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DECLARATION OF BUILDING 1005 SANDAL COVE
CONDOMINIUM I
1005 BAYSHORE DRIVE
SAFETY HARBOR, FLORIDA

"DECLARATION OF CONDOMINIUM PERTAINING
HERETO IS RECORDED IN PLAT BOOK 18
PAGE 36 thru"38

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DECLARATION OF BUILDING 1005 SANDAL COVE
 CONDOMINIUM I
 1005 BAYSHORE DRIVE
 SAFETY HARBOR, FLORIDA

MADE _____ day of _____, 1974 by SOUTHERN PROPERTIES, Developer, for itself, its successors, grantees and assigns.

WHEREIN the Developer makes the following declarations:

Purpose. The purpose of this Declaration is to submit the lands described below and improvements on such lands to the condominium form of ownership and use in the manner provided by Chapter 711, Florida Statutes 1963, hereafter called The Condominium Act. The name of the Condominium is Building 1005 Sandal Cove Condominium I.

Description of Land

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence North $89^{\circ}17'59''$ West, along the Forty Acre Line 27.09 feet; thence North $0^{\circ}42'01''$ East, 378.36 feet for the Point of Beginning; thence North $68^{\circ}50'05''$ East, 143.0 feet; thence South $21^{\circ}09'55''$ East, 80.0 feet; thence South $68^{\circ}50'05''$ West, 143.0 feet; thence North $21^{\circ}09'55''$ West, 80.0 feet to the Point of Beginning.

It is understood by the unit owner that only the land above described upon which the Apartment Building is situated is subjected to the condominium form of ownership. The fee simple title to the land described below is retained by the Developer and leased to the Association for 99 years:

Begin at the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9) in Pinellas County, Florida, Township Twenty-nine (29) South, Range Sixteen (16) East, for the Point of Beginning; thence North $89^{\circ}17'59''$ West, along the Forty Acre Line, 53.74 feet; thence North $0^{\circ}42'01''$ East, 152.0 feet; thence North $21^{\circ}00'00''$ East, 54.0 feet; thence North $20^{\circ}40'00''$ West, 170.0 feet; thence North $19^{\circ}42'22''$ East, 40.0 feet; thence North $73^{\circ}59'07''$ East, 189.67 feet;

North $79^{\circ}50'00''$ East, 107.6 feet; thence South $25^{\circ}00'00''$ East, 107.0 feet; thence North $89^{\circ}50'00''$ East, 88.0 feet to the westerly Right-of-Way of Bayshore Boulevard; thence South $30^{\circ}58'31''$ West, along said westerly Right-of-Way, 300.0 feet to the Forty Acre Line; thence North $89^{\circ}17'59''$ West, along said Forty Acre Line, 252.36 feet to the Point of Beginning.
 and the following described (3) parcels of land.

(1) From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), in Pinellas County, Florida, Township Twenty-nine (29) South, Range Sixteen (16) East, Pinellas County, Florida, run thence South $89^{\circ}17'59''$ East, along the Forty Acre Line, 127.85 feet; thence North $0^{\circ}42'01''$ East, 111.18 feet for the Point of Beginning; thence North $60^{\circ}51'42''$ West, 143.0 feet; thence North $21^{\circ}08'18''$ East, 80.0 feet; thence South $60^{\circ}51'42''$ West, 143.0 feet; thence South $21^{\circ}08'18''$ West, 80.0 feet to the Point of Beginning.

(2) From the Southeast corner of the Northeast Quarter (NE $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Nine (9), in Pinellas County, Florida, Township Twenty-nine (29) South; Range Sixteen (16) East, run thence North 89°17'59" West, along the Forty Acre Line 27.09 feet; thence North 0°42'01" East, 378.36 feet for the Point of Beginning; thence North 68°50'05" East, 143.0 feet; thence South 21°09'55" East, 80.0 feet; thence South 68°50'05" West, 143.0 feet; thence North 21°09'55" West, 80.0 feet to the Point of Beginning.

(3) From the Southeast corner of the Northeast Quarter (NE $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Nine (9), in Pinellas County, Florida, Township Twenty-nine (29) South, Range Sixteen (16) East, run thence South 89°17'59" East, along the Forty Acre Line, 229.31 feet; thence North 0°42'01" East, 176.40 feet for the Point of Beginning; thence North 25°37'56" West, 143.0 feet; thence North 64°22'04" East, 80.0 feet; thence South 25°37'56" East, 143.0 feet; thence South 64°22'04" West, 80.0 feet to the Point of Beginning.

DEFINITIONS SECTION

Definitions. The terms used in this Declaration and in its exhibits shall have the meanings stated in The Condominium Act (711.03 FLA. STAT.) and as follows unless the context otherwise requires.

Sandal Cove. The entire group of condominiums contemplated for construction by the Developer, one of which is Building 1005 Sandal Cove Condominium I. The land upon which the buildings of the first phase of these condominiums are to be located is legally described above and set forth in Exhibit A.

Identification of Units. Each apartment unit shall be identified by a three (3) digit number set forth in Exhibit B and on the apartment door.

Apartment. Apartment means unit as defined by The Condominium Act.

Apartment Owner. Apartment Owner means unit owner as defined by The Condominium Act.

Leasehold Owner. The legal owner of a leasehold interest in a condominium parcel in accordance with the terms herein.

99-Year Land Recreational lease. 99-Year Land Recreational Lease herein referred to as some as Recreation Lease, as 99-Year lease of surrounding ground or otherwise but never as Long Term Lease. The "Lease Property" is that property defined in Exhibit I.

Management Contractor. Management Contractor shall be the Developer, its assigns or successors for the duration of the Management Contract found in Exhibit F.

Developer. The Developer is a Tenancy by the Entirety operating under the fictitious name of Southern Properties.

Fee Simple Owner. As used herein, the Fee Simple Owner shall refer only to GERALD R. CUSTER and R. NANCY CUSTER d/b/a Southern Properties. Any unit purchasers taking a title in fee are subject to this document and are not to be considered the Fee Simple Owner.

Association. The unit owners (and Leasehold-Owners) are represented by the Sandal Cove Association, Inc., a Florida corporation, and its successors, hereinafter referred to as The Association. The powers, duties and liabilities of The Association may be ascertained by reading: the Corporate Charter, Articles of Incorporation and By-Laws contained in Exhibit D; the 99-Year Land Recreational Lesse contained in Exhibit E; and this Declaration.

Common Elements. All common passage ways in the building situated on the land described in Exhibit B. All areas within said building upon the land described in Exhibit B which are intended for the common use and enjoyment of the residents of said building, in particular the coin laundry room. Any personal property owned by The Association for the use of the residents of said building. The use and enjoyment of the Association's 99-Year lease of the surrounding ground with the residents of other condominium buildings 1001 and 1003 Bayshore Drive. The shares of common elements shall be apportioned as provided in Exhibit H.

Common Elements. Common elements as hereinabove defined shall include within its meaning, in addition to the items listed in the Florida Condominium Act, Section 6, the following items:

- A. An exclusive easement for the use of the air space occupied by the condominium unit as it exists at the particular time and as the unit may lawfully be altered.
- B. An undivided share in the common surplus.
- C. Cross-easements for ingress, egress, support, maintenance, repair, replacement and utilities.
- D. Easements on encroachments by the perimeter walls, ceilings, and floors surrounding each condominium unit caused by the settlement or movement of the building or caused by minor inaccuracies in building or rebuilding which now exist or hereafter exist, and such easements shall continue until such encroachment no longer exists.
- E. Easement for overhanging troughs or gutters, downspouts, and the discharge therefrom of rainwater and the subsequent flow thereof over condominium units or any of them.

Limited Common Elements. Land included within the patio walls and any balcony appurtenant to an apartment shall be possessed exclusively by an Owner (Leasehold-Owner) for the sole use and enjoyment of the Owner (Leasehold-Owner) of the appurtenant apartment.

Apartment Building. The building located on the land described in Exhibit B, the address of which is 1005 Bayshore Drive, hereinafter referred to as "Apartment Building."

Common Expenses. Each Apartment shall share equally the expenses of the Apartment Building and its ratable share of the expenses of The Association. Since there are sixteen (16) apartments, each apartment will owe 6.25% of the expenses of the building. Since there will be three (3) buildings, each will represent one-third (1/3) of the members of the Sandal Cove Condominium I project, the 1005 Bayshore Drive unit share of the expenses of The Association will be 6.25% of $3\frac{1}{3}$ or, approximately, 2.08%.

All utilities (including garbage, trash, water, sewage and electricity) not charged to the individual unit will be paid as part of the management contract fee.

Unit Expenses. The unit owner will be liable for any expenses allocatable only to his own unit. Nonpayment of unit utilities shall result in disconnection or foreclosure as provided below.

Expenses of the Apartment Building. Expenses of the Apartment Building include any and all expenses incurred solely for the benefit of the Apartment Building. Such an expense shall

constitute a special assessment against each unit levied by The Association. The Association shall determine whether an expense has been incurred for the benefit of an apartment building or for all apartment buildings; except that during the development of Sandal Cove until all apartment buildings have been completed, and unless at least 75% of each building is occupied, no special assessment shall be made against any unoccupied unit without the Developer's consent. Under no circumstances shall any unit's percentage liability for expenses of The Association be increased disproportionately from the schedule set forth above. A typical (but not exhaustive) list of apartment building expenses would include expenses of maintenance, operation, repair, replacement of the building's common elements, expenses of administration of the Apartment Building, or any other valid charge against the Apartment Building.

Expenses of The Association. Expenses of the Association for which each of the three (3) buildings and all apartments severally shall be liable are those expenses common to the Sandal Cove project as a whole as well as those expenses declared common expenses by the Association, the Declaration, or the By-Laws of the Association found in Exhibit D, including but not limited to: expenses under the 99-Year Recreational Land Lease found in Exhibit E; any utility charges not metered or charged to the individual unit paid by the Developer or Association apportionable to the Sandal Cove Condominium I project, such charges to be paid as part of the management fee listed in Exhibit H, expenses of the administration of the Sandal Cove Condominium I project; and any charges due under the Management Contract included in Exhibit F. Any dispute arising under this Section shall be settled by the Management Contractor. All real estate taxes on the land described in Exhibit A and I are included as expenses of the Association to be assessed to the "units."

Condominium. Condominium means all of the condominium property set forth in Exhibit B together with the use of all easements in gross, appurtenant and of record which run to the benefit of the residents of the land described in Exhibit B and the benefit of all leasehold interests retained by the Association so long as the resident is a member in good standing with the Association.

EASEMENTS.

Each of the following easements is a covenant running with the land of the Condominium and, notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended use and purpose, and shall survive the termination of the Condominium and the exclusion of any of the lands of the Condominium from the Declaration of Condominium:

Utilities. As may be required for utility services in order to adequately serve the Condominium and to adequately serve lands (other than the Condominium property) now or hereafter owned by the Developer and/or the lessors under the 99-Year Recreational Lease which are adjacent to or in the vicinity of the condominium property; provided, however, that easements through a unit shall be only according to the plans and specifications for the building containing the unit or as the building is actually constructed, unless approved, in writing, by the unit owner.

Parking, Ingress and Egress Easement; Pedestrian and Vehicular Traffic. For pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist, upon the common elements; and for the vehicular traffic over, through and across such portions of the common elements as may be from time to time paved and intended for such purposes; but the same shall not give or create in any person the right to park upon any portions of the Condominium property, except as is set forth in the paragraph containing the parking provisions.

Access by Private or Public Road. Ingress and egress to the land shall be by private or public road over the lands described in Exhibit C. Said private or public roads shall service and be subject to use by other lands in the Sandal Cove Project, provided the same is developed by the Developer for contemplated submission to condominium ownership as part of the Sandal Cove Project, provided, further that in the event the said road referred to herein is private then the expense for the maintenance and repair of such road shall be borne as a common expense ratably by all condominiums and other lands using said road.

The Developer reserves the exclusive right at any time hereinafter to convey, assign and transfer any road which has been designated as a private road for ingress and egress to the lands of or over the lands described in Exhibit C, to any corporate sovereign that would have jurisdiction over said private roads once they have been conveyed, transferred and assigned to said corporate sovereign, provided, however, that the Developer in reserving this exclusive right and making said conveyance to said corporate sovereign dedicates said roads for ingress and egress and for public use in general, and provided further that the corporate sovereign accepting said conveyance of said private roads agrees to repair and maintain said roads thereafter, at which time the maintenance and repair of such roads shall then no longer be a common expense. Any such conveyance made by the Developer herein with reference to said roads need be executed and acknowledged only by the Developer and need not be approved by the Association, unit owners, or lienors or mortgagees of units of the condominium, whether or not elsewhere required by law or by this Declaration and any amendments thereto.

Easement For Parking. The Association shall designate parking for each unit on the leased property initially surfaced and provided for parking by the Developer. The Association shall not provide parking which would interfere with the most direct ingress and egress of traffic through land described in Exhibit C on the surface initially provided by the Developer pursuant to the road easement described above. No parking lot shall be more than twenty feet (20') in length.

It is understood and agreed that the Association shall have full responsibility to maintain and resurface the parking spaces and road within the land described in Exhibit C. It is further understood and agreed that at no time will the Lessee, Sandal Cove Association, Inc., or its successors, extend the surface of the parking area or roadway without the permission of the landlord Southern Properties, or its assigns or successors in interest.

Easement From Parking Space To Unit. The unit resident, whether an apartment owner or a leasehold owner, shall have an easement of ingress and egress across any land to which Developer retains title in fee though leased by the Association as long as the unit resident shall remain a member in good standing of the Association.

DEVELOPMENT PLAN

The Condominium Property is described as follows:

Survey and Plot Plan. A survey of the Condominium land showing the Apartment Building placed thereon is attached as Exhibit No. B.

Improvements. Improvements upon the land include and will be limited to the following:

Apartment Building. The Condominium Property includes one (1) Apartment Building in existence and described in Exhibit B. Sandal Cove Condominium I will involve two more apartment buildings which will be under the same Association but under a separate Declaration since the units are not yet completed. The approximate location of the other buildings in relation to the Apartment Building under this Declaration is given by Exhibit G.

Other Improvements. The Lease Property includes an automobile parking area and sidewalks located substantially on the survey as mentioned above, and the beneficial use of which are part of the common elements.

Apartment Boundaries. Each Apartment shall include that part of the building containing the Apartment that lies within the following boundaries:

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

Upper Boundary. The horizontal plane of the undecorated finished ceiling.

Lower Boundary. The horizontal plane of the undecorated finished floor.

Perimetrical Boundaries. The perimetrical boundaries of the Apartment shall be the vertical planes of the undecorated finished interior of the walls bounding the Apartment extended to intersections with each other and with the upper and lower boundaries.

Amendment of Plans and Completion of Improvements.

Alteration of Apartment Plans. Developer reserves the right to change the interior design and arrangement of all Apartments, and to alter the boundaries between Apartments, so long as the interest of the Developer has not been sold. No such change shall increase the number of Apartments nor alter the boundaries of the common elements nor the boundaries of any Apartments in which the interest of the Developer has been sold, without amendment of this Declaration in the manner required herein. If Developer shall make any dimensional changes in the size of the rooms in the Apartments, such change shall be reflected by an amendment to this Declaration. If more than one (1) Apartment is concerned, the Developer shall apportion between the Apartments the share in the common elements which are appurtenant to the Apartments concerned.

Amendment of Declaration. An amendment of this Declaration reflecting such alteration of apartment plans by Developer need be signed and acknowledged only by Developer and the Fee Simple Owner, and need not be approved by the Association, Members of the Association, Lieners or Mortgagees, whether or not elsewhere required.

Easements. Easements are reserved through the Condominium Property as may be required for utility services in order to serve the occupants of the Apartments; provided, however, such easements through an Apartment shall be only according to the plans and specifications for the Apartment Building, unless approved in writing by the Apartment Owner. Easements are reserved as may be required for utility services in order to adequately serve the Condominium, and to adequately serve other lands in Sandal Cove, whether adjacent to the Condominium Property or not. Easements are also reserved for pedestrian traffic over and across sidewalks, paths, walks, lanes, as the same may exist now, and from time to time hereafter existing, for other residents of Sandal Cove and for vehicular traffic over and across such portions of the common elements as may be from time to time paved and used for that purpose.

CONDOMINIUM BUILDING SECTION

Plans. The Apartment Building consists of two (2) floors all of which are more particularly described in Exhibit B.

Appurtenances to Apartments, Limited Common Elements.

Patio and Balcony. Each Apartment on the first floor of the Apartment Building shall have a patio garden area enclosed by wall or fence and this area shall be referred to herein as the "Patio area," and each Apartment on the remaining floors shall have a balcony, with said area herein referred to as the "Balcony Area." It is intended that the patio area and the balcony area shall be a limited common element, and that the Owner (Leasehold-Owner) owning the Apartment interest in the adjacent Apartment shall be entitled to the exclusive use of said area, and the other Owners (Leasehold-Owners) in the Condominium shall not be entitled to use such space for any purpose whatsoever, and each Owner (Leasehold-Owner) entitled to use said patio area or balcony area shall be responsible for the upkeep and maintenance and care of any vegetation initially growing therein.

Possession of the above defined limited common elements shall be subject to restrictions contained within this Declaration and the rules and regulations of the Association. In particular, no screening, glassing, painting or any structural change shall be allowed by the Association without the following procedure outlined in the Maintenance Section for alterations and improvements. The above defined limited common elements shall not be used in any unreasonable manner which would infringe upon the rights of the other owners. In particular, no laundry shall be dried upon, around, or above the limited common elements; no boisterous or unreasonably raucous diversions shall be suffered to occur upon the limited common elements; and no illegal or immoral acts shall be committed upon the limited common elements.

RESERVATION OF RIGHTS TO DEVELOPER

The Developer reserves the right to maintain any signs or other advertisement means for the sale of apartments as well as an uncancelable easement to the unsold apartments or for himself and any prospective buyers. The Developer shall have the exclusive right to sell all new apartments.

MAINTENANCE SECTION

Maintenance, Alteration and Improvement. Responsibility for the maintenance of the Condominium Property, and restrictions upon the alteration and improvement thereof shall be as follows:

Apartments.

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

All portions of an Apartment, except interior surfaces, contributing to the support of the Apartment Building, which portions shall include but not be limited to load-bearing columns and load-bearing walls, including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services (i.e. gas, electric power, cold water and sewer disposal) which are contained in the portion of the Apartment building maintained by the Association; and all such facilities contained within an Apartment which service part or parts of the Condominium Property other than the Apartment within which contained.

All incidental damage caused to an Apartment by such work shall be promptly repaired at the expense of the Association.

By the Owner (Leasehold-Owner). The responsibility of the Owner (Leasehold-Owner) shall be as follows:

To maintain, repair and replace at his expense all portions of his Apartment except the portions to be maintained, repaired and replaced by the Association, including all screens and glass, kitchen equipment, and all air flow ducts, heating and air conditioning equipment, whether contained inside or outside of an Apartment, hot water heater, carpeting, and any other contents of the Apartment including all non-supporting walls and partitions, and doors and door frames.

Not to paint or otherwise decorate or change the appearance or any portion of the exterior of the Apartment building.

To promptly report to the Association any defects or need for repairs if the responsibility for the remedying is that of the Association.

Alteration and Improvement. Except as elsewhere reserved to Developer, neither an Owner (Leasehold-Owner) nor the Association shall make any alterations in the portions of an Apartment or Apartment building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the Apartment building, any easement, without first obtaining approval in writing of Owners (Leasehold Owners) of all other Apartments and the approval of the Board of Directors of the Association. A copy of plans for all of such work prepared by an architect licensed to practice in this State shall be filed with the Association and with the Management Contractor.

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

By Association. The maintenance and operation of the common elements and limited common elements shall be the responsibility and the expense of Association.

Alteration and Improvement. After the completion of the initial improvements included in the common elements and the limited

common elements which are contemplated by this Declaration, there shall be no alteration nor further improvements of common elements or limited common elements without prior approval in writing by the record Owners (Leasehold-Owners) of all the Apartments, except as provided for herein; provided, however, that alteration or improvement of the common elements or limited common elements, may be made if the approval in writing of not less than 75% of the Owners (Leasehold-Owners) is obtained, provided the improvements do not interfere with the rights of Owners (Leasehold-Owners) not giving their consent, and if the non-approving Owners (Leasehold-Owners) are relieved of the cost thereof. The cost of any improvement made pursuant to the above provisions shall be paid in full by the approving Owners (Leasehold-Owners) as among themselves in proportion to their ownership percentage. There shall be no change in the shares and rights of an Owner (Leasehold-Owner) in the common elements and limited common elements which are altered or further improved, whether or not the Owner (Leasehold-Owner) contributes to the costs thereof. This paragraph shall not apply to any repairs, replacement or reconstruction made to the common elements caused by casualty, an act of God, or ordinary wear and tear. Any increase in the common expenses caused by alterations or improvements as contemplated by this paragraph shall be borne only by the approving Owners (Leasehold-Owners) and not by the non-approving Owners (Leasehold-Owners).

Enforcement of Maintenance. In the event the owner of a unit fails to maintain it as required above, the Association, Developer, or any other unit owner shall have the right to proceed in a Court of equity to seek compliance with the foregoing provisions; or the Association shall have the right to assess the unit owner or leasehold owner and the unit for the necessary sums to put the improvement within the unit in good condition. After such assessment, the Association shall have the right to have its employees or agents enter the unit and do the necessary work to enforce compliance with the above provisions.

Further, in the event a unit owner violates any of the provisions of the Maintenance Paragraph above, the Developer and/or the Association shall have the right to take any and all such steps as may be necessary to remedy such violation, including, but not limited to, entry of the subject unit with or without consent of the unit owner.

ASSESSMENTS. The making and collection of assessments against Owners (Leasehold-Owners) for common expenses recreational lease rent, management contract fee, and any special assessments, shall be pursuant to the by-laws and subject to the following provisions:

Share of Common Expense. Each Owner (Leasehold-Owner) shall be liable for 6.25% of the expense of the Apartment Building, approximately 2.00% of the expense common to the Association as a whole, and all of the charges listed on Exhibit B. For the exact unit share of the expenses common to the Association see Exhibit L.

Interest; Application of Payments. Neither Assessments nor the other charges listed above and installments thereon paid on or before ten (10) days after the date when due shall bear interest. All sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of nine per cent (9%) from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

If a unit owner (leasehold-owner) does not pay his share of the management contract fee or recreation fee set forth in Exhibit B, the

If the Association has met an obligation owed by a unit owner (leasehold-owner) the Association shall assess the unit owner (leasehold-owner), such assessment to be secured by a lien on each Apartment interest, either Leasehold interest or the interest of an Owner as the case may be, for any unpaid assessments by the person or entity responsible therefor, or any part thereof, and for interest thereon against the Owner or the Leasehold-Owner, as the case may be, which lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien. Said lien shall be effective from and after the time of the recording in the Public Records of Pinellas County, Florida, a claim of lien stating the description of the Apartment interest, the name of the owner of said interest, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association or by the Management Contractor. Such liens shall be subordinate to the lien of a mortgage or other liens recorded prior to the date of recording of the claim of lien. Liens for assessments may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure, the owner of the Apartment interest being foreclosed on shall be required to pay a reasonable rental for the Apartment and the Association shall be entitled, as a matter of law, to the appointment of a receiver to collect the same. The Association may also sue to recover a money judgment on unpaid assessments without waiving the lien to secure same. The aforementioned lien may be foreclosed by the Management Contractor, in order to secure monies due it, or other monies due as a portion of the Owner's (Leasehold-Owner's) portion of common expense, in the event the Association does not institute foreclosure proceedings within thirty days after written notice of request to do so by the Management Contractor. In the event the amounts due giving rise to the claim of lien are due from a Leasehold-Owner, then said lien shall not affect the interest of an Owner as to the specific Apartment in question, and shall affect only the interest of the Leasehold-Owner. The Developer cannot be assessed either directly or indirectly for any foreclosure or apartment purchase by the Association.

The Association shall maintain a register of institutional first mortgages and shall give such mortgagees notice, in writing, of all notices given by Association to owner of such Condominium parcel encumbered by such institutional first mortgage.

If the mortgagee of a first mortgage of record, or the lessor of the aforescribed 99-Year Recreational Lease, or any other purchaser or purchasers of a Condominium parcel obtains title to the Condominium parcel as a result of the foreclosure of the first mortgage, or of the pledge held by the lessor of the 99-Year Recreational Lease, or by voluntary conveyance in lieu of such foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by the Association pertaining to such condominium parcel or chargeable to the former owner of such condominium parcel which became due prior to acquisition of title as a result of the foreclosure or voluntary conveyance in lieu of said foreclosure. Such unpaid shares of common expenses or assessments shall be deemed to be common expenses collectible from all of the owners of condominium parcels in the Sandal Cove Project, condominiums, including such acquirer, his successors and assigns.

Any party who acquires the ownership of a condominium parcel (except through foreclosure of a first mortgage of record or through foreclosure of the pledge held by the lessor of the 99-Year Recreational Lease as described above; or by deed in lieu of such foreclosure), including, without limitation, parties acquiring title by operation of law, and including purchasers at judicial sales, shall not be entitled to occupancy of the unit or enjoyment of the common elements until such time as all unpaid assessments due and owing by the former owner have been paid.

The Association, acting through its Board of Directors,

shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments.

ALL OWNERS (LEASEHOLD-OWNERS) PLEDGE ALL THEIR INTERESTS IN APARTMENTS TO PAY COMMON EXPENSES. NO INSTITUTIONAL FIRST MORTGAGE MAY BE PREJUDICED BY NONPAYMENT MEMBERS OF ASSOCIATION.

Qualification. The Members of the Association shall consist of all of the record Owners (Leasehold-Owners) of Apartments, as the case may be. If there be a Leasehold-Owner as to a particular Apartment, then he shall be the Member, and the Owner of the specific Apartment in which said Leasehold interest exists shall not be a Member unless the Leasehold interest is terminated. If the Leasehold interest is terminated, then the Owner shall be the Member. An exception is to be made allowing approved equitable owners to be members of the original Board of Trustees.

Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Pinellas County, Florida, a deed or other instrument establishing a transfer of the interest of a Member and the delivery to the Management Contractor of a certified copy of such instrument. The Owner (Leasehold-Owner) designated by such instrument thereby shall become a Member of the Association, and the membership of the prior Owner (Leasehold-Owner) shall be terminated. Notwithstanding the above, the membership shall not be changed nor shall the new Owner (Leasehold-Owner) be entitled to vote until the new Owner (Leasehold-Owner) is approved as set forth herein.

Voting Rights. Members of the Association shall be entitled to cast one (1) vote for each Apartment interest owned by them. (Subject to the below paragraph)

Designation of Voting Representative. If an Apartment interest is owned by one (1) person, (Owner or Leasehold-Owner) his right to vote shall be established by the record title to his Apartment interest. If an Apartment interest is owned by more than one (1) person, (Owner or Leasehold-Owner) or is under short-term lease, the person entitled to cast the vote for the Apartment shall be designated by a certificate signed by all of the record Owners (Leasehold-Owners) of the Apartment interest and filed with the Association and the Management Contractor. If an Apartment interest is owned by a corporation, trust, or association, the person entitled to cast the vote for the Apartment shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation or association or by the Trustee, if owned by a Trust. If an Apartment interest is owned by a Limited Partnership, then any General Partner or Partners, as the case may be, shall be entitled to vote, and any General Partner may file the certificate as required. This certificate should be filed with the Association and the Management Contractor. Such certificate shall be valid until revoked or until superseded by subsequent certificate, or until a change in ownership of the Apartment interest concerned is properly completed. A certificate designating the person entitled to cast the vote of an Apartment may be revoked by the Owner (Leasehold-Owner) thereof at any time. The above requirements as to corporations shall not apply to Developer, or the Management Contractor and any representative of said corporations shall be entitled to vote Apartment interests owned by either of said corporations as designated by its President.

Restraint upon Assignment of Shares and Assets. The share of a Member in the funds and assets of the Association or the right to use a parking space(s) cannot be assigned, hypothecated or transferred in any manner except as an appurtenance of his Apartment interest.

TAXES.

Taxes. Real property taxes shall be assessed and

Certificate. The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Pinellas County, Florida. The certificate shall also be signed by the parties required hereunder.

Shares of Owners after Termination. After termination of the Condominium the Owners (as distinguished from Leasehold-Owners) shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and all Leasehold Owners shall have an undivided interest in the leasehold of the land and the improvements located thereon with the right to occupy their specific Apartment for the remainder of the leasehold term, if said Apartment is tenantable, and their respective mortgages and liens shall have mortgages and liens upon the respective undivided shares of the Owners. Unless the liability of the Leasehold-Owner is terminated as provided in the Insurance Section, any termination of this Condominium shall not affect the responsibility and liability of the Owners (Leasehold-Owners) under the terms of the Management Contract or the responsibility of the Leasehold-Owners under the provisions of the Long Term Lease, or the Recreation Lease, and the Management Contractor shall be entitled to continue to manage the Condominium Property in the same manner as if the Condominium had not been terminated. This Condominium shall not be terminated for the purpose of attempting to negate any responsibility of the Association or the Members under the Management Contract and the liens available to the Management Contractor under the Management Contract, or under the Recreation Lease, shall still be available to the Management Contractor in the event the Condominium is terminated. The undivided shares of the Owner (Leasehold-Owner) shall be the same as the undivided shares of the common elements appurtenant to the Owner's (Leasehold-Owner's) Apartment prior to termination.

Any foreclosure against the undivided interest by the Management Contractor shall entitle the purchaser at the foreclosure sale to occupy the Apartment owned by the Owner (Leasehold-Owner). In the event the Condominium is terminated pursuant to the Reconstruction Section and if any entity owns an Apartment as an "owner" as herein defined, with the exception of the Fee Simple Owner, the Fee Simple Owner shall have the option to purchase said interest for its Fair Market Value as defined herein, or for the value established by a N.A.I. appraiser selected by the Fee Simple Owner.

Amendment. The section concerning termination cannot be amended without consent of all parties required to terminate this Declaration as stated in paragraph entitled "Termination" hereof. Notwithstanding any provisions contained in this Declaration, the paragraph immediately above and this paragraph of this Declaration cannot be terminated or amended without the express written consent of the Management Contractor and the Fee Simple Owner.

AMENDMENTS.

Amendments. This Declaration of Condominium and the By-Laws of this Association may be amended in the following manner as well as in the manner elsewhere provided:

Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. Notice of any proposed amendment to this Declaration of Condominium or to the By-Laws of Association shall be given to the Management Contractor and to the Developer, if the Developer is in the process of building additional buildings and Apartments in the development of Sandal Cove.

Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Members of the Association. Directors and Members not present at the meeting considering the amendment may express their approval in writing. Except as elsewhere provided, such approvals must be by not less than three (3) directors and by not less than 75% of the votes of the Members of the Association, provided the amendment does not increase the number of Apartments or alter the boundaries of the common elements.

Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record Owners (Leasehold-Owners) of the Apartment interests in the Condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Pinellas County, Florida. The Association shall give notice of any agreement which has been signed under this clause to the Management Contractor and the Developer, if the Developer is building Apartment buildings or Apartments in Sandal Cove at least ten (10) days prior to the time said amendment is recorded.

Proviso. Provided, however, that no amendment shall discriminate against any Owner (Leasehold-Owner) nor against any Apartment or class or group of Apartments unless the Owners and Leasehold-Owners so affected shall consent; and no amendment shall change any Apartment nor the share in the common elements appurtenant to it, nor increase the Owner's (Leasehold-Owner's) share of the common expenses, unless the record Owners and Leasehold-Owners of the Apartments concerned and all record owners of mortgages thereon shall join the execution of the amendment. Neither shall an amendment of this Declaration make any change in the section entitled "Insurance" unless the record owners of all mortgages upon Apartments in the Condominium shall join in the execution of the amendment. Notwithstanding any other clause contained in this Declaration, no amendment to this Declaration of Condominium shall be made to the section concerning the Management Contract which is found in the Management Contract Section, nor shall the section concerning the Long Term or Recreational Lease which is contained in any section concerning the Long Term or Recreational Lease be amended unless the consent of the Lessor under the lease, or the Management Contractor under the Management Contract is obtained. After the initial recording of the Declaration, the parties executing the Declaration and the Association may amend the Declaration without the consent of any other party in order to correct any typographical errors, or for any other purpose so long as the first sentence hereof is complied with. The Common Expense sub-section of the Association Apartment Interest Purchase Section shall not be amended as it is understood that the Association is granted the power to purchase only if the Developer is not to bear any expense for such purchase.

Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Pinellas County, Florida.

Parties bound by Amendment. All Owners (Leasehold-Owners) and their successors, personal representatives and assigns shall be bound by all amendments to this Declaration made pursuant to this paragraph.

COMMUNITY INTEREST SECTION

Maintenance of Community Interest. The Developer is

attempting to create a community of congenial residents in this Condominium, and prospective purchasers of the Apartment interest shall be screened by the Developer with such purpose in view. The purpose of this is to organize and maintain a community of residents who are financially responsible, thus protecting the value of the Apartment interests. The transfer of the Apartment interest by any Owner (Leasehold-Owner) other than the Developer or the Fee Simple Owner shall be subject to the following provisions as long as the Condominium exists.

TRANSFERS SUBJECT TO APPROVAL

Sale. No Owner (Leasehold-Owner) may dispose of an Apartment interest by sale without approval except as provided for herein.

Lease. No Owner (Leasehold-Owner) may dispose of an Apartment interest by lease without approval except as provided for herein.

Gift. If any Owner (Leasehold-Owner) shall acquire his title by gift, the continuance of his ownership of his Apartment interest shall be subject to approval as provided for herein.

Devise of Inheritance. If any Owner (Leasehold-Owner) shall acquire his title by devise or inheritance, the continuance of his ownership of his Apartment interest shall be subject to approval as provided for herein.

Other Transfers. If any Owner (Leasehold-Owner) shall acquire his title by any manner not considered in the foregoing subsections, the continuance his ownership of his Apartment interest shall be subject to approval as provided for herein.

Approval. The approval required hereunder shall be made by the Management Contractor as long as the Management Contract is in full force and effect or until this Declaration is amended as provided for in Amendment Section, and the Association shall be relieved of this responsibility, and the Association shall have said responsibility and duty to approve only by request of the Management Contractor, or in the event the Management Contractor refuses to act. The purpose of placing this provision herein is to relieve the individual Owners (Leasehold-Owners) of Apartments who would probably be officers and directors of Association of the details of handling said approval, and to have said matters handled in a professional and uniform method for this Condominium, as well as for the other condominium associations in Sandal Cove. In the event the Management Contract has been terminated for any reason whatsoever, then the Association would have the responsibility, duty and authority to make any approval required hereunder.

Approval for Transfer. The approval that is required for the transfer of ownership of Apartment interests shall be obtained in the following manner:

Notice to Management Contractor.

(1) Sale. An Owner (Leasehold-Owner) intending to make a bona fide sale of his Apartment interest shall give to the Management Contractor notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Management Contractor may

reasonably require, together with an executed copy of the proposed contract of sale.

(2) Lease. An Owner (Leasehold-Owner) intending to make a bona fide lease of his Apartment interest shall give to the Management Contractor notice of such intention, together with the name and address of the intended lessee and such other information concerning the intended lessee as the Management Contractor may reasonably require together with an executed copy of the proposed lease. Lease as used herein does not contemplate a sale of a leasehold interest, but contemplates a short-term lease (less than 3 years).

Gift; Devise or Inheritance; other Transfers. An Owner (Leasehold-Owner) who has obtained his interest by gift, devise or inheritance or by any other manner not previously considered, shall give to the Management Contractor notice of the acquiring of his title, together with such information concerning the Owner (Leasehold-Owner) as the Management Contractor may reasonably require, and a certified copy of the instrument evidencing the Owner's Leasehold-Owner's) title.

Failure to Give Notice. If the above-required notice to the Management Contractor is not given, then at any time after receiving knowledge of a transaction or event transferring Ownership or possession of an Apartment, the Management Contractor, at its election and after giving 30 days written notice, may approve or disapprove the transaction or ownership. If the Management Contractor disapproves the transaction or ownership, the Management Contractor shall proceed as if it had received the required notice on the date of such disapproval.

Certificate of Approval

Sale. If the proposed transaction is a sale, (either of a leasehold or fee ownership as the case may be) then within thirty (30) days after receipt of the notice and information referred to above, the Management Contractor must either approve or disapprove the proposed transaction. If approved, the Owner (Leasehold-Owner) shall be notified, and the approval shall be stated in a certificate executed by the Management Contractor in recordable form, which shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the purchaser.

Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information, the Management Contractor must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the Management Contractor, which shall be delivered to the lessee or shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the lessee.

Gift; Devise or Inheritance; Other Transfers. If the Owner (Leasehold-Owner) giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within thirty (30) days after receipt of such notice and information, the Management Contractor must either approve or disapprove the continuance of the Owner's (Leasehold-Owner's) ownership of his Apartment interest. If approved, the approval shall be stated in a certificate executed by the Management Contractor, which shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the approved party.

Certificate. If the Management Contractor does not execute the certificate required herein for any reason, or if the Management Contract is terminated, then the Association shall execute said certificate.

Approval of Corporate Owner or Purchaser. Inasmuch as the Condominium may be used only for residential purposes, and since a corporation cannot occupy an Apartment for such use, and if the Owner (Leasehold-Owner) or purchaser of an Apartment interest is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the Apartments be approved as required above. This would also apply to ownership by a Trust.

Disapproval. If the Management Contractor disapproves a transfer of ownership of an Apartment interest, the matter shall be disposed of in the following manner:

Sale. In the event the proposed sale is disapproved, the selling Owner (Leasehold-Owner) shall be notified by certified mail, and if the selling Owner (Leasehold-Owner) still desires to consummate such sale, he shall thirty (30) days before the closing of such sale, give written notice to Management Contractor of his intention to sell on a certain date, together with the bona fide price and other terms thereof, and Management Contractor shall promptly notify the Members of Association of the date of the sale, the price and the terms.

Option. Any Owner (Leasehold-Owner), after notification by the Management Contractor as above mentioned shall have an option to purchase the Apartment interest at the price stated in the disapproved contract to sell, or for the Fair Market value which shall be determined in accordance with this agreement, whichever is the lesser amount. The purchasing Owner (Leasehold-Owner) shall exercise his option by giving written notice of said fact to the Management Contractor at least fifteen (15) days prior to the date of the intended sale or transfer, and after depositing with Management Contractor ten percent (10%) cash of the purchase price as a good faith deposit. Management Contractor shall immediately notify selling Owner (Leasehold-Owner) of these facts. This option shall also be available to the Management Contractor, the Developer, the Association, and the Fee Simple Owner. The Association may also purchase the unit provided no assessment or special assessment is made upon the Developer.

If Option Not Exercised. In the event the above option is not exercised by the persons or corporations mentioned, then the Management Contractor must either approve the transaction or furnish a purchaser approved by Association or by it who will accept the transaction according to the price and terms of the disapproved contract, or upon the Fair Market Value in accordance with the terms of this Declaration, provided Association, or Management Contractor, at least ten (10) days before the date of the closing of the intended sale, notifies the selling Owner (Leasehold-Owner) that a purchaser has been furnished and that the said purchaser has deposited ten percent (10%) of the purchase price as set forth above with the Management Contractor as a good faith deposit.

If No Approval. In the event the selling Owner (Leasehold-Owner) giving notice to sell received no written notice from any entity entitled to exercise the above mentioned option accepting his price in terms of the proposed sale or accepting the sale at the Fair Market Value on or before ten (10) days prior to the sale date as given in the notice above, then the selling Owner (Leasehold-Owner) may complete the sale or transfer on the day and at the price and the terms given in his original notice to sell as mentioned in the Disapproval sub-section of this section, and if the selling Owner (Leasehold-Owner) completes his transaction as required hereunder, the Management Contractor shall furnish a Certificate of Approval as elsewhere provided herein, which shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the purchaser.

Terms of Sale. In the event the option is exercised and a purchase is made by an Owner (Leasehold-Owner), or by the corporations or entities referred to above, or by a purchaser obtained by the Association or the Management Contractor, the sale shall be made according to the following terms:

The purchase price shall be paid in cash.

The sale shall be closed within thirty (30) days after the delivery or mailing of the notice of purchase to the selling Owner (Leasehold-Owner), or within twenty (20) days after the determination of Fair Market Value, whichever is later. The Fair Market Value shall be determined within ten (10) days after receipt of the above mentioned notice.

A Certificate of Management Contractor approving the purchase, shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the purchaser.

In the event the selling Owner (Leasehold-Owner) giving notice receives acceptances from more than one purchasing Owner (Leasehold-Owner), or from the corporations or entities, having options hereunder, it shall be discretionary with the selling Owner (Leasehold-Owner) to consummate the sale with whichever of the accepting parties he chooses.

The closing costs of said sale shall be borne by the respective parties in the customary manner.

Lease. If the proposed transaction is a lease, the Owner (Leasehold-Owner) shall be advised of the disapproval in writing and the lease shall not be made.

Gifts; Devise or Inheritance; Other Transfers. If the Owners (Leasehold-Owners) give notice under the Gift And Devise paragraph of the Notice to Management part of the Approval For Transfer sub-section of this section, then within thirty (30) days after receipt of the notice and information required to be furnished, the Management Contractor shall deliver or mail by registered mail to the Owner (Leasehold-Owner) an agreement to purchase the Apartment interest concerned by a purchaser approved by the Association or by the Association who will purchase the Apartment interest and to whom the Owner (Leasehold-Owner) must sell the Apartment interest upon the following terms:

Sale Price. The Sale Price shall be the price determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be the Fair Market Value determined in accordance with the terms of this Declaration.

Terms. The purchase price shall be paid in cash.

Time. The sale shall be closed within twenty (20) days following determination of the sale price, or within such other period as agreed by the parties.

Certificate. A Certificate of the Management Contractor approving the purchaser shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the purchaser.

Approval. If the Association or Management Contractor shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by the Association or Management Contractor shall default in his agreement to purchase, then notwithstanding the disapproval such ownership shall be deemed to have

been approved and the Management Contractor shall furnish a Certificate of Approval as elsewhere provided, which shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the Owner (Leasehold-Owner).

Mortgage. No Owner (Leasehold-Owner) may mortgage his Apartment interest without the approval of the Management Contractor except to a bank, life insurance company or a savings and loan association, or to a vendor to secure a portion or all of the purchase price. The Approval of any other mortgagee may be upon conditions determined by the Association or by the Management Contractor or may be arbitrarily withheld.

Notice of These Provisions. All Owners (Leasehold-Owners), prospective purchasers of Apartment interests, transferees, or prospective lessees are given notice of these provisions concerning transfer of an Apartment interest, and of all other provisions of this Declaration, and the Management Contractor may declare a sale, transfer, mortgage or lease not authorized pursuant to the terms of this Declaration to be void unless subsequently approved by Association or Management Contractor, and if declared void, appropriate arrangements shall be made for the monies to be refunded, and the Apartment interest reconveyed. Any resolution passed by the Association or Management Contractor pursuant to this paragraph or a notice of non-compliance may be recorded in the Public Records of Pinellas County, Florida, to show non-compliance.

Procedure in Case of Death. The following procedure shall apply in the event of death:

Occupancy. In case of death of the Owner (Leasehold-Owner) of an Apartment interest, the surviving spouse, if any, and if no surviving spouse, the other member or members of such Owner's family residing with the Owner (Leasehold-Owner) at the time of his death, may continue to occupy the Apartment; and if such surviving spouse or other member or members of the decedent's family shall have succeeded to the ownership of the Apartment interest, the ownership thereof shall be transferred by legal process to such new owner.

Approval. In the event said decedent shall have devised the ownership of his Apartment interest to some designated person or persons other than the surviving spouse or members of his family, as aforedescribed, or if some other person is designated by such decedent's legal representative to receive the ownership of the Apartment interest, or under the laws of descent and distribution of the State of Florida, the Apartment interest descends to some person or persons other than his surviving spouse or members of his family as aforedescribed, Association or Management Contractor shall, within thirty (30) days of proper evidence of rightful designation served upon the Management Contractor, or within thirty (30) days from the date the Management Contractor is placed on actual notice of said devisee or descendant, express its refusal or acceptance of the individual or individuals so designated as owner.

Consent. If the Management Contractor shall consent, ownership of the Apartment interest may be transferred to the person or persons so designated in accordance with the provisions of paragraph Approval above, and he shall thereupon become the owner of the Apartment interest, subject to the provisions of the Declaration, including all attachments.

Refusal of Consent. If the Management Contractor refuses to consent to said ownership, then the Members of Association, the Management Contractor, Developer, or the Fee Simple Owner, or the Association itself shall have an opportunity during thirty (30) days immediately following the above mentioned thirty (30) day period to purchase, for cash, the Apartment interest at the then Fair Market Value, or at a price agreed on between the parties.

Sale. In the event a sale takes place under this paragraph, the sale shall be closed within twenty (20) days following the determination of the sale price and a Certificate of the Management Contractor approving the purchaser, shall be recorded in the Public Records of Pinellas County, Florida, at the expense of the purchaser; and the costs of the same shall be prorated in the customary manner.

Results if Not Purchased. In the event the Apartment interest is not purchased pursuant to the terms of this paragraph, the person or persons so designated by the decedent, or the person having the right to receive the decedent's property, may then take title to the Apartment interest; or, such person or persons or the legal representative of the deceased Owner (Leasehold-Owner) may sell the Apartment interest, but such sale shall be subject in all other respects to the provisions of this Declaration of Condominium.

Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests," shall not apply to a transfer to or purchase by a bank, life insurance company or savings and loan association that acquires its title as the result of owning a mortgage upon the Apartment interest concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings, nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company or savings and loan association that so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to an Apartment interest 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, and said provisions shall not apply to a sale, transfer or lease by the Fee Simple Owner, or by the Association, Developer, or Management Contractor.

Restraint Upon Separation and Partition. Any transfer of an Apartment interest shall include all elements thereof as aforescribed and appurtenances thereto, whether or not specifically described, including, but not limited to, the Owner's (Leasehold-Owner's) interest in the common elements, and his Association membership and his share of responsibility hereunder.

Effect of Sale on Member's Liability. When a conveyance, sale or transfer is made in accordance with the above provisions, the Owner (Leasehold-Owner) so assigning his interest shall be released of all liability arising under the herein mentioned Management Contract, if in existence, and Long Term Lease, if, at the time of closing of said transaction, the Owner (Leasehold-Owner) has paid all sums due from him as his portion of the common expense and sums due under the Long Term Lease, if any, together with a sum fixed by the Association or the Management Contractor to cover reasonable legal and other expenses in connection with the transfer. If a transfer is made without the Owner's (Leasehold-Owner's) portion of the common expenses and sums due under the Long Term Lease being paid, then the Owner (Leasehold-Owner) shall remain liable for said expense until said amount has been paid. The Statutory provisions as set forth in The Condominium Act concerning liability upon transfer shall remain in full force and effect, and in the event satisfactory arrangements are not made for the payment of sums due from a transferring Owner (Leasehold-Owner) for his common expenses or other sums due hereunder at the time of transfer, said sums may become a lien on the Apartment interest after transfer, if the Association or if the Management Contractor files a claim of lien in the Public Records of Pinellas County, Florida, and the Management Contractor or Association may refuse to approve any transfer hereunder until all liability as to the

common expenses and all payments under the Long Term Lease have been made.

Attorney's Fee. The provisions set forth in the Community Interest Section are established for the benefit of the entire development of Sandal Cove, and for the benefit of all of the Members of Association. In the event it becomes necessary for the Association or for the Management Contractor to enforce these provisions by legal action, or if it becomes necessary for either of said organizations to defend a law suit based on the provisions of this section, then the reasonable legal expenses and court costs incurred shall be considered a common expense.

Waiver. Any failure of the Management Contractor or the Association to exercise the rights of approval granted hereunder in this section, shall not in any event be deemed a waiver of its rights as herein granted.

NOTHING IN THIS SECTION SHALL BE DEEMED APPLICABLE TO ANY SALE BY THE DEVELOPER.

Arbitration Section:

When Arbitration is to be Used. The process of arbitration as herein set forth shall be used to determine Fair Market Value as herein mentioned, and when any controversy arises between Owners (Leasehold-Owners) and Developer, the Management Contractor, or the Fee Simple Owner, or which arises between the respective Owners (Leasehold-Owners) or prospective Owners (Leasehold-Owners) if the controversy or dispute arises as to the construction of any provisions of this Declaration, or compliance or non-compliance with any provisions of this Declaration, or any dispute which may arise due to the application of the community interests section of this Declaration concerning approval, or the violation of any of the use restrictions of the Condominium Property, or any dispute which may arise under the insurance clause hereunder, or under any other specific item which may be designated by an amendment to this Declaration as this Declaration may be amended from time to time.

Procedure. Arbitration, where so provided for in this agreement, shall proceed in the following manner:

Who May Commence Arbitration. Either party to a controversy may institute arbitration proceedings upon written notice delivered to the other parties in person or by certified mail.

Notice. The notice referred to above shall reasonably identify the subject of controversy and the subject of arbitration.

Appointment of Arbitrators. Within ten (10) days from receipt of said notice, each party shall name and appoint one arbitrator. The time for said appointment may reasonably be extended upon request.

Failure to Appoint. In the event any party has failed to make or appoint, the party having made his appointments shall appoint a second arbitrator. The two appointed arbitrators shall then appoint a third, and, upon their failure to appoint a third arbitrator within a reasonable time, application may be made to the circuit court by either party for such appointment.

Place for Hearing. The arbitrators shall select the time and place for hearing of the controversy, and shall notify the parties of said time and place by written notice in person or by certified mail at least five days prior to said hearing.

Hearing. The hearing shall be conducted by all of the arbitrators but a majority may determine any question and render a final decision and award. The arbitration shall be conducted according to the Florida Arbitration Code except where the above clause specifically overrides or contradicts the Statute.

Decision. The decisions and award of the arbitrators shall be in writing and signed by all of the arbitrators and delivered to the parties in person or by certified mail within a reasonable time after the final hearing day, except that a final date for the delivery of the decision and award may be established by the parties at which time the award must be presented. Reasonable extensions may be granted either before or after the expiration date upon written agreement of the parties.

Costs. The fees of the arbitrators and the costs and expenses incurred in said arbitration shall be divided and paid one-half (1/2) by each of the parties. Each party shall be responsible for paying the fee of his own counsel.

Foreclosure Section:

Mortgage Foreclosure. The following provisions shall control any foreclosure or attempted foreclosure of an Apartment interest:

Redemption. In the event proceedings are instituted to foreclose any mortgage on an Apartment interest, the Association, the Management Contractor, the Developer, or any one or more of the Owners (Leasehold-Owners) shall have the right to acquire from the mortgagee for the amount due and secured under said mortgage, or to its interest, or to purchase such Apartment interest at the foreclosure sale. The right to acquire by any of the above parties shall exist only if the Fee Simple Owner mortgagor refuses to redeem within 30 days after suit is filed. No assessment shall be made upon Developer for any sums to be expended pursuant to this section.

Ownership By Mortgage. Nothing herein contained shall preclude a mortgage institution, savings and loan association, insurance company, or other recognized lending institution from owning an Apartment interest, and such lending institution shall have an unrestricted, absolute right to accept title to the Apartment interest in settlement and satisfaction of said mortgage, or to foreclose the mortgage in accordance with the terms thereof, and in accordance with the laws of the State of Florida, and the right to bid upon said Apartment interest at the foreclosure sale; provided the mortgage has not been redeemed pursuant to the paragraph immediately above.

Sale of Apartment interest by Mortgagee. If such default is not cured, as aforesaid and should the Association, the Management Contractor, the Developer, the Fee Simple Owner, or any Member of Association, fail to purchase such mortgage together with any cost incident thereto from the mortgagee, or fail to purchase said Apartment interest at the foreclosure sale, and in the event the mortgagee takes title to the Apartment interest by foreclosure, or by taking title in lieu of foreclosure, the said mortgagee may sell said Apartment interest, and the Association, any of its Members, the Developer, and the Management Contractor shall have option to purchase the Apartment interest at any time the mortgagee owns an Apartment for the Fair Market Value, or the amount of money the mortgagee "has in" the Apartment interest, whichever is higher. In said event, the approval procedure as set forth herein should not be followed.

Amounts due from a Mortgagee Owner. In the event a mortgagee takes title in lieu of foreclosure, the mortgagee shall be responsible for any portion of the common expenses which are assessed to the individual Apartment interest which are unpaid. If a savings and loan association, bank or insurance mortgagee acquires title hereunder, the said mortgagee shall be required to pay the amounts due, from time to time, under the Management Contract the same as any other Owner (Leasehold-Owner), or the portion the former Owner (Leasehold-Owner) was required to pay for maintenance and management in the event the Management Contract was not in existence, and the payments due under the Recreation Lease. It shall also be responsible for assessments which may be made from time to time against its Apartment interest.

Unpaid Common Expenses. In the event a mortgagee forecloses and there remains unpaid assessments or common expenses as to an individual Apartment interest, the said amounts shall be treated as a common expense, and the other Owners (Leasehold-Owners) shall be assessed for their respective share.

Lien for Curing Default. In the event the Association, the Management Contractor, the Developer, or any Member of Association cures a Member's mortgage during a default, said party shall have a lien against the Apartment interest for all sums expended in connection therewith, and shall have the right to collect said sums as in the case of past due assessments, together with interest thereon at the rate of nine (9%) percent per annum.

ESTATES CONVEYED UNDER THIS DOCUMENT.

The Developer may convey either a fee simple estate or a leasehold estate whichever is chosen by the purchaser and in either case the purchase agreement and the deed conveyed shall clearly denote which estate is being conveyed. In either case the persons acquiring an interest shall be subject to the provisions of this Declaration of Condominium in the same manner.

IN WITNESS WHEREOF, the Developer has executed this instrument for the purposes therein expressed on the day and year first below written.

Signed, sealed and delivered in the presence of:

GERALD R. CUSTER and E. NANCY CUSTER, Tenants by the Entirety d/b/a SOUTHERN PROPERTIES

Lorraine Hamlin
[Signature]

[Signature]
Gerald R. Custer

Lorraine Hamlin
[Signature]

[Signature]
E. Nancy Custer

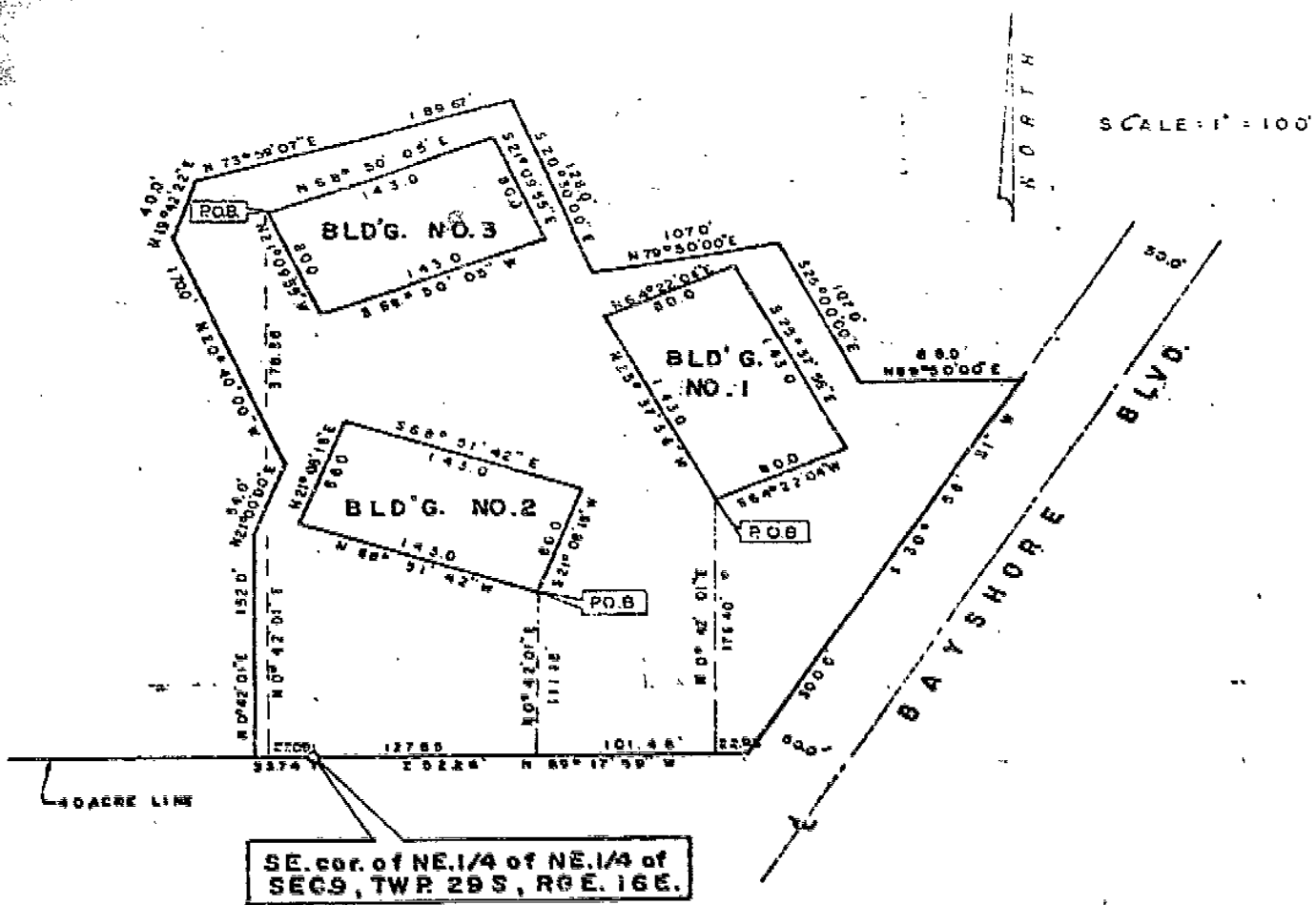
STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

I HEREBY CERTIFY that this day in the next above named State and County before me, an officer duly authorized and acting personally appeared GERALD R. CUSTER and E. NANCY CUSTER, to me known to be the persons described in and who executed the foregoing DECLARATION OF BUILDING 1005 SANDAL COVE CONDOMINIUM I and they acknowledged then and there before me that they executed the same for the purposes therein expressed; and that they affixed thereto their hands and seals; and that the said DECLARATION OF BUILDING 1005 SANDAL COVE CONDOMINIUM I is their act and deed.

WITNESS my hand and official seal this 16th day of May, A.D. 1974.

[Signature]
Notary Public

My Commission expires:
NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES APRIL 12, 1977
ISSUED BY AMERICAN BANKERS ASSOCIATION



BUILDING NO. 1:

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence South $89^{\circ}17'59''$ East, along the Forty Acre Line, 229.31 feet; thence North $0^{\circ}42'01''$ East, 176.40 feet for the Point of Beginning; thence North $25^{\circ}37'56''$ West, 143.0 feet; thence North $64^{\circ}22'04''$ East, 80.0 feet; thence South $25^{\circ}37'56''$ East, 143.0 feet; thence South $64^{\circ}22'04''$ West, 80.0 feet to the Point of Beginning.

BUILDING NO. 2:

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence South $89^{\circ}17'59''$ East, along the Forty Acre Line, 127.85 feet; thence North $0^{\circ}42'01''$ East, 111.18 feet for the Point of Beginning; thence North $68^{\circ}51'42''$ West, 143.0 feet; thence North $21^{\circ}08'18''$ East, 80.0 feet; thence South $68^{\circ}51'42''$ East, 143.0 feet; thence South $21^{\circ}08'18''$ West, 80.0 feet to the Point of Beginning.

BUILDING NO. 3:

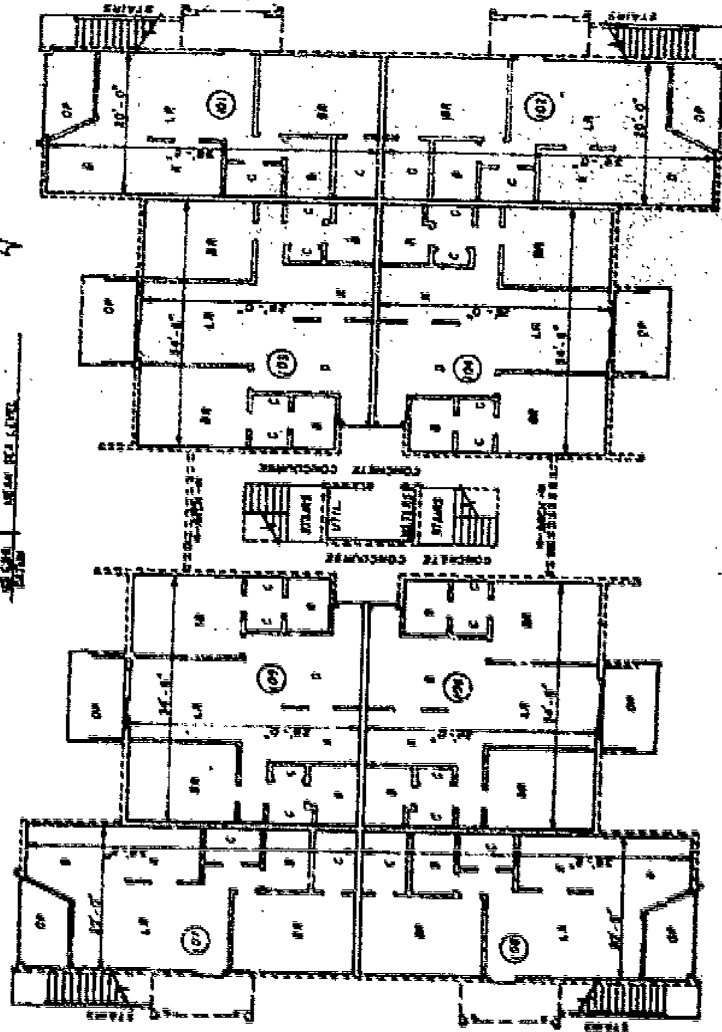
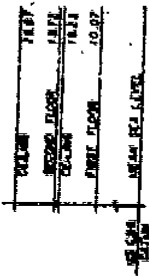
From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence North $89^{\circ}17'59''$ West, along the Forty Acre Line 27.09 feet; thence North $0^{\circ}42'01''$ East, 378.36 feet for the Point of Beginning; thence North $68^{\circ}50'05''$ East, 143.0 feet; thence South $21^{\circ}09'55''$ East, 80.0 feet; thence South $68^{\circ}50'05''$ West, 143.0 feet; thence North $21^{\circ}09'55''$ W. 80.0 feet to the Point of Beginning.

BUILDING 1005

SANDAL COVE CONDOMINIUM

SEC. 10, T. 29-S, R. 18-E, SAFETY HARBOR, PINELLAS COUNTY, FLORIDA

- LEGEND**
- U - UNIT ROOM
 - C - COMMON ROOM
 - W - WALKWAY
 - ST - STAIRS
 - LA - LAUNDRY
 - B - BATH
 - K - KITCHEN
 - BR - BED ROOM
 - CL - CLOSET
 - DP - DOWN STAIRS
 - UP - UP STAIRS
 - BOUNDARY OF CONDOMINIUM UNIT
 - - - - - PROPERTY COMMON ELEMENT



FIRST FLOOR
OF 2 STORY BUILDING

WEST J. & J. SMITH

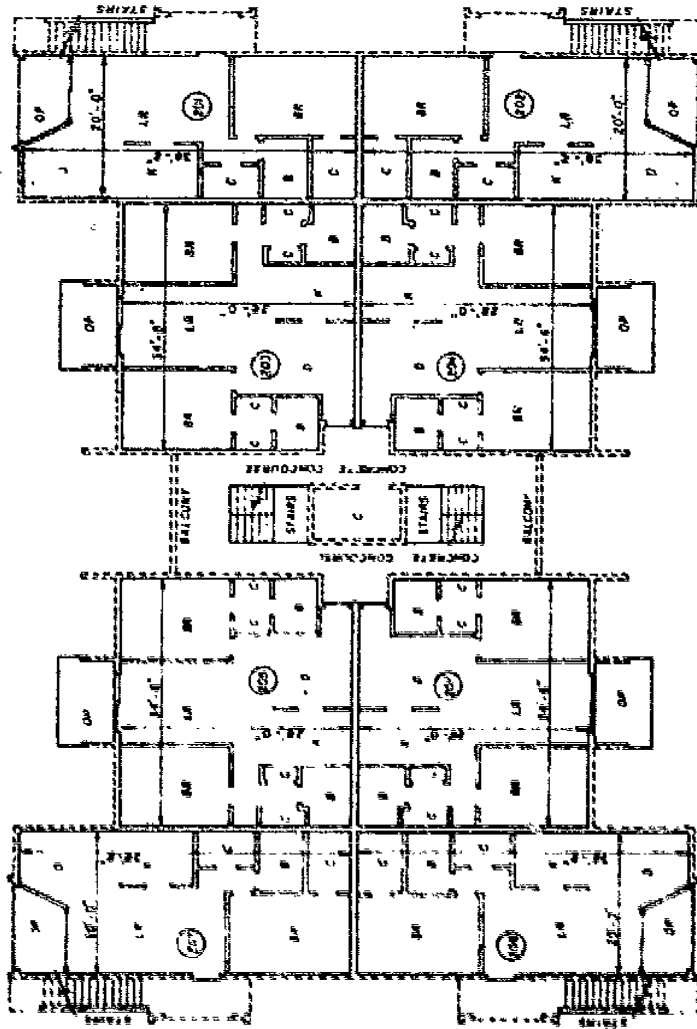
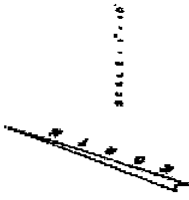
EXHIBIT B-3

BUILDING 1005

SANDAL COVE CONDOMINIUM

SEC. 10, T-29-S, R-16-E, SAFETY HARBOR, PINELLAS COUNTY, FLORIDA

- LEGEND**
- LP LIVING ROOM
 - SR STUDY ROOM
 - BR BED ROOM
 - CL CLOSET
 - B BATH
 - K KITCHEN
 - ST STAIRS
 - OP OPEN PORCH
 - BOUNDARY OF CONDOMINIUM UNIT
 - INDICATES COMMON ELEMENT



SECOND FLOOR
OF 5 STORY CONDOMINIUM

ARTICLES OF INCORPORATION
OF
SANDAL COVE ASSOCIATION, 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:

I.

Name

The name of the corporation shall be SANDAL COVE ASSOCIATION, INC. For convenience the corporation shall be referred to in this instrument as the Association.

II.

Purpose

2.1 The purpose for which the Association is organized is to provide an entity pursuant to Section 12 of the Condominium Act, which is Chapter 711, Florida Statutes, for the operation of SANDAL COVE ASSOCIATION, INC. according to Declarations of Condominium now or hereafter recorded in the Public Records of Pinellas County, Florida, located upon lands in Pinellas County, Florida.

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

III.

Power

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

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

EXHIBIT D

3.2 The Association shall have all of the powers and duties set forth in the Condominium Act except as limited by these Articles and the Declaration of Condominium, and all of the powers and duties reasonably necessary to operate the condominiums pursuant to the Declaration as may be amended from time to time, including but not limited to the following:

- a. To make and collect assessments against members as apartment owners to defray the costs, expenses and losses of the condominiums.
- b. To determine which expenses and surpluses are common to all members and which expenses and surpluses are common to only one apartment building.
- c. To use the proceeds of assessments in the exercise of its powers and duties.
- d. The maintenance, repair, replacement and operation of the property of the condominiums, including easements.
- e. The purchase of insurance upon the property of the condominiums and insurance for the protection of the Association and its members as apartment owners.
- f. The reconstruction of improvements after casualty and the further improvement of the property.
- g. To make and amend reasonable regulations respecting the use of the property in the condominiums; provided, however, that all such regulations and their amendments shall be approved by not less than seventy-five per cent (75%) of the votes of the entire membership of the Association before such shall become effective.
- h. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, these Articles.

the By-laws of the Association and the Regulations for the use of the property in the condominiums.

i. To contract for the management of the Condominiums and to delegate to such Manager all such powers and duties of the Association that are necessary in the opinion of the directors of the Association for Manager to manage same effectively.

j. To employ personnel to perform the services required for proper operation of the condominiums.

k. In no event shall the members of a particular condominium be charged with any portion of the expenses for any other condominium, but shall be charged only for the expenses of their particular condominium and their equitable share of the expenses of any common elements, easements, recreational facilities, or other areas used in common by more than one condominium.

3.3 All funds and the titles of all properties acquired by the Association and their proceeds shall be held in trust for the members of the particular condominium involved in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation, and the By-laws.

IV.

Members

4.1 SOUTHERN PROPERTIES, hereinafter referred to as the Developer, has made and declared a Declaration of Condominium as contemplated by Section 2.1 of these Articles. The Developer may name the members of the corporation who shall be the sole voting members of the corporation until such time as the Developer has conveyed, by warranty leasehold estate deed or otherwise, eighty-seven and five-tenths per cent (87.5%) of the condominium units in the condominiums to be erected as part of the project known as SANDAL COVE

CONDOMINIUM I, until Developer elects to terminate its control of this corporation, or until after July 1, 1977. It is understood that this provision shall be enforceable only as it appears necessary for the Developer to control the Association to allow development of the entire phase or to avoid conflict between the three (3) buildings which would retard development or sale of the SANDAL COVE CONDOMINIUM I project. Thereafter, such three (3) persons named by the Developer shall cease to be members of the corporation unless they meet all of the membership requirements set forth herein and the members shall be as provided hereinafter. The By-Laws of the corporation may not change or alter this paragraph.

4.2 After the time provided in paragraph 4. 1 above, the members of the Association shall consist of all of the record owners, by leasehold or otherwise, of condominium apartments in SANDAL COVE CONDOMINIUM I, but shall in no event exceed two hundred (200) members; and after termination of the condominiums shall consist of those who are members at the time of such termination and their successors and assigns.

4.3 After the time provided in paragraph 4.1 above, change of membership in the Association shall be established, after receiving approval of the Association required by the Declaration of Condominium, by recording in the Public Records of Pinellas County, Florida, a deed, either fee simple warranty or warranty leasehold estate deed, or otherwise, or other instrument establishing a record title to the apartment in the condominium and the delivery to the Association of a certified copy of such instrument. After recordation, the transferee becomes a member of the Association and the membership of the prior owner is terminated.

4.4 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated and transferred in any manner except as an appurtenance to his apartment.

4.5 The owner of each apartment shall be entitled to one (1) vote as a member of the Association and be consistent with the Declaration. The manner of exercising voting rights shall be determined by the By-laws of the Association.

4.6 The terms "apartment" and "apartment owner" or "owners" shall have the same meaning as "unit" or "owner" as same are defined in the Condominium Act.

V.

Directors

5.1 The affairs of the Association will be managed by a Board consisting of the number of directors determined by the By-laws, but not less than three (3) directors, and in the absence of such determination shall consist of three (3) directors. Directors need not be members of the Association.

5.2 Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-laws.

5.3 The first election of directors shall not be held until after the representatives of the Developer have ceased to be members of the Association pursuant to the provisions of paragraph 4.1 hereof. Until such time, the directors named in these Articles shall serve and any vacancies in their number occurring before the first election shall be filled by the remaining directors.

5.4 The names and 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:

<u>Names</u>	<u>Addresses</u>
Rollen Weakley	439 S. Paula Drive, Apt. 102 Dunedin, Florida
Thomas J. McEnery	32-24 81st Street, J.H. Queens, New York 11370
Herman L. Gaillard	1820 Lombardy Drive Clearwater, Florida 33515

VI.

Officers

The affairs of the Association shall be administered by the officers designed in the By-laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

Rollen Weakley	President
Thomas J. McEnery	Vice President
Herman L. Gaillard	Secretary-Treasurer

VII.

Indemnification

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or settlement of any proceeding in which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time

such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

VIII.

By-laws

The first By-laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-laws.

IX.

Amendments

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

9.1 Notice of the subject matter of a proposed amendment shall 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. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided:

a. Such approvals must be by not less than seventy-five per cent (75%) of the entire membership of the Board of Directors

and by not less than seventy-five per cent (75%) of the votes of the entire membership of the Association; or

b. By not less than eighty per cent (80%) of the votes of the entire membership of the Association.

9.3 Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section 3.3 of paragraph III, without approval in writing by all members and the joinder of all owners of mortgage upon the condominiums. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

9.4 A copy of each amendment shall be certified by the Secretary of State and be recorded in the Public Records of Pinellas County, Florida.

X.

Term

The term of the Association shall be perpetual.

XI.

Subscribers

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

<u>Names</u>	<u>Addresses</u>
Rollen Weakley	439 S. Paula Drive, Apt. 102 Dunedin, Florida
Thomas J. McEnery	32-24 81st Street, J. H. Queens, New York 11370
Herman L. Gaillard	1020 Lombardy Drive Clearwater, Florida 33515

IN WITNESS WHEREOF, the subscribers have affixed their

BY-LAWS
OF
SANDAL COVE ASSOCIATION, INC.

A corporation not for profit
under the Laws of the State of Florida

I.

Identity

Section 1. These are the By-Laws of SANDAL COVE ASSOCIATION, INC., called Association by these By-Laws, a corporation not for profit under the Laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State of April 7, A. D. 1973. The association has been organized for the purpose of administering condominiums pursuant to Chapter 711, Florida Statutes, called the Condominium Act in these By-laws, which condominiums are identified by the name SANDAL COVE CONDOMINIUM I, 1001 Bayshore Drive, Safety Harbor, Florida, and are located upon the lands described in the Declaration of Condominium.

Section 2. The office of the Association shall be at 1001 Bayshore Drive, Safety Harbor, Florida.

Section 3. The Association shall operate upon the calendar year beginning on the 1st day of January and ending on the 31st day of December of each year. The Board of Directors is expressly authorized to change from a calendar year basis to a fiscal year basis whenever deemed expedient and for the best interests of the Association.

Section 4. The seal of the Association shall bear the name of the Association, the word "Florida," and the words "Corperation not for profit" and the year of incorporation, an impression of which is as follows:

II.

Definitions

Section 1. All words, phrases, names and terms used

in these By-Laws, the Declaration of Condominium, the Articles of Incorporation of the Condominium Association, and Exhibits E and F attached to said Declaration shall have the same meaning and be used and defined the same as they are in the Condominium Act unless the context of said instruments otherwise requires.

III.

The Association

Section 1. Members. The owners of the condominium parcels shall be the members of this Association.

a. Any legal entity capable of ownership of real property under the Laws of Florida shall be eligible for membership.

b. Any legal entity, upon acquiring title to a condominium parcel, shall thereby become a member of the Association; and upon the conveyance or transfer of said ownership, said owner's membership in the Association shall automatically cease.

Section 2. Place of Meetings. Meetings of the Membership shall be held at the principal office or place of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held on July 1, 1975. Thereafter the annual meetings of the Association shall be held on the first Tuesday of March of each succeeding year. At the annual meeting the members may transact such business of the Association as may properly come before them. The time of all meetings shall be set by the directors and the directors by majority vote may change the date of the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called by the President and shall be called by the President or Secretary at the request in writing of the board of Directors or at the request in writing of five (5) members. Such requests shall state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Association, or if no such address appears, at his last known place of address, at least ten (10), but not more than twenty (20), days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of owners shall constitute a quorum.

Section 7. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to a time not later than ten (10) days from the time the original meeting was called, and hold the meeting adjourned without additional notice, provided that a quorum can be obtained for such meeting.

Section 8. Voting. At every meeting of the members, the owner or owners of each unit, either in person or by proxy, shall have the right to cast one vote as set forth in the Declaration. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, or of the Declaration of Condominium, or of the Articles of Incorporation, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control.

Section 9. Proxies. A member may appoint any other member, any owner of any condominium parcel, the developer, or the manager as a proxy. Any proxy must be filed with the secretary before the appointed time of each meeting.

Section 10. Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of the minutes of preceding meeting.
- d. Reports of officers.
- e. Report of committees.
- f. Election of officers (if election is to be held).
- g. Unfinished business.
- h. New business.

IV.

Administration

Section 1.

a. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The number of directors which shall constitute the Board shall be not less than three (3) nor more than nine (9). All directors, except for the initial directors named in the Articles of Incorporation, shall either be members of the Association, persons owning a condominium unit evidenced by recorded instrument or designees of the management company managing the property of the condominiums. The Directors shall be elected at the annual meeting of the owners by a majority vote and each Director shall serve for a term of one year or until his successor shall be elected and duly qualified.

b. Removal. Directors may be removed for cause by an affirmative vote of a majority of the owners. No Director, other than the initial Directors named in the Articles of Incorporation, shall continue to serve on the Board if, during his term of office, his membership in the Association shall be terminated for any reason whatsoever.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and

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- a. Roll call.
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Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and

things as are not by the Declaration, the Articles of Incorporation of the Condominium Association, The Condominium Act, or these By-Laws directed to be exercised and done by the members or officers. The powers of the Board shall include, but not be limited to, the following:

a. All powers and duties of the Condominium as set forth in The Condominium Act and in the Articles of Incorporation of the Association, except as limited as above provided.

b. To prepare and adopt an annual operating budget, which budget shall be sufficient in amount to pay for all necessary expenses and expenditures to be shared in common by the respective owners of units, and including a reasonable reserve for repairs, upkeep and replacement of the common elements and for contingencies.

c. The association must maintain accounting records according to good accounting practices. Therefore, the Board must be empowered and is hereby empowered to make a record of all receipts and expenditures as well as to designate the name and address of the unit owner, the amount of each assessment, the dates and amounts of the accounts due, the amounts paid upon the account, and the balance due.

d. To designate the name and address of the unit owner, the amount of each assessment, the dates and amounts of the accounts due, the amounts paid upon the account, and the balance due.

e. To determine who shall act as legal counsel for the Association whenever necessary.

f. To determine the depository for the funds of the Association.

g. To acquire the necessary personnel needed for the maintenance, care, and upkeep of the common elements, and set the salaries of said personnel.

h. Assess and collect all assessments pursuant to The Condominium Act.

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties, services and powers as the Board shall authorize, including, but not limited to, the duties, services and powers listed in Section 2 of this paragraph.

Section 4. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 5. Organization Meeting. The first meeting of the Board of Directors shall be held within ten (10) days after the annual members meeting, at such place as shall be fixed by the Board and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing all of the Board of Directors shall be present.

Section 6. Regular Meetings. Regular meetings of the directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President and Secretary, in like manner and on like notice, on the written request of at least two (2) directors.

Section 8. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 11. Designation of Officers. The principal officers of the Association shall be President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 12. Election of Officers. The officers of the Association shall be elected annually by the board of Directors at the organization meeting of each new board, and shall hold office at the pleasure of the Board.

Section 13. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 14. President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an Association.

Section 15. Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 16. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 17. Treasurer. The treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

V.

Amendment of By-Laws

The By-Laws of the Association may be modified, amended or revoked, unless specifically prohibited elsewhere herein, at any regular or special meeting of the members of the Association by not less than seventy-five per cent (75%) of the votes of the entire membership of the Association, provided that not less than ten (10) days' notice of said meeting has been given to the members of the Association, which notice contained a full statement of the proposed modification, change or revocation.

VI.

Maintenance of Records

The Association shall comply with Chapters 7, 11 and 12 Florida Statutes, (1971).

The foregoing were adopted as the By-Laws of SANDAL COVE ASSOCIATION, INC., a corporation not for profit under the Laws of the State of Florida, at a special meeting of the Board of Directors on March 31, 1973.

SANDAL COVE ASSOCIATION, INC.

By: _____
Secretary

(SEAL)

NINETY-NINE YEAR
LAND RECREATIONAL LEASE
AND USE AGREEMENT

Dated

May 23, 1973

Between

GERALD R. CUSTER and E. NANCY CUSTER,
Tenants by the Entirety d/b/a
SOUTHERN PROPERTIES, LESSOR

and

SANDAL COVE ASSOCIATION, INC.
A Florida corporation not for profit, LESSEE

for the benefit of

BUILDING 1001, SANDAL COVE CONDOMINIUM I

NINETY-NINE YEAR
LAND RECREATIONAL LEASE
AND USE AGREEMENT

U. K. 4178 PAGE 86

THIS LAND RECREATIONAL LEASE AND USE AGREEMENT made and entered into this 23 day of May, A.D. 1973 by and between GERALD R. CUSTER and E. NANCY CUSTER, Tenants by the Entirety d/b/a SOUTHERN PROPERTIES, LESSOR, above-mentioned (hereinafter referred to as "Lessor"), and SANDAL COVE ASSOCIATION, INC., a Florida corporation not for profit, (hereinafter referred to as "Lessee").

(Lessor herein is the Developer of the SANDAL COVE project, as described herein.)

Lessee herein is the entity responsible for the operation of SANDAL COVE CONDOMINIUM I, and is making and entering into this Lease and Use Agreement pursuant to the Condominium Act, Section 711.121 for the purpose of providing a possessory and use interest in the demised premises, herein referred to as "Land Recreational Lease," for the particular use, enjoyment, recreation and benefit of the unit owners of SANDAL COVE APARTMENT BUILDING 1001 Bayshore Drive.

W I T N E S S E T H :

That the Lessor and the Lessee, for and in consideration of the mutual covenants herein contained, and in consideration of the payments and undertakings herein made, and to be made, have respectively promised unto, and covenanted and agreed each with the other as follows:

1.

Demise by the Lessor:

Upon the terms and conditions hereinafter stated, and in consideration of the payment from time to time of the rents hereinafter stated, and for and in consideration of the proper performance of the lessee of the covenants hereinafter contained by the Lessee to be kept and performed, the performance of each of which is declared to be an integral part of the consideration

1.

EXHIBIT F

to be furnished by the Lessee, the Lessor does hereby lease, let and demise unto the Lessee, and the Lessee hereby leases of and from the Lessor, all on a nonexclusive basis, the following described premises, situate, lying and being in the City of Safety Harbor, Pinellas County, Florida, and described in Exhibit I.

Subject to the following:

1. Zoning ordinances of the municipality and county in which said property is located.
2. Terms and conditions contained in this Lease.
3. Limitations, easements, mortgages, conditions and agreements of record.

II.

Lessee's Use to be Nonexclusive and Subject to Rules and Regulations:

The Parties hereto understand, acknowledge, covenant and agree:

1. That Lessor is the fee owner of that certain real property legally described on Exhibit I attached hereto, and is developing said property and additional property as a total project to be known as SANDAL COVE;
2. That the project in general shall consist of three (3) multi-family apartment building sites on which apartment buildings have or will be constructed and utilized as condominiums, cooperatives, or rentals at the discretion and sole election of Lessor, and the community facilities as herein described;
3. That these portions of the demised premises, described on Exhibit I, comprise various parcels of realty and improvements intended for the use in common by all residents of SANDAL COVE above described;
4. That Lessee's interest in and to, and its right of use of, the demised premises and improvements is nonexclusive and shall be in common with others and Lessor reserves the right to grant easements across the demised premises;
5. That Lessee's use of the demised premises shall be subject to such reasonable rules and regulations as are from time to time promulgated by Lessor;
6. That the rules and regulations shall be uniform in application as to all users, and drawn in such manner as to

effectuate the maximum use, enjoyment and benefit as to all users:

7. That Lessor shall have the right to enforce the rules and regulations as to Lessee's members, and if a member shall after warning continue to disregard the rules and regulations, Lessor may deny to such member the right of use of land described in Exhibit I for a reasonable time or times as a method of enforcement, and the nonuse by such member shall in no wise relieve such member or Lessee of paying the rental or charge reserved herein.

III.

Term:

The demised premises are hereby leased to the Lessee, and Lessee shall have the nonexclusive use of the premises and improvements, subject to all the terms, covenants and conditions herein contained for a term commencing May 23, 1973, and ending on June 23, 2072, unless said term be sooner terminated as herein after provided.

IV.

Rent:

A. The Lessee covenants and agrees to pay to the Lessor as net rent, or payment to Lessor for the nonexclusive right of use of the community facilities as provided for herein, the sum of Six Thousand Forty Eight and No/100 Dollars (\$6,048.00) per annum, per building, payable Five Hundred Four and No/100 Dollars (\$504.00) per month, per building, monthly in advance. The above monthly rental payment shall commence on the commencement date of the term hereof and continue on the first day of each successive month thereafter during the term of this lease.

After 100 apartments have been sold from this or any adjoining project by the Developer, or three (3) years have passed, whichever first occurs, all of the monthly rent shall increase One Hundred Sixty Dollars (\$160.00) per building, representing an additional Ten Dollars (\$10.00) rent increase for each unit in addition to any rent adjustments.

B. Rent shall be payable at a bank or such other place

located in Pinellas County, Florida which the Lessor may specify in writing from time to time, and a bank once specified for the place of payment of rent shall be and remain such until it shall have been changed by written notice given to the Lessee by the Lessor in the manner hereinafter described for the giving of notice; and all rent shall be payable without notice or demand, and if not paid on its due date shall bear interest at the rate of ten per cent (10%) per annum until paid. Payment of rent to a designated bank by the Lessee shall be considered payment of rent to the Lessor, and the Lessee shall be under no obligation to see to the application of the funds, as the bank is considered agent of the Lessor,

MEMBERS OF LESSEE ASSOCIATION PLEDGE ALL THEIR INTEREST IN THE APARTMENTS FOR THE PAYMENT OF THEIR SHARE OF RENT.. NO FORECLOSURE FOR RENT SHALL JEOPARDIZE ANY INSTITUTIONAL FINANCING.

C. Beginning July 1, 1975, and at the beginning of each five (5) year period thereafter during the term of this Lease the annual rental shall be increased or decreased, as the case may be, on the basis of the cost-of-living average for the period from January 1 to December 31 of the preceding year, as reflected by the "Wholesale Price Index, All Commodities of the U. S. Department of Labor's Bureau of Labor Statistics." The year 1969 shall be the base year and equal one hundred per cent (100%). If said index shall no longer be published, then another index generally recognized as authoritative shall be substituted by agreement, and if the parties should not agree, such substituted index shall be selected by the then presiding Judge of the Circuit Court of the State of Florida in and for the County of Pinellas, upon the application of either party. In any event the base used by any index, or as revised on the existing index, shall be reconciled to the year 1969 to be used as one hundred per cent (100%). It is expressly and specifically understood, covenanted and agreed between the parties hereto that notwithstanding the above, the annual fixed rental shall never be less than the rental initially

provided for in paragraph IV A above.

D. All rent shall be payable in current legal tender of the United States as the same is constituted by law at the time the said rent becomes due. Extension, indulgence or change by the Lessor in the mode or time of payment of rent upon any occasion shall not be construed as a continuing waiver or as a waiver of the provisions of this paragraph, or as requiring a similar change or indulgence by the Lessor on any subsequent occasion.

V.

Description and Use of Community Facilities:

The description and intended use of that portion of the demised premises together with the improvements contained thereon and intended for use in common by all residents of SANDAL COVE and referred to herein as the community facilities, are in general as follows:

Land described in Exhibit I including lawn surrounding the Apartment Building and the pool which Developer will construct for the benefit of the residents of SANDAL COVE CONDOMINIUM I.

In addition to the above improvements, the common facilities include the water distribution system, sewer collection system, drainage facilities, privacy and security walls and such lighting, in addition to street lights, as Lessor deems necessary (in the sole opinion of Lessor) for the convenience, security and protection of the residents of SANDAL COVE.

VI.

Description and Use of Community Facilities for Exclusive Use of Unit Owners in SANDAL COVE CONDOMINIUM I Apartment Building 1001 Bayshore Drive:

The description and intended use of that portion of the demised premises as shown on Exhibit "I," together with the improvements contained thereon and intended for the exclusive use of unit owners in SANDAL COVE CONDOMINIUM I Apartment Building 1001 Bayshore Drive, are the limited common elements defined in the Condominium Declaration attached hereto and made a part hereof by reference.

In addition, assigned parking shall be for the exclusive use of the assigned owner. The initial directors of the Association shall establish a parking plan and in connection therewith will allocate and assign one (1) parking space to each of the units in the condominium. Additional parking spaces shall be allocated as guest parking spaces and shall be used in common by unit owners' guests and invitees, pursuant to reasonable rules and regulations to be adopted from time to time by the Association. Upon the directors having completed the parking plan, unit owners agree that such plan shall not be changed or amended except upon the vote of ninety per cent (90%) of the unit owners. The parking plan need not be recorded in the Public Records but the Association shall keep said plan in its records and make same available to unit owners at all reasonable times. At no time shall the parking impair the easement of ingress and egress set forth in the Declaration at Exhibit J.

VII.

Lessee's Obligations:

Lessee covenants and agrees that:

A. Lessee will pay all real estate taxes, assessments, personal property taxes, and other governmental levies and charges of any kind which are assessed or imposed upon the demised premises and improvements thereto, or any part thereof, that become due and payable during the term of this lease and use agreement.

B. Since it is understood Lessor's rent is to be net, Lessee will pay all charges for utilities and services to and for the community and recreational facilities, including, but not limited to sewer and water, electricity, gas, garbage and trash pickup. These payments shall be made by the individual members to the Management Contractor as provided in Exhibit H and in the Management Contract.

C. Lessee shall, at its cost and expense, maintain the community facilities and keep the same in a good state of repair, including all necessary replacements, renewals, alterations, and betterments. Lessee is solely responsible for safety of persons using premises and may not delegate responsibility for safe-

ty of premises, though it may have maintenance and management contractors.

D. Lessee shall, at its expense, keep the recreational facilities, or such part thereof as is insurable, insured against loss or damage by fire, with extended coverage endorsement, in an amount sufficient to prevent Lessor from becoming a coinsurer under the terms of the applicable policies, but, in any event, not less than eighty per cent (80%) of the full insurable value as determined from time to time. Said policy shall name Lessor and Lessee as insureds.

E. Lessee shall, at its expense, keep the demised premises insured against claims for personal injury or property damage under a policy of general public liability insurance, with limits of not less than \$100,000.00 / \$300,000.00 for bodily injury and \$25,000.00 for property damage. Such policy shall name the Lessor and Lessee as insureds.

F. Lessee will pay the rent or use charge promptly when due.

G. The payment thereof shall be and continue to be during the term of this lease a common expense of Lessee.

H. Lessee will assess all its members from time to time a sum sufficient to pay all common expenses attributable to facilities for such members.

I. Lessee will assess its members who are unit owners in BUILDING 1001 SANDAL COVE CONDOMINIUM I, 1001 Bayshore Drive, from time to time a sum sufficient to pay all common expenses attributable to parcels on Exhibit I. SUCH ASSESSMENTS SHALL BE SECURED BY A PLEDGE BY MEMBERS OF ALL THEIR APARTMENT INTERESTS.

J. Lessee will, upon the nonpayment by one of its members, immediately proceed to collect same as provided in Florida Statutes, Chapter 711.15.

K. Lessee, and its members, guests and invitees

shall at all times use the community facilities strictly in accordance with the rules and regulations promulgated by Lessor for the use thereof.

L. Lessee's members shall be personally liable for any damage caused to the community facilities resulting from their negligent or careless act or acts.

M. Lessee will pay any tax or charge, in the nature of a sales or use tax, levied or assessed against Lessor or Lessee on the rental or use charge provided for herein.

N. Lessee and its members will use the community facilities for lawful purposes only and will comply with all laws and regulations of governmental authorities having jurisdiction over the use of the community facilities.

VIII.

Lessor's Security:

Lessee covenants and agrees in consideration of the mutual covenants herein contained, that:

A. Lessor shall have the first lien, paramount to all others, and every right and interest of the Lessee in and to this lease on any and all improvements, buildings, and structures, hereon or hereafter placed thereon, and on all furniture, furnishings, fixtures and equipment thereon or hereafter brought or placed thereon and intended for use thereon; which lien is granted for the purpose of securing the payments of rents, together with taxes, assessments, insurance premiums, charges, liens, penalties and damages herein covenanted to be paid by the Lessee, and for the purpose of securing the performance of all and singular the covenants, conditions, and obligations of this lease to be performed and observed by the Lessee.

B. Lessee, in order to further secure the payment of the rental reserved herein, together with the other items set forth in the foregoing paragraph, by these presents does hereby assign, transfer, and set over unto the Lessor all of the assessments levied, or to be levied, by Lessee upon its respective unit

owners and further gives and grants to Lessor, as its attorney in fact, the right to make and levy assessments against the unit owners for the payment of any monies due Lessor pursuant to the terms of this lease, provided that Lessee refuses to make such assessments. The foregoing assignments and right to make and levy assessments for and on behalf of the Lessee shall only become operative upon Lessee's being in default of the terms and conditions of this lease, and shall remain in force and effect only so long as such default continues to exist.

C. Lessee in order further to secure the payment of the items set forth in paragraph A hereof hereby gives and grants unto Lessor a continuing first lien paramount and superior to all others, including unit owners, upon its assets and common surplus.

D. Lessor, in order further to secure the payment of said items, shall have a continuing first lien paramount and superior to all others upon the unit owner's respective condominium parcels.

The lien herein granted shall accrue against each apartment unit severally, and may be enforced against only those apartment units whose owners have not paid the rent or the pro rata share of the other obligations attributable to such units. The lien shall be for the amount of such unpaid sums, together with interest thereon and reasonable attorneys' fees incurred in the collection and enforcement thereof.

Upon full payment of arrearages, interest and costs (including attorneys' fees), the party making payment shall be entitled to a recordable satisfaction discharging the lien as to such arrearages, interest and costs only, provided such satisfaction shall in no way diminish or extinguish the lien hereby created as to any other amounts due or to become due, but said lien shall continue throughout the term. The parties understand and agree that the lessor's lien as provided for herein is a continuing lien and shall be in force and effect during the life of

this lease. The lien hereby given may be foreclosed either in the manner in which a mortgage on real property is foreclosed, or, alternately, at the option of the Lessor in the manner in which statutory liens on real property are foreclosed, or, at the further option of the Lessor, by any other remedy available to the Lessor for the foreclosure or collection of the said lien.

Notwithstanding the above, it is specifically understood and agreed that Lessor's lien above provided for shall not apply to an institutional first mortgagee or other purchaser obtaining title to a condominium parcel as a result of the foreclosure of the first mortgage, or taking title in lieu of foreclosure, as to sums owed by the former owner which become due prior to acquisition of title as a result of such foreclosure. Said mortgagee or other acquirer of title shall, however, be responsible for all assessments for common expense accruing from the date of taking title.

In the event the condominium is terminated, said liens upon the condominium parcels shall be upon the respective undivided shares of the owners as tenants in common.

LESSEE SHALL ASSIGN APARTMENT PLEDGES BY ITS MEMBERS TO SECURE PAYMENTS OCCURRING UNDER THIS LEASE.

B. Lessee understands and agrees that the within lease imposes on it the firm and irrevocable obligation to pay the full rent and perform the other provisions hereof for the full term of this lease; and the Lessor shall have, in addition to the liens and other provisions for the enforcement and payment of the rental and other charges herein covenanted to be paid by lessee, any and all other rights and remedies in connection with the enforcement and collection thereof as are provided by law. The exercise of one or more of the rights or remedies provided for herein shall not be construed as a waiver of the others.

IX.

Indemnification.

The Lessee indemnifies and agrees to save harmless the

Lessor from and against any and all claims, debts, demands, or obligations which may be made against the Lessor or against the Lessor's title in the demised premises arising by reason of or in connection with the making of this lease, the ownership by the Lessee of its interests in this lease and in and to the demised premises, and the Lessee's use, occupancy and possession of the demised premises and if it becomes necessary for the Lessor to defend any actions seeking to impose any such liability, the Lessee will pay to the Lessor all costs and reasonable attorneys' fees incurred by the Lessor in effecting such defense in addition to any other sums which the Lessor may be called upon to pay by reason of the entry of a judgment against the Lessor in the litigation in which such claim is asserted.

X.

Assignment.

Lessee may not assign or sublease its interest in this lease.

It is understood and agreed, however, that the Lessor may freely assign, in whole or in part, any of its rights, title and interest in and to this lease and the demised premises.

XI.

Subordination.

A. It is understood and agreed between the parties hereto, that this instrument shall not be a lien against said demised premises in respect to any mortgage that now exists against said demised premises or to any mortgage that hereafter may be placed against said premises, or extensions thereof, and that the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien of this lease, irrespective of the date of recording and the Lessee agrees to execute any such instrument without cost, which may be deemed necessary or desirable further to effect the subordination of this lease to any

such mortgage or mortgages. The Lessee does hereby agree that the within paragraph shall in fact constitute and be the subordination as provided for herein. The Lessee further hereby constitutes and appoints the said Lessor as its attorney in fact for the purpose of executing any formal instruments of subordination, if same are required.

B. Lessor agrees at all times during the term hereof to keep current any mortgages or encumbrances against the demised premises. In the event Lessor is in default of its obligations under this paragraph, Lessee may make payment for Lessor and deduct such payment from the next ensuing rental payment or payments, provided that prior to payment Lessee gives ten (10) days written notice to Lessor of its intention to make such payment.

XII.

Waste.

The Lessee shall not do or suffer any waste or damage, disfigurement or injury to the demised premises, to any improvements, structures, buildings and personal property now or hereafter placed or brought thereon.

XIII.

Quiet Enjoyment.

Lessor covenants and agrees with Lessee that so long as the Lessee keeps and performs all of its covenants herein made, the Lessee shall have the quiet, undisturbed and continued possession and nonexclusive right of use of the demised premises, subject, however, to all of the terms and conditions contained herein, and rules and regulations promulgated from time to time by Lessor.

XIV.

Covenants and Agreements to be Covenants Running with the Lands.

The terms, conditions, provisions, covenants and agreements set forth in this lease and use agreement shall be binding upon the Lessor and Lessee, their respective heirs, legal representatives, successors and assigns, and shall be deemed to be

covenants running with the land. Land, as the term is used herein, shall include the demised premises, together with the land described in paragraph III of the DECLARATION OF BUILDING 1001 SANDAL COVE, CONDOMINIUM I, 1001 BAYSHORE DRIVE, SAFETY HARBOR, FLORIDA, to which this lease is attached as an exhibit.

XV.

Condemnation.

In the event that the demised premises, or a substantial portion thereof, are taken or condemned for a public or quasi-public use, this lease shall terminate as of the date title shall vest in the condemnor, and the rent shall be apportioned as of said date. No part of any award shall belong to Lessee.

In the event only a portion of the demised premises be taken, the taking of which does not destroy the purpose, utility and use of the remaining portion for its intended use pursuant to the terms of this lease, then the lease shall continue in full force and effect as to the remaining portion of the demised premises with no abatement of rental.

In the event that such taking is so substantial as to destroy the purpose, utility or use of the remaining portion for its intended use pursuant to the terms of this lease, then the lease shall continue in full force and effect as to the remaining portion of the demised premises with an abatement of rent that shall be just and equitable. In the event the parties cannot agree on an equitable abatement, each agrees forthwith to appoint an arbitrator, the two of whom shall appoint a third arbitrator and the arbitration board, as constituted, shall determine such abatement. Lessor, in such event, shall rebuild and restore improvements on the demised premises at its expense, as nearly in conformity with the improvements as they existed prior to their being damaged by such condemnation as possible.

All awards of any kind or nature by law accruing to either the Lessor or the Lessee, shall belong solely to the Lessor.

XVI.

Notice.

That when either of the parties desires to give notice unto the other in connection with, and according to, the terms and conditions of this lease, all such notices shall be given by registered or certified mail (return receipt requested), and it shall be deemed given when the notice shall have been deposited in the United States mail with sufficient postage prepaid thereon to carry it to its addressed destination.

Notices under this lease shall be addressed as follows:

FOR THE LESSOR: Wolfe, Bonner & Hogan
16 North Fort Harrison
Clearwater, Florida 33515

FOR THE LESSEE: 1001 Bayshore Drive
Safety Harbor, Florida 33572

XVII.

Waiver.

One or more waivers of any covenant or condition by the Lessor shall not be construed as a waiver of a subsequent breach of the same covenant or condition; and, the consent or approval by Lessor to, or of, any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to, or of, any subsequent similar act by Lessee.

XVIII.

Arbitration.

Lessee acknowledges that Lessor economically could not have set aside and improved the demised premises and made and entered into this Lease and Use Agreement with Lessee except upon the condition that this lease be noncancellable by Lessee and that the Lessee pay the rental and other charges and payments reserved herein for the full term of the lease.

Accordingly, the parties hereto covenant and agree that in case any dispute shall arise at any time during the term hereof

between the Lessor and the Lessee which, if determined in favor of Lessee, would give Lessee the right under normal circumstances to either cancel this lease or abate, diminish or otherwise affect the payment of the rentals reserved herein unto Lessor, that any such dispute shall not be the subject of litigation but shall be submitted to arbitration pursuant to and in accordance with the provisions of the Florida Arbitration Code, being Chapter 682, Florida Statutes.

The parties specifically covenant and agree that no award shall be rendered against Lessor involving either the cancellation of this lease and use agreement by Lessee, or for the nonpayment by Lessee of any rentals or charges reserved herein unto Lessor, and that any such award judgment or decree shall be limited solely to an interpretation of the obligations and duties of Lessor hereunder, and for the enforcement of such obligations and duties.

In connection with such arbitration, the parties agree that the prevailing party shall be entitled to reimbursement for all costs and reasonable attorneys' fees.

Lessor, in connection with the enforcement of the payment of the rentals or other charges reserved herein, the enforcement of the rules and regulations to be promulgated by Lessor, or for the enforcement of any other provisions, terms and conditions contained herein to be kept and performed by Lessee, shall have the right to all or any of the legal remedies given Lessor herein, and Lessor shall not be required to submit same to arbitration.

XIX.

Default.

It is expressly agreed that, if the Lessee should breach any of the terms, covenants, and conditions of this lease by it to be kept and performed, such breach on the part of the Lessee shall constitute a default under the terms of this lease, and if such default should not be cured by the Lessee within the number

of days hereinafter specified and referred to as the "grace period," the Lessor may, at its option, declare this lease to be terminated and the term ended, and the same shall be accomplished by the giving of notice to such effect to the Lessee; or the Lessor may use any remedy afforded by law to require the Lessee to comply with the terms of this lease, or to pay any sums of money payable hereunder by the Lessee, or to reimburse the Lessor for any sums paid by Lessor which should have been paid by the Lessee as herein provided. The grace period shall commence the day following the date on which the breach and default occurred, and shall be as follows:

A. If the default should exist by reason of the breach of paragraph IV relating to the payment of rent or other charges or payments reserved herein, the grace period shall be fifteen (15) days from the date said rental or other charges or payments were due.

B. If the default should occur by reason of any of the other terms and conditions of this lease to be kept and performed by Lessee, the grace period shall be fifteen (15) days from the date on which Lessor gives notice to the Lessee to cure such default provided that if the correction of the default by Lessee, by the nature thereof, requires more than fifteen (15) days to cure, Lessee shall have such additional time as is reasonably necessary to correct said default provided that the Lessee is working diligently toward the cure or correction thereof.

XXI.

Return of Premises and Cessation of Use Upon Prior Termination of Lease.

The Lessee further agrees if the Lessor should declare this lease to be terminated and its term ended prior to the expiration of its term by reason of Lessee's breach of a covenant and condition, as hereinabove provided, that Lessee will, within twenty-four (24) hours from the date of said notice of termination deliver unto Lessor the quiet and peaceful possession of all of the demised premises, and it and its members will discontinue

its and their use of the demised premises.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument for the purposes herein expressed, the day and year first above written.

Signed, sealed and delivered

in the presence of:

[Signature]

[Signature]

As to Lessor

GERALD R. CUSTER and E. NANCY CUSTER,
a Tenancy by the Entirety d/b/a
SOUTHERN PROPERTIES

By: [Signature]
Gerald R. Custer

By: [Signature]
E. Nancy Custer

SANDAL COVE ASSOCIATION, INC.

Attest: [Signature]
Secretary

By: [Signature]
President

As to Lessee

STATE OF FLORIDA)
COUNTY OF PINELLAS) ss

I, HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared GERALD R. CUSTER and E. NANCY CUSTER, tenant, of SOUTHERN PROPERTIES to me known to be the persons described in and who executed the foregoing NINETY-NINE YEAR LAND RECREATIONAL LEASE AND USE AGREEMENT and severally acknowledged the execution thereof to be their free act and deed for the uses and purposes therein mentioned.

WITNESS my signature and official seal at Clearwater, in the County of Pinellas, and State of Florida, the 22nd day of May, A. D. 1973.

Notary Public, State of Florida at Large
My Commission Expires July 21 1976

[Signature]
Notary Public

My Commission Expires:

STATE OF FLORIDA)
COUNTY OF PINELLAS) ss

I, HEREBY CERTIFY, that on this 27th day of APRIL, A. D. 1973, before me personally appeared Rollen Weakley and Herman L. Gaillard, President and Secretary respectively of SANDAL COVE ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing NINETY-NINE YEAR LAND RECREATIONAL LEASE AND USE AGREEMENT and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Clearwater, in the County of Pinellas and State of Florida, the day and year last aforesaid.

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JULY 21 1976

[Signature]
Notary Public

LEASE MODIFICATION AGREEMENT

Pursuant to the Ninety-Nine Year Land Recreational Lease and Use Agreement between GERALD R. CUSTER and E. NANCY CUSTER, Tenants by the Entirety, d/b/a SOUTHERN PROPERTIES, LESSOR and SANDAL COVE ASSOCIATION, INC., a Florida corporation not for profit, LESSEE, recorded in the Official Records of Pinellas County in Official Records Book 4044 at Page 1354, et seq. the above referenced lease is hereby modified in accordance with its terms in consideration of the premises to include the residents of BUILDING 1005, SANDAL COVE CONDOMINIUM I. The benefit of the above referenced lease is therefore inclusive of the unit owners of SANDAL COVE APARTMENT BUILDING 1005, Bayshore Drive.

The above notwithstanding, the unit owners in SANDAL COVE CONDOMINIUM I APARTMENT BUILDING 1005, Bayshore Drive shall have no right to the use of the limited common elements defined in the common Condominium Declaration attached to the above referenced lease recorded in the Official Records of Pinellas County in Official Records Book 4044, Page 1299, with said declaration definition of condominium limited elements being found at Page 1301 or the limited common elements of any other building for which a condominium declaration shall be recorded so that the provisions of the above referenced lease in paragraph VI shall be consistent herewith.

The parties hereto further agree that the unit owners in SANDAL COVE CONDOMINIUM I APARTMENT BUILDING 1005, Bayshore Drive shall have the exclusive use of the limited common elements defined in the condominium declaration attached hereto and made a part hereof by reference.

EXHIBIT K(1)

In addition to the foregoing modifications, paragraph VII, subsection I, shall be modified to include the unit owners of 1005 SANDAL COVE CONDOMINIUM I 1005 Bayshore Drive.

It is understood and agreed by the parties hereto that no assessments shall be made unless such assessments are approved by 75% of the unit owners of the entire SANDAL COVE CONDOMINIUM I complex for expenses common to all the members of such complex or by 75% of the particular building unit owners, for expenses common only to the particular building. Further, no assessments shall be made unless scheduled with at least one years notice unless such requirement be waived by 75% of the unit owners.

The parties hereto understand that a building reserve fund for payment of non-insurable expenses is an advisable assessment for the protection of their interests. The Lessor agrees that paragraph VIII, subsection B shall be modified to the extent that no building reserve fund for any building in the SANDAL COVE CONDOMINIUM I complex shall be assigned, transferred or set over unto the Lessor as security for the payment of rent.

It is understood and agreed and notwithstanding the above that the Lessor shall have the right to take assessments without the above referenced 75% approval in the place of the Association, Lessee, if and only if Lessee is in default in the payment of rent or of the terms and conditions of this lease, but that this provision shall remain in force and effect only so long as such default or partial default continues to exist.

Signed, sealed and delivered in the presence of:

Bernice H. Smith
[Signature]
As to Lessor

GERALD R. CUSTER and E. NANCY CUSTER, a Tenancy by the Entirety d/b/a SOUTHERN PROPERTIES

BY: [Signature]
Gerald R. Custer

BY: [Signature]
E. Nancy Custer

SANDAL COVE ASSOCIATION, INC.

Attest: [Signature]
Secretary
As to Lessee

BY: [Signature]
Acting President, Vice-president
Thomas J. McNary

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

I HEREBY CERTIFY that on this day , before me a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared GERALD R. CUSTER and E. NANCY CUSTER, tenant, of SOUTHERN PROPERTIES to me known to be the persons described in and who executed the foregoing Lease Modification Agreement and severally acknowledged the execution thereof to be their free act and deed for the uses and purposes therein mentioned.

WITNESS my signature and official seal at Clearwater, in the County of Pinellas, State of Florida, the 31st day of May, A.D., 1974.

Barbara L. Bickman
Notary Public

My Commission expires:
NOTARY PUBLIC STATE OF FLORIDA BY JUDGE
MY COMMISSION EXPIRES AUGUST 31, 1977
ENDORSED BY AMERICAN BANKERS INSURANCE CO.

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

I HEREBY CERTIFY that on this 31st day of May, A.D. 1974, before me personally appeared Thomas J. McEnery Herman L. Gaillard, acting president and vice-president and Secretary respectively of SANDAL COVE ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing Lease Modification Agreement and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Clearwater, in the County of pinellas and State of Florida, the 31st day and year last aforesaid.

Barbara L. Bickman
Notary Public

My Commission expires:

NOTARY PUBLIC STATE OF FLORIDA BY JUDGE
MY COMMISSION EXPIRES AUGUST 31, 1977
ENDORSED BY AMERICAN BANKERS INSURANCE CO.

MANAGEMENT CONTRACT

THIS AGREEMENT MADE and entered into this 27th day of April, A.D. 1973, by and between SOUTHERN PROPERTIES MANAGEMENT I, INC., a Florida corporation (hereinafter referred to as "Manager") and SANDAL COVE ASSOCIATION, INC., a Florida corporation not for profit (hereinafter referred to as "Association").

W I T N E S S E T H :

WHEREAS, Association is the governing body for SANDAL COVE CONDOMINIUM I., located at 1001 Bayshore Drive, Safety Harbor, Pinellas County, Florida; and

WHEREAS, Manager is a Florida corporation duly authorized to manage and operate a condominium on behalf of the Association; and

WHEREAS, the majority shareholder of the Manager is the Developer of SANDAL COVE CONDOMINIUM I, a statutory condominium consisting of sixteen (16) apartment units, together with improved leased recreational areas and subdivision type improvements including streets, curbs, gutters, sub-surface drainage, utilities, street lighting, etc; and

WHEREAS, the condominium project is being constructed on lands owned by Majority Shareholder of Manager, all as more particularly set forth in the Declaration of Condominium of SANDAL COVE to which this Agreement is attached as an exhibit; and

WHEREAS, the parties want to insure the proper and uniform maintenance, management and operation of the condominium are carried out and the units are sold to the initial purchasers; and

EXHIBIT F

WHEREAS, the parties desire to provide for the maintenance and operation of the condominium by Manager.

NOW, THEREFORE, in consideration of the mutual covenants between the parties and their assigns running and One Dollar (\$1.00), each to the other in hand paid, the parties covenant and agree as follows:

I.

That the Association hereby employs Manager to manage the condominium and to render certain services to the Association, all as provided for herein, and agrees to pay for said management and services the sums more particularly set forth herein. Manager agrees to manage the properties, and render the services, and to receive as payment therefor, the monies hereinafter provided for.

II.

The term of this agreement shall be for a period of five (5) years commencing on the first day of the month immediately following the recording of the Declaration of Condominium. Thereafter the term shall be automatically extended year to year provided, however, that either party may cancel this agreement upon written notice of the other party given thirty (30) days prior to the end of the original term or any successive annual period thereafter. In no event shall this contract be cancellable during the five (5) year initial term, except for gross neglect or mismanagement, or if same becomes cancellable by reason of law.

III.

Duties of Manager:

Manager shall prepare and submit to the Association an annual operating budget for its approval. Manager shall, as the agent of the Association, collect from each of the members, the

respective monthly maintenance assessment and utilities fee assessed to each of said members together with the rental payable by each member to SOUTHERN PROPERTIES MANAGEMENT I, INC., and deposit same in a special account. The said maintenance assessments to be used for the use and benefit of the Association -- all as provided for herein with the rental to be remitted to Developer SOUTHERN PROPERTIES. Manager shall pay from said special account or accounts all of the obligations of the Association as provided for in the operating budget, to the extent of the monies received by it from the Association members. Manager shall submit to the Treasurer of the Association monthly, a statement showing all delinquent payments owed by the members; and will prepare and submit to the Treasurer of the Association, an annual statement showing all collections and disbursements, together with the balance in the special account, or accounts, and will further prepare and mail all necessary tax and corporation forms required by governmental authorities.

IV.

Among other items, Manager shall pay from the special accounts the following items: all utility bills incurred by the Association, including electricity, sewage, water, trash and garbage; insurance premiums; the management fee to be paid to manager pursuant to the terms hereof. It is understood that each individual owner (Leasehold-Owner) shall be liable for utilities charged or metered individually to his unit.

V.

In addition to the above and foregoing, Manager shall further furnish, supply, render and/or contract for, the following services for and on behalf of the Association: building maintenance, including

bulb replacement in the public areas and janitorial services and maintenance; ground care; necessary legal and accounting services; payroll taxes and workmen's compensation insurance.

In connection with the foregoing and in consideration of the management fee reserved to manager herein, manager shall handle and pay bills, render accounts, maintain an office and provide the necessary bookkeeping required in connection with the rendering of the services and management provided for herein.

Manager agrees that its books and records pertaining to the Association shall be open to inspection at any reasonable time by the officers of the Association, upon the request of such officers.

VI.

Manager shall receive as compensation for its services a monthly sum of One Hundred Seventy-Six and no/100 Dollars (\$176.00) per building paid by the Association and assessed by the Association to the individual units in Building 1001, as provided by the Condominium Declaration for the specific amounts set forth in Exhibit "H". An identical schedule will be provided for the remaining two buildings, 1003 and 1005, Bayshore Drive, numbered and identified in Exhibits A and G as Buildings 2 and 3.

VII.

The Association agrees that it will assess its members annually a sum sufficient to equal the annual budget including the manager's fee year to year and will instruct its members to commence the payments of their respective Assessments to Manager simultaneously with the commencement of this agreement. Said assessments shall be payable monthly in advance together with recreational lease rent.

In the event that at the end of each budget year (except for the first year) the Manager has expended less than the total

budgeted amount, Manager shall continue to hold such sums for the use and benefit of the Association, and such excess will be taken into consideration in connection with the preparation of the budget for the next ensuing year. Manager agrees to advise and consult with the directors in connection with the preparation of each annual budget.

Manager hereby guarantees and agrees that it will operate and maintain the Condominium property in accordance with the terms hereof at its cost and expense for the first year of the term hereof, and the Association agrees that in consideration thereof Manager shall receive all monthly maintenance assessments for the first year and that no accounting shall be required of Manager.

VIII.

All monies received by Manager pursuant to the terms of this Agreement, from the Association members, shall be payable in such manner and to such account as will be designated by the Manager, and be placed in depositories to be selected by Manager.

IX.

During the terms of this Agreement, Manager shall have the exclusive right of hiring, firing and supervising all of the Association's personnel, the supervision of various subcontractors from time to time needed, and the placing of all insurance the Association is required to place or keep in force by its By-Laws, Declaration or Articles of Incorporation.

X.

The parties hereto acknowledge and agree that the Association, as provided in its Declaration of Condominium and

By-Laws, has no responsibility to its members for the maintenance and repair of the interior of the individual member's apartments; nor for the maintenance, repair or replacement of the individual apartment owners' fixtures and/or appliances, including the owners' air conditioning system; nor is the Association responsible for the payment of the utilities individually and separately metered to the respective members' apartments; and the parties hereby specifically exclude Manager from any responsibility in connection with the above mentioned items, except that Manager agrees that it will seek to aid any member in the enforcement of warranties given by third parties, and will do or cause to be done those things required by the warranty or guarantee given to the respective owners.

The Association agrees to indemnify and save harmless Manager from any and all claims arising in connection with the performance of this Agreement by Manager, as its agent, and in connection therewith agrees to place and carry a liability insurance policy for the joint protection of the Association and Manager.

XI.

Each unit owner shall separately pay all taxes levied or assessed against the respective owner, together with any mortgage payments due on mortgages encumbering owners' respective units.

XII.

Manager agrees that it will provide and contract on behalf of the Association for the maintaining, servicing, repairing and/or replacing of the streets, sidewalks, utility installations of all kinds or nature and drainage facilities located over, under and upon the condominium property, together with the recreational area improvements.

XIII.

The Association agrees that it will assess the units in a sum sufficient to properly operate, maintain and manage the condominium in a first class manner as would be expected of an efficient apartment building operation, together with all sums necessary for the Association to fulfill its obligations under the terms and conditions of its Recreational Lease, Long Term Lease and of this Agreement.

ALL UNITS SHALL BE PLEDGED AS SECURITY FOR THE SUMS DUE HEREUNDER but this lien shall be subordinate to any institutional mortgage.

XIV.

The Association and Manager agree to be bound by the Condominium Declaration (which is hereby incorporated by reference) provisions regarding the Manager's duties regarding the Association; and, in particular, co-operation will be given regarding the following:

A. The Manager shall resolve disputes arising within the Association which cannot amicably be resolved by a vote by the Association, i.e., disputes involving the allocation of common expenses and common surpluses between and among the Association in general and the several Apartment Buildings.

B. The Manager shall have the power to verify claims against the Association, the several Apartment Buildings, and the units therein. If a claim or assessment against an apartment unit shall remain unsatisfied for thirty (30) days after the Manager has requested the Association to foreclose the lien, the Manager shall have the power to foreclose the lien.

C. The members of the Association shall file a unit voting designation with the Manager.

D. The Manager shall have a power of Approval of all apartment transfers, and no transfer other than by the Developer, shall be effective without a certificate of approval issued by the Manager.

U. S. 4178 PAGE 114

E. The Manager shall have the authority to establish rules and regulations which shall be effective as of their adoption by the Association.

F. The Manager shall have the authority to act as Insurance Trustee, thereby holding any proceeds of insurance policies as endorsee and distributing the same in accordance with the Condominium Declaration. All insurance policies purchased by the Association shall, therefore, be deposited with the Manager and the Manager shall be made the endorsee of these policies. The Manager shall be the sole claims adjuster and agent of the Association.

G. The Association must give the Manager notice of any intended amendments to the Condominium Declaration, or Association By-Laws or Articles of Incorporation.

H. The Manager shall have the authority to establish the fair market value of any unit, give notice of any unit sale and furnish a buyer pursuant to the relevant provisions of the Condominium Declaration.

XV.

One year from the date the Management Contract is recorded, and every year thereafter, the parties subscribing hereto may renegotiate the Manager's compensation set forth in Article VI of this agreement. Such items as inflation or recession, extra-ordinary costs above normal management expenditures, or disproportionate profit or any loss shall be proper subjects of negotiation. It is agreed the Manager shall not have to operate at a loss and the Manager shall have no less than ten percent (10%) nor more than fifteen percent (15%) net profit. Net profit is to be determined by subtracting all expenses or costs the Manager incurs in the course of his duties as Manager from the monies received pursuant to this agreement. If the resulting amount divided by the monies received under this contract is less than ten percent (10%) or more than fifteen percent (15%) then an additional assessment or rebate shall be made.

Any increase in utilities shall be paid by an increase in the monthly maintenance fee paid to the manager as the monthly management fee. Such increase shall be limited to the increase charged by the utility which has increased the cost.

If any disputes arise between the contracting parties regarding the manager's compensation or the scope of the Manager's duties, the Association will pick an arbitrator, the Manager will pick an arbitrator, and both arbitrators will select an umpire who shall cast a tie breaking vote. If the parties fail to choose an umpire, then the umpire shall be chosen by the most senior circuit court justice of the Sixth Judicial Circuit.

Each Unit Owner (Leasehold-Owner) pledges his entire share of all common elements appurtenant to his unit, as well as his unit interest for the payment of his share of the maintenance fee. It is agreed that should the share not be paid then a lien for such fee shall attach to his unit interest which may be fore-closed and his unit sold to satisfy said lien.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

SOUTHERN PROPERTIES MANAGEMENT I, INC.,
a Florida corporation

ATTEST: Nancy Custer
Secretary

By: Gerald R. Custer (SEAL)
President

SANDAL COVE ASSOCIATION, INC., a
Florida corporation

ATTEST: Herman L. Gaillard

BY: Rollen Weakley (SEAL)

STATE OF FLORIDA)
COUNTY OF PINELLAS) ss

I, HEREBY CERTIFY, that on this 27th day of April, A.D. 1973, before me personally appeared Gerald R. Custer and E. Nancy Custer, respectively of SOUTHERN PROPERTIES MANAGEMENT I, INC., a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing MANAGEMENT CONTRACT and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Clearwater, in the County of Pinellas and State of Florida, the day and year last aforesaid.


Thompson
Notary Public

My Commission Expires:

STATE OF FLORIDA)
) ss
COUNTY OF PINELLAS)

I, HEREBY CERTIFY, that on this 27th day of APRIL, A.D. 1973, before me personally appeared Rollen Weakley and Herman L. Gaillard, President and Secretary respectively of SANDAL COVE ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing MANAGEMENT CONTRACT and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Clearwater, the County of Pinellas and State of Florida, the day and year last aforesaid.



Notary Public

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA at LARGE
MY COMMISSION EXPIRES OCT. 8, 1974
BONDED THROUGH FRED W. DIESTELHORST

AFFIDAVIT

It is understood and agreed, that subsequent to the signature by the President and Secretary of SANDAL COVE ASSOCIATION, INC. to the Management Contract with SOUTHERN PROPERTIES MANAGEMENT, INC., changes were made to the above said document pursuant to the said officers request.

Said undersigned officers hereby swear and affirm that the changes were made exactly according to their desires and that the document as prepared is a final statement of the management contract as they conceive it.

Attest:

SANDAL COVE ASSOCIATION, INC.

[Signature]
Secretary

By [Signature]
President

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)



I HEREBY CERTIFY that on this 20th day of May A.D. 1978 before me personally appeared ALLEN WASKLEY and HEIDI ANN WASKLEY President and Secretary respectively of SANDAL COVE ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing Affidavit and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of such corporation.

WITNESS my signature and official seal at Clearwater, in the County of Pinellas and State of Florida the day and year last aforesaid.

[Signature]
Notary Public

My Commission Expires: Notary Public, State of Florida at Large
My Commission Expires April 8, 1978
Bonded by Transamerica Insurance Co.



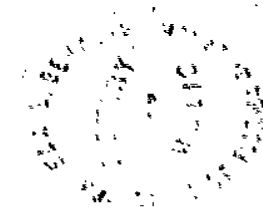
STATE OF FLORIDA)
) ss
COUNTY OF PINELLAS)

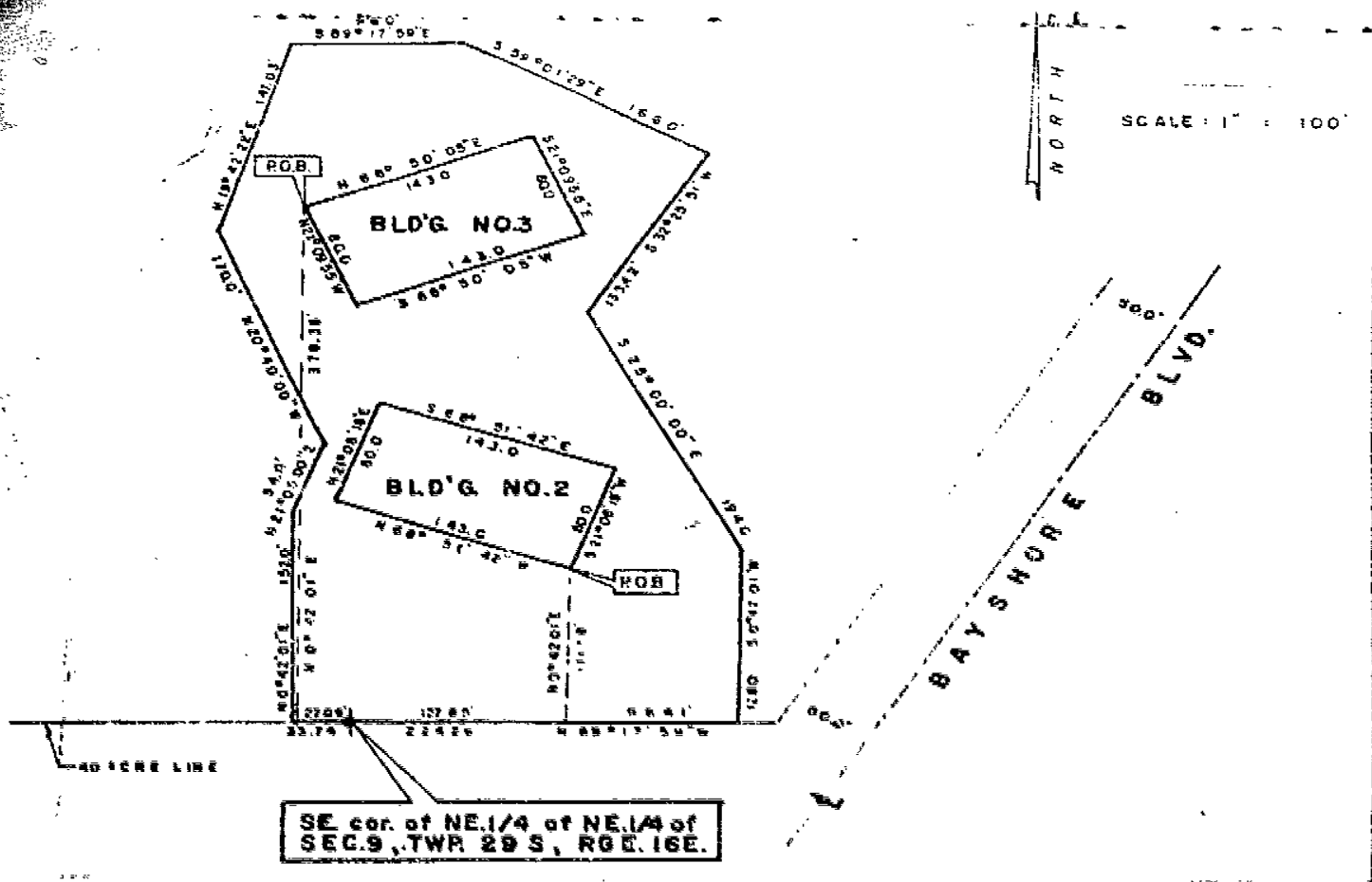
I HEREBY CERTIFY that on this 31st day of May,
A.D., 1974, before me personally appeared Thomas J. McNery
Herman L. Gaillard, ~~President~~ ^{President} and Secretary ^{Vice-President} respectively of SANDAL
COVE ASSOCIATION, INC., a corporation under the laws of the State
of Florida, to me known to be the persons described in and who
executed the foregoing Modification of Management Contract and
severally acknowledged the execution thereof to be their free act
and deed as such officers, for the uses and purposes therein
mentioned; and that they affixed thereto the official seal of said
corporation, and the said instrument is the act and deed of said
corporation.

WITNESS my signature and official seal at Clearwater
in the County of Pinellas and State of Florida, the day and year
last aforesaid.

Paula L. DeLuna
Notary Public

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES AUGUST 19 1977
BONDED BY AMERICAN SURETY INSURANCE CO.





BUILDING NO. 2:

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence South 89° 17' 59" East, along the Forty Acre Line, 127.85 feet; thence North 0° 42' 01" East, 111.18 feet for the Point of Beginning; thence North 68° 51' 42" West, 143.0 feet; thence North 21° 08' 18" East, 80.0 feet; thence South 68° 51' 42" East, 143.0 feet; thence South 21° 08' 18" West, 80.0 feet to the Point of Beginning.

BUILDING NO. 3:

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence North 89° 17' 59" West, along the Forty Acre Line 27.09 feet; thence North 0° 41' 01" East, 378.36 feet for the Point of Beginning; thence North 68° 50' 05" East, 143.0 feet; thence South 21° 09' 55" East, 80.0 feet; thence South 68° 50' 05" West, 143.0 feet; thence North 21° 09' 55" West, 80.0 feet to the Point of Beginning.

Exhibit B

Schedule of undivided share in Common Elements of
1005 Bayshore Drive Condominium Building, SANDAL
COVE CONDOMINIUM I.

<u>Unit Number</u>	<u>Share</u>
101	.0625
102	.0625
103	.0625
104	.0625
105	.0625
106	.0625
107	.0625
108	.0625
201	.0625
202	.0625
203	.0625
204	.0625
205	.0625
206	.0625
207	.0625
208	.0625

Schedule of Unit Share of Common Surpluses and
Common Expenses of 1005 Bayshore Drive Condominium
Building, SANDAL COVE CONDOMINIUM I. Other than
Recreational Lease Rent and Management Contract Fee.

101	.0625
102	.0625
103	.0625
104	.0625
105	.0625
106	.0625
107	.0625
108	.0625
201	.0625
202	.0625
203	.0625
204	.0625
205	.0625
206	.0625
207	.0625
208	.0625

Unit NumberShare

Schedule of 1005 Bayshore Drive Unit Share of the
Common Expenses of SANDAL COVE ASSOCIATION, INC.
Other than Management Contract and Recreational
Lease Rent.

101	2.0833
102	2.0833
103	2.0833
104	2.0833
105	2.0833
106	2.0833
107	2.0833
108	2.0833
201	2.0833
202	2.0833
203	2.0833
204	2.0833
205	2.0833
206	2.0833
207	2.0833
208	2.0833

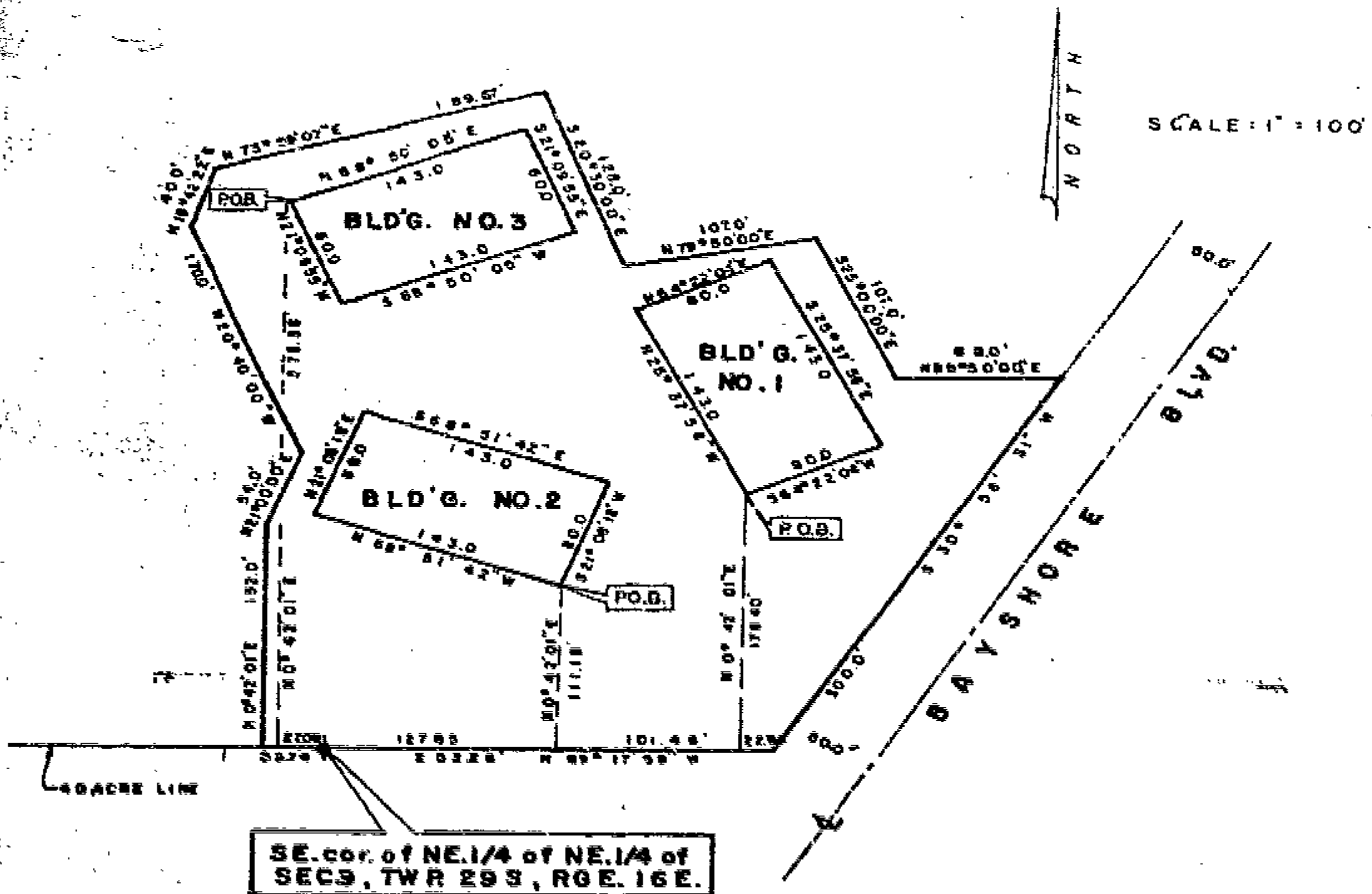
Schedule of Monthly Recreational Lease Rental and
Management Contract Fee for each Unit in 1005 Bayshore
Drive, SANDAL COVE CONDOMINIUM I.

<u>Unit Number</u>	<u>Recreational Lease Rental</u>	<u>Total Monthly Management Fee</u>
101	\$28.00	\$10.00
102	\$28.00	\$10.00
103	\$35.00	\$12.00
104	\$35.00	\$12.00
105	\$35.00	\$12.00
106	\$35.00	\$12.00
107	\$28.00	\$10.00
108	\$28.00	\$10.00
201	\$28.00	\$10.00
202	\$28.00	\$10.00
203	\$35.00	\$12.00
204	\$35.00	\$12.00
205	\$35.00	\$12.00
206	\$35.00	\$12.00
207	\$28.00	\$10.00
208	\$28.00	\$10.00

Breakdown of Monthly Management Contract Fee

The monthly management fee includes payment for the following expenses:

- All outside electricity and water, garbage and trash, lawn maintenance, bulb replacement, insurance, and manager's fee \$33.50
- Per Unit sewage charge \$4.50 per 2 bedroom
- 2 bedroom additional maintenance differential \$8.25



BOUNDARY DESCRIPTION:

Begin at the southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, for the Point of Beginning; thence North $89^{\circ}17'59''$ West, along the Forty Acre Line, 53.74 feet; thence North $0^{\circ}42'01''$ East, 152.0 feet; thence North $21^{\circ}00'00''$ East, 54.0 feet; thence North $20^{\circ}40'00''$ West, 170.0 feet; thence North $10^{\circ}42'22''$ East, 40.0 feet; thence North $73^{\circ}59'07''$ East, 189.67 feet; thence South $20^{\circ}30'00''$ East, 128.0 feet; thence North $79^{\circ}50'00''$ East, 107.0 feet; thence South $25^{\circ}00'00''$ East, 107.0 feet; thence North $89^{\circ}50'00''$ East, 88.0 feet to the Westerly Right-of-Way of Bayshore Boulevard; thence South $30^{\circ}58'31''$ West, along said Westerly Right-of-Way, 300.0 feet to the Forty Acre Line; thence North $89^{\circ}17'59''$ West, along said Forty Acre Line, 252.26 feet to the Point of Beginning; LESS the following parcels within the above described boundary:

BUILDING NO. 1:

from the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence South $89^{\circ}17'59''$ East, along the Forty Acre Line, 229.31 feet; thence North $0^{\circ}42'01''$ East, 176.40 feet for the Point of Beginning; thence North $25^{\circ}37'56''$ West, 143.0 feet; thence North $64^{\circ}22'04''$ East, 80.0 feet; thence South $25^{\circ}37'56''$ East, 143.0 feet; thence South $64^{\circ}22'04''$ West, 80.0 feet to the Point of Beginning.

BUILDING NO. 2:

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence South $89^{\circ}17'59''$ East, along the Forty Acre Line, 127.85 feet; thence North $0^{\circ}42'01''$ East, 111.18 feet for the Point of Beginning; thence North $68^{\circ}51'42''$ West, 143.0 feet; thence North $21^{\circ}08'18''$ East, 80.0 feet; thence South $68^{\circ}51'42''$ East, 143.0 feet; thence South $21^{\circ}08'18''$ West, 80.0 feet to the Point of Beginning.

BUILDING NO. 3:

From the Southeast corner of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section Nine (9), Township Twenty-nine (29) South, Range Sixteen (16) East, run thence North $89^{\circ}17'59''$ West, along the Forty Acre Line 27.09 feet; thence North $0^{\circ}42'01''$ East, 378.36 feet for the Point of Beginning; thence North $68^{\circ}50'05''$ East, 143.0 feet; thence South $21^{\circ}09'55''$ East, 80.0 feet; thence South $68^{\circ}50'05''$ West, 143.0 feet; thence North $21^{\circ}09'55''$ West, 80.0 feet to the Point of Beginning.

Exhibit L

Schedule of Unit Share of Common Surpluses and Common Expenses of SANDAL LOVE ASSOCIATION, INC. Other than Management Contract and Recreational Lease Rent.

<u>1001 Bayshore Drive</u>	<u>Share</u>
101	2.0833
102	2.0833
103	2.0833
104	2.0833
105	2.0833
106	2.0833
107	2.0833
108	2.0833
201	2.0833
202	2.0833
203	2.0833
204	2.0833
205	2.0833
206	2.0833
207	2.0833
208	2.0833

<u>1003 Bayshore Drive</u>	<u>Share</u>
101	2.0833
102	2.0833
103	2.0833
104	2.0833
105	2.0833
106	2.0833
107	2.0833
108	2.0833
201	2.0833
202	2.0833
203	2.0833
204	2.0833
205	2.0833
206	2.0833
207	2.0833
208	2.0833

<u>1005 Bayshore Drive</u>	<u>Share</u>
101	2.0833
102	2.0833
103	2.0833
104	2.0833
105	2.0833

1005 Bayshore Drive (Con't)

	<u>Share</u>
106	2.0833
107	2.0833
108	2.0833
201	2.0833
202	2.0833
203	2.0833
204	2.0833
205	2.0833
206	2.0833
207	2.0833
208	2.0849

CONDOMINIUM

Instrument No. 74074984

Date Filed May 31, 1974

Hour 3:03 P.M.

Condominium Book No. 19 Page No. 36, 37, 38

Name of Condominium Apartment

Building 1005 Sandal Cove Condominium I

Owners:

Gerald B. Custer and Nancy Custer d/b/a Southern Properties