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**DECLARATION OF CONDOMINIUM
FOR
EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM**

THIS DECLARATION is made this 2 day of May, 2005, by EUROPEAN VILLAGE, LLC ("Developer") in and by which the Developer makes the following declarations.

1. INTRODUCTION AND SUBMISSION.

1.1 Submission Statement.

Developer hereby submits to the condominium form of ownership and use the land described in **Exhibit "A"** hereof, the improvements now and hereafter situated thereon, and the easements and rights appurtenant thereto (the "Condominium Property"), pursuant to Chapter 718, Florida Statutes, as amended to the date hereof (the "Condominium Act" or "Act").

1.2 Name.

The name by which this condominium is to be identified is EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM, sometimes herein called the "Condominium." The street address is 101 Palm Harbor Parkway, Palm Coast, Florida 32137.

1.3 The Land.

The land submitted to Condominium is situated in Flagler County, Florida, and is described in **Exhibit "A"** attached hereto and made a part hereof, and consists of a parcel of real property (the "Land") upon which will be situated commercial improvements and common facilities which are submitted hereby to condominium ownership. A survey of the Land is attached hereto and made a part hereof as **Exhibit "B"** and a site plan or plot plan of the Land is attached hereto and made a part hereof as **Exhibit "B-1"**.

2. DEFINITIONS.

2.1 "Assessment" means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Unit Owner, and such additional sums which may be assessed directly against one or more Unit Owners (though not necessarily against other Unit Owners), including, but not limited to, special assessments, fines and surcharges hereinafter specified.

2.2 "Association" or "Condominium Association" means European Village Commercial Condominium Association, Inc., a not for profit Florida corporation, the entity responsible for the operation of the Condominium.

2.3 "Board" or "Board of Directors" means the Board of Directors of the Association pursuant to the Articles and Bylaws thereof.

2.4 "Building" or "Buildings" means the structure or structures situated on the Condominium Property in which the Units are located and including, but not necessarily limited to, fixtures, installations, or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of Units, and excluding unit floor coverings, wall coverings, or ceiling coverings, and the following equipment located within a Unit: electrical fixtures, appliances, air conditioner or heating equipment, water heaters, or built-in cabinets.

2.5 "Bylaws" mean the Bylaws of the Association.

2.6 "Common Elements" mean and include:

- (a) The portions of the Condominium Property which are not included within the Units, including but not limited to the entry porches.
- (b) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units and the Common Elements.
- (c) An easement of support in every portion of a Unit which contributes to the support of the Building.
- (d) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements including without limitation, any stormwater treatment, detention or retention facilities located upon the Condominium Property or serving the Condominium Property. Any other parts of the Condominium Property designated as Common Elements in this Declaration, or any amendment hereto.
- (e) The Association's rights to use and maintain certain real property pursuant to the Easement Agreement recorded at Official Records Book 851, Page 1540 of the Public Records of Flagler County, Florida.

Common Elements shall not include improvements installed by Unit Owners.

2.7 "Common Expenses" mean all expenses incurred by the Association for the Condominium.

2.8 "Common Surplus" means the excess of all receipts of the Association, including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements, over the amount of Common Expenses.

2.9 "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to said Unit; and when the context permits, the term includes all other appurtenances to the Unit.

2.10 "Condominium Property" means the Land and personal property that are subjected to condominium ownership under this Declaration, all improvements on the Land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.11 "County" means the County of Flagler, State of Florida.

2.12 "Declaration" or "Declaration of Condominium" means this instrument, as it may be amended from time to time.

2.13 "Improvements" mean all structures and artificial changes to the natural environment (exclusive of landscaping) located on the Condominium Property.

2.14 "Institutional Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government and insurers and guarantors of mortgages, mortgage banker, or any other lender generally recognized as an institutional-type lender, or the Developer, holding a mortgage on a Unit or Units.

2.15 "Limited Common Elements" mean those Common Elements the use of which are reserved to a certain Unit or Units to the exclusion of other Units, as specified in this Declaration. Reference herein to Common Elements shall include also all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.

2.16 "Unit" means a part of the Condominium Property which is subject to exclusive ownership.

2.17 "Unit Owner" or "Owner of a Unit" or "Owner" means the record owner of a Condominium Parcel. In the event that a Unit is owned of record by a corporation, partnership or other joint ownership entity, the corporation, partnership or other entity may appoint a person to undertake the obligation of Unit Owners set forth herein. A Unit Owner or Owner shall not include any persons or entities having an interest in a Unit merely as security for the performance of an obligation or any mortgagee unless and until such mortgagee has acquired title to a Unit pursuant to an action for foreclosure or any proceeding in lieu of foreclosure.

3. DESCRIPTION OF CONDOMINIUM PROPERTY.

3.1 Number and Identification of Units.

Exhibit "C", attached hereto and made a part hereof includes a graphic description of the Improvements comprising part of the Condominium Property. The Improvements consist of 39 condominium units in four (4) Buildings, a courtyard in the center of the Buildings, a gazebo located adjacent to Buildings A and B, and the underground parking garage located beneath Buildings A, B, and C. There are six (6) basic types of Units in the Condominium: 1) Retail "A" Units located on the ground floor of Buildings A, B and C; 2) Retail "B" Units occupying the ground floor of Buildings A, B and C; 3) an Office Unit located in the Office Building and in six individual Offices located on the second and third floors of Buildings A, B and C; 4) the Courtyard Unit located in the courtyard between the Buildings, 5) the Gazebo Unit located in the gazebo adjacent to Buildings A and B, and 6) the Parking Garage Unit located in the underground parking garage beneath Buildings A, B and C. Each Retail "Unit" is identified (as defined in the Condominium Act and herein) by number. There are thirty five (35) Retail Units (8 Retail "A" consisting of those Units depicted as plans R1 and R4, as shown on Exhibit C to this Declaration and 27 Retail "B" types consisting of those Units depicted as plans R2, R3, R5 and R6, as shown on Exhibit C to this Declaration. The remaining Units are identified by name and may also be assigned a number that is distinct from any number used to describe a Retail Unit by the Declarant or the Association for ease of reference. There is One (1) Office Unit, One (1) Courtyard Unit, One (1) Gazebo Unit and One (1) Parking Garage Unit. A plot (site) plan of the Improvements is annexed and made a part hereof as **Exhibit "B-1"**.

3.2 Buildings.

The Improvements include four (4) Buildings (three multi-unit Buildings labeled "A," "B" and "C" and the Office Building), the courtyard, the gazebo and an underground parking structure for a total of 39 condominium units and other appurtenant Common Elements and Limited Common Elements. Building A has 3 Retail "A" Units, 9 Retail "B" Units and 2 Offices of the Office Unit; Building B has 3 Retail "A" Units, 10 Retail "B" Units and 2 Offices of the Office Unit, Building C has 2- Retail "A" Units, 8 Retail "B" Units and 2 Offices of the Office Unit, the Office Building contains the balance of the Office Unit, the courtyard has 1 Courtyard Unit, the gazebo has 1 Gazebo Unit and the Parking Garage has 1 Parking Garage Unit.

3.3 Other Improvements.

In addition to the Buildings situated thereon, the Land also includes Improvements, consisting of parking areas, walks, landscaping and all underground structures and improvement, which are not part of or located within the Buildings, and which are not elsewhere herein reserved to and/or retained by Developer, such as wires, cables, drains, pipes, ducts, conduits, valves and fittings.

3.4 Units.

The term "Units" as used herein, shall mean and comprise all of the types of the 39 condominium units which are described in **Exhibit "B-1"** and **Exhibit "C"** hereof.

(a) Each Retail "A" and "B" Unit shall include that part of the Building containing such Unit that lies within the following boundaries:

(i) Upper and lower boundaries.

The upper and lower boundaries of a Unit shall be the boundary of the horizontal plane of the bottom of the top cord of the roof truss extended to an intersection with the parametrical boundaries as an upper boundary and the boundary of the horizontal plane of the unfinished surface of the floor extended to an intersection with the parametrical boundary as a lower boundary.

(ii) Parametrical Boundary.

The parametrical boundary of each Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(1) Exterior Building Walls:

The intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Building bounding a Unit.

(2) Interior Building Walls:

The vertical planes of the interior unfinished surface of the walls bounding a Unit (excluding interior partitions within Units) extended to intersections with other parametrical boundaries.

(iii) Exclusions.

The Unit Owner shall not be deemed to own any spaces or Improvements lying beneath the unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the uppermost structural elements of each Unit, nor any spaces or Improvements lying beneath the undercoated and/or unfinished inner surface of all interior columns, bearing walls and/or bearing partitions, nor any pipes, ducts, vents, wires, conduits or other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical portion of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units, Common Elements and/or Limited Common Elements.

(iv) Apertures.

All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior or interior walls of Units, where applicable, shall be construed to be within the boundaries or limits and part of the Unit exclusively served by such windows, doors and other openings.

(v) Mechanical Equipment.

All air conditioning compressors, water heaters, heat pumps and other mechanical equipment serving only one Unit shall be deemed to be a part of the Unit.

(b) The Parking Garage Unit shall include that part of the Building containing such Unit that lies within the following boundaries:

(i) Upper and lower boundaries.

The upper and lower boundaries of a Unit shall be the boundary of the horizontal plane of the bottom of the top cord of the roof truss extended to an intersection with the parametrical boundaries as an upper boundary and the boundary of the horizontal plane of the unfinished surface of the floor extended to an intersection with the parametrical boundary as a lower boundary.

(ii) Parametrical Boundary.

The parametrical boundary of each Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(iii) Exterior Building Walls:

The intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Building bounding a Unit.

(iv) Interior Building Walls:

The vertical planes of the interior unfinished surface of the walls bounding a Unit (excluding interior partitions within Units) extended to intersections with other parametrical boundaries.

(v) Exclusions.

The Parking Garage Unit Owner shall not be deemed to own any spaces or Improvements lying beneath the unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the uppermost structural elements of each Unit, nor any spaces or Improvements lying beneath the undercoated and/or unfinished inner surface of all interior

columns, bearing walls and/or bearing partitions, nor any pipes, ducts, vents, wires, conduits or other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical portion of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units, Common Elements and/or Limited Common Elements.

(vi) Apertures.

All openings in the exterior or interior walls of Parking Garage Unit, where applicable, shall be construed to be within the boundaries or limits and part of the Unit. Such apertures shall include any access control gates, card readers, attendant booths or other similar improvement constructed exclusively to control access to and from the Parking Garage Unit to other portions of the Condominium Property.

(vii) Mechanical Equipment.

All air conditioning compressors, water heaters, heat pumps and other mechanical equipment serving only the Parking Garage Unit shall be deemed to be a part of the Unit.

(c) The Office Unit shall include that portion of the Building containing the Offices and that portion of the Office Building lying within the following boundaries:

(i) Upper and lower boundaries.

The upper and lower boundaries of components of the Office Unit shall be the boundary of the horizontal plane of the bottom of the top cord of the roof truss extended to an intersection with the parametrical boundaries as an upper boundary and the boundary of the horizontal plane of the unfinished surface of the floor extended to an intersection with the parametrical boundary as a lower boundary of the Building or Office Building in which that portion of the Unit is located.

(ii) Parametrical Boundary.

With respect to the portion of the Office Unit contained in the Office Building, the parametrical boundary of the Office Unit shall be the intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Office Building extended to an intersection with the upper and lower boundaries. With respect to the portion of the Office Unit contained in the Buildings containing the Office portion of the Office Unit, the parametrical boundary of the Office Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(1) Exterior Building Walls:

The intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Building bounding a particular Office portion of the Unit.

(2) Interior Building Walls:

The vertical planes of the interior unfinished surface of the walls bounding a particular Office portion of the Unit (excluding interior partitions within Units) extended to intersections with other parametrical boundaries.

(iii) Apertures.

All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior walls of all portions of the Office Unit, where applicable, shall be construed to be within the boundaries or limits and part of the Unit including, without limitation, any doors or other access control gates located in an aperture connecting the Office Building to Building A or Building C.

(iv) Mechanical Equipment.

All air conditioning compressors, water heaters, heat pumps and other mechanical equipment serving only any portion of the Office Unit shall be deemed to be a part of the Office Unit.

(d) The Courtyard Unit shall include the courtyard located between Buildings A, B and C lying within the following boundaries:

(i) Upper and lower boundaries.

The upper boundary of a Unit shall be the horizontal plane intersecting the parametrical boundaries of the Unit at a height of fifty (50') above the finished surface of the paved courtyard, as originally constructed by the Developer. The lower boundary shall be the lowest surface of the foundation slab or footer pilings supporting the courtyard paving as originally constructed by the Developer.

(ii) Parametrical Boundary.

The parametrical boundary of Courtyard Unit shall be the vertical planes projected from the boundary lines described by the legal description labeled "Courtyard Boundary" attached hereto as part of Exhibit "B" and extending from the lower boundary of the Unit to the upper boundary of the Unit..

(iii) Mechanical Equipment.

All mechanical equipment serving only Courtyard Unit (including, without limitation, any water fountains, pumps, heaters, audio, video or lighting equipment located within the boundaries of the Unit shall be deemed to be a part of the Courtyard Unit.

(e) The Gazebo Unit shall include the portion of the gazebo containing such Gazebo Unit lying within the following boundaries:

(i) Upper and lower boundaries.

The upper and lower boundaries of the Gazebo Unit shall be the boundary of the horizontal plane of the bottom of the top cord of the roof truss extended to an intersection with the parametrical boundaries as an upper boundary and the boundary of the horizontal plane of the unfinished surface of the floor extended to an intersection with the parametrical boundary as a lower boundary.

(ii) Parametrical Boundary.

The parametrical boundary of Gazebo Unit shall be the vertical planes adjacent to and which include the unfinished surface of the exterior walls of the gazebo or the vertical planes adjacent to and which include unfinished surface of the interior of the structural supports for the roof of the gazebo.

(iii) Apertures.

All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior walls of Gazebo Unit, where applicable, shall be construed to be within the boundaries or limits and part of the Unit.

(iv) Mechanical Equipment.

All air conditioning compressors, water heaters, heat pumps and other mechanical equipment serving only Gazebo Unit shall be deemed to be a part of the Gazebo Unit.

3.5 Common Elements.

The term "Common Elements", as used herein, shall mean and comprise all of the real property and Improvements of the Condominium except Units including, without limitation: (a) easements through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/ or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements; and (b) easements of support in every portion of a Unit which contribute to the support of other Units and/or Common Elements; and (c) installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation; and (d) the property and

installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements; and (e) fixtures owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium; (f) parking spaces (other than parking spaces contained in the Parking Garage Unit); (g) easements for ingress and egress serving the Condominium property; (h) all open areas and contained within the Land; (i) all roadways, sidewalks, paths, fences and entrance areas located on the Land; (j) all of the Association's rights with respect to the Easement Agreement recorded at Official Records Book 851, Page 1540 of the Public Records of Flagler County, Florida; and (k) all other Improvements owned or held for common use, benefit and enjoyment of all Unit Owners.

3.6 Limited Common Elements.

"Limited Common Elements," as the term is used herein, shall mean and comprise the Common Elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain Unit or Units to the exclusion of other Units, consisting of the following:

- (a) Each Unit Owner of a Unit in the Condominium have the right of exclusive use of the air space and ground space occupied by the air conditioning compressor, heat pump, air handler and equipment and fixtures appurtenant thereto, serving that Unit.
- (b) Certain unit owners, as applicable, shall have the exclusive use of facilities, including pipes, lines or wires through which services needed by that particular Unit Owner for the conduct of its business will be provided, for example, lines or pipes used to provide utility or other services serving only such Unit will be provided to the extent that such facilities are not owned by or dedicated to a utility company or governmental authority;
- (c) Each Retail Unit Owner shall have the use of the area immediately in front of the Unit bounded as follows: from the exterior front wall of the building to the near edge of the paved walkway surrounding the Common Element courtyard and bounded on each side by an imaginary line which is the projection of the centerline of each side wall of the Unit, as shown on the Site Plan attached as Exhibit B-1. A Retail Unit Owner's use of this area shall be subject to rules and regulations adopted by the Association for use and maintenance of the area. No Retail Unit Owner may not use this area in such a manner as to obstruct the access of other Unit Owners, their employees, guests, invitees or members of the public to the Common Elements of the Condominium.
- (d) The Owner of Retail Unit 126 shall have the use of the area adjacent to the exterior side wall of the Unit closest to the swimming pool bounded as follows: from the exterior side wall of the Building to a line parallel to the side wall and 20 feet from the exterior plane of the side wall and bounded on each side by an imaginary line which is the projection of the centerline of the exterior front and

rear walls of the Building in which Unit 126 is located to the intersection of such lines with the parallel line 20 feet from the exterior side wall of the Building,, as shown on the Site Plan attached as Exhibit B-1. The Unit Owner of Unit 126 shall be permitted to install, at the Unit Owner's sole expense, removable improvements in this Limited Common Element necessary to allow the use of the Limited Common Element as an open air café or bar. These improvements may include the installation of apertures penetrating the Common Element wall of the Building, so long as no such apertures interfere with any utility lines or structural components of the Common Elements in the Building.. Use of the improvements installed by the Unit Owner of Unit 126 shall at all times be in compliance with all governmental regulations. The Unit Owner's use of this area shall be subject to rules and regulations adopted by the Association for use and maintenance of the area. The Unit Owner may not use this area in such a manner as to obstruct the access of other Unit Owners, their employees, guests, invitees or members of the public to the Common Elements of the Condominium.

(e) Any portion of a facades constructed on the front of a Retail Unit (or the side wall of Unit 126 described in subparagraph (d), above) by the Owner of the Unit (as approved by the Developer or the Board) shall be deemed to be a Limited Common Element appurtenant to the Retail Unit to which it is attached. All signage attached to any Unit by the Owner of the Unit (as approved by the Developer or the Board) shall be deemed to be a Limited Common Element appurtenant to the Unit to which it is attached.

(f) Anything to the contrary in this Declaration notwithstanding, in the event a Unit Owner mortgages his Unit together with his Limited Common Elements (whether or not fully assignable apart from the Unit) , such Limited Common Elements shall not be assignable apart from the Unit.

4. APPURTENANCES TO UNITS.

Subject to the right of the Association to adopt reasonable rules and regulations governing the use and operation of the Common Elements and Limited Common Elements and to the other provisions of this Declaration, there shall be appurtenant, and pass with title, to each Unit, the rights, shares, and interests provided by the Condominium Act which shall be deemed to include, without limitation, the following:

4.1 Use of Common Elements.

(a) An undivided share in the Common Elements and in the Common Surplus. The undivided share in the Common Elements and the Common Surplus of the Condominium appurtenant to each Unit is that proportion of the total set forth in **Exhibit "F,"** attached hereto; and

(b) The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and or granted elsewhere to a certain Unit or Units as Limited Common Elements; and

(c) The appurtenant share in the Common Elements and Common Surplus and the exclusive right to use the Limited Common Elements appurtenant to a Unit or Units, cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided and no action for partition of the Common Elements, the Condominium Property or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

4.2 Easements.

(a) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time (as shown on **Exhibit "C"** hereto) and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time; and

(b) Non-exclusive easements, to be used and enjoyed in common with the owners of all Units in the Condominium, their guests, invites, and lessees, for use of those Common Elements not designated elsewhere herein as Limited Common Elements, including, without limitation, easements for:

(i) The furnishing and maintenance of private or public utility services to all parts of the real property of the Condominium over, across, in and through the Land, the Building and other Improvements, as the fixtures and equipment therefore now exist and/or may be modified or relocated; and

(ii) Vehicular and pedestrian access over, across, upon, in and through the drives, sidewalks, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and/or provided for pedestrian and vehicular traffic through the Condominium and for access to the common roadways.

(c) An exclusive easement for the unintentional and non-negligent encroachment by any Unit upon any other Unit or Common Element, or vice versa, for any reason not caused by or resulting from the willful act of Developer or any Unit Owner or Owners, including without limitation, encroachments caused by or resulting from the original construction of Improvements, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching Unit or other improvement, to the extent of such encroachment; and

(d) An exclusive easement for the use of the area of Land and air space occupied by the appurtenant mechanical equipment, e.g. air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, situated in and/or on Common Elements of the Condominium but exclusively serving a particular Unit, as the same exist in and on the Land, which exclusive easement shall be terminated automatically in any air space which is permanently vacated by such air conditioning compressor, heat pump, air handler and the equipment and fixtures appurtenant thereto, provided, that the removal of the same for repair and/or replacement shall not be construed to be a permanent vacation of the air space which it occupies.

(e) To the extent necessary for the Unit Owner to conduct his business in compliance with all applicable laws, ordinances, regulations, statutes and permits, a non-exclusive easement for additional pipes or lines to provide required services to the Unit, for example, for a dental office, facilities required to provide nitrous oxide and compressed air to the Unit.

(f) A non-exclusive easement in common with the owners of all Units in the Condominium, their guests, invitees, and lessees, for passage over, across and through the Courtyard Unit and Gazebo Unit during normal business hours of operation of the Retail, Office and Office Units (the "Courtyard Easement" and "Gazebo Easement")

(i) The Courtyard and Gazebo Easements shall be subject, at all times, to the right of owner of the Courtyard or Gazebo Unit to exclude all persons other than the guests, invitees, lessees or other persons specifically allowed by the owner of such Courtyard or Gazebo Unit to use the Unit or a portion thereof. The right of the Owner of the Courtyard or Gazebo Unit to exclude all persons other than those specifically permitted by the Owner from the Courtyard or Gazebo Unit shall be absolute and notice of the exercise of such right may be given to the other owners of Units in the Condominium by any reasonable means, including, without limitation, the erection of signs, temporary barricades, and posting of notices in the Common Elements of the Condominium. The right of the Owner of the Courtyard or Gazebo Unit to exclusive use of the Unit shall continue for so long as the Owner of such Unit(s) states in any notice given pursuant to this section or, if no specific time is mentioned in the notice, for a period of twelve hours from the time specified as the commencement of such exclusive use in any such notice. Upon the stated expiration time of any period of exclusive use by the Owner of such Unit(s), the non-exclusive easement provided in this paragraph shall recommence and continue until the next notice of exclusive use by the Owner of such Unit(s) is given as provided in this section.

(ii) It is the intention of the Developer in creating the Courtyard and Gazebo Easements, that the Owners of the Courtyard or Gazebo Units shall also provide certain entertainment services to the Association and its Members pursuant to a separate entertainment contract between the Association and the Owners of the Courtyard or Gazebo Units by means of

the equipment installed in the Courtyard and Gazebo Units and owned and operated by the Owners of those Units and that the continuation of these entertainment service in accordance with the terms of the entertainment contract are an integral part of the Courtyard and Gazebo Easements granted herein. Accordingly, the Courtyard or Gazebo Easement may be discontinued by the Owner of the Courtyard or Gazebo Units for any period during which the Association is in default of or fails to renew any entertainment agreement between the Owner of the Courtyard or Gazebo Unit for the use of the entertainment equipment located in and belonging to those Units. In the event of any such default, the Owner of the Courtyard or Gazebo Unit shall give written notice of the default to the Association. If the default specified in the notice is not corrected within thirty days of the date of the notice, the Owner giving the notice may, in addition to any other remedies contained in any entertainment contract, suspend or terminate the Courtyard or Gazebo Easement as the Owner of the Unit deems, in its sole and absolute discretion, to be in its best interest. Such suspension or termination may be evidenced by a recorded instrument recorded in the public records of the County by the Owner of the Courtyard or Gazebo Unit. No such recording shall not be deemed an amendment to this Declaration requiring the approval or consent of any party other than the Owner of the Courtyard or Gazebo Unit.

(iii) In consideration for the use permitted by the Courtyard and Gazebo Easements, the Association shall pay the Owner of such Unit(s) rent (including any applicable sales tax payable on rent, from time to time) equal to the sum of the monthly Common Assessment payable by the Courtyard or Gazebo Unit for any calendar month and cost of routine cleaning, landscaping and trash removal for the Courtyard Unit and Gazebo Units for any calendar month in which the Owner of the Courtyard Unit or the Gazebo Unit exercises the right of exclusive possession to the Unit for a cumulative period of less than fourteen (14) twenty four (24) hour periods during the calendar month, which amounts shall be assessed as a Common Expense of the Association.

4.3 Membership.

The right to membership in the Association upon the terms and conditions set forth elsewhere herein.

4.4 Ingress and Egress.

Each Unit Owner and his guests, invites, lessees and janitorial help, and all delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by the Developer or Grantor of the easement referenced therein ("Grantor") to serve the Condominium, holders of mortgage liens on the Condominium or any Unit and such other persons as the Developer may from time to time designate, shall have the non-exclusive and perpetual right of ingress and egress over and across that portion of the Condominium Property designated for such purpose as described in **Exhibits "A" and "B"** attached hereto and made a part hereof, or as they may be amended in related documents recorded in the public records of the County.

5. THE ASSOCIATION.

5.1 Name of Association.

The entity responsible for the operation of the Condominium shall be European Village Commercial Condominium Association, Inc., a Florida corporation not for profit (the "Association"), of which a copy of the Articles of Incorporation is attached hereto and made a part hereof as **Exhibit "D"**. Subject to the rights reserved to Developer herein, and in the Condominium Act to administer and manage the Condominium Property the Association shall administer and manage the Condominium Property; provided, that the Association may, to the extent permitted by the Condominium Act, by contract, delegate its maintenance, management and operational duties and obligations.

5.2 Bylaws of Association.

A copy of the Bylaws of the Association is attached hereto and made a part hereof as **Exhibit "E"**.

5.3 Voting Rights of Unit Owners.

The Unit Owner(s) shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee title thereto from Developer or, in a conveyance by a grantee or a remote grantee of Developer, a deed which has been approved by the Association and otherwise complies with the terms and conditions of this Declaration, the Articles of Incorporation and Bylaws of the Association. There shall be appurtenant and pass with title to each Unit, one vote as a member of the Association, which may be exercised by the Unit Owner(s), or the duly constituted proxy of the Unit Owner(s), from time to time, at all meetings of members and in connection with all matters upon which all members of the Association are entitled to vote. The qualification of members of and manner of admission to membership in the Association, the termination of such membership and voting by members shall be as provided for in the Articles of Incorporation and Bylaws of the Association. In the event that a Unit is subdivided or combined as provided in Section 8.2, the vote appurtenant to such Unit shall be assigned to the combined or divided Unit without an increase or decrease in the total number of votes

6. AMENDMENT OF DECLARATION.

Except for amendments which Developer is authorized and/or obligated elsewhere herein to make and except as may be elsewhere herein, including without limitation, Section 6.8, 8.1 and 8.2 or in the Condominium Act otherwise specifically provided, this Declaration may be amended only in the following manner.

6.1 Notice.

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

6.2 Proposal.

Amendments to this Declaration may be proposed by the Board of the Association by resolution adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the owners of one-tenth (1/10) of the Units, whether by vote of such owners as members of the Association at a special or regular meeting of the members or by written instrument signed by them.

6.3 Adoption.

Any amendment to this Declaration so proposed by the Board or members of the Association shall be transmitted to the President of the Association or, in the absence of the President, to a Vice President or other acting chief executive officer, who shall thereupon call a special meeting of the Unit Owners in this Condominium to consider and vote upon such proposed amendment; provided, that a proposed amendment may be considered and voted upon at an annual meeting of the members of the Association if the next such meeting is to be held within the time hereafter limited and if notice of the proposed amendment shall be included in the notice of such meeting. The special or annual meeting, as the case may be, of the members shall be held not sooner than fourteen (14) days nor later than sixty (60) days from the date of receipt by the Association of the proposed amendment. Notice of the meeting shall be in the form and shall be delivered and the meeting shall be called and held as provided for in the Bylaws of the Association; provided, that any member may, in writing signed by such member, waive notice of any such meeting in the manner provided for in the Bylaws of the Association and such waiver, when delivered to the Secretary of the Association for filing in its records, whether before, during or after such meeting shall be construed to be the equivalent of giving notice to such member. For twenty years from the date of recording of this Declaration, the proposed amendment may be adopted, and shall become effective, by and upon the affirmative vote at such meeting of owners of not less than ninety percent (90%) of the Units; provided, that any amendment proposed may be adopted, without a formal meeting of the members, by an instrument executed and acknowledged with the formalities of a deed by members owning not less than ninety percent (90%) of all Units. Thereafter, the requisite percentage of the votes for approval shall be not less than seventy-five percent (75%).

6.4 Proviso.

Except as elsewhere permitted herein, no amendment shall:

- (a) Change any "Condominium Parcel" (as defined in the Condominium Act) unless the record owner thereof and Institutional Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or
- (b) Discriminate against any Unit Owner or against any Unit or any class or group of Units comprising part of the Condominium Property, unless the record owners of all affected Units and Institutional Mortgagees thereon shall join in the execution and acknowledgment of the amendment, or
- (c) Change the share of Common Elements appurtenant to any Unit or Units or the share of any Unit Owner in the Common Surplus, or increase the share of any Unit Owner(s) in the Common Expenses, unless the record owners of Units so affected and the Institutional Mortgagees thereon shall join in the execution and acknowledgment of such amendment, or
- (d) Make any change in Article 10 hereof, entitled "Insurance," nor in Article 11 hereof, entitled "Reconstruction or Repair After Casualty," unless the Institutional Mortgagees on Units shall join in the execution and acknowledgment of the amendment, or
- (e) Adversely affect the lien or priority of any previously recorded Mortgage to an Institutional Mortgagee; or
- (f) Change the rights and privileges of the Developer without the Developer's written approval.
- (g) So long as the Developer has title to any Condominium Unit, no amendment to this Declaration shall be made to this Declaration or any exhibits thereto unless the Developer shall consent in writing to the amendment, which consent may be withheld by the Developer for any reason.
- (h) The right of the Developer to amend this Declaration of Condominium as elsewhere provided herein shall not be abridged in any manner by this Article or any other article of this Declaration or exhibits thereto.
- (i) The condominium regime may not be merged with a successor condominium regime without prior written approval of Institutional Mortgagees.

6.5 Effective Date and Recording Evidence of Amendment.

An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed in the form required for the execution of a deed. Amendments effected by the Developer must be evidenced in writing and

recorded, but a certificate of the Association is not required. An amendment of the Declaration is effective when it is recorded in the public records of the County.

6.6 Amendments by Developer.

Notwithstanding any provision to the contrary set forth in this Article or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Association, the Developer may amend this Declaration to amend the documents as required by an Institutional Mortgagee, or in accordance with Sections 8.1, 14.2 and 14.4 without the consent or joinder of any Unit Owner or Institutional Mortgagee.

6.7 Amendment to Correct Omission or Error In Condominium Documents.

The Association, by the affirmative vote of the Owners of not less than 51% of the members, may amend the Declaration for the purpose of correcting a defect, error or omission in this Declaration so long as such amendment does not materially or adversely affect the rights of owners, lienors or mortgagees.

6.8 Amendment to Combine or Divide Adjacent Unit.

As more fully provided in Section 8.2, Unit Owners may be permitted under specified conditions to combine or divide Units. Such combination or division shall be set forth in an amendment to the Declaration executed by the Unit Owner or Owners of the affected Unit(s).

6.9 Amendment Regarding Surface Water or Stormwater Management System.

Any amendment to this Declaration which alters any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the Common Elements, must have prior approval of the St. John's River Water Management District.”

7. MAINTENANCE, REPAIRS AND REPLACEMENTS.

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

7.1 Units.

Each Unit, and the personal property therein, fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same shall be maintained, including without limitation, the air conditioning and/or heating equipment kept in good repair and replaced by and at the expense of the Owner(s) thereof. All maintenance, repairs and/or replacements for which Unit Owners are responsible and obligated to perform, whether structural or nonstructural, ordinary or extraordinary, shall be performed promptly as the need arises. Notwithstanding the obligation of Unit Owners for maintenance, repair and replacement of and

in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss or damage to or within such Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

7.2 Common Elements.

The Association shall be responsible for, and shall assess against and collect from all Unit Owners, the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements except certain of the Limited Common Elements specified below. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be permitted or, if modified, as approved by the St. Johns River Water Management District. The Association shall, at the expense of all Unit Owners, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

7.3 Limited Common Elements.

The responsibility for, and the cost of in keeping clean and orderly condition and in good repair the Limited Common Elements forming a part of the Limited Common Elements which exclusively serve a Unit or a certain group of Units to the exclusion of other Units shall be borne by the Unit Owner or Unit Owners of the Unit or Units to which the same are appurtenant. The repair and maintenance of any Limited Common Elements which exclusively serve a group of Units, if any, shall be done by the Association, but paid for by the Unit Owners of the Units to which the Limited Common Elements are appurtenant, provided, however, maintenance and repair of any Limited Common Element facade on a Retail Units or Limited Common Element signage on any Unit shall be performed by and paid for by the Unit Owner of that Unit, subject to standards adopted by the Developer or the Board.

Notwithstanding the Unit Owners' obligations with respect to certain Limited Common Elements, any proceeds of insurance awards or payments under insurance carried by the Association for loss or damage to such Limited Common Elements shall be applied against such repair or replacement to the extent that such award or payments exceed the deductible limits of such insurance.

7.4 Management.

The Board may enter into a contract with any firm, person, or corporation or may join with any other condominium associations and entities in contracting for the maintenance and repair or management of the Condominium Property. The Board may contract for and may

delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration or by the Bylaws, to have the approval of the Board of Directors or the membership of the Association. The contractor or manager may be authorized to determine the budget, make assessments for common expenses and collect assessments as provided by this Declaration, Bylaws and exhibits to this Declaration.

7.5 Entry for Maintenance.

The Board, or the agents or employees of any management firm or the Association, shall be allowed entry into any Unit or Limited Common Elements for the purpose of maintenance, inspection, repair, replacement of the Improvements within the Units, Limited Common Elements, or the Common Elements or in case of emergency circumstances threatening Units, Limited Common Elements or the Common Elements, or to determine compliance with the provisions of this Declaration and the Bylaws of the Association. The liability for any damage done by the Board, agents or employees of any management firm or Association shall be assessed against the Unit Owner of the Unit being repaired, maintained or inspected unless such damage is created by the gross negligence or willful misconduct of the Board, agents or employees of any management firm or Association.

7.6 Failure to Maintain.

In the event a Unit Owner fails to maintain his Unit or the Limited Common Elements which such Owner shares, as required herein, or makes any alterations or additions without the required consent, or otherwise violates or threatens to violate the provisions of this Declaration relevant to maintenance, alteration and repair, the Association shall have the right to levy an assessment against the Unit Owner and the Unit or a group of Unit Owners and Units, for such necessary sums or remove any unauthorized addition or alteration and to restore the property to good condition and repair. The Association shall have the further right to have its employees or agents or any Subcontractors appointed by them enter a Unit at all reasonable time to do such work as is deemed necessary by the Board of the Association to enforce compliance with the provisions hereof.

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

Except as the right is herein reserved to Developer, neither a Unit Owner nor the Association shall make any alterations, Improvements or additions to Units, Common Elements, or Limited Common Elements except in compliance with the following conditions.

8.1 Developer's Right to Alter.

Until the control of the Association is transferred to the Unit Owners, the Developer shall have the right without the vote or consent of the Association or Unit Owners, to (i) make alterations, additions or Improvements in, to and upon Units owned by the Developer, whether structural or non-structural, interior or exterior, ordinary or extraordinary; (ii) change the layout

or number of rooms in any Developer-owned Units; (iii) change the size and/or number of Developer-owned Units by subdividing one or more Developer-owned Units into two or more separate Units, combining separate Developer-owned Units (including those resulting from such subdivision or otherwise) into one or more Units, or otherwise; and (iv) reapportion among the Developer-owned Units affected by such change in size or number pursuant to the preceding clause their appurtenant interest in the Common Elements a share of the Common Surplus and Common Expenses; provided, however, that the percentage interest in the Common Elements and share of the Common Surplus and Common Expenses of any Units (other than Developer-owned Units) shall not be changed by reasons thereof unless the Owners of such Units shall consent thereto and, provided further, that Developer shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and Improvements, the Developer may relocate and alter Common Elements adjacent to such Units, incorporate portions of such Common Elements into altered Units and/or create additional Common Elements from portions of altered Units, provided that such relocation and alteration does not materially or adversely affect the market value or ordinary use of Units owned by Unit Owners other than the Developer. Any amendments to this Declaration required by actions taken pursuant to this Article may be affected by the Developer alone. Without limiting the generality of Section 6.4 hereof, the provisions of this Section may not be added to, amended or deleted without the prior written consent of the Developer.

8.2 Unit Owner's Right to Alter.

Except for Units owned by the Developer, no Unit Owner shall make any addition, alteration or Improvements in or to the Common Elements or to his Unit or any Limited Common Element without the prior written consent of the Board. The Board shall have the obligation to answer any written request by a Unit Owner for approval of such an additional alteration or improvement in such Unit Owner's Unit or Limited Common Element within sixty (60) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The proposed additions, alterations, and Improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. The Board shall have the right, in its sole discretion, to consult with architects or engineers to review the proposed alterations or Improvements. The cost of such professional services shall be assessed to the Unit Owner making the request for such additions, alterations or Improvements. A Unit Owner making or causing to be made any such additions, alterations or Improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association and all other Unit Owners harmless from any liability or damage to the Condominium Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after that date of installation or construction thereof as may be required by the Association, subject to the Board's right to perform appropriate maintenance upon the failure of the Unit Owner to do so as provided in Section 7.6.

Provided, however, in the event that a Retail Unit Owner owns more than one Unit, such Unit Owner shall have the right to divide or combine Units owned by such Unit Owner or Owners as long as the common interest appurtenant to such Units after division or combination shall equal in total the common interest applicable to the Unit or Units divided or combined prior to the division or combination. Any such division or combination shall require the written consent of the Board and shall be in compliance with all governmental laws, ordinances and regulations all as more fully set forth above. The division or combination shall become effective upon the recording of an amendment to this Declaration executed by the Owners of the Units divided or combined, together with the filing of floor plans of the Units as divided or combined.

Provided further, that the Owner of the Office Unit and the Owner of the Parking Garage Unit shall have the right to divide such Units owned by the Unit Owner as long as the common interest appurtenant to such Office Unit or Parking Garage Unit after division shall equal in total the common interest applicable to the Office Unit or the Parking Garage Unit prior to the division. Any such division or combination shall require compliance with all governmental laws, ordinances and regulations all as more fully set forth above, but shall not require the approval or consent of the Board, so long as the division complies with all governmental laws, ordinances and regulations. Any such division of the Office Unit or the Parking Garage Unit shall become effective upon the recording of a Declaration of Condominium for the Unit as divided, executed by the Owner of the Unit divided, together with the filing of floor plans of the Unit as divided with the Board. Any Declaration of Condominium which divides either the Office Unit or the Parking Garage Unit shall be subordinate to this Declaration and shall not affect the rights of the Association with respect to such Unit or the obligations and rights of the Owner of such Unit pursuant to this Declaration.

In any litigation or other dispute related to or arising out of this Article, if the Association shall be the prevailing party, it shall be entitled to reimbursement of its costs incurred in said litigation or dispute, including, without limitation, reasonable attorneys' fees.

9. MANAGEMENT AGREEMENT.

9.1 Management Firm.

The Association, through its Board of Directors, may enter into a management agreement with a professional management firm ("Management Firm").

The Association may delegate to the Management Firm certain powers of the Association, not reserved to the Board of Directors under the provisions of the Condominium Act.

9.2 Duties of Management Firm.

Each Unit Owner, his or her heirs, successors, and assigns, shall be bound by the Management Agreement for the purposes therein expressed, including but not limited to:

- (a) Adopting, ratifying, confirming, and consenting to the execution of the Management Agreement by the Association.
- (b) Covenanting and promising to perform each and every of the covenants, promises, and undertakings to be performed by Unit Owners as provided in the Management Agreement.
- (c) Ratifying, confirming, and approving each and every provision of the Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.
- (d) Agreeing that the persons acting as directors and officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.

10. INSURANCE.

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

10.1 Duty and Authority to Obtain.

The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and the Unit Owners and their mortgagees, and all policies of such insurance shall be deposited with and held by the Board of Directors of the Association or the "Insurance Trustee", (as herein identified, if an Insurance Trustee is appointed, at the sole and exclusive option of the Association acting through its Board of Directors); provided that a certificate evidencing a mortgagee endorsement shall be issued to the mortgagee of each Unit. The Unit Owners may, at their own expense, obtain insurance coverage against damage to and loss of the contents of the Unit, personal liability for injury to and death of persons and damage to and loss of personal property of others, and against additional living expenses. Provided, however, that each policy of such insurance purchased by a Unit Owner shall, where such provision is available, state that the insurer waives its right of subrogation as to any claim or claims against other Unit Owners, the Association, and their respective employees, agents, guests and invites.

10.2 Required Coverage.

The Association shall purchase and carry casualty insurance covering all of the Buildings and other Improvements, including personal property of the Condominium, including, without limitation, all "Building(s)" (as that term is defined in section 718.111(11)(b), Florida Statutes) Limited Common Elements and Common Elements, (which may be jointly referred to as "Insured Property") in an amount equal to the maximum insurance replacement value thereof,

exclusive of excavation and foundation costs, as determined annually by the Board of Directors of the Association in accordance with reasonably acceptable appraisal practice; such insurance to include or afford protection against:

- (a) Loss or damage by fire or other hazards covered by the standard extended coverage and broad form and/or special form; and
- (b) Such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to Buildings and other Improvements similar, in construction, location and use, to the building and other Improvements of the Condominium, including without limitation, vandalism, malicious mischief, windstorm, and flood.
- (c) Comprehensive general liability insurance in the amount of \$1,000,000 for personal injury and \$500,000 for property damage and an umbrella policy of not less than \$2,000,000 for both, insuring the Association, the Board of Directors, the Management Firm, at the discretion of the Board of Directors, and each Unit Owner for claims arising out of or in connection with the ownership, operation or maintenance of any of the Condominium Property. This coverage shall exclude Unit Owner liability coverage for claims arising in connection with that portion of the property used and occupied exclusively by a particular Unit Owner. Such comprehensive general liability insurance shall also cover cross liability claims of one insured against the other and water damage and fire legal liability coverage. The Board of Directors shall review such limits once a year.
- (d) Workmen's compensation insurance to meet the requirements of law.
- (e) Loss or damage by flood, to the extent and limitations, if any, required or necessitated by law, including, without limitation, the Flood Disaster Protection Act of 1973, or any similar law or regulation.
- (f) Director and officer liability coverage, and to the extent the duties and obligations of the Board are delegated for such delegees.

10.3 Optional Coverage.

The Association may purchase and carry other insurance coverage or obtain other endorsements including without limitation, products liability, agreed amount and inflation guard endorsements, construction code endorsements, steam boiler coverage and/or business interruption insurance as the Board, in its sole discretion, may determine from time to time to be in the best interests of the Association and Unit Owners, or as an Institutional Mortgagee may reasonably require while it holds a mortgage encumbering any Unit. Any waiver of subrogation contained in policies shall include waivers as to the Management Firm.

10.4 Premiums.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. Except that in the event that the use of a Unit results in an increase of insurance premium due to the high risk resulting from the use, such Unit Owner shall pay the difference in the premium resulting from the high risk nature of the risk use of the Unit. The cost of insurance premiums, and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from Unit Owners as a common expenses and maintenance fee.

10.5 Additional Provisions.

Any policy obtained by the Association must provide for the following, if available:

- (a) Recognition of any Insurance Trust Agreements.
- (b) Waiver of the right of subrogation against Unit Owners individually.
- (c) The insurance will not be prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively.
- (d) The policy shall be primary in the event that the Unit Owner has other insurance covering the same loss.
- (e) The policy may not be canceled or substantially modified without at least sixty (60) days prior written notice to the Association and each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

10.6 Assured.

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

10.7 Insurer.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association, including without limitation Unit Owner(s) and Mortgagees shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

10.8 Insurance Trustee.

The Association shall have the right, but no obligation to designate an Insurance Trustee. If an Insurance Trustee is designated, all persons beneficially interested in such insurance coverage shall be bound by the Association's selection of the Insurance Trustee. If the Association fails or elects not to appoint such Insurance Trustee, the Board of Directors of the Association will perform all obligations hereinafter described and imposed upon the Insurance Trustee by this Declaration.

(a) Qualifications, Rights and Duties.

The Insurance Trustee shall be either a bank with trust powers, doing business in the State of Florida, the Board or an attorney who is a member of the Florida Bar. The Insurance Trustee, if a bank or attorney, shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The duties of the Insurance Trustee, if a bank or attorney, shall be to hold such insurance policies as may be placed with it pursuant to Section 10.1 and to receive such proceeds of casualty insurance as are paid to hold the same in trust for the purposes herein stated, and for the benefit of the Association, Unit Owners and their respective mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee, if a bank or attorney, for services rendered hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder. Such fees and costs to be assessed against and collected from Unit Owners as a Common Expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to Unit Owners and their mortgagees, as their respective interests may appear, the Insurance Trustee, if a bank or attorney, may rely upon a certificate of the President and Secretary of the Association, executed under oath and provided to the Insurance Trustee upon request to the Association, such certificate to certify the name or names of the owners of each Unit, the mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to the Unit Owner(s) and mortgagee(s), as their respective interests may appear. If and when insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder(s) of any Mortgage or Mortgages encumbering a Unit shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of indebtedness secured by such Mortgage(s), unless the insurance proceeds represent a distribution to the Unit

Owners and the mortgagee(s) thereof, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Owner(s) of the Unit, and the mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

10.9 Application of Insurance Proceeds.

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

(a) Common Elements Only.

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

(b) Units.

The proceeds paid to the Insurance Trustee for loss of or damage to any portion of the Building, to the extent it constitutes damage to Common Elements and one or more Units of the Condominium, shall be first applied to the repair, replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in the Building which has been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Insurance Trustee to the owners of the damaged or destroyed Units and their respective mortgagees, as their interest may appear, in shares or proportions equal to the undivided interest appurtenant to each such Unit in the Common Elements. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the

difference against, and collect the same from, the owner(s) of the Unit(s) damaged or destroyed, in proportion that the amount of damage sustained to each such Unit bears to the total deficit, and deposit such sum with the Insurance Trustee to be applied by the Insurance Trustee toward the total cost of repairing, replacing or reconstructing all of such damaged or destroyed Common Elements and Units. If the insurance proceeds shall be insufficient to pay the cost of the repairs, replacements or reconstruction of the Common Elements and the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from all Unit Owners, the total cost of repairing or replacing the Common Elements as a common expense. The cost of repairing, replacing or reconstructing the Unit or Units destroyed or damaged shall be assessed by the Association against, and collected from, the owner(s) of such damaged or destroyed Units.

(c) Proceeds of Optional Property Coverage.

If any, proceeds from any damage occasioned solely to Units and/or certain portions of all of the contents thereof not included in Insured Property, as determined by the Association in its sole discretion, (collectively "Optional Property"), are collected by reason of optional insurance which the Association elects to carry thereon, such proceeds shall be held for the benefit of the Owners of the Units or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.

10.10 Deposits to Insurance Trustee After Damage.

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

10.11 Additional Insurance Required by Unit Owner Business or Division of Units.

If the business carried on in a Unit by a Unit Owner or the tenant of a Unit Owner results in an increase in the premiums charged to the Association or if a Unit Owner exercises its right to divide a Unit pursuant to Section 8.2, above, and such division results in an increase in the premiums charged to the Association, the Unit Owner of such Unit (or the collective owners of a divided Unit) shall be solely responsible to the Association for the payment of the amount of any such premium increase. At the discretion of the Board, any such premium increase shall be payable in full, on demand, by the responsible Unit Owner or the Board may require the Unit Owner to prepay such premium increase in monthly installments or otherwise so as to provide

the Association with sufficient funds to pay the premiums charged to the Association for such coverage when such payments are due.

11. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

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

11.1 Insured Property.

If the Insured Property shall be damaged or destroyed, repair or reconstruction thereof, or termination of the Condominium, shall be in accordance with the following:

(a) Total Destruction of the Insured Property.

If seventy-five (75%) or more of the Insured Property is destroyed or so damaged that no Units therein are habitable, the building and none of the Improvements comprising Common Elements thereof shall be reconstructed, and the Condominium shall be terminated unless the owners of Units to which seventy-five (75%) percent of the Common elements are appurtenant agree in writing, within sixty (60) days after the date of such destruction, to reconstruct the same and/or unless any policy or policies of casualty insurance covering the same shall require reconstruction thereunder, and in either case as long as the then applicable zoning and other regulatory laws and ordinances shall allow the same to be reconstructed.

(b) Partial Damage to Insured Property.

If less than seventy-five (75%) percent of the Insured Property is damaged or destroyed Common Elements and/or Units shall be repaired or reconstructed so that the Units and Common Elements shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere herein provided that the Condominium shall be terminated.

(c) Damage to Common Elements.

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

(d) Responsibility for Damage to Units Only.

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

instances of damage or destruction, the Association shall be responsible for carrying out the repair and reconstruction thereof.

11.2 Certificate.

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

11.3 Plans and Specifications.

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

11.4 Construction Funds.

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

- (a) Association.

If the total fund assessed against and collected from Unit owners by the Association for payment of repair and reconstruction costs is more than \$100,000.00, then all such sums shall be deposited by the Association with and disbursed by the Insurance Trustee. In all other cases the Association shall hold such sums so assessed and collected and shall disburse the same in payments of the costs of reconstructions and repair.

- (b) Insurance Trustee.

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

- (i) Unit Owner.

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

(ii) Association - Lesser Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than \$100,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(iii) Association - Lesser Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than \$100,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(iv) Association - Major Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$100,000.00, then the construction fund shall be disbursed by the Insurance Trustee in payment of such costs in the manner required by the Board and as approved by an architect, engineer, building contractor or other qualified person licensed to practice in Florida and employed by the Association to supervise the work.

(v) Surplus.

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

(vi) Certificate.

Notwithstanding the provisions herein, the Insurance Trustee, if a bank or attorney, shall not be required to determine whether or not sums paid by Unit Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect engineer, building contractor or other qualified person employed by the Association to supervise the work or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine whether surplus funds to be distributed are less than

the assessments paid by owners. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and amount to be paid; provided that when a mortgagee is herein required to be named as payee or when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, so requires, the approval of an architect, engineer, building contractor or other qualified person employed by the Association to supervise the work named by the Association shall be first obtained by the Association.

12. ARCHITECTURAL APPROVAL PRIOR TO CONSTRUCTION OR ALTERATION.

12.1 Architectural Standards.

Except as provided herein, no Owner may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, antenna, light, storm door or window, artificial vegetation, exterior sculpture, fountain, flag, or thing on the exterior of the Buildings, in any windows, on any Limited Common Elements, or any other Common Elements, without first obtaining the written approval of the Developer, for so long as Developer owns any Unit(s) in Condominium, and, thereafter, the Board of Directors. The standard for approval of such Improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing Buildings and the location in relation to surrounding structures and topography. The provisions of this Article shall not apply to activities of the Developer in connection with the original construction of the Condominium and sale of Units. Applications for approval of any architectural modification shall be in writing and shall provide such information as the Developer or Board of Directors may reasonably require. The Developer or Board of Directors shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Developer or Board of Directors may publish written architectural standards for exterior alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing Buildings and Units and the location in relation to surrounding structures and topography. The Developer or Board of Directors may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable. In the event that the Developer or Board of Directors fails to approve or to disapprove such application within forty-five (45) days after the application has been made and all information the Developer or Board of Directors may reasonably require has been submitted, its approval will not be required and the Owner making such application shall be deemed to have complied with this Article; provided, however, even if the requirements of this Article are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the Bylaws, or the rules and regulations.

12.2 Condition of Approval.

As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration.

12.3 Limitation of Liability.

Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the Developer nor the Board of Directors shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Developer, the Association, nor the Board of Directors shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Common Elements or Unit.

12.4 No Waiver of Future Approvals.

Each Owner acknowledges that the members of the Board of Directors will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of the Developer or Board of Directors of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Developer or Board of Directors shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

12.5 Enforcement.

Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Any exterior change, alteration, or construction (including painting and landscaping) made by an Owner in violation of this Declaration shall be at such Owner's sole risk and expense. The Developer or the Board may require that the Owner remove the change, alteration, or construction and restore the Condominium to its original condition, or it may require that the change, alteration or construction remain without reimbursement to the Owner for any expense incurred in making the change, alteration or construction. Should an Owner fail to remove and restore as required hereunder the Association shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work.. All costs thereof, including reasonable attorney's fees, may be assessed against the Owner's Unit and collected as an assessment pursuant to this Declaration. In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article and its decisions.

13. USE RESTRICTIONS.

In order to provide for mutually beneficial occupancy of the Condominium Property and for the protection of the value of the Units, the use of the Condominium Property and Units will be in accordance with the following provisions so long as the Property is subjected to the Declaration:

13.1 Permitted Uses and Zoning.

For a period of one year from the date of recording of this Declaration or the date a particular use for a Retail Unit is approved by the Developer, whichever is later, each Retail Unit may be used only for the purposes specifically approved by the Developer in writing. Thereafter, no Retail Unit may change the use initially approved by the Developer without the written approval of the Association. The procedure for requesting such approval from the Association shall be the same procedure as for requests for architectural approval under this Declaration. The Association may deny a request for a change in use if, in the sole discretion of the Association, the requested use would be incompatible with the then existing uses in the Condominium or would result in a duplication of uses that would be detrimental to the existing uses with the Retail Units. In no event may a requested change of use be approved if it would conflict with any Exclusive Use Agreement granted by the Developer pursuant to Section 13.13, below, that is still in force at the time the requested use would begin operation. No change in use shall be approved if the requested use is for a stated period of time which is less than twelve months. All Units, regardless of type, may only be used for purposes permitted by the then applicable zoning of the Condominium Property adopted and amended, from time to time, by the City of Palm Coast, Florida.

13.2 Antennae.

No aerial, antennae, satellite dish, or similar device will be placed or erected upon any Unit without the written consent of the Developer or Association, which consent may be withheld in the Developer's or Association's sole discretion and may be subject to the rules, regulations, or conditions imposed by the Association.

13.3 Artificial Vegetation.

No artificial grass, plants, or other artificial vegetation or sculptural landscape decor will be placed or maintained upon the exterior portion of the Unit without written consent of the Association.

13.4 Nuisances.

Nothing will be done or maintained on any Unit that may become an annoyance or nuisance to other Owners. Any activity which interferes with television, cable, or radio reception of another Unit or the central audio or video system operated by the Developer will be deemed a nuisance and a prohibited activity. Any dispute or question as to what may be or

become a nuisance will be submitted to the Developer, and the written decision of the Developer will be final. The usual and necessary level of noise created by the use of the Units as permitted under the applicable zoning will not be deemed a nuisance. No waste will be committed in or on any Unit, the Common Elements or the Limited Common Elements.

13.5 Signs.

All signs which are erected upon the Common Elements or which are visible from the exterior of the Unit will be subject to approval by the Developer, in compliance with the provisions of any recorded covenants or restrictions pertaining to Land or any rules and regulations adopted by entities, bodies or authorities having the right to adopt rules and regulations governing the use and enjoyment of the Land.

13.6 Insurance.

No use will be made of any Unit or of the Common Elements or Limited Common Elements that will increase the rate of insurance upon the Condominium Property without the written consent of the Association. All additional costs arising from the use of the Unit will be a special assessment against the Unit and the Unit Owner. No Unit Owner will permit anything to be done or kept in his Unit or in the Common Elements which will result in cancellation of insurance on any Unit or any part of the Common Elements, or which will be in violation of any law.

13.7 Common Elements.

The Common Elements and Limited Common Elements will be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. There will be no obstruction or alteration of, nor will anything be stored, altered or constructed in, or removed from, the Common Elements or Limited Common Elements without the written consent of the Association. All displays, services or sales conducted on the Limited Common Areas in front of each Unit shall be subject to the approval of the Developer and Association.

13.8 Lawful Use.

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

13.9 Leasing.

Any lease of a Unit must provide that the tenant under any lease will be subject to the terms and conditions of this Declaration and any rules or regulations of the Association and must be for a term of not less than eighteen months. In addition, no lease of a Retail Unit shall result in a change in the use of that Retail Unit from the use approved by the Developer or the Association unless the new use is approved by the Association as provided for in Section 13.1 of this Declaration, which approval may be granted or withheld in the sole discretion of the Association.

13.10 Exterior Improvements; Landscaping; Window Coverings.

No Unit Owner will cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Building (including, but not limited to awnings, signs, storm shutters, screens, furniture, fixtures and equipment), nor plant or grow any type of shrubbery, flower, tree, vine, grass, or other plant life outside its Unit, without the written consent of the Developer and the Association. All window coverings will be of a type approved by the Developer and will be designed and installed to be compatible with the glass system. All items planted, installed or affixed upon, or visible from, the outside of any Unit by any Owner will comply with the rules, conditions and standards established by the Association to maintain the harmonious appearance of the Buildings.

13.11 Parking Areas.

All parking areas (other than the Parking Garage Unit) and all driveways will be Common Elements for non-exclusive use and will be used only for parking and driving. No boats, trailers, trucks, automobiles or recreational vehicles may be kept or stored in any such area without the written approval of the Developer.

13.12 "For Sale" or "For Rent" Signs.

No "For Sale" or "For Rent" signs or other displays or advertising will be maintained on any part of the Common Elements or Limited Common Elements, unless the express written consent of the Association has been secured and unless the same are in accordance with recorded covenants or restrictions pertaining to the Land and with the rules and regulations of any entities, bodies or authorities having the right to adopt rules and regulations governing the use and enjoyment of the Land.

13.13 Exclusive Use Agreements.

Developer may grant exclusive use or non-competition rights to any Owner whereby the future Owners and occupants of other Units who purchase or lease such Units from Developer after the date such rights are granted may be prevented from competing with the benefited Owner's business under stated conditions. A memorandum of such restriction will be recorded in the Public Records of Flagler County, Florida. The memorandum may specify

conditions upon which the restriction will terminate and shall provide that any such termination may be memorialized by a written notice of termination or expiration recorded in the Public Records of Flagler County, Florida by the Developer or, after Developer has turned over control to the Owners other than Developer, the Association, which memorandum may be executed and recorded by the Developer (or the Association, as the case may be) without the joinder or consent of any party.

13.14 Operating Hours for Retail Units, Covenant for Continuous Operation.

All Retail Units must remain open to the public for business of the approved use for such Unit for a combined period of eight hours during the period from 7:00 AM to 10:00 PM six days of each calendar week, national holidays excepted. This requirement shall not prohibit earlier opening or closing of a the business in a particular Unit, so long as the extended hours comply with applicable governmental regulations, the extended hours are approved by the Association and the use is open to the public for business for at least the period required by this Section 13.14. A Retail Unit being readied for either the original use approved by the Developer or a new use approved by the Association may be closed for a period not to exceed ninety days from the date the Owner acquires the Unit from the Developer or the date the Association approves a change in use. At the end of the ninety day period, the new use must open for business in compliance with this Section 13.14. If the Unit fails to open for business within the ninety day period, the Owner and the Unit shall be subject to a daily fine not to exceed the maximum amount provided by Florida law, payable to the Association and enforced in the same manner as fines for violation of other provisions of this Declaration. If the failure to open continues for thirty days beyond the ninety days permitted by this Section 13.14, the Association may rescind any approval of the new use. In addition, all Owners of Retail Units agree, by acquiring title to the Unit, that failure to open for business and continuously operate that business as required herein shall constitute an irreparable harm to the businesses of other Unit Owners within the Condominium. As such, the Association shall have the power to bring suit against any Owner violating this Section 13.14 for specific performance of the requirements of this Section and for such other relief as a court in equity may deem just and appropriate to remedy such violation. In cases where the work necessary to equip a Unit for a new approved use reasonably exceeds ninety days, the Association may, in its sole and absolute discretion grant an extension of the ninety day period so long as the work necessary to equip the Unit for the approved use is being diligently prosecuted in a continuous manner and is completed within the time permitted by any extension granted by the Association.

13.15 Regulations.

Reasonable regulations and rules concerning the use of the Condominium Property may be promulgated, modified or amended from time to time by the Association; provided, however, that all such rules and regulations not in effect at the time of recording the Declaration and modifications or amendments thereto may be amended revoked by the affirmative vote or consent of the necessary voting interest of the Association specified in the

Declaration. Copies of regulations and amendments to regulations will be furnished by the Association to all Unit Owners and occupants of the Condominium upon request.

13.16 Enforcement.

The Association will have the right to enforce all the restrictions set forth in this Article and the Declaration in any manner it deems necessary including, without limitation, injunctions, suit for damages or fines.

14. RESERVED RIGHTS OF DEVELOPER.

In addition to various rights reserved by the Developer elsewhere provided in this Declaration, the Developer reserves the following rights:

14.1 Developer's Use of Units.

Until Developer has completed and conveyed all of the Units, neither Unit Owners nor the Association shall interfere with the completion of the proposed Improvements and the sale of the Units. Developer may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of sales offices, the showing of the Unit and the display of signs.

14.2 Changes to Boundaries and Unit Dimensions.

Until control of the Association is transferred to the Unit Owners, the Developer reserves the right to change the boundaries of Common Elements, the interior design and arrangement of all Units and to alter the boundaries between Units so long as Developer owns the Units so altered. Provided, However, if a Unit to be changed abuts the Common Elements where the boundaries are to be changed, the Developer shall own such Unit. The Developer reserves the right to further subdivide the Units owned by the Developer into more than one Unit. If more than one Unit is altered, the Developer shall apportion between the Units, the shares in the Common Elements and Common Expenses appurtenant to the Units altered. An amendment of this Declaration reflecting such authorized alteration of the Unit or Common Elements by Developer need be signed and acknowledged only by the Developer, and need not be approved by the Association, Unit Owner, lienors or mortgagees of any Units or interests therein. In each event, all assessments, voting right and a share of the Common Elements shall be calculated as if such Units were as originally designated on the Exhibits attached to this Declaration, notwithstanding the fact that several Units are used as one.

14.3 Easement Right of Developer.

(a) Roads.

Developer hereby reserves for itself and its designees, an easement over the Condominium Property as it may deem necessary for preserving, maintaining or improving the common roadways.

(b) Developer's Easement to Correct Drainage

For a period of five (5) years from the date of conveyance of the first Unit, the Developer reserves for itself and its designees and easement and right on, over and under the ground within the Condominium Property to maintain and to correct drainage of surface water and other erosion controls in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any tree, bushes or shrubbery, make any grading of the soil, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected Condominium Property to its original condition as nearly as practicable. The Developer shall give reasonable notice of intent to take such action to all affected owners, unless in the opinion of the Developer an emergency exists which precludes such notice. The rights granted hereunder may be exercised at the sole opinion of Developer and shall not be construed to obligate Developer to take any affirmative action in connection therewith.

(c) Construction Easement

Developer reserves for itself, its nominees, designees, successors and assignees, an easement over an across the Condominium Property as may be reasonably necessary in connection with the construction of Improvements within adjacent property. Such easement shall include, but not be limited to, an easement for the use of necessary and usual equipment in connection with such construction activity, together with the usual and common noise level created by such construction activity.

14.4 Right to Amend.

The Developer, so long as it owns Units to which more than twenty-five (25%) percent of the Common Elements are appurtenant, reserves the right at any time to amend the Declaration as may be required by any lending institution or public body or title insurance company. In addition, the Developer reserves the right to amend the Declaration as provided in Section 6.6 hereof. Any such amendment need only be executed and acknowledged by the Developer and shall not require the joinder or consent of any other Unit Owner or mortgagee of any Unit.

14.5 Rights of Developer to Sell or Lease Units.

So long as Developer, or any mortgagee succeeding Developer in title, shall own any Unit, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests.

14.6 Lake and Water Rights.

With respect to any lake, lagoon or stream now existing, or which may be hereafter erected or expanded, either within the Condominium Property or adjacent or near thereto ("lakes"), only the Developer or the Association shall have the right to pump or otherwise remove any water from such lakes, lagoons or streams for the purpose of irrigation or other use, or to place any matter in such lakes. The Developer or the Association shall have the sole and absolute right to control the water level of such lakes and to control the stocking, growth and eradication of plant, fowl, reptiles, animals, fish, and fungi in and on such lakes. No gas or diesel driven boats shall be permitted to be operated on such lakes. All Condominium Property adjacent to the lakes shall be maintained so that such grass, planting, or the lateral support to prevent erosion of the embankment adjacent to the lakes and the height, grade and contour of said embankment as part of its landscape maintenance obligation in accordance with the foregoing, the Developer or its agents or representatives shall have the right, but no obligation, to enter upon any portion of the Condominium Property to perform such maintenance work which may be reasonable required at the expense of the Association. Developer or the Association shall have the right to adopt reasonable rules and regulation from time to time in connection with the use of the surface waters of the lakes by Unit Owners or any other permitted user.

The Association or Developer shall have the right to deny such use to any person who in the opinion of Developer or the Association may create or participate in a disturbance or a nuisance on any part of the surface waters of the lakes. The right to reasonable use and benefit of the surface waters of the lakes and shall be subject to any riparian right of others, if any, and the right of reasonable use and benefit of such lakes may be further granted to such other persons; as may be designated by Developer, or the Association from time to time.

Any rights of the Developer or the Association hereunder shall be exercised only as permitted by the St. John's River Water Management District in compliance with its applicable rules and regulations.

14.7 Additional Easements Reserved.

The real property submitted to condominium ownership herewith is subject to conditions, limitation, restrictions, reservation, all matters of record taxes, applicable zoning ordinances now existing or which may hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates. The Developer shall have the right to grant such easements over and upon the Condominium Property and

designate the beneficiary thereof until such time as Developer transfers control of the Association to the Unit Owner. Thereafter the Association shall be empowered to grant such easements on behalf of its members. During the period of time that Developer has the right to grant the foregoing easement, the consent and approval of the Association and its members shall not be required. The right to grant the foregoing easements shall be subject to the requirement that the easements not structurally weaken the Building(s) and Improvements upon the Condominium Property nor unreasonably interfere with the enjoyment of the Condominium Property by Unit Owners.

14.8 Easement for Access and Drainage.

The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

15. COMPLIANCE AND DEFAULT.

Each Unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, and any and all regulations adopted pursuant thereto, as they may be amended from time to time. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

15.1 Negligence.

A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, employees, agents, lessees or other invitee, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common Elements.

15.2 Compliance.

In the event a Unit Owner or occupant fails to maintain a Unit or the Limited Common Elements appurtenant to the Unit, or fails to cause such Unit or Limited Common Elements to be maintained, or fails to observe and perform all applicable provisions of the Declaration, the Bylaws, the Articles of Incorporation of the Association, applicable rules and regulations, the Declaration of Covenants, or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in court of equity to require performance and/or

compliance, to sue in a court of law for damages, to suspend voting right in Association matters or use rights, to assess the Unit Owner and the Unit for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance and to collect such sums as Assessments and have a lien therefore as elsewhere provided. In addition, the Association shall have the right, for itself and its employees and agents, to enter the Unit and perform the necessary work to enforce compliance with the above provisions (by force, if necessary), without having committed a trespass or incurred any other liability to the Unit Owner.

In addition to or instead of the above the Association shall have the right to levy fines against Unit Owners for any violation of the Declaration and/or any rules or regulation established by the Association. Any reference to a fine contained in this Declaration shall not be construed as limitation, fines may be assessed for the violation of any provision herein.

15.3 Costs and Attorney' Fees.

In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Declaration, the Articles of Incorporation and Bylaws of the Association, or any and all regulation applicable to such owner as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

15.4 No Waiver of Rights.

The failure of the Association, the Developer, or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, or the regulation adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

16. ASSESSMENTS: LIABILITY AND DETERMINATION.

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

16.1 Liability for Assessments.

Assessments by the Association against each Unit Owner shall be computed by dividing the total budget for the Condominium by each Unit's fractional percentage of the total assessments as is set forth in Section 4.1(a) hereof. The Condominium budget shall be established in accordance with the procedures more fully set forth in the Bylaws.

Should the Association become the owner of any Unit(s), the assessment which would otherwise be due and payable to the Association by the owner(s) of such Unit(s), reduced by an

amount of income which may be derived from the leasing of such Unit(s) by the Association, shall be apportioned and the assessment therefore levied on prorated basis among the owners of all Units which are not owned by the Association, based upon their proportionate interests in the Common Elements exclusive of the interest therein appurtenant to any Unit or Units owned by the Association.

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

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

16.2 Time for Payment.

Subject to the provisions of Section 17.6 of this Declaration, the assessment levied against the owner of each Unit shall be payable monthly on the first day of each month or in such other installments and at such other time as shall from time to time be fixed by the Board. Assessments shall commence on the date of conveyance of the first Unit to a purchaser other than Developer.

16.3 Annual Budget.

The Board shall establish an Annual Budget in advance for each fiscal year which shall estimate all expenses for the forthcoming fiscal year required for the proper operation, management and maintenance of the condominium, including, when deemed necessary or advisable by the Board, a reasonable allowance for contingencies and reserves.

16.4 Reserve Fund.

The Board, in establishing each Annual Budget, shall include therein a sum to be collected and maintained as a reserve fund for the capital expenditures, deferred maintenance and replacement of Common Elements and personal property held for the joint use and benefit of the Unit Owners. The amount to be reserved shall be determined by the Board of Directors or as may be required under the provisions of the Condominium Act and may be deleted by a vote of the statutory requisite percentage of Unit Owners.

16.5 General Operating Reserve.

The Board, when establishing each Annual Budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be

used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of Units, as a result of emergencies or for other reason placing financial stress upon the Association. The annual amount allocated to such operating reserve and collected therefore shall not exceed five percent (5%) of the current annual assessment levied against the owners of all Units. Upon accrual in the operating reserve of an amount equal to but not exceeding twenty-five percent (25%) of the current annual assessment, no further payments shall be collected from the Unit Owners as a contribution to such operating reserve, unless it shall be reduced below the twenty-five percent (25%) level, in which event, the annual assessment against each Unit Owner and/or Unit shall be increased to restore the operating reserve to an amount which will equal but not exceed twenty-five percent (25%) of the current annual amount of said assessment.

16.6 Basis of Assessment.

The annual assessment shall be levied annually by the Board of Directors commencing on January 1 of each calendar year. The Board of Directors, by majority vote, shall fix the annual assessment in accordance with the provisions of this Section at a level as may be necessary or desirable to meet the functions and services of the Association, and any of the authorized functions of the Association undertaken by the Association, and the anticipated expenditures as reflected in the budget as established by the Board on an annual basis. If the Board of Directors shall determine that the functions and services of the Association or any of the authorized functions of the Association undertaken by the Association cannot be funded by the assessment established for the year, the Board may, by majority vote, levy a supplemental assessment. If in any year, the annual assessment as established by the Board of Directors is in excess of one hundred and fifteen percent (115%) of the prior year, ten percent (10%) of the Members other than the Developer may request a special meeting at which the annual assessment and the budget upon which it is based shall be reviewed. The board of Directors shall call the special meeting within thirty (30) days, upon not less than ten (10) days written notice to each Member. At the special meeting, the Members shall consider and enact an annual assessment. In determining whether annual assessments exceed one hundred and fifteen percent (115%) of annual assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, expenses of the Association which are not anticipated to be incurred on a regular or annual basis or which result from the initiation of new services pursuant to the authorized functions of the Association pursuant to the Articles or special assessments for Improvements and additions pursuant to Section 16.3 by the fractional share of the Common Expenses calculated as set forth in Section 4.1(a) hereof with the resulting amount constituting the Unit Assessment for that year.

16.7 Special Assessments for Improvements and Additions.

In addition to the regular annual assessment authorized by Section 16.6 hereof; the Board of Directors may levy special assessments for the following purposes:

- (a) construction or reconstruction, repair or replacement of capital Improvements upon the Condominium Property including the necessary fixtures, landscaping and personal property related thereto;
- (b) for additions to the Condominium Property;
- (c) to provide for the necessary facilities and equipment to offer the services authorized herein;
- (d) to repay any loan made to the Association to enable it to perform the duties and functions authorized herein whether such loan shall be made in the year of such assessment or any prior year;
- (e) against specified Units for the payments of fines or expenses incurred due to the failure of Owners to properly maintain their Units;

Before being charged special assessments (except those described in subparagraph (e)) such special assessment must have received the consent of a majority of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose; provided, however, that there shall be no limitation upon a special assessment levied for the purpose of emergency repairs required as a result of storm, fire and natural disaster or other casualty loss or major rehabilitation or repair which may be necessary in the sole discretion of the Board of Directors, and such decision of the Board shall be sufficient to levy such an assessment. The proportion of each special assessment to be paid by the Members hereof shall be equal to their respective proportions of the regular annual assessments made for the year during which such special assessments are approved by the Members. The special assessments described in subparagraph (e) shall be approved by the majority of the Board after giving written notice to the Unit Owner of the basis of such special assessment and Board's intent to assess the Unit and the Unit Owner.

16.8 Use of Association Funds.

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

the maintenance and repair of the surface water or stormwater management systems including, but not limited to, work within retention areas, drainage structures and drainage easements.

16.9 Delinquency or Default.

The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. If any assessment or installment is not paid by the due date, the Owner and the Unit shall be assessed an automatic fine of fifteen dollars (\$15) if not paid within ten (10) days of the due date or a fine of twenty-five dollars (\$25) if not paid within thirty (30) days of the due date. In addition to those sums, assessments and installments thereof not paid within thirty (30) days from the date they are due shall bear interest at the highest lawful rate from the thirtieth (30th) day from due date until paid.

16.10 Capital Contribution Upon Acquisition of Unit.

In addition to any other Assessment provided for herein, each Owner who initially acquires a Unit from the Developer shall pay a one time capital contribution equal to two times the then current monthly regular assessment for that Unit to the Developer at the time when the Owner acquires title to the Unit. The capital contribution shall be held by the Developer on behalf of the Association and may be used to pay insurance premiums, utility deposits, delinquent assessments, and to meet unforeseen expenditures or to acquire additional equipment or services for the Association. The capital contributions so collected may or may not earn interest, as Developer shall determine.

17. ASSESSMENTS: LIEN AND ENFORCEMENT.

17.1 Lien for Assessment.

The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements or Limited Common Elements subordinate to prior bona fide liens of record, which lien shall and does secure the moneys due for all: (1) assessments both monthly and special levied against the owner(s) of and each Unit, including maintenance, fees, and (2) fines, if any, which may become due on delinquent assessments owing to the Association, and (3) interest at a rate of 18% per annum on the unpaid assessments, and (4) costs and expenses, including a reasonable attorney's fee, filing fees and court costs which may be incurred by the Association in collecting and enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association may be established and foreclosed in the Circuit Court in and for the County. Any such enforcement shall be in accordance with the requirements of the Act. The Association may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien as provided in the Act.

In any suit for the foreclosure of the lien, if permitted by law, the Association shall be entitled to rental from the owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for the Unit. The rental required to be paid shall be equal to the rental charged on

comparable types of Units in the County. If permitted by law, the lien of the Association shall also secure all advances for taxes, and payments on account of superior mortgages, liens or encumbrances made by the Association to preserve and protect its lien, together with interest at the highest rate permitted by law on all such advances made for such purpose.

17.2 Recording and Priority of Lien.

Except as otherwise provided herein, the lien of the Association shall be effective from and relate back (i) to the recording of this Declaration, or (ii) if the additional phase is added, to the date of recording of the amendment to the Declaration adding the Unit which is the subject of the lien, in the public records of the County. As to first mortgagees of record prior to the recording of this Declaration, the lien of the Association is effective from and after the recording in the public records of the County a claim of lien executed and acknowledged by an officer or authorized agent of the Association and stating the description of the Unit encumbered thereby, the name of the record owner, the name and address of the Association, the amount and the date when due. The claim of lien shall be effective for a period of one year from the date of its recording, unless within that one year period, an action to enforce the lien is commenced by the Association. In addition, the 1-year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the Unit Owner or any other person claiming an interest in the Unit. The claim of lien shall secure all unpaid assessments which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien. The lien of the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording the Association's claim of lien, except that, if permitted by law, the lien of the Association for tax or special assessment advances made by the Association where any taxing authority having jurisdiction levies any tax or special assessment against the Condominium as an entirety instead of levying the same against each Unit and its appurtenant undivided interests in Common Elements, shall be prior to lien, right and dignity to the lien of all mortgages, liens and encumbrances, whether or not recorded prior to the Association's claim of lien therefor, and the Association's claim of lien for collection of such portion of any tax or special assessment shall specifically designate that the same secures an assessment levied pursuant to this Declaration.

17.3 Effect of Foreclosure or Judicial Sale.

In the event that any person, firm or corporation shall acquire title to any interest in a Unit and its appurtenant undivided interest in Common Elements by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, the liability of such person, firm or corporation so acquiring title for unpaid assessments that became due and payable for the Unit and its appurtenant undivided interest in Common Elements prior to the date of acquisition of such title is limited to the lesser of: (I) the Unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 6 months immediately preceding the

acquisition of title and for which payment in full has not been received by the Association; or (ii) one percent of the original mortgage debt. The provisions of this paragraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee. In the event of the acquisition of title to a Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all Units as part of the Common Expense, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

17.4 Effect of Voluntary Transfer.

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

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

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

17.5 No Election of Remedies.

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

17.6 Developer's Liability for Assessment.

Developer hereby guarantees for a period of one year commencing at the closing of the first purchase and sale of a Unit, that the monthly assessment due and payable to the Association for Common Expense shall not exceed the amount set forth in the Estimating Operating Budget for this Condominium. In exchange for the guarantee of the assessment amount as aforesaid the Developer shall be relieved from any obligation to pay monthly assessments on the Units it owns during the period of the guarantee, provided, however, the Developer shall be obligated to pay any Common Expense incurred during the period of the guarantee which exceeds the amount produced by assessments required to be paid to the Association by other Unit Owners. This guarantee may be extended on an annual basis by the Developer, upon written notice to the Association, for so long as the Developer is entitled to elect a majority of the Board of Directors of the Association. After the expiration of the aforementioned period, including any extension thereof as permitted by this section, and for each Unit owned by the Developer and occupied by its employee, agent, lessee or guest, the Developer shall be assessed and pay the Association the percentage of the Common Expenses per month allocable to the Units so owned by Developer.

17.7 Possession of Unit.

Any person who acquires an interest in a Unit, (except Institutional Mortgagees) through foreclosure of a first mortgage of record (or deed in lieu thereof) including, without limitation, persons acquiring title by operation of law, shall not be entitled to occupancy of the Unit nor enjoyment of the Common Elements, until such time as all unpaid assessments and other charges due and owing by the former Owner if any, have been paid.

18. REGISTRY OF OWNERS AND MORTGAGEES.

The Association shall at all times maintain a register of the names of the owners of all Units. Upon the transfer of title to any Unit, the transferee shall notify the Association in writing of his interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. If any Unit is divided as permitted herein, the owner of any portion of the divided Unit shall likewise notify the Association in writing of his interest in the divided Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit.

The owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. The holder of any mortgage encumbering a Unit may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

19. TERMINATION.

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

19.1 Destruction.

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

19.2 Agreement.

The Condominium may be terminated at any time by the approval in writing of all of the owners of the Condominium, and all record owners of mortgages upon Units therein owned by Institutional Lenders and other mortgages approved by the Association.

19.3 Certificate.

The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in public records of the County.

19.4 Shares of Owners After Termination.

After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the Unit Owners. Such undivided shares of the Unit Owners shall be the same as the undivided shares in the Common Elements appurtenant to the Owners' Units prior to the termination as calculated pursuant to Section 4.1(a) and as described in Section D-2 hereof.

19.5 Amendment.

This Article cannot be amended without consent of all Unit Owners and of all owners of mortgages required to approve termination by agreement.

20. CONDEMNATION.

20.1 General.

Whenever all or any part of: the Condominium Property shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association if such award amounts to less than One Hundred Thousand Dollars (\$100,000.00) and to the Insurance Trustee if such award amounts to One Hundred Thousand Dollars (\$100,000.00) or more. Unless otherwise provided by law at the time of such taking, any award made therefore shall be

disbursed by the Association or the Insurance Trustee, as the case may be, as hereinafter provided in this Article.

20.2 Units.

If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements, then the award shall be disbursed as provided by law. All related matters including without limitation alteration of the percentages of undivided interest of the Owners in the Common Elements, shall be handled pursuant to an in accordance with the consent of owners as required by this Declaration for such lesser number of owners as may then be prescribed by the Condominium Act for the purpose of altering the percentages of undivided interest of the owners in the Common Elements) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within ninety (90) days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Article 11, whereupon the development may be terminated in the manner herein prescribed.

20.3 Common Elements.

If part of the Common Elements is acquired by eminent domain, the award shall be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners in proportion to their respective Common Element interests before the taking, but the portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

21. RIGHTS OF INSTITUTIONAL MORTGAGEES.

Any Institutional Mortgagee of a Condominium Parcel who makes a request in writing to the Association for the items provided in this section shall have the following rights:

21.1 To be furnished with at least one (1) copy of the Annual Financial Statement and Report of the Association.

21.2 To be given written notice by the Association of the call of a meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of Association, which notices shall state the nature of the amendment being proposed.

21.3 To be given notice of default (if such default remains uncured for thirty (30) or more days) by any member owning any Unit encumbered by a mortgage held by such mortgagee, such notice to be given in writing and to be sent to the principal office of such mortgagee or to the place which it or they may designate in writing to the Association.

21.4 To be given an endorsement to the insurance policies covering the Common Elements requiring that such mortgagee be given any notice of cancellation provided for in such policy.

21.5 To obtain current copies of the Declaration, and other rules concerning the project.

21.6 To obtain written notice of any condemnation loss, eminent domain procedures or any casualty loss which affects a natural portion of the Condominium or any Unit upon which such mortgagee has a first mortgage.

21.7 To obtain notice of any lapse, cancellation or material modification of any fidelity bond maintained by the Association.

21.8 To examine the books and records of the Association upon reasonable notice during ordinary working hours.

21.9 Except as shall be elsewhere provided herein , unless Institutional Mortgagees having loans secured by Units to which seventy-five percent (75%) of the Common Elements are appurtenant have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or Improvements thereon owned directly or indirectly by the Association. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Condominium Property shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the obligations, assessments, dues or other charges which may be assessed against any Units by the Association;

(c) by act or omission change, waive or abandon the regulations or enforcement thereof contained in this Declaration pertaining to the architectural design or the exterior appearance of Units, the maintenance of party walls or common fences and driveways, or the upkeep of walls and planting on the properties;

21.10 In the event the Association fails to pay, when due, taxes assessed against the Common Elements or premiums of insurance covering the Improvements on the Common Elements, then any one or more of the Institutional Mortgagees may pay such taxes or insurance premiums and the Association shall be obligated to reimburse such Institutional Mortgagee or Mortgagees for such payments, and until paid, the same shall constitute a lien upon the Common Elements in favor of the party or parties, entity or entities, paying same, which lien may be enforced in a court of competent jurisdiction of the State of Florida in the same manner as a judgment lien may be enforced.

22. MISCELLANEOUS.

22.1 Severability.

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

22.2 Applicability of Declaration of Condominium.

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

22.3 Construction.

The provision of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. The Florida Condominium Act, as amended (the "Condominium Act"), is hereby adopted and made a part hereof. In the event of any conflict between the provisions of this Declaration and the Condominium Act, the provisions of the Condominium Act shall prevail.

22.4 Parties Bound.

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

(This area intentionally left blank. Declaration continues on next page)

22.5 Enforcement by The St. Johns River Water Management District.

The St. Johns River Water Management District shall have the right to enforce by proceeding at law or in equity, the provisions contained in the Declaration which relate to the maintenance, operation and repair of the surface water or stormwater management system.

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

“DEVELOPER”

Signed, sealed and delivered
In the presence of:

EUROPEAN VILLAGE, LLC, a
Florida limited liability company

Felipe Negron

By: Claus Peter Roehr
Claus Peter Roehr, its Manager

Felipe Negron

FCC RD

STATE OF FLORIDA

COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 2 day of May, 2005, by Claus Peter Roehr the President of EUROPEAN VILLAGE, LLC, a Florida limited liability company, on behalf of the company. He is personally known to me or has proven to me on basis of satisfactory evidence to be the person who executed this instrument on behalf of the company.

Sarah E. Nunziato
(Print Name) Sarah E. Nunziato
Notary Public, State of Florida
My Commission expires:



EXHIBIT "A"

Legal Description

FCC RD

EXHIBIT "B"

Survey/Site Plan

FCC RD

EXHIBIT "C"

Floor Plans For Buildings/Units

FCC RD

EXHIBIT "D"

Articles of Incorporation of European Village Commercial Condominium
Association, Inc.

FCC RD

EXHIBIT "E"

Bylaws of European Village Commercial Condominium
Association, Inc.

FCC RD

EXHIBIT "F"

Percentage Interest in Common Elements and Common Surplus

FCC RD

EXHIBIT "G"

Reciprocal Easement Agreement
With Covenants and Conditions

FCC RD

EXHIBIT "A"

Legal Description

FCC RD

Exhibit A
to
Declaration of Condominium for European Village Commercial Condominium
(the "Declaration")

The Land consists of that portion of the parcels of real property described in Pages 1 and 2 of this Exhibit A as more specifically described in Exhibit B to this Declaration,

Together with an easement over and across the real property described in Page 3 of this Exhibit A in accordance with the Declaration and in accordance with and subject to the terms of that certain Easement Agreement recorded at Official Records Book 851, Page 1540 of the Public Records of Flagler County, Florida as assigned to the European Village Commercial Condominium Association, Inc. (the "Association").

FCC RD

EXHIBIT A
PAGE 1

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; March 19, 1996.

Parcel 179, North of Players Club.

DESCRIPTION:

A parcel of land lying West of the Intracoastal Waterway in Government Sections 38 and 46, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows;

A POINT OF REFERENCE being the southwest corner of Section 38, thence North 20°38'42" West along the westerly line of Section 38 a distance of 4324.94 feet to the POINT OF BEGINNING of this description, thence South 70°46'09" West a distance of 279.51 feet to a point on the easterly line of Palm Coast Parkway (200'R/W) being a point of curvature of said Parkway, thence northerly 608.63 feet along the arc of a curve to the right (concave easterly) having a central angle of 33°20'28", a radius of 1045.92 feet, a chord bearing of North 12°21'11" East and a chord distance of 600.08 feet, thence departing Palm Coast Parkway South 58°07'36" East along the southwesterly right-of-way line of Palm Harbor Parkway (104'R/W) a distance of 370.25 feet to a point of curvature, thence southeasterly 254.00 feet along the arc of a curve to the right (concave southwesterly) having a central angle of 21°54'46", a radius of 664.15 feet, a chord bearing of South 47°10'13" East and a chord distance of 252.46 feet, thence departing Palm Harbor Parkway South 70°46'09" West a distance of 385.55 feet to the POINT OF BEGINNING.

Parcel containing 4.5586 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida and locally referenced to the West line of Government Section 38, Township 11 South, Range 31 East, being North 20°38'42" West.

EXHIBIT A

PAGE 2

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 1 Corporate Drive, Palm Coast, Florida.
Date; January 28, 1997.

Parcel to deed PCCSC, near Harbor Club Timeshare Resort.

DESCRIPTION:

A parcel of land lying West of Palm Harbor Parkway within Government Sections 39, 44 and 46, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows;

A POINT OF BEGINNING being the northeast corner of Reserved Parcel "A", of the Subdivision Plat of Oaks North, recorded in Map Book 30, Pages 2 and 3, of the Public Records of Flagler County, Florida, thence departing Reserved Parcel "A" North 73°28'14" East a distance of 30.00 feet to a point on a curve, thence northerly 309.06 feet along the arc of a curve to the left (concave westerly) having a central angle of 04°25'37", a radius of 4000.00 feet, a chord Bearing of North 18°44'35" West and a chord distance of 308.98 feet to a point of tangency, thence North 20°57'23" West a distance of 663.02 feet to a point on the westerly right-of-way line of Palm Harbor Parkway (104'R/W), said right-of-way recorded in Official Records Book 305, Pages 184 through 217, of the Public Records of Flagler County, Florida, said point being the beginning of a curve of Palm Harbor Parkway, thence southeasterly 777.14 feet along the arc of a curve to the left (concave northeasterly) having a central angle of 37°10'13", a radius of 1197.92 feet, a chord Bearing of South 39°32'30" East and a chord distance of 763.59 feet to a point of tangency, thence South 58°07'36" East along the westerly right-of-way line of Palm Harbor Parkway a distance of 157.96 feet to a point on the northwesterly right-of-way of Palm Coast Parkway (200'R/W), said point being on a curve, thence departing Palm Harbor Parkway, southwesterly 734.97 feet along the arc of a curve to the left (concave southeasterly) having a central angle of 33°47'56", a radius of 1245.92 feet, a chord Bearing of South 12°34'55" West and a chord distance of 724.36 feet to a point of tangency, thence South 04°19'03" East along the westerly right-of-way of Palm Coast Parkway a distance of 887.91 feet to a point on the northerly right-of-way line of Palm Harbor Drive (60'R/W), thence departing Palm Coast Parkway South 85°40'57" West along said northerly right-of-way line of Palm Harbor Drive a distance of 30.00 feet, thence departing Palm Harbor Drive North 04°19'03" West along the easterly boundary line of the Plat Oaks North a distance of 472.14 feet to a point on the boundary of lands for Pump Station "E", recorded in Official Records Book 225, Pages 829 through 833, of the Public Records of Flagler County, Florida, thence North 80°59'42" East a distance of 8.66 feet to a point on a curve, thence northerly 50.00 feet along the arc of a curve to the left (concave westerly) having a central angle of 00°53'21", a radius of 3222.04 feet, a chord Bearing of North 09°07'52" West and a chord distance of 50.00 feet, thence departing said curve South 80°59'42" West a distance of 4.46 feet to a point on a curve, thence northerly 841.28 feet along the arc of a curve to the left (concave westerly) having a central angle of 12°08'29", a radius of 3970.00 feet, a chord Bearing of North 10°27'31" West and a chord distance of 839.71 feet to the POINT OF BEGINNING.

The above description being accompanied by an attached drawing titled "SKETCH OF LEGAL DESCRIPTION".

Parcel containing 4.9089 acres more or less.

Bearings refer to the Mercator Grid System of the East zone of Florida and locally referenced to the North line of the Subdivision Plat of Oaks North, recorded in Map Book 30, Pages 2 and 3, of the Public Records of Flagler County, Florida, being North 73°28'14" East.

EXHIBIT A
PAGE 3

Description of Access Easement:

A portion of the Right-of-Way for Palm Coast Parkway(200'R/W) lying in Sections 46 and 38, Township 11 South, Range 31 East, Flagler County, Florida and lying south of the south right-of-way line of Palm Harbor Parkway(104' R/W) and more particularly described as follows:

From the Point of Beginning being the North corner of Parcel 178.00, also being the intersection of said south right-of-way line of Palm Harbor Parkway with the East right-of-way line of said Palm Coast Parkway, bear along a curve to the left, concave southeasterly, a distance of 320.12 feet, said curve having a central angle of 17°32'10", a radius of 1045.92 feet, a chord bearing of S20°15'20"W and a chord distance of 318.87 feet; thence N75°11'40"W, departing east right-of-way line, a distance of 200.27 feet to the west right-of-way line of Palm Coast Parkway; thence along said west right-of-way, being a non-tangent curve to the right, concave southeasterly, a distance of 378.68 feet, having a central angle of 17°27'38", a radius of 1245.92 feet, a chord bearing of N20°45'00"E and chord distance of 378.22 feet to the intersection of the West right-of-way line of Palm Coast Parkway and the South right-of-way line of Palm Harbor Parkway, also being the Northeast corner of land described in O.R. Book 811, Page 295, Flagler County, Florida; thence S58°07'36"E, a distance of 200.21 feet, to the Point of Beginning.

FCC RD

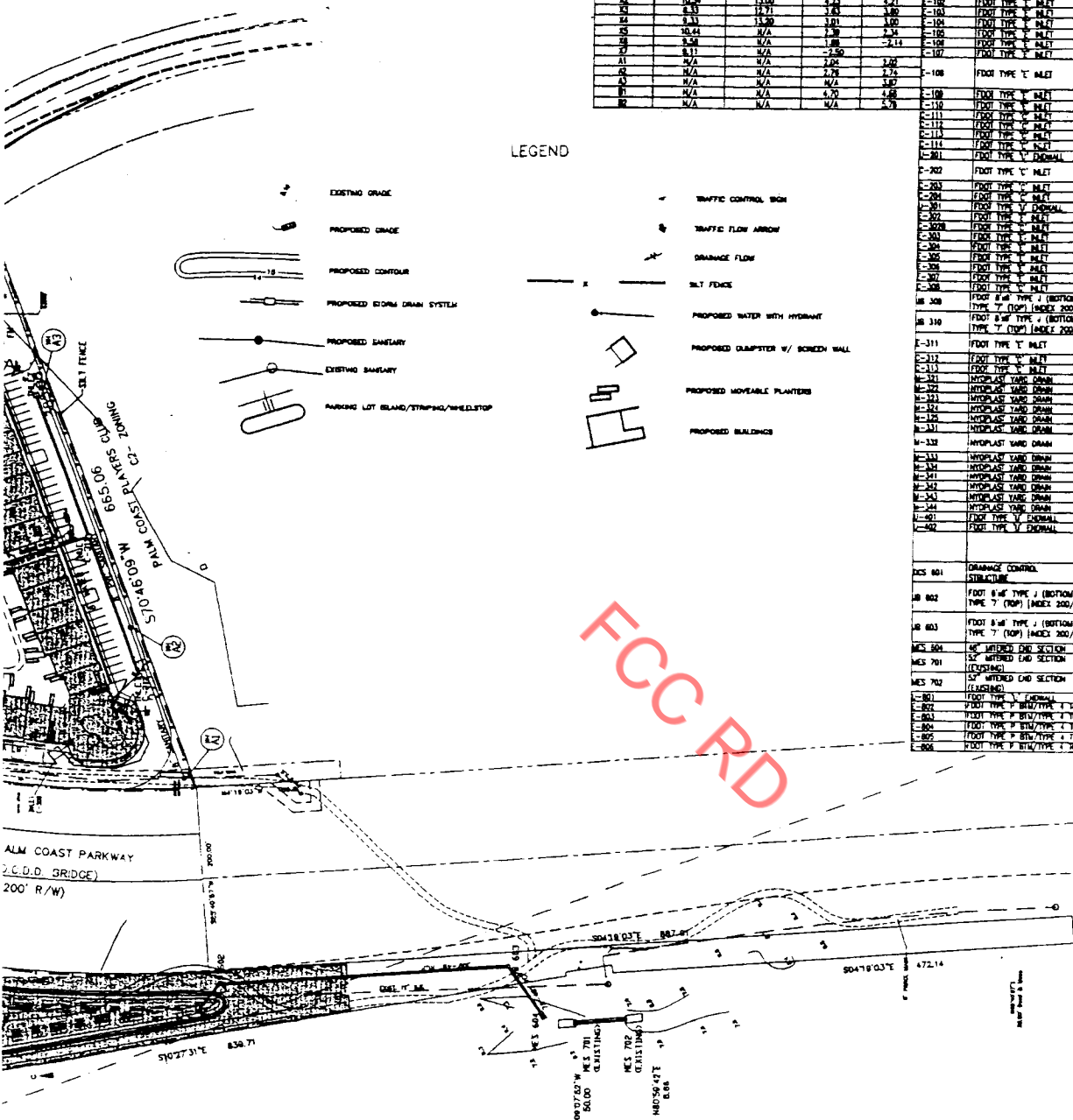
EXHIBIT "B"

Survey/Site Plan



NOTE

FCC RD



LEGEND

- EXISTING GRADE
- PROPOSED GRADE
- PROPOSED CONTOUR
- PROPOSED EDGEM DRAIN SYSTEM
- PROPOSED SANITARY
- EXISTING SANITARY
- PARKING LOT ISLAND/STRIPING/WHEELSTOP
- TRAFFIC CONTROL SIGN
- TRAFFIC FLOW ARROW
- DRAINAGE FLOW
- SILT FENCE
- PROPOSED WATER WITH HYDRANT
- PROPOSED DAMPSTER W/ SCREENED WALL
- PROPOSED MOVEABLE PLANTERS
- PROPOSED BUILDINGS

NUMBER	TOP (FOOTING)	TOP (CONCRETE)	MARK (N/A)	MARK (O/A)	STRUCTURE	TYPE	MARK	MARK
31	17.1	N/A	4.83	4.81	F-101	FOOT TYPE 'Y' EXTERNAL	11.00	6.00
32	10.54	11.00	4.33	4.21	F-102	FOOT TYPE 'Y' INLET	11.00	6.00
33	4.83	11.71	3.83	3.80	F-103	FOOT TYPE 'Y' INLET	11.00	6.34
34	8.33	11.20	3.21	3.20	F-104	FOOT TYPE 'Y' INLET	11.00	6.51
35	10.44	N/A	3.70	3.40	F-105	FOOT TYPE 'Y' INLET	11.00	6.51
36	8.34	N/A	1.88	-2.14	F-106	FOOT TYPE 'Y' INLET	11.00	6.21
37	8.11	N/A	-2.50		F-107	FOOT TYPE 'Y' INLET	11.00	6.80
38	N/A	N/A	3.05	3.05	F-108	FOOT TYPE 'Y' INLET	11.80	7.02(N)
39	N/A	N/A	2.78	2.74	F-109	FOOT TYPE 'Y' INLET	12.11	6.44(N)
40	N/A	N/A	N/A	3.80	F-110	FOOT TYPE 'Y' INLET	11.00	6.50
41	N/A	N/A	4.00	3.88	F-111	FOOT TYPE 'Y' INLET	12.15	7.80
42	N/A	N/A	N/A	3.78	F-112	FOOT TYPE 'Y' INLET	11.75	6.43
43	N/A	N/A	N/A	3.78	F-113	FOOT TYPE 'Y' INLET	12.44	6.49
44	N/A	N/A	4.00	3.88	F-114	FOOT TYPE 'Y' INLET	11.20	6.47
45	N/A	N/A	N/A	N/A	F-201	FOOT TYPE 'Y' EXTERNAL	N/A	6.00
46	N/A	N/A	N/A	N/A	F-202	FOOT TYPE 'Y' INLET	11.00	6.10(N)
47	N/A	N/A	N/A	N/A	F-203	FOOT TYPE 'Y' INLET	11.00	6.37(N)
48	N/A	N/A	N/A	N/A	F-204	FOOT TYPE 'Y' INLET	11.00	6.63
49	N/A	N/A	N/A	N/A	F-205	FOOT TYPE 'Y' EXTERNAL	N/A	6.00
50	N/A	N/A	N/A	N/A	F-206	FOOT TYPE 'Y' INLET	11.00	6.17
51	N/A	N/A	N/A	N/A	F-207	FOOT TYPE 'Y' INLET	11.00	6.30
52	N/A	N/A	N/A	N/A	F-208	FOOT TYPE 'Y' INLET	11.00	6.21
53	N/A	N/A	N/A	N/A	F-209	FOOT TYPE 'Y' INLET	11.00	6.37
54	N/A	N/A	N/A	N/A	F-210	FOOT TYPE 'Y' INLET	11.18	6.43
55	N/A	N/A	N/A	N/A	F-211	FOOT TYPE 'Y' INLET	12.27	6.81
56	N/A	N/A	N/A	N/A	F-212	FOOT TYPE 'Y' INLET	12.29	7.08
57	N/A	N/A	N/A	N/A	F-300	FOOT TYPE 'Y' INLET	11.86	6.45(N)
58	N/A	N/A	N/A	N/A	F-311	FOOT TYPE 'Y' INLET	11.86	6.45(N)
59	N/A	N/A	N/A	N/A	F-312	FOOT TYPE 'Y' INLET	11.86	6.57
60	N/A	N/A	N/A	N/A	F-313	FOOT TYPE 'Y' INLET	11.86	7.58
61	N/A	N/A	N/A	N/A	M-301	HYDROLAST TARD DRAIN	13.00	6.18
62	N/A	N/A	N/A	N/A	M-302	HYDROLAST TARD DRAIN	13.00	6.28
63	N/A	N/A	N/A	N/A	M-303	HYDROLAST TARD DRAIN	13.00	6.44
64	N/A	N/A	N/A	N/A	M-304	HYDROLAST TARD DRAIN	13.00	6.51
65	N/A	N/A	N/A	N/A	M-305	HYDROLAST TARD DRAIN	13.00	6.60
66	N/A	N/A	N/A	N/A	M-311	HYDROLAST TARD DRAIN	13.00	6.18
67	N/A	N/A	N/A	N/A	M-312	HYDROLAST TARD DRAIN	13.00	6.28
68	N/A	N/A	N/A	N/A	M-313	HYDROLAST TARD DRAIN	13.00	6.44
69	N/A	N/A	N/A	N/A	M-314	HYDROLAST TARD DRAIN	13.00	6.51
70	N/A	N/A	N/A	N/A	M-315	HYDROLAST TARD DRAIN	13.00	6.60
71	N/A	N/A	N/A	N/A	M-321	HYDROLAST TARD DRAIN	13.00	6.27
72	N/A	N/A	N/A	N/A	M-322	HYDROLAST TARD DRAIN	13.00	6.35
73	N/A	N/A	N/A	N/A	M-323	HYDROLAST TARD DRAIN	13.00	6.45
74	N/A	N/A	N/A	N/A	M-324	HYDROLAST TARD DRAIN	13.00	6.52
75	N/A	N/A	N/A	N/A	M-325	HYDROLAST TARD DRAIN	13.00	6.60
76	N/A	N/A	N/A	N/A	M-401	FOOT TYPE 'Y' EXTERNAL	N/A	6.00
77	N/A	N/A	N/A	N/A	M-402	FOOT TYPE 'Y' EXTERNAL	N/A	6.00
78	N/A	N/A	N/A	N/A	ZCK 801	DRAINAGE CONTROL STRUCTURE	N/A	5.00
79	N/A	N/A	N/A	N/A	SB 802	FOOT 8 1/2" TYPE 'J' (BOTTOM) TYPE '7' (TOP) [INDEX 200/201]	8.50	4.84
80	N/A	N/A	N/A	N/A	SB 803	FOOT 8 1/2" TYPE 'J' (BOTTOM) TYPE '7' (TOP) [INDEX 200/201]	8.00	4.34
81	N/A	N/A	N/A	N/A	MES 701	4" INTERIOR END SECTION (EACHWAY)	N/A	4.20
82	N/A	N/A	N/A	N/A	MES 702	4" INTERIOR END SECTION (EACHWAY)	N/A	3.78
83	N/A	N/A	N/A	N/A	MES 703	4" INTERIOR END SECTION (EACHWAY)	N/A	3.44
84	N/A	N/A	N/A	N/A	F-801	FOOT TYPE 'Y' EXTERNAL	N/A	6.00
85	N/A	N/A	N/A	N/A	F-802	FOOT TYPE 'Y' INLET/TYPICAL 1 TOP	11.80	6.18
86	N/A	N/A	N/A	N/A	F-803	FOOT TYPE 'Y' INLET/TYPICAL 2 TOP	12.50	6.34
87	N/A	N/A	N/A	N/A	F-804	FOOT TYPE 'Y' INLET/TYPICAL 3 TOP	12.80	6.51
88	N/A	N/A	N/A	N/A	F-805	FOOT TYPE 'Y' INLET/TYPICAL 4 TOP	13.70	6.67
89	N/A	N/A	N/A	N/A	F-806	FOOT TYPE 'Y' INLET/TYPICAL 5 TOP	11.40	6.21

FINLEY ENGINEERING GROUP
 CERTIFICATE OF AUTHORIZATION NUMBER 9081
 finleyeng@pecc.com

5531 South Ridgewood Avenue, Unit 1
 Port Orange, Florida 32127

EUROPEAN VILLAGE

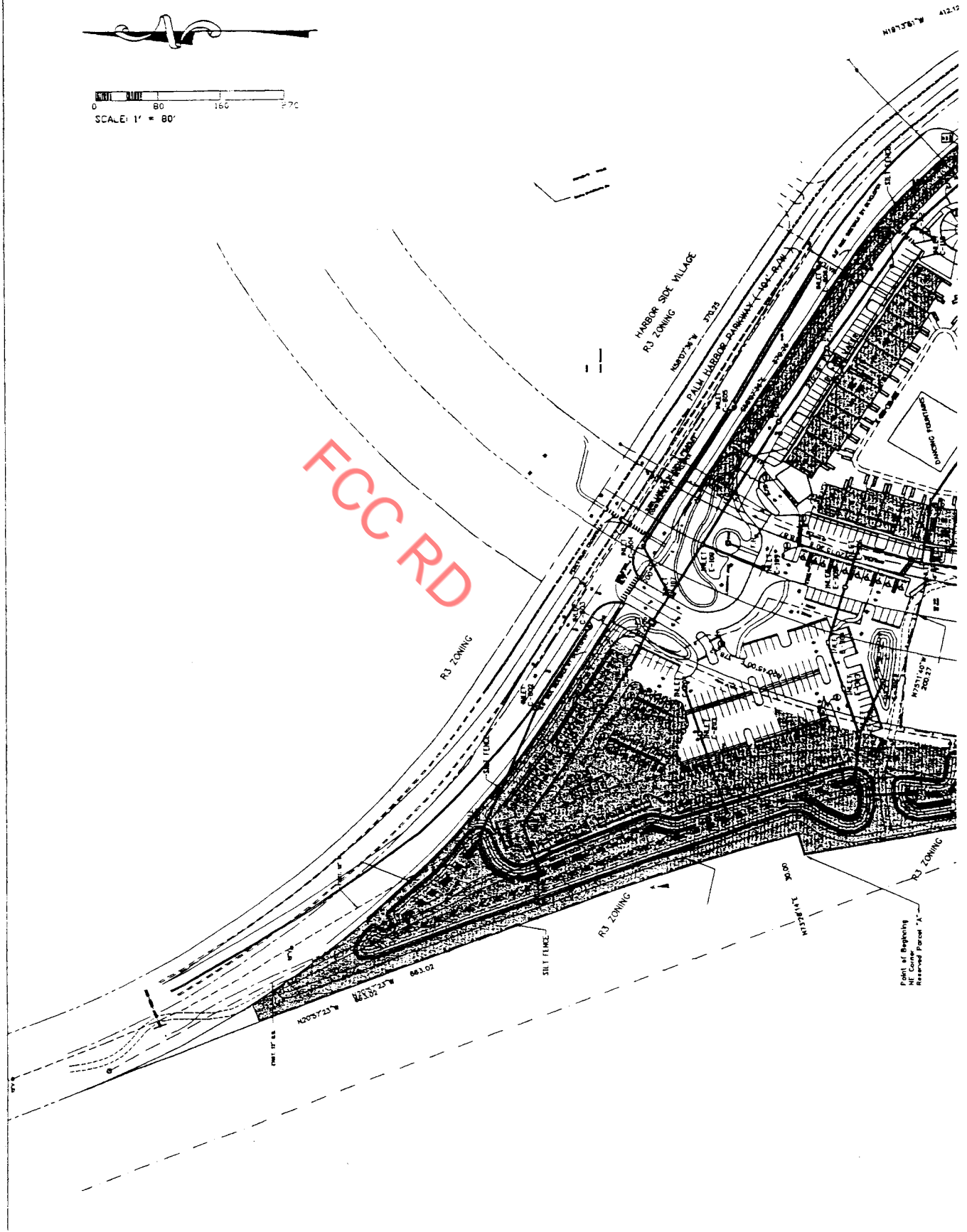
JERRY K. FINLEY, P.E.
 P.E. # 29900
 SHAWN P. FINLEY
 P.E. # 57448

SHEET TITLE
 SITE PLAN

SHEET
 2

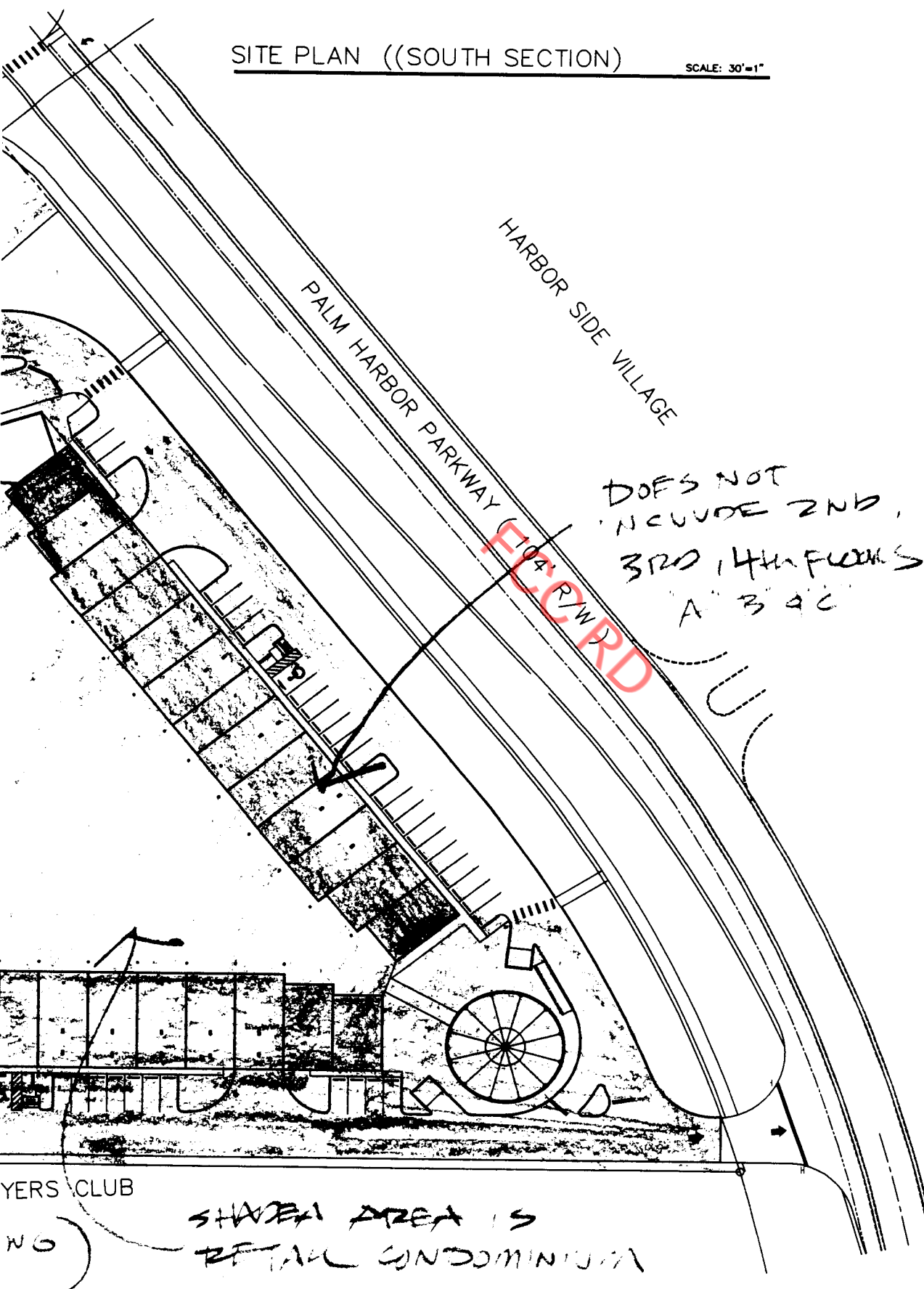


SCALE: 1" = 80'



SITE PLAN ((SOUTH SECTION))

SCALE: 30'=1"



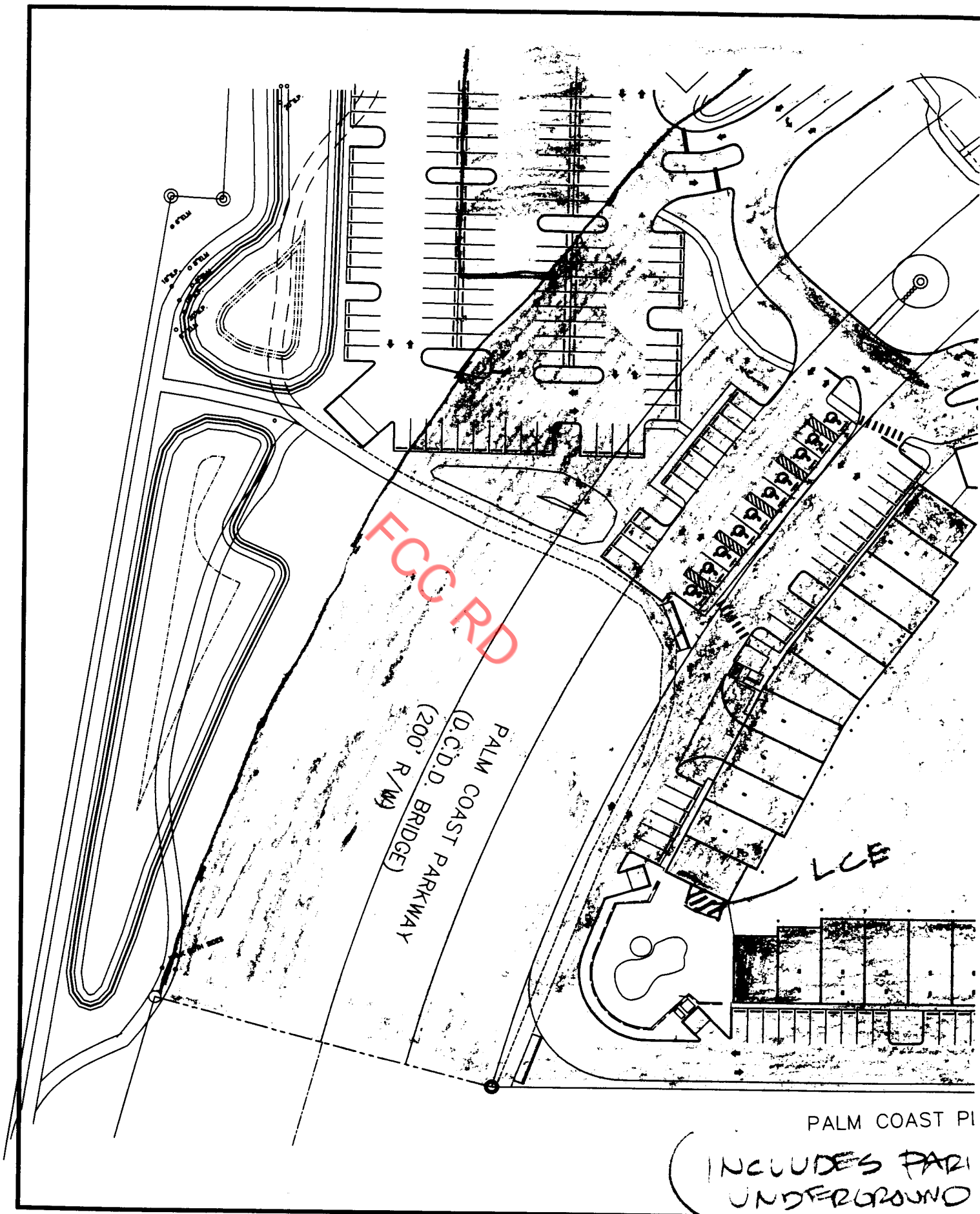
EUROPEAN VILLAGE CONDOMINIUM

PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

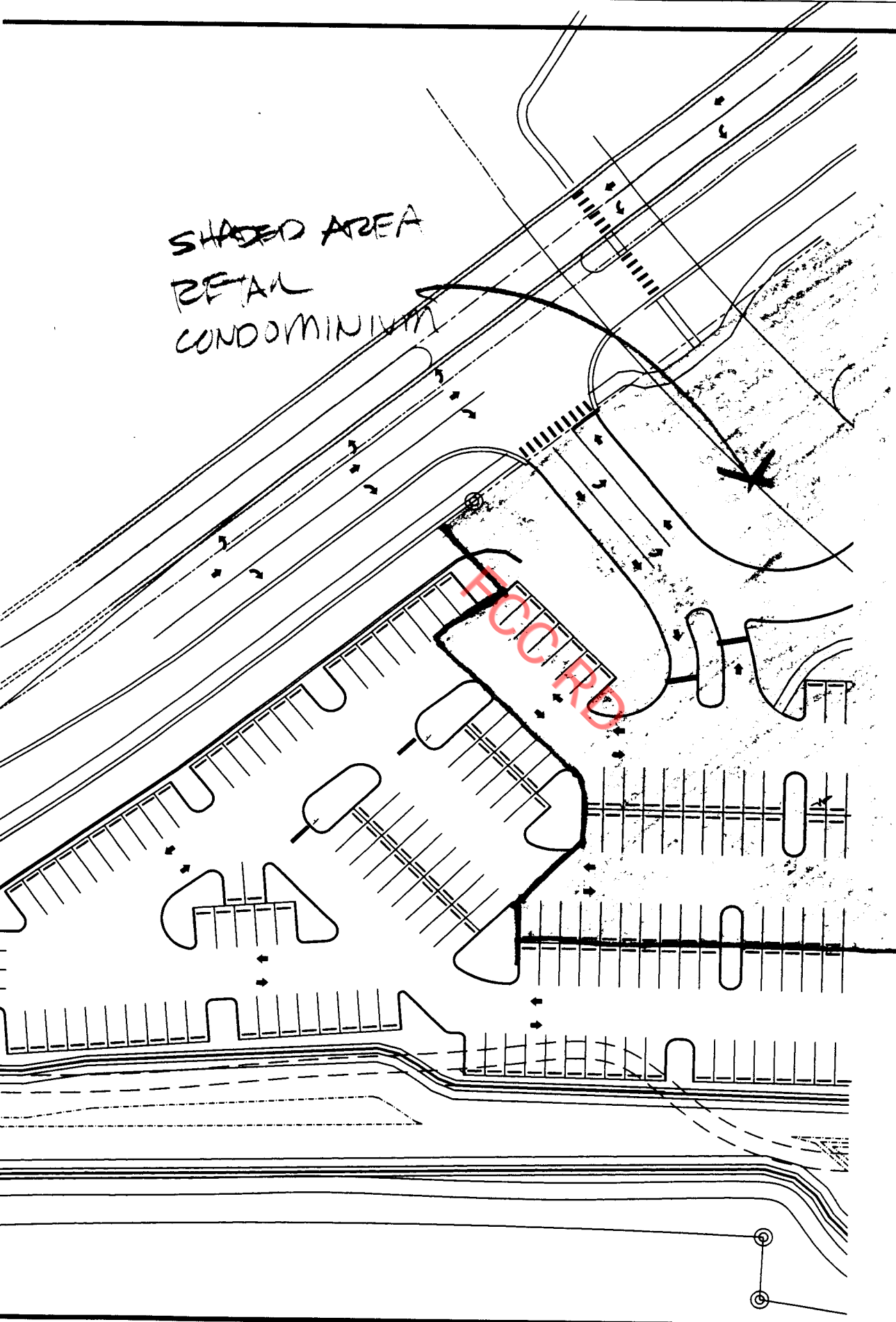
RETAIL CONDOMINIUM DOCUMENTS

SITE PLAN	SOUTH SECTION	04/10/05
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PALM COAST PI

(INCLUDES PARK UNDERGROUND



EUROPEAN VILLAGE CONDOMINIUM

PALM COAST, FLORIDA

RETAIL CONDOMINIUM DOCUMENTS

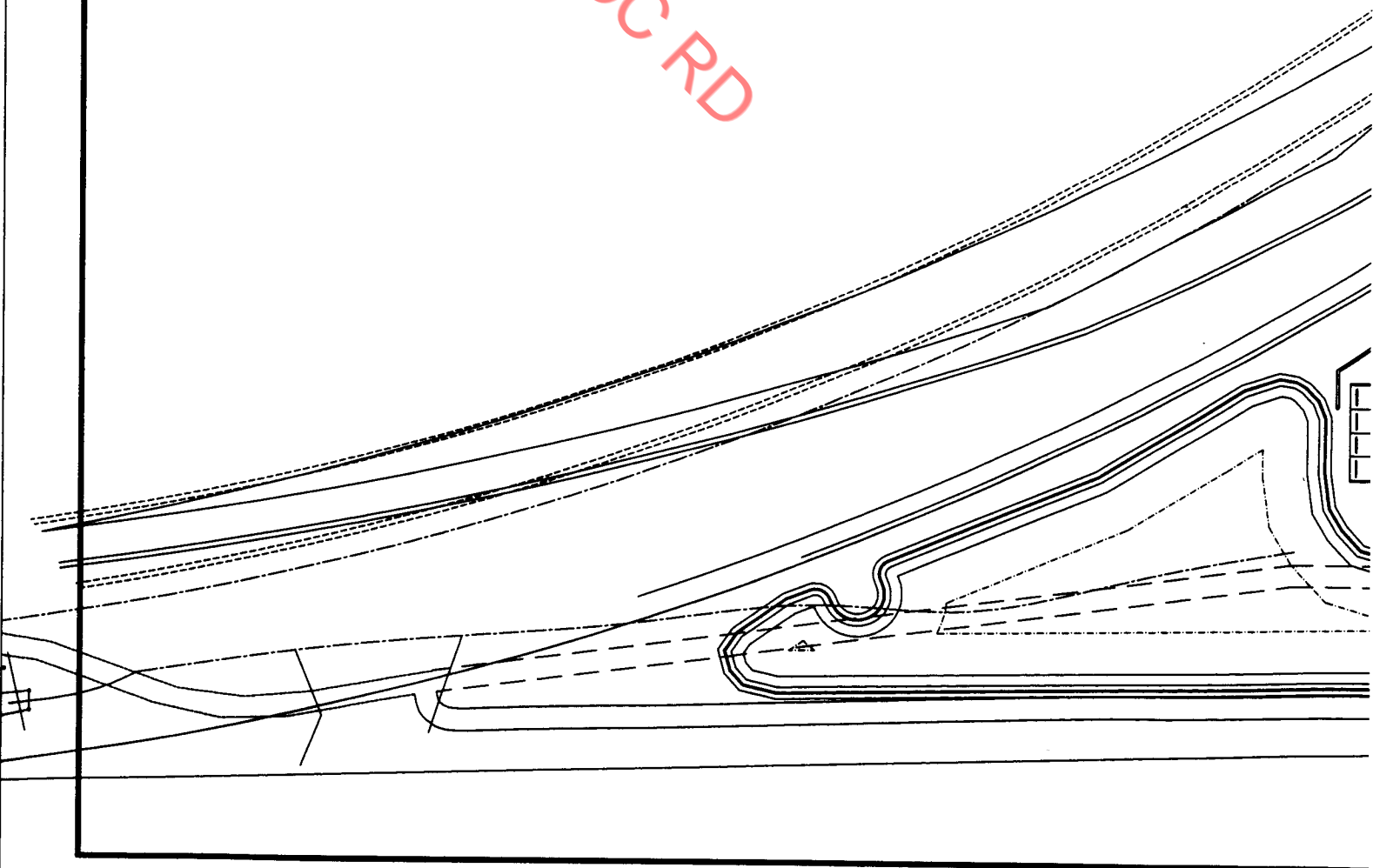
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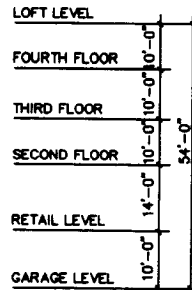
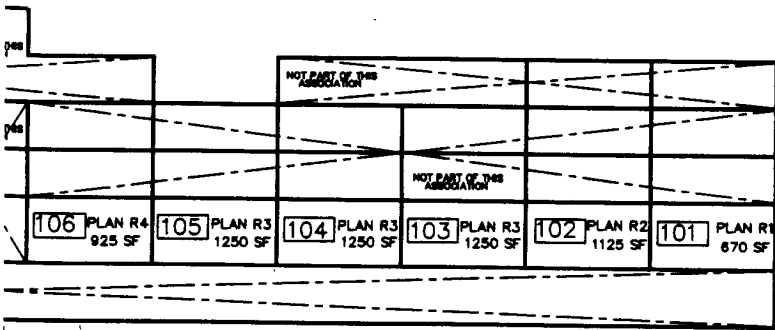
SITE PLAN NORTH SECTION

SITE PLAN ((NORTH SECTION))

NO SCALE

FCC RD

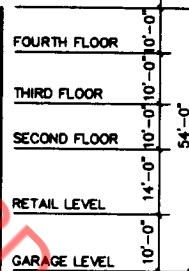
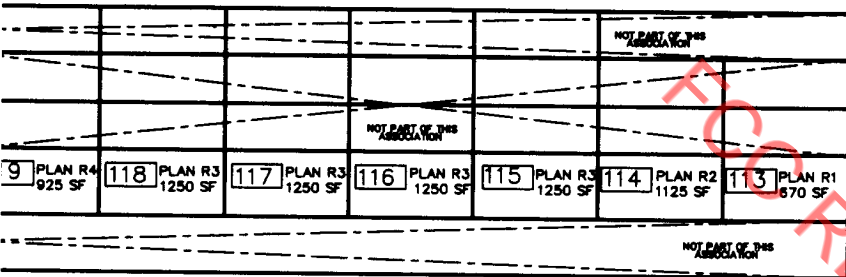




BUILDING "A"	
PLAN	QUANTITY
R1	2
R2	2
R3	7
R4	1
TOTAL UNITS - 12	

garage

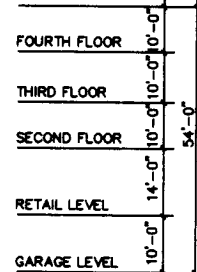
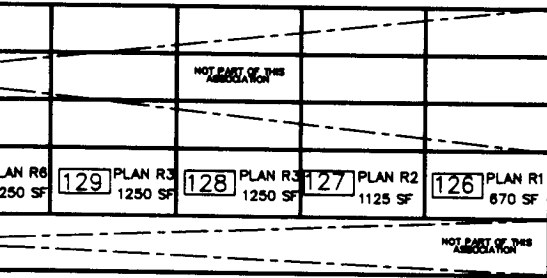
NG "A"



BLDG "B"	
PLAN	QUAN
R1	2
R2	2
R3	7
R4	1
R5	1
TOTAL UNITS - 13	

garage

NG "B"



BUILDING "C"	
PLAN	QUANTITY
R1	2
R2	2
R3	5
R6	1
TOTAL UNITS - 10	

garage

NG "C"

EUROPEAN VILLAGE CONDOMINIUM

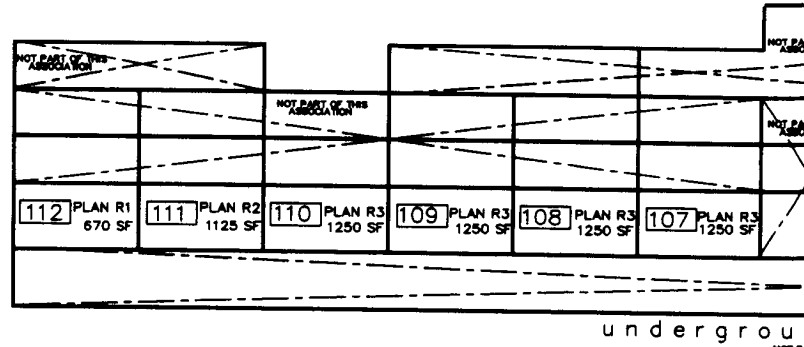
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

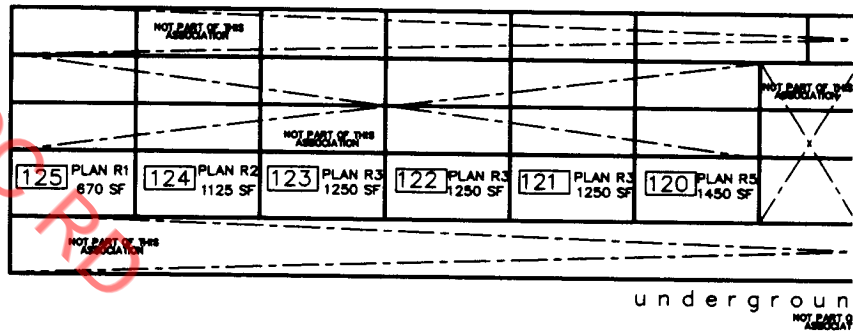
UNIT NO'S/PLAN DESIGNATIONS/SQ. FOOTAGES 04/10/05

BUILDING "A" FIRST FLOOR					
UNIT NO.	PLAN	SQ. FT.	UNIT NO.	PLAN	SQ. FT.
101	R1	670	107	R3	1250
102	R2	1125	108	R3	1250
103	R3	1250	109	R3	1250
104	R3	1250	110	R3	1250
105	R3	1250	111	R2	1125
106	R4	925	112	R1	670



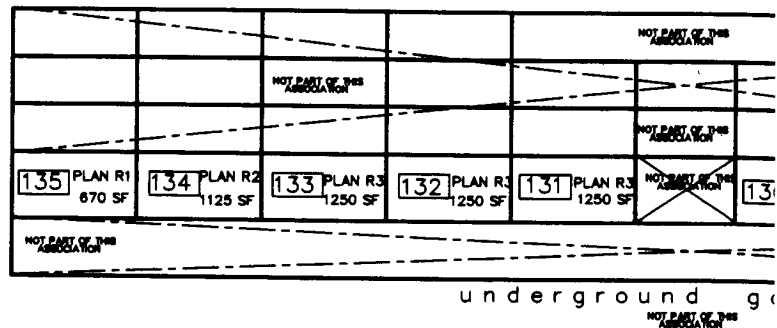
BUILD

BUILDING "B" FIRST FLOOR					
UNIT NO.	PLAN	SQ. FT.	UNIT NO.	PLAN	SQ. FT.
113	R1	670	120	R5	1450
114	R2	1125	121	R3	1250
115	R3	1250	122	R3	1250
116	R3	1250	123	R3	1250
117	R3	1250	124	R2	1125
118	R3	1250	125	R1	670
119	R4	925			



BUILD

BUILDING "C" FIRST FLOOR		
UNIT NO.	PLAN	SQ. FT.
126	R1	670
127	R2	1125
128	R3	1250
129	R3	1250
130	R6	1250
131	R3	1250
132	R4	925
133	R3	1250
134	R2	1125
135	R1	670



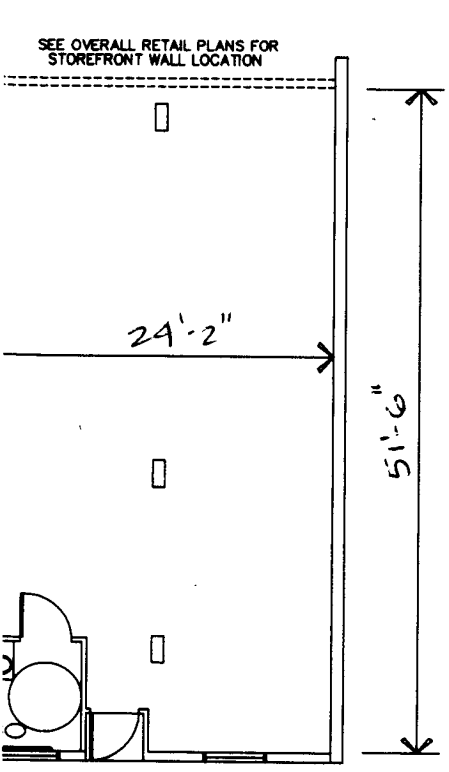
BUILDIN

EXHIBIT "C"

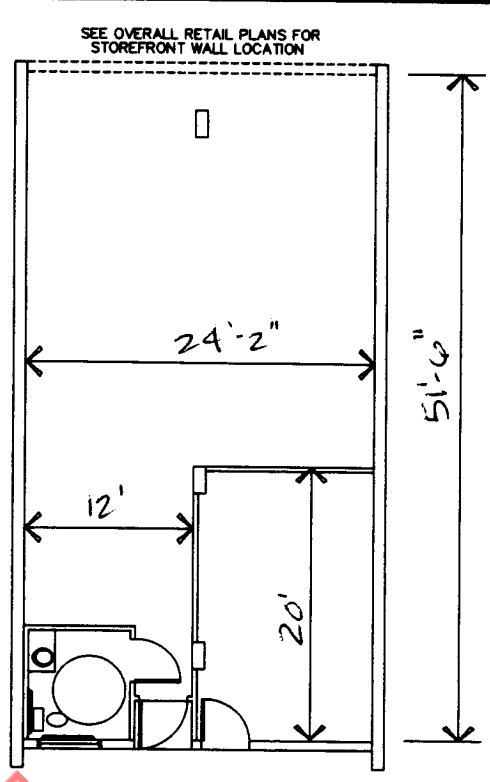
Floor Plans For Buildings/Units

NOTE
↓
Done

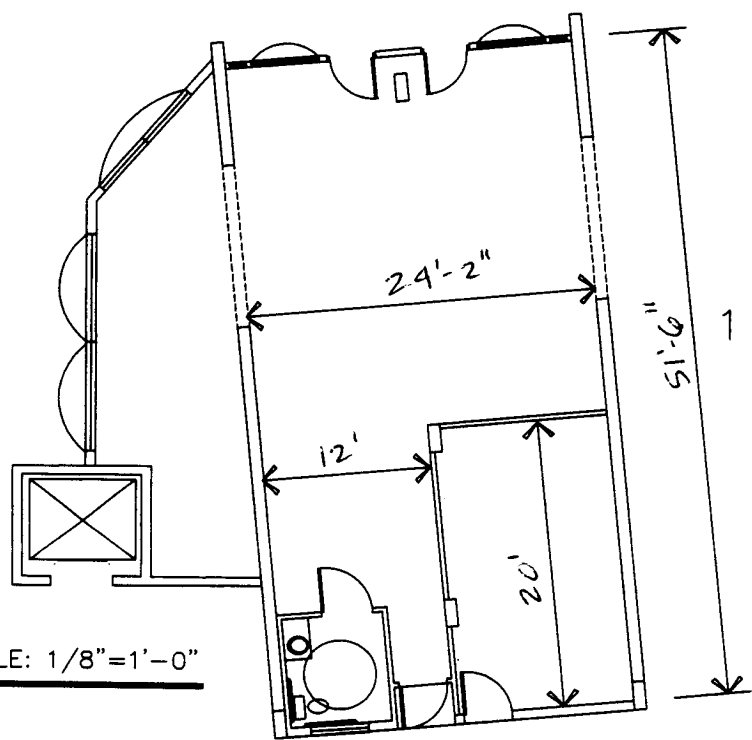
FCC RD



PLAN "R3"
 1250 SF
 RETAIL SPACES



PLAN "R4"
 950 SF
 2 RETAIL SPACES



PLAN "R6"
 1250 SF
 1 RETAIL SPACE

SCALE: 1/8" = 1'-0"

EUROPEAN VILLAGE CONDOMINIUM

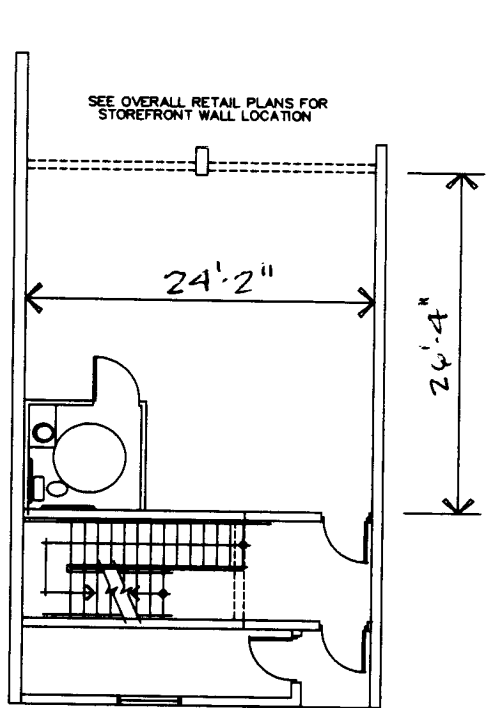
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

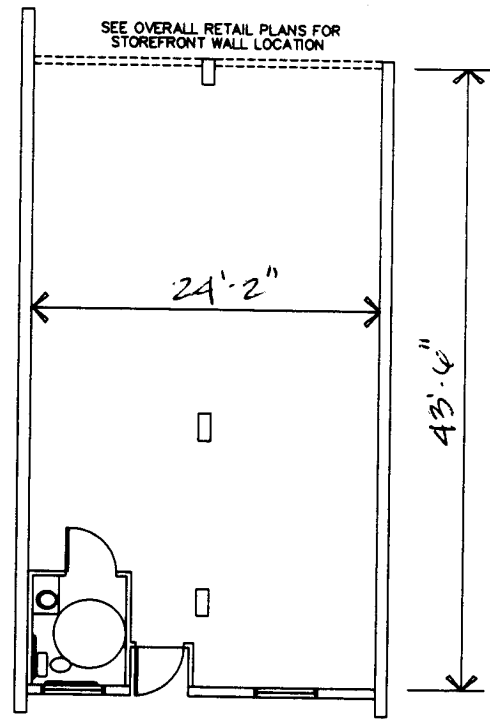
04/10/05

TYPICAL RETAIL FLOOR PLANS



PLAN "R1"

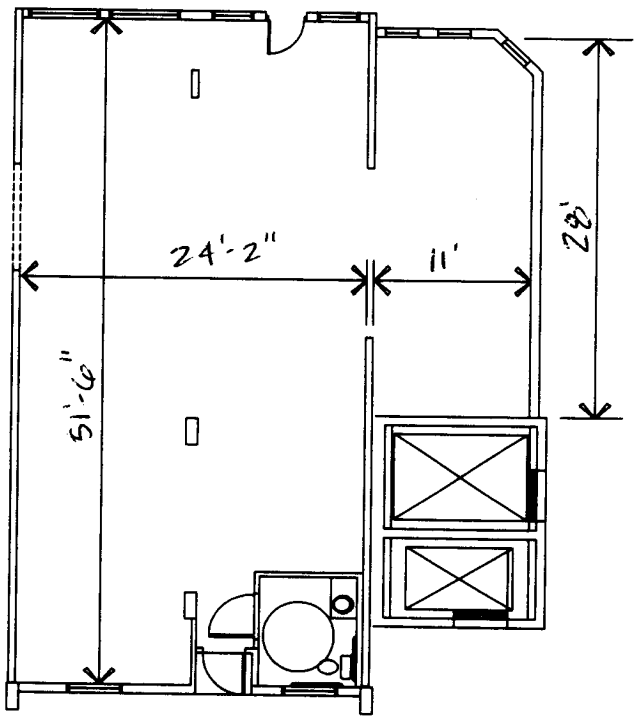
670 SF
6 RETAIL SPACES



PLAN "R2"

1125 SF
6 RETAIL SPACES

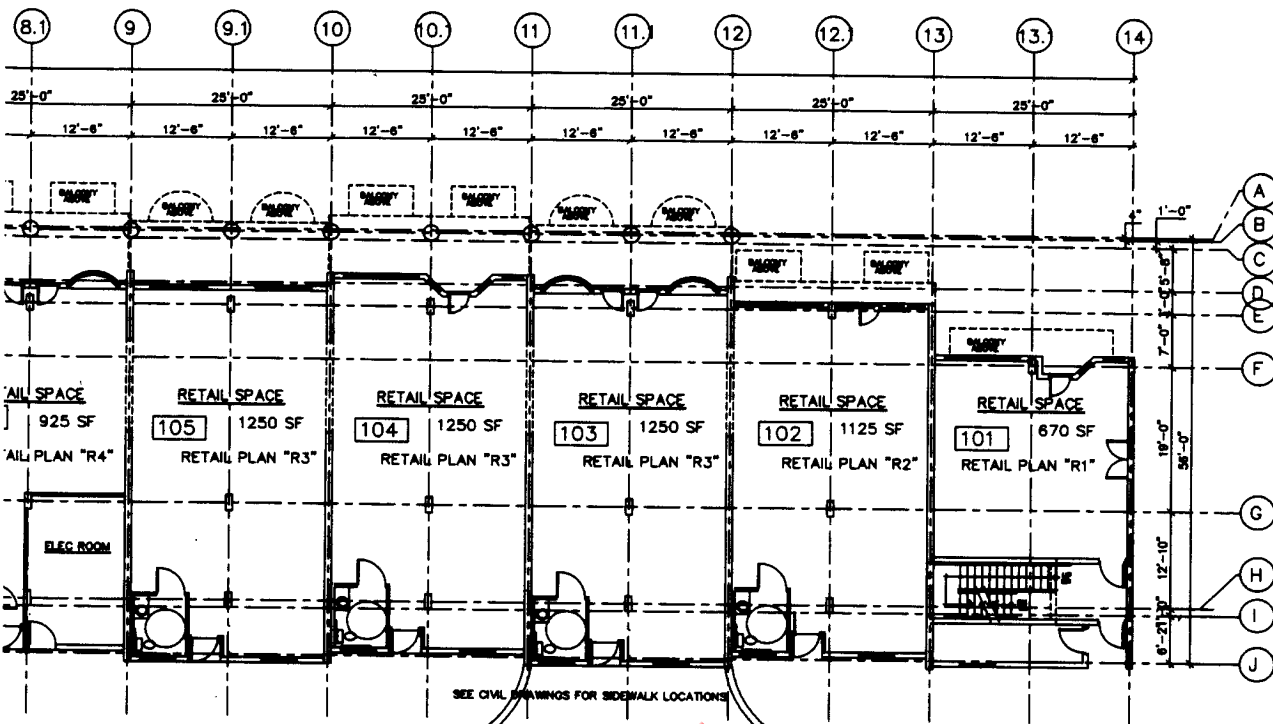
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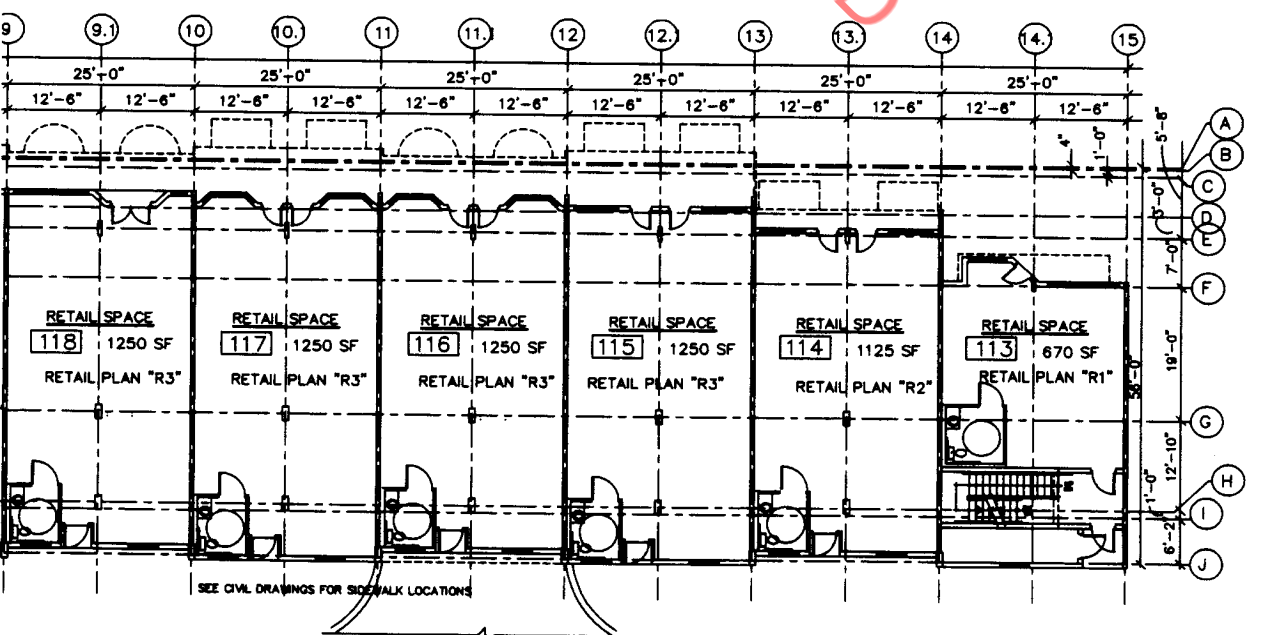
PLAN "R5"

1450 SF
1 RETAIL SPACE

TYPICAL RETAIL FLOOR PL
35 TOTAL RETAIL SPACES



1'-0"



FCC RD

EUROPEAN VILLAGE CONDOMINIUM

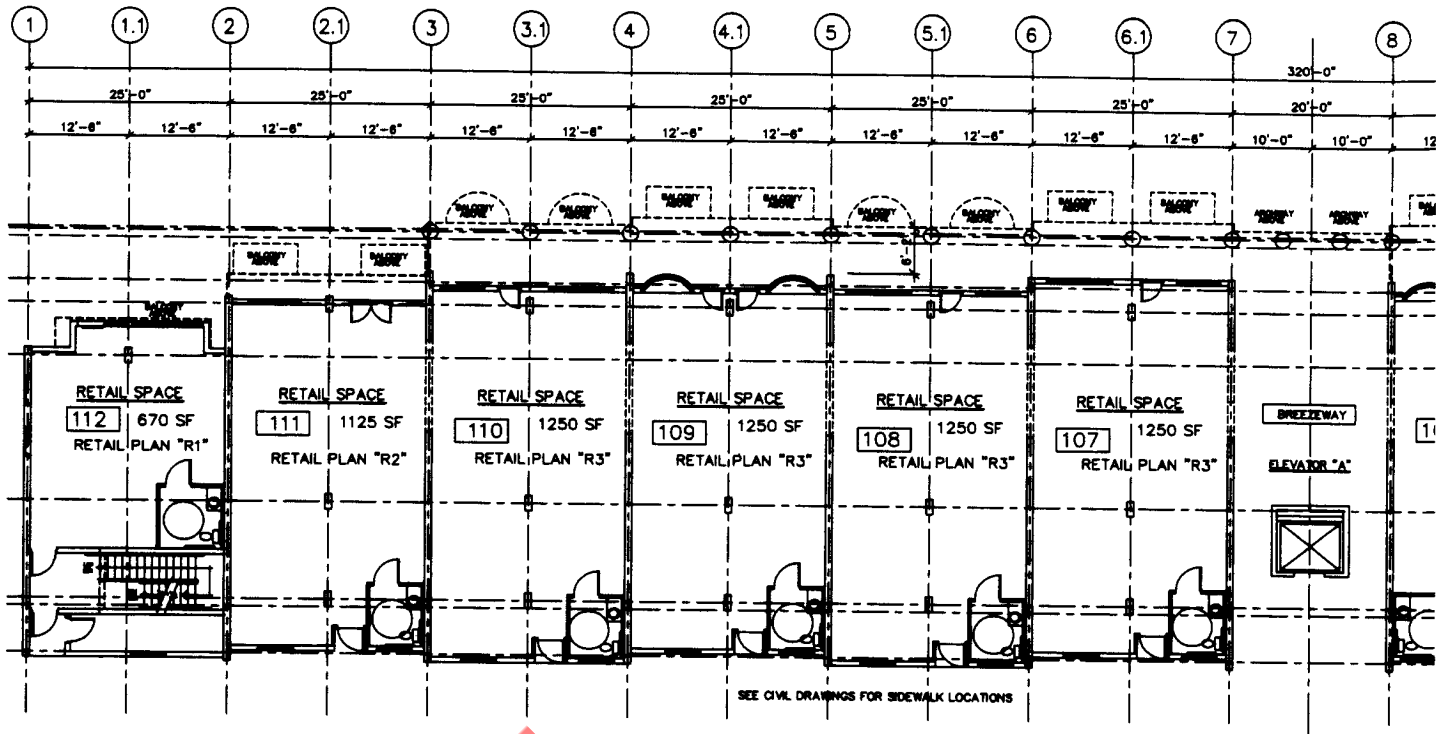
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

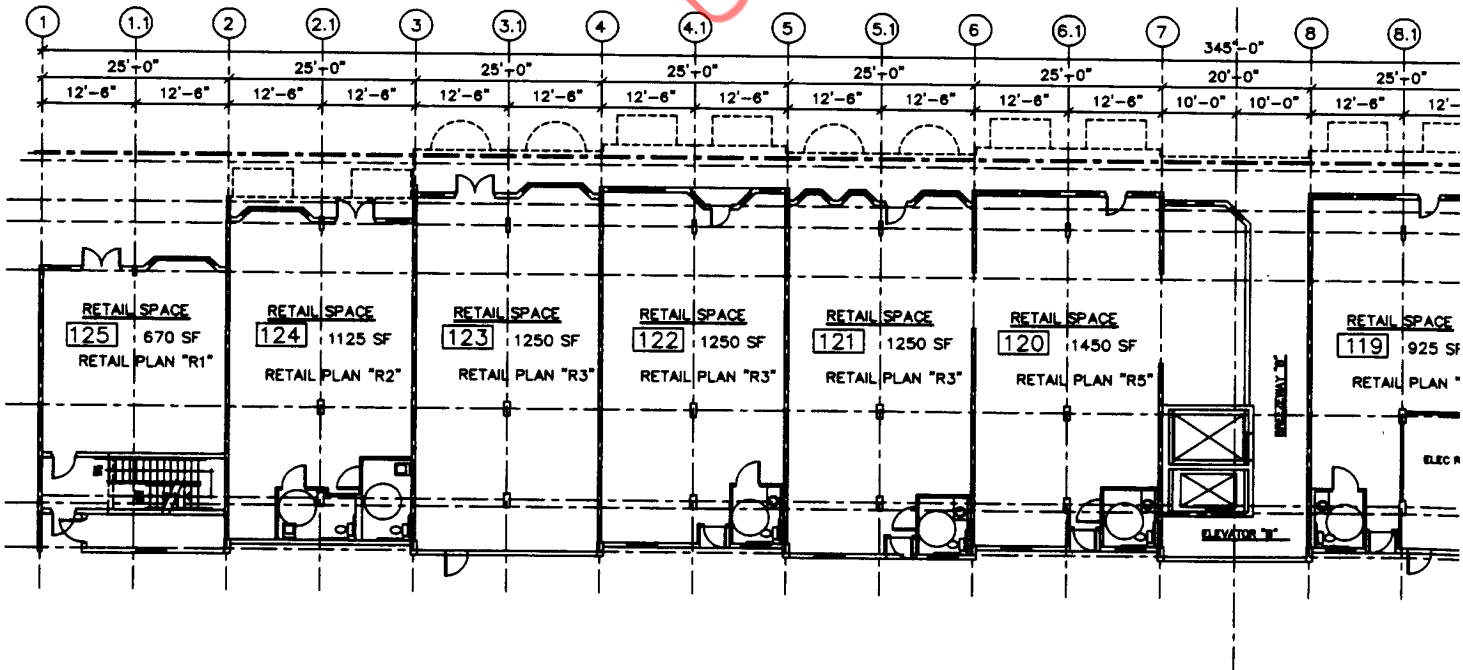
04/10/05

BUILDINGS "A" & "B" RETAIL FLOOR PLANS



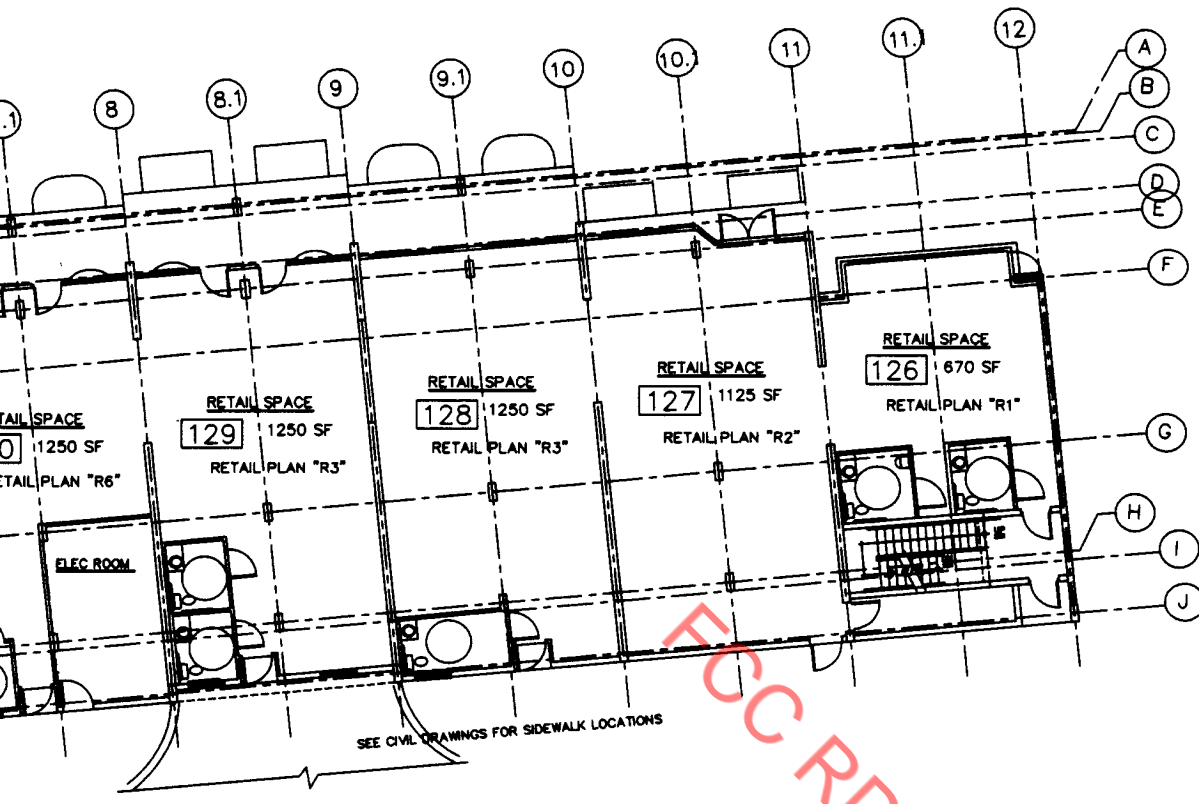
BUILDING "A" FIRST FLOOR PLAN

SCALE: 3/32"



BUILDING "B" FIRST FLOOR PLAN

SCALE: 3/32"=1



SCALE: 3/32" = 1'-0"

EUROPEAN VILLAGE CONDOMINIUM

PALM COAST, FLORIDA

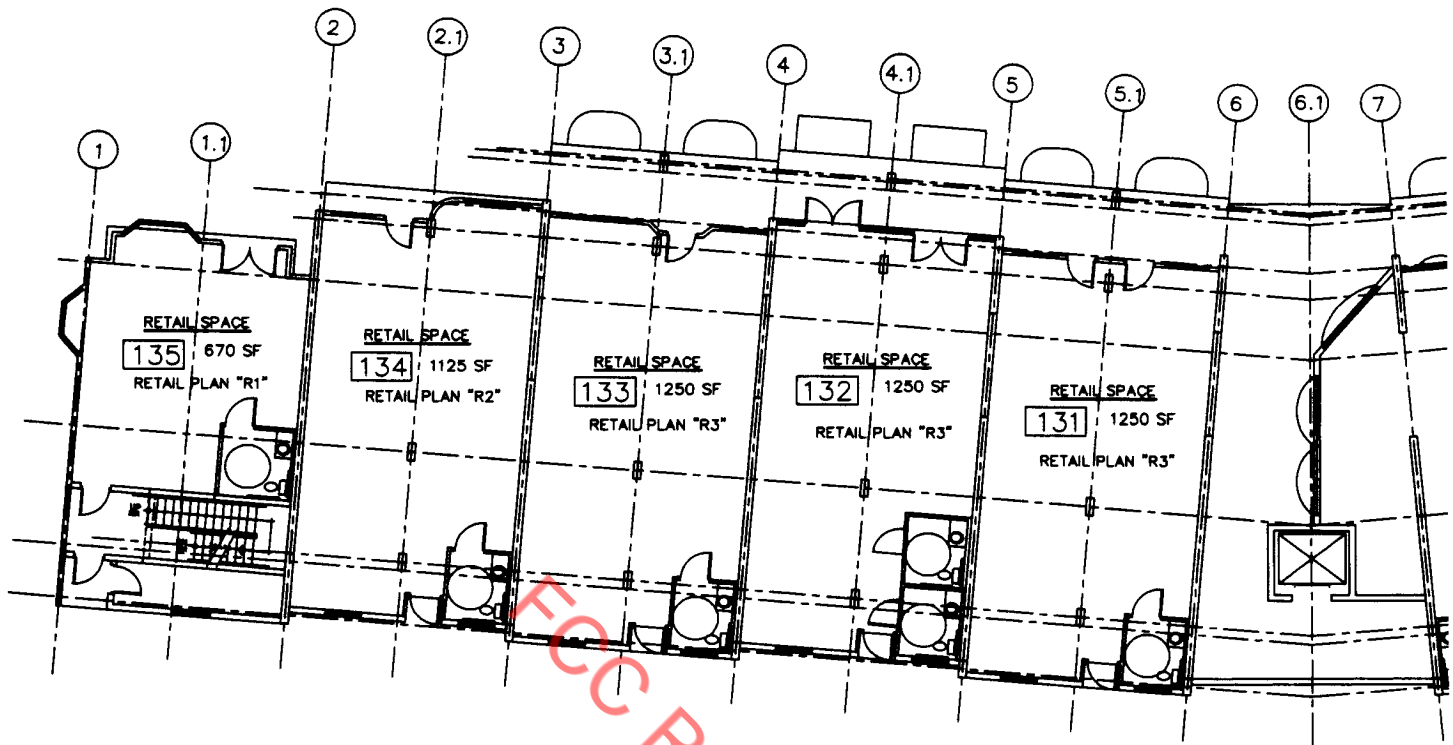
101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

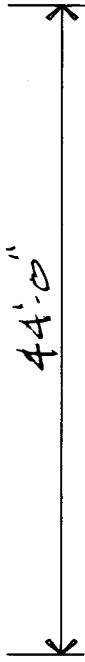
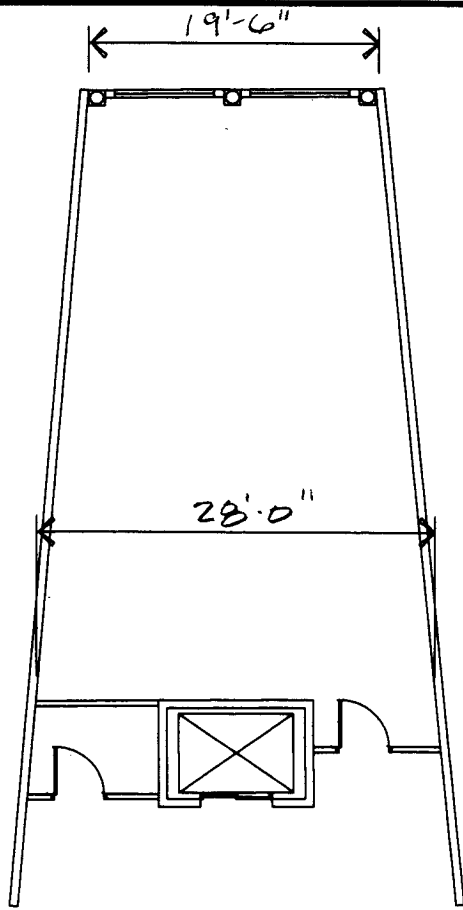
04/10/05

BUILDINGS "C" RETAIL FLOOR PLAN

FCC RD



BUILDING "C" FIRST FLOOR PLAN



FCC RD

PLAN "OC2"
PLAN "OC3"

1080 SF
QUANTITY - 2

BUILDING "C"

EUROPEAN VILLAGE CONDOMINIUM

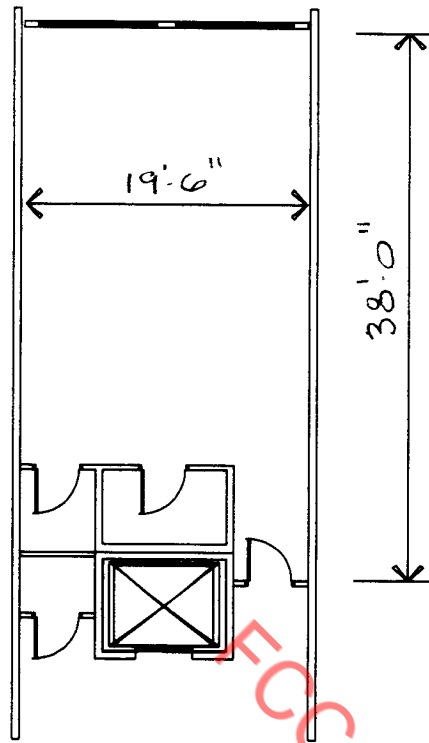
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

04/10/05

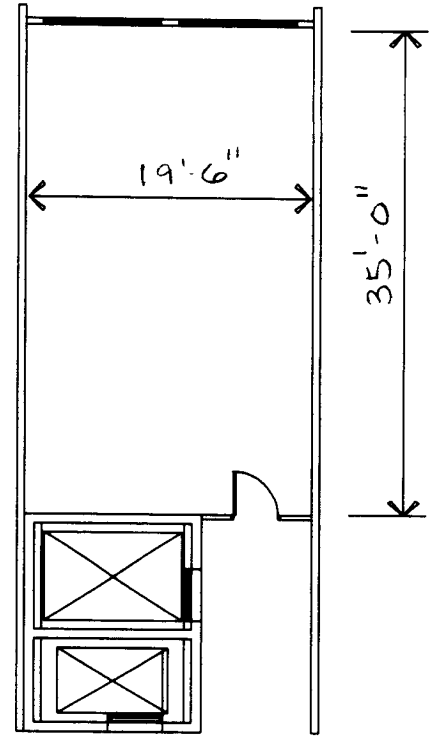
TYPICAL OFFICE FLOOR PLANS



PLAN "OA2"
PLAN "OA3"

775 SF
QUANTITY - 2

BUILDING "A"



PLAN "OB2"
PLAN "OB3"

725 SF
QUANTITY - 2

BUILDING "B"

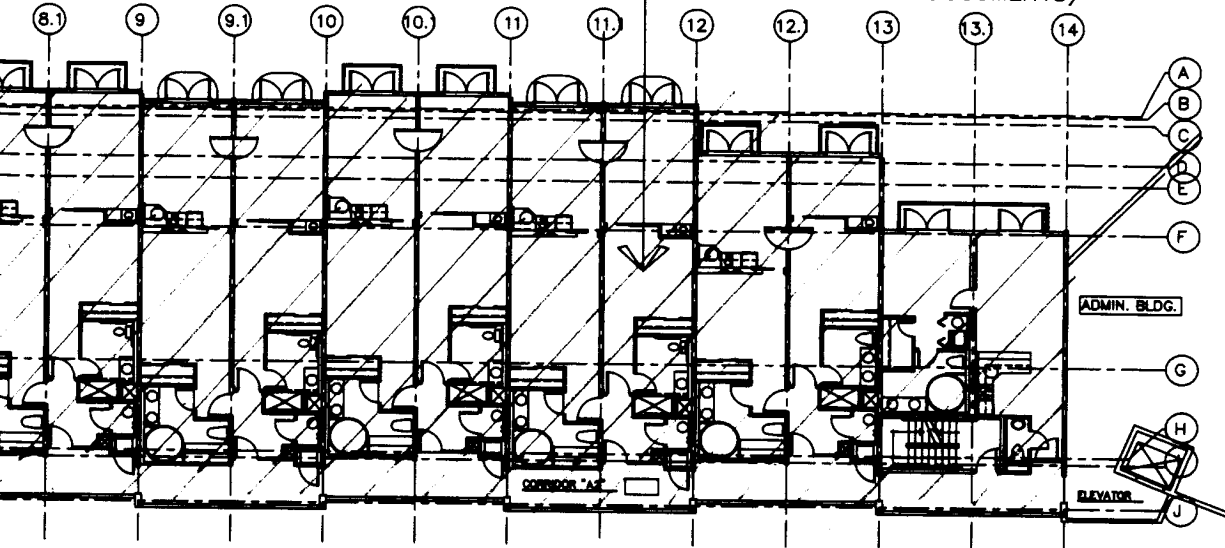
TYPICAL OFFICE FLOOR PLANS

SCALE: 1/8"=1'-0"

6 TOTAL OFFICE SPACES = 1 OFFICE UNIT

AREA IS PART OF THE RETAIL
CONDOMINIUM DOCUMENTS) OA2

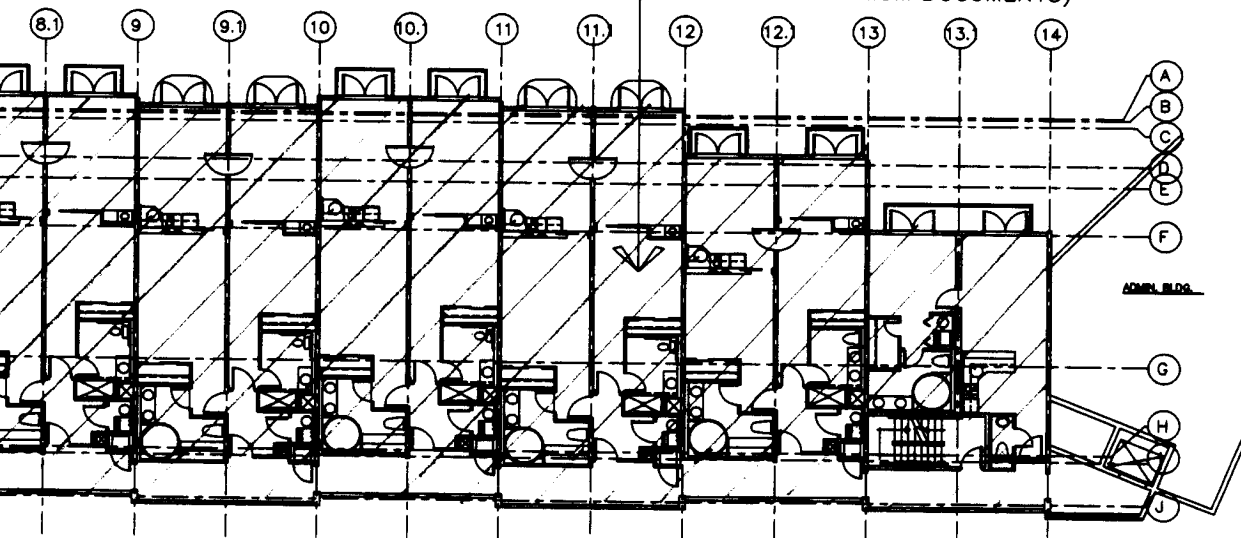
SHADED AREA IS PART OF THE
CONDOMINIUM DOCUMENTS (NOT THE
RETAIL CONDOMINIUM DOCUMENTS)



NO SCALE

AREA IS PART OF THE RETAIL
CONDOMINIUM DOCUMENTS) OA3

SHADED AREA IS PART OF THE
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NO SCALE

EUROPEAN VILLAGE CONDOMINIUM

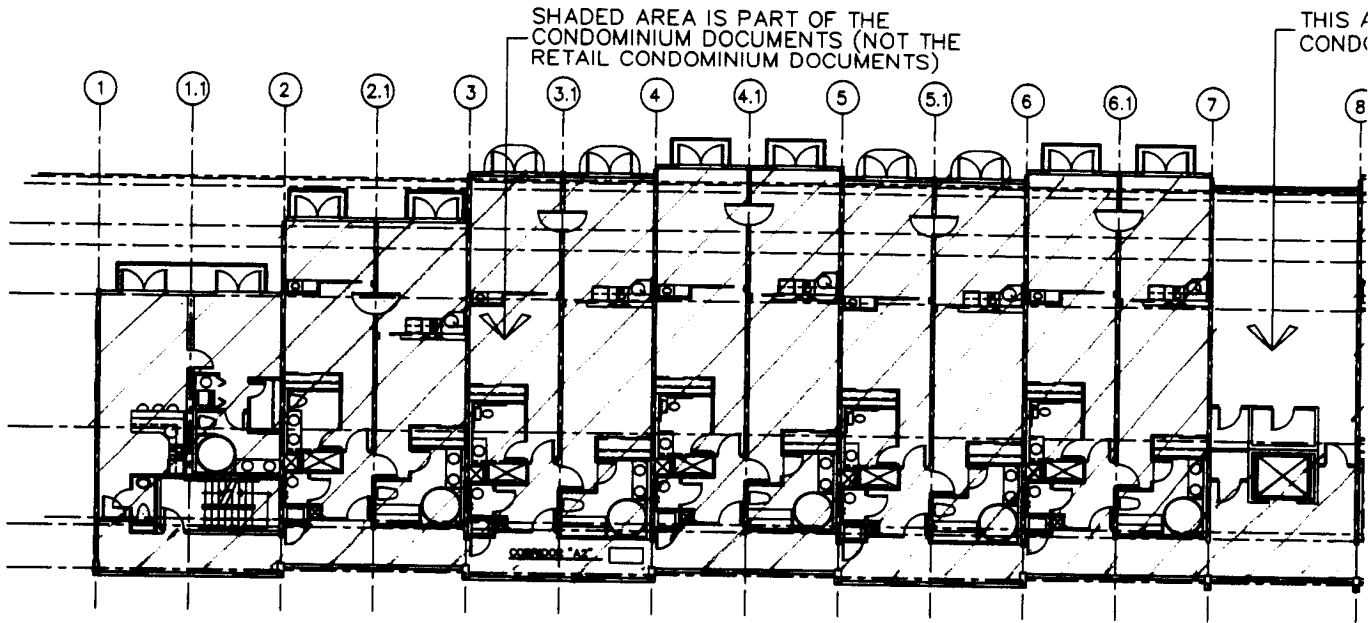
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101 PALM COAST HIGHWAY

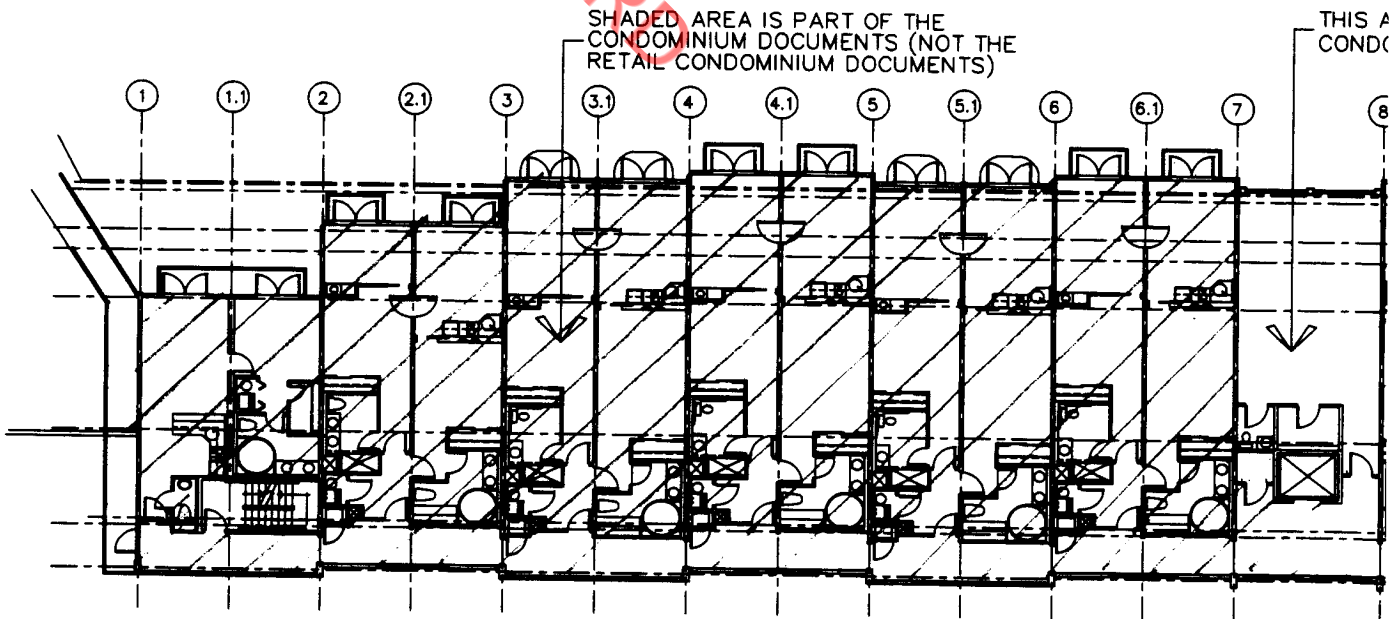
RETAIL CONDOMINIUM DOCUMENTS

04/10/05

TYPICAL RETAIL FLOOR PLANS



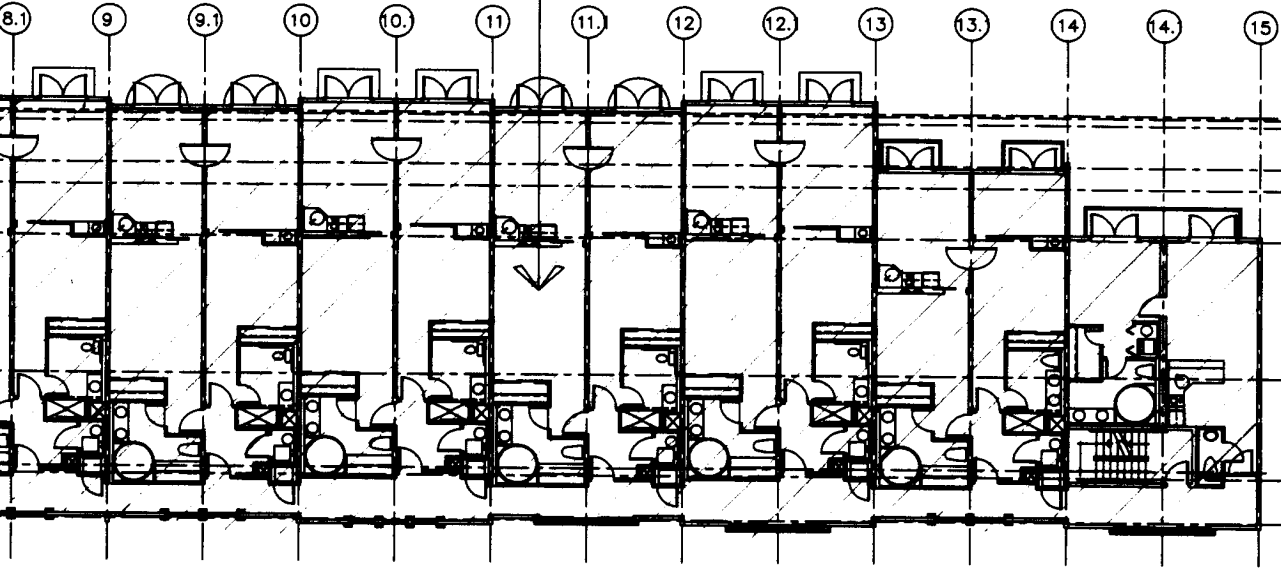
BUILDING "A" SECOND FLOOR PLAN



BUILDING "A" THIRD FLOOR PLAN

PART OF THE RETAIL
DOCUMENTS) **OB2**

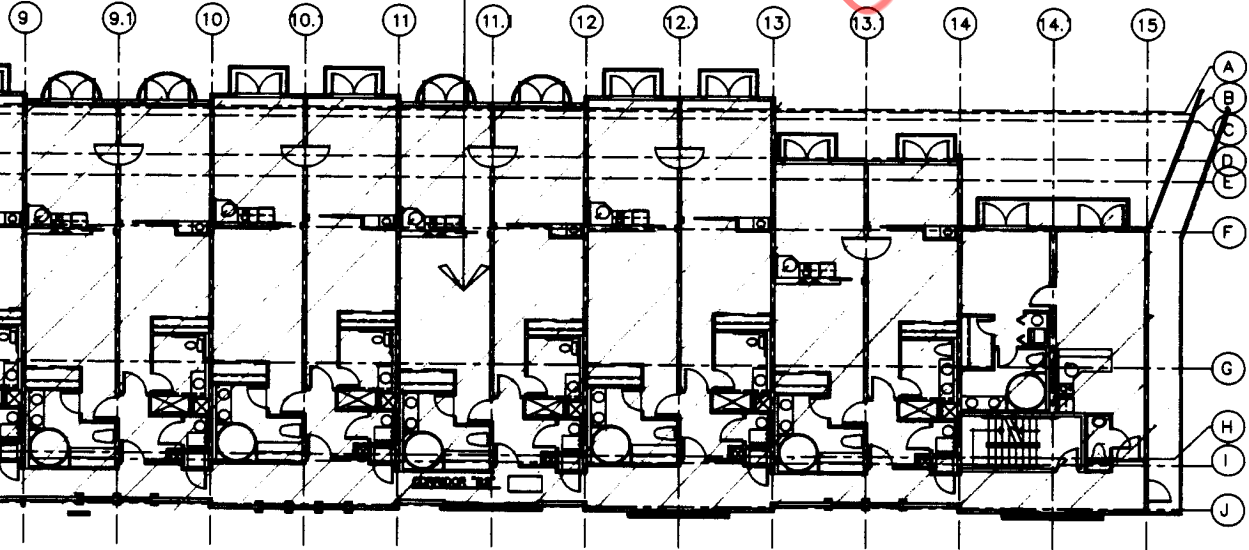
SHADED AREA IS PART OF THE
CONDOMINIUM DOCUMENTS (NOT THE
RETAIL CONDOMINIUM DOCUMENTS)



NO SCALE

PART OF THE RETAIL
DOCUMENTS) **OB3**

SHADED AREA IS PART OF THE
CONDOMINIUM DOCUMENTS (NOT THE
RETAIL CONDOMINIUM DOCUMENTS)



NO SCALE

EUROPEAN VILLAGE CONDOMINIUM

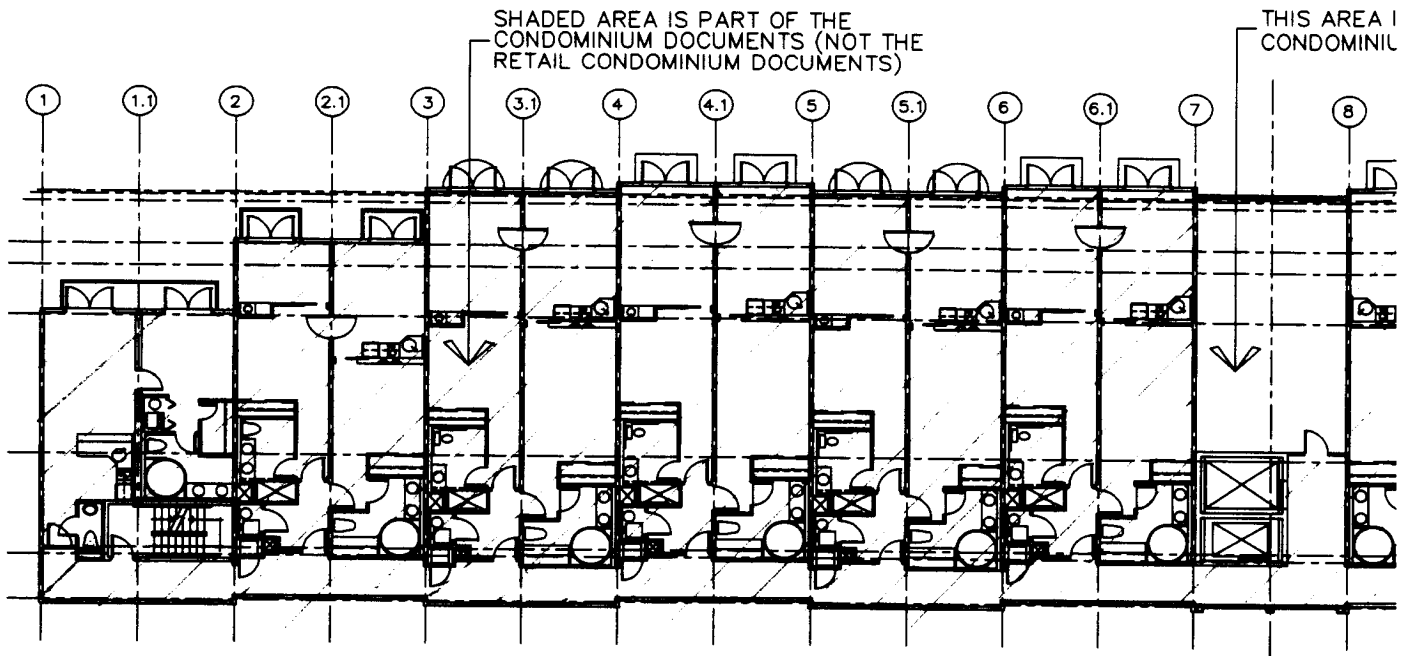
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

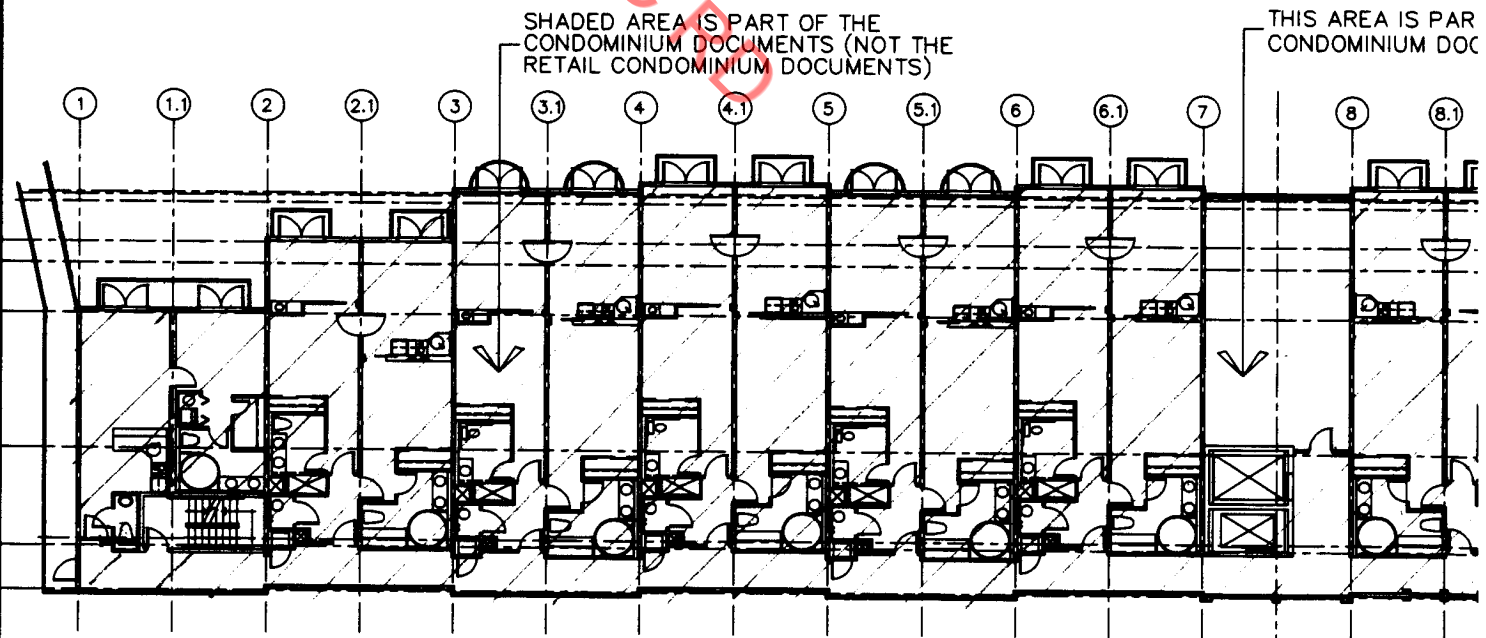
RETAIL CONDOMINIUM DOCUMENTS

04/10/05

TYPICAL RETAIL FLOOR PLANS



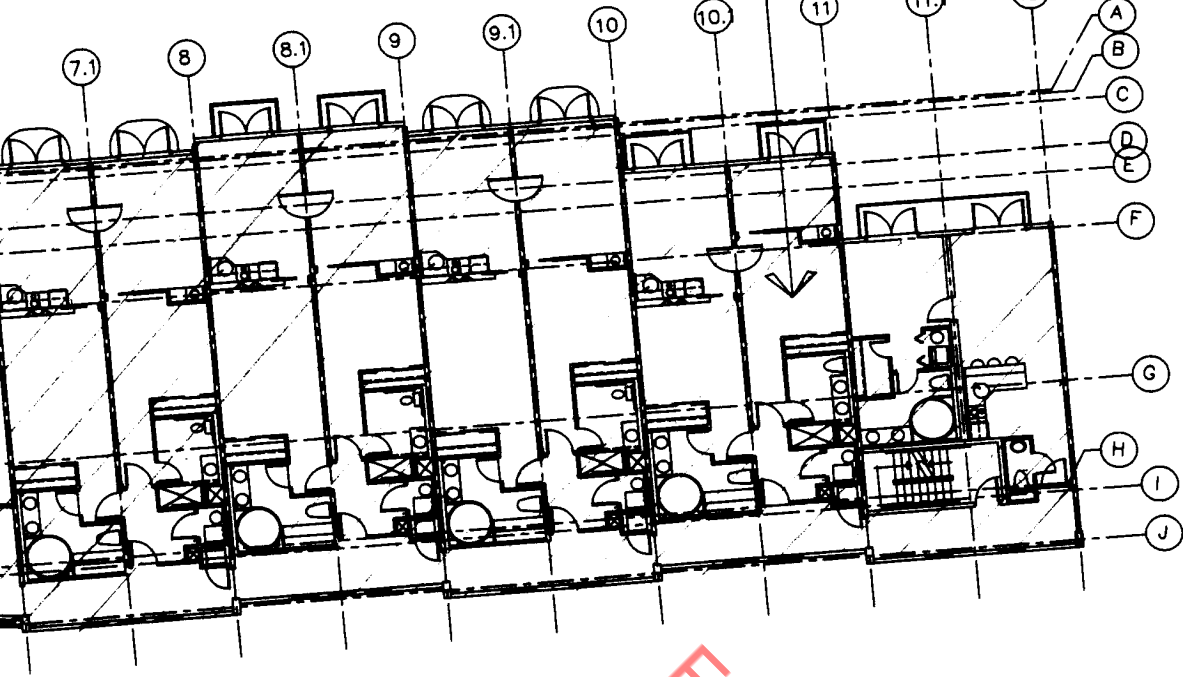
BUILDING "B" SECOND FLOOR PLAN



BUILDING "B" THIRD FLOOR PLAN

AREA IS PART OF THE RETAIL
CONDOMINIUM DOCUMENTS) OC2

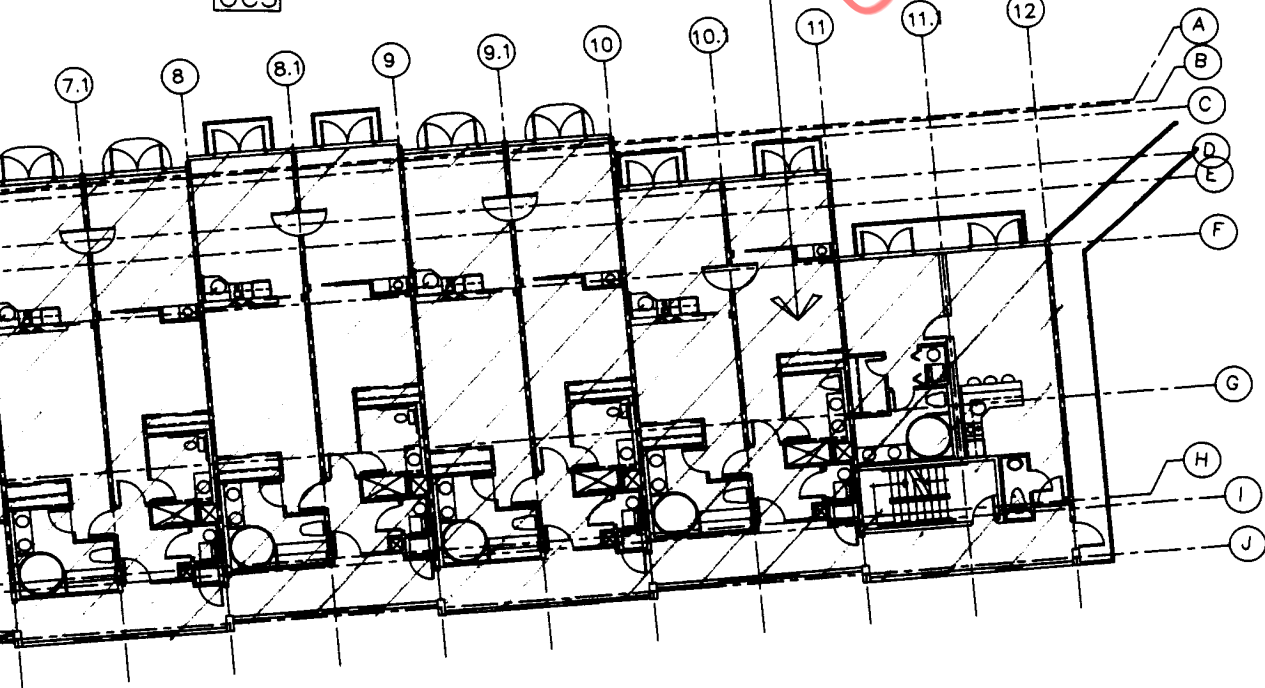
SHADED AREA IS PART OF THE
CONDOMINIUM DOCUMENTS (NOT THE
RETAIL CONDOMINIUM DOCUMENTS)



NO SCALE

AREA IS PART OF THE RETAIL
CONDOMINIUM DOCUMENTS) OC3

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RETAIL CONDOMINIUM DOCUMENTS)



NO SCALE

EUROPEAN VILLAGE CONDOMINIUM

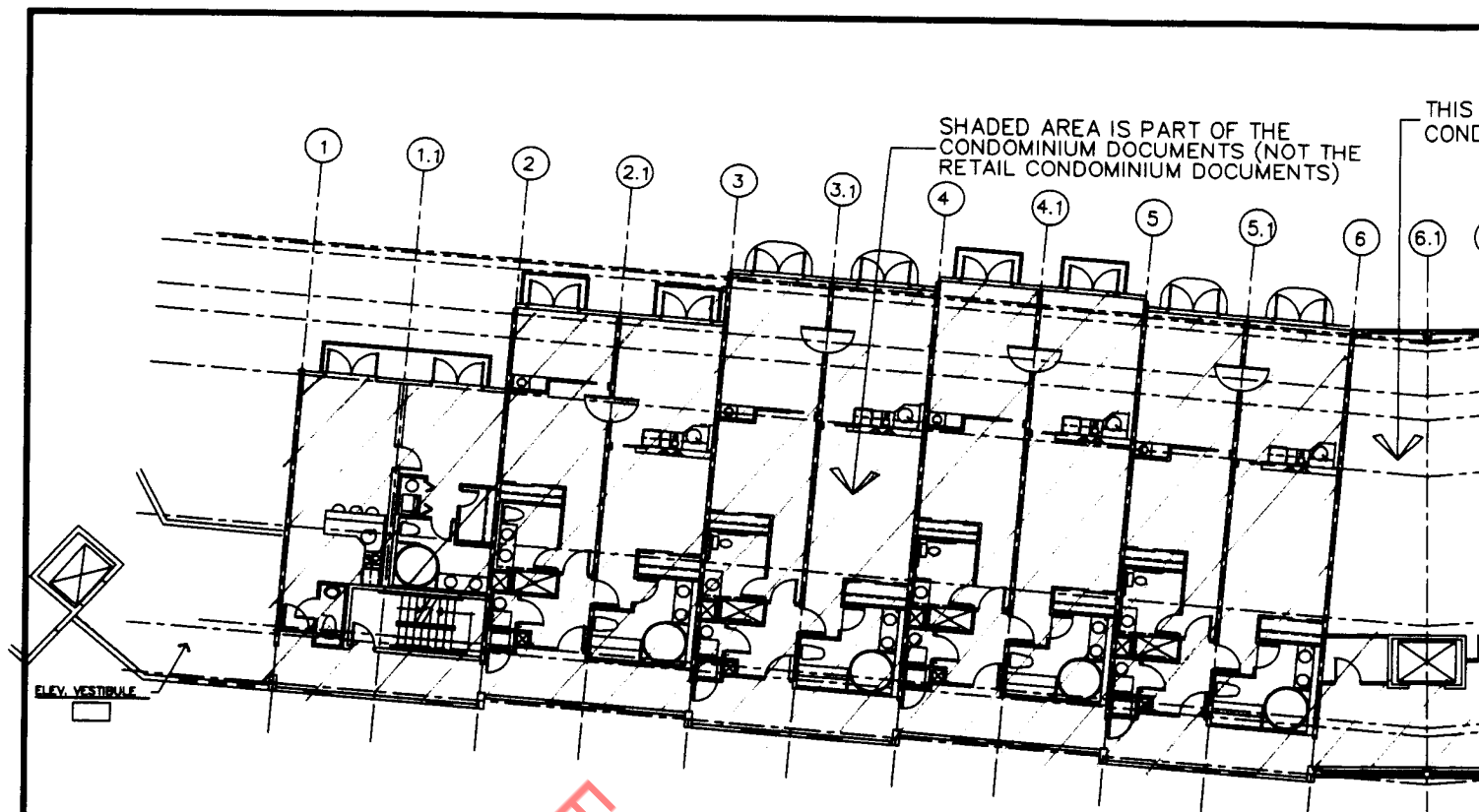
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

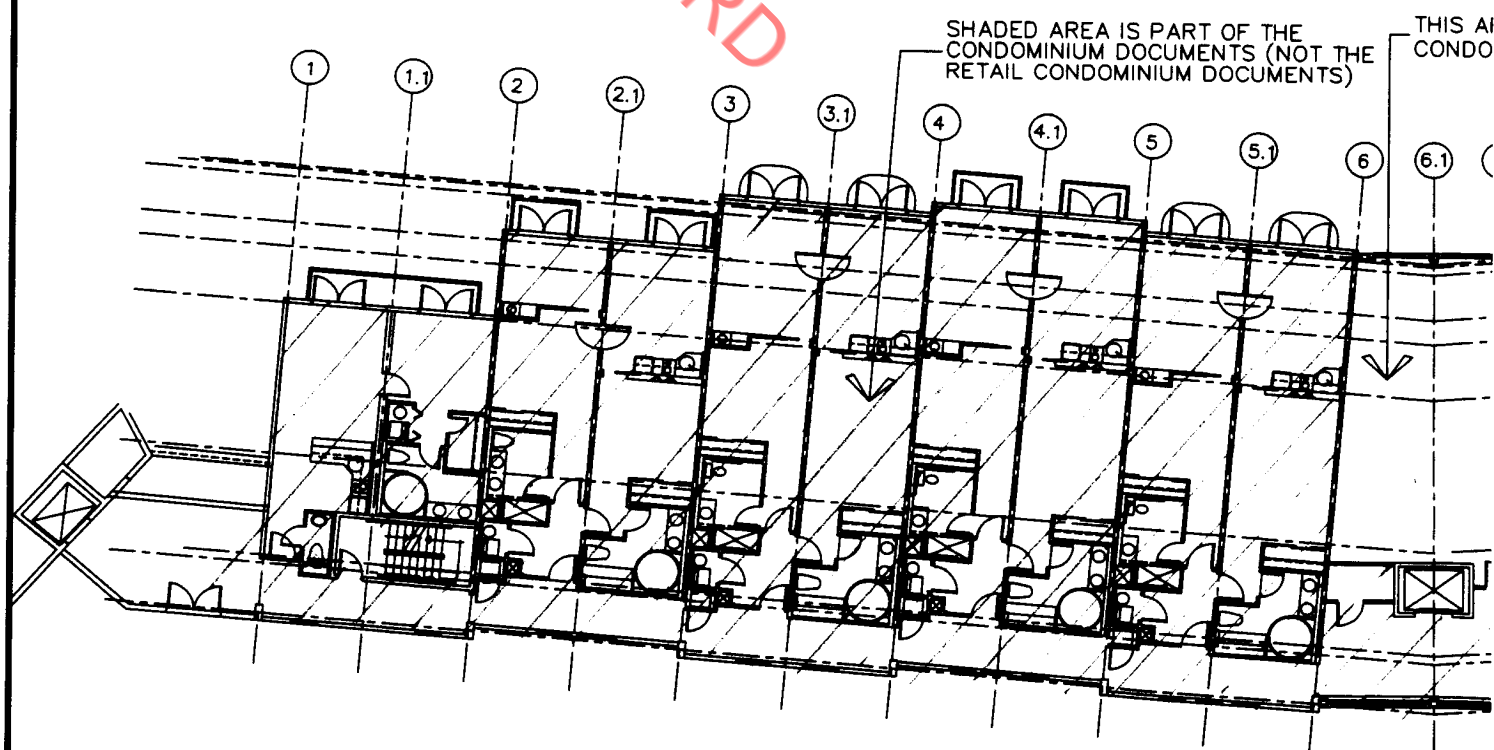
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04/10/05

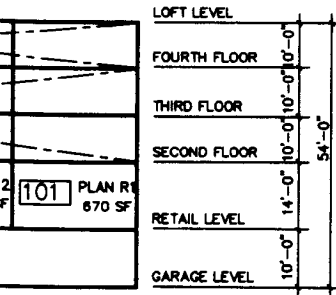
TYPICAL RETAIL FLOOR PLANS



BUILDING "C" SECOND FLOOR PLAN



BUILDING "C" THIRD FLOOR PLAN

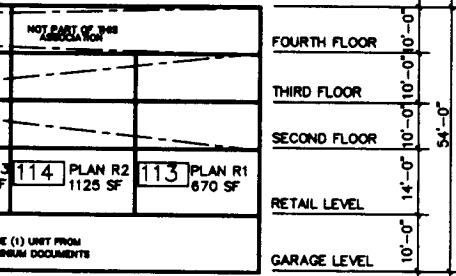


BUILDING "A"	
PLAN	QUANTITY
R1	2
R2	2
R3	7
R4	1

TOTAL UNITS - 12

BUILDING "A" PARTIAL OFFICE UNIT	
PLAN	SQUARE FOOTAGE
OA2	775
OA3	775

BUILDING "A" FIRST FLOOR					
UNIT NO.	PLAN	SQ. FT.	UNIT NO.	PLAN	SQ. FT.
101	R1	670	107	R3	1250
102	R2	1125	108	R3	1250
103	R3	1250	109	R3	1250
104	R3	1250	110	R3	1250
105	R3	1250	111	R2	1125
106	R4	925	112	R1	670

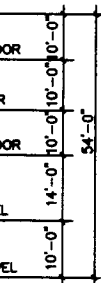


BLDG "B"	
PLAN	QUAN
R1	2
R2	2
R3	7
R4	1
R5	1

TOTAL UNITS - 13

BUILDING "B" PARTIAL OFFICE UNIT	
PLAN	SQUARE FOOTAGE
OB2	725
OB3	725

BUILDING "B" FIRST FLOOR					
UNIT NO.	PLAN	SQ. FT.	UNIT NO.	PLAN	SQ. FT.
113	R1	670	120	R5	1450
114	R2	1125	121	R3	1250
115	R3	1250	122	R3	1250
116	R3	1250	123	R3	1250
117	R3	1250	124	R2	1125
118	R3	1250	125	R1	670
119	R4	925			



BUILDING "C"	
PLAN	QUANTITY
R1	2
R2	2
R3	5
R6	1

TOTAL UNITS - 10

BUILDING "C" PARTIAL OFFICE UNIT	
PLAN	SQUARE FOOTAGE
OC2	1080
OC3	1080

BUILDING "C" FIRST FLOOR		
UNIT NO.	PLAN	SQ. FT.
126	R1	670
127	R2	1125
128	R3	1250
129	R3	1250
130	R6	1250
131	R3	1250
132	R4	925
133	R3	1250
134	R2	1125
135	R1	670

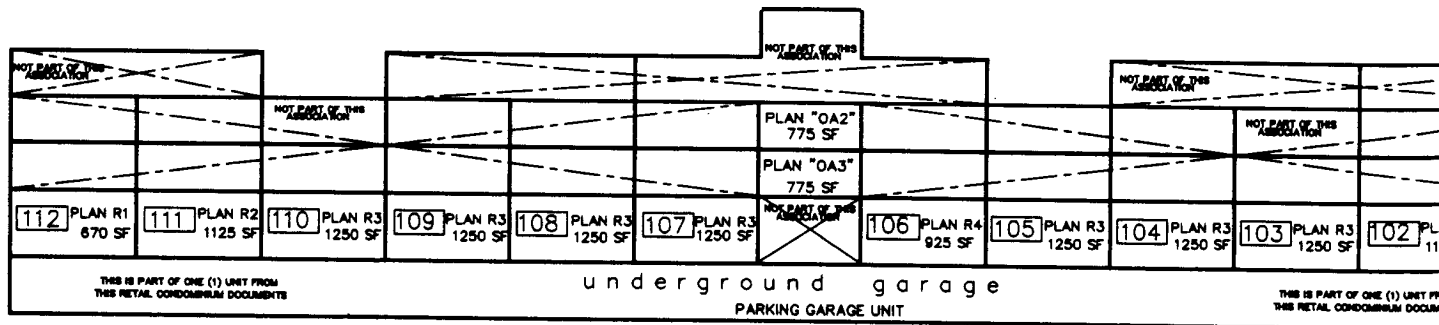
EUROPEAN VILLAGE CONDOMINIUM

PALM COAST, FLORIDA

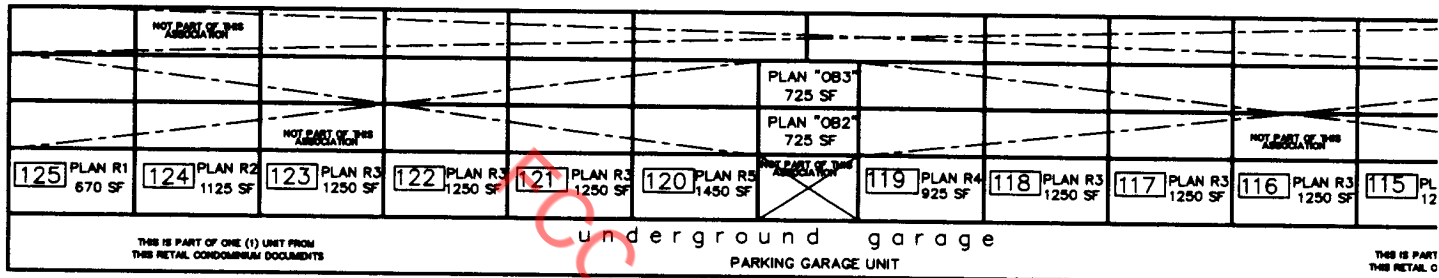
101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

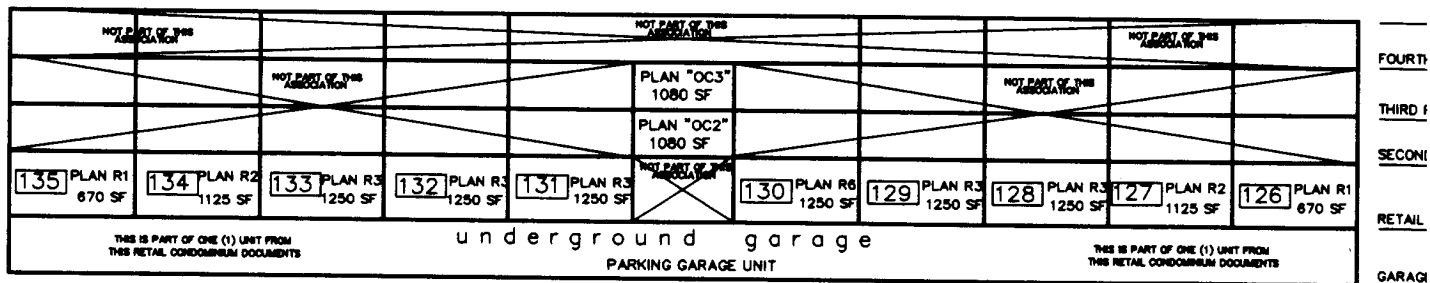
UNIT NO'S/PLAN DESIGNATIONS/SQ. FOOTAGES 04/10/05



BUILDING "A"



BUILDING "B"

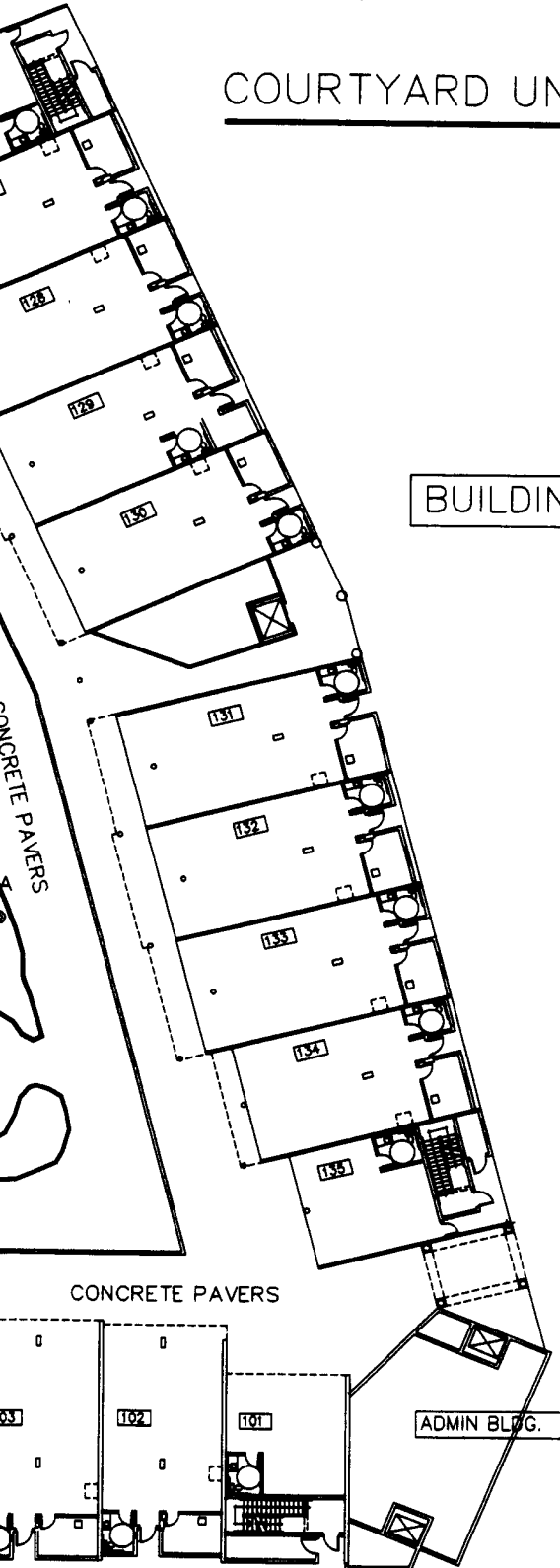


BUILDING "C"

FOURTH FLOOR
THIRD FLOOR
SECOND FLOOR
RETAIL
GARAGE

COURTYARD UNIT PLAN

NO SCALE



BUILDING "C"

FCC RD

EUROPEAN VILLAGE CONDOMINIUM

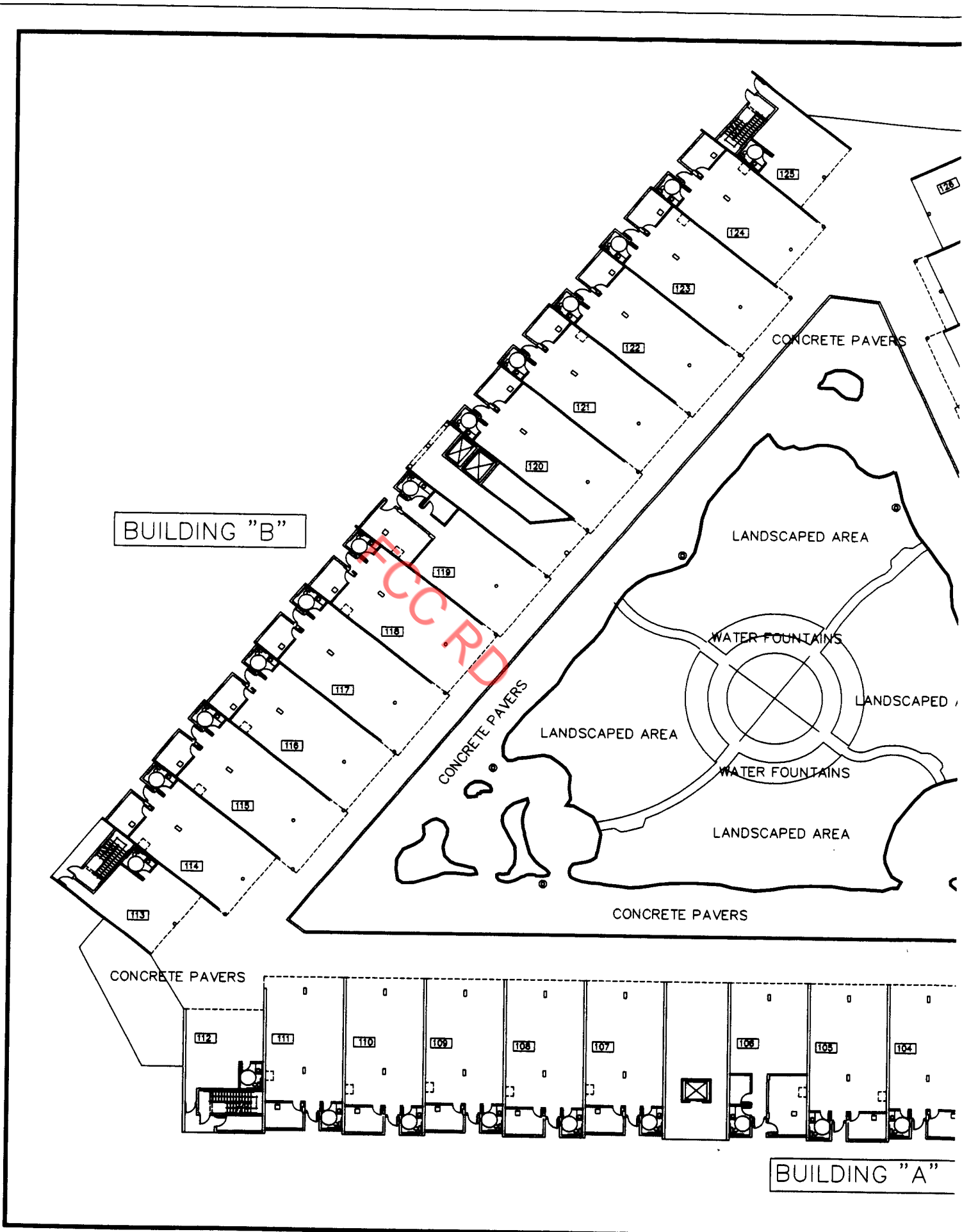
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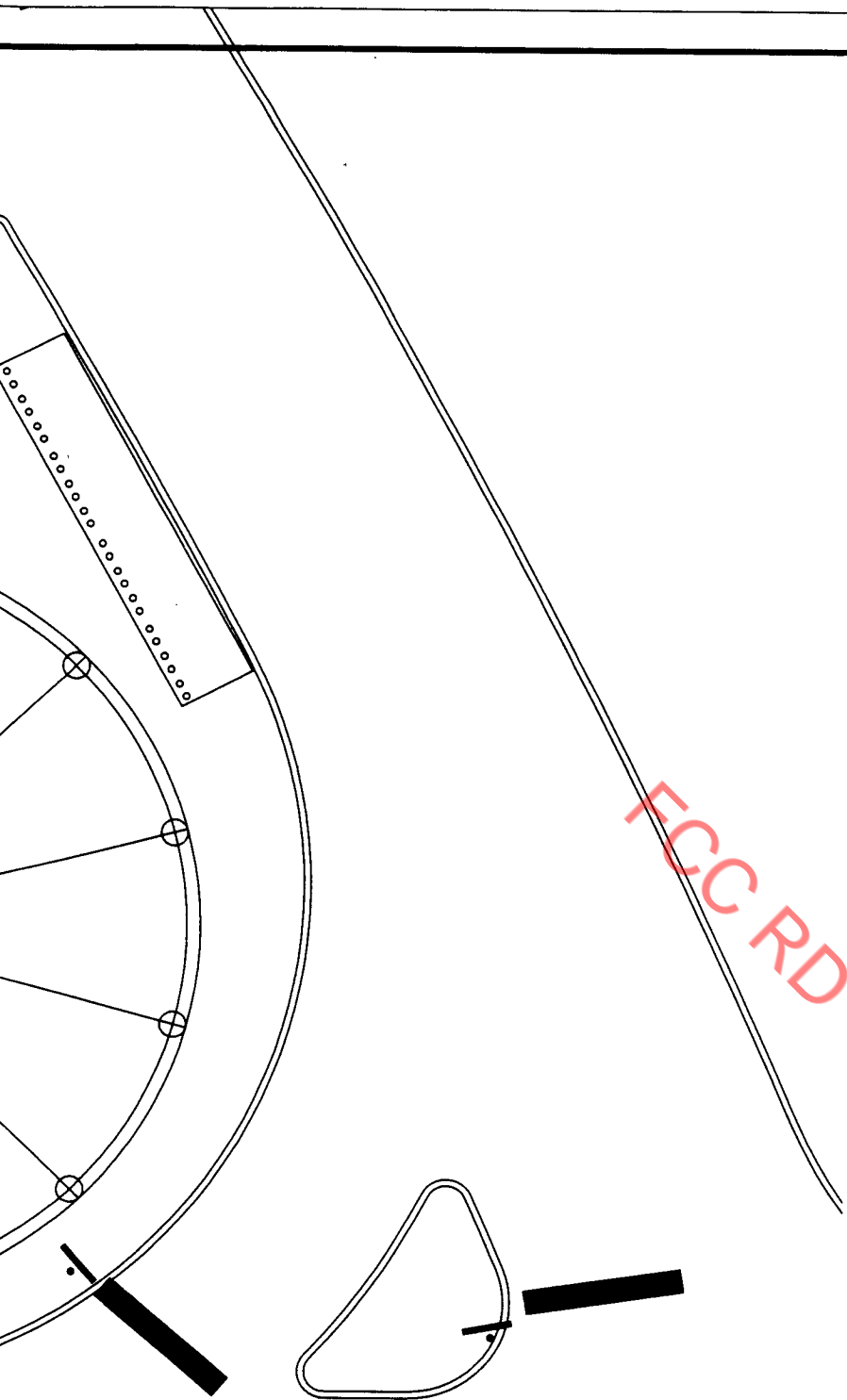
101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

04/10/05

COURTYARD UNIT PLAN





GAZEBO UNIT PLAN

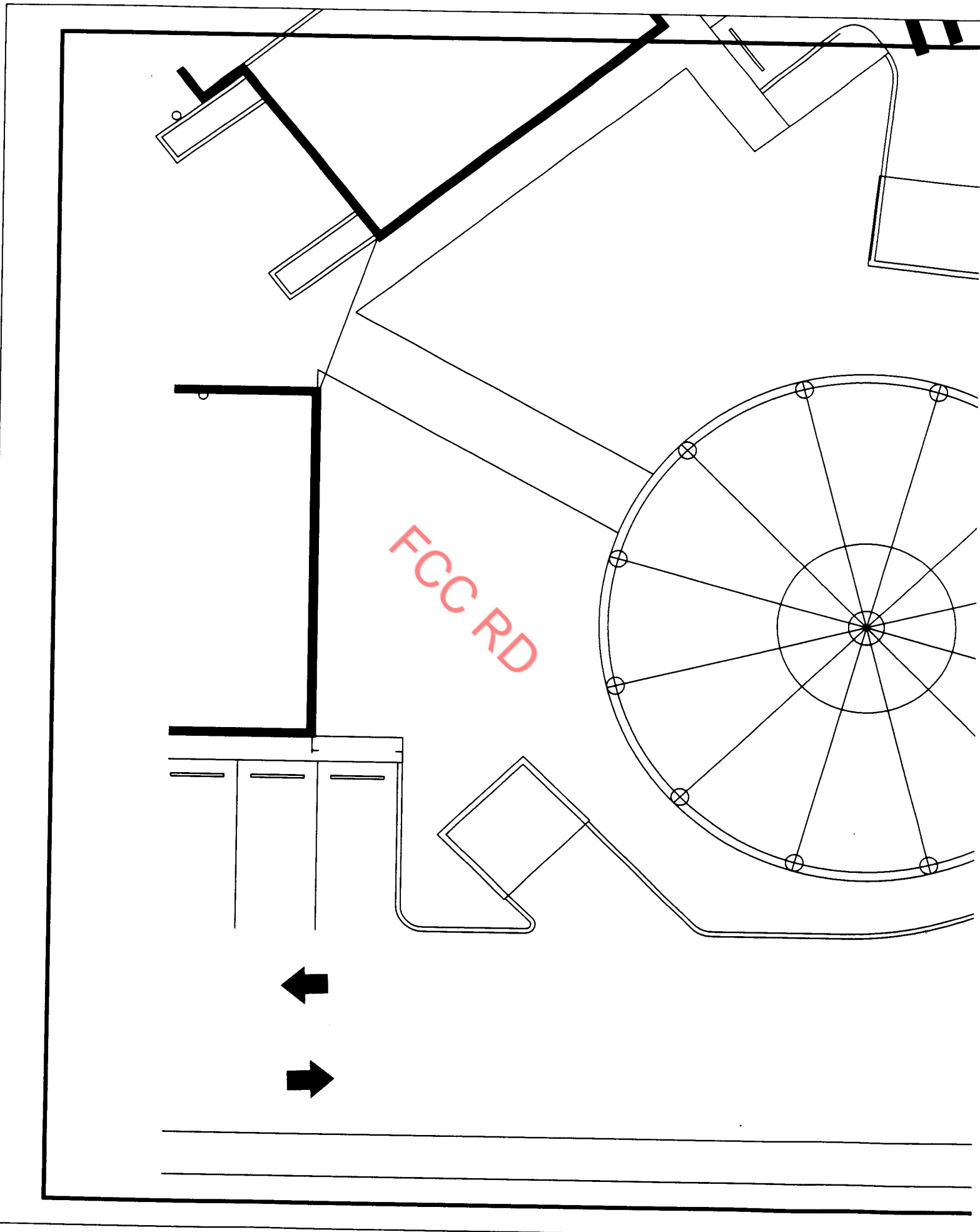
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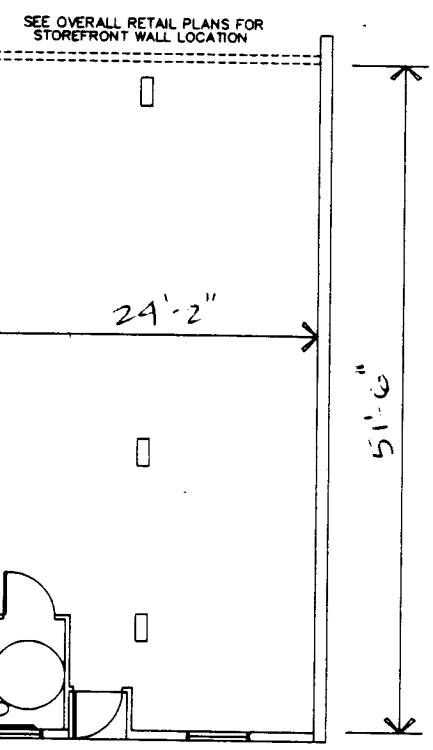
EUROPEAN VILLAGE CONDOMINIUM
 101 PALM COAST HIGHWAY
 PALM COAST, FLORIDA

RETAIL CONDOMINIUM DOCUMENTS

GAZEBO UNIT PLAN

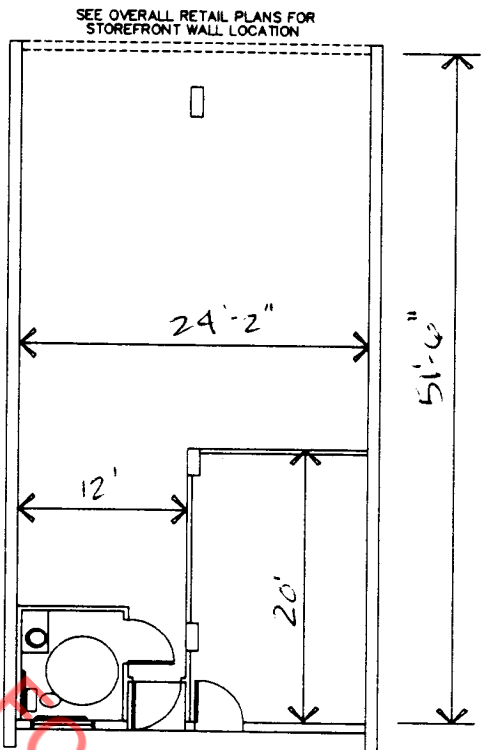
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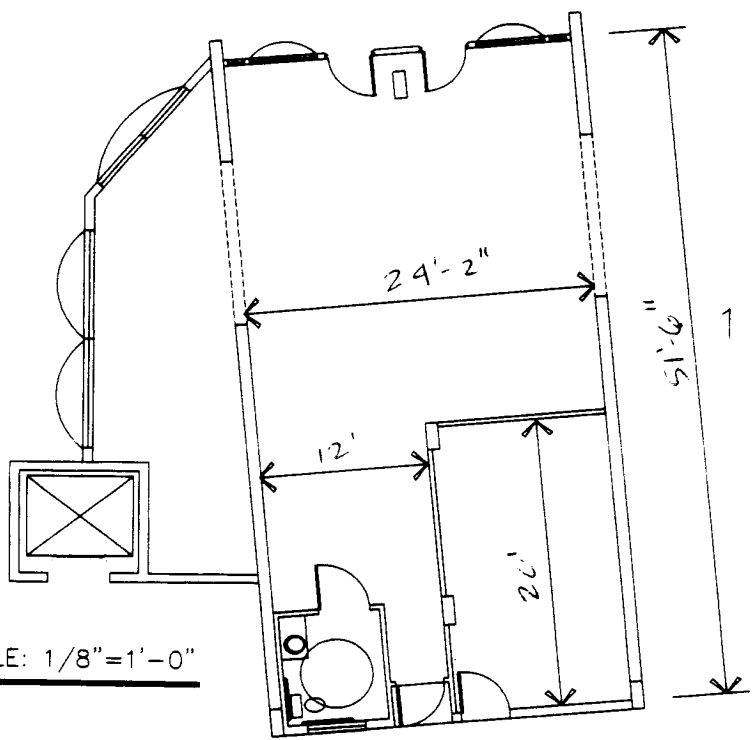
PLAN "R3"

1250 SF
RETAIL SPACES



PLAN "R4"

950 SF
2 RETAIL SPACES



PLAN "R6"

1250 SF
1 RETAIL SPACE

SCALE: 1/8" = 1'-0"

EUROPEAN VILLAGE CONDOMINIUM

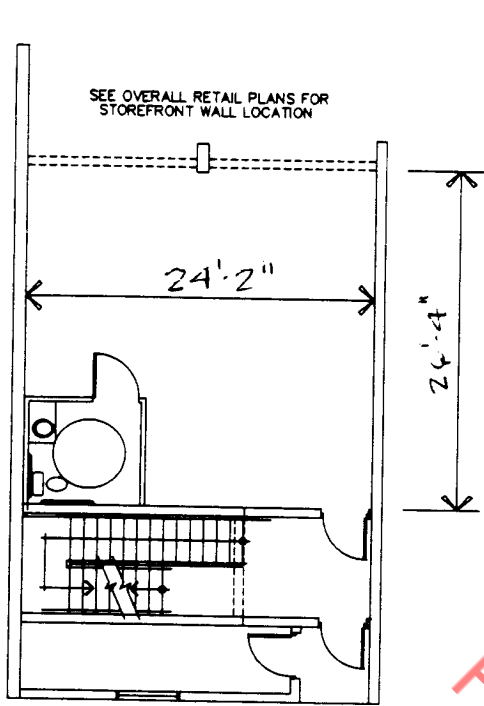
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

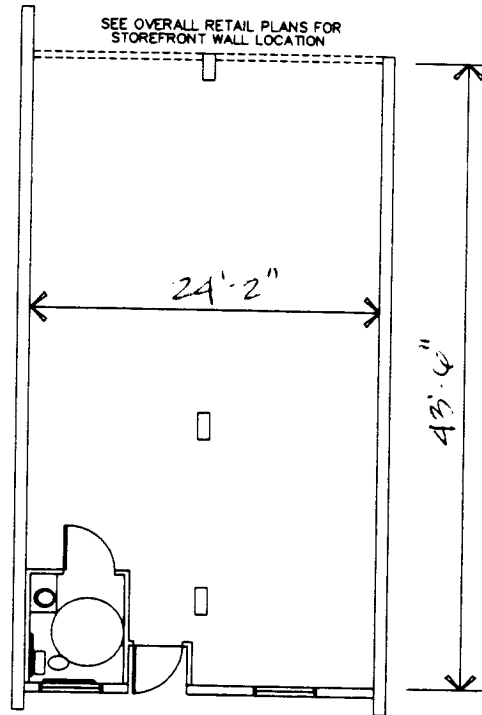
RETAIL CONDOMINIUM DOCUMENTS

04/10/05

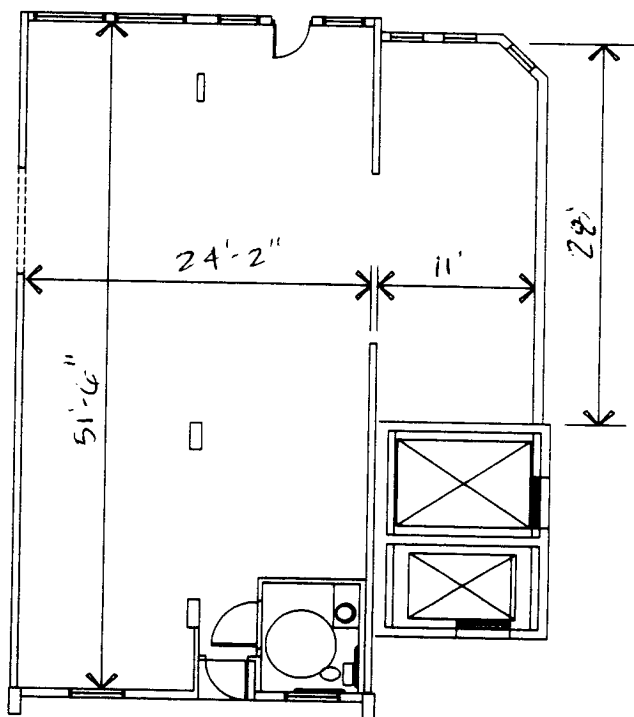
TYPICAL RETAIL FLOOR PLANS



PLAN "R1"
670 SF
6 RETAIL SPACES



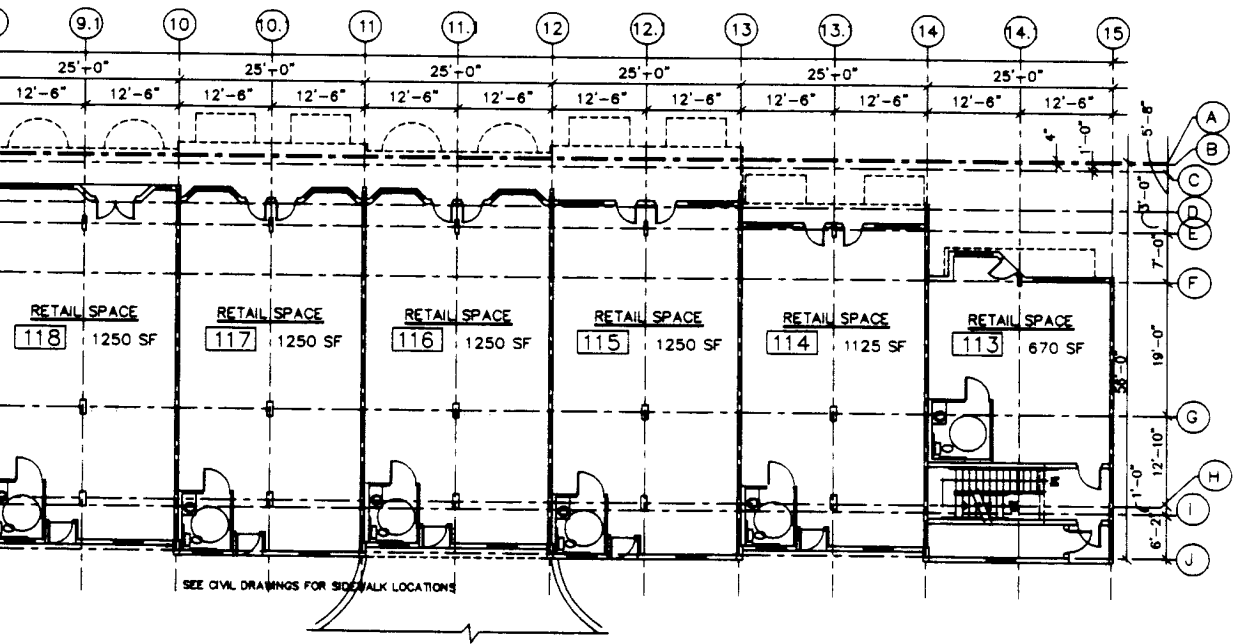
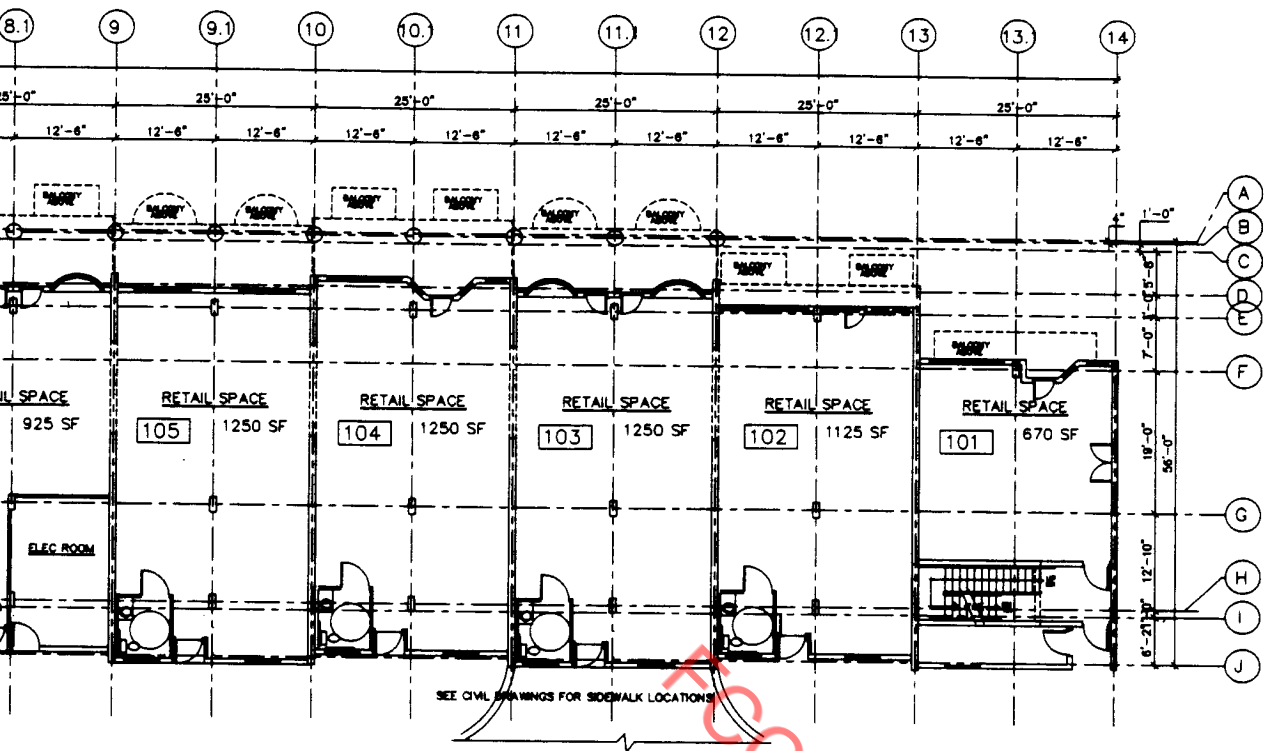
PLAN "R2"
1125 SF
6 RETAIL SPACES



PLAN "R5"
1450 SF
1 RETAIL SPACE

TYPICAL RETAIL FLOOR PLAN
35 TOTAL RETAIL SPACES

FCC RD



EUROPEAN VILLAGE CONDOMINIUM

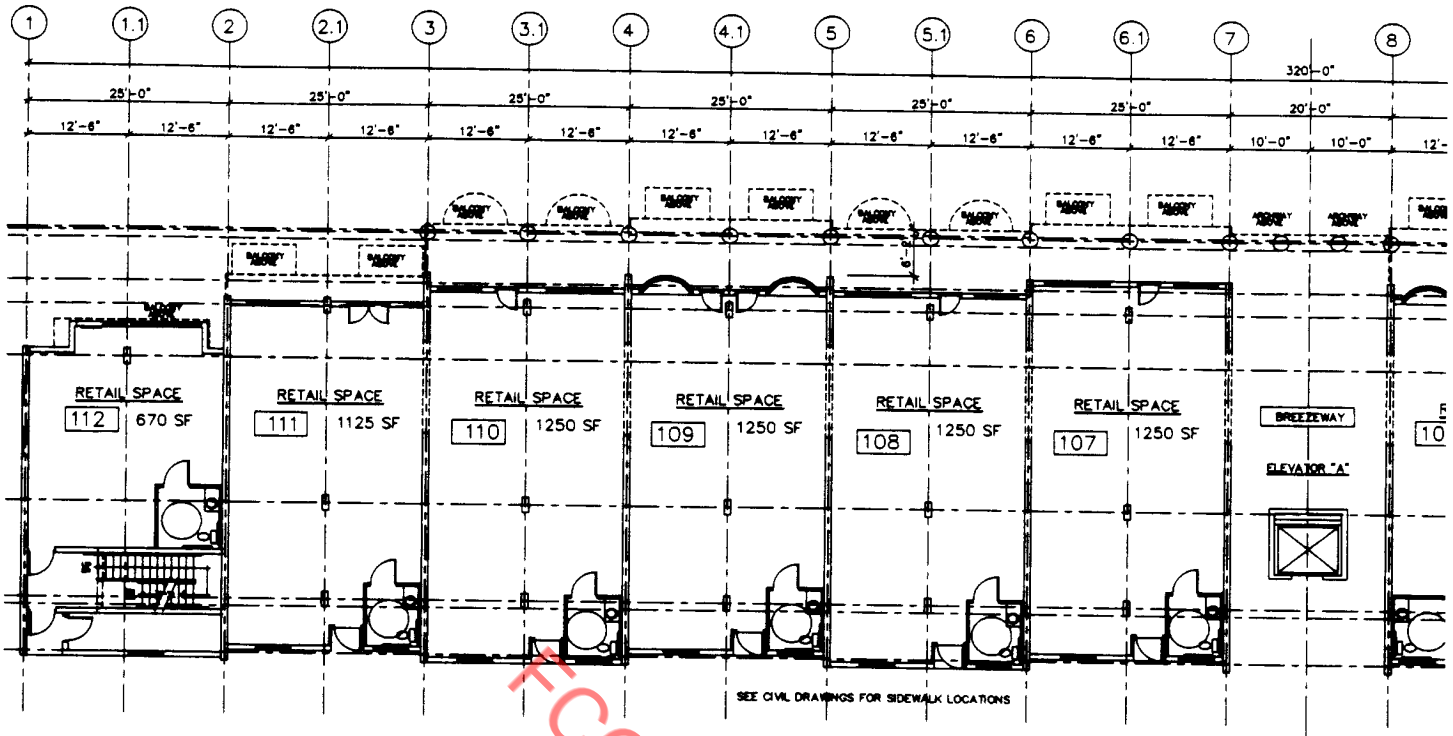
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

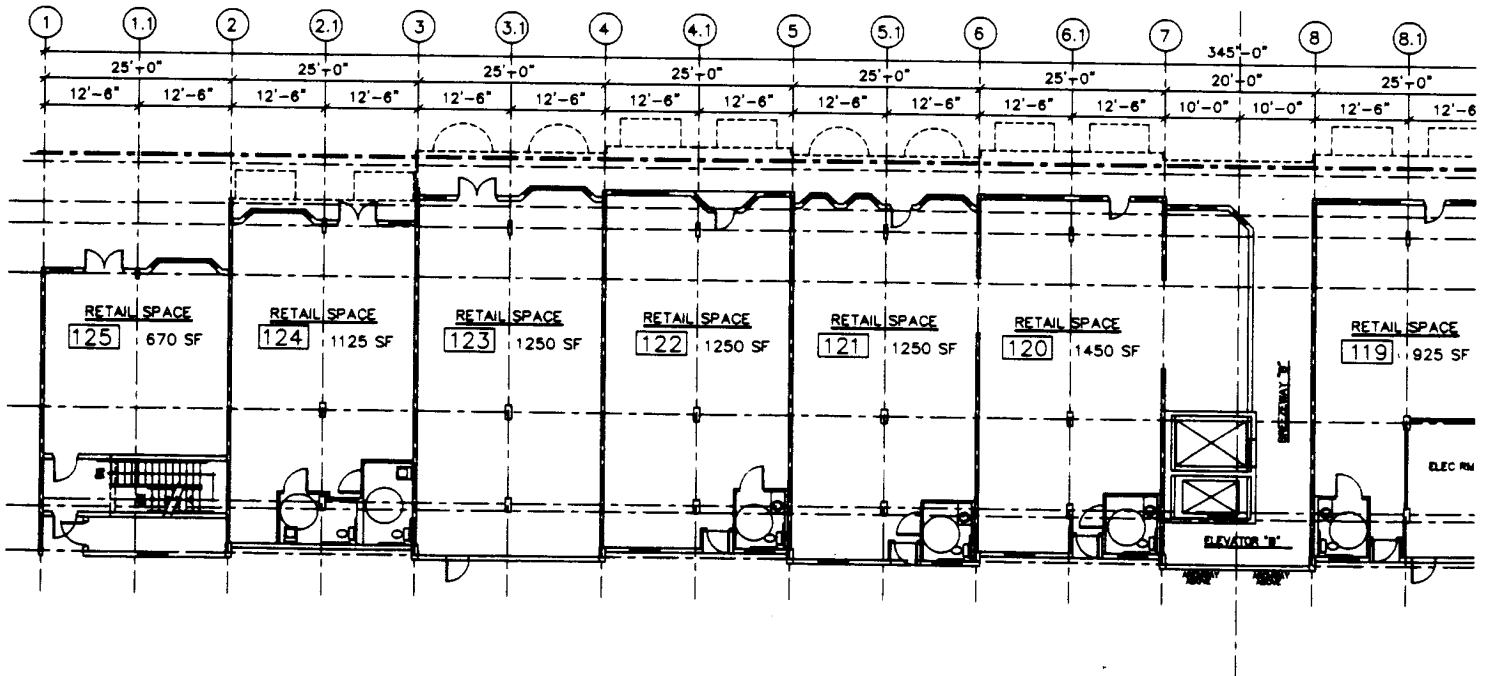
04/10/05

BUILDINGS "A" & "B" RETAIL FLOOR PLANS



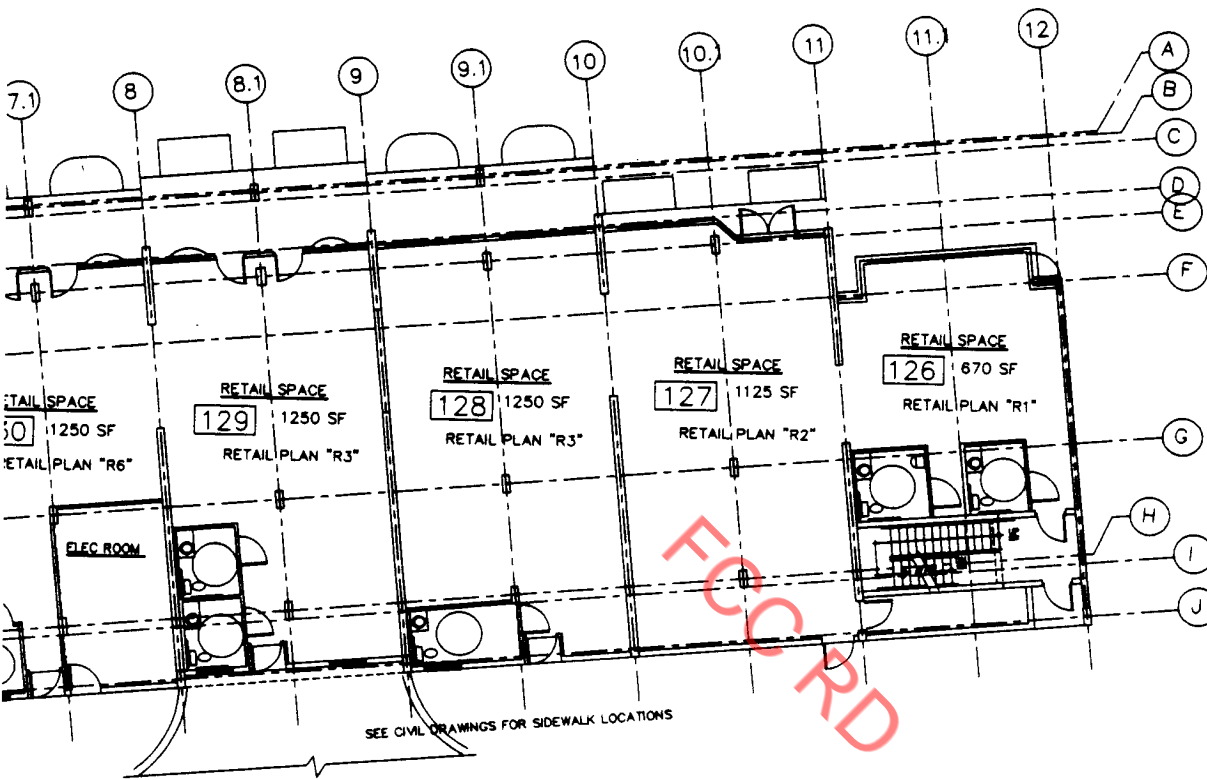
BUILDING "A" FIRST FLOOR PLAN

SCALE: 3/32"



BUILDING "B" FIRST FLOOR PLAN

SCALE: 3/32"=1'



SCALE: 3/32"=1'-0"

EUROPEAN VILLAGE CONDOMINIUM

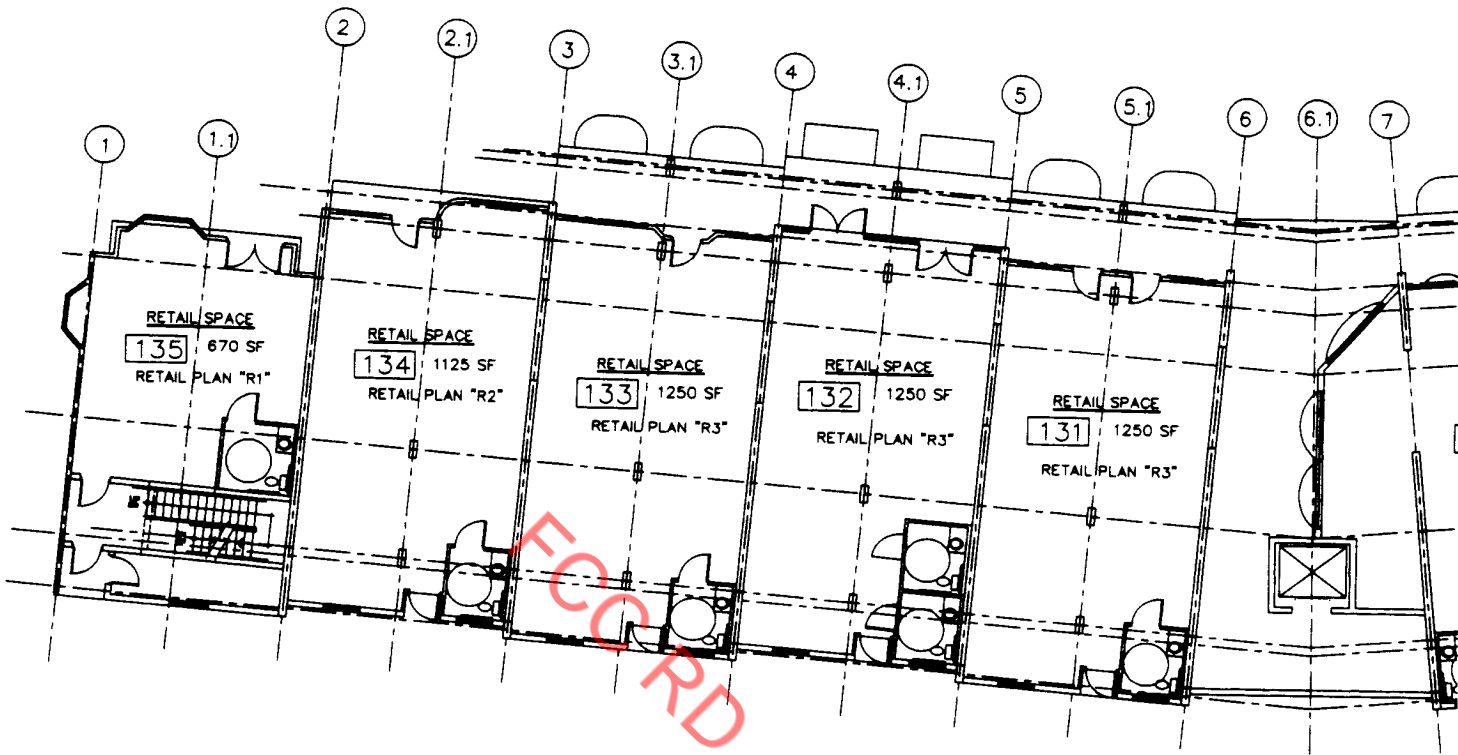
PALM COAST, FLORIDA

101 PALM COAST HIGHWAY

RETAIL CONDOMINIUM DOCUMENTS

BUILDINGS "C" RETAIL FLOOR PLAN

04/10/05



BUILDING "C" FIRST FLOOR PLAN

EXHIBIT "D"

Articles of Incorporation of European Village Commercial Condominium
Association, Inc.

FCC RD

**ARTICLES OF INCORPORATION
OF
EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM
ASSOCIATION, INC.**

A FLORIDA CORPORATION NOT-FOR-PROFIT

We, the undersigned, being desirous of forming a corporation not for profit, do hereby associate ourselves into a corporation for the purposes and with the powers herein specified and do hereby agree to the following Articles of Incorporation.

ARTICLE I.

NAME

The name of this corporation shall be EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM ASSOCIATION, INC., (hereinafter referred to as the "Association").

ARTICLE II.

PURPOSE

The purposes and object of the Association shall be to administer the operation and management of European Village Commercial Condominium, (hereinafter "the Condominium") to be established by EUROPEAN VILLAGE, LLC (the "Developer") in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes ("Condominium Act"), upon that certain real property in Flagler County, Florida, as described on Exhibits "A" and "B" attached to the Declaration of Condominium of European Village Commercial Condominium, A Condominium, and incorporated herein by reference.

The Association shall undertake and perform all acts and duties incident to the operation and management of the Condominium in accordance with the terms, provisions, and conditions of these Articles of Incorporation, the Bylaws of the Association and the Declaration of Condominium (the "Declaration") which will be recorded in the public records of Flagler County, Florida, and the Condominium Act.

ARTICLE III.

POWERS

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the laws of the State of Florida and under the Condominium Act, and the Declaration of Condominium.

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

1. Make and establish reasonable rules and regulations governing the use of the Units, Common Elements, and Limited Common Elements of the Condominium, as such terms will be defined in the Declaration.
2. Own, operate, lease, sell, manage, and otherwise deal with such real and personal property as may be necessary or convenient for the administration of the Condominium.
3. To own, manage, administer and operate such property as may be conveyed to it by the Developer, its successors or assigns for the mutual benefit and use of all members.
4. Levy and collect assessments against members of the Association to defray the Common Expenses of the Condominium, as will be provided in the Declaration and the Bylaws, including the right to levy and collect assessments for the purpose of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Condominium Property, including Units, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declarations.
5. Maintain, repair, replace, operate and manage the Condominium Property, and any property owned by the Association, including the right to reconstruct improvements after casualty and to further improve and add to the Condominium Property and other property owned by the Association.
6. Contract for the management of the Condominium and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration, the Bylaws, and the Condominium Act.
7. Enforce the provisions of these Articles of Incorporation, the Declaration, the Bylaws, and all Rules and Regulations and Covenants and Restrictions governing use of the Condominium which may hereafter be established.
8. Operate, maintain and manage the surface water or storm water management system(s) in a manner consistent with the applicable St. Johns River Water Management District Permit no. _____ requirements and applicable District rules, and shall assist in the enforcement of the provisions in the Declaration of Condominium which relate to the surface water or stormwater management system.

ARTICLE IV.

QUALIFICATION OF MEMBERS

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

A. The owners of all Units in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership, except the subscribers hereof.

B. A person shall become a Member by the acquisition of a vested present interest in the fee title to a Unit in the Condominium. The membership of any person or entity shall be automatically terminated upon his being divested of his title or interest in such Unit.

C. Transfer of membership shall be recognized by the Association upon its being provided with a copy of the recorded warranty deed for the Unit.

D. If a corporation, partnership, joint venture or other entity is the fee simple title holder to a Unit, or the Unit is owned by more than one person, the Unit owner shall designate one person as the Member entitled to cast votes and/or to approve or disapprove matters as may be required or provided for in these Articles, the Bylaws or the Declaration of Condominium.

E. Except as an appurtenance to his Unit, no Member can assign, hypothecate or transfer in any manner, his membership in the Association or his interest in the funds and assets of the Association. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration, the Condominium Act and the Bylaws hereof.

ARTICLE V.

VOTING

A. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Unit in the Condominium. Such vote may be exercised or cast by the owner or owners of each Unit in such manner as may be provided in the Bylaws of this Association. Should any Member own more than one Unit, such Member shall be entitled to exercise or cast one vote for each such Unit, in the manner provided for in the Bylaws.

B. Until such time as the first property is submitted to the Condominium form of ownership by recordation of Declaration of Condominium therefor in the public records of Flagler County, Florida, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast a vote on all matters upon which the membership would be entitled to vote.

ARTICLE VI.

TERM OF EXISTENCE

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State in Tallahassee, Florida. The Association shall have perpetual existence. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C. and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VII.

OFFICE

The principal office of the Association shall be 1 Palm Harbor Parkway, Palm Coast, Florida 32137, or such other place as the Board of Directors may designate.

ARTICLE VIII.

BOARD OF DIRECTORS

A. The business affairs of this Association shall be managed by the Board of Directors. The number of members of the first Board of Directors shall be three.

B. Subject to the Declaration of Condominium, the Board of Directors shall be elected by the members of the Association from among the membership at the annual membership meeting as provided in the Bylaws; provided, however, that the Developer shall have the right to elect all of the Directors on the Board subject to the following:

1. When Unit owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium that will be operated ultimately by the Association, the Unit owners other than the Developer shall be entitled to elect one-third (1/3) of the members of the Board of Directors.
2. Unit owners other than the Developer shall be entitled to elect a majority of the members of the Board of Directors upon the first to occur of the following:
 - (a) Three years after fifty percent of all of the Units in the Condominium have been conveyed to purchasers;
 - (b) Three (3) months after ninety percent (90%) of all of the Units in the Condominium have been conveyed to purchasers;

- (c) When all the Units in the Condominium that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or
 - (d) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or
 - (e) Seven (7) years after recordation of the Declaration.
3. The Developer is entitled to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of all of the Units in the Condominium.
 4. The names and addresses of the persons who are to serve as the initial Board of Directors until their successors are chosen, are as follows:

<u>Director</u>	<u>Address</u>
Claus-Peter Roehr	1 Palm Harbor Parkway Palm Coast, Florida 32137
Fidel Alonso	1 Palm Harbor Parkway Palm Coast, Florida 32137
Valente Espinoza	1 Palm Harbor Parkway Palm Coast, Florida 32137

ARTICLE IX.

OFFICERS

A. The officers of the Association shall be a President, one or more Vice Presidents, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of corporations in the State of Florida subject to the directions of the Board of Directors.

B. Officers of the Association may be compensated in the manner to be provided in the Bylaws. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Condominium and the affairs of the Association, and any and all such persons and/or

entity or entities may be so employed without regard to whether any such person or entity is a Member, Director or officer of the Association.

C. The persons who are to serve as officers of the Association until their successors are chosen are:

<u>Officer</u>	<u>Name</u>
President	Claus-Peter Roehr 1 Palm Harbor Parkway Palm Coast, Florida 32137
Vice President	Fidel Alonso 1 Palm Harbor Parkway Palm Coast, Florida 32137
Secretary/Treasurer	Valente Espinoza 1 Palm Harbor Parkway Palm Coast, Florida 32137

D. The officers shall be elected by the Board of Directors at their annual meeting as provided in the Bylaws. Any vacancies in any office shall be filled by the Board of Directors at any meeting duly held.

E. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. Officers shall be elected annually.

ARTICLE X.

AMENDMENT TO ARTICLES

A. For so long as the Developer is entitled to elect a majority of the members of the Board of Directors, the Articles can be amended upon adoption of a resolution by a majority of the members of the Board of Directors at a meeting of the Board of Directors.

B. After the Unit owners are entitled to elect a majority of the members of the Board of Directors, an amendment to the Articles shall be proposed by the Board of Directors after adopting a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote on the proposed amendment, which may be either an annual or a special meeting. Written notice setting forth the proposed amendment or a summary of the changes to be effected by the amendment shall be given to each member entitled

to vote at such meeting in accordance with the bylaws. The proposed amendment shall be adopted upon receiving at least seventy five percent (75%) of the votes of the members either present at such meeting or represented by proxy; or

If there are no members or if members are not entitled to vote on proposed amendments to the articles of incorporation, an amendment may be adopted at a meeting of the Board of Directors by a majority vote of the directors then in office.

C. Any number of amendments may be submitted and voted upon at any one meeting.

ARTICLE XI.

BYLAWS

A. The Board of Directors shall adopt by a majority vote the original Bylaws of the Association which shall be subject to amendment in accordance with the procedures set forth in the Bylaws.

IN WITNESS WHEREOF, the undersigned subscribing incorporator, has hereunto set my hand and seal this 2 day of ~~October, 2004~~ May 2005 for the purpose of forming this corporation not for profit under the laws of the State of Florida.

Claus Peter Roehr

Claus-Peter Roehr

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing Articles of Incorporation was acknowledged before me this ___ day of October, 2004 by Claus-Peter Roehr, who is personally known to me and did take an oath.

Sarah E. Nunziato

Notary Public, State of Florida
Name: Sarah E. Nunziato

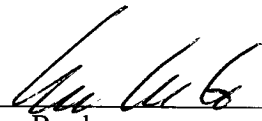


CERTIFICATE NAMING AGENT
UPON WHOM PROCESS MAY BE SERVED

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted:

That EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM OWNERS ASSOCIATION, INC., a corporation duly organized and existing under the laws of the State of Florida, with its principal office, as indicated in the Articles of Incorporation at Palm Coast, State of Florida, has named Claus-Peter Roehr, located at 1 Palm Harbor Parkway, County of Flagler, State of Florida, as its agent to accept service of process within this state.

Having been named to accept service of process for the above stated corporation, at the place designated in this certificate, I hereby accept to act in this capacity, and agree to comply with the provisions of said Florida Statute relative to keeping open said office.



Claus-Peter Roehr

FCC RD

EXHIBIT "E"

Bylaws of European Village Commercial Condominium
Association, Inc.

FCC RD

**BYLAWS
OF
EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM
ASSOCIATION, INC.
a Florida Corporation Not-For-Profit**

1. IDENTITY.

1.1 **Applicability.** These are the Bylaws of EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM ASSOCIATION, INC., (the "Association"), a Florida corporation not for profit organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, as amended to the date of filing of the Articles of Incorporation. The purpose and object of the Association shall be to administer the operation and management of EUROPEAN VILLAGE, LLC., A Condominium to be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes ("Act"), upon certain real property in Flagler County, Florida, as set forth in the Articles of Incorporation of the Association. The provisions of these Bylaws are applicable to the Condominium and are subject to the provisions of the Articles. All members of the Association, as defined in the Articles, and their invitees, including, without limitation, all present or future owners and tenants of Units in the Condominium and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Articles and the Declaration.

1.2 **Office.** The office of the Association shall be 101 Palm Harbor Parkway, Palm Coast, Florida 32137, or at such other place as may be established by resolution of the Board of Directors.

1.3 **Fiscal Year.** The fiscal year of the Association shall be the first day of January through the last day of December.

1.4 **Seal.** The seal of the Association shall bear the name of EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM ASSOCIATION, INC., the word "Florida," the words "Corporation Not For Profit," and the year of incorporation.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES.

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

2.2 **Quorum.** A quorum at meetings of Members shall consist of persons entitled to cast one-third of the votes of the membership entitled to vote upon any matter or matters arising at said meeting.

2.3 **Voting.**

(a) Each Unit shall be assigned the right to cast one vote at any meeting of Members.

(b) If a Unit is owned by one person, his right to vote shall be established by the record title to his Unit.

(c) If any Unit is owned by more than one person or a partnership, corporation, trust, or any other association or entity, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit or by the President, general partner or other chief executive officer of the respective entity and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until ownership of the Unit is changed. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any owner of that Unit. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.4 **Vote Required.** Except as otherwise required under the provisions of the Articles, these Bylaws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, duly called and at which a quorum is present, the acts approved by the affirmative vote of a majority of the votes present at such meeting shall be binding upon the Members.

2.5 **Proxies.** Except as specifically otherwise provided herein or in the Condominium Act, Unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Mobile Homes and Condominiums (hereinafter referred to as the "Division"). Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with § 718.112(f)(2) for votes taken to waive financial requirements as provided by § 718.111(14); for votes taken to amend the declaration pursuant to § 718.110; for votes taken to amend the articles of incorporation or bylaws; and for any other matter for which the Act requires or permits a vote of the Unit owners. No proxy, limited or general, shall be used in the election of Board Members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this subparagraph, Unit owners may vote in person at Unit owner meetings.

Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully called meetings thereof. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit owner executing it.

3. **MEMBERS' MEETINGS.**

3.1 **Annual Meeting.** The annual meeting of the Members shall be held at the office of the Association or such other place in Palm Coast, Florida, and at such time as may be specified in the notice of the meeting, on the first (1st) Wednesday in December of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting

shall be held on the next succeeding Saturday, or such day as the Directors shall determine and include in the notice of meeting.

3.2 **Special Meeting.** Special meetings of the entire membership of the Association shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Members entitled to cast a majority of the votes of the entire membership.

3.3 **Notice of Meetings.**

(a) **Generally.** Written notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member or class of Members, if any, unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called and shall include an agenda and shall be mailed or delivered to each unit owner at least 14 days prior to the meeting. The Notice shall be posted at a conspicuous place on the Condominium property at least 14 continuous days preceding the meeting, except in the case of an emergency. Upon notice to the Unit owners, the Board shall by duly adopted rule designate a specific location on the condominium property upon which all notices of Unit owner meetings shall be posted. Unless a Unit owner waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each Unit owner. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes requiring mailed notice, to that one address which the developer initially identifies for that purpose and thereafter as one or more of the owners of the Unit shall so advise the Association in writing, or if no address is given or the owners of the Unit do not agree, to the address provided on the deed of record. An officer of the Association, or the manager or other person providing notice of the Association meeting, shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association affirming that the notice was mailed or hand delivered, in accordance with this provision, to each Unit owner at the address last furnished to the Association.

(b) **Annual.** Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed by First Class U.S. Mail or delivered personally to each Member. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received and shall constitute that Member's waiver of his right to receive notice by mail. If mailed, such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the records of the Association, and the post office certificate of mailing shall be retained as proof of such mailing.

(c) **Special.** Notice of Special Meetings shall be given to each Member not less than fourteen (14) days prior to the date set for the meeting and shall be mailed by regular mail or delivered personally to the Member and shall be posted conspicuously on the Condominium Property.

(d) Waiver. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall constitute notice to such Member.

(e) Adjourned Meetings. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the Bylaws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

3.4 Presiding Officer and Minutes. At meetings of Members, the Chairman of the Board, or in his absence, the President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a business like manner and available for inspection by Directors, Unit owners and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

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

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading or waiver of reading of minutes of previous meeting of Members;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Appointment by Chairman of inspectors of election;
- (g) Election of Directors;
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

4. BOARD OF DIRECTORS.

4.1 First Board and Developer Control. The affairs of the Association shall be managed by a Board of Directors. The first Directors shall consist of three (3) persons as designated in the Articles of Incorporation. EUROPEAN VILLAGE, LLC, "Developer,"

reserves the right to appoint Directors to the Board as specified in Article VIII (B) of the Articles.

4.2 **Election of Directors.** Directors shall be elected in the following manner:

- (a) Commencing with the election of the Board to succeed the first Board as designated in the Articles, Developer shall appoint that number, and the identity, of the Members of the Board which it shall be entitled to appoint in accordance with the Articles and these Bylaws, and upon such appointment by Developer, by written instrument presented to the meeting at which such election is held, the persons so appointed by Developer shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or appointed, as the case may be, and qualified in accordance with the provisions of these Bylaws.
- (b) For so long as the Developer shall retain the right to appoint at least one member of the Board of Directors, all Members of the Board of Directors whom Developer shall not be entitled to appoint under these Bylaws shall be elected at large, by a plurality of the votes cast at the annual meeting of the general membership, immediately following appointment of the Members of the Board whom Developer shall be entitled to appoint. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director, the Members shall elect three (3) Directors, by a plurality of the votes cast at the annual meeting of the general membership.
- (c) Vacancies on the Board may be filled, through the unexpired term thereof, as set forth in 4.2(e) below, except that, should any vacancy on the Board be created in a directorship previously filled by any person appointed by Developer, such vacancy shall be filled by Developer appointing by written instrument delivered to any officer of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof.
- (d) In the election of Directors, there shall be appurtenant to each Unit one (1) vote for each Director to be elected provided, however, that no Member or owner of any Unit may cast more than one vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.
- (e) After Unit owners other than the Developer are entitled to elect a Member or Members of the Board of Directors of the Association, the Board of Directors shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the board of directors, either

in general elections or elections to fill vacancies caused by recall, resignation, or otherwise. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery including regularly published newsletters, to each Unit owner entitled to vote, a first notice of the date of the election. The Board of Directors shall hold a meeting within five (5) days after the deadline for a candidate to provide notice to the Association of intent to run for Board membership. Any Unit owner or other eligible person desiring to be a candidate may nominate himself or may nominate another Unit owner or eligible person, if he has permission in writing to nominate the other person. Any Unit owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the secretary of the Association not less than forty (40) days before a scheduled election. Not less than thirty (30) days before the election meeting, the Association shall then mail or deliver a second notice of the meeting to all Unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than eight and one-half (8 1/2) inches by eleven (11) inches, furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association, however, the Association shall have no liability for the contents of such information sheets prepared by the candidates. There shall be no quorum requirement; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election. No Unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Unit owner who needs assistance in casting the ballot for the reasons stated in Florida Statutes, Section 101.051 may obtain assistance in casting the ballot. Any Unit owner violating this provision may be fined by the Association in accordance with Florida Statutes, Section 718.303. The regular election shall occur on the date of the annual meeting. Notwithstanding the above provision, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than there are vacancies on the Board.

- (f) Until such time as the Members are entitled to elect all of the Directors, each Director shall serve for one year until the next annual meeting or such other time as his successor is elected. At the first annual meeting at which the Unit Owners are entitled to elect all of the Members of the Board of Directors, one directorship shall be designated as a two-year term director and the other two shall be for one-year terms. At the next succeeding annual meeting, one of such one-year term directorships shall be, from that point on, designated as a two-year term directorship. The intent hereof is to stagger the terms of the directorships so that there shall be only two directors elected each year with one member of the old Board continuing on the new Board. Therefore, there shall be two

directorships of two year terms being up for election in different years, and the third directorship shall always remain a one-year term directorship. There is no limit on the number of terms that a Director may serve.

- (g) In the event that Developer selects any person or persons to serve on the Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

4.3 **Organizational Board Meeting.** The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided, that a quorum shall be present.

4.4 **Board Meetings in General.** Meetings of the Board of Directors and any committee thereof at which a quorum of the Members of that committee are present shall be open to all Members. Notice of meetings shall be posted conspicuously in the Condominium at least forty-eight (48) continuous hours in advance for the attention of Unit owners, and shall include an identification of agenda items, except in an emergency. Any item not included on the Notice may be taken up on an emergency basis by at least a majority of the Members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Any Unit owner may tape record of videotape meetings of the Board of Directors. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Board shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The Association may adopt reasonable rules governing the frequency, duration and manner of Unit owner statements. Adequate notice of all meetings shall be provided and notice shall specifically incorporate an identification of agenda items. Notwithstanding the foregoing, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding Unit use, will be proposed, discussed or approved shall be mailed or delivered to the Unit owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the secretary and filed among the official records of the Association. Notice of any meeting where assessments against Unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

4.5 **Regular Board Meeting.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of

regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

4.6 **Special Meetings.** Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Except in an emergency, not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Notice of any meeting where assessments against Unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

4.7 **Board Minutes.** Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Unit owners and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

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

4.9 **Quorum.** A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 **Removal.** Directors may be removed from office with or without cause by the vote or written agreement of a majority of all Unit owners, provided, however, that only the Developer can remove a member of the Board who was appointed by the Developer.

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

4.12 **Powers and Duties.** All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to:

- (a) Make, levy and collect assessments, including without limitation assessments for reserves and for betterments to Condominiums and/or

Association property, against Members and Members' Units to defray the costs of the Condominium and the property owned by the Association and use the proceeds of assessments in the exercise of the powers and duties of the Association;

- (b) Maintain, repair, replace, operate and manage the Condominium Property wherever the same is required to be done and accomplished by the Association for the benefit of Members;
- (c) Repair and reconstruct improvements after casualty;
- (d) Make and amend regulations governing the use of the property, real and personal, in the Condominium, and such property owned by the Association provided, that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration, and to impose fines for violations of such rules and regulations;
- (e) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration;
- (f) Contract for the management and maintenance of the condominium property and Association property and to authorize a management agent to assist the Association in carrying out its powers and duties, including but not limited to the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements and property owned by the Association with funds as shall be made available by the Association for such purposes. Any such contract shall be terminable for cause upon the giving of thirty (30) days prior written notice, and shall be for a term of from one (1) to three (3) years. Any such contract shall be renewable by consent of the Association and the management. If such contract is negotiated by the Developer, the term of such contract shall not exceed one (1) year. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;
- (g) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration and all regulations governing use of property of and in the Condominium hereafter adopted;

- (h) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens;
- (i) Carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance;
- (j) Pay all costs of power, water, sewer and other utility services rendered to the Condominium or to the Association and not billed to the owners of the separate Units;
- (k) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association;

5. OFFICERS.

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

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

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

5.4 **Secretary.** The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the affairs of the Association. He shall have such additional powers as the Board may designate.

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

5.6 **Compensation.** No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, director or corporation, for the purpose of making available to the owners of condominium Units such services as are contemplated by the provisions of Article as is of these Bylaws. It is expressly contemplated that the first Board of Directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also Members of the first Board of Directors of the Association.

6. **FISCAL MANAGEMENT.**

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

6.1 **Books and Accounts.** Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with standard accounting procedures and the Florida Condominium Act. Written summaries shall be supplied at least annually to Members. Such records shall include, but not be limited to:

- (a) A record of all receipts and expenditures.
- (b) An account for each Unit which shall designate the name and address of the Unit owner, the amount of each assessment, dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

6.2 **Inspection of Books.** Financial reports and the membership records shall be maintained in the office of the Association and shall be available to Members for inspection during normal business hours. The Association shall issue an annual financial report to Unit owners pursuant to Section 718.111(13), Florida Statutes.

6.3 **Annual Budget.** The Board shall adopt, for, and in advance of, each fiscal year, a detailed budget showing the estimated cost of performing all of the functions of the Association for the year showing amounts budgeted by accounts and expense classification. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the common expenses, which shall include without limitation, expenses listed in Florida Statutes, Section 718.504(20), the cost of operating and maintaining the Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve

accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the owner(s) of each Unit and due date(s) and amounts of installments thereof.

In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, if applicable, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement costs exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the Members of the Association have, by a vote of the majority of the Members present at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. In addition, prior to turnover of control of the Association by the Developer to Unit Owners, pursuant to Florida Statutes, Section 718.301, the Developer may vote to waive the reserves for the first two years of the operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of non-developer voting interests present at a duly called meeting of the Association. If a meeting of the Unit owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association.

Copies of the proposed budget and proposed assessments shall be transmitted to each Member at least fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of the time and place of said meeting, which shall be open to Unit owners. If the budget is subsequently amended, a copy shall be furnished each Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

6.4 **Amount of Budget.** If a budget is adopted by the Board which requires assessment of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Unit owners, a special meeting of the Unit owners shall be held upon not less than ten (10) days written notice to each Unit owner, but within thirty (30) days of the delivery of such application to the Board or any member thereof, at which special meeting Unit owners may consider only and enact only a revision of the budget, or recall any and all Members of the Board and elect their successors.

Any such revision of the budget shall require a vote of not less than two-thirds (2/3) of the votes of all Unit owners. The Board may, in any event, first propose a budget to the Unit owners at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of the votes of all Unit owners either at such meeting or by writing, such budget shall not thereafter be reexamined by the Unit owners in the manner hereinabove set forth. If a meeting of the Unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded from the computation reasonable reserves made by the Board in respect of repair and replacement of Condominium or Association property, or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation assessments for betterments to the Condominium or Association property. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of a majority of the votes of all Unit owners.

6.5 **Notice of Adopted Budgets.** Upon adoption of budgets, the Board shall cause written copies thereof to be delivered to all Unit owners. Assessments shall be made against Unit owners pursuant to procedures established by the Board, and in accordance with terms of the Declaration and Articles. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

6.6 **Assessments.** Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each calendar month. Assessments shall be made not less frequently than quarterly in an amount which is not less than that required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Nothing in this paragraph shall preclude the right of an association to accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.7 **Special Assessments.** Special assessments, other than special assessments to meet shortages or emergencies, shall be approved by the Members at a duly convened meeting and shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments to meet shortages or emergencies can be adopted by the Board of Directors

and written notice thereof given to the member or Members affected thereby. Special assessments can be of two kinds: (i) those chargeable to all Members of the Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements (including fixtures and personal property related thereto); and (ii) and for such other purposes as shall have been approved by the Members at a duly convened meeting.

6.8 **The Depository.** The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized by the directors, provided that any management agreement may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

6.9 **Audit.** An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors.

6.10 **Fidelity Bonds.** The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. As used in this section, the term "persons who control or disburse funds of the Association" means those individuals authorized to sign checks, and the president, secretary, and treasurer of the Association. If an Association's annual gross receipts do not exceed \$100,000, the bond shall be in the principal sum of not less than \$10,000 for each such person. If an Association's annual gross receipts exceed \$100,000, but do not exceed \$300,000, the bond shall be in the principal sum of \$30,000 for each such person. If an Association's annual gross receipts exceed \$300,000, the bond shall be in the principal sum of not less than \$50,000 for each such person. The Association shall bear the cost of bonding.

6.11 **Transfer Fees.** No charge shall be made by the Association or any body thereof in connection with the sale, mortgage, lease, sublease, or other transfer of a Unit.

7. **PARLIAMENTARY RULES.**

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation, or these Bylaws.

8. **AMENDMENTS TO BYLAWS.**

Amendments to these Bylaws shall be proposed and adopted in the following manner:

8.1 **Proposal.** Amendments to these Bylaws may be proposed by the Board, acting upon a vote of a majority of the Directors, or by Members owning a majority of the Units in the Condominium, whether meeting as Members or by instrument in writing signed by them.

8.2 **Notice.** Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the

President of the Association, or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than fourteen (14) days nor later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

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

8.4 **Voting.** In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of two-thirds of the votes present at a regular or special meeting at which a quorum is present. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of Flagler County, Florida, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

8.5 **Written Vote.** At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

8.6 **Developer's Reservation.** Notwithstanding the foregoing provisions of this Article 8, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate Members of the Board of Directors of the Association, as provided in Article 4 hereof, or any other right of the Developer provided herein or in the Articles of Declaration, may be adopted or become effective without the prior written consent of Developer.

8.7 **Proviso.** Provided, however, that no amendment shall discriminate against any condominium Unit owner nor against any condominium Unit or class or group of Units unless the condominium Unit owners so affected shall consent. No amendment shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation.

8.8 **Proviso.** Anything herein to the contrary notwithstanding, until the first regular election of Directors by the membership, and so long as the Developer shall have the right to fill vacancies on the Board of Directors, an amendment shall require only the unanimous consent of

the Board of Directors, and no meeting of the condominium Unit owners nor any approval thereof need be had.

8.9 **Arbitration.** In the event of internal disputes arising from the operation of the Condominium among Unit owners, associations, and their agents and assigns, the parties must comply with mandatory non-binding arbitration in accordance with Florida Statutes, Section 718.1255.

9. RECALL OF BOARD MEMBERS.

Subject to the provisions of Florida Statutes, Section 718.301, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the Unit owners to recall a Member or Members of the Board of Directors may be called by ten percent (10%) of the voting interests giving notice of the meeting in the same manner as required for a meeting of Unit owners, and the notice shall state the purpose of the meeting.

9.1 If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective immediately, and the recalled Member or Members of the Board of Directors shall turn over to the Board any and all records of the Association in their possession within seventy-two (72) hours after the meeting.

9.2 If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing shall be served on the Association by certified mail. The Board of Directors shall call a meeting of the Board within seventy-two (72) hours after receipt of the agreement in writing and shall either certify the written agreement to recall a Member or Members of the Board, in which case such Member or Members shall be recalled effective immediately and shall turn over to the Board within seventy-two (72) hours any and all records of the Association in their possession, or proceed as described in subparagraph 9.3.

9.3 If the Board determines not to certify the written agreement to recall a Member or Members of the Board, or if the recall by a vote at a meeting is disputed, the Board shall, within seventy-two (72) hours, file with the Division a petition for binding arbitration pursuant to the procedures in § 718.1255. For the purposes of this section, the Unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any Member or Members of the Board, the recall will be effective upon service of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to § 718.501. Any Member or Members so recalled shall deliver to the Board any and all records of the Association in their possession within seventy-two (72) hours of the effective date of the recall.


9.4 If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board Members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in subparagraph 9.3. If vacancies occur on the Board as a result of a recall and a majority or more of the Board Members are removed, the vacancies shall be filled in accordance with procedural

rules to be adopted by the division, which rules need not be consistent with subparagraph 9.3. The rules must provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall but prior to the recall election.

10. CERTIFICATE OF COMPLIANCE.

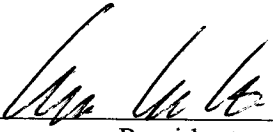
A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the condominium Units to the applicable fire and life safety code.

The foregoing were adopted as the Bylaws of EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the ____ day of _____, 200__.



Secretary

APPROVED:



President

FCC RD

EXHIBIT "F"

Percentage Interest in Common Elements and Common Surplus

FCC RD

EXHIBIT "F"**Percentage Interest in Common Elements and Common Surplus**

Unit Type	Number of Units by Type	Percentage Interest in Common Elements and Common Surplus per Unit	Total Percentage for Unit Type
Retail Unit "A" (Less than 1000 sq. ft.)	8	1.40	11.21
Retail Unit "B" (More than 1000 sq. ft.)	27	3.02	81.54
Parking Garage Unit	1	2.0	2.0
Office Unit	1	2.25	2.25
Courtyard Unit	1	1.5	1.5
Gazebo Unit	1	1.5	1.5
Total:	39		100.00

EXHIBIT "G"

Reciprocal Easement Agreement
With Covenants and Conditions

FCC RD

This instrument prepared by:
Robert G. Cuff, Esq.
Rogers, Towers, P.A.
10 Florida Park Drive North, Suite D-3
Palm Coast, Florida 32137

**RECIPROCAL EASEMENT AGREEMENT WITH COVENANTS AND
CONDITIONS**

THIS RECIPROCAL EASEMENT AGREEMENT WITH COVENANTS, AND CONDITIONS (the "Agreement") is made and entered into this ____ day of _____, 2005 by and between EUROPEAN VILLAGE, LLC, a Florida limited liability company, (the "Declarant"); RESIDENCES AT EUROPEAN VILLAGE CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Residential Association"); and EUROPEAN VILLAGE COMMERCIAL CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Commercial Association").

RECITALS

A. The Declarant is the owner of the lands described in Exhibits A-1 (the "Village Parcel") and A-2 (the "Village Parking Parcel") to this Agreement (collectively herein the "Parcels") and is the Grantee under that certain Easement Agreement recorded at Official Records Book 851, Page 1451 in the public records of Flagler County, Florida (the "DCDD Easement"). The Village Parcel, the Village Parking Parcel and the DCDD Easement are collectively referred to herein as the "Property," and

B. Declarant is the "Applicant" pursuant to the Development Agreement recorded at Official Records Book 864, Page 428 of the Public Records of Flagler County, Florida and issued by the City of Palm Coast, Florida in connection with Declarant's application for establishment of a PUD designation for the Property, and

C. Declarant intends to establish the European Village project contemplated by the Development Agreement as a mixed use commercial and residential project combining various businesses and residential units in buildings which will include both commercial and residential uses, and

D. The European Village project is intended to contain four buildings (three "Condominium Buildings" and an "Office Building") and an underground parking garage, together with associated ground level parking, a courtyard, gazebo, swimming pool, landscaping, driveways, loading areas, and surface water management structures. The Units in the Residential

Condominium are located on the second through fourth floors of the Condominium Buildings, with various common elements of the Residential Condominium located on those floors and the ground level of the Property, as described more fully in the Declaration of Condominium for the Residential Condominium. The Units in the Commercial Condominium are located primarily on the first floor of the Condominium Buildings and the Office Building, with additional Units or portions of Units located on the second through third floors of the Condominium Buildings, in the courtyard, the gazebo and the underground parking garage beneath the Condominium Buildings, as described more fully in the Declaration of Condominium for the Commercial Condominium.

E. This development will require certain easements to permit the owners and users of various portions of the Property to co-exist and use the portions of the Property designated for these uses in concert with each other, and

F. This development will require that the owners and users of the Property be subject to certain covenants and conditions for their mutual benefit and for the orderly and efficient development of the European Village as envisioned by the Development Agreement, and

G. Declarant intends to establish the Residences at European Village, a Condominium (the "Residential Condominium") to be administered by Residences at European Village Condominium Association, Inc. (the "Residential Association") in accordance with the requirements of the Development Agreement and Florida Statutes Chapter 718 (the "Condominium Act") on those portions of the Property described in the Declaration of Condominium for the Residences at European Village, to be recorded in the public records of Flagler County, Florida, and

H. Declarant intends to establish the European Village Commercial Condominium (the "Commercial Condominium") to be administered by European Village Commercial Condominium Association, Inc. (the "Commercial Association") in accordance with the requirements of the Development Agreement and the Condominium Act on those portions of the Property described in the Declaration of Condominium for the European Village Commercial Condominium, to be recorded in the public records of Flagler County, Florida, and

I. Declarant intends to construct additional improvements on portions of the Property that Declarant may continue to own and maintain or which Declarant may subject to the condominium form of ownership in one or more additional non-residential condominiums in accordance with the requirements of the Development Agreement and the Condominium Act, and

J. For purposes of this Agreement, the term "Owners" shall include any person or entity with a fee simple interest in any portion of the Parcels and any condominium association (including the parties hereto) established to maintain and operate common elements of any condominium located on the Parcels. The term "Permittees" shall mean any tenant or lawful occupant of any portion of the Parcels, and the respective invitees, guests, employees, and licensees of any Owner.

K. Declarant, joined by the Residential Association and the Commercial Association, wishes to provide for certain covenants, conditions, and easements with respect to the Property for the benefit of the parties hereto and any future Owners or Permittees.

NOW, THEREFORE, in consideration of the above premises, the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declarant, the Residential Association, and the Commercial Association hereby covenant and agree that the Parcels and all present and future Owners of and Permittees on the Parcels shall be and hereby are subject to the terms, covenants, easements, restrictions and conditions hereinafter set forth in this Agreement, so that said Parcels shall be maintained, kept, sold and used in full compliance with and subject to this Agreement and, in connection therewith, the parties hereto on behalf of themselves and their respective grantees, successors, and assigns covenant and agree as follows:

AGREEMENTS

1. Easements.

1.1 Grant of Reciprocal Easements. Subject to any express conditions, limitations or reservations contained herein, the Declarant grants, establishes, covenants and agrees that the Parcels, and all Owners and Permittees of the Parcels, shall be benefited and burdened by the following nonexclusive, perpetual and reciprocal easements which are hereby imposed upon the Parcels and all present and future Owner's and Permittees of the Parcels or any portion thereof:

(a) Support. Declarant grants to the Commercial Association, the Residential Association, and their respective members, invitees, guests, mortgagees, grantees, successors and assigns a perpetual easement for lateral and sub adjacent support upon, through and over the portions of the Village Parcel and the structures thereon as originally constructed on the Village Parcel by the Declarant for the maintenance, repair and reconstruction of any and all common elements, limited common elements and units of the Residential and Commercial Condominiums, all as the same may be defined in the respective declarations of condominium now or hereafter recorded in the Public Records of Flagler County, Florida.

(b) Access, Ingress and Egress. An easement for reasonable access, ingress and egress over all paved driveways, roadways and walkways as presently or hereafter constructed by the Declarant on the Parcels and on and over the DCDD Easement, so as to provide for the passage of motor vehicles and pedestrians between all portions of the Project and the Parcels intended for such purposes, and to and from all abutting public streets or rights of way furnishing access to the Property;

(c) Drainage and Surface Water Management. An easement upon, under, over, above and across the Parcels for the discharge, drainage, use, retention and detention of storm water runoff as constructed by Declarant in accordance with applicable permits and to maintain, repair and replace storm water collection, retention, detention and distribution lines, conduits, pipes and other apparatus under and across those portions of the Parcels where

originally constructed by the Declarant for such purposes or where the same may be relocated in accordance with this Agreement. The storm water retention and detention areas indicated on the Site Plan, and all lines, conduits, pipes and other apparatus for water drainage, and all storage systems necessary in connection therewith, shall be hereinafter called the "Water Retention and Detention and Drainage Facilities". The easement granted herein shall include the right of reasonable ingress and egress with respect to the Water Retention and Detention and Drainage Facilities as may be required to maintain and operate the same. The Water Retention and Detention and Drainage Facilities required for the Parcels shall initially be constructed by Declarant, in accordance with the Site Plan and applicable permits, as a part of the initial development of the project. Each Association or Owner, as the case may be, shall operate and maintain, or cause to be operated and maintained, in good order, condition and repair, the Water Retention and Detention and Drainage Facilities located within the Owner's portion of the Parcels or the common elements of any condominium established on the Parcels and make any and all repairs and replacements that may from time to time be required with respect thereto.

(d) Utilities. An easement under and across those parts of the Parcels that are necessary to connect to and maintain utility service to the Residential Condominium, the Commercial Condominium or any other portion of the Parcels, for the installation, maintenance, repair and replacement of water mains, storm drains, sewers, water sprinkler system lines, telephone or electrical conduits or systems, cable, gas mains and other utility facilities necessary for the orderly operation of the project and each building as originally constructed by Declarant on the Parcels; provided that (i) the rights granted pursuant to such easements shall at all times be exercised in such a manner as not to interfere materially with the normal operation of any of the Parcels and the residences and businesses located therein, (ii) the exact location of any utilities shall be subject to the approval of the Declarant as to the initial construction and location of such utilities, and (iii) except in an emergency, the right of any Owner to enter upon the property (including the common elements of any other condominium) of another Owner for the exercise of any right pursuant to such easements shall be conditioned upon providing reasonable prior advance written notice to the other Owner as to the time and manner of entry. All such systems, structures, mains, sewers, conduits, lines and other public utilities shall be installed and maintained as originally constructed by the Declarant. Once the initial construction and installation of utility lines and service are constructed by Declarant, the Declarant and the respective Condominiums shall maintain, repair and replace those portions of the utilities located on their portions of the Parcels.

1.2 Indemnification. Each Owner, with respect to an easement granted hereunder shall indemnify and hold the Owners of other portions of the Parcels subject to the easement harmless from and against all claims, liabilities and expenses (including reasonable attorneys' fees) relating to accidents, injuries, loss, or damage of or to any person or property arising from the negligent, intentional or willful acts or omissions of such Owner, its contractors, employees, agents, or others acting on behalf of the Owner of such easement.

1.3 Reasonable Use of Easements.

(a) The easements herein above granted shall be used and enjoyed by each Owner and its Permittees in such a manner so as not to unreasonably interfere with, obstruct or delay the conduct and operations of the business of any other owner or its Permittees at any time conducted on the Parcels, including, without limitation, public access to and from any business or residence.

(b) Once Declarant has installed the Water Detention and Drainage Facilities pursuant to the easements granted in paragraph 1.1(c) hereof, and/or utility lines, systems and equipment pursuant to the easements granted in paragraph 1.1(d) hereof, no permanent building, structures, trees or other improvements inconsistent with the use and enjoyment of such easements shall be placed over or permitted to encroach upon such water detention, drainage and utility installations. The Owner of any portion of the Parcels served by such installations shall not unreasonably withhold its consent to the reasonable relocation of such installations requested by another Owner on the Parcels where such installations are located, at such requesting Owner's sole cost and expense, so long as water detention and drainage services or utility services, as applicable, to the other Owner's are not unreasonably interrupted and the remaining provisions of this paragraph 2.4 are complied with. No relocation of any utility services or the water detention and drainage services or utility service(s) thereto located in any common elements of any condominium shall be performed without the consent of the respective Condominium Association and in compliance with applicable provisions of the condominium documents and the Condominium Act.

(c) Except in cases of emergency, the right of any Owner to enter upon a portion of the Parcels of another Owner for the exercise of any right pursuant to the easements set forth, or to prosecute work on such Owner's own portion of the Parcels if the same interferes with utility or drainage easements or easements of ingress, egress or access to or in favor of another Owner's portion of the Parcels, shall be undertaken only in such a manner so as to minimize any interference with the business of the other Owner and its Permittees. In such case, no affirmative monetary obligation shall be imposed upon the other Owner, and the Owner undertaking such work shall with due diligence repair at its sole cost and expense any and all damage caused by such work and restore the affected portion of the Parcels upon which such work is performed to a condition which is equal to or better than the condition which existed prior to the commencement of such work. In addition, the Owner undertaking such work shall pay all costs and expenses associated therewith and shall indemnify and hold harmless the other Owner(s) and its Permittees from all damages, losses, liens or claims attributable to the performance of such work.

2. Maintenance.

2.1 General. Until such time as Declarant has completed its construction on the Property, Declarant shall be solely responsible for any necessary maintenance of any improvements constructed on the Property.

2.2 Buildings and Appurtenances Thereto. Each Owner covenants to keep and maintain, at its sole cost and expense, the building(s) located from time to time on its respective portion of the Parcels in good order, condition and repair. Once constructed, in the event of any damage to or destruction of a building on any portion of the Parcels, the Owner of such building shall, at its sole cost and expense, with due diligence repair, restore and rebuild such building to its condition prior to such damage or destruction (or with such changes as shall not conflict with this Agreement. Nothing contained in this subparagraph 2.2 shall be deemed to allow an Owner to avoid a more stringent obligation for repair, restoration and rebuilding contained in any condominium documents applicable to the damaged improvements.

2.3 Utilities. Each Owner shall at all times during the term hereof operate and maintain or cause to be constructed, operated and maintained, in good order, condition and repair, at its sole expense, any utility or other installations serving the portions of the Parcels of such Owner and from time to time existing on the Parcels of another Owner pursuant to an easement described herein.

3. Construction of Improvements. Every building (including its appurtenant site improvements), now or in the future constructed on the Parcels, shall be constructed, operated and maintained so that the same is in compliance with all applicable governmental requirements.

4. Restrictions. Any improvements on the Parcels shall be used for lawful purposes in conformance with all restrictions imposed by all applicable condominium documents, governmental laws, ordinances, codes, and regulations, and no use or operation shall be made, conducted or permitted on or with respect to all or any portion of a Parcel that is illegal.

5. Insurance. Throughout the term of this Agreement, each Owner shall procure and maintain general and/or comprehensive public liability and property damage insurance against claims for personal injury (including contractual liability arising under the indemnity contained in paragraph 2.2 above), death, or property damage occurring upon such Owner's portion of the Parcel, with single limit coverage of not less than that required by the condominium documents applicable to that portion of the Parcels, if any, or an aggregate of Two Million Dollars (\$2,000,000.00), whichever is less.

6. Taxes and Assessments. Each Owner shall pay all taxes, assessments, or charges of any type levied or made by any governmental body or agency with respect to its portion of the Parcels.

7. No Rights in Public; No Implied Easements. Nothing contained herein shall be construed as creating any rights in the general public or as dedicating for public use any portion of the Parcels. No easements, except (i) those expressly set forth in paragraph 1, and/or (ii) set forth in any condominium documents applicable now or in the future as to any portion of the Parcels, shall be implied by this Agreement.

8. Remedies and Enforcement.

8.1 All Legal and Equitable Remedies Available. In the event of a breach or threatened breach by any Owner or its Permittees of any of the terms, covenants, restrictions or conditions hereof, the other Owner(s) shall be entitled forthwith to full and adequate relief by injunction and/or all such other available legal and equitable remedies from the consequences of such breach, including payment of any amounts due and/or specific performance.

8.2 Self-Help. In addition to all other remedies available at law or in equity, upon the failure of a defaulting Owner to cure a breach of this Agreement within thirty (30) days following written notice by registered mail, return receipt requested, thereof by an Owner (unless, with respect to any such breach the nature of which cannot reasonably be cured within such 30-day period, the defaulting Owner commences such cure within such 30-day period and thereafter diligently prosecutes such cure to completion), any Owner shall have the right to perform such obligation contained in this Agreement on behalf of such defaulting Owner and be reimbursed by such defaulting Owner upon demand (which demand shall be accompanied by reasonable written evidence of the costs expended to cure such default) for the reasonable costs thereof together with interest at the prime rate plus six percent (6%) (not to exceed the maximum rate of interest allowed by law). Notwithstanding the foregoing, in the event of (i) an emergency, (ii) blockage or material impairment of the easement rights, an Owner may immediately cure the same and be reimbursed by the other Owner upon demand for the reasonable cost thereof together with interest at the prime rate, plus two percent (2%), as above described.

8.3 Lien Rights. Any claim for reimbursement, including interest as aforesaid, and all costs and expenses including reasonable attorneys' fees awarded to any Owner in enforcing any payment in any suit or proceeding under this Agreement shall be assessed against the defaulting Owner in favor of the prevailing party and shall constitute a lien (the "Assessment Lien") against the portion of the Parcels of the defaulting Owner until paid, effective upon the recording of a notice of lien with respect thereto in the Office of the County Clerk of Flagler County, Florida; provided, however, that any such Assessment Lien shall be subject and subordinate to (i) liens for taxes and other public charges which by applicable law are expressly made superior, (ii) all liens recorded in the Office of the County Clerk of Flagler County, Florida prior to the date of recordation of said notice of lien, (iii) all leases entered into, whether or not recorded, prior to the date of recordation of said notice of lien, and (iv) the lien of any condominium association perfected in accordance with its applicable condominium documents and the Condominium Act. All liens recorded subsequent to the recordation of the notice of lien described herein shall be junior and subordinate to the Assessment Lien. Upon the timely curing by the defaulting Owner of any default for which a notice of lien was recorded, the party recording same shall record an appropriate release of such notice of lien and Assessment Lien.

8.4 Remedies Cumulative. The remedies specified herein shall be cumulative and in addition to all other remedies permitted at law or in equity.

8.5 No Termination For Breach. Notwithstanding the foregoing to the contrary, no breach hereunder shall entitle any Owner to cancel, rescind, or otherwise terminate this Agreement. No breach hereunder shall defeat or render invalid the lien of any mortgage or deed of trust upon any Parcel made in good faith for value, but the easements, covenants, conditions and restrictions hereof shall be binding upon and effective against any Owner of such Parcel covered hereby whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

8.6 Irreparable Harm. In the event of a violation or threat thereof of any of the provisions of paragraphs 1 and/or 4 of this Agreement, each Owner agrees that such violation or threat thereof shall cause the nondefaulting Owner and/or its Permittees to suffer irreparable harm and such nondefaulting Owner and its Permittees shall have no adequate remedy at law. As a result, in the event of a violation or threat thereof of any of the provisions of paragraphs 1 and/or 4 of this Agreement, the nondefaulting Owner, in addition to all remedies available at law or otherwise under this Agreement, shall be entitled to injunctive or other equitable relief to enjoin a violation or threat thereof of paragraphs 1 and/or 4 of this Agreement.

9. Term. The easements, covenants, conditions and restrictions contained in this Agreement shall be effective commencing on the date of recordation of this Agreement in public records of Flagler County, Florida and shall remain in full force and effect thereafter in perpetuity, unless this Agreement is modified, amended, canceled or terminated by the written consent of all then record Owners of all portions of the Parcels (and in compliance with any applicable condominium documents and the Condominium Act) in accordance with paragraph 10.2 hereof.

10. Miscellaneous.

10.1 Attorneys' Fees. In the event a party institutes any legal action or proceeding for the enforcement of any right or obligation herein contained, the prevailing party after a final adjudication shall be entitled to recover its costs (including, without limitation, its expert witness fees, if applicable) and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding at trial and at all appellate levels.

10.2 Amendment. The parties agree that the provisions of this Agreement may be modified or amended, in whole or in part, or terminated, only by the written consent of all record Owners of all portions of the Parcels, evidenced by a document that has been fully executed and acknowledged by all such record Owners and recorded in the public records of Flagler County, Florida.

10.3 Consents. Wherever in this Agreement the consent or approval of an Owner of a portion of the Parcels is required, unless otherwise expressly provided herein, such consent or approval shall not be unreasonably withheld or delayed so long as the consent or approval requested would not violate the terms of any applicable condominium documents governing the consent of the Owner to such request. Any request for consent or approval shall: (a) be in writing; (b) specify the section hereof which requires that such notice be given or that such consent or approval be obtained; and (c) be accompanied by such background data as is reasonably necessary to make an informed decision thereon. The consent of an Owner under this Agreement, to be effective, must be given, denied or conditioned expressly and in writing

10.4 No Waiver. No waiver of any default of any obligation by any party hereto shall be implied from any omission by the other party to take any action with respect to such default.

10.5 No Agency. Nothing in this Agreement shall be deemed or construed by either party or by any third person to create the relationship of principal and agent or of limited or general partners or of joint venturers or of any other association between the parties.

10.6 Covenants to Run with Land. It is intended that each of the easements, covenants, conditions, restrictions, rights and obligations set forth herein shall run with the land and create equitable servitudes in favor of the real property benefited thereby, shall bind every person having any fee, leasehold or other interest therein and shall inure to the benefit of the respective parties and their successors, assigns, heirs, and personal representatives.

10.7 Grantee's Acceptance. Any grantee of any portion of the Parcels or any portion thereof, by acceptance of a deed conveying title thereto or the execution of a contract for the purchase thereof, whether from an original party or from a subsequent owner of such Parcel, shall accept such deed or contract upon and subject to each and all of the easements, covenants, conditions, restrictions and obligations contained herein. By such acceptance, any such grantee shall for himself and his successors, assigns, heirs, and personal representatives, covenant, consent, and agree to and with the other party, to keep, observe, comply with, and perform the obligations and agreements set forth herein with respect to the property so acquired by such grantee.

10.8 Separability. Each provision of this Agreement and the application thereof to the Parcels are hereby declared to be independent of and severable from the remainder of this Agreement. If any provision contained herein shall be held to be invalid or to be unenforceable or not to run with the land, such holding shall not affect the validity or enforceability of the remainder of this Agreement. In the event the validity or enforceability of any provision of this Agreement is held to be dependent upon the existence of a specific legal description, the parties agree to promptly cause such legal description to be prepared. Ownership of both Parcels by the same person or entity shall not terminate this Agreement nor in any manner affect or impair the validity or enforceability of this Agreement.

10.9 Time of Essence. Time is of the essence of this Agreement.

10.10 Entire Agreement. This Agreement contains the complete understanding and agreement of the parties hereto with respect to all matters referred to herein, and all prior representations, negotiations, and understandings are superseded hereby.

10.11 Notices. Notices or other communication hereunder shall be in writing and shall be sent certified or registered mail, return receipt requested, or by other national overnight courier company, or personal delivery. Notice shall be deemed given upon receipt or refusal to accept delivery. Each party may change from time to time their respective address for notice hereunder by like notice to the other party. The notice addresses of the Declarant, the Residential Association, and the Commercial Association are as follows:

European Village, LLC
Attn: _____
1 Palm harbor Parkway
Palm Coast, Flagler County, Florida 32137

Residences at European Village Condominium Association, Inc.
Attn: _____
101 Palm harbor Parkway
Palm Coast, Flagler County, Florida 32137

European Village Commercial Condominium Association, Inc.
Attn: _____
101 Palm harbor Parkway
Palm Coast, Flagler County, Florida 32137

10.12 Governing Law. The laws of the State of Florida shall govern the interpretation, validity, performance, and enforcement of this Agreement.

10.13 Estoppel Certificates. Each Owner, within twenty (20) day of its receipt of a written request from the other Owner(s), shall from time to time provide the requesting Owner, a certificate binding upon such Owner stating: (a) to the best of such Owner's knowledge, whether any party to this Agreement is in default or violation of this Agreement and if so identifying such default or violation; and (b) that this Agreement is in full force and effect and identifying any amendments to the Agreement as of the date of such certificate.

10.14 Bankruptcy. In the event of any bankruptcy affecting any Owner or occupant of any Parcel, the parties agree that this Agreement shall, to the maximum extent permitted by law, be considered an agreement that runs with the land and that is not rejectable, in whole or in part, by the bankrupt person or entity.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Witnessed by:

Felipe Negron

Print Name: Felipe Negron

Print Name: _____

Witnessed by:

Felipe Negron

Print Name: Felipe Negron

Print Name: _____

Witnessed by:

Felipe Negron

Print Name: Felipe Negron

Print Name: _____

European Village, LLC
a Florida Limited Liability Company

By: *[Signature]*

Its: _____

Residences at European Village Condominium
Association, Inc.

By: *[Signature]*

Its: _____

European Village Commercial Condominium
Association, Inc.

By: *[Signature]*

Its: _____

(Acknowledgements on Next Page)

[Handwritten mark]

STATE OF FLORIDA

COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 2 day of May, 2005, by Claus Peter Koehr, the President of European Village, LLC, a Florida Limited Liability Company, on behalf of the company. He is personally known to me or who has produced FL Dr. License as identification.

[Signature: Sarah E. Nunziato]

Notary Public, State of Florida

Sarah E. Nunziato
Commission # DD337228
Expires July 12, 2008
Bonded Troy Fain - Insurance, Inc. 800-365-7019

My Commission Expires _____
My Commission Number is: _____

STATE OF FLORIDA

COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 2 day of May, 2005, by Claus Peter Koehr, the President of the Residences at European Village Condominium Association, Inc., a Florida corporation not for-profit, on behalf of the corporation. He is personally known to me or who has produced FL Dr. License as identification.

[Signature: Sarah E. Nunziato]

Notary Public, State of Florida

Sarah E. Nunziato
Commission # DD337228
Expires July 12, 2008
Bonded Troy Fain - Insurance, Inc. 800-365-7019

My Commission Expires _____
My Commission Number is: _____

STATE OF FLORIDA

COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 2 day of May, 2005 by Claus Peter Koehr, the President of the European Village Commercial Condominium Association, Inc., a Florida corporation not for-profit, on behalf of the corporation. He is personally known to me or who has produced FL Dr. License as identification.

[Signature: Sarah E. Nunziato]

Notary Public, State of Florida

Sarah E. Nunziato
Commission # DD337228
Expires July 12, 2008
Bonded Troy Fain - Insurance, Inc. 800-365-7019

My Commission Expires _____
My Commission Number is: _____

EXHIBITS

Exhibit "A-1" - Legal Description Village Parcel.

Exhibit "A-2" - Legal Description of Village Parking Parcel.

Exhibit "B" - Site Plan.

FCC RD