

181.60

6

DECLARATION OF CONDOMINIUM

OF

OCEAN TOWERS SOUTH, A CONDOMINIUM
139 Sunrise Avenue
Palm Beach, Florida 33480

This

80 004163

1980 JAN -8 PM 4:57

Made this 8th day of January, 1980, by DAON CORPORATION, a Delaware corporation authorized to transact business in the State of Florida, hereinafter called the Developer, for itself, its successors, grantees and assigns.

WHEREIN the Developer makes the following declarations:

1. PURPOSE.

The purpose of this Declaration is to submit the lands described in this instrument and the improvements upon such lands to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes, hereinafter called the Condominium Act.

2. NAME AND ADDRESS.

The name by which this condominium is to be identified is OCEAN TOWERS SOUTH, A CONDOMINIUM, and its address is 139 Sunrise Avenue, Palm Beach, Florida 33480.

3. THE LAND.

The lands owned by the Developer, which by this instrument it hereby submits to the condominium form of ownership, are the following described lands in Palm Beach County, Florida:

Lots 6, 7, 8 and 9 as one, according to the plat of SUNRISE AVENUE ADDITION TO PALM BEACH, as recorded in Plat Book 7, page 62, Public Records of Palm Beach County, Florida.

The Developer is the fee simple owner of all of these lands and all of its interest therein is submitted to condominium ownership.

4. DEFINITIONS.

The terms used in this Declaration and in its Exhibits, and in all amendments thereto, will have the meanings stated in the Condominium Act and as follows, unless the context otherwise requires.

4.1. Apartment Unit means a Unit that will be used as a single family residence.

This Document Prepared By,

PHILIP H. REID
REID & HEEKE
250 Royal Palm Way
Palm Beach, Fla. 33480

REID AND HEEKE, ATTORNEYS AT LAW, 250 ROYAL PALM WAY, PALM BEACH, FLORIDA 33480 TEL. 655-5371

B3209 P0001

Return to

181.60

4.2. Assessment means a share of the funds required for the payment of the common expenses, which from time to time, are assessed against each unit owner.

4.3. Association means THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC., the Florida not for profit corporation, its successors and assigns, responsible for the operation of the condominium.

4.4. Common Elements means the portion of the condominium property not included in the units; and will include the tangible personal property required for the maintenance and operation of the condominium.

4.5. Common Expenses will be designated as either Ocean Towers North Expenses or Community Expenses.

A. Ocean Towers South Expenses will consist of:

(1) The expense of maintaining, operating, and replacing the common elements (including limited common elements to the extent hereinafter described) of the condominium that are to be used exclusively by the owners of the Units of this condominium,

(2) The expense of maintaining and replacing the portions of the Units of the condominium that are to be maintained and replaced by the Association,

(3) The expense of furnishing utility services to the condominium property, except for such expenses to be paid by unit owners and those designated as Community Expenses,

(4) The expense of premiums for the insurance described in Article 14 hereof, except for premiums designated as Community Expenses, and

(5) Any other valid charges against the condominium property as a whole that are not designated as Community Expenses.

B. Community Expenses will consist of 39.26% of:

(1) The administrative expenses of the Association,

(2) The expense of maintaining, operating and replacing those common elements of this condominium that are to be jointly used by the owners of Apartment Units of this condominium and by the owners of Apartment Units of OCEAN TOWERS NORTH, A CONDOMINIUM,

(3) The expense of maintaining, operating and replacing those common elements of OCEAN TOWERS NORTH, A CONDOMINIUM, that are to be jointly used by the owners of Apartment Units of that condominium and by the owners of Apartment Units of this condominium,

(4) The expense of furnishing utility services to all properties that are to be jointly used by the owners of Apartment Units of this condominium and by the owners of Apartment Units of OCEAN TOWERS NORTH, A CONDOMINIUM,

B3209 P0002

(5) The expense of premiums for any insurance covering the properties to be jointly used by the owners of the Apartment Units of this condominium and by the owners of the Apartment Units of OCEAN TOWERS NORTH, A CONDOMINIUM. If such premiums are not separately billed, they will be reasonably apportioned by the Association, and

(6) Any other valid charges against the properties to be jointly used by the owners of the Units of this condominium and by the owners of the Apartment Units of OCEAN TOWERS NORTH, A CONDOMINIUM.

4.6. Common Surplus means the excess of all receipts of the Association over the common expenses.

4.7. Community Facilities are those common elements of this condominium and of OCEAN TOWERS NORTH, A CONDOMINIUM that will be jointly used by the owners of Apartment Units of both condominiums, their lessees, members of their families and guests.

4.8. Condominium means that form of ownership of property under which units of improvements are subject to ownership by different owners; and there is appurtenant to each unit, as a part thereof, an undivided share in the common elements.

4.9. Condominium Property means and includes the land described in Article 3 hereof, all improvements thereon, and the common elements, and all easements and rights appurtenant thereto.

4.10. Institutional Mortgage means a mortgage held by a bank, savings and loan association, insurance company, or union pension fund authorized to do business in the State of Florida, or an agency of the United States Government.

4.11. Limited Common Elements are common elements reserved for the use of certain Apartment Unit owners to the exclusion of other Unit owners. In this condominium the patios and balconies adjacent to Apartment Units are Limited Common Elements.

4.12. OCEAN TOWERS NORTH, A CONDOMINIUM is a condominium apartment building project which is also operated by the Association. It contains Community Facilities.

4.13. Unit means a part of the condominium property which is subject to exclusive ownership. In this condominium Units are Apartment Units.

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

5. DEVELOPMENT PLAN.

The condominium is described and established as follows:

5.1. Survey. A survey of the land showing the common elements upon it and the location of improvements and easements is attached as Exhibit A.

The Developer hereby creates a nonexclusive easement for the use of Apartment Unit owners, their lessees, members of their families and guests, over all walks and

other rights-of-way serving the Apartment Units for ingress and egress to the Apartment Units from the public road (Sunrise Avenue) and from the private road (Grace Trail) shown upon this survey.

5.2. Plot Plans. Plot plans showing the location and dimensions of the common elements and limited common elements within or attached to the building of the condominium, the location and dimensions of each Apartment Unit and a floor plan for each Apartment Unit are attached as collective Exhibit B. For the purpose of identification, each Apartment Unit is given an identifying number; and the numbers of all Apartment Units are shown upon said plot plans.

5.3. A Surveyor's Certificate that the construction of the improvements described is substantially complete so that the material attached hereto as Exhibits, together with the provisions of this Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each Apartment Unit can be determined from these materials is a part of the survey.

5.4. Amendment of Plans.

A. Alteration of Apartment Plans. The Developer reserves the right to change the interior design and arrangement of all Apartment Units and to alter the boundaries between Apartment Units, so long as it owns the Apartment Unit so altered. However, no such change will increase or decrease the number of Apartment Units nor alter the common elements or limited common elements without amendment of this Declaration, and if more than one (1) Apartment Unit is concerned, the Developer will apportion between the Apartment Units the shares in the common elements appurtenant to the Apartment Unit concerned.

B. Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of Apartment Unit plans by the Developer need be signed and acknowledged only by the Developer and its mortgagees, if any. They need not be approved by the Association, Unit owners or mortgagees of Apartment Units, except as herein set forth, whether or not elsewhere required for an amendment.

5.5. Easements are reserved through the condominium property, as may be required for utility services, in order to serve the condominium adequately; provided, however, such easements through an Apartment Unit will be only according to the plans and specifications for the apartment building, or as the building is constructed, unless approved in writing by the Unit owner.

5.6. Improvements - General Description.

A. Apartment Building. The condominium includes an apartment building consisting of four (4) floors. The building contains forty-two (42) apartments (Apartment Units), together with common elements, including a lobby, an office, storage rooms, a telephone equipment room, walkways, one (1) elevator, stairs, columns, girders, roofs, foundations, air conditioning equipment, conduits, pipes, plumbing, wires and other utility equipment.

B. Other Improvements include uncovered parking areas, drives, and landscaping.

C. The Apartment Units will be sold by the Developer.

5.7. Apartment Unit Boundaries. Each Apartment Unit includes that part of the building that lies within its boundaries, which are as follows:

A. The upper boundary will be the horizontal plane of its unfinished ceiling and the lower boundary will be the horizontal plane of its unfinished floor. In a room in which the ceiling is at two (2) levels, the ceiling will include the vertical wall connecting the separate horizontal portions of the ceiling.

B. The outside or vertical boundaries will be the vertical planes of the center line of boundary walls, extended to intersections with each other and with the upper and lower boundaries, with the following exceptions:

(1) If walls between Apartment Units are of varying thickness, or abut a column or shaft, the vertical plane of the center line of the wall will be extended to an intersection with the vertical plane of the center line of the connecting wall.

(2) If walls of different thickness abut so that their center lines do not intersect, the vertical plane of the center line of the thinner wall will be extended into the thicker wall for a distance that is one-half (1/2) the thickness of the thinner wall and the boundary will then run at a right angle to the plane of the center line of the thicker wall.

5.8. Common Elements. The common elements of the condominium consist of the land and all other parts of the condominium property not within the Units, together with all tangible personal property used in the maintenance and operation of the condominium.

5.9. Limited Common Elements. The patios and balconies adjacent to each Apartment Unit will be limited common elements; and will be reserved for the use of the owners of the Apartment Units to which they are adjacent, their lessees, members of their families and guests, to the exclusion of all other Apartment Unit owners. There will be no other limited common elements.

6. OWNERSHIP OF COMMON ELEMENTS.

Each of the Apartment Unit owners of the condominium will own an undivided interest, stated as a percentage of such ownership, in the common elements; and the percentage attributable to each Apartment Unit is set forth in the schedule attached as Exhibit C.

The fee title to each Apartment Unit will include both the Apartment Unit and its undivided interest in the common elements, said undivided interest to be deemed to be conveyed or encumbered with its respective Apartment Unit, even though the description in the instruments of conveyance or encumbrance may refer only to the fee title to the Apartment Unit. Any attempt to separate the fee title to an Apartment Unit from the undivided interest in the common elements appurtenant to any such Apartment Unit will be null and void.

7. COMMON EXPENSES AND COMMON SURPLUS.

A. Each Apartment Unit owner will be liable for a proportionate share of the common expenses (designated

B3209 P0005

Ocean Towers South Expenses and Community Expenses), such share being the same proportion as his percentage ownership in the common elements appurtenant to his Apartment Unit.

8. COMMUNITY FACILITIES.

A. The Developer also owns a seven (7) story apartment building containing sixty-five (65) apartments located upon land in Palm Beach County, Florida, described as:

PARCEL A:

A parcel of land in Section 14, Township 43 South, Range 43 East, Palm Beach County, Florida, more particularly described as follows:

Commencing at the intersection of the center line of the County Road and the center line of Root Trail, as both Streets are now laid out and in use, within the Town of Palm Beach (the center line of said County Road being also the West line of said Section 14, and the center line of Root Trail, as herein described, being the South line of a ten foot trail, as dedicated on plat filed in Plat Book 1, page 22, Public Records of Palm Beach County, Florida); thence East along said center line of Root Trail 728.7 feet to the point of beginning of the parcel of land herein described; thence Southerly at right angles to the preceding course, 98.88 feet to a point in the North line of Lot 1 of Grace Trail Addition, according to plat thereof filed in Plat Book 7, page 13, Public Records of Palm Beach County, Florida; thence Westerly along the North line of said Lot 1; 1.68 feet, more or less, to the Northwest corner of said Lot 1; thence Southerly along the West line of said Lot 1, 25.5 feet; thence Easterly along a line parallel to, and 25.5 feet Southerly from (measured at right angles) the North line of said Lot 1 and Lot 1-A of said Grace Trail Addition 473 feet, more or less, to the waters of the Atlantic Ocean; thence Northerly along the waters of the Atlantic Ocean 126 feet, more or less, to a point in the Easterly extension of said center line of Root Trail; thence Westerly along said Easterly extension and along said center line of Root Trail, 447 feet, more or less, to the point of beginning, subject to the right of way of the Ocean Boulevard and Root Trail, as now laid out and in use; excepting therefrom the North 10.3 feet (measured along the East right of way line of Ocean Boulevard) of that portion of said lands lying East of the right of way of Ocean Boulevard.

PARCEL B:

The South 114½ feet of Lots 1 and 1-A of Grace Trail Addition to Palm Beach, according to the plat thereof on file in the office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, in Plat Book 7, page 13,

which, simultaneously with the submission of the land of this condominium, it is submitting to the condominium form of ownership. The name of such condominium, which is separated from the land of this condominium by Grace Trail, Palm Beach, Florida, is OCEAN TOWERS NORTH, A CONDOMINIUM. All of its apartments will be Apartment Units, as defined in Article 4 hereof.

B. The Association will operate both OCEAN TOWERS SOUTH, A CONDOMINIUM and OCEAN TOWERS NORTH, A CONDOMINIUM, but will not operate any other condominiums.

B3209 P0006

C. The owners of all Apartment Units of both condominiums, their lessees, members of their families and guests, will jointly use certain common elements of each (called Community Facilities), in accordance with the provisions of Article 16 hereof and the rules and regulations of the Association. A description of such Community Facilities is attached hereto as Exhibit D.

D. The Declaration of Condominium of OCEAN TOWERS NORTH, A CONDOMINIUM, also provides for such joint use and for the payment by the owners of Apartment Units of that condominium of 60.74% of Community Expenses, as described at paragraph 4.5.B. hereof. These percentages are based upon the ratio of apartments of each condominium to the total apartments of both condominiums.

E. The Developer does hereby grant and convey to all owners of Apartment Units of OCEAN TOWERS SOUTH, A CONDOMINIUM, their heirs, successors and assigns, the right to use all of said common elements of OCEAN TOWERS NORTH, A CONDOMINIUM, as described in Exhibit D. Such use will be in accordance with Article 16 hereof and the rules and regulations of the Association.

The Declaration of Condominium of OCEAN TOWERS NORTH, A CONDOMINIUM, provides for the use by the owners of Apartment Units of that condominium, their heirs, successors and assigns, of said common elements of this condominium, as described in Exhibit D. The Developer reserves the right to grant and convey such use rights.

F. Such provisions for joint use of the Community Facilities will survive the termination of either condominium. In the event of termination, the rights and obligations of the Apartment Unit owners will accrue to and be assumed by the owners of the property of the terminated condominium. They will jointly and severally be liable for the share of Ocean Towers Expenses apportioned to the terminated condominium; and the Community Facilities will continue to be used in accordance with Article 16 hereof and the rules and regulations of the Association.

9. UTILITY SERVICES.

All utility services to Apartment Units are separately metered, except for water. Each Apartment Unit owner will pay the cost of such separately metered services to his Apartment Unit, which will not be subject to control of the Board of Directors of the Association. The charges for water to Apartment Units and for all utility services to those common elements which are not Community Facilities will be designated as Ocean Towers South Expenses; and the charges for all utility services to Community Facilities will be designated as Community Expenses.

In the event it is impossible or impractical to determine the amount of jointly metered services furnished to Apartment Units (as a whole), to common elements which are not Community Facilities and to Community Facilities, the expenses for these services will be apportioned in such manner as the Board of Directors of the Association shall determine to be reasonable.

10. MAINTENANCE, REPAIR AND REPLACEMENT.

Responsibility for the maintenance of the condominium property, and restrictions upon its alteration and improvement, will be as follows:

10.1. Apartment Units.

A. By the Association. The Association will maintain, repair and replace:

(1) All boundary walls of an Apartment Unit, except interior surfaces, and all portions of an Apartment Unit contributing to the support of the apartment building, including but not limited to the outside walls of the apartment building and all fixtures on its exterior, load-bearing columns and load-bearing walls,

(2) All conduits, ducts plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of an Apartment Unit to be maintained by the Association; and all such facilities contained within an Apartment Unit that service parts of the condominium other than the Apartment Unit within which they are contained.

This work will be done at the expense of the Association, unless made necessary by the negligence of any Apartment Unit owner, his lessees, members of his family, guests or invitees. In the event of such negligence, it will be done by the Association at the expense of said owner.

B. By the Apartment Unit owners. Each Apartment Unit owner will maintain repair and replace:

(1) All portions of his Apartment Unit, except the portions to be maintained, repaired and replaced by the Association, including but not limited to interior wall, ceiling and floor finishes, all non load-bearing walls or partitions, appliances, electrical fixtures and plumbing fixtures.

This work will be done at the expense of the Apartment Unit owner.

(2) The air conditioning unit serving his Apartment Unit and all of its component parts, which will be owned by the Apartment Unit owner and is not a common element.

10.2. Common Elements.

A. By the Association. The Association will maintain, repair and replace all common elements, except for the painting of patio and balcony floors and the inside of balcony walls (limited common elements). It will, in connection with such work, have the authority to change the appearance of the exterior of the Apartment building and of any other common elements.

This work will be done at the expense of the Association, unless made necessary by the negligence of any Apartment Unit owner, his lessees, members of his family, guests, or invitees. In the event of such negligence, it will be done by the Association at the expense of said owner.

B3209 P0008

B. By the Apartment Unit owners. Each Apartment Unit owner will be responsible for the painting of the floor of the patio or balcony adjacent to his Apartment Unit and of the inside walls of this patio or balcony.

10.2. Other Responsibilities of Apartment Unit owners. Each Apartment Unit owner, in addition to the above, will:

A. Not paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building.

B. Report promptly to the Association any defect or need for repairs for which the Association is responsible.

C. Permit access to his Apartment Unit by the Association, its contractors, employees and agents, for the purpose of performing the work for which the Association is responsible.

10.4. Limitation upon liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association will not be liable to the Apartment Unit owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association or caused by the elements or other owners or persons.

10.5. Insurance Proceeds. The liability of the Association and of the Apartment Unit owners for the expenses of maintenance, repair and replacement will be reduced to the extent by which they are met by the proceeds of insurance.

11. ALTERATION AND IMPROVEMENT.

A. Apartment Units. Except as elsewhere provided, neither an Apartment Unit owner nor the Association will make any alteration in the portions of an Apartment Unit that are to be maintained by the Association, or remove any portion of them, or make any additions to them, or do anything that would jeopardize the safety or soundness of the apartment building, or impair any easement, without first obtaining approval in writing of the owners of all Apartment Units in which the work is to be done and the approval of the Board of Directors of the Association. A copy of plans for all of the work prepared by an architect licensed to practice in the State of Florida will be filed with the Association prior to the start of the work.

B. Common Elements Except as elsewhere reserved to the Developer, there will be no major alterations or additions to the common elements of this condominium by the Association or otherwise, without prior approval in writing by not less than 75% of the record owners of its Apartment Units; and there will be no major alterations or additions to the Community Facilities, without prior approval in writing by not less than 75% of the record owners of Apartment Units of this condominium and of OCEAN TOWERS NORTH, A CONDOMINIUM.

B3209 P0009

The provisions hereof are not applicable to the tangible personal property required for the maintenance and operation of the condominium, which may be removed or replaced at any time by the Board of Directors of the Association.

12. ASSESSMENTS.

The making and collection of assessments against Apartment Unit owners for common expenses will be pursuant to the Bylaws of the Association, subject to the following provisions:

12.1. Share of Common Expense. Each Apartment Unit owner will be liable for a proportionate share of the common expenses (Ocean Towers South Expenses and Community Expenses) and will share in the common surplus, as provided for in Article 7 of this Declaration.

12.2. Interest; Application of Payments. Assessments and installments on such assessments, which are paid on or before ten (10) days after date when due, will not bear interest; but all sums not paid on or before ten (10) days after the date when due, may, in the discretion of the Board of Directors of the Association, bear interest at the rate of ten percent (10%) per annum from the date when due until paid. All payments upon account will be first applied to any interest and then to the assessment payment first due.

12.3. Lien For Assessments. The Association will have a lien upon each Apartment Unit and upon all tangible personal property located within each Apartment Unit for any unpaid assessments, together with interest, except that such liens will be subordinate to bona fide liens recorded in the public records of Palm Beach County, Florida, prior to the recording therein of claims of liens for such unpaid assessments. Reasonable attorneys' fees incurred by the Association incident to the collection of such assessments or the enforcement of such liens, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, will be payable by the Apartment Unit owner and secured by such liens.

12.4. Collections and Foreclosure. The Association may take such action as it deems necessary to collect assessments by personal action or by foreclosing said liens, and may settle and compromise the same, if in the best interests of the Association. The Association will be entitled to bid at any sale held pursuant to a suit to foreclose any lien; and at any sale held pursuant to a suit to foreclose any assessment lien it may apply as a cash credit against its bid all sums due the Association covered by the lien enforced. In case of the foreclosure of an assessment lien, the Apartment Unit owner will be required to pay a reasonable rental for the Apartment Unit and the plaintiff in such foreclosure will be entitled to the appointment of a receiver to collect same from the Apartment Unit owner and/or occupant.

12.5. Liability of Mortgagee, Lienor or Judicial Sale Purchaser for Assessments. Where the mortgagee of an institutional first mortgage of record acquires title to an Apartment Unit as a result of the foreclosure of said mortgage, or where others acquire title as a result of such

B3209 P0010

mortgage or where said mortgagee accepts a deed to an Apartment Unit in lieu of foreclosure, such acquirer of title, his heirs, executors, legal representatives, successors and assigns, will not be liable for the share of common expenses or assessments by the Association pertaining to such Apartment Unit or chargeable to the former owner of such Apartment Unit which became due prior to such acquisition of title unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed or defaulted mortgage. Such unpaid share of common expenses or assessments will be deemed to be common expenses, collectible from all of the Apartment Unit owners including such acquirer of title, his heirs, executors, legal representatives, successors and assigns.

12.6. Avoidance of assessment liability. The liability for assessments may not be avoided by either the waiver of the use of any common elements (including Community Facilities), or by abandonment of the Apartment Unit against which the assessment is made.

12.7. Developer's Liability. The Developer is excused from payment of the share of common expenses and assessments related to all Units of the condominium for a period beginning on the date that this Declaration is recorded and terminating on the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first Unit sold occurs. However, it will pay the portion of common expenses incurred during that period which exceed the amounts assessed against other Unit owners.

12.8. Assignment of Claim and Lien Rights. The Association will have the right to assign its claim of lien and right of foreclosure for the recovery of any unpaid assessment to the Developer or to any Apartment Unit owner or group of Apartment Unit owners, or to any third party.

13. ASSOCIATION

The operation of the condominium will be by the Association, which will fulfill its functions pursuant to this Declaration and the following:

13.1. Its Articles of Incorporation, as amended, a copy of which is attached as Exhibit E.

13.2. Its Bylaws, a copy of which is attached as Exhibit F.

13.3. No modification or amendment to the Bylaws of the Association will be valid unless set forth in or annexed to a duly recorded amendment of this Declaration. The Bylaws may be amended in the manner provided for therein, but no such amendment will be adopted which would affect or impair the validity or priority of the record owner of any mortgage covering any Apartment Unit, unless the mortgagee shall join in the execution of the amendment.

13.4. Restraint upon assignment of shares in assets. The share 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 his Apartment Unit.

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

13.6. The members of the Association will be the owners of the Apartment Units of this condominium and of the Units of OCEAN TOWERS NORTH, A CONDOMINIUM. The owner of each Unit will be entitled to one (1) vote; and if one owner owns more than one (1) Unit, he will be entitled to one (1) vote for each Unit owned.

B3209 P0011

14. INSURANCE.

The insurance, other than title insurance, that will be carried upon the condominium property of this condominium and of OCEAN TOWERS NORTH, A CONDOMINIUM will be governed by the following provisions:

46
14.1. Authority to purchase; named insured. All insurance policies upon the condominium properties will be purchased by the Association. The named insured will be the Association individually and as agent for the Unit owners, without naming them. Provision will be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit owners. Such policies will provide that payments by the insurer for losses will be made to the Insurance Trustee described below, and all policies and their endorsements will be deposited with the Insurance Trustee. Unit owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expenses. Such coverages to be obtained by Unit owners will not be included in the Association's insurance policies.

14.2. Coverage.

A. Casualty. The buildings and improvements upon the lands of each condominium will be insured to an amount equal to their maximum insurable replacement value, excluding foundation and excavation costs; and all personal property included in the common elements will be insured for its value, as determined by the Board of Directors of the Association. Said coverage, which may have such deductible provisions as may be determined by the Board of Directors of the Association, will afford protection against:

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

(2) Such other risks as from time to time will be customarily covered with respect to buildings similar in construction, location and use as the buildings of the condominium, including, but not limited to, vandalism and malicious mischief.

B. Flood insurance to meet the requirements of federal, state and local law.

C. Public liability in such amounts and with such coverages as shall be determined by the Board of Directors of the Association, with (if reasonably obtainable) cross liability endorsements to cover liabilities of Unit owners as a group to a Unit owner.

D. Directors and Officers Liability, in such amounts as shall be determined by the Board of Directors of the Association, to afford protection against loss by reason of the Association's obligation to indemnify its directors, officers and members serving the Association at its request and members serving the Association at its request against expenses and liabilities reasonably incurred by or imposed upon them in connection with any matter or proceeding or any settlement of any matter or proceeding to which they may be a party or in which they may become involved by reason of being a director or officer of the Association, or by reason of his serving or having served the Association at its request.

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

B3209 P0012

14.3. Premiums. Premiums upon insurance policies purchased by the Association will be paid by the Association as a common expense, subject to the provisions hereof relating to Community Expenses.

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

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

B. Units. Proceeds on account of damage to a Unit will be held in the following undivided shares:

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

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

C. Mortgagees. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit owner will be held in trust for the mortgagee and the Unit owner as their interests may appear, provided, however, that no mortgagee will have any right to determine or participate in the determination as to whether or not any damaged property will be reconstructed or repaired, and no mortgagee will have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution of such proceeds made to the Unit owner and mortgagee pursuant to the provisions of this Declaration.

14.5. Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee will be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of the trust. All expenses of the Insurance Trustee will be paid first, or provisions made for such payment.

B. Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds will be paid to defray the

B3209 P0013

cost of such as elsewhere provided. Any proceeds remaining after defraying such costs will be distributed to the beneficial owners, remittances to Unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

C. Failure to reconstruct or repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid will not be reconstructed or repaired, the remaining proceeds will be distributed to the beneficial owners, remittance to Unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

D. Certificate. In making distribution to Unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Unit owners and their respective share of the distribution.

14.6. Association as agent. The Association is irrevocably appointed agent for each Unit owner and for each owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

15. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

15.1. Determination to reconstruct or repair. If any part of the condominium property shall be damaged by casualty, whether or not it will be reconstructed or repaired will be determined in the following manner:

A. Common elements. If the damaged improvement is a common element, the damaged property will be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium will be terminated.

B. Apartment Units.

(1) Lesser damage. If the damaged improvement is an Apartment Unit or Units and if Apartment Units to which fifty percent (50%) of the common elements are appurtenant are found by the Association to be tenantable, the damaged property will be reconstructed or repaired unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium will be terminated.

(2) Major damage. If the damaged improvement is an Apartment Unit or Units and if Apartment Units to which more than fifty percent (50%) of the common elements are appurtenant are found by the Association to be not tenantable, then the damaged property will not be reconstructed or repaired and the condominium will be terminated without agreement as elsewhere provided, unless within sixty (60) days after the casualty the owners of seventy-five percent (75%) of the common elements of the condominium agree in writing to such reconstruction or repair.

C. Certificate. The Insurance Trustee may rely upon a certificate of the Association to determine whether or not the damaged property is to be reconstructed or repaired.

B3209 P0014

15.2. Plans and specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building; or if not, then in accordance with plans and specifications approved by the Board of Directors of the Association and if the damaged property is an Apartment Unit or Units by the owners of not less than seventy-five percent (75%) of the common elements of the condominium, including the owners of all damaged Apartment Units, which approval will not be unreasonably withheld.

15.3. Responsibility. If the damage is only to those parts of one (1) Apartment Unit for which the responsibility of maintenance and repair is that of the Unit owner, then the Unit owner will be responsible for reconstruction and repair after casualty; and such reconstruction and repair must be completed not later than ninety (90) days from the date of the insurance appraisal. In all other instances, the responsibility for reconstruction and repair after casualty will be that of the Association.

15.4. Estimates of costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair the Association will obtain reliable and detailed estimates of the cost to rebuild or repair.

15.5. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments will be made against the Apartment Unit owners who own the damaged Apartment Units, and against all Apartment Unit owners (as a common expense) in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs; and such assessments against Apartment Unit owners for damage to Apartment Units will be in proportion to the cost of reconstruction and repair of their respective Apartment Units.

15.6. Construction funds. The funds for payment of costs of reconstruction and repair after casualty, which will consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against Apartment Unit owners, will be disbursed in payment of such costs in the following manner:

A. Association. If the total assessments made in order to provide funds for the costs of reconstruction and repair that is the responsibility of the Association are more than \$10,000.00, then the sums so paid will be deposited by the Association with the Insurance Trustee. In all other cases, the Association will hold such sums and disburse them in payment of the costs of reconstruction and repair.

B. Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessments against Apartment Unit owners on account of such casualty will constitute a construction fund which will be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - lesser damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than \$10,000.00, then the construction fund will 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 that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund will be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - major damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than \$10,000.00, then the construction funds will be disbursed in payment of such costs upon the order of the Association, but only with the approval of an architect qualified to practice in the State of Florida and employed by the Association to supervise the work.

(3) Apartment Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an Apartment Unit owner will be paid by the Insurance Trustee to the Apartment Unit owner, or if there is a mortgagee endorsement as to the Apartment Unit, then to the Apartment Unit owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(4) Surplus. It will be presumed that the first monies disbursed in payment of costs of reconstruction and repair will 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 will be distributed to all Apartment Unit owners in reimbursement of any common expense assessments for damage to common elements, in proportion to their contributions; and any excess will be distributed to the Apartment Unit owners of the condominium. All remittances to Apartment Unit owners of the condominium will be payable jointly to them and to their mortgagees, except that the part of a distribution to an Apartment Unit owner of the condominium that is not in excess of assessments paid by such owner into the construction fund will not be made payable to any mortgagee.

(5) Certificate. Notwithstanding the provisions of this Declaration, the Insurance Trustee will not be required to determine whether or not sums paid by the Apartment Unit owners upon assessments will be deposited 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, or to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association 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 required in this instrument to be named as payee, the Insurance Trustee will also name the mortgagee as a payee of any distribution of insurance proceeds to an Apartment Unit owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect named by the Association will be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

B3209 P0016

16. USE RESTRICTIONS.

The use of the condominium property and of the Community Facilities will be in accordance with the following provisions:

A. Each of the Apartment Units will be occupied as a single family private dwelling by its owner or his lessee, members of their families and guests, and for no other purpose. Except as reserved to the Developer, no Apartment Unit may be divided or subdivided into a smaller Unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the Apartment Unit to be affected.

B. The Cabanas of OCEAN TOWERS NORTH, A CONDOMINIUM, will be used only by owners or lessees of Apartment Units of that condominium and of OCEAN TOWERS SOUTH, A CONDOMINIUM, their lessees, members of their families and guests. This use will be only in conjunction with the use of the swimming pool and beach area, such as for changing clothes and for the storage of pool and beach equipment. Cabanas and adjacent areas may be leased by the Association.

C. Children under twelve (12) years of age will be permitted to visit the condominium property and to reside in any of the Apartment Units of the condominium. However, such visits and periods of residency may not exceed fifteen (15) consecutive days, or a cumulative total of sixty (60) days, in any calendar year.

D. No animals or pets of any kind will be kept in any Apartment Unit or upon any other portion of the condominium property, unless approved in writing by the Board of Directors of the Association. If such Board, at any time, determines that any pet is a nuisance, it will be removed from the condominium property within five (5) days of written notice requiring such removal.

E. The Apartment Unit owners will not cause anything to be hung, displayed, or placed on the exterior walls, balconies, doors, windows, or roof of the apartment building; and they will not otherwise change the appearance of any portion of the exterior of the apartment building, or its balconies, or the surfaces of interior building walls facing common elements, without the prior written consent of the Board of Directors of the Association. No clothes lines or similar devices, no radio or television antennas or aerials and no "For Sale" or "For Rent" signs or other notices will be allowed on any part of the condominium property without the prior written consent of the Board of Directors of the Association.

F. All uncovered automobile parking spaces of this condominium and all uncovered spaces of OCEAN TOWERS NORTH, A CONDOMINIUM will be used only by those persons as are from time to time specified by the Board of Directors of the Association. No vehicles or objects other than automobiles and no commercial or recreational vehicles of any kind (except commercial vehicles of persons servicing the condominiums) will be parked or placed upon any of the parking areas of this condominium or of OCEAN TOWERS NORTH, A CONDOMINIUM, unless permitted by the Board of Directors of the Association. In the event of a dispute as to what constitutes an automobile, such dispute will be resolved by a decision of the Board of Directors of the Association.

B3209 P0017

At least one (1) uncovered automobile parking space will be assigned to the owner of each Apartment Unit by the Board of Directors of the Association, which may be located upon the property of this condominium or of OCEAN TOWERS NORTH, A CONDOMINIUM.

G. No nuisances will be allowed upon the condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the condominium will be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. No Apartment Unit owner will permit any use of his Apartment Unit or make any use of the common elements that will increase the cost of insurance.

H. No improper, offensive or unlawful use will be made of the condominium property; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the condominium property will be the same as the responsibility for the maintenance and repair of the property concerned.

I. Rules and regulations concerning other use of the condominium property and of the Community Facilities may be made and amended from time to time by the Board of Directors of the Association. Copies of such rules and regulations will be furnished to all Apartment Unit owners and residents of the condominium, upon request.

16.1. Proviso. Provided, however, that until the Developer has closed the sales of all of the Apartment Units, neither the Apartment Unit owners nor the Association, nor the use of the condominium property, will interfere with its sale of the Apartment Units. The Developer may make such use of the unsold Apartment Units and common areas as may facilitate sales, including, but not limited to the showing of the property and the display of signs.

17. MAINTENANCE OF COMMUNITY INTERESTS.

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the Apartment Units, the transfer of Apartment Units by any owners other than the Developer will be subject to the following provisions as long as the condominium exists and the building in useful condition exists upon the land, which provisions each Apartment Unit owner covenants to observe.

17.1 Transfers subject to approval.

A. Sale.

Apartment Units. No Apartment Unit owner may dispose of his Apartment Unit or of any interest therein by sale, without approval of the Board of Directors of the Association, except to another Apartment Unit owner.

B. Lease.

Apartment Units. No Apartment Unit owner may lease his Apartment Unit without approval of the Board of Directors of the Association, except to another Apartment Unit owner. Apartment Units will not be leased for terms of less than ninety (90) days.

C. Gift.

Apartment Units. If an Apartment Unit owner shall acquire his title by gift, the continuance of his ownership of his Apartment Unit will be subject to the approval of the Board of Directors of the Association.

D. Devise or inheritance.

Apartment Units. If an Apartment Unit owner shall acquire his title by devise or inheritance, the continuance of his ownership will be subject to the approval of the Board of Directors of the Association.

E. Other transfers.

Apartment Units. If an Apartment Unit owner shall acquire his title in any manner not considered in the foregoing sub-sections, the continuance of his ownership of his Apartment Unit will be subject to the approval of the Board of Directors of the Association.

17.2. Approval by Association. The approval of the Board of Directors of the Association that is required for the transfer of ownership or lease of Apartment Units will be obtained in the following manner:

A. Notice to Association.

(1) Sale. An Apartment Unit owner intending to make a bona fide sale of his Apartment Unit or any interest in it will give to the Board of Directors of 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 said Board may reasonably require. Such notice, at the Apartment Unit owner's option, may include a demand by the Apartment Unit owner that said Board furnish a purchaser of the Apartment Unit if the proposed purchaser is not approved; and if such demand is made, the notice will be accompanied by an executed copy of the proposed contract to sell.

(2) Lease. An Apartment Unit owner intending to make a bona fide lease of his Apartment Unit for a term of at least ninety (90) days, will give to the Board of Directors of the Association notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as said Board may reasonably require and an executed copy of the proposed lease.

(3) Gift; devise or inheritance; other transfers. An Apartment Unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not previously considered, will give to the Board of Directors of the Association notice of the acquiring of his title, together with such information concerning the Apartment Unit owner as said Board may reasonably require and a certified copy of the instrument evidencing the owner's title.

(4) Failure to give notice. If the above required notice to the Board of Directors of the Association is not given, then, at any time after receiving

B3209 P0019

knowledge of a transaction or event transferring ownership of possession of an Apartment Unit, said Board, at its election and without notice, may approve or disapprove the transaction or ownership. If said Board disapproves the transaction or ownership, it will proceed as if it had received the required notice on the date of such disapproval.

B. Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then, within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the proposed transaction. If approved, the approval will be stated in a certificate executed in recordable form by the President and Secretary of the Association, which will be recorded in the public records for Palm Beach County, Florida, at the expense of the Apartment Unit owner.

(2) Lease. If the proposed transaction is a lease, then, within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the proposed transaction. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association, which will not be recorded.

(3) Gift; devise or inheritance; other transfers. If the Apartment Unit owner giving notice has acquired his title by gift, devise or inheritance or in any other manner not previously considered, then, within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the continuance of the Apartment Unit owner's ownership of his Apartment Unit. If approved, the approval will be stated in a certificate executed in recordable form by the President and Secretary of the Association, which will be recorded in the public records for Palm Beach County, Florida, at the expense of the Apartment Unit owner.

C. Approval of corporate owner or purchaser. Inasmuch as the Apartment Unit may be used only for residential purposes and a corporation cannot occupy an Apartment Unit for such use, if the Apartment Unit owner or purchaser of an Apartment Unit is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons from time to time occupying the Apartment Unit be approved by the Board of Directors of the Association.

17.3. Disapproval by Association. If the Board of Directors of the Association shall disapprove a transfer of ownership of an Apartment Unit, the matter will be disposed of in the following manner:

A. Sale. If the proposed transaction is a sale and if the notice of sale given by the Apartment Unit owner shall so demand, then, within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association will deliver or mail by registered mail to the Apartment Unit owner an agreement to purchase the Apartment Unit concerned by a purchaser approved by it (or by the Association) who will purchase and to whom the Apartment Unit owner must sell the Apartment Unit. The sale will be upon the following terms:

(1) At the option of the purchaser to be stated in the agreement, the price to be paid will be

B3209 P0020

that stated in the disapproved contract to sell or will be the fair market value determined by arbitration in accordance with then existing rules of the American Arbitration Association, except that the arbitrators will be two (2) appraisers appointed by the American Arbitration Association who will base their determination upon an average of their appraisals of the Apartment 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 will be paid by the purchaser.

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

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

(4) A certificate approving the purchaser will be executed by the President and Secretary of the Association.

(5) If the Board of Directors of the Association shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by it shall default in his agreement to purchase, then, notwithstanding the disapproval, the proposed transaction will be deemed to have been approved and said Board will furnish a certificate of approval as elsewhere provided.

B. Lease. If the proposed transaction is a lease, the Apartment Unit owner will be advised of the disapproval in writing; and the lease will not be made.

C. Gifts; devise or inheritance; other transfers. If the Apartment Unit owner giving notice has acquired his title by gift, devise or inheritance, or by any other manner not previously considered, then, within thirty (30) days after receipt from the Apartment Unit owner of the notice and information required to be furnished, the Board of Directors of the Association will deliver or mail by registered mail to the Apartment Unit owner an agreement to purchase the Apartment Unit concerned by a purchaser approved by it, who will purchase and to whom the Apartment Unit owner must sell the Apartment Unit under the following terms:

(1) The sale price will be the fair market value determined by agreement between the seller and purchaser, made within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price will be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators will be two (2) appraisers appointed by the American Arbitration Association who will base their determination upon an average of their appraisals of the Apartment 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 will be paid by the purchaser.

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

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

B3209 P0021

(4) A certificate approving the purchaser will be executed by the President and Secretary of the Association.

(5) If the Board of Directors of the Association shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by the Association shall default in his agreement to purchase, then, notwithstanding the disapproval, such ownership will be deemed to have been approved, and said Board will furnish a certificate of approval as elsewhere provided.

17.4. Mortgage. An Apartment Unit owner may not mortgage his Unit or any interest in it without approval of the Board of Directors of the Association, unless it is an institutional mortgage or a mortgage to the Developer to secure a portion or all of the purchase price. The approval of any other mortgage may be upon conditions determined by said Board or may be arbitrarily withheld.

17.5. Exceptions. The foregoing provisions of this Article entitled "Maintenance of Community Interests" will not apply to a transfer to or a purchase by the holder of an institutional mortgage that acquired its title as the result of owning such mortgage upon the Apartment Unit concerned; and this will be so whether the title is acquired by deed from the Apartment Unit owner, his successors or assigns, or through foreclosure proceedings; nor will such provisions apply to a transfer, sale or lease by the holder of an institutional mortgage that has so acquired its title. Neither will such provisions require the approval of a purchaser who acquires the title to an Apartment Unit at a duly advertised public sale with open bidding provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale.

17.6. Unauthorized Transaction. Any sale, mortgage or lease not authorized pursuant to the terms of this Declaration will be void, unless subsequently approved by the Board of Directors of the Association.

17.7. Notice of Conveyance. At such time as any Apartment Unit is conveyed, the new owner will deliver a copy of the recorded Warranty Deed, or other instrument by which such conveyance is made, to the Association.

18. COMPLIANCE AND DEFAULT.

Each Apartment Unit owner will be governed by and will comply with the terms and provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association and the rules and regulations made by the Association, as amended from time to time. Failure of an Apartment Unit owner to comply with such documents and rules and regulations will entitle the Association, its Board of Directors, or Apartment Unit owners to the following relief, in addition to the remedies provided by the Condominium Act or otherwise.

18.1. Increase in Insurance Premiums. An Apartment Unit owner will pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of an Apartment Unit or its appurtenances, or of the common elements, by the Apartment Unit owner, members of his family or his tenants, visitors, guests, employees or agents.

B3209 P0022

18.2. Costs and attorneys' fees. In any proceeding arising because of an alleged failure of an Apartment Unit owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation and Bylaws of the Association, or the rules and regulations made by the Association, as amended from time to time, the prevailing party will be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

18.3. No waiver of rights. The failure of the Association or its Board of Directors, or of Apartment Unit owners to enforce any covenant, restriction or other provisions of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association or the rules and regulations made by the Association will not constitute a waiver of the right to do so thereafter.

19. AMENDMENTS.

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

19.1. Notice. Notice of the subject matter of a proposed amendment will be included in notice of any meeting at which a proposed amendment is considered.

19.2. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting.

Except as elsewhere provided, such approvals must be either by not less than 75% of the entire membership of the Association; or until the first election of directors, only by all of the directors.

19.3. Proviso. Provided, however, that no amendment will discriminate against any Apartment Unit owner or against any Apartment Unit or class or group of Apartment Units, unless the Apartment Unit owners so affected shall consent; no amendment will change any Apartment Unit nor the share in the common elements appurtenant to it, nor increase the owner's share in the common expenses (except as reserved to the Developer), unless the record owner of the Apartment Unit concerned and all record owners of mortgages on such Apartment Unit shall join in the execution of the amendment; no amendment will affect or impair the validity or priority of any mortgage covering an Apartment Unit or the rights of the Developer under this Declaration, unless such mortgagee or Developer shall join in the execution of the amendment; no amendment shall make any change in Articles 14, 15, or in paragraph 17.5 of Article 17, unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment; and no amendment shall make any changes in paragraph 4.5 of Article 4 or in Article 8 unless the record owners of all Units of OCEAN TOWERS NORTH, A CONDOMINIUM shall join in the execution of the amendment; and no amendment shall make any change in this Article 19, unless the record owners of all mortgages upon the Apartment Units of this condominium and upon the Units of OCEAN TOWERS NORTH, A CONDOMINIUM, the Developer and the record owners of all Units of this condominium and of OCEAN TOWERS NORTH, A CONDOMINIUM shall join in the execution of the amendment.

B3209 P0023

20. TERMINATION.

This condominium may be terminated only by the approval of all Apartment Unit owners, evidenced by a recorded instrument to that effect, and upon the written consent by the holders of all liens affecting any of the Units. In addition thereto, if it is determined in the manner elsewhere provided in this Declaration that the Units will not be reconstructed because of major damage, the condominium plan of ownership will be terminated without agreement.

21. SEVERABILITY.

The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Articles of Incorporation and Bylaws of the Association and the rules and regulations made by the Association will not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the Developer has executed this Declaration the day and year first above written.

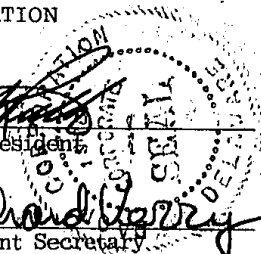
In the presence of:

DAON CORPORATION

[Handwritten signatures]

By: *[Signature]*
Vice President

Attest: *[Signature]*
Assistant Secretary



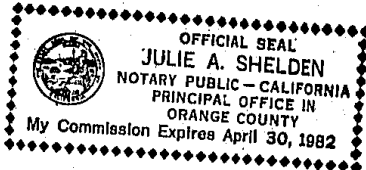
STATE OF CALIFORNIA
COUNTY OF ORANGE

I HEREBY CERTIFY that on this day, before me, an officer authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas J. Rielly and Richard Verry respectively Vice President and Assistant Secretary of DAON CORPORATION, to me well known, and they acknowledged before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgments to be the individuals described in and who executed the said instrument.

WITNESS my hand and official seal this 4th day of January, 1980.

[Signature]
Notary Public
My commission expires:

April 30, 1982



B3209 P0024

CONSENT OF MORTGAGEE

BANK OF MONTREAL, NEW YORK AGENCY, (the "Mortgagee"), the owner and holder of a mortgage upon the following lands in Palm Beach County, Florida:

Lots 6, 7, 8 and 9 as one, according to the plat of SUNRISE AVENUE ADDITION TO PALM BEACH, as recorded in Plat Book 7, page 62, Public Records of Palm Beach, Florida,

which mortgage is dated January 8, 1980, and is recorded under Clerk's File No. 80-4159, public records of Palm Beach County, Florida, hereby consents to the making of the foregoing Declaration of Condominium, to the extent it may be required to do so under the Florida Condominium Act, and without subordinating the aforesaid mortgage to the foregoing Declaration of Condominium, agrees that the lien of its mortgage shall be upon the following described property in Palm Beach County, Florida:

All of the units of OCEAN TOWERS SOUTH, A CONDOMINIUM, according to its Declaration of Condominium, together with all of the appurtenances to these units, including but not limited to all of the undivided shares in the common elements.

All of the units of OCEAN TOWERS NORTH, A CONDOMINIUM, according to its Declaration of Condominium, together with all of the appurtenances to these units, including but not limited to all of the undivided shares in the common elements.

BANK OF MONTREAL,
NEW YORK AGENCY

In the presence of:

S. F. [Signature]

By: [Signature] Agent

Paul W. Patrick

ATTEST: [Signature] Ass't Agent

STATE OF NEW YORK

COUNTY OF NEW YORK

B3209 P0025

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the County and State aforesaid to take acknowledgements personally appeared John Jensen and Michael Adams well known to me to be the Agent and Asst Agent, respectively, of BANK OF MONTREAL, NEW YORK AGENCY and they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority vested in them by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 7th day of January, 1980.



Reimo A. Pohjola
Notary Public

My commission expires:
REIMO A. POHJOLA
Notary Public, State of New York
No. 24-890715
Qualified in Kiron County
Certificate filed in N.Y. County
Term Expires March 30, 1980

DESCRIPTION:

LOTS 6, 7, 8, AND 9 AS ONE, ACCORDING TO THE PLAT OF SUNRISE AVENUE ADDITION TO PALM BEACH, AS RECORDED IN PLAT BOOK 7, PAGE 62, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

NOTE:

1. ELEVATIONS SHOWN HEREON ARE IN FEET AND DECIMAL PARTS THEREOF AND ARE BASED ON NGVD-'29.
2. BENCH MARK IS SOUTH EDGE OF THE TOP OF A CBS WALL (10 FEET WEST OF EAST END) NORTH OF THE CENTERLINE EXTENDED OF GRACE TRAIL AND EAST OF NORTH OCEAN BLVD. ELEVATION = 17.75

SOUTH BUILDING ELEVATIONS

<u>FLOOR</u>	<u>ELEVATION</u>
FIRST	FINISHED FLOOR 12.48
FIRST	FINISHED CEILING 20.58
SECOND	FINISHED FLOOR 21.25
SECOND	FINISHED CEILING 29.32
THIRD	FINISHED FLOOR 30.06
THIRD	FINISHED CEILING 38.11
FOURTH	FINISHED FLOOR 38.80
FOURTH	FINISHED CEILING 46.98

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA)
COUNTY OF PALM BEACH) SS.

BEFORE ME, THE UNDERSIGNED AUTHORITY, DULY AUTHORIZED TO ADMINISTER OATHS AND TAKE ACKNOWLEDGMENTS, PERSONALLY APPEARED CRAIG L. WALLACE, WHO AFTER BEING DULY SWORN DEPOSES AND SAYS AS FOLLOWS:

1. THAT HE IS A DULY REGISTERED LAND SURVEYOR, AUTHORIZED TO PRACTICE IN THE STATE OF FLORIDA.

2. THAT THE CONSTRUCTION OF THE IMPROVEMENTS DESCRIBED IN THE FOREGOING DECLARATION OF CONDOMINIUM OF OCEAN TOWERS SOUTH, A CONDOMINIUM AND IN THE MATERIAL ATTACHED THERETO AS EXHIBITS IS SUBSTANTIALLY COMPLETE SO THAT THE MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION OF CONDOMINIUM DESCRIBING THE CONDOMINIUM PROPERTY IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THAT THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

SWORN TO AND SUBSCRIBED
BEFORE ME THIS 11th DAY
OF January, 1980.

Craig L. Wallace
CRAIG L. WALLACE
FLORIDA CERTIFICATE NO. 3357

Walter J. Wallace
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE

MY COMMISSION EXPIRES:

Notary Public, State of Florida at Large
My Commission Expires May 6, 1982
Bonded By American Fire & Casualty Company

EXHIBIT A

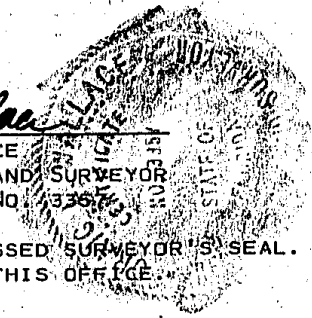
63209 P.0027
B3209 P.0027

This is Not a Certificate

I HEREBY CERTIFY THAT THE PLAT SHOWN HEREON IS A TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE UNDER MY DIRECTION, AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND FURTHERMORE, CONTAINS NO VISIBLE ENCROACHMENTS UNLESS SHOWN.

Craig Wallace

CRAIG L. WALLACE
PROFESSIONAL LAND SURVEYOR
FLORIDA CERT. NO. 3367



THIS PLAT IS NOT VALID UNLESS SEALED WITH AN EMBOSSED SURVEYOR'S SEAL. NO SEARCH OF THE PUBLIC RECORDS HAS BEEN MADE BY THIS OFFICE. DESCRIPTION FURNISHED BY CLIENT.

This is not a certified copy

B3209 P0028

EXHIBIT A

B3209 P0029

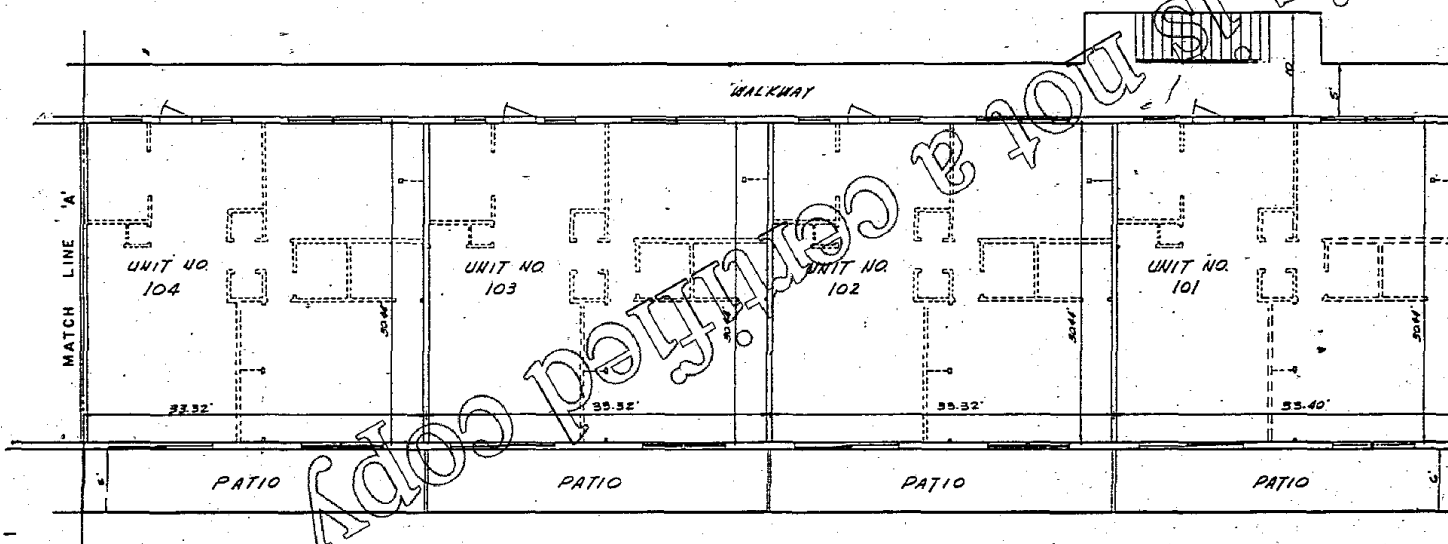


EXHIBIT 'B' PG. 1

Not certified by a Notary Public

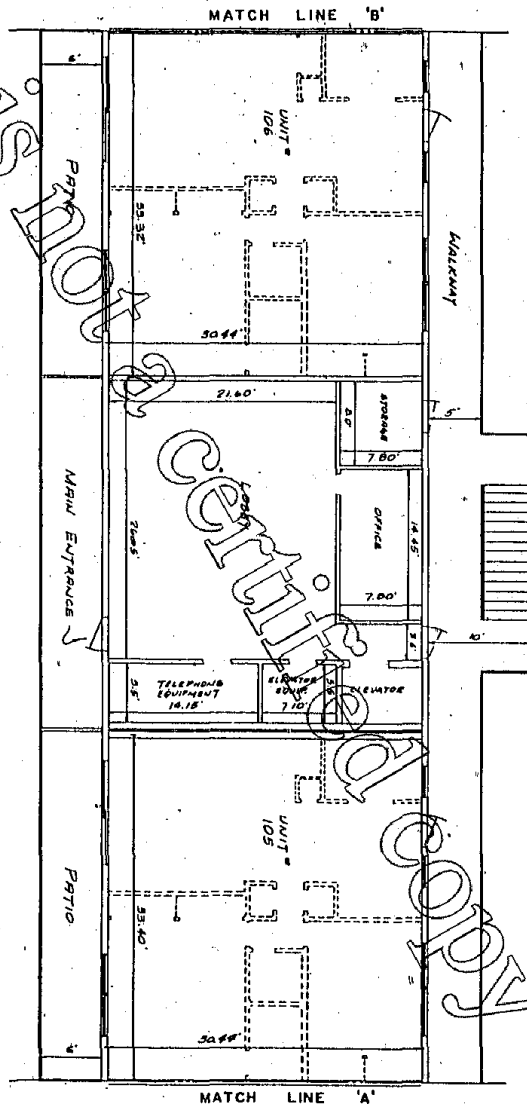
EXHIBIT B



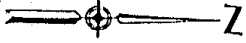
GRAPHIC SCALE IN FEET

OCEAN TOWERS SOUTH, A CONDOMINIUM			
FIRST FLOOR (EAST)			
WILLIAM S. WALLACE, INC.			
<small>Consulting Engineers & Surveyors</small>			
<small>DATE</small>	<small>NO.</small>	<small>REV.</small>	<small>BY</small>
78	278-572	1	W
79	278-572	2	W
79	278-572	3	W

This is not a certified copy

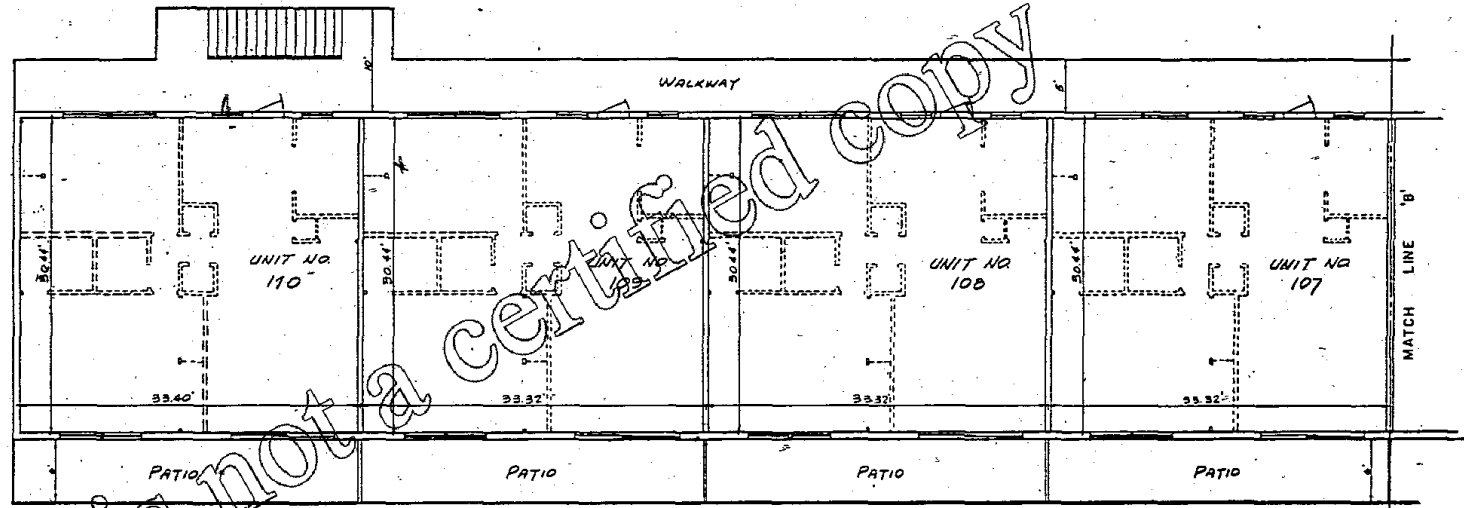


33209 P0030
60268



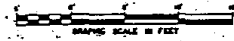
OCEAN TOWERS SOUTH, A CONDOMINIUM	
FIRST FLOOR CENTRAL	
WILLIAM E. BAILEY, INC.	
Architects, Engineers, Planners & Surveyors, Inc.	
DATE	11-13-73
BY	W.E.B.
CHECKED BY	W.E.B.
DATE	11-13-73
SCALE	AS SHOWN

EXHIBIT 'B' PG. 3



This is not a certified copy

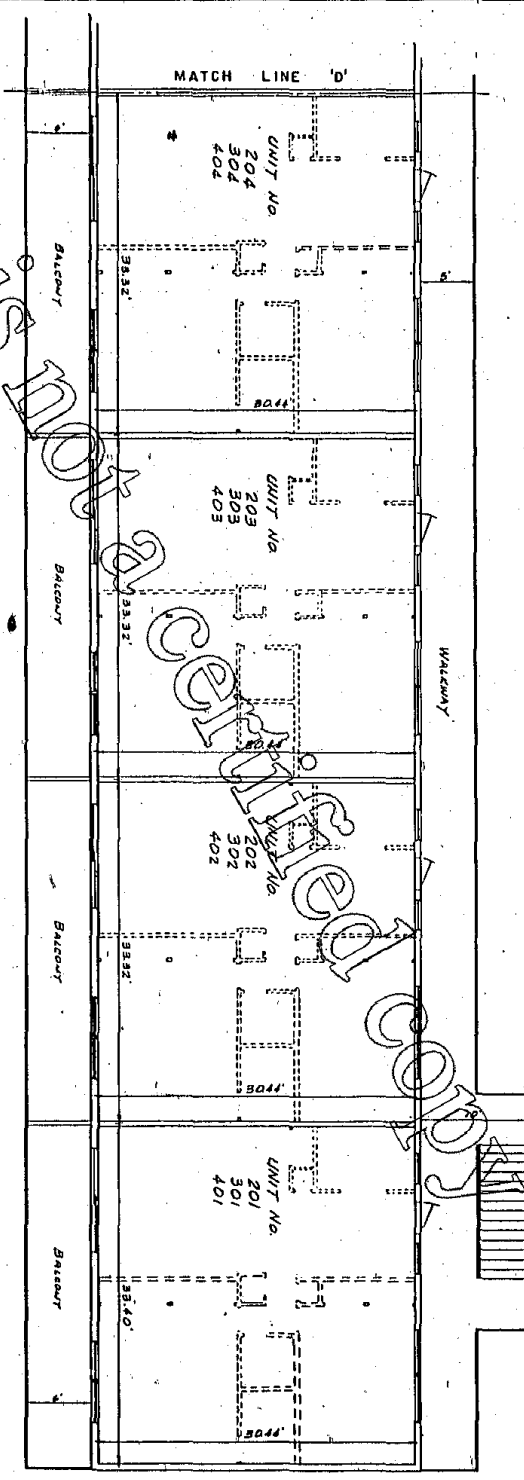
B3209 P0031



OCEAN TOWERS SOUTH, A CONDOMINIUM			
FIRST FLOOR (WEST)			
WILLIAM G. WALLACE, INC.			
120 Northside Blvd., Suite 200, Jacksonville, Florida			
DATE	BY	CHECKED	DATE
7.5	WGW	275-882	11-22-82
10/22	S.S.	10/27	11-22-82
11/2	WGW	72-812	11-22-82

EXHIBIT B

This is Not Certified Copy

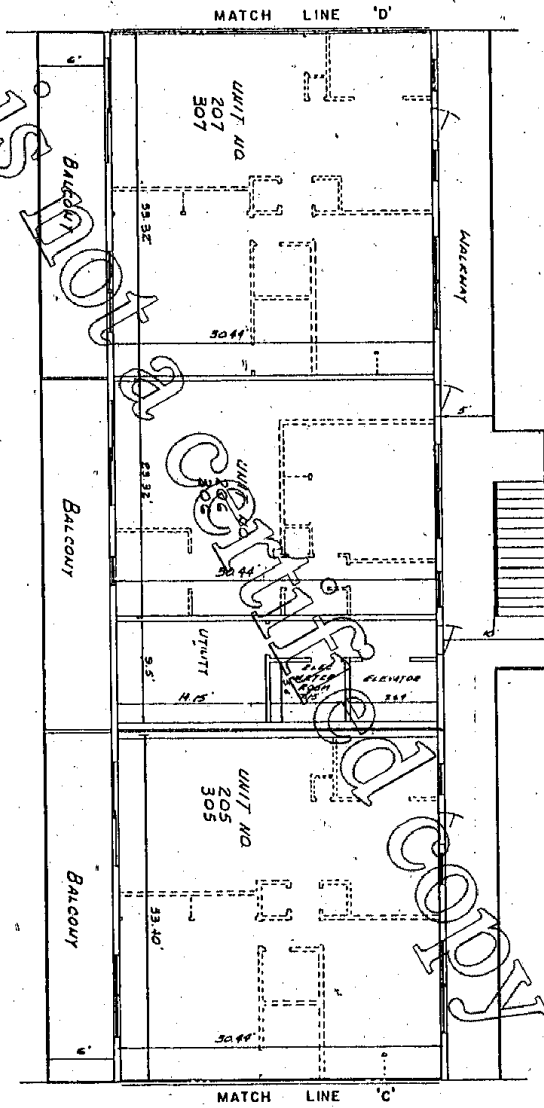


83209 P0032
60268

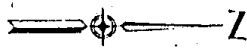


OCEAN TOWERS SOUTH, A CONDOMINIUM	
FLOORS 2-4	
WILLIAM C. WALLACE, INC.	
DATE	NOV 28 1983
BY	WILLIAM C. WALLACE, INC.
SCALE	AS SHOWN
PROJECT	NOV 28 1983

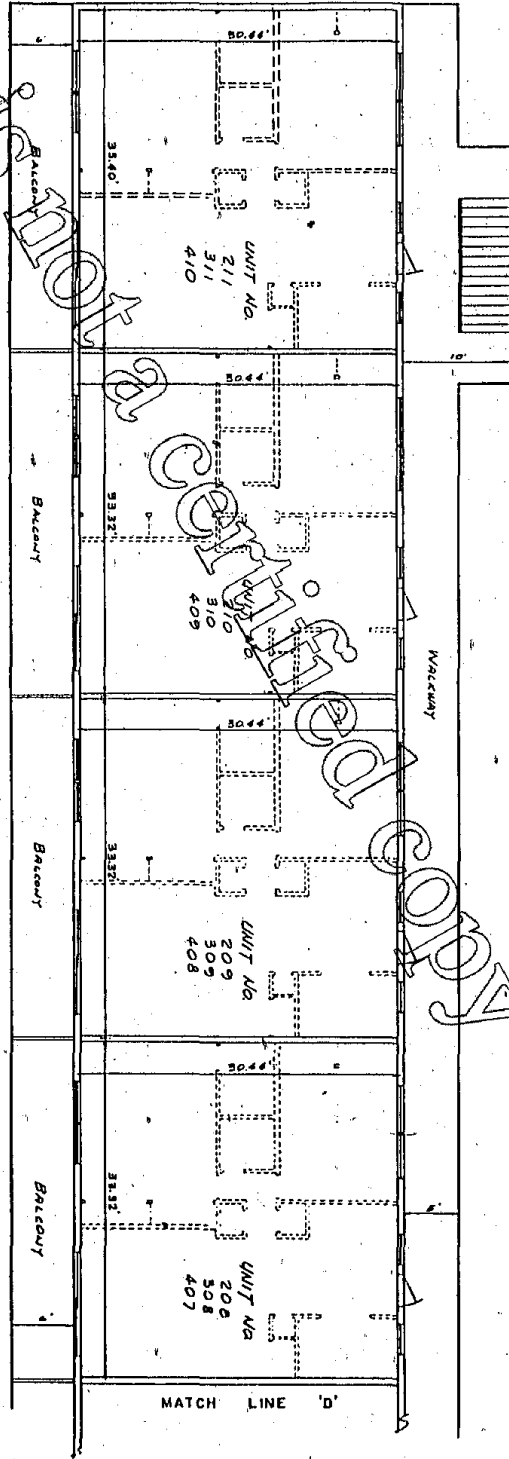
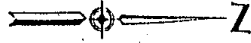
This is Not a Contract



B3209 P0033



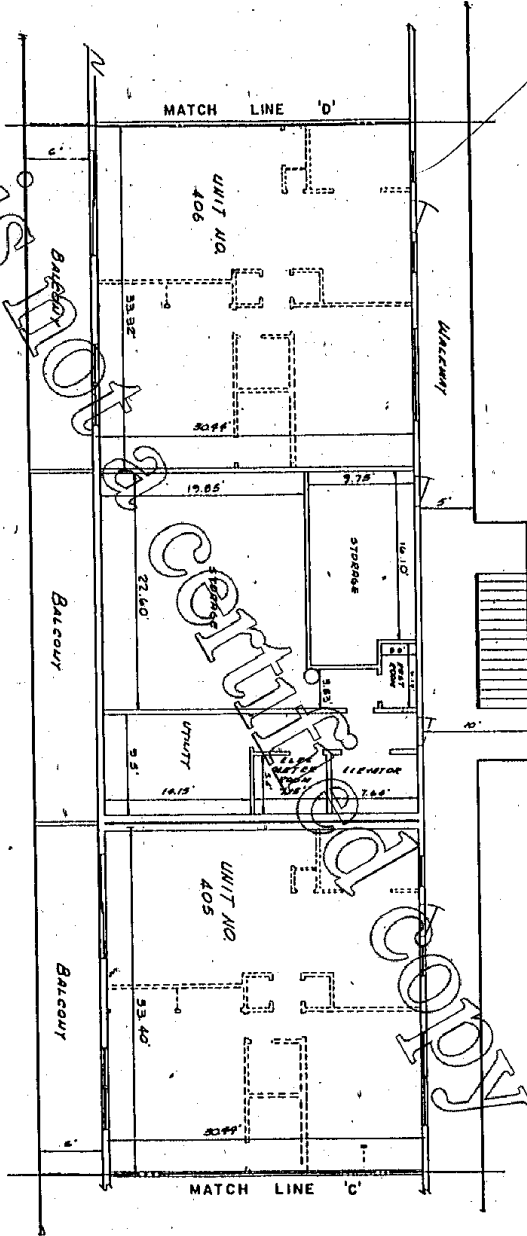
OCEAN TOWERS SOUTH, A CONDOMINIUM			
FLOORS 2-3 (CENTRAL)			
WILLIAM S. MILLER, INC. Architects			
DATE	SCALE	DATE	SCALE
7-8	1/8" = 1'-0"	7-13-83	1/8" = 1'-0"
8-8	1/8" = 1'-0"	8-17-83	1/8" = 1'-0"
9-8	1/8" = 1'-0"	9-15-83	1/8" = 1'-0"



B3209 P0034

OCEAN TOWERS SOUTH, A CONDOMINIUM	
FLOORS 2-4 (WEST)	
WILLIAM E. WALLACE, INC.	
DATE	11-1-15
SCALE	AS SHOWN
PROJECT	212-213
OWNER	W.E. WALLACE, INC.
DESIGNER	W.E. WALLACE, INC.
REVISION	1

This is Not a Contract



B3209 P0035



OCEAN TOWERS SOUTH, A CONDOMINIUM	
FOURTH FLOOR	
WILLIAM E. MILLER, INC.	
(CENTRAL)	
DATE	11-15-83
BY	W.E.M.
CHECKED	W.E.M.
SCALE	AS SHOWN

PERCENTAGE OF
OWNERSHIP IN
COMMON ELEMENTS

UNIT

Apartment Unit 101	2.4203%
Apartment Unit 102	2.4146%
Apartment Unit 103	2.4146%
Apartment Unit 104	2.4146%
Apartment Unit 105	2.4203%
Apartment Unit 106	2.4146%
Apartment Unit 107	2.4146%
Apartment Unit 108	2.4146%
Apartment Unit 109	2.4146%
Apartment Unit 110	2.4203%
Apartment Unit 201	2.4203%
Apartment Unit 202	2.4146%
Apartment Unit 203	2.4146%
Apartment Unit 204	2.4146%
Apartment Unit 205	2.4203%
Apartment Unit 206	1.6738%
Apartment Unit 207	2.4146%
Apartment Unit 208	2.4146%
Apartment Unit 209	2.4146%
Apartment Unit 210	2.4146%
Apartment Unit 211	2.4203%
Apartment Unit 301	2.4203%
Apartment Unit 302	2.4146%
Apartment Unit 303	2.4146%
Apartment Unit 304	2.4146%
Apartment Unit 305	2.4203%
Apartment Unit 306	1.6738%
Apartment Unit 307	2.4146%
Apartment Unit 308	2.4146%
Apartment Unit 309	2.4146%
Apartment Unit 310	2.4146%
Apartment Unit 311	2.4203%
Apartment Unit 401	2.4203%
Apartment Unit 402	2.4146%
Apartment Unit 403	2.4146%
Apartment Unit 404	2.4146%
Apartment Unit 405	2.4203%
Apartment Unit 406	2.4146%
Apartment Unit 407	2.4146%
Apartment Unit 408	2.4146%
Apartment Unit 409	2.4146%
Apartment Unit 410	2.4203%

100%

B3209 P0036

EXHIBIT C

COMMUNITY FACILITIES INCLUDED WITHIN THE
CONDOMINIUM PROPERTY OF OCEAN TOWERS SOUTH,
A CONDOMINIUM, ARE AS FOLLOWS:

All parking areas and parking spaces

Drives from parking areas and from Grace Trail to Sunrise Avenue

All landscaping and the concrete block wall at North side of property

All machinery, equipment and other tangible personal property required for the maintenance and operation of the above described properties

This is not a certified copy

B3209 P0037

EXHIBIT D

COMMUNITY FACILITIES

COMMUNITY FACILITIES INCLUDED WITHIN THE
CONDOMINIUM PROPERTY OF OCEAN TOWERS NORTH
A CONDOMINIUM, ARE AS FOLLOWS:

All parking areas and parking spaces (except Covered Parking Units)

All drives and driveways

All landscaping and the concrete block wall at West side of property

Pool and patio areas and all walkways for access to this area

Entire beach area and walkway and stairs to beach area (constituting all property East of Ocean Boulevard)

All Cabanas and Pool Attendant Storage Room

Mens Lockers and Locker Room

Ladies Lockers and Locker Room

Pump Room

Lobby

Manager's Office

Leisure Room

Games Room

Staff Room

Storage Room adjacent to Leisure Room

Ladies Room adjacent to Leisure Room

Mens Room adjacent to Leisure Room

Maintenance Room at Northwest corner of building

Main water valve at Northwest corner of building

Hallway and closet located North of Storage Room, Staff Room and Games Room; and access to trash receptacle located East of C.P.U. 7

All machinery, equipment and other tangible personal property required for the maintenance and operation of the above described properties.

B3209 P0038

EXHIBIT D

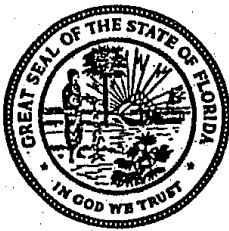
State of Florida



Department of State

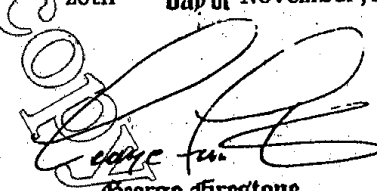
I certify that the attached is a true and correct copy of the Articles of Incorporation of THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on November 19, 1979, as shown by the records of this office.

The charter number for this corporation is 749851.



CER 101 Rev. 5-78

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
20th day of November, 1979


George Firestone
Secretary of State

B3209 P0039

EXHIBIT E

ARTICLES OF INCORPORATION

OF

THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC.

The undersigned, by these Articles, associate themselves for the purpose of forming a corporation not for profit, under Chapter 617, Florida Statutes, and certify as follows:

ARTICLE 1

Name

The name of the corporation will be THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC. For convenience, the corporation will be referred to in this instrument as the Association.

ARTICLE 2

Purpose

2.1. The purpose for which the Association is organized is to provide an entity pursuant to the Condominium Act, which is Chapter 718, Florida Statutes, for the operation of two (2) separate condominiums upon the following described parcels of land located in Palm Beach County, Florida:

PARCEL A:

A parcel of land in Section 14, Township 43 South, Range 43 East, Palm Beach County, Florida, more particularly described as follows:

Commencing at the intersection of the center line of the County Road and the center line of Root Trail, as both Streets are now laid out and in use, within the Town of Palm Beach (the center line of said County Road being also the West line of said Section 14, and the center line of Root Trail, as herein described, being the South line of a ten foot trail, as dedicated on plat filed in Plat Book 1, page 22, Public Records of Palm Beach County, Florida); thence East along said center line of Root Trail 728.7 feet to the point of beginning of the parcel of land herein described; thence Southerly at right angles to the preceding course, 98.88 feet to a point in the North line of Lot 1 of Grace Trail Addition, according to plat thereof filed in Plat Book 7, page 13, Public Records of Palm Beach County, Florida; thence Westerly along the North line of said Lot 1; 1.68 feet, more or less, to the Northwest corner of said Lot 1; thence Southerly along the West line of said Lot 1, 25.5 feet; thence Easterly along a line parallel to, and 25.5 feet Southerly from (measured at right angles) the North line of said Lot 1 and Lot 1-A of said Grace Trail Addition 473 feet, more or less, to the waters of the Atlantic Ocean; thence Northerly along the waters of the Atlantic Ocean 126 feet, more or less, to a point in the Easterly extension of

B3209 P0040

EXHIBIT E

of said center line of Root Trail; thence Westerly along said Easterly extension and along said center line of Root Trail, 447 feet, more or less, to the point of beginning, subject to the right of way of the Ocean Boulevard and Root Trail, as now laid out and in use; excepting therefrom the North 10.3 feet (measured along the East right of way line of Ocean Boulevard) of that portion of said lands lying East of the right of way of Ocean Boulevard.

PARCEL B:

The South 114 1/2 feet of Lots 1 and 1A of Grace Trail Addition, to Palm Beach, according to the plat thereof on file in the office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, in Plat Book 7, page 13.

PARCEL C:

Lots 6, 7, 8, and 9 as one, according to the plat of SUNRISE AVENUE ADDITION TO PALM BEACH, as recorded in Plat Book 7, Page 62, Public Records of Palm Beach County, Florida.

One (1) condominium, to be known as OCEAN TOWERS NORTH, A CONDOMINIUM, will be established upon PARCEL A and PARCEL B; and the other, to be known as OCEAN TOWERS SOUTH, A CONDOMINIUM, will be established upon PARCEL C.

DAON CORPORATION, a Delaware corporation authorized to transact business in the State of Florida, hereinafter referred to as the Developer, will establish these condominiums; and will offer their Units which will be Apartment Units and Covered Parking Units, for sale.

2.2. The Association will make no distributions of income to its members, directors or officers.

ARTICLE 3

Powers

The powers of the Association will include and be governed by the following provisions:

3.1. The Association will have all of the common law and statutory powers of a corporation not for profit that are not in conflict with the terms of these Articles.

3.2. The Association will have all of the powers and duties set forth in the Condominium Act, except as limited by these Articles and the Declarations of Condominium for the condominiums; and it will have all of the powers and duties reasonably necessary to operate the condominiums pursuant to their Declarations of Condominium, as they may be amended from time to time, including, but not limited to, the following:

A. To make and collect assessments against members to defray the costs, expenses and losses of the separate condominiums.

B. To use the proceeds of assessments in the exercise of its powers and duties.

C. To maintain, repair, replace and operate the condominium properties.

D. To purchase insurance for the condominium properties; and insurance for the protection of the Association and its members as Unit owners.

E. To reconstruct improvements after casualty and to further improve the condominium properties.

F. To make and amend reasonable rules and regulations respecting the use of the condominium properties.

G. To approve or disapprove the transfer, mortgage and ownership of Units, as may be provided by the separate Declarations of Condominium for the condominiums and the Bylaws of the Association.

H. To enforce by legal means the provisions of the Condominium Act, the separate Declarations of Condominium, these Articles, the Bylaws of the Association and the Rules and Regulations for the use of the condominium properties.

I. To contract for the management, operation and maintenance of the condominiums and to delegate to each contractor all powers and duties of the Association, except such as are specifically required by either of the separate Declarations of Condominium to have the approval of the Board of Directors or the membership of the Association.

J. To employ personnel to perform the services required for the proper management, operation and maintenance of the condominiums.

3.3. All funds, except such portions thereof as are expended for the common expenses of the condominiums, and the title of all properties will be held in trust for the members of the Association, in accordance with their respective interests under the separate Declarations of Condominium and in accordance with the provisions of these Articles of Incorporation and the Bylaws of the Association.

3.4. The powers of the Association will be subject to and will be exercised in accordance with the provisions of the separate Declarations of Condominium and the Bylaws of the Association.

ARTICLE 4

Members

4.1. The members of the Association will consist of all of the record owners of the Units in both condominiums.

4.2. After receiving approval of the Association, change of membership will be established by (a) recording in the public records of Palm Beach County, Florida of a certificate of the Association stating its approval, (b) recording in the public records of Palm Beach County, Florida of a deed or other instrument establishing record title to a Unit and (c) by the delivery to the Association of copies of the recorded instruments. The owner designated by such instruments thus becomes a member of the Association and the membership of the prior owner is terminated.

4.3. The share 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 his Unit.

4.4. The owner of each Apartment Unit will be entitled to at least one (1) vote as a member of the Association. The exact number of votes to be cast by owners and the manner of exercising voting rights will be determined by the Bylaws of the Association. Ownership of a Covered

B3209 P0042

Parking Unit will not entitle the owner to an additional vote by virtue of such ownership.

ARTICLE 5

Directors

5.1. The affairs of the Association will be managed by a board consisting of seven (7) directors. Directors need not be members of the Association.

5.2. Directors of the Association will be elected at the annual meeting of the members in the manner described by the Bylaws of the Association. Directors may be removed and vacancies on the Board of Directors will be filled in the manner provided by the Bylaws of the Association.

5.3. The first election of directors will not be held until after the Developer has closed the sales of 15% of all Units of both condominiums, at which time the Unit owners other than the Developer will be entitled to elect three (3) members of the Board of Directors and the remaining directors will be appointed by the Developer. Such Unit owners may continue to elect three (3) members of the Board of Directors and the Developer will continue to appoint the remaining directors until three (3) years have elapsed after sales by the Developer have been closed of 50% of the Units of both condominiums, or three (3) months have elapsed after sales by the Developer have been closed of 90% of the Units of both condominiums, or when sales of some of the Units have been closed and none of the others are being offered for sale by the Developer in the ordinary course of business, or when the Developer willingly waives its rights hereunder, whichever first occurs. The Developer will then have no rights not held by all other Unit owners, concerning the election of directors.

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

GORDON W. GAULEY	Ocean Towers - Apt. 409 170 North Ocean Blvd. Palm Beach, Florida 33480
DONNA K. BOLES	Apt. 204E 3901 36th Court West Palm Beach, Florida 33407
TERESA B. GAULEY	Ocean Towers - Apt. 409 170 North Ocean Blvd. Palm Beach, Florida 33480
MICHAEL ALEWINE	1408 Forsythe Street Richardson, Texas 75281
PHILIP H. REID, JR.	300 Indian Road Palm Beach, Florida 33480
BERNARD A. HEEKE	124 Seabreeze Avenue Palm Beach, Florida 33480
PATRICIA KIEFER	1510 North Ocean Blvd. Palm Beach, Florida 33480

B3209 P0043

ARTICLE 6

Officers

The affairs of the Association will be administered by the officers designated in the Bylaws of the Association. Said officers will be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the officers who will serve until their successors are designated are as follows:

President	GORDON W. GAULEY Ocean Towers Apt. 409 170 North Ocean Blvd. Palm Beach, Florida 33480
Vice President	DONNA K. BOLES 3901 36th Court, Apt. 204E West Palm Beach, Florida 33407
Secretary	BERNARD A. HEEKE 124 Seabreeze Avenue Palm Beach, Florida 33480
Treasurer	TERESA B. GAULEY Ocean Towers - Apt. 409 170 North Ocean Blvd. Palm Beach, Florida 33480

ARTICLE 7

Indemnification

Every director and officer of the Association, and every member of the Association serving the Association at its request, will be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any matter or proceeding or any settlement of any matter or 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, or by reason of his serving or having served the Association at its request, whether or not he is a director or officer or is serving at the time such expenses or liabilities are incurred; provided that in the event of a settlement before entry of judgment, and also when the person concerned is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification will apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification will be in addition to and not exclusive of all other rights to which that person may be entitled.

ARTICLE 8

Bylaws

The first Bylaws of the Association will be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by said Bylaws.

ARTICLE 9

Amendments

Amendments to these Articles of Incorporation will be proposed and adopted in the following manner;

9.1. Notice of the subject matter of a proposed amendment will be included in the notice of any meeting at which a proposed amendment is considered.

9.2. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting.

Except as elsewhere provided such approvals must be by not less than 75% of the votes of the entire membership of the Association, or until the first election of directors, only by all of the directors.

9.3. Provided, however, that no amendment will make any changes in Article 4 or in paragraph 5.1. of Article 5 hereof, without approval in writing by all members and the joinder of all record owners of mortgages upon the Units; no amendment will make any changes in paragraph 5.3. of Article 5 hereof, without the approval of the Developer; and no amendment will be made that is in conflict with the Condominium Act or of the separate Declarations of Condominium.

9.4. A copy of each amendment will be certified by the Secretary of State, State of Florida, and will be recorded in the public records of Palm Beach County, Florida.

ARTICLE 10

Term

The term of the Association will be perpetual.

ARTICLE 11

Subscribers

The names and residences of the subscribers of these Articles of Incorporation are as follows:

PHILIP H. REID, JR.	300 Indian Road Palm Beach, Florida 33480
BERNARD A. HEEKE	124 Seabreeze Avenue Palm Beach, Florida 33480
JEAN GONINAN	7111 Washington Avenue Hypoluxo, Florida 33462

B3209 P0045

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 16th day of November, 1979.

Philip H. Reid, Jr.
Philip H. Reid, Jr.

Bernard A. Heeke
Bernard A. Heeke

Jean Goninan
Jean Goninan

STATE OF FLORIDA
COUNTY OF PALM BEACH

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, PHILIP H. REID, JR., BERNARD A. HEEKE and JEAN GONINAN and they acknowledged to and before me that they executed the foregoing Articles of Incorporation for the uses and purposes therein expressed.

WITNESS my hand and official seal this 16th day of November, 1979.

Mary B. Gould
Notary Public
State of Florida at Large
My commission expires:
Feb. 6, 1982

This is a Certified Copy

B3209 P0046

State of Florida



Department of State

I certify that the attached is a true and correct copy of Certificate of Amendment to the Articles of Incorporation of THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC., a Florida corporation not for profit, filed on December 28, 1979, as shown by the records of this office.

The charter number of this corporation is 749851.



CER 101 Rev. 5-79

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
28th day of December, 1979.

George Firestone
George Firestone
Secretary of State

B3209 P0047

EXHIBIT E

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC.

THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC., a Florida not for profit corporation, hereby adopts the following amendment to its Articles Of Incorporation:

Article 3, paragraph 3.2.I. is deleted in its entirety and the following is substituted for such paragraph:

I. No contract with any person, firm, or entity for the operation, maintenance, or repair of the condominium properties. However, any such contracts shall not be in conflict with the powers and duties of the Association or the rights of Unit owners as provided in the Condominium Act, in these Articles Of Incorporation, in the Bylaws of the Association, in the Declarations Of Condominium for the separate condominiums, or in any other enabling documents.

It is also hereby certified that a resolution for such amendment was duly adopted by all Directors of THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC. at a meeting held on December 26, 1979, in accordance with the requirements of such Articles Of Incorporation; and that the adoption of this resolution appears upon the minutes of said meeting and it is unrevoked.

DATED this 26th day of December, 1979.

In the presence of:

THE CONDOMINIUM ASSOCIATION
OF OCEAN TOWERS, INC.

N. Jean Korman

By: Donna K. Boles
Vice President

ATTEST:

Margaret Rainforth

Bernard A. Heeke
Secretary

STATE OF FLORIDA
COUNTY OF PALM BEACH

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared DONNA K. BOLES and BERNARD A. HEEKE respectively, Vice President and Secretary of THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC. to me well known, and they acknowledged before me that they executed the foregoing instrument as such officers of said

EXHIBIT E

B3209 P0048

corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgment to be the individuals described in and who executed the said instrument.

WITNESS my hand and official seal this 26th day of December, 1979.

H. Jean Coxian

Notary Public
for the State of Florida
My Commission Expires

This is not a certified copy

B9209 P0049

BYLAWS

THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC.

1. IDENTITY.

These are the Bylaws of THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC., a Florida not for profit corporation, hereinafter called the Association, the Articles of Incorporation of which have been filed in the office of the Secretary of State. The Association has been organized for the purpose of operating two (2) separate condominiums to be established by DAON CORPORATION, a Delaware corporation authorized to transact business in the State of Florida, hereinafter referred to as the Developer, upon the parcels of land described in such Articles of Incorporation.

One (1) of these condominiums will be known as OCEAN TOWERS NORTH, A CONDOMINIUM (hereinafter referred to as OCEAN TOWERS NORTH); and the other will be known as OCEAN TOWERS SOUTH, A CONDOMINIUM (hereinafter referred to as OCEAN TOWERS SOUTH).

The Developer will offer the units of these condominiums, which will be Apartment Units and Covered Parking Units, for sale.

1.1. The office of the Association will be at 170 North Ocean Boulevard, Palm Beach, Florida 33480.

1.2. The fiscal year of the Association will be as determined by resolution of the Board of Directors. However, in the absence of such resolution the fiscal year will be the calendar year.

1.3. The seal of the Association will bear the name of the Association, the word "Florida", the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

2. MEMBERS' MEETINGS.

The members of the Association will be the owners of the Units of the condominiums.

2.1. The annual members' meeting will be held in the month of February of each year, as determined by the Board of Directors, for the purpose of electing directors and transacting any other business authorized to be transacted by the members. Provided that each annual members' meeting must be held within three hundred sixty-five (365) days of the previous meeting.

2.2. Special members' meetings will be held whenever called by the President or by the Board of Directors; and must be called upon receipt of a written request from members entitled to cast at least 25% of the votes of the entire membership.

EXHIBIT F

B3209 P0050

However, a special meeting of the Unit owners to recall a director or directors may be called by 10% of the Unit owners giving notice of the meeting as required for a meeting of Unit owners, and the notice will state the purpose of the meeting.

2.3. Notice of all members' meetings. A notice stating the time and place and the objects for which each members' meeting is called will be given by the President or Secretary unless waived in writing. Such notice will be in writing to each member at his address as it appears on the books of the Association and will be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. However, as to all meetings at which the budgets for the condominiums will be considered, such notice will be mailed not less than thirty (30) days prior to the date of the meeting. Proof of such mailing will be given by affidavit of the person giving the notice; and a post office certificate of mailing will be retained as further proof of such mailing. Notice of a meeting may be waived before or after the meeting; and members may take action by written agreement without meetings. Written notice will also be posted in a conspicuous place on the condominium properties not less than fourteen (14) days prior to each meeting.

2.4. A quorum at members' meetings will consist of persons entitled to cast a majority of the votes. The acts approved by a majority of the votes present at a meeting at which a quorum is present will constitute the acts of the members, except when approval by a greater number of members is required by either Declaration of Condominium, the Articles of Incorporation of the Association or these Bylaws.

2.5. Voting.

A. The owner of each Apartment Unit will be entitled to one (1) vote; and if one owner owns more than one (1) Apartment Unit, he will be entitled to one (1) vote for each Apartment Unit owned. Ownership of a Covered Parking Unit will not entitle the owner thereof to an additional vote.

B. If an Apartment Unit is owned by one (1) person, his right to vote will be established by the record title to his Apartment Unit. If an Apartment Unit is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for the Apartment Unit will be designated by a certificate signed by all of the record owners of the Apartment Unit and filed with the Secretary of the Association. If an Apartment Unit is owned by a corporation, the person entitled to cast the vote for the Apartment Unit will be designated by a certificate signed by the President and attested by the Secretary of the corporation and filed with the Secretary of the Association. Such certificates will be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Apartment Unit concerned. A certificate designating the person entitled to cast the vote of an Apartment Unit may be revoked by any owner of an Apartment Unit. If such a certificate is not on file, the vote of such owners will not be considered in determining the requirement for a quorum nor for any other purpose.

2.6. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote; it will be valid only for the particular meeting designated in the proxy and it must be filed with the Secretary before the appointed time of the meeting, or any adjournment of the

B3209 P0051

meeting. Each proxy will be valid for one (1) meeting and adjournment, but will not be valid for more than ninety (90) days after the date of the first meeting convened. All proxies are revocable upon prior written notice.

2.7. Adjourned Meetings. In the absence of a quorum at a members' meeting, a majority of the members who are present, either in person or by proxy, may adjourn the meeting to another time, but may not transact any business.

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

- A. Calling of the roll and certifying of proxies.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading and disposal of any unapproved minutes.
- D. Reports of officers.
- E. Reports of committees.
- F. Election of directors.
- G. Unfinished business.
- H. New business.
- I. Adjournment.

The President of the Association, or in his absence the Vice President, will be the Chairman of all members' meetings. In the absence of both, the officers present will designate one (1) of themselves to preside.

3. DIRECTORS.

3.1. Membership. The affairs of the Association will be managed by a board of seven (7) directors. Three (3) of these directors will be elected by the owners of the Apartment Units of OCEAN TOWERS NORTH, three (3) will be elected by the owners of the Apartment Units of OCEAN TOWERS SOUTH, and one (1) will be elected by the owners of all Apartment Units of both condominiums.

3.2. The election of directors will be conducted in the following manner:

A. Subject to the provisions of the Articles of Incorporation of the Association, the election of directors will be held at the annual members' meeting.

B. A nominating committee of five (5) members, who may be owners of Apartment Units of either condominium, will be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. This committee will nominate seven (7) persons to serve as directors, three (3) of which will be owners of Apartment Units of OCEAN TOWERS NORTH and three (3) of which will be owners of Apartment Units of OCEAN TOWERS SOUTH. The seventh nominee may be the owner of an Apartment Unit of either condominium, or a nonmember.

B3209 P0052

Other nominations may be made from the floor and the persons so nominated may be owners of Units of either condominium, or nonmembers. However, each such person must be designated as (a) a nominee for election by the owners of the Apartment Units of OCEAN TOWERS NORTH, or (b) a nominee for election by the owners of the Apartment Units of OCEAN TOWERS SOUTH, or (c) a nominee for election by the owners of all Apartment Units of both condominiums. Further, if nominated for election by the owners of either condominium, the nomination must be made by the owner of an Apartment Unit of that condominium; and no person may be a nominee in more than one (1) of said designated categories.

C. The members who are owners of Apartment Units of OCEAN TOWERS NORTH will cast their votes for three (3) of the nominees designated for election by them and for one (1) of the nominees designated for election by the owners of both condominiums; and the members who are owners of Apartment Units of OCEAN TOWERS SOUTH will cast their votes for three (3) of the nominees designated for election by them and for one (1) of the nominees designated for election by the owners of both condominiums. The election will be by ballot, and separate ballots will be distributed to the voting members of each condominium. Each ballot will show (a) the name of the condominium in which the member owns an Apartment Unit, (b) the three (3) votes cast for the directors to be elected by the owners of that condominium and (c) the one (1) vote cast for the director to be elected by the owners of all Apartment Units of both condominiums.

The election will be by a plurality of the votes cast, each person voting being entitled to cast his votes for three (3) of the nominees designated for election by the owners of Apartment Units of the condominium in which he is an owner and for one (1) of the nominees designated for election by the owners of all Apartment Units of both condominiums. There will be no cumulative voting.

D. At such time as the Apartment Unit owners other than the Developer are entitled to elect three (3) members of the Board of Directors, as set forth in Article 5 of the Articles of Incorporation of the Association, the above procedure will be followed as to the election of these directors, with the following exceptions: (a) one (1) of these directors will be elected by the owners of the Apartment Units of OCEAN TOWERS NORTH, one (1) will be elected by the owners of the Apartment Units of OCEAN TOWERS SOUTH, and one (1) will be elected by the owners of all Apartment Units of both condominiums, (b) the nominating committee will nominate three (3) persons to serve as the directors elected by Apartment Unit owners other than the Developer, one (1) of which will own an Apartment Unit of OCEAN TOWERS NORTH and one (1) of which will own an Apartment Unit of OCEAN TOWERS SOUTH, the third nominee being the owner of an Apartment Unit of either condominium, or a nonmember and (c) each person voting will be entitled to cast his votes for one (1) of the nominees designated for election by the owners of Apartment Units of the condominium in which he is an owner and for one (1) of the nominees designated for election by the owners of all Apartment Units of both condominiums.

E. Vacancies in the Board of Directors will be filled by those Directors remaining from the Condominium which the removed or absent director represented. However, if the person no longer serving as a director had a remaining term of more than six (6) months, then the vacancy will be filled by the vote of the owners who elected him; if the person no longer serving as a director was appointed by the Developer, or his assigns, the vacancy will be filled by appointment of the Developer, or his assigns.

B3209 P0053

F. Any director elected by the owners of the Apartment Units of OCEAN TOWERS NORTH may be removed by concurrence of a majority of the votes of such owners; any director elected by the owners of the Apartment Units of OCEAN TOWERS SOUTH may be removed by concurrence of a majority of the votes of such owners; and any director elected by the owners of all Apartment Units of both condominiums may be removed by concurrence of a majority of the votes of the owners of both condominiums. The vacancy in the Board of Directors so created will be filled at the same meeting.

G. Provided, however, the first election of directors will not be held until the time set forth in the Articles of Incorporation of the Association.

3.3. The term of each director's service will extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4. The organizational meeting of each newly-elected Board of Directors will be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected; and no further notice of such organizational meeting will be necessary.

3.5. Regular meetings of the Board of Directors may be held at such place and time as will be determined, from time to time, by a majority of the directors. Notice of regular meetings will be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the date named for each meeting.

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

3.7. Open Meetings. All meetings of the directors and of the Budget Committees hereinafter described will be open to the members, provided that members who are not directors may not participate in any deliberation or discussion unless expressly so authorized by the Board of Directors. Adequate notice of all such meetings will be conspicuously posted on the condominium properties at least forth-eight (48) hours in advance of each meeting, except in an emergency; and notice of any meeting at which assessments against Unit owners are to be considered for any reason will specifically contain a statement that assessments will be considered and the nature of any such assessments.

3.8. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver will be deemed equivalent to the giving of notice.

3.9. A quorum at directors' meetings will consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present will constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declarations of Condominium, the Articles of Incorporation of the Association or these Bylaws.

3.10. Adjourned meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from

B3209 P0054

time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

3.11. Joinder In Meeting By Approval Of Minutes.

The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting will constitute the presence of such director for the purpose of determining a quorum.

3.12. The presiding officer at directors' meetings will be the President of the Association. In the absence of the President, the Vice President will preside; and in the absence of both the President and Vice President, the directors present will designate one of their number to preside.

3.13. The order of business at directors' meetings will be:

- A. Calling of roll.
- B. Proof of due notice of meeting.
- C. Reading and disposal of any unapproved minutes.
- D. Reports of officers and committees.
- E. Election of officers.
- F. Unfinished business.
- G. New business.
- H. Adjournment.

3.14. Directors' fees will not be paid.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the Association will be exercised exclusively by its Board of Directors, its agents, contractors or employees, except as they may be limited by either Declaration of Condominium, the Articles of Incorporation of the Association or these Bylaws.

5. OFFICERS.

5.1. The executive officers of the Association will be a President, a Vice President, a Secretary and a Treasurer, all of whom will be elected annually by the Board of Directors from the members of the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two (2) or more offices except that the President will not also be the Secretary. The Board of Directors from time to time will elect such other officers and designate their powers and duties as the Board of Directors shall find to be required to manage the affairs of the Association.

5.2. The President will be the chief executive officer of the Association. He will have all of the powers and duties usually vested in the office of President of an association.

B3209 P0055

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

5.4. The Secretary will keep the minutes of all proceedings of the directors and the members, which will be kept in a book available for inspection by Unit owners, or their authorized representatives, and directors at any reasonable time. The Association will retain these minutes for a period of not less than seven (7) years. The Secretary will also attend to the giving and serving of all notices to the members and directors and other notices required by law; have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed; keep the records of the Association, except those of the Treasurer, and will perform all other duties incident to the office of Secretary of the Association and as may be required by the directors or the President.

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

5.6. The compensation of the executive officers of the Association, if any, will be determined by the concurrence of a majority of the votes of the members. The provision that directors' fees will not be paid will not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominiums.

6. FISCAL MANAGEMENT.

The two (2) separate condominiums will, in fiscal matters, be managed separately, except that the Association's administrative expenses and the cost of operating and maintaining certain services and properties that will be used by the owners of the Apartment Units of both condominiums will be shared. These services and properties, and the manner in which such costs will be shared, are described in these Bylaws and in the separate Declarations of Condominium.

The provisions for the fiscal management of the Association set forth in the Declarations of Condominium for the condominiums will be supplemented by the following provisions:

6.1. Accounts. The receipts and expenditures of the Association for each condominium will be credited and charged to accounts under the following classifications, as shall be appropriate, all of which expenditures will be common expenses:

A. Annual operating expenses, which will include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year will be applied to reduce the assessments for annual operating expenses for the succeeding year.

B3209 P0056

B. Reserve for capital expenditures and deferred maintenance, which will include funds for repair or replacement required because of damage, depreciation or obsolescence. The items for which this reserve is established will include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount to be reserved will be computed by means of a formula which is based upon estimated life and estimated replacement cost of each item.

6.2. Budgets for each fiscal year and for each condominium that will include the estimated funds required to defray the common expenses and to provide funds for repair and replacement will be adopted as follows:

A. The three (3) directors elected by the owners of Apartment Units of OCEAN TOWERS NORTH will be a Budget Committee for that condominium; and the three (3) directors elected by the owners of Apartment Units of OCEAN TOWERS SOUTH will be a Budget Committee for that condominium.

The Budget Committee for OCEAN TOWERS NORTH will, not less than sixty (60) days prior to the beginning of the next fiscal year, recommend a budget for that condominium that will include the estimated funds required to defray the common expenses and to provide funds for the repair and replacement of the common elements of that condominium; and the Budget Committee for OCEAN TOWERS SOUTH will, on or before the same day of each year, recommend a budget for that condominium that will include the estimated funds required to defray the common expenses and to provide funds for the repair and replacement of the common elements of that condominium. However, neither of these budgets will include funds to defray the Association's administrative expenses or the cost of operating and maintaining those services and properties that will be used by the owners of the Units of both condominiums as described in the separate Declarations of Condominium. These services and properties are called Community Facilities.

The items set forth in the budget for OCEAN TOWERS NORTH will be designated Ocean Towers North Expenses; and the items set forth in the budget for OCEAN TOWERS SOUTH will be designated Ocean Towers South Expenses. These recommended budgets may be amended and modified by the Board of Directors at the time of adoption and ratification of budgets, pursuant to the provisions of paragraph C. hereof.

B. The Board of Directors will, not less than sixty (60) days prior to the beginning of the next fiscal year, establish a budget that will include the estimated funds required to defray the Association's administrative expenses and the cost of operating and maintaining the Community Facilities. The items set forth in this budget will be designated Community Expenses.

C. The Board of Directors will, not less than fifteen (15) days prior to the beginning of the next fiscal year, adopt and ratify budgets for OCEAN TOWERS NORTH and OCEAN TOWERS SOUTH, as follows: The budget for OCEAN TOWERS NORTH will include all items designated as Ocean Towers North Expenses, together with 60.74% of the items designated as Community Expenses; and the budget for OCEAN TOWERS SOUTH will include all items designated as Ocean Towers South Expenses, together with 39.26% of the items designated as Community Expenses. These percentages are based upon the ratio of Apartments of each condominium to the total apartments of both condominiums.

B3209 P0057

D. A copy of the proposed budget will be mailed to each member not less than thirty (30) days prior to the Budget Committee meeting at which the budget for his condominium will be considered and recommended; a copy of the proposed budget will be mailed to each member not less than thirty (30) days prior to the Board of Directors meeting at which the budget for Community Expenses will be considered; and a copy of the proposed budget and the proposed assessment for his apartment will be mailed to each member not less than thirty (30) days prior to the meeting at which the budget for his condominium will be considered, adopted and ratified by the Board of Directors. These copies will be mailed with the notice of the meeting at which the proposed budget is to be considered.

E. If the budgets for OCEAN TOWERS NORTH or OCEAN TOWERS SOUTH require assessments against the Unit owners in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board of Directors, upon written application of 10% of the Unit owners of the condominium for which such budget has been adopted, will call a special meeting of all Unit Owners of both condominiums within thirty (30) days, upon not less than ten (10) days written notice to each Unit owner. At the special meeting, the Unit owners of OCEAN TOWERS NORTH will consider and enact a budget for that condominium (Ocean Towers North Expenses); the Unit owners of OCEAN TOWERS SOUTH will consider and enact a budget for that condominium (Ocean Towers South Expenses); and the Unit owners of both condominiums will consider and enact a budget for the Association's administrative expenses and the cost of operating and maintaining the Community Facilities (Community Expenses). 60.74% of the items designated as Community Expenses will be allocated to the budget for OCEAN TOWERS NORTH and 39.26% will be allocated to the budget for OCEAN TOWERS SOUTH. The adoption of each budget will require the approval of not less than a majority of the Unit owners voting.

In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the Association which are not expected to be incurred on a regular or annual basis, or assessments for betterments to the condominium property will be excluded from the computation.

6.3. Assessments against the Apartment Unit owners for their shares of the items of the separate budgets will be made annually in advance on or before the last day of the fiscal year preceding the year for which the assessments are made. Such assessments will be due in equal monthly installments on the first day of each month of the year for which they are made.

If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessment will be due on the first day of each month until changed by an amended assessment.

In the event an annual assessment proves to be insufficient, the budget and assessment may be increased at any time, as follows:

A. If the insufficiency relates to Ocean Towers North Expenses or Ocean Towers South Expenses, the

Budget Committee for the condominium affected may recommend increases of the budgeted items to the Board of Directors; which will thereupon adopt and ratify such recommendations.

B. If the insufficiency relates to Community Expenses, the budget for these expenses may be increased by the Board of Directors. 60.74% of the budget for these expenses will then be apportioned to the budget for OCEAN TOWERS NORTH and 39.26% thereof will be apportioned to the budget for OCEAN TOWERS SOUTH.

C. The Board of Directors will amend the budget and assessment, as necessary to comply with such increases.

The unpaid assessment for the remaining portions of the year for which the amended assessment is made will be due in equal monthly installments on the first day of each month remaining in the year for which such amended assessment is made. A meeting notice specifically stating the nature of the assessments to be discussed shall be mailed to each member not less than thirty (30) days prior to the meeting of the Board of Directors convened for the purpose of discussing assessments.

6.4. Acceleration Of Assessment Installments Upon Default. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the apartment owner; and then the unpaid balance of the assessment will come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.5. The depository of the Association will be such bank or banks as shall be designated from time to time by the Board of Directors and in which the moneys of the Association will be deposited. Withdrawals of moneys from such accounts will be only by checks signed by such persons as are authorized by the Board of Directors.

7. TRANSFER OR LEASE OF UNITS.

The separate Declarations of Condominium contain restrictions as to the transfer or lease of Units, which may not be effected without the approval of the Board of Directors of the Association. No fee will be charged in connection with the transfer or sale of a Unit, or with approval thereof, in excess of the expenditures reasonably required for the transfer or sale, and this expense will not exceed \$50.00. No charge will be made in connection with an extension or renewal of a lease.

However, these charges may be increased or instituted if permitted by the Condominium Act, which is Chapter 718, Florida Statutes, or by any statute amending or replacing such Chapter 718.

8. PARLIAMENTARY RULES.

Robert's Rules of Order (latest edition) will govern the conduct of Association meetings, when not in conflict with the Declarations of Condominium, the Articles of Incorporation of the Association or these Bylaws.

9. AMENDMENTS.

These Bylaws may be amended in the following manner:

9.1. Notice of the subject matter of a proposed amendment will be included in the notice of any meeting at which a proposed amendment is considered.

9.2. A Resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors of the Association or by the members of the Association. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting.

Except as elsewhere provided, such approvals must be by not less than 75% of the votes of the entire membership of the Association, or until the first election of directors, only by all of the directors.

9.3. Proposals. No bylaw will be revised or amended by reference to its title or number only. Proposals to amend will contain the full text of the Bylaws to be amended; new words will be inserted in the text underlined, and words to be deleted will be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it will not be necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording by bylaw. See bylaw --- for present text". Nonmaterial errors or omissions in the bylaw process will not invalidate an otherwise properly promulgated amendment.

9.4. Proviso. Provided, however, that no amendment will discriminate against any member, unless the member so affected shall consent; no amendment will affect or impair the validity or priority of any mortgage covering any Unit without the approval of the holder of such mortgage; no amendment will make any changes in Article 2, Article 3, Article 6 or Article 9 hereof, without approval in writing by all members and the joinder of all record owners of mortgages upon the Units; and no amendment will make any changes in paragraph 3.2.G. without the approval of the Developer.

The foregoing were adopted as the Bylaws of THE CONDOMINIUM ASSOCIATION OF OCEAN TOWERS, INC., a Florida not for profit corporation, at the first meeting of the Board of Directors.

/s/ Bernard A. Heeke
Secretary

APPROVED:

/s/ Gordon W. Gauley

President

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