction shall accordingly be changed to reflect the actual number of units determined by Developer to be constructed in Eastwood Shores Townhomes and the actual number of living units to be constructed in "Stage Three Development". Such determination of the total number of units to be constructed by Developer in all condominiums in Eastwood Shores Townhomes and such determination of the total number of living units to be constructed by Developer in "Stage Three Development" shall be effective and binding on all unit owners. Developer shall notify the Association(s) in writing of any change in the total number of living units to be constructed on all condominiums in Eastwood Shores Townhomes that shall have an easement for use and enjoyment of the recreation area and Developer shall notify the Association in writing of any change in the total number of living units to be constructed in "Stage Three Development" that shall have an easement for use and enjoyment of the recreation area and any decrease by Developer in the total number of units to be constructed by the Developer in all condominiums in Eastwood Shores Townhomes and any decrease by Developer in the total living units to be constructed in "Stage Three Development" that shall include an easement for use and enjoyment of the recreation area and shall become effective for the purpose of determining said denominator of said fraction for the purpose of computing each unit owner's share of said recreation area cost on the first day of the first month following receipt of said notice from Developer by Association.

2. The Developer, in submitting the lands described in Exhibit A, attached hereto, to condominium ownership, has included a non-exclusive mutual easement for the construction and installation of a lawn sprinkler system and thereafter a mutual easement for the maintenance of said system over that portion of the lands described in Exhibit A, as well as those lands which are hereinbefore referred to as "Stage Three Development" lands. Said lawn sprinkler system and the easement appurtenant to said system will be for the use and enjoyment of the owners of units in Eastwood Shores Townhomes, as well as the owners of units of "Stage Three Development". The cost to maintain said lawn sprinkler system, including the pump, electricity to operate the pump, and the underground sprinkler pipes, will be shared by all 104 unit owners comprising the "Stage Three Development" of which a maximum of 52 units will comprise Eastwood Shores Townhomes. The share of cost and expenses for each apartment unit in Eastwood Shores Townhomes in connection with said sprinkler system shall be computed by multiplying each owner's percentage of common expense as therein provided by a fractional part of said cost and expense in connection with said sprinkler system. Said fraction shall be arrived at by using the number of apartment units in this condominium as the numerator and initially the figure 104 as the denominator. The Developer reserves the right, from time to time, at its option, to decrease the total number of apartment units and living units to be constructed in Eastwood Shores Townhomes and "Stage Three Development" as provided in paragraph XIII (D) (1) hereof.

XIV. INSURANCE.

Insurance shall be carried and kept in force at all times in accordance with the following provisions:

A. Duty and Authority to Obtain.

The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force any or all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be

purchased for the benefit of the Association and the Unit owners and their mortgagees, provided that a certificate evidencing a mortgagee endorsement shall be issued to the mortgagee of each Unit. The owner(s) of each Unit may, at the expense of such owner(s), obtain insurance coverage against damage to and loss of the contents of the Unit, personal liability for injury to and death of persons and damage to and loss of personal property of others, and against additional living expenses, provided, that all such insurance purchased by Unit owners shall be obtained from the insurer from which the Association purchases coverage against the same risk, liability or peril, if the Association has such coverage, and if the same is required by the Association's insurer; and, provided, that each policy of such insurance purchased by a Unit owner shall, where such provision is available, provide that the insurer waives its right of subrogation as to any claim or claims against other Unit owners, the Association, and their respective employees, agents, guests and invitees.

B. Required Coverage.

The Association shall purchase and carry insurance coverage as follows:

(1) Casualty Insurance.

Casualty insurance covering all of the buildings and other improvements of the Condominium, including, without limitation, Units and Common Elements, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the Board of Directors of the Association; such insurance to afford protection against:

- (a) Loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsement; and
- (b) Such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings and other improvements similar, in construction, location and use, to the buildings and other improvements of the Condominium, including, without limitation, vandalism, malicious mischief, windstorm, water damage and war risk insurance, if available; and
- (c) Public liability insurance, in such amounts, with such coverage and in such forms as shall be required by the Board of Directors of the Association to protect the Association and the owners of all Units, including, without limitation, hired automobile, non-owned automobile, off-premises employee coverage, water damage and legal liability, with cross-liability, endorsements to cover liability of all Unit owners as a group to each Unit owner; and

- (d) Workmen's compensation and employer's liability insurance to meet the requirements of law;
- (e) Flood insurance, if the same shall be necessary under the laws of the United States for federally related mortgage lenders to make mortgage loans on Units.

C. Optional Coverage.

The Association may purchase and carry such other insurance coverage, other than title insurance, as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and Unit owners, or as an institutional lender may reasonably require while it holds a mortgage encumbering any Unit.

D. Premiums.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from Unit owners as Common Expenses.

E. Assured.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the owners of Units and their mortgagees, as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the "Insurance Trustee", as herein identified, or to its successor, and the proceeds from insurance against any casualty loss shall be held for the use of the Association, Unit owners and their respective mortgagees, as their interests may appear, to be applied or distributed in the manner herein provided. The Association is hereby constituted and appointed agent for all Unit owners, with authority to negotiate and settle the value and extent of any and all losses covered under any policy of casualty insurance, and the Association is granted full right and authority to execute, in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

F. Insurer.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

G. Insurance Trustee.

The Association shall have the right, prior to or upon the occurrence of any event causing or resulting in the

need for the same to designate the Insurance Trustee and all persons beneficially interested in such insurance coverage shall be bound by the Association's selection of the Insurance Trustee.

(1) Qualifications, Rights and Duties.

The Insurance Trustee shall be a bank with trust powers doing business in the State of Florida. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold the same in trust for the purposes herein stated, and for the benefit of the Association, Unit owners and their respective mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee for services rendered hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder; such fees and costs to be assessed against and collected from Unit owners as a Common Expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to Unit owners and their mortgagees, as their respective interests may appear, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath and provided to the Insurance Trustee upon request to the Association; such certificate to certify the name or names of the owners of each Unit, the mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to such owner(s) and Mortgagee(s), as their respective interests may appear. If and when insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder(s) of any mortgage or mortgages encumbering a Unit shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of indebtedness secured by such mortgage(s), unless the insurance proceeds represent a distribution to the owner(s) of the Unit and the mortgagee(s) thereof, after such insurance proceeds have been first applied to the repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the owner(s) of the Unit and the mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

H. Application of Insurance Proceeds.

The proceeds of casualty insurance paid to the Insurance Trustee by an insurer for loss or damage to real and/or personal property upon which the Association carries insurance, shall be applied and paid as follows:

(1) Common Elements Only.

The proceeds paid to the Insurance Trustee for loss of or damage to real property constituting Common Elements only shall be applied to the repair, replacement or reconstruction of such loss or damage. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements, the excess shall be paid by the Insurance Trustee to the owners of all Units, and their respective mortgagees, as their interests may appear, in shares or proportions equal to the undivided interest appurtenant to each Unit in the Common Elements. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement or reconstruction of such Common Elements, the Association shall deposit with the Insurance Trustee, from any Association Reserve Fund which may have been established, the difference between the total cost of repairing, replacing or reconstructing such loss or damage and the amount of the insurance proceeds. If no such Association Reserve Fund has been established, or if any such Association Reserve Fund has been established and is insufficient to pay to the Insurance Trustee such difference, the Association shall assess the amount of the difference against, and collect it from, all Unit owners as a Common Expense.

(2) Units.

The proceeds paid to the Insurance Trustee for loss of or damage to a building, constituting Common Elements and one or more Units thereof, shall be first applied to the repair, replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in such building which have been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Insurance Trustee to the owners of the damaged or destroyed Units and their respective mortgagees, as their interests may appear, in shares or proportions equal to the undivided interest appurtenant to each such Unit in the Common Elements. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from, the owner(s) of the Unit(s) damaged or destroyed, in proportion that the amount of damage sustained to each such Unit bears to the total deficit, and deposit such sum with the Insurance Trustee to be applied by the Insurance Trustee toward the total cost of repairing, replacing or reconstructing all of such damaged or destroyed Common Elements and Units. If the insurance proceeds shall be insufficient to pay the cost of the repairs, replacements, or reconstruction of the Common Elements (to which the Insurance Trustee is required first to apply such proceeds before applying any part thereof to the repair, replacement or reconstruction of Units), the difference between the total cost of repairing, replacing or reconstructing the Common Elements and the amount of the insurance proceeds shall be assessed by the Association against, and collected from, all Unit owners, as a Common Expense, and, in such event, the cost of repairing, replacing or reconstructing the Unit or Units destroyed or damaged shall be assessed by the Association against, and collected from, the owner(s) of such damaged or destroyed Units.

I. Deposits to Insurance Trustee After Damage.

Within sixty (60) days after a loss of or damage to Condominium Property covered by casualty insurance, the Association shall obtain estimates of the cost of repairing, replacing or restoring the same, including the cost of professional fees and any construction bond which the Board of Directors may require. If, from such estimates, it shall appear that the insurance proceeds payable for such loss or damage will be insufficient to pay the cost of such repair, replacement or reconstruction, the additional money required to pay the total cost thereof, whether it is to be paid by one or more Unit owners, shall be deposited with the Insurance Trustee not later than thirty (30) days from the day on which the Insurance Trustee receives the insurance proceeds.

J. Delegation.

All insurance responsibilities of the Association hereunder may be delegated by the Board of Directors to the Property Owners Association who may satisfy the requirements of this Article XIV by obtaining master insurance policies for the condominium together with insurance on all or other parts of the Project, provided that as to all casualty and loss coverage a separate value, pursuant to the requirements of this Article, is assigned by the insurer to this condominium.

XV. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

Whether, and the manner in which, any or all of the Condominium Property damaged or destroyed by casualty shall be repaired, reconstructed or replaced shall be determined as follows:

A. Residential Buildings.

If one or more residential buildings shall be damaged or destroyed, repair or reconstruction thereof, or termination of the Condominium, shall be in accordance with the following:

(1) Total Destruction of All Buildings.

If all of the residential buildings of the Condominium are totally destroyed or are so damaged that no Unit therein is habitable, none of the buildings and none of the improvements comprising Common Elements shall be reconstructed, and the Condominium shall be terminated unless the owners of Units to which seventy-five percent (75%) of the Common Elements are appurtenant agree in writing, within 60 days after the date of such destruction, to reconstruct the same and unless the then applicable zoning and other regulatory laws and ordinances shall allow the same to be reconstructed, or unless any policy or policies of casualty insurance covering the same shall require reconstruction thereof as a condition precedent to the payment of proceeds thereunder.

(2) Damage to and Destruction of Some Buildings.

If some, but not all, of the residential buildings are damaged and/or destroyed and one or more of the Units in one or more of the buildings remain habitable, the

damaged or destroyed Common Elements and/or Units shall be repaired or reconstructed, so that each building and/or Unit shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere herein provided that the Condominium shall be terminated.

B. Common Elements.

Damaged or destroyed improvements constituting part of the Common Elements shall be repaired, reconstructed and/or replaced unless, in the event of total destruction of the Units, or, by agreement after partial destruction, the Condominium shall be terminated.

C. Certificate.

The Insurance Trustee may rely upon a certificate executed by the President and Secretary of the Association to determine whether or not damaged or destroyed Condominium Property shall be repaired or reconstructed.

D. Plans and Specifications.

Repair or reconstruction of Condominium Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally constructed; provided, that the Board of Directors of the Association may authorize reasonable variations from the original plans and specifications as may appear to them to be necessary or desirable.

E. Responsibility.

If the damage or destruction shall be limited only to one or more Units for which the responsibility of maintenance and repair is that of the affected Unit owners, then such Unit owners shall be responsible for carrying out the repair or reconstruction thereof. In all other instances of damage or destruction, the Association shall be responsible for carrying out the repair and reconstruction thereof.

F. Construction Funds.

All funds for the payment of repair and reconstruction costs, consisting of insurance proceeds and/or funds collected by the Association from Unit owners, shall be disbursed toward payment of such costs in the following manner:

(1) Association.

If the total funds assessed against and collected from Unit owners by the Association for payment of repair and reconstruction costs is more than fifteen thousand dollars (\$15,000.00), then all such sums shall be deposited by the Association with and disbursed by the Insurance Trustee. In all other cases the Association shall hold such sums so assessed and collected and shall disburse the same in payment of the costs of reconstruction and repair.

(2) Insurance Trustee.

The proceeds of insurance collected on account of a casualty, and the sums assessed against and collected from Unit owners by the Association and deposited with the Insurance Trustee shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

(a) Unit Owner.

The portion of insurance proceeds representing damage for which the responsibility of repair and reconstruction is upon one or more, but less than all, Unit owners, shall be paid by the Insurance Trustee to the affected Unit owners and, if any of such Units are mortgaged, to the affected Unit owners and their mortgagees jointly.

(b) Association - Lesser Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than fifteen thousand dollars (\$15,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) Association - Major Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than fifteen thousand dollars (\$15,000.00), then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect registered to practice in Florida and employed by the Association to supervise the work.

(d) Surplus.

It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is

a balance in the construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein stated; except, however, that the part of a distribution to a beneficial owner which is not in excess of assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

(e) Certificate.

Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid, nor to determine whether surplus funds to be distributed are less than the assessments paid by owners. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is herein required to be named as payee the Insurance Trustee shall also name the mortgagee as payee; and further provided that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association.

XVI. USE RESTRICTIONS.

Use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists and these restrictions shall be for the benefit of and enforceable by all owners of real property within the Project and by
Owners' Association, Inc. Eastwood Shores Property

A. Units.

Each of the Units shall be occupied only by a single family, its servants and guests, as a residence and for no other purpose. No Unit may be divided or subdivided into a smaller unit, nor any portion thereof sold or otherwise transferred.

B. Common Elements.

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

C. Nuisances.

No nuisances shall be allowed upon the Condominium Property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium Property by residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No use shall be made of any Unit or of the Common Elements or Limited Common Elements which would increase the rate of insurance upon the Condominium Property.

D. Lawful Use.

No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Condominium Property shall be the same as is elsewhere herein specified.

E. Leasing.

After approval of the Association, as elsewhere herein required, entire units, but not less than entire units, may be leased; provided, that no unit shall be leased or rented for less than 90 days; and further provided, that occupancy is only by the lessee, and his family, servants and guests. All leases are subject to this Declaration, the Articles, the By-Laws and the Condominium Act.

F. Pets.

Pets shall never be allowed to run freely upon any of the Condominium property except within a Unit, or any Limited Common Elements adjacent and appurtenant to it, and when outside of a Unit shall be leashed and in the company of an individual willing and able to fully control it. All pets shall be walked only in that part of the Common Elements designated by the Association for that purpose. Any owner maintaining a pet upon the Condominium property, or whose guests, lessees or invitees bring any animal upon the Condominium property, shall be fully responsible for, and shall

bear the expense of, any damage to persons or property resulting therefrom. Any such damage shall be determined by the Board of Directors of the Association and collected by the Association. If the Board determines, in its sole judgment, that any particular pet is a nuisance, it shall have the power to compel the owner thereof to remove said pet from the Condominium property.

G. Regulations.

Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board provided, however, that all such regulations and amendments thereto shall be approved by not less than a majority of the members of the Association before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit owners and residents of the Condominium upon request.

H. Proviso.

Provided, however, that until Developer has completed and sold all of the Units, neither Unit owners nor the Association nor the use of the Condominium Property shall interfere with the completion of the proposed improvements and the sale of the Units. Developer may make such use of the unsold Units and common areas as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, the showing of the Condominium property and the display of signs.

XVII. MAINTENANCE OF COMMUNITY INTERESTS.

In order to maintain a community of congenial residents and to protect the value of Units, the transfer of title to or possession of Units by any owner other than Developer shall be subject to the following provisions so long as the Condominium exists, which provisions each owner covenants to observe:

A. Transfers Subject to Approval.

(1) Sale.

No Unit owner may dispose of a Unit or any interest therein by sale without approval of the Association except to another Unit owner.

(2) Lease.

No Unit owner may transfer possession or otherwise dispose of a Unit or any interest therein by lease without approval of the Association except to another Unit owner.

(3) Gift, Devise, Inheritance of Other

Transfers.

If any Unit owner shall acquire his title by gift, devise, inheritance or other manner, the continuance of his ownership shall be subject to the approval of the Association.

B. Approval by Association.

The approval of the Association which is required for the transfer of Units shall be obtained in the following manner:

(1) Notice to Association.

(a) Sale.

A Unit owner intending to make a bona fide sale of his Unit or any interest therein shall give to the Association notice of such 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. Such notice, at the Unit owner's option, may include a demand by the Unit owner that the Association furnish a purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(b) Lease.

A Unit owner intending to make a bona fide lease of his Unit or any interest therein shall give to the Association notice of such 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, which lease shall provide that it is subject to approval by the Association.

(c) Gift, Devise or Inheritance; Other Transfers.

A Unit owner who has acquired his title by gift, devise, inheritance or in any other manner not heretofore considered, shall give to the Association notice of the acquisition of his title, together with such information concerning the Unit owner as the Association may reasonably require, and a certified copy of all instruments evidencing the Owner's title.

(d) Failure to Give Notice.

If the notice to the Association herein required 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 Association shall proceed as if it had received the required notice on the date of such disapproval.

(2) Certificate of Approval.

(a) Sale.

If the proposed transaction is a sale, then, within twenty (20) days after receipt of such 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 proper officers of the Association in recordable form and shall be delivered to the purchaser and shall be recorded in the Public Records in Pinellas County, Florida.

(b) Lease.

If the proposed transaction is a lease, then, within twenty (20) days after receipt of such 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 proper officers of the Association in non-recordable form and shall be delivered to the lessee.

(c) Gift, Devise or Inheritance; Other Transfers.

If the Unit owner giving notice has acquired his title by gift, devise, inheritance or other manner, then, within twenty (20) days after receipt of such notice and information, the Association must either approve or disapprove the continuance of the Unit Owner's ownership of the Unit. If approved, the approval shall be upon such terms and conditions (pertaining to the Primary Occupant of the Unit and the voting of Association membership appurtenant to the Unit) as the Association may reasonably require, and the approval shall be

stated in a certificate executed by the proper officers of the Association and shall be delivered to the Unit Owner and shall be recorded in the Public Records in Pinellas County, Florida.

(3) Approval of Corporate or Fiduciary Owner or Purchaser.

Inasmuch as the Condominium may be used only for residential purposes and a corporation cannot occupy a Unit for such use, if the Unit owner or purchaser of a Unit is a corporation, the approval of ownership by the corporation shall be conditioned by requiring that the Primary Occupant of the Unit be also approved by the Association. The approval of ownership by a Trustee or other holder of legal title for a beneficial owner who is to be the Primary Occupant of a Unit shall also be conditioned upon approval of the Primary Occupant by the Association. Any change in the Primary Occupant of a Unit shall be considered a transfer of title to the Unit which shall be subject to the provisions of this Article XVII.

C. Disapproval by Association.

If the Association shall disapprove a transfer or ownership of a Unit, the matter shall be disposed of in the following manner:

(1) Sale.

If the proposed transaction is a sale and if the notice of sale given by the Unit owner shall so demand, then, within twenty (20) days after receipt of such notice and information, the Association shall deliver or mail by certified mail to the Unit owner an agreement to purchase by the Association, or a purchaser approved by the Association who will purchase and to whom the Unit owner must sell the Unit, upon the following terms:

- (a) The price to be paid by the purchaser, to be identified in the agreement, shall be that stated in the disapproved contract to sell.
- (b) The purchase price may be paid, at the option of the purchaser to be identified in the agreement, in cash, or on the basis set forth in the contract by the purchaser the Association disapproved.
- (c) The sale shall be closed within thirty (30) days after the delivery or mailing of said agreement to purchase.
- (d) 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, the proposed

transaction shall be deemed to have been approved and the Association shall furnish a certificate of approval as elsewhere provided.

(2) Lease.

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

(3) Gifts, Devise or Inheritance; Other Transfers.

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 to purchase the Unit concerned by a purchaser approved by the Association or by the Association, who will purchase the Unit and to whom the Unit owner must sell the Unit upon the following terms:

(1) The sale price shall be the fair market value determined by agreement between seller and purchaser within thirty (30) days from the delivery from or mailing of such 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 appraisers appointed by the American Arbitration Association who shall base their determination upon the average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser

(2) The purchase price shall be paid in cash.

(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 or Vice President and approving the Purchaser shall be recorded in the public records of Pinellas County, Florida, at the expense of the Purchaser.

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

D. Mortgage.

No Unit owner may mortgage his Unit nor any interest therein without the approval of the Association except to an "Institutional Lender", which term shall mean and include

banks, life insurance companies, Federal or State Savings and Loan Associations, Mortgage Companies, and Real Estate Investment Trusts. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld, except nothing shall prevent an approved unit owner selling his unit from accepting a purchase money mortgage from an approved purchaser to secure the deferred portion of the selling price.

E. Exceptions.

The foregoing provisions of this Article shall not apply to a purchase or transfer by an Institutional Lender or other approved mortgagee which acquires its title as the result of owning a mortgage upon the Unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor or its successor in title or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by an Institutional Lender or other approved mortgagee which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a Unit at a duly advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale. Further, the provisions of this Article shall not apply to the acquisition of title to a Unit through gift, devise or inheritance by any person who is a natural child or surviving spouse of the immediately preceding owner of the Unit.

F. Unauthorized Transactions.

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

G. Notice of Lien or Suit.

(1) Notice of Lien.

A Unit owner shall give notice to the Association of every lien upon his Unit other than for permitted mortgages, taxes and special assessments within five days after the attaching of the lien.

(2) Notice of Suit.

A Unit owner shall give notice to the Association of every suit or other proceeding which may affect the title to his Unit; such notice to be given with five (5) days after the Unit owner receives knowledge thereof.

(3) Failure to Comply.

Failure to comply with this Article XVII(G) will not affect the validity of any judicial sale.

XVIII. COMPLIANCE AND DEFAULT.

Each Unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, the Articles of Incorporation and By-Laws of the Association, and any and all regulations adopted pursuant thereto, as they may be

amended from time to time. Failure of the Unit owner to comply therewith shall entitle the Association or other Unit owners to the following relief in addition to the remedies provided by the Condominium Act:

A. Negligence.

A Unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents, lessees or other invitees, 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 fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common Elements.

B. Costs and Attorney's Fees.

In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms of the Declaration, the Articles of Incorporation and By-Laws of the Association, and any and all regulations adopted pursuant thereto, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be awarded by the court.

C. No Waiver of Rights.

The failure of the Association or any Unit owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

XIX. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT.

To provide the funds necessary for proper operation and management of the Condominium, the Association has been granted the right to make, levy and collect assessments against the owners of all Units and said Units. The following provisions shall govern the making, levying and collecting of such assessments and the payment of the costs and expenses of operating and managing the Condominium by the Association.

A. Determination of Assessments.

Assessments by the Association, against each owner of a Unit and his Unit shall be the fractional share of the total assessments to be made against all owners of Units and their Units as is set forth in the Schedule annexed hereto and made a part hereof as Exhibit "4". Should the Association become the owner of any Unit(s), the assessment which would otherwise be due and payable to the Association by the owner(s) of such Unit(s), reduced by an amount of income which may be derived from the leasing of such Unit(s) by the Association, shall be apportioned and the assessment therefor levied ratably among the owners of all Units which are not owned by Association, based upon their proportionate interests in the Common Elements exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

D. Developer's Assessment Guaranty. The Developer guarantys to initial purchasers of units in the condominium that the monthly assessments due from such purchasers as owners of units in the Condominium for items of common expense of the Association will not exceed the amount therefor reflected in the initial budget for the Association which is provided to such purchasers by the Developer during the first calendar year after the first conveyance of a unit by the Developer and thereafter will not exceed 115% of the amount assessed to such purchaser's during the prior year each year thereafter. This guaranty shall be in force only until the earlier (i) the date upon which a majority of the Board of the Directors of the Association are elected by unit owners other than the Developer or (ii) such earlier date as Developer elects to terminate this guaranty and pay its proportional share of assessments for common expenses of the Association based upon the number of units owned by Developer. During the period of time this guaranty is in force and effect the Developer, as owner of such units, as are owned by it, shall be relieved from the obligation of paying its prorata share of assessments for common expenses of the Association, but instead shall be obligated to pay to the Association all sums in excess of sums due from all unit owners other than the Developer which are necessary to pay the actual expenses of the Association.

C. Time for Payment.

The assessment levied against the owner of each Unit and his Unit shall be payable in annual, quarterly, monthly, or such other installments and at such time as shall from time to time be fixed by the Board.

D. Annual Budget.

The Board shall, in accordance with the By-Laws of the Association, establish an Annual Budget in advance for each fiscal year, which shall correspond to the calendar year, which shall estimate all expenses for the forthcoming year required for the proper operation, management and maintenance of the Condominium, including, when deemed necessary or advisable by the Board, a reasonable allowance for contingencies and reserves and shall estimate all income to be collected during the year. Upon adoption of each annual budget by the Board, copies thereof shall be delivered to each Unit owner, and the assessment for the year shall be based upon such Budget. Failure to deliver a copy of the Budget to a Unit owner shall, however, not affect the liability of such owner for such assessment. Should the Board at any time and from time to time determine, in the sole discretion of the Board, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

E. Reserve Fund.

The Board, in establishing each annual budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a reserve fund for the replacement of Common Elements and personal property held for the joint use and benefit of the owners of all Units.

F. General Operating Reserve.

The Board, when establishing each annual budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of Units, as a result of emergencies or for other reason placing financial stress upon the Association. The annual amount allocated to such operating reserve and collected therefor shall not exceed five percent (5%) of the current annual assessment levied against the owners of all Units. Upon accrual in the operating reserve of an amount equal to twenty-five percent (25%) of the current annual assessment, no further payments shall be collected from the owners of Units as a contribution to such operating reserve, unless it shall be reduced below the twenty-five percent (25%) level, in which event, the annual assessment against each owner and/or Unit shall be increased to restore the operating reserve to an amount which will equal twenty-five percent (25%) of the current annual amount of said assessment.

G. Use of Association Funds.

All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and By-Laws and as the monies for annual assessments are paid to Association by any Unit owner, the same may be co-mingled with monies paid to the Association by the other owners of Units. Although all funds and other assets of Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the members of Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit.

H. Delinquency or Default.

The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. When in default, the delinquent assessments or installments thereof shall bear interest at the rate of ten percent (10%) per annum until the same, and all interest due thereon, has been paid in full.

I. Personal Liability of Unit Owner.

The owner(s) of each Unit shall be personally liable, jointly and severally, as the case may be, to the Association for the payment of all assessments, regular or special, interest on such delinquent assessments or installments thereof as above provided, and for all costs of collecting the assessments and interest thereon, including a reasonable attorney's fee, whether suit be brought or not, levied or otherwise coming due while such person(s) or entity own(s) a Unit.

J. Liability not subject to Waiver.

No owner of a Unit may exempt himself from liability for any assessment levied against such owner and his Unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Unit, or in any other manner.

K. Lien for Assessment.

The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements and upon any exclusive right to use any parking space or Limited Common Elements appurtenant to any such Unit, which lien shall and does secure the monies due for all: (1) assessments levied against the Unit and the owner(s) thereof, and (2) interest, if any, which may become due on delinquent assessments owing to Association, and (3) costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association may be established and foreclosed in the Circuit Court in and for Pinellas County, Florida, and in any suit for the foreclosure of said lien, the Association shall be entitled to rental from the owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said Unit. The rental required to be paid shall be equal to the rental charged on comparable type of Units in the Southwest Area of Pinellas County, Florida. The lien of the Association shall also secure all advances for taxes, and payments on account of superior mortgages, liens or encumbrances made by the Association to preserve and protect its lien, together with interest at the rate of ten percent (10%) per annum on all such advances made for such purpose.

L. Recording and Priority of Lien.

The lien of the Association shall be effective from and after recording, in the Public Records of Pinellas County, Florida, a claim of lien stating the description of the Unit encumbered thereby, the name of the record owner, the amount and the date when due, and shall continue in effect until all sums secured thereby shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien of the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording the Association's claim of lien, except that the lien of the Association for tax or special assessment advances made by Association where any taxing authority having jurisdiction levies any tax or special assessment against the Condominium as an entirety instead of levying the same against each Unit and its appurtenant undivided interest in Common Elements, shall be prior in lien, right and dignity to the lien of all mortgages, liens and encumbrances, whether or not recorded prior to the Association's claim of lien therefor, and the Association's claim of lien for collection of such portion

of any tax or special assessment shall specifically designate that the same secures an assessment levied pursuant to this Declaration. In addition, the Association shall be subrogated to the lien rights of the holder of any lien which it advances funds for payment of in whole or part.

M. Effect of Foreclosure, Judicial Sale or conveyance in lieu thereof.

In the event that any person, firm or corporation shall acquire title to any Unit and its appurtenant undivided interest in Common Elements by virtue of any foreclosure or judicial sale, or voluntary conveyance in lieu thereof, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for the Unit and its appurtenant undivided interest in Common Elements subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title, except that such person, firm or corporation shall acquire such title subject to the lien of any assessment by Association representing an apportionment of taxes or special assessment levied by tax authorities against the Condominium in its entirety and further subject to any subrogated rights of the Association for payments made by it as aforesaid. In the event of such acquisition of title to a Unit by foreclosure or judicial sale or voluntary conveyance in lieu thereof, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all Units (including the party so acquiring the to such units) as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

N. Effect of Voluntary Transfer.

When the owner of any Unit proposes to lease, sell or mortgage the same in compliance with other provisions of this Declaration, the Association, upon written request of the owner of such Unit, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to Association by the owner of such Unit. Such statement shall be executed by any officer of the Association and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the owner of the Unit and Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the rent, proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before payment of the balance of such rent, proceeds of sale or mortgage to the owner of the Unit responsible for payment of such delinquent assessment.

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

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

XX. REGISTRY OF OWNERS AND MORTGAGEES.

The Association shall at all times maintain a Register of the names of the owners and mortgagees of all Units. Upon the transfer of title to any Unit, the transferee shall notify the Association in writing of his interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. The owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. The holder of any mortgage encumbering a Unit may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

XXI. ALTERATIONS OF AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS.

Neither a Unit owner nor the Association shall make any alterations, improvements or additions to Units, Common Elements, or Limited Common Elements, except in compliance with the following:

A. Unless the Unit owner(s) shall first submit plans for such work to the Board, and the Board, by resolution unanimously adopted by the affirmative vote of all members thereof, shall approve and consent thereto, no alteration of or improvement or addition to a Unit, or to any Limited Common Element to which the owner has an exclusive right of use, shall be made, constructed, erected or installed which shall: (1) remove, in whole or in part, replace, reroute, or otherwise affect any column, bearing wall or partition, pipe, duct, wire or conduit, or obstruct any easement herein provided for, or (2) remove, or change the style, pattern, material, texture or outside color of any door, window, screen, fixture, equipment, enclosure, or appliance in or on an exterior Unit or building wall, or (3) cover, from the inside or outside, the glass or other transparent and/or translucent material in any exterior door or window with, or apply or affix thereto, any material or substance which shall render the same opaque or change the exterior color thereof, except interior draperies, curtains, shades or shutters which are lined, backed, covered or painted

on the side visible from the exterior with a neutral color material, or (4) affix to or over any exterior door or window, or otherwise install on the exterior, of any Unit or building, any storm or hurricane shutter or awning or any protective or decorative panel, panelling, trim, enclosure, fixture, or appliance, or (5) otherwise change, modify or alter the exterior of any Unit or building so that it thereby differs in appearance from any other Units or buildings of the same type. There shall be no material alterations or substantial improvements or additions to the Common Elements except in the following manner: subject to the foregoing restrictions against changing the exterior appearance of Units and/or buildings, the Association shall have the right to make or cause to be made alterations, improvements and/or additions to the Common Elements, except the acquisition of additional real property, which have been approved by the owner of Units to which seventy-five percent (75%) of the Common Elements are appurtenant. The cost of such alterations, improvements and/or additions shall be assessed against and collected from the owners of all Units as Common Expenses.

B. Notwithstanding any provision hereinabove set forth to the contrary, the Board of Directors of the Association may adopt a basic approved plan for screening balconies and ground level rear area patios. If such plan is adopted, Owners of the Units of each building in the Condominium may screen said balconies or ground level rear area patios attached to their Units in accordance with said approved basic plan without specific consent from the Board of Directors of the Association, provided that such screening conforms in all respects to the approved basic plans therefor.

XXII. TERMINATION.

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

A. Destruction.

In the event it is determined in the manner elsewhere herein provided that the improvements shall not be reconstructed because of total destruction or major damage, the Condominium plan of ownership will be thereby terminated without agreement.

B. Agreement.

The Condominium may be terminated at any time by the approval in writing of all of the owners of Units in the Condominium, and by all record owners of mortgages upon Units therein owned by Institutional Lenders and other mortgagees approved by the Association. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of Units to which not less than seventy-five percent (75%) of the Common Elements are appurtenant, and of the record owners of all mortgages upon Units in the Condominium owned by Institutional Lenders and other mortgagees approved by the Association, are obtained not later than thirty (30) days from the date of such meeting, then the approving owners shall have an option to buy

all of the Units of the other owners for the period ending on the sixtieth (60th) day from the date of such meeting. Such option shall be upon the following terms:

(1) Exercise of Option.

The option shall be exercised by delivery or mailing by certified mail to each of the record owners of the Units to be purchased of an agreement to purchase signed by the record owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating owner and shall agree to purchase all of the Units owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(2) Price.

The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, 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 of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(3) Payment.

The purchase price shall be paid in cash.

(4) Closing.

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

C. 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 Pinellas County, Florida.

D. Shares of Owners After Termination.

After termination of the Condominium the Unit owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the Unit owners. Such undivided shares of the Unit owners shall be the same as the undivided shares in the Common Elements appurtenant to the owners' Units prior to the termination as set forth in Exhibit "4" hereto.

E. Amendment.

This Article XXII shall not be amended without consent of all Unit owners and of all owners of mortgages required to approve termination by agreement.

XXIII. RIGHTS OF DEVELOPER TO SELL OR LEASE UNITS.

So long as Developer, or any mortgagee succeeding Developer in title, shall own any Unit, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests, and as to the lease or sale of such unit, the right of first refusal and any right of redemption herein granted to the Association shall not be operative or effective in any manner.

XXIV. MISCELLANEOUS.

A. Severability.

The invalidity in whole or in part of any covenant or restriction, or any Article, subarticle, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, By-laws and regulations of the Association shall not affect the validity of the remaining portions thereof.

B. Applicability of Declaration of Condominium.

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

C. Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. In the event of any conflict between the provisions of this Declaration and the Condominium Act, the provisions of the Declaration shall prevail.

D. Parties Bound.

The restrictions and burdens imposed by this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in Common Elements and this Declaration shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become owners of Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, Developer has caused the foregoing Declaration of Condominium to be executed, and its corporate seal to be affixed, by its undersigned, duly authorized officers on the date set forth above.

F & R BUILDERS, INC.

(Corporate Seal)

By: _____
President

Attest: _____
Secretary

STATE OF FLORIDA
COUNTY OF DADE

BEFORE ME, the undersigned authority, personally
appeared _____ and _____, to me known to
be the President and Secretary of F & R Builders,
Inc., a Florida corporation, and who acknowledged before me
that they did, as such officers, execute the foregoing
Declaration of Condominium as the act and deed of said
corporation and that the same was executed for the purposes
therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and
seal on this the _____ day of _____, 197 .

Notary Public,
State of Florida at Large
My commission expires:

(Notarial Seal)

EASTWOOD SHORES PROPERTY OWNERS ASSOCIATION, INC.

I NAME

The name of this corporation shall be EASTWOOD SHORES PROPERTY OWNERS ASSOCIATION, INC., sometimes hereinafter referred to as the "Association."

II PURPOSES

The general nature, objects and purposes of the Association are as follows:

A. To promote the health, safety and social welfare of the Owners of Property within that residential area referred to as Eastwood Shores and described in the Declaration of Covenants and Restrictions for Eastwood Shores executed contemporaneously herewith by F & R Builders, Inc. and to be recorded in the Public Records of Pinellas County, Florida.

B. To own and hold title to and maintain, repair and replace the improvements on the Recreation Parcel located in Eastwood Shores for which the obligation to maintain and repair has been delegated and accepted.

C. To provide, improve, maintain, repair and/or replace the paving, street lights and other structures of the Common Driveway and Parking Area in Eastwood Shores for the health, safety, convenience, and social welfare of the members of the Association, as the Board of Directors in its discretion determines necessary, appropriate, and/or convenient.

D. To provide, improve, maintain, repair and/or replace the water retention area, sewage lift station and the main water and sewer lines, all of which serve the entire Eastwood Shores Condominium project.

E. To provide or provide for private security, fire protection and such other services the responsibility for which has been or may be accepted by the Association, and the capital improvements and equipment related thereto, in the Recreation Parcel and in the Common Driveway and Parking Area of Eastwood Shores.

F. To provide, improve, maintain, repair and/or replace the master T.V. antenna system and the sprinkler system which will serve the 476 units to be built by F&R Builders, Inc., the present developer of Eastwood Shores Condominiums.

G. To operate without profit for the sole and exclusive benefit of its members.

H. To perform all of the functions contemplated of the Association, and undertaken by the Board of Directors of the Association, in the Declaration of Covenants and Restrictions hereinabove described, including, but not limited to, the promulgation of Rules and Regulations governing the use of the Recreation Parcel, the Common Driveway and Parking Area, sewage lift station, water retention area, master T.V. antenna system, master sprinkler system and other residential areas of Eastwood Shores.

III GENERAL POWERS

The general powers that the Association shall have are as follows:

A. To hold funds solely and exclusively for the benefit of the members for purposes set forth in these Articles of Incorporation.

B. To promulgate and enforce rules, regulations, By-Laws, covenants, restrictions and agreements to effectuate the purposes for which the Association is organized, including the enforcement of the aforesaid Declaration Of Restrictions and Covenants.

C. To delegate power or powers where such is deemed in the interest of the Association.

D. To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to enter into, make, perform or carry out contracts of every kind with any person, firm, corporation, association or other entity; to do any and all acts necessary or expedient for carrying on any and all of the activities and pursuing any and all of the objects and purposes set forth in the Articles of Incorporation and not forbidden by the laws of the State of Florida.

E. To fix assessments to be levied against the property subject to the Declaration of Covenants and Restrictions to defray expenses and the cost of effectuating the objects and purposes of the Association, and to create reasonable reserves for such expenditures, and to authorize its Board of Directors, in its discretion, to enter into agreements with mortgage companies and other organizations for the collection of such assessments.

F. To charge recipients for services rendered by the Association and the user for use of Association Property when such is deemed appropriate by the Board of Directors of the Association.

G. To pay taxes and other charges, if any, on or against property owned or accepted by the Association.

H. Upon such affirmative vote as is required to do so under the laws of Florida to be merged with any condominium association subsequently formed to manage any condominium existing on any part of Eastwood Shores Project and act as and become a condominium association therefor.

I. To accept and perform any functions of a condominium association existing within Eastwood Shores.

J. In general, to have all powers conferred upon a corporation by the laws of the State of Florida, except as prohibited herein.

IV MEMBERS

A. The members shall consist of the Property Owners in Eastwood Shores and all such Property Owners shall be members of the Association. There shall be two (2) classes of members, as follows:

1. Class A Members. Class A members shall be all Property Owners other than the Class B Member. Owners of Property shall automatically become Class A Members upon purchase of such Property.

2. Class B Members. The Class B Member shall be F & R Builders, Inc., a Florida corporation, or its designee, successor or assignee as Developer of Eastwood Shores, who shall remain a member so long as it owns property subject to the Declaration of Covenants and Restrictions for Eastwood Shores.

B. "Developer", "Owner", "Unit", and any other defined terms used herein, and elsewhere in the Articles, are used with the definitions given those terms in the aforesaid Declaration of Covenants and Restrictions for Eastwood Shores.

V VOTING AND ASSESSMENTS

A. Subject to the restrictions and limitations hereinafter set forth, each member shall be entitled to one (1) vote for each Unit in which he holds the interest required for membership. In the case of the Developer it shall also have one vote for each of the possible 448 units which may be constructed on the Undeveloped Parcel. Until the Class B member no longer is a member of the Association, the Class A members shall have no right to vote at membership meetings except that the Class A members which represent Eastwood Pines Association, Inc., a Florida non-profit corporation, which manages and operates Eastwood Pines, Phase 1, a Condominium (formerly Pinellas Pines, Phase 1, a Condominium), and Eastwood Pines Townhomes Association, Inc., a Florida non-profit corporation, which operates and manages Eastwood Pines, Phase 2, a Condominium (formerly Pinellas Pines, Phase 2, a Condominium), shall have the right to vote at membership meetings if said Associations elect to be members of this Property Association. When one or more person holds such interest or interests in any Unit, all such persons shall be members, and the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. Except where otherwise required under the provisions of these Articles, the Declaration of Covenants and Restrictions for Eastwood Shores or by law, the affirmative vote of the Owners of a majority of Units represented at any meeting of the members duly called and at which a quorum is present, shall be binding upon the members.

B. The Developer shall have the right to appoint the entire Board of Directors until the later of (i) the date it ceases to own any Units in Eastwood Shores, or (ii) the date it elects to withdraw the Undeveloped Parcel, as defined in the Declaration of Covenants and Restrictions, from the effect thereof without having completed construction of any Units thereon, even though prior to such election it does not own any Units in Eastwood Shores. During the period Developer appoints the entire Board of Directors, Developer may appoint advisory directors from the Class A membership who shall participate in the affairs of the Board of Directors, but shall have no vote.

C. The Association will obtain funds with which to operate by assessment of its members in accordance with the provisions of the Declaration of Covenants and Restrictions for Eastwood Shores, as supplemented by the provisions of the Articles and By-Laws of the Association relating thereto.

VI BOARD OF DIRECTORS

A. The affairs of the Association shall be managed by a Board of Directors consisting of not more than (15) Directors. So long as Developer shall have the right to appoint the Board of Directors, Directors need not be members of the Association and need not be residents of the State of Florida; thereafter,

all Directors shall be members of the Association and residents of the State of Florida. There shall be two (2) Directors appointed by the Class B member so long as the Class B member has the right to appoint the Board of Directors. After the Class B member's right to appoint the Board of Directors terminates, there shall be elected by the Class A members a board of Directors consisting of a number determined based upon the number of units in Eastwood Shores which are subject to the provisions of the Declaration of Covenants and Restrictions. The Owners of Units in each separate phase (each phase being either a separately submitted condominium regime or separately owned non-condominium parcel of Eastwood Shores project) of the property subject to the Declaration of Covenants and Restrictions shall elect at least one member of the Board of Directors. Any such phase with more than 65 units shall elect two such directors. Any such phase with more than 130 units shall elect three such directors. For any phase with more than 195 units an additional director shall be elected by its members for each group of 65 units in excess of 195 units. Each director elected by Class A members shall serve for a term from the date of the meeting where he is elected until the next annual meeting. In no event can a Board member be appointed by the Class B Member be removed except by action of the Class B Member. Any Director appointed by the Class B Member shall serve at the pleasure of the Class B Member, and may be removed from office, and a successor Director may be appointed, at any time by the Class B Member.

B. The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members to be held in the year 1980 and until their successors are elected or appointed and have qualified, are as follows:

Robert C. Bigham
9555 N. Kendall Drive
Miami, Fla. 33156

Victor L. Stosik
9555 N. Kendall Drive
Miami, Fla. 33156

Virginia Bennett
9555 N. Kendall Drive
Miami, Fla. 33156

VII OFFICERS

A. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. Officers shall be elected for one (1) year terms in accordance with the procedures set forth in the By-Laws. The names of the officers who are to manage the affairs of the Association until the annual meeting of the Board of Directors to be held in the year 1980 and until their successors are duly elected and qualified are:

President	:	Robert C. Bigham
Vice President:		Virginia Bennett
Treasurer	:	Victor L. Stosik
Secretary	:	Victor L. Stosik

VIII CORPORATE EXISTENCE

The Association shall have perpetual existence.

IX BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles.

X AMENDMENT TO ARTICLES OF INCORPORATION

These Articles may be altered, amended or repealed by resolution of the Board of Directors. No amendment affecting F & R Builders, Inc., a Florida corporation, or its successors or assigns as Developer of Eastwood Shores (as the same is defined in the Declaration of Covenants and Restrictions for Eastwood Shores) shall be effective without the prior written consent of said F & R Builders, Inc. or its successors or assigns, as Developer.

XI SUBSCRIBERS

The names and addresses of the subscribers are as follows:

Robert C. Bigham
9555 N. Kendall Drive
Miami, Fla. 33156

Victor L. Stosik
9555 N. Kendall Drive
Miami, Fla. 33156

Virginia Bennett
9555 N. Kendall Drive
Miami, Fla. 33156

XII INDEMNIFICATION OF OFFICERS AND DIRECTORS

A. The Association hereby indemnifies any Director of officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

1. Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity of Director or officer of the Association, or in his capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

XIV DISSOLUTION OF THE ASSOCIATION

A. Upon dissolution of the Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

1. Real property contributed to the Association without the receipt of other than nominal consideration by the Class B Member (or its predecessor in interest), but excluding therefrom the Recreation Parcel which it is intended shall be distributed in the manner provided in 2 below, shall be returned to the Class B Member (whether or not a Class B Member at the time of such dissolution), unless it refuses to accept the conveyance (in whole or in part).
2. Remaining assets shall be distributed among the members, subject to the limitations set forth below, as tenants in common, each members' share of the assets to be determined in accordance with its voting rights.

B. The Association may be dissolved upon a resolution to that effect being recommended by three-fourths (3/4) of the members of the Board of Directors, and, if such decree be necessary at the time of dissolution, after receipt of an appropriate decree as set forth in Florida Statutes Section 617.05 or statute of similar import, and approved by two-thirds (2/3) of the voting rights of the Association's members.

IN WITNESS WHEREOF, the said subscribers have hereto set their hands and seals this 23rd day of March, 1979.

Signed, sealed and delivered in the presence of:

Michelle Takey
Theresa J. Pallini

Robert C. Bigham
Robert C. Bigham

Michelle Takey
Theresa J. Pallini

Victor L. Stosik
Victor L. Stosik

Michelle Takey
Theresa J. Pallini

Virginia Bennett
Virginia Bennett

Michelle Takey

EXHIBIT 5

ARTICLES OF INCORPORATION
OF
EASTWOOD SHORES TOWNHOMES
A Corporation Not For Profit

In order to form a corporation under the Laws of Florida for the formation of corporations not for profit, we, the undersigned, hereby associate ourselves into a corporation for the purposes and with the powers herein specified; and to that end we do, by these Articles of Incorporation, set forth:

I.

The name of the corporation shall be:

EASTWOOD SHORES TOWNHOMES ASSOCIATION,
INC. (the "Association").

II.

The purposes and objects of the Association shall be to administer the operation and management of Eastwood Shores Townhomes (the "Condominium"), to be established as a condominium in accordance with the Florida Condominium Act (the "Act") upon land; situated in Pinellas County, Florida, described on Exhibit "1", attached hereto and made a part hereof and to perform the acts and duties incident to operation and management of the Townhomes in accordance with the provisions of these Articles of Incorporation, the By-Laws of the Association which will be adopted (the "By-Laws"), and the Declaration of Condominium of the Townhomes (the "Declaration"), which will be recorded in the Public Records of Pinellas County, Florida, when the Land, and the improvements constructed thereon, are submitted to the condominium form of ownership; and to own, operate, encumber, lease, manage, sell, convey, exchange, and otherwise deal with the Land, the improvements and such other property, real and/or personal, as may be or become part of the Townhomes (the "Property") to the extent necessary or convenient in the administration of the Townhomes. The Association shall be conducted as a non-profit organization for the benefit of its members.

III.

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the law pursuant to which this Corporation is chartered.

B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

1. Make and establish reasonable rules and regulations governing use of the Units, Common Elements, and Limited Common Elements in and of the Townhomes as such terms are defined in the Declaration.

2. Levy and collect assessments against members of the Association to defray the Common Expenses of the Condominium, as provided in the Declaration and the By-Laws; including the power to levy and collect assessments for the purpose of paying assessments levied against Units in the Townhomes by Eastwood Shores Property Owners Association, Inc. (the "Property Owners Association"), and for the purpose of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Condominium Property, including Units, which may be necessary or convenient in the operation and management of the Townhomes and in accomplishing the purposes set forth in the Declaration.

3. Maintain, repair, replace, operate and manage the Condominium Property, including the right to reconstruct improvements after casualty and further to improve and add to the Condominium Property.

4. Contract for the management of the Condominium and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration, the By-Laws, and the Act.

5. Enforce the provisions of these Articles of Incorporation, the Declaration, the By-Laws, and all rules and regulations governing use of the Townhomes which may from time to time be established.

6. Exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association in the Declaration and the Act.

IV.

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

A. The record owners of all Units in the Townhomes shall be members of the Association, and no other persons or entities shall be entitled to membership, except as provided for in Paragraph E, Article IV, hereof.

B. Membership shall be established by the acquisition of fee title to a Unit in the Townhomes or by acquisition of a fee ownership interest therein, by voluntary conveyance or operation of law, and the membership of any person or entity shall be automatically terminated when such person or entity is divested of all title or his entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any Unit.

C. The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Unit(s) owned by such member. The funds and assets of the Association shall be expended, held or used only for the benefit of the membership and for the purposes authorized herein, in the Declaration, and in the By-Laws.

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

E. Until such time as the Land, and the improvements constructed thereon, are submitted to the condominium form of ownership by recordation of the Declaration in the Public Records of Pinellas County, Florida, the membership of the Association shall be comprised of the Subscribers to these Articles, each of whom shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

V.

The Association shall have perpetual existence.

VI.

The principal office of the Association shall be located in Florida, but the Association may maintain offices and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

VII.

The affairs of the Association shall be managed by the President of the Association assisted by the Vice Presidents, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Townhomes and the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

VIII.

The Board of Directors shall be composed of three persons until such time as the Developer has conveyed title to all Units in the Townhomes. The number of members of succeeding Boards of Directors shall be from three to five, the actual number to be determined by a majority vote of members present at a duly called meeting of the Association where a quorum is present. The Directors shall be elected by the members of the Association at the annual meetings of the

membership as provided by the By-Laws. At least a majority of the members of all Boards of Directors shall be members of the Association or shall be authorized representatives, officers, agents, or employees of a corporate member of the Association.

When Unit owners other than F & R Builders, Inc., a Florida corporation, (the "Developer") own fifteen percent (15%) but less fifty percent (50%) of the Units that ultimately will be operated by the Association, the Unit owners other than the Developer shall be entitled to elect, in a manner to be provided in the By-Laws, not less than nor more than one-third (1/3) of the members of the Board of Directors. Unit owners other than the Developer shall be entitled to elect, in a manner to be provided in the By-Laws, not less than nor more than a majority of the members of the Board of Directors three years after sales by the Developer have been closed of fifty percent (50%), but less than ninety percent (90%), of the Units that will be operated ultimately by the Association, or three months after sales have been closed by the Developer of ninety percent (90%) of the Units that ultimately will be operated by the Association, or when all of the Units that ultimately will be operated by the Association have been completed, and some have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall have the right to elect, in the manner to be provided in the By-Laws, all members of the Board of Directors which Unit owners other than the Developer are not entitled to elect as long as the Developer holds for sale in the ordinary course of business any Units in the Townhomes and the Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least two (2) percent of the Units in the Townhomes. Notwithstanding the foregoing, the Developer shall be entitled at any time to waive in writing its rights hereunder, and thereafter to vote in elections for members of the Board of Directors in the same manner as any other member of the Association. After Unit owners other than the Developer elect a majority of the members of the Board of Directors, the Developer shall, within a reasonable time and in a manner to be provided in the By-Laws, relinquish control of the Association and shall deliver to the Association all property of the Unit owners and of the Association held or controlled by the Developer. The Developer shall be under no obligation to manage or control the Association or to appoint its representatives to the Board of Directors and may, at any time, relinquish any rights it has to do so and have its representatives on the Board resign.

IX.

The Board of Directors shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall deem advisable from time to time. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

X.

The names and residence addresses of the members of the first Board of Directors, who, subject to the provisions of the laws of Florida, these Articles of Incorporation and the By-Laws, shall hold office until the annual meeting of the association in the year 1980, and thereafter until their successors are selected and have qualified, are as follows:

Robert C. Bigham
9555 N. Kendall Drive
Miami, Fla. 33156

Victor L. Stosik
9555 N. Kendall Drive
Miami, Fla. 33156

Richard Wark
9555 N. Kendall Drive
Miami, Fla. 33156

XI.

The Subscribers to these Articles of Incorporation are the persons herein named to act and serve as members of the first Board of Directors of the Association. The names of the Subscribers, and their respective residence addresses, are set forth in Article X hereof.

XII.

The officers of the Corporation, who shall hold office until their successors are elected pursuant to these Articles of Incorporation and the By-Laws, and have qualified, shall be the following:

Robert C. Bigham, President

Virginia Bennett, Vice President

Victor L. Stosik, Secretary/Treasurer

XIII.

The original By-Laws of the Association shall be adopted by a majority vote of the Subscribers to these Articles of Incorporation at a meeting at which a majority of the Subscribers is present, and, thereafter, the By-Laws may be altered or rescinded only by affirmative vote of two-thirds (2/3) of the votes entitled to be cast by members of the Association.

XIV.

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful

misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

XV.

An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the members of the Association owning a majority of the Units in the Townhomes, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days or later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than fourteen (14) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting the amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than two-thirds (2/3) of the Units in the Townhomes in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each such amendment of these Articles of Incorporation shall be recorded in the Public Records of Pinellas County, Florida, within thirty (30) days from the date on which the same is filed in the office of the Secretary of State. Notwithstanding the foregoing provisions of this Article XV, no amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Developer to designate and select members of the Board of Directors of the Association, as provided in Article VIII hereof, may be adopted or become effective without the prior written consent of Developer.

XVI.

Upon affirmative vote of a majority of the Board of Directors and not less than 75% of the members, the Association may be merged into the Property Owners Association.

IN WITNESS WHEREOF, the Subscribers hereto have hereunto set their hands and seals this day of , 1979.

Robert C. Bigham

Victor L. Stosik

Virginia Bennett

STATE OF FLORIDA)
) SS.
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared Robert C. Bigham, Victor L. Stosik and Virginia Bennett who, being by me first duly sworn on oath, acknowledged that they executed the foregoing Articles of Incorporation for the purposes therein expressed, this day of , 1979.

(Notarial Seal)

Notary Public,
State of Florida at Large
My Commission expires:

EASTWOOD SHORES TOWNHOMES

RULES AND REGULATIONS

1. The greens and walkways in front of the townhome units and the entranceways to the townhome units shall not be obstructed permanently or used for any purpose other than ingress to and egress from the townhome units.

2. The exterior of the townhome units and the balconies, terraces, storage areas and all other areas appurtenant to a townhome unit shall not be painted, decorated or modified by any owner in any manner without prior consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association.

3. No article shall be hung from the doors or windows or placed upon the outside window sills of the townhome units.

4. No bicycles, scooters, baby carriages or similar vehicles or toys or other personal articles shall be allowed to stand in any of the common areas or driveways, except in areas specifically designated by the Board of Directors.

5. No owner shall make or permit any noises that will disturb or annoy the occupants of any of the townhome units in the development or do or permit anything to be done which will interfere with the rights, comfort or convenience of other owners.

6. Each owner shall keep his townhome unit clean and in a good state of repair. No owner or occupant shall sweep or throw, or permit to be swept or thrown, therefrom or from the doors or windows thereof, any dirt or other substance.

7. No shades, awnings, window guards, light reflective materials, hurricane or storm shutters, ventilators, fans or air conditioning devices shall be used in or about the buildings except as shall have been approved by the Association, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Association. The Association, acting through its initial Board of Directors, shall designate the color, type and specifications for all drapery liners to be used in all draperies which are exposed in any way to view from areas outside of any townhome unit, to the end that all of same shall be uniform in appearance.

8. Each townhome unit owner who plans to be absent from his unit during the hurricane season must prepare his unit prior to his departure by (a) removing all furniture, plants and other objects from his balcony or terrace and (b) designating a responsible firm or individual satisfactory to the Association to care for his townhome unit, should the unit suffer hurricane damage. Such firm or individual shall contact the Association for permission to install or remove hurricane shutters.

9. No sign, notice or advertisement shall be inscribed or exposed on or at any window, or other part of the townhome units except as shall have been approved in writing by the Association, nor shall anything be projected out of any window in the townhome units without similar approval.

17. All repairs, renovation and painting or other maintenance required or permitted to be done by the townhome unit owner shall be accomplished done or performed only by personnel or firms approved by the Association.

18. No vehicle belonging to an owner or to a member of the family or to a guest, tenant, or employee of an owner shall be parked in such manner as to impede or prevent ready access to another owner's unit or limited common elements or other parking spaces. The owners, their employees, servants, agents, visitors and licensees and the owner's family will obey the parking regulations posted at the private streets, parking areas and drives and any other traffic regulations promulgated in the future for the safety, comfort and convenience of the owners. No unit owner shall store or park or leave boats, trailers, trucks or campers or any commercial vehicle on the condominium property. No vehicle which cannot operate on its own power shall remain with the townhome property for more than twenty-four (24) hours, and no repair of vehicles shall be made within the townhome property. The Developer of the townhomes shall make assignments of vehicle parking spaces to unit owners initially. Thereafter, assignments of parking spaces shall be made by the Board of Directors to unit owners in accordance with such rules and regulations and priorities as the Board of Directors shall adopt from time to time.

19. The owner shall not cause or permit the blowing of any horn from any vehicle of which his guests or family shall be occupants approaching or upon any of the driveways or parking areas serving the condominium property.

20. No owner shall use or permit to be brought into the townhome units any flammable oils or fluids, such as gasoline, kerosene, naphtha or benzine, or other explosives or articles deemed hazardous to life, limb or property.

21. No owner shall be allowed to put his name on any entry of the townhome units or mail receptacles appurtenant thereto except in the proper places and in the manner prescribed by the Association for such purpose.

22. Any damage to buildings, recreational facilities or other common areas or equipment caused by any resident or his guests shall be repaired at the expense of the owner who has himself or whose guests or family have caused same.

23. Complaints regarding management of the townhome units and grounds or regarding actions of other owners shall be made in writing to the Association.

24. Any consent or approval given under these rules and regulations by the Association shall be revocable at any time.

25. The Recreation Areas are solely for the use of the townhome residents and their invited guests. Those who swim in the pools and utilize the other recreational facilities shall do so at their own risk. The Association shall not be liable for any personal injury, loss of life or property damage in any way caused or arising from the use of the recreation facilities.

26. The use of the swimming pool, pool area and recreation facilities, permitted hours, guest rules, safety and sanitary provisions and all other pertinent matters shall be in accordance with regulations adopted from time to time by the Association and posted in the swimming pool area.

BY-LAWS

OF

EASTWOOD SHORES TOWNHOMES

A Corporation Not For Profit

I. IDENTITY

A. These are the By-Laws of Eastwood Shores Townhomes Association, Inc. (the "Association"), a Florida corporation not for profit, the Articles of Incorporation (the "Articles") of which were filed in the office of the Secretary of State of Florida on July 17, 1979. The Association has been organized for the purpose of administering the operation and management of Eastwood Shores (the "Condominium"), established or to be established in accordance with the Florida Condominium Act (the "Act") upon land, situated in Pinellas County, Florida, described on Exhibit "1" attached hereto and made a part hereof.

B. The provisions of these By-Laws are applicable to the Condominium and are subject to the provisions of the Articles. A copy of the Articles and a copy of these By-Laws will be annexed, as Exhibits, to the Declaration of Condominium of the Condominium (the "Declaration") which will be recorded in the Public Records in Pinellas County, Florida. The terms and provisions of the Articles and Declaration shall control wherever the same may conflict herewith.

C. All members of the Association and their invitees, including, without limitation, all present or future owners and tenants of dwelling units in the Condominium ("units") and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these By-Laws, the Articles and the Declaration.

D. The office of the Association shall be at the site of the premises of the Condominium or at such other place as may be established by resolution of the Board of Directors.

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

F. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not For Profit", and the year of incorporation.

II. MEMBERSHIP, VOTING, QUORUM, PROXIES.

A. The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting by Members, shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

B. A quorum at meetings of Members shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. The vote of the owner(s) of a Unit owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association, designate one natural person as the Primary Occupant. The instrument designating the Primary Occupant shall be filed with the Association, and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of members or in connection with any action concerning which members of the Association shall be required or allowed to vote or otherwise act.

D. Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such owner if in an Association meeting.

E. Except where otherwise required under the provisions of the Articles, these By-Laws or the Declaration, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the Units represented at any meeting of the Members duly called and at which a quorum is present, shall be binding upon the members.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. The annual meeting of Members shall be held, at the office of the Association or such other place in Pinellas County, Florida as may be specified in the notice of the meeting, at 7:00 P.M. on the second Tuesday in May of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members. If such date shall be a legal holiday the annual meeting date shall be the next succeeding regular business day.

B. Special meetings of Members shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Members owning a majority of the Units.

C. Notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member (unless waived in writing). Each notice shall be written or printed and shall state the time and place of and purpose for which the meeting is called. Each notice shall, if possible, be given to each

Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed or delivered personally to each Member. If delivered personally, receipt of the notice shall be signed by the Member, indicating the date received. If mailed, such notice shall be deemed properly given when deposited in the United States Regular Mail, addressed to the Member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Proof of mailing shall be given by the affidavit of the person giving the notice. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. Each notice shall in addition be posted in a conspicuous place in each building of the Condominium at least forty-eight (48) hours prior to said meeting. If any meeting of Members cannot be held because a Quorum is not present, or because a greater percentage of the membership required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the By-Laws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. At meetings of Members, the Chairman of the Board, or in his absence, the President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting.

E. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (1) Calling of the roll and certifying of proxies
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading or waiver of reading of minutes of previous meeting of Members
- (4) Reports of officers
- (5) Reports of committees
- (6) Appointment by Chairman of inspectors of election
- (7) Election of Directors
- (8) Unfinished business
- (9) New business
- (10) Adjournment

11. BOARD OF DIRECTORS.

A. The first Board of Directors shall consist of three (3) persons who shall be the subscribers to the Articles;

Succeeding Boards of Directors shall consist of three (3) persons. At least the majority of each succeeding Board of Directors shall be Members of the Association, or shall be authorized representatives, officers or employees of a corporate Member of the Association. When Unit owners other than F & R Builders, Inc. a Florida corporation, (the "Developer") own fifteen percent (15%) but less than fifty percent (50%) of the Units that ultimately will be operated by the Association, the Unit owners other than the Developer shall be entitled to elect, in the manner provided in Paragraph B, Article IV of these By-Laws, not less than nor more than one-third (1/3) of the members of the Board of Directors. The Unit owners other than the Developer shall be entitled to elect, in the manner provided in Paragraph B, Article IV of the By-Laws, not less than nor more than a majority of the members of the Board of Directors, three (3) years after sales by the Developer have been closed on fifty percent (50%) but less than ninety percent (90%) of the Units that ultimately will be operated by the Association, or three months after sales have been closed by the Developer of ninety percent (90%) of the Units that ultimately will be operated by the Association, or when all of the Units that ultimately will be operated by the Association have been completed and some have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall have the right to elect in the manner provided in Paragraph B, Article IV of these By-Laws the members of the Board of Directors which other Unit owners are not entitled to elect as long as the Developer holds for sale in the ordinary course of business any Units in the Condominium; and the Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least two (2) percent of the Units in the Condominium. Notwithstanding the foregoing, the Developer shall be entitled at any time to waive its rights hereunder, by execution and delivery to the Association of a written waiver; and thereafter to vote in elections for members of the Board of Directors in the same manner as any other Unit owner.

B. Directors shall be elected in the following manner:

- (1) Commencing with the election of the first Board to succeed the Board comprised of the Subscribers of the Articles, Developer shall designate that number, and the identity, of the members of the Board which it shall be entitled to designate in accordance with the Articles and these By-Laws, and upon such designation by Developer, by written instrument presented to the meeting at which such election is held, the persons so designated by Developer shall be deemed and considered for all purposes Directors of the Association, and shall thereafter hold the offices and perform the duties of such Directors until their successors shall have been elected or designated, as the case may be, and qualified in accordance with the provisions of these By-Laws.

- (2) All members of the Board whom Developer shall not be entitled to designate under these By-Laws shall be elected, by a majority of the votes cast at the annual meeting of the members, immediately following the designation of the members of the Board whom Developer shall be entitled to designate.
- (3) Vacancies on the Board may be filled, to expire on the date of the next annual meeting, by the remaining Directors; except that, should any vacancy in the Board be created in any directorship previously filled by any person designated by Developer, such vacancy shall be filled by Developer designating, by written instrument delivered to any officer of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof.
- (4) If, at the time of the first annual meeting of members, Unit owners other than the Developer are entitled to elect some or all of the Directors, the terms of office of such Directors shall be one year. The term of office of all directors designated by the Developer shall also be for one year. Directors shall hold office for the terms to which elected or designated, and thereafter until their successors are duly elected, or designated by Developer, and qualified, or until removed in the manner elsewhere herein provided or as provided by law.
- (5) In the election of Directors, there shall be appurtenant to each Unit as many votes for Directors as there are Directors to be elected; provided, however, that no member or owner of any Unit may cast more than one vote for any person nominated as a Director; it being the intent hereof that voting for Directors shall be non-cumulative.
- (6) In the event that Developer selects any person or persons to serve on any Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective

immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. The organizational meeting of a newly elected or designated Board shall be held immediately following the adjournment of the membership meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided, that a quorum shall be present.

D. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, and shall be open to all members of the Association. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived; notice shall also be posted in a conspicuous place in each building of the Condominium at least forty-eight (48) hours prior to said meeting.

E. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than three (3) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Such notice shall also be posted in a conspicuous place in each building of the Condominium at least forty-eight (48) hours prior to said meeting.

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

G. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these By-Laws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these By-Laws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

H. The presiding officer of meetings of the Board shall be the Chairman of the Board, if such officer has been elected, or, if not, the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

I. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the law of Florida, the Articles, these By-Laws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these By-Laws and the Declaration, and shall include, without limitation, the right, power and authority to:

- (1) Make, levy and collect assessments against Members and Members' Units to defray the costs of the Condominium, including, if assessed to the Condominium as a whole, the costs of paying of assessments levied against the Condominium by Eastwood Shores Property Owners Association, Inc. for maintenance and management of the recreation parcel, parking and driving areas, for the use and benefit of Members and to use the proceeds of assessments in the exercise of the powers and duties of the Association;
- (2) Maintain, repair, replace, operate and manage the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of Members;
- (3) Repair and reconstruct improvements after casualty;
- (4) Make and amend regulations governing the use of the property, real and personal, in the Condominium; provided, that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;
- (5) Approve or disapprove proposed purchasers and lessees of Units and to exercise or waive the Association's right of first refusal of each proposed sale of a Unit in the manner specified in the Declaration. The President or the Vice President of the Association are and shall be authorized to approve (but not disapprove) any proposed purchaser or lessee, or to waive (but not to exercise) the Association's right of first refusal, and to execute, on behalf of the Association, appropriate documents to evidence same;
- (6) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration;
- (7) To contract for the management and maintenance of the condominium property and to authorize a management agent to assist the association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and

replacement of the common elements with funds as shall be made available by the association for such purposes. The association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the association.

- (8) Enforce by legal means the provisions of the Articles, these By-Laws, the Declaration and all regulations governing use of property of and in the Condominium hereafter adopted;
- (9) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and to assess the same against the members and their respective Units subject to such liens;
- (10) Carry insurance for the protection of the members and the Association against casualty and liability;
- (11) Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units;
- (12) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

J. The first Board of Directors of the Association shall be comprised of the three (3) subscribers to the Articles. Thereupon, Subscribers of the Articles, who shall serve until their successors are designated by Developer or elected at the annual meeting of the Members in the year 1980. Should any member of the first Board be unable to serve for any reason, Developer shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

K. Directors may be removed from office in the manner provided by law for the removal of directors of Florida corporations not for profit.

V. ADDITIONAL PROVISIONS-MEETINGS OF MEMBERS AND DIRECTORS.

A. Notwithstanding anything contained in these By-Laws to the contrary, any meeting of Members or the Board may be held at any place, within or without the State of Florida, designated in the notice of any such meeting, or notice of which is waived.

B. To the extent now or from time to time hereafter permitted by the laws of Florida, the Board may take any action which it might take at a meeting of the Board without a meeting; provided, that a record of all such actions so taken, signed by each Director, shall be filed and retained in the minute book of the Association.

VI. OFFICERS.

A. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary properly to manage the affairs of the Association. Officers may be removed from office by the Board.

B. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

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

D. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the giving and serving of all notices to the Members and Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same 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 a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

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

F. The compensation of all officers and employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association, nor preclude contracting with a Director for the management of the Condominium.

VII. FISCAL MANAGEMENT.

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

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the owner(s) and mortgagee(s) (if known) of each Unit, the amount of each assessment against the owner(s) of each Unit, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

B. The Board shall adopt, for, and in advance of, each calendar year, a budget showing the estimated costs of performing all of the functions of the Association for the year. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements and Limited Common Elements, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the owner(s) of each Unit and the due date(s) and amounts of installments thereof. Unless changed by the Board the fiscal year of the Association shall be the calendar year. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. A copy of the proposed annual budgets of the Association shall be mailed to the Unit owners not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of that meeting. Such meeting of the Board shall be open to Unit owners. If a budget is adopted by the Board which requires assessment of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Unit owners, a special meeting of the Unit owners shall be held upon not less than ten (10) days written notice to each Unit owner, but within thirty (30) days of the delivery of such application of the Board or any member thereof, at which special meeting Unit owners may consider only and enact only a revision of the budget, or recall any and all members of the Board and elect their successors. Any such revision of the budget or recall of any and all members of the Board shall require a vote of not less than two-thirds (2/3) of the whole number of votes of all Unit owners. The Board may in any event first propose a budget to the Unit owners at any such meeting of members or by writing, and if such budget or proposed budget be approved by a majority of the whole number of votes of all Unit owners, either at such meeting or by writing, such budget shall not thereafter be reexamined by the Unit owners in the manner hereinabove set forth nor shall any and all members of the Board be recalled under the terms hereof.

D. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded in the computation for reasonable reserves made by the Board in respect of repair and replacement of Condominium or Association property, or property owned or maintained by Eastwood Shores Property Owners Association, Inc. (the "Property Owners Association"), if its assessments are made directly to the condominium as a whole, or in respect of anticipated expenses by the Association or the Property Owners Association, if so assessed to the condominium as a whole, 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 or property owned or maintained by the Property Owners Association, if so assessed to the condominium as a whole. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of a majority of the whole number of votes of all Unit owners.

E. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to each Unit owner. Assessments shall be made against Unit owners pursuant to procedures established by the Board, and in accordance with terms of the Declaration and the Articles. Unit owners shall be liable to pay assessments not more often than monthly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these By-Laws.

F. If the Association shall be the designated Association for more than one condominium, notwithstanding the fact that the Association shall maintain separate books of account for each of the Condominiums, all sums collected by the Association from all assessments against all Units in the Condominiums may be commingled in a single fund, or divided into more than one fund, as determined from time to time by the Board of Directors.

G. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by checks signed by such persons as are designated by the Board.

H. A summary of the accounts of the Association shall be prepared annually and a copy of the report shall be furnished to each Member not later than April 1 of the year following the year for which the report is made.

I. Fidelity bonds may be required by the Board from all officers, employees and/or agents of the Association handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against Members for common expenses. The premiums on such bonds shall be paid by the Association.

VIII. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles, these By-Laws or the laws of Florida.

IX. AMENDMENTS TO BY-LAWS.

Amendments to these By-Laws shall be proposed and adopted in the following manner:

A. Amendments to these By-Laws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members owning a majority of the Units in the Condominium, whether meeting as Members or by instrument in writing signed by them.

B. Upon any amendment or amendments to these By-Laws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth; provided, that proposed amendments to the By-Laws may be considered and voted upon at annual meetings of the members.

C. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of the owners of Units to which not less than seventy-five percent (75%) of the Common Elements are appurtenant and a copy of such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be incorporated into an amendment of the Declaration and recorded in the Public Records of Duval County, Florida, within thirty (30) days from the date in which any amendment or amendments have been affirmatively approved by the Members.

D. At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

E. Notwithstanding the foregoing provisions of this Article IX, no amendment to these By-Laws which shall abridge, amend or alter the right of Developer to designate members of such Board of Directors of the Association, as provided in Article IV hereof, may be adopted or become effective without the prior written consent of Developer.

The foregoing were adopted as the By-Laws of
 BENTWOOD SHORES TOWNHOMES 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
 20th day of JULY, 1979.

Dated: JULY 24, 1979

Victor L. Stosik
 Victor L. Stosik, Secretary

APPROVED:

Robert C. Biggam
 Robert C. Biggam, President

Corp. Seal

EASTWOOD SHORES TOWNHOMES

PROSPECTUS

NAME AND LOCATION

Eastwood Shores Townhomes is the first phase of a two-phase condominium being developed by F & R Builders, Inc., as part of the multi-phased condominium project known as Eastwood Shores Condominiums. Eastwood Shores Townhomes is located between Lichen Lane and Haines-Bayshore Road (County Road No. 118) and Bough Avenue and Wolford Road (County Road No. 256), in the City of Clearwater, Pinellas County, Fla. Eastwood Shores Townhomes Association, Inc., is the condominium association which will serve phase 1 of Eastwood Shores Townhomes, comprising of 19 units, and phase 2 of Eastwood Shores Townhomes comprising of 33 units as well. The owners of units in each of these two phases of the condominium will be entitled to use the common areas in the other phase of Eastwood Shores Townhomes due to the fact that the common areas and common elements in phase 1 of Eastwood Shores Townhomes will be merged with the common areas and common elements of Eastwood Shores Townhomes when phase 2 is submitted, annexed, entered and created.

DESCRIPTION OF CONDOMINIUM

This condominium consists of 19 units in three two-story buildings with four units in two of the buildings and seven units in one of the buildings, and the six-unit buildings are designated 1821, 1823, 1825, 1827, 1829 and 1831 and 2901, 2903, 2905, 2907, 2909, 2911, and the seven unit building is designated 1816, 1818, 1820, 1822, 1824, 1826 and 1828. Annexed hereto as Exhibit A and made a part hereof by this reference, is a schedule setting forth the number of buildings, the number of units in each building, and the number of bedrooms and bathrooms in each unit.

The floor plans of units may be found in the sales brochure for Eastwood Shores Condominiums.

The site plan and survey of the condominium showing the location of all residential buildings and common areas used by the unit owners in this condominium is set forth as Exhibit 2 to the Declaration of Condominium for Eastwood Shores Townhomes, which is attached to this Prospectus and is also shown on Exhibit 7 attached to this prospectus.

The estimated latest date for completion of this condominium is November, 1979.

THIS CONDOMINIUM IS BEING CREATED AND SOLD AS FEE SIMPLE INTEREST.

DESCRIPTION OF EASTWOOD SHORES - PHASED DEVELOPMENT

The multi-phased project known as Eastwood Shores is approximately located South of Haines-Bayshore Rd, East of Wolford Drive and Rainbow Blvd., adjacent to and West of Tampa Bay, and 1 1/2 miles North of East Bay Drive, in the city of Clearwater, Pinellas County, Florida, on the property legally described on Exhibit B, attached hereto and by this reference made a part hereof. Eastwood Shores Townhomes - Phase 1 and Eastwood Shores Townhomes - Phase 2 are located on the property legally described on Exhibits C1, C2 and C3, attached hereto. The developer is the owner of property which lies North, Northeast and West, adjacent and contiguous to Eastwood Shores Townhomes which said lands are described on Exhibit D, attached hereto, which property developer may develop into other condominiums with a maximum of 52 residential units; said property is hereinafter referred to as the "Stage Three Development" area.

The recreational facilities to be used by all residents in Eastwood Shores Townhomes - phases 1 and 2 and all residents in the "Stage Three Development" Area, have been completed on approximately 0.30 acres of land described in Exhibit E, attached hereto, and will be jointly owned, operated and maintained by Eastwood Shores

Townhomes Association, Inc. and the other condominium associations created by developer to operate, maintain and manage the future condominiums created in the "Stage Three Development" area. The Developer plans to construct a total of 104 units in the "Stage Three Development" area including 52 units comprising phase 1 and phase 2 of Eastwood Shores Townhomes.

The unit owners in Eastwood Shores Townhomes Association, Inc. share the use of tennis courts, open areas, common driveways and a master T.V. antenna system with all unit owners in the Eastwood Shores Condominium Project. The developer plans to construct a total of 600 units in the Eastwood Shores Condominium Project including the 124 existing condominium and townhouse units which were constructed by the prior developer of the Eastwood Shores Condominium Project. Consequently, a maximum of 600 units will use these facilities in common with this condominium. This recreational facility will be owned, operated and maintained by the Eastwood Shores Property Owners Association, Inc.

DESCRIPTION OF RECREATIONAL AND OTHER COMMONLY USED FACILITIES

The recreational and other commonly used facilities to be used by the residents of this and other "Stage Three Development" Area condominiums is owned and operated by Eastwood Shores Townhomes Association, Inc. in common with the other condominium associations created by developer in the "Stage Three Development" area and these associations will have a specific undivided interest in the facility, and the interest owned by each association will be arrived at by using the total number of units in that association as the numerator and using the figure of 104 as the denominator. When the developer submits, annexes, adds and creates phase 2 of Eastwood Shores Townhomes, the common areas and common elements of phase 2 of Eastwood Shores Townhomes will merge into one condominium so that the unit owners in phase 1 and phase 2 will own a proportionate share of all of the common elements

of Eastwood Shores Townhomes and said common elements will be operated by Eastwood Shores Townhomes Association, Inc. The use and payment of assessments for the maintenance of the common elements of Eastwood Shores Townhomes and the recreational facilities for the "Stage Three Development" area is a mandatory condition of unit ownership in the condominium.

The recreational and other commonly used facilities to be used by all 600 residents of the Eastwood Shores Condominium Project are owned and operated by the Eastwood Shores Property Owners Association, Inc., of which the condominium association for this condominium is a member. The use and payment of assessments for the maintenance of the recreational facilities maintained by the Property Association and the operation of the Property Association is also a mandatory condition of unit ownership in the condominium.

GENERAL DESCRIPTION OF "STAGE ONE DEVELOPMENT" AREA FACILITIES

The recreational facilities which will serve the 104 units to be built in the "Stage Three Development" area (including phases 1 and 2 of Eastwood Shores Townhomes) consists of a 186 square foot "recreation building" with an adjoining "kidney shaped" swimming pool, pool deck, walks, area lighting and landscaping located at Bough Avenue, Clearwater, Florida. All facilities are complete and are ready for use by unit owners in Eastwood Shores Townhomes and the "Stage Three Development" area.

DESCRIPTION OF RECREATION BUILDING:

<u>Area</u>	<u>Purpose</u>	<u>Floor Area In Square Feet</u>	<u>Maximum Capacity In Persons</u>
Men's Bath	N/A	36 sq. ft.	N/A
Women's Bath	N/A	36 sq. ft.	N/A

<u>Area</u>	<u>Purpose</u>	<u>Floor Area In Square Feet</u>	<u>Maximum Capacity In Persons</u>
Storage Area	Maintenance equipment and Supplies	114 sq. ft.	N/A

THE RECREATIONAL FACILITIES:

Adjoining the recreation building is a non-heated 20 ft. by 40 ft. kidney shaped swimming pool with an approximate depth of 6 ft. and a capacity of 32 persons. The pool deck surrounding the swimming pool is circular in shape and encompasses approximately 3,500 sq. ft. As part of the recreation building, there will be a pool equipment storage area for storage of pool maintenance materials and supplies. Also located in the recreation building is the pump which will be used for the sprinkler system which will serve all of Eastwood Shores Townhomes and the "Stage Three Development" area.

The developer has no plans at the present time to provide additional facilities as part of the "Stage Three Development" area recreational facilities, based upon the fact that the existing "Stage Three Development" recreation area will adequately serve up to 104 units.

PERSONAL PROPERTY IN THE RECREATION BUILDING:

The recreation building and pool area will be furnished and supplied with the items of personal property shown on the following schedule:

<u>Area</u>	<u>Items of Personal Property</u>
Swimming Pool	Maintenance tools, equipment and supplies.
Swimming Pool Deck	Three (3) pool deck chaise lounges and four (4) round umbrella tables with umbrellas and sixteen (16) pool chairs.

Developer has either spent, or will spend, at least \$1,250.00 to equip and furnish the recreational facilities.

GENERAL DESCRIPTION OF PROPERTY ASSOCIATION FACILITIES

The recreational facilities which will be used by all 600 unit owners at the Eastwood Shores Condominium Project consists of two unlighted tennis courts and a 1.13 acre common area located and overlooking Tampa Bay. Other facilities which will be commonly used by all 600 residents of Eastwood Shores Condominium Project include Bow Avenue, Lichen Lane, main water and sewer lines which service the entire project, the sewage lift station which also serves the entire project, the retention pond and any common parking spaces and a 14.20 acre tract located in Tampa Bay. The recreational facilities described above for use by the unit owners in this and other condominiums and all residents of Eastwood Shores Condominiums are owned and operated by the Eastwood Shores Property Owners Association, Inc. Membership in the Property Association consists of the condominium associations for all condominiums (including Eastwood Shores Townhomes Association, Inc.) and other residents in Eastwood Shores Condominiums (including the townhouses and quadplex condominiums previously constructed by the prior developer of the Eastwood Shores Condominium Project) and the developer, so long as it owns any property in the Eastwood Shores Condominium Project or has the right to elect a Director for the Property Association, will initially control the Property Association and may maintain control until the later of the date it ceases to own any existing or permissible dwelling units in all of Eastwood Shores Condominiums or the date it elects to withdraw the undeveloped parcel, as defined in the Declaration of Covenants and Restrictions for Eastwood Shores (which is Exhibit 9 to this Prospectus),

from the effect thereof without having completed construction of any units thereon even though prior to such election it does not own any units in Eastwood Shores. See Exhibit F for the location of the recreation facilities owned by the Property Association.

UNIT LEASE PROGRAM

The Developer does not presently plan any program which includes the leasing of condominium units rather than the building thereof; however, no assurance can be given that this policy will continue in the future.

CONTROL OF THE CONDOMINIUM ASSOCIATION AND PROPERTY ASSOCIATION

Each purchaser of a residential unit in Eastwood Shores Townhomes by taking title to the unit, becomes a member of two (2) maintenance related associations. The first is Eastwood Shores Townhomes Association, Inc., which administers those fares related to the condominium itself including a joint participation in the administration of Recreation Area No. 3 and which will levy maintenance assessments to be paid by its members. The second is the Eastwood Shores Property Owners Association, Inc., which will manage and maintain the tennis courts, Recreation Area A, Recreation Area B and other common open areas and driveways to be used in common by all property owners in the Eastwood Shores Condominium Project including all property owners in Eastwood Shores Townhomes.

The Developer will control Eastwood Shores Townhomes Association, Inc., until three (3) months after the closing of 90% of the units which will be operated by the condominium association (which is 52 units); or until the Developer voluntarily elects to terminate its control of the Association, whichever shall first occur. Control of the Association, upon transfer from the Developer, will be in the unit owners of this condominium (Phase 1 of Eastwood Shores Townhomes and of Eastwood Shores Townhomes - Phase 2). For further information reference is made to Pages 3 - 5 of the Articles of Incorporation of Eastwood Shores Townhomes attached to this Prospectus as Exhibit 3.

Purchasers are cautioned that the nature of condominium ownership is highly restrictive to certain rights not normally incident to the ownership of other property. The use restrictions hereinbefore mentioned may be enforced by either Eastwood Shores Townhomes Association, Inc., or Eastwood Shores Property Owners Association, Inc.

UTILITY SERVICES

The City of Largo provides sewage and waste disposal based upon City rates and pursuant to rules and regulations and ordinances of the City. Pinellas County provides water supply based upon County rates pursuant to the rules and regulations and ordinances of the County. There is a "separate" water and sewer meter for the three buildings, containing 19 units, which is Phase 1 of Eastwood Shores Townhomes and there is a separate water and sewer meter for the six buildings containing 33 units, which is Phase 2 of Eastwood Shores Townhomes and consequently the condominium association will be billed by the City of Largo and Pinellas County for these services. Wells Brothers, a private company, provides garbage and trash disposal at a rate of \$4.50 per unit per month; Wells Brothers will bill the Association for this service and the Association in turn will collect it from each unit owner as part of the unit owners monthly maintenance expense.

Electric service is provided by Florida Power Corporation to each unit pursuant to rates and in accordance with its rules and regulations. Telephone service is provided by General Telephone to each unit pursuant to its rates and in accordance with its rules and regulations. Consequently, each owner will receive billing by the utility company on his own unit for electric and telephone service.

Storm drainage facilities have been constructed by Developer in the condominium property for the removal of surface water brought by normal storm and rainfall. This is a positive gravity storm drainage system utilizing underground piping which diverts water runoff into the retention pond which is to be maintained by the Eastwood Shores Property Association, Inc. Water for landscaping purposes is supplied by a well, pump and sprinkler system which will service all condominiums created within the "Stage Three Development" area including Eastwood Shores Townhomes, the expenses of which are allocated among the condominiums using the same in accordance with Article XIII(D) of the Declaration.

The Developer will initially control and may retain control of Eastwood Shores Property Owners Association, Inc., until the later of the date it ceases to own any existing or permissible dwelling units in all of Eastwood Shores Condominiums or the date it elects to withdraw the undeveloped parcel, as defined in the Declaration of Covenants and Restrictions for Eastwood Shores (which is Exhibit 9 to this Prospectus), from the effect thereof without having completed construction of any units thereon even though prior to such election it does not own any units in Eastwood Shores. For further information reference is made to Page 3 of the Articles of Incorporation of Eastwood Shores Property Owners Association, Inc., which is Exhibit 10 to this Prospectus and to Page 2 of the By-Laws for Eastwood Shores Property Owners Association, Inc., which is attached to this Prospectus as Exhibit 11.

CONDOMINIUM RESTRICTIONS

Certain rules, regulations and restrictions necessary to maintain the high standards of appearance and welfare in Eastwood Shores Townhomes have been imposed upon unit owners by Article XVI of the Declaration of Condominium attached to this Prospectus as Exhibit 2, and the "House Rules and Regulations" both of which are attached to this Prospectus as Exhibits 2 and 12 respectively. Rules regarding the use of condominium units, condominium property and the conduct of all residents thereof, including but not limited to children, pets, T.V. antennas, improvements to the exterior of the condominium unit, vehicles, and trash removal are found in the House Rules and Regulations. However, there are no restrictions concerning the use of the condominium by children. There are certain restrictions which require Association approval in order for a unit owner to lease, convey or mortgage his unit and these restrictions are found in Article XVII of the Declaration of Condominium. Dogs and cats 20 pounds and under and other domestic pets are allowed in the condominium property or the unit in accordance with the House Rules and Regulations provided that said animal shall not disturb or annoy other occupants of the building.

MANAGEMENT AND OPERATION

There is presently no management agreement in existence for the operation of Eastwood Shores Townhomes or the operation of the Eastwood Shores Property Owners Association, Inc. However, Developer reserves the right, while in control of each such association, to cause either or both of them to enter into such contracts. If so, the manager selected will not be affiliated with Developer and its agreement will be negotiated at arms length. The operating budgets appearing as Exhibits hereto take the possibility of such management arrangements and the fee therefore into account. Furthermore, any such management agreement will in no way relieve members of the Board of Directors of either the condominium association or the property association of their fiduciary responsibilities to their respective associations in the event of improper action on the part of the management company.

Initially, the Developer will control the Eastwood Shores Townhomes Association, Inc., until control is turned over to the unit owners and will also control the Eastwood Shores Property Owners Association, Inc., until control is turned over to all condominiums and all other residents in the Eastwood Shores Condominium Project.

The Eastwood Shores Property Owners Association, Inc., intends to contract with Community Electronics Systems to provide community television antenna service to all owners in the Eastwood Shores Condominium Project which will purchase units from builder (476 units) through a master T.V. antenna system. A master T.V. tower located near the Recreation Area No. 1 recreation building provides T.V. signals to each dwelling unit through a system of amplifiers, underground wiring and signal decoders. The Property Association will be charged for such service and will collect the subscription fee monthly from each condominium association including Eastwood Shores Townhomes Association, Inc., which in turn will collect it from each owner within that condominium.

COMMON OWNERSHIP PERCENTAGE AND APPORTIONMENT OF COMMON EXPENSES

The basis for computing common ownership percentage and apportionment of common expenses and surplus in Eastwood Shores Townhomes - Phase 1 (19 units) has been determined from the ratio of the gross floor area of each unit to the total floor area of all units. At the time that the Developer submits, annexes, adds and creates Phase 2 of Eastwood Shores Townhomes, containing 33 units, to Phase 1 of Eastwood Shores Townhomes, the basis for computing common ownership percentage and apportionment of common expenses and surplus in Eastwood Shores Townhomes will be determined from the ratio of the gross floor area of each unit to the total floor area of all 52 units comprising Eastwood Shores Townhomes.

The basis for computing the apportionment of common expenses assessed by the Eastwood Shores Property Owners Association, Inc., separately and apart from the Eastwood Shores Townhomes Association, Inc., has been determined by attributing to each condominium association created a share equal to the ratio of the total number of units managed by the said Association to the 600 total units to be built in the Eastwood Shores Condominium Project.

In other words, when both phases of Eastwood Shores Townhomes have been created, then the Eastwood Shores Townhomes Association, Inc., will be responsible for 52/600 of the common expenses assessed by the Property Association. The Townhomes Association in turn will assess each unit owner's share of this Property Association expense as if it was an Association common expense.

CLOSING EXPENSES

There are no closing expenses charged by the Seller in the sale of units in this Condominium. The Seller will pay the cost of Documentary Stamps, Surtax, and the cost of recording the Warranty Deed. The Seller will not arrange financing or other extensions of credit for the Buyer. The Seller will supply a Purchaser who pays cash for his Unit with an owner's

title insurance policy; otherwise, Seller will only furnish Purchaser with a mortgagee's title insurance policy. The Buyer may obtain his own loan to finance the purchase of his unit and will be responsible for all closing costs charged by the lender. Typical closing costs charged by local lenders in the area are two percent (2%) to four percent (4%) of the mortgage loan amount; however, no assurance is given as to the accuracy of this estimate. Information regarding pre-payments, monthly payments and other matters related to a mortgage which may appear on the Sales Brochure and price sheets are estimates for information only and are based on the best data presently available.

At closing the Purchaser will be required to pay to Eastwood Shores Townhomes Association, Inc., 1 month's prepaid maintenance assessment and a contribution to initial working capital equal to two month's maintenance assessments. Similarly, a purchaser will also be required to pay at closing to the Eastwood Shores Property Owners Association, Inc., 1 month's prepaid maintenance assessment and a contribution to initial working capital equal to two month's maintenance assessment.

BUDGET

An estimated annual and monthly operating budget for Eastwood Shores Townhomes Association, Inc., together with a schedule of unit owner's expenses, is included in the Prospectus as Exhibit 5. An estimated operating budget for Eastwood Shores Property Owners Association, Inc., is included in this Prospectus as Exhibit 5.

a. The amounts showing on Exhibit 5 reflect estimated monthly and annual expenses of Eastwood Shores Townhomes Association, Inc.

b. The amounts shown on Exhibit 5 reflect estimated monthly and annual expenses of Eastwood Shores Property Association, Inc.

c. The amounts shown on Exhibit 5 reflect the Developer's estimate of items of expense which might reasonably be anticipated as of January 1, 1979. Any items not reflected on Exhibit 5 are not reasonably

anticipated. The Developer has acted in good faith in estimating what expenses and the amount thereof that might reasonably be anticipated; however, the Developer cautions prospective purchasers that the items of expense and amount are merely reasonable estimates and not guarantees.

d. The Budgets reflected in Exhibit 5 are for the twelve (12) month period commencing with the first closing of a Condominium unit in Eastwood Shores Townhomes or for such greater or lesser period as determined by the Board of Directors of Eastwood Shores Townhomes Association, Inc. It cannot reasonably be ascertained at the time of this publication when the Board of Directors of Eastwood Shores Townhomes will be composed of members of which a majority was elected by unit owners other than the Developer.

ASSESSMENTS

The Developer does, however, guaranty to initial purchasers that the monthly assessments due from owners other than the Developer for (i) common expenses of the condominium association and (ii) expenses of the property owners association will not exceed the amounts shown on Exhibit 5 during the first year the budgets are in force and thereafter will not exceed 115% of the amounts assessed for the prior year, each calendar year from and after the date of the first closing of a unit sale in the Eastwood Shores Townhomes until the earlier of the date the Developer ceases to have voting control of the Board of Directors of the Townhomes and Property Owner's Associations respectively, or until such earlier date as Developer may elect to terminate its guaranty of such budget. During the period of time such guaranty is in force, the Developer, as owner of unsold units in the Condominium, shall be relieved from paying its stated prorata share of common expenses or property owner association assessment as owner of such units, but, instead, shall be obligated to pay to the Townhomes and Property Owners Associations respectively all sums in excess of sums due to each of the Associations from unit owners other than the Developer which are necessary to pay the actual expenses of each of the Associations.

IDENTITY OF DEVELOPER

F & R Builders, Inc., a subsidiary of Lennar Corporation, the present Developer of the Eastwood Shores Condominium Project has been a major residential home builder since 1954 with its principal offices in Miami, Dade County, Florida. The chief operating officer is Irving Bolotin, Senior Vice President. F & R Builders, Inc., has completed similar condominium developments in Dade County, Palm Beach County, Manatee County, Pinellas County and Hillsborough County, Florida.

Lennar Corporation, and its subsidiaries, have developed condominium projects in Florida, Michigan, Minnesota, Kentucky and Ohio.