

This instrument prepared by and after recording return to:

The Cornwell Law Firm
509 Anastasia Blvd.
St. Augustine, Florida 32080

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**SECOND AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF THE CORTEZ, A CONDOMINIUM**

Prefatory Note: The following Amendment to the Declaration of Condominium of the Cortez, a condominium, constitutes a substantial rewording of the present Declaration. For the original text, consult the Declaration dated August 16, 2016, which is recorded at Official Record Book 4240, Page 1109, and was subsequently amended by that Amended and Restated Declaration of Condominium of The Cortez, a Condominium dated May 19, 2020, and recorded July 6, 2020, at Official Record Book 4982, Page 50, both of the Public Records of St. Johns County, Florida.

THIS SECOND AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF THE CORTEZ, A CONDOMINIUM, is made this 26th day of April, 2022, by 1723 COMARES, LLC, a Florida limited liability company (the "Developer"), as owner in fee simple title to the "Land" (as hereinafter defined), having an office located at 5744 Castlebay Drive, Springfield, Missouri 65809. Developer hereby makes this Second Amended and Restated Declaration of Condominium of The Cortez, a Condominium (the "Declaration") to be recorded amongst the Public Records of St. Johns County, Florida (the "County"), where the Land is located, and states and declares:

1. SUBMISSION STATEMENT

Developer is the owner of record of the "Condominium Property" (as hereinafter defined) and does hereby submit 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 pursuant to the Condominium Act, Chapter 718, Florida Statutes, as amended through the date of recording this Declaration amongst the Public Records of the County (the "Condominium Act").

2. NAME AND ADDRESS

The name by which the condominium created hereby (the "Condominium") and the Condominium Property are to be identified is **THE CORTEZ, A CONDOMINIUM**. The street address is 23 Comares Avenue, St. Augustine, Florida 32080.

3. DEFINITIONS

The terms contained in this Declaration shall have the meanings given in the Act and, for clarification, the following terms have the following meaning:

3.1. "Articles" means the Articles of Incorporation of the Association, attached as Exhibit C and incorporated herein by reference, and any amendments thereto.

3.2. "Assessments" means the assessments for which all Unit Owners are obligated to the Association and include:

3.2.1. "Quarterly Assessment," which includes, but is not limited to, each Unit Owner's annual share of funds required for the payment of Common Expenses as determined in accordance with this Declaration; and

3.2.2. "Special Assessments" which include any Assessments levied by the Board in addition to the Quarterly Assessment and are more particularly described in Paragraph 19.3 herein.

3.3. "Association" means The Cortez Condominium Association, Inc., a Florida corporation not-for-profit, responsible for operating the Condominium or any other condominiums which may be created in The Cortez.

3.4. "Association Property" means that property, real and personal, which is owned or leased by the Association for the benefit of its Members.

3.5. "Board" means Board of Directors of the Association.

3.6. "Bylaws" means the Bylaws of the Association, attached hereto as Exhibit D and incorporated herein by reference, and any amendments thereto.

3.7. "Common Elements" means:

3.7.1. The Condominium Property, other than the Units;

3.7.2. Easements through the Units, as applicable, for conduit ducts, plumbing, wiring and other facilities for furnishing of utility services to the Units and the Common Elements;

3.7.3. An easement of support in every portion of a Unit which contributes to the support of a "Building" (as hereinafter defined) submitted to condominium ownership.

3.7.4. Property and installations required for the furnishing of utility services and other services for more than one Unit, the Common Elements, or a Unit other than the Unit containing the installation; and

3.7.5. Such portion or portions of the Land, when, as and if same are submitted to condominium ownership.

3.8. "Common Expenses" means common expenses for which the Unit owners are liable to the Association as defined in the Condominium Act and as described in the Condominium Documents and include:

3.8.1. The expenses for the operation, maintenance, repair and/or replacement of the Common Elements, costs of carrying out the powers and duties of the Association, cost of fire and extended coverage insurance; and

3.8.2. Any other expenses designated, not inconsistent with the Condominium Act, as Common Expenses from time to time by the Board.

3.9. "Common Surplus" means the excess of all receipts of the Association collected on behalf The Cortez, including, without limitation, assessments, rents, profits and revenues on account of the Common Elements of the Condominium, over the amount of the Common Expenses of the Condominium.

3.10. "Condominium" means that portion of the Land in The Cortez described in Exhibit A attached hereto and the improvements thereon being submitted to condominium ownership pursuant to this Declaration as the same may be amended from time to time.

3.11. "Condominium Act" means the Condominium Act, Chapter 718, Florida Statutes, as amended through the date of recording this Declaration amongst the Public Records of the County.

3.12. "Condominium Documents" means in the aggregate this Declaration, the Articles, Bylaws, any rules and regulations promulgated by the Association and all of the instruments and documents referred to therein and executed in connection with this Condominium and all amendments to the foregoing.

3.13. "Condominium Property" means the real property submitted to condominium ownership as part of the Condominium and all improvements thereon, including, but not limited to, the Units and the Common Elements. The easements described and set forth in this Declaration are intended to comply with Section 718.104(4)(n) of the Condominium Act. Notwithstanding anything contained herein to the contrary, however, the term "Condominium Property" shall not include any telecommunications lines and equipment owned by a utility and/or telecommunication firm(s) and/or other legal entity(ies) which have contracted with or have imposed other legal requirements upon Developer and/or the Association to provide a utility or telecommunications service and/or equipment nor shall Condominium Property include telecommunications equipment, if any, owned by Developer, the title to which is hereby specifically reserved unto Developer, its successors and/or assigns. No portion of the land within any Subsequent Phase shall be included in the term "Condominium Property" until and unless such Subsequent Phase is submitted to condominium ownership by amendment to this Declaration.

3.14. "County" means St. Johns County, Florida.

3.15. "Declaration" means this document and any and all amendments or supplements hereto.

3.16. "Developer" means 1723 COMARES, LLC, a Florida limited liability company, its grantees, corporate successors and assigns. Developer shall have the right to assign any and all of the rights and privileges reserved for Developer under this Declaration and the other Condominium Documents. A Unit Owner shall not, solely by the purchase of a Unit, be deemed a successor or assign of Developer or of the rights of Developer under the Condominium Documents unless such Unit Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

3.17. "Institutional Mortgagee" means any lending institution having a mortgage lien upon a Unit, including, but not limited to, any of the following institutions or entities: (i) a federal or state savings and loan association or bank doing business in the State of Florida or a life insurance company doing business in Florida which is approved by the Commissioner of Insurance of the State of Florida, or bank or real estate investment trust, or a mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the laws of the United States of America; or (ii) any and all investing or lending institutions ("Lender") which have loaned money to Developer in order to enable Developer to acquire, or construct improvements upon, any portion of The Cortez and which holds a first mortgage upon such portion of The Cortez as security for such loan; or (iii) any pension or profit sharing funds qualified under the Internal Revenue Code; or (iv) the Veterans Administration or the Federal Housing Administration or the Department of Urban Development or other lenders generally recognized in the community as institutional lenders; or (v) such other Lenders as the Board shall hereafter designate as such in writing which have acquired a mortgage upon a Unit; or (vi) any "Secondary Mortgage Market Institution," including Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and such other Secondary Mortgage Market Institution as the Board shall hereafter designate as such in writing which has acquired a mortgage upon a unit.

3.18. "Interest" means the maximum non-usurious interest rate allowed by law on the subject debt or obligation and, if no such rate is designated by law, then eighteen percent (18%) per annum.

3.19. "Legal Fees" means: (i) reasonable fees for attorney and paralegal services and expenses incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings; and (ii) court costs through and including all trial and appellate levels and post-judgment proceedings.

3.20. "Limited Common Element" means those Common Elements which are reserved for the use of certain Units to the exclusion of other Units as more particularly described in Paragraph 4.2 and 5.2 hereof.

3.21. "Listed Mortgagee" means the holder, insurer, or guarantor of a mortgage encumbering a Unit of which the Association has been notified pursuant to Paragraph 28.6 herein.

3.22. "Marina" shall mean the docks, boat slips, and all other improvements which are constructed on the Marina Property.

3.23. "Marina Property" shall mean all of the real and personal property owned, leased and/or operated by the Developer, or its successors and/or assigns, plus all of the facilities constructed thereon, which will be operated by the Developer or its successors and/or assigns, until such time as Developer turns over the Marina Property to the Association, including without limitation, docks and boat slips.

3.24. "Public Records" means the Public Records of the County.

3.25. "Surface Water" or "Stormwater Management System" shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system.

3.26. "Unit" means "Unit" as described in the Condominium Act and is that portion of the Condominium Property within the Condominium which is subject to exclusive ownership. Unit also includes Other Units (as hereinafter defined), if applicable.

3.27. "Unit Owner" means "Unit Owner," as defined in the Condominium Act, and is the owner of a Unit. Unit owner also includes Other Unit Owners (as hereinafter defined), if applicable.

3.28. "Waterway" shall mean and include all water courses, including, but not limited to, streams, rivers, lakes, canals, lagoons, channels, or other bodies of water whether naturally existing, or constructed or excavated, to the extent that such waters and/or shores thereof lie within the boundaries of the Land and whether such water courses are navigable or non-navigable.

4. DESCRIPTION OF IMPROVEMENTS

4.1. Description of Improvements. A graphic description of the buildings in which Units are located, including an identification of each Unit (as defined in the Condominium Act and herein) by number, is attached hereto and made a part hereof, as Exhibit B. A survey of the Land and plot of improvements located upon the Land is attached as Exhibit B. The construction improvements on the Land is not substantially complete; however, at the time the improvements or a portion thereof are substantially complete, the Developer shall cause this Declaration to be amended to include a certificate of a surveyor authorized to practice in this state that provides that the construction of the improvements upon the Land and the Units or certain Units to be conveyed are substantially complete so that the materials in Exhibits A and B, together with the provisions in this Declaration describing such improvements and that the identification, location, and dimensions of the Common Elements and of each Unit or of Units to be conveyed can be

determined from these materials. The Ten (10) buildings located within the Land will contain Thirty (30) Units, Common Elements, and Limited Common Elements, as those terms are herein defined.

4.2. Limited Common Elements. The term "Limited Common Elements" as 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, and consist of the following:

4.2.1. Lanai/Balcony (screened or unscreened), and other fixtures and equipment, if any, attached, affixed or contiguous to the exterior of and serving a Unit. These areas shall be a Limited Common Element reserved for the exclusive use of the Unit Owner(s) of the Unit(s) adjacent thereto. Unit Owners are prohibited from installing additional screening or windows on these areas or otherwise enclosing them.

4.2.2. All glass and other transparent and/or translucent material, insect screens and screening in windows and doors and the material covering other openings in the exterior walls of Units (including window frames and door frames).

4.2.3. That portion of the roof of a Unit lying and existing within the vertical dimensions of a Unit.

4.2.4. One (1) garage will be allocated to each Unit by Developer at the time of conveyance of individual Units. The location of such garages which are hereby designated as Limited Common Elements are more particularly described on Exhibit B attached hereto.

4.2.5. The exclusive right to use one Boat Slip located within the Marina to be allocated among the Units at the time of conveyance of individual Units. The location of such Boat Slips which are hereby designated as Limited Common Elements are more particularly described on Exhibit B attached hereto. Included within the Limited Common Elements of each Boat Slip is the finger dock that runs adjacent to the Boat Slip, which may be shared with an adjacent Boat Slip designated to another Unit Owner.

4.2.6. Reservation of Right to Assign Limited Common Elements. The Developer hereby reserves exclusive right, for as long as Developer holds Units for sale in the ordinary course of business, to assign Limited Common Elements in connection with Developer's offering and sale of Units to third parties. Developer shall be permitted to undertake any and all such assignments for consideration paid by a purchaser in addition to the purchase price of the Unit, and the Association shall have no claim or right to any such funds associated with the assignment of a Limited Common Element. Subsequent conveyance of a particular Unit, Developer, for so long as Developer holds Units for sale in the ordinary course of business, further reserves the right to assign additional Limited Common Elements to the Owner of such Unit as Developer desire in its sole discretion.

5. DESCRIPTION OF IMPROVEMENTS IN SUBSEQUENT PHASES

5.1. Subsequent Phases.

5.1.1. Condominium Property. Developer is developing the Condominium Property as a phase condominium as provided for by Section 718.403 of the Act. In addition to the portion of the Land and improvements described on the Initial Phase Survey being submitted to condominium ownership pursuant to this Declaration, Developer contemplates that all or a portion of the Subsequent Phases may, by amendment or amendments hereto, be added to the Condominium Property as an additional Phase or additional Phases. If, as and when Subsequent Phases are added, the Condominium Property shall be enlarged and expanded so as to encompass and include the real property, the improvements thereon, and the easements and rights appurtenant thereto which are submitted to condominium ownership as parts of such Subsequent Phase or Phases, and each Subsequent Phase added to the Condominium Property will utilize the surface water management system permitted by the St. Johns River Water Management District.

5.1.2. Subsequent Phase Surveys. Annexed hereto as Exhibit B, is the survey, plot plan and graphic descriptions of improvements for subsequent Phases. Notwithstanding any indications to the contrary herein contained, Developer may make nonmaterial changes in the description(s) of any Subsequent Phase which is submitted to the Condominium Property more particularly described on the attached Surveys.

5.1.3. Minimums and Maximums. While, at the time of recordation of this Declaration, Developer plans to include the number of Units in each Subsequent Phase as set forth in the following chart, the Act requires that the Declaration also set forth the minimum and maximum number of Units which Developer reserves the right to add in each Subsequent Phase, if submitted to the Condominium, which information is set forth in the following chart:

PHASES	NUMBER OF RESIDENTIAL BUILDINGS	NUMBER OF UNITS		
		Minimum	Planned	Maximum
1	3	6	6	6
2	7	24	24	24

While Developer plans that the general size for each Sailfish Unit will be approximately 2,867 air-conditioned square feet (excluding the lanai), Marlin Unit will be approximately 2,772 air-conditioned square feet (excluding the lanai), that the general size for each Swordfish Unit will be approximately 2,872 air conditioned square feet (excluding the lanai), that the general size for Wahoo Unit will be approximately 2,100 air-conditioned square feet (excluding the lanai). Developer reserves the right to include in the Condominium Units for Sailfish Units ranging in size from a minimum of 2,667 air conditioned square feet (excluding the lanai), to a maximum of 3,067 air conditioned square feet (excluding the lanai); for Marlin Units ranging in size from a minimum of 2,572 air conditioned square feet (excluding the lanai), to a maximum of 2,972 air conditioned square feet (excluding the lanai); for Swordfish Units ranging in size from a minimum of 2,672 air conditioned square feet (excluding the lanai), to a maximum of 3,072 air conditioned square feet (excluding the lanai); for Wahoo Units ranging from a minimum of 1,900 air conditioned square feet (excluding the lanai), to a maximum of 2,300 air conditioned square feet

(excluding the lanai). Square footage as used in this Paragraph was calculated from the center of the interior common wall to the outside of the exterior wall. However, please note that the common and exterior walls are portions of the Common Elements of the Condominium, rather than the Unit itself. It is contemplated that some Units shall be subject to upgrade(s) which may alter the size, dimensions, and other aspects of such particular Unit.

5.1.4. Description and Identification of Units. Each Unit in any Subsequent Phase, if any such Subsequent Phase is submitted to the Condominium Property pursuant to a "Subsequent Phase Amendment" (as hereinafter defined), shall be identified by the Unit number set forth in Exhibit B. No Unit in any subsequent Phase which is added to the Condominium Property shall bear the same identifying number as any other Unit in the Condominium.

5.2. Limited Common Elements. The term "Limited Common Elements" as 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, and consist of the following:

5.2.1. Lanai/Balcony (screened or unscreened), and other fixtures and equipment, if any, attached, affixed or contiguous to the exterior of and serving a Unit. These areas shall be a Limited Common Element reserved for the exclusive use of the Unit Owner(s) of the Unit(s) adjacent thereto. Unit Owners are prohibited from installing additional screening or windows on these areas or otherwise enclosing them.

5.2.2. That portion of the roof of a Unit lying and existing within the vertical dimensions of a Unit.

5.2.3. All glass and other transparent and/or translucent material, insect screens and screening in windows and doors and the material covering other openings in the exterior walls of Units (including window frames and door frames).

5.2.4. One (1) garage will be allocated to each Unit by Developer at the time of conveyance of individual Units. The location of such garages which are hereby designated as Limited Common Elements are more particularly described on Exhibit B attached hereto.

5.2.5. The exclusive right to use one Boat Slip located within the Marina to be allocated among the Units at the time of conveyance of individual Units. The location of such Boat Slips which are hereby designated as Limited Common Elements are more particularly described on Exhibit B attached hereto.

5.3. Subsequent Phase Containing Twenty-Four Units.

Subsequent Phase 2, if added to the Condominium Property pursuant to this Declaration by an amendment hereto, is intended to consist of the real property more particularly described in the Survey attached hereto for such Phase and made a part hereof, the improvements of which are intended to include, as to each Phase, Seven (7) Three (3) story residential Buildings

containing, in addition to the Common Elements therein, Twenty-four Units, and the Common Elements shown on such Survey. The Survey for each such Phase (as revised prior to the recordation of the amendment adding such Phase) shall be attached to the amendment adding such Phases. Developer shall provide no items of personal property for the Common Elements within this Phase. If such Phases are submitted to the Condominium Property pursuant to an amendment, such Phases will be completed and the respective amendments will be recorded amongst the Public Records no later than the later to occur of (i) seven (7) years from the date of recordation hereof or (ii) the maximum time allowed by law.

5.4. Changes in Subsequent Phases.

Notwithstanding any indications to the contrary herein contained, descriptions relating to Phases or Exhibits referred to in this Article 5 or any other Articles hereof, including, but not limited to, legal, graphic, numerical, narrative and the like, are approximations. To the fullest extent permitted by law, Developer reserves the right to change such descriptions as to a Phase by recording an amendment hereto until such time as Developer conveys a Unit in such Phase to a Unit Owner. Such an amendment shall not require the execution thereof by the Association, Institutional Mortgagees or any other person, persons or entity unless; (i) Developer changes the proportion by which a Unit Owner, other than the Developer, shares the Common Expenses and the Common Surplus or owns the Common Elements, in which event such Unit Owner whose share of Common Elements, Common Expenses and Common Surplus is being so changed and the Institutional Mortgagees of record holding mortgages on the affected Unit must consent in writing thereto; or (ii) such change materially and adversely affects a Unit Owner (as determined by Developer in the reasonable discretion of Developer), in which event such Unit Owner and the Institutional Mortgagee of record holding the mortgage on the affected Unit must consent thereto in writing or such amendment must be adopted in accordance with Article 26 hereof.

5.5. The Cortez Development Order.

In accordance with the requirements set forth by Order to Approve Conservation Overlay Zone Development Case No. 2017-0164 ("Development Order") issued by the City of St. Augustine for development of the Land, Developer hereby places a restriction on itself, and its successors and assigns, including, without limitation, the Association, that prohibits the development of: (1) additional buildings containing residential units above the thirty (30) residential Units and (2) commercial buildings other than the Marina (which shall not include facilities intended for use primarily by the Association, Unit Owners, their guests, invitees and/or lessees). However, Developer reserves the right for itself and its successors and assigns to develop, for amenities that may include, but are not limited to, open-air pavilions or shade structures, walkways bridges, docks, children's playground areas and equipment, sports courts, trails, and walking paths, ponds, fountains, lawns and passive recreation areas.

5.6. Addition of Subsequent Phases—No Prescribed Order.

Notwithstanding the numerical sequence of the Subsequent Phases or any inference that can be drawn therefrom or from any other provision of the Condominium Documents,

Developer reserves the right to submit Subsequent Phases to the Condominium Property in any sequence, provided, however, that there shall be submitted as a portion of the Common Elements, if necessary, an easement providing means of ingress and egress from and to any Subsequent Phase which is submitted to the Condominium Property to and from public

5.7. Marina Property.

Developer has submitted applications with appropriate governmental authorities to obtain approval to construct a dock and boat slips (the "Marina") in the Intracoastal Waterway adjacent to The Cortez. Developer makes no representations or warranties that the Marina, or any of its component facilities, will be approved and permitted by the appropriate governmental authorities or, if approved and permitted, as to the type, amount, size, nature, or location of the facilities which may actually be constructed by Developer. Upon completion of construction and upon the satisfaction of the loan with the construction lender, Oakstar Bank, Developer shall convey the Marina to the Association as Association Property, the cost of maintenance, repair, operation and replacement of the Marina will be a Common Expense.

5.8. Acknowledgments Regarding Marina Property.

Each Unit Owner, by acceptance of a deed to a Unit acknowledges:

Each Unit Owner and the Association shall jointly and severally indemnify, defend, and hold harmless the Developer and their partners, employees, agents, directors shareholders, officers and affiliates on demand for, any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including, but not limited to, interest, penalties, attorney and paralegal fees and disbursements (even if incident to any appeals), that the Developer and their partners, employees, agents, directors, shareholders, officers, and affiliates shall incur or suffer, which arise out of, result from, or relate to any claim that because the Marina Property may be deemed to be open space or a recreation area for purposes of applicable zoning ordinances and regulations, the Marina Property must be owned and/or operated by the Association or the Unit Owners and/or that Unit Owners may use the Marina Property.

(a) That any entry upon restricted portions of the Marina Property without permission may be deemed a trespass, and each Unit Owner shall refrain from, and shall cause all occupants of such Unit Owner's Unit, their guests and invitees to refrain from any unauthorized entry upon restricted portions of the Marina Property.

(b) That the proximity of Units and Common Elements to the Marina Property results in certain foreseeable risks and that each Unit Owner's use and enjoyment of his or her Unit and the Common Elements may be limited as a result and that neither the Association, nor the Developer, shall have any obligation to take steps to remove or alleviate such risks;

(c) That until such time as the Marina Property is turned over to the Association, the Developer and its designees may add to, remove or otherwise modify the improvements comprising the Marina Property, including changing the location, configuration and

size, and that neither the Developer nor the Association shall have any obligation to preserve views of, over or across the Marina Property; and

(d) That there are no express or implied easements over the Marina Property for view purposes, and no guaranty or representation is made by the Developer or the Association that any view of, over and/or across the Marina Property will be preserved without impairment, and that neither the Developer nor the Association shall have any obligation to preserve views of, over or across the Marina Property

(e) That no representations or warranties which are inconsistent with this Section, either verbal or written, have been made or are made by Developer, or the Association or by any person acting on behalf of any of the foregoing.

5.9. Assumption of Risk and Indemnification.

Each Unit Owner, by its purchase of a Unit, expressly assumes the risks associated with the Marina Property (regardless of whether the Unit Owner is using the Marina Property) and agrees that neither Developer, the Association, nor any of their affiliates or agents nor any other entity designing, constructing, owning, or managing the Marina Property or planning or constructing the Unit Owner's Unit shall be liable to Unit Owner or any other person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, loss of view, noise pollution, or other visual or audible offenses, or trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of the Unit Owner's Unit or Common Elements to the Marina Property, including, without limitation, any claim arising, in whole or in part, from the negligence of the Developer, or any other entity designing, constructing, owning or managing the Marina Property or planning or constructing the Unit Owner's Unit. Each Unit Owner hereby releases the Developer, the Association and any other entity owning or managing the Marina Property against any and all claims by Unit Owner, Unit Owner's guests and invitees relating to or rising out of the foregoing.

6. PHASE DEVELOPMENT

6.1. Impact of Subsequent Phases on Initial Phase.

6.1.1. Common Elements of Initial Phase. The Common Elements as shown on the Initial Phase Survey and included in the Initial Phase will be owned by all Unit Owners in all Phases submitted to the condominium form of ownership as a portion of the Condominium Property pursuant to this Declaration and amendments hereto, if any.

6.1.2. Subsequent Phase Not Added. If any Subsequent Phase does not become part of the Condominium Property, no portion of such Subsequent Phase (including, but not limited to, the portion which would have constituted the Common Elements) shall become a part of the Condominium Property.

6.1.3. Common Elements of Subsequent Phases. If any Subsequent Phase is added to and does become part of the Condominium Property, then all of the Common Elements constituting a portion of such Subsequent Phase shall become a part of the Common Elements of the Condominium Property, with such Common Elements being owned in undivided shares by all Unit Owners in all Phases then and thereafter constituting a portion of the Condominium.

6.1.4. Share of Ownership Upon Submission of Only Initial Phase. If only the Initial Phase is submitted to the Condominium Property pursuant to this Declaration, there will be Six (6) Units in the Condominium, each having as an appurtenance thereto one (1) vote in the Association and an undivided percentage share of ownership in the Common Elements calculated and allocated to each Unit by dividing the approximate square footage of each Unit by the approximate total square footage of all Units in the Condominium and then increasing or decreasing the resulting quotient for each Unit type as necessary so that the total allocation to all Units equals one hundred percent (100%).

6.1.5. Share of Ownership Upon Submission of Subsequent Phase. If any Subsequent Phase, in addition to the Initial Phase, is submitted to the Condominium Property, then each Unit in all Phases submitted to the Condominium Property shall have as appurtenances thereto one (1) vote in the Association and an undivided percentage share of ownership in the Common Elements calculated and allocated to each Unit by dividing the approximate square footage of each Unit by the approximate total square footage of all Units in the Condominium and then increasing or decreasing the resulting quotient for each Unit type as necessary so that the total allocation to all Units equals one hundred percent (100%). If all Subsequent Phases are submitted, as planned, to condominium ownership as a portion of Condominium Property pursuant to an amendment or amendments to this Declaration, the total number of Units shall be Thirty (30). The number of Units planned to be included in each Subsequent Phase if, as and when added to the Condominium, is set forth above.

6.2. Withdrawal Notice.

Developer, in its absolute discretion, reserves the right to add or not to add any or all of the Subsequent Phases as part of the Condominium Property. Hence, notwithstanding anything contained in this Declaration to the contrary, no portion of any Subsequent Phase shall be affected or encumbered by this Declaration unless and until such Subsequent Phases are added to the Condominium Property by amendment to this Declaration recorded amongst the Public Records. Notwithstanding the fact that the foregoing portion of this Paragraph is self-operative, if Developer determines not to add any or all Subsequent Phases to the Condominium Property, Developer may, in addition to any action otherwise required by the Act, record amongst the Public Records a notice ("Withdrawal Notice") to the effect that such Subsequent Phase or Subsequent Phases shall not be added to the Condominium Property. Further, should Developer record amongst the Public Records a Withdrawal Notice with respect to one (1) or more, but not all, of the Subsequent Phases, Developer shall retain the right to record additional Withdrawal Notices with respect to any or all of the Subsequent Phases, which were not submitted to the Condominium Property and are not covered by any prior Withdrawal Notice. Notwithstanding anything contained herein to the contrary, in the event Developer records amongst the Public Records one (1) or more Withdrawal Notices, then Developer shall have all rights permissible by law with respect to

ownership of the Subsequent Phases covered by any and all such Withdrawal Notices, including, but not limited to, the right to develop such Subsequent Phase and/or Subsequent Phases as one (1) or more separate condominiums which may be managed by the Association.

7. UNDIVIDED SHARES IN COMMON ELEMENTS

7.1. Appurtenance.

7.1.1. Ownership of the Common Elements and Membership in the Association. Each Unit shall have as an appurtenance thereto one (1) vote in the Association and an undivided share of ownership in the Common Elements. The undivided percentage share has been calculated and allocated to each Unit by dividing the approximate square footage of each Unit by the approximate square footage of all Units in the Condominium. As each Subsequent Phase is added to the Condominium, each Unit's percentage interest in the Common Elements will decrease based upon the additional square footage of each Unit in the Subsequent Phase being added to the denominator.

7.1.2. Right to Use Common Elements. Each Unit shall have as an appurtenance thereto the right to use all of the Common Elements (other than Limited Common Elements) and Condominium Property of this Condominium in accordance with the Condominium Documents and subject to any limitations set forth in such Condominium Documents.

7.2. Undivided Share of Common Elements and Common Expenses.

The undivided percentage share in the Common Elements, Common Expenses, and Common Surplus has been calculated and allocated to each Unit by dividing the approximate square footage of each Unit by the approximate total square footage of all Units in the Condominium and then increasing or decreasing the resulting quotient for each Unit type as necessary so that the total allocation to all Units equals one hundred percent (100%). The percentage shares allocated to the Units are set forth on Exhibit "F" attached hereto.

8. VOTING INTERESTS

8.1. Voting Interest.

The Unit Owner or Unit Owners, collectively, of the fee simple title of record for each Unit shall have the right to one (1) vote per Unit ("Voting Interest") in the Association as to matters on which a vote by Unit Owners is taken as provided under the Condominium Documents and the Condominium Act, regardless of the number of Phases which have been added to the Condominium Property or the number of condominiums which have been created within The Cortez, as to the matters on which a vote by the unit owners is taken as provided in the Condominium Documents and the Condominium Act.

8.2. Voting by Corporation or Multiple Unit Owners.

The Voting Interest of the Unit Owners of any Unit owned by more than one (1) person, a corporation or other entity, or by one (1) persons and a corporation and/or other entity, or by any combination of the aforesaid, shall be cast by the person ("Voting Member") named in a "Voting Certificate" signed by all of the Unit Owners of such Unit or, if appropriate, by properly designated officers, principals or partners of the respective legal entity which owns the Unit and filed with the Secretary of the Association. If a Voting Certificate is not on file, the Voting Interest associated with a Unit where the designation of a voting Member is required shall not be considered in determining the requirement for a quorum or for any other purpose.

8.3. Ownership by Husband and Wife.

Notwithstanding the provisions of the Paragraph 8.2 above, whenever any Unit is owned solely by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

(i) Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy for the other for purposes of casting the Voting Interest for each Unit owned solely by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to exercise their Voting Interest on that subject at that meeting.

(ii) Where only one (1) spouse is present at a meeting, the spouse present may exercise the voting Interest of the Unit without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Unit shall not be considered in determining the requirement for a quorum or for any other purpose unless such prior notice to the contrary has been withdrawn by a subsequent written notice executed by both husband and wife.

(iii) Where neither spouse is present, the person designated in proxy signed by either spouse may exercise the Voting Interest of the Unit, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different proxy by the other spouse, the vote of said Unit shall not be considered in determining the requirement for a quorum or for any other purpose.

8.4. Voting By Proxy.

Except as specifically otherwise provided in the Condominium Act, Unit Owners may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may also be used for voting on the matters outlined in Section 718.112(2)(b)(2) of the Condominium Act; however, no proxy, limited or general, shall be used in the election of members of the Board.

8.5. Eligibility of Directors.

Except for Developer-appointed Directors, Directors must be Members or the spouses, parents or children of Members except that if a Unit is owned by an entity and not an individual, such entity may appoint an individual on its behalf to be eligible to serve on the Board of Directors.

9. PLAN FOR DEVELOPMENT

9.1. Developer plans to construct The Cortez as a multi-phased residential condominium to be located in St. Johns County, to be comprised of Thirty (30) residential Units and other Common Elements.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

10. ASSOCIATION

10.1. Purpose of Association.

The Association shall be the condominium association responsible for the operation of this Condominium. Each Unit Owner shall be a member of the Association as provided in the Condominium Documents. A copy of the Articles are attached hereto as Exhibit C and made a part hereof. A copy of the Bylaws are attached hereto as Exhibit D and made a part hereof.

10.2. Member Approval of Certain Association Actions.

Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths (3/4) of all Unit Owners (at a duly called meeting of the Unit Owners at which a quorum is present) prior to the payment of or contracting for legal or other fees or expenses to persons or entities engaged by the Association in contemplation of a lawsuit or for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit, other than for the following purposes:

- (i) the collection of Assessments;
- (ii) the collection of other charges which Unit Owners are obligated to pay pursuant to the Condominium Documents;
- (iii) the enforcement of the use and occupancy restrictions contained in the Condominium Documents;
- (iv) in an emergency where waiting to obtain the approval of the Unit Owners creates a substantial risk of irreparable injury to the Condominium Property or the Unit Owners but in such event, the aforesaid vote shall be taken with respect to the continuation of the action at the earliest practical date (the

imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Unit Owners); or

(v) filing a compulsory counterclaim.

10.3. Management Companies and Management Agreements.

The Board shall engage a management company at all times. This provision may only be amended if approved by the entire Board and eighty percent (80%) of all Unit Owners (at a duly called meeting of the Unit Owners at which quorum is present).

10.4. Conveyance to Association and Assumption of St. Johns River Water Management District Permits and Maintenance Responsibilities.

The Association is obligated to accept any and all conveyances to it by Developer of a fee simple title, easements or leases to all or portions of its property. The Association is obligated to assume any and all permits issued by the St. Johns River Water Management District and any other government or quasi-government authority, and the related maintenance responsibilities of the St. Johns River Water Management District and any other government or quasi-governmental authority for The Cortez.

The Developer shall convey the Marina Property to the Association upon the conveyance of the last Unit in the Condominium. Upon such conveyance, Developer shall cause the Marina Property to be released from the lien of all mortgages. The Association shall accept such conveyances, but shall not be obligated to pay any consideration therefor. The conveyance will be free and clear of any membership interests. Following such conveyance, the cost of operating the Marina Property shall be a Common Expense or Limited Common Expense (as applicable) of the Association.

10.5. Conveyance by Association.

The Association is empowered to delegate any of its functions or convey any of its property to any governmental unit as may be required or deemed necessary from time to time.

10.6. Power to Grant Easements by Association.

Developer hereby grants to the Association the power to grant easements over the Common Elements without the necessity of joinder of all Unit Owners. The Association's power to grant such easements shall be governed and exercised in accordance with the provisions of the Articles and Bylaws and shall not be exercised in a manner that materially and adversely affects the property rights of any Owner.

11. EASEMENTS

11.1. Perpetual Nonexclusive Easement to Public Ways, the Condominium Property, Stormwater Management System and the Common Property.

11.1.1. The walks and other rights-of-way, if any, in this Condominium as shown on this Site Plan or hereafter located within this Condominium shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement for ingress and egress and access to, over and across the same to public ways, including dedicated streets, the Condominium Property and the Common Property, which easement is hereby created in favor of all the Unit Owners in the Condominium now or hereafter existing for their use and for the use of their family members, guests, lessees or invitees for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended, including ingress and egress for the furnishing of services by Fire protection agencies, police and other authorities of the law, United States mail carriers, representatives of public utilities, including, but not limited to, the Department of Environmental Protection, telephone, electricity, sewer, water, gas, drainage, irrigation, lighting, television transmission, cable television, and communications systems transmission, reception and monitoring, security, garbage and waste removal and the like and for all purposes incidental thereto and other utilities or services authorized by Developer, its successors or assigns to service Condominium Property; and such other persons as Developer from time to time may designate for performing their authorized services. Developer hereby reserves unto itself, its successors, assigns, designees and nominees, and hereby grants to the Association, the right to grant easements, permits and licenses over the Common Elements and to impose upon the Common Elements henceforth and from time to time such easements and cross-easements for any of the foregoing purposes as it deems to be in the best interest of, and necessary and proper for the Condominium. The Association shall have the right to establish the rules and regulations governing the use and enjoyment of the Common Elements and all easements over and upon same.

11.1.2. 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. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management 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.

11.2. Easements and Cross-Easements on Common Elements.

The Common Elements of the Condominium shall be and the same are hereby duly declared to be subject to perpetual nonexclusive easements in favor of the Association, and such appropriate utility, telecommunication and other service companies or the providers of the services hereinafter set forth as may be from time to time designated by Developer, to and from all portions of The Cortez for ingress and egress, and for the installation, maintenance, construction and repair of facilities, including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting, television transmission, cable television and communications systems

transmission, reception and monitoring, security, pest control, garbage and waste removal and the like and for all purposes incidental thereto. Developer hereby reserves unto itself, its successors, assigns, designees and nominees, and hereby grants to the Association, the right to grant easements, permits and licenses over the Common Elements and to impose upon the Common Elements henceforth and from time to time such easements and cross-easements for any of the foregoing purposes as it deems to be in the best interest of and necessary and proper for the Condominium. Developer hereby reserves a blanket easement over, under, upon and through the Condominium for any purpose whatsoever.

11.3. Association Property.

Developer reserves the right for itself to grant such easements over, under, in and upon the Association Property in favor of itself, the Association, its designees and appropriate utility and other service corporations or companies for ingress and egress for persons and vehicles and to provide power, electric, sewer, water and other utility services and lighting facilities, irrigation, television transmission and distribution facilities, cable television facilities, telecommunications, security service and facilities in connection therewith, pest control, and access to publicly dedicated streets, and the like. In addition, upon the conveyance of the Association Property to the Association, Developer shall be deemed to have thereby granted to the Association the right to grant such easements over, under, in and upon the Association Property in favor of Developer, the Association, its designees, and others and appropriate utility and other service corporations or companies for the above-stated purposes. Either Developer or the Association shall execute, deliver and impose, from time to time, such easements and cross-easements for any of the foregoing purposes and at such location or locations as determined by either the Developer or the Association.

11.4. Easement for Encroachments.

11.4.1. Settlement or Movement of Improvements. All the Condominium Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon such areas or improvements continuous thereto or caused by minor inaccuracies in the building or rebuilding of such improvements.

11.4.2. Air Space. All the Land and improvements thereon, including, but not limited to, the Condominium Property, shall be subject to perpetual easements for encroachments, for so long as such encroachment exists, in favor of each Unit and the Unit Owner thereof, their family members, guests, invitees and lessees for air space for any Lanai/Balcony of any Unit, and the reasonable use, maintenance and repair of same, which extends under, over or through any of the Land and improvements thereon, including, but not limited to, the Condominium Property, including, but not limited to, Common Elements. Such easements shall be appurtenances to and a covenant running with the respective Unit in whose favor such easements exist.

11.4.3. Terms of Encroachment Easements. The above easements for encroachments shall continue until such encroachments no longer exist.

11.5. Reservation for Periodic Inspections, Repairs and Maintenance.

Developer shall, at all times, have the right to inspect the condition of the Common Elements, the Limited Common Elements and the improvements and facilities thereon, if any, and to perform any maintenance and any repairs thereto as Developer deems necessary or appropriate in Developer's sole and absolute discretion. If Developer desires to inspect, maintain and/or repair a Limited Common Element which is appurtenant to only one (1) Unit, Developer shall provide reasonable prior notice to the affected Unit Owner except in any situation deemed, in Developer's sole and absolute discretion, to be an emergency. If Developer determines, in its sole and absolute discretion, that the Association has failed to maintain any portion of the Common Elements or Limited Common Elements in a manner consistent with the community-wide standard established pursuant to this Declaration, it may so notify the Association, in writing, and the Association shall promptly perform the required maintenance or repairs. Failure of the Association to maintain the Common Elements or the Limited Common Elements in a manner consistent with the community-wide standard shall relieve Developer and any predecessor developer of any liability to the Association or to any Unit Owner or occupant of a Unit for any condition of the Common Elements or Limited Common Elements. Developer shall have the right to make a record of its inspections, maintenance and/or repairs made by any means available, including, but not limited to, photographing and/or videotaping the Common Elements and Limited Common Elements, and shall have the right to perform tests or examinations to determine the condition of the same. Notwithstanding the foregoing, the foregoing shall not impose upon Developer any independent obligation to preform inspections, maintenance or repairs of the Common Elements or Limited Common Elements, and the Association shall not be relieved of its obligations to maintain the Common Elements or Limited Common Elements because of the election of Developer or any predecessor developer to inspect or not inspect or report to the Association the condition of the Common Elements or Limited Common Elements or to perform or not to perform any maintenance or repair.

11.6. Easements to Marina.

The Developer, their guests and invitees and the employees, agents, contractors, and designees of the Developer shall at all times have a right and a non-exclusive easement of access and use over all roadways located within the Condominium Property reasonably necessary to travel to and from the entrance of The Cortez from and to the Marina Property, respectively, and, further, over those portions of the Condominium Property (whether Common Element or otherwise) reasonably necessary for the use, operation, maintenance, repair, and replacement of the Marina Property. Notwithstanding the foregoing, the foregoing shall not impose upon Developer any independent obligation to preform inspections, maintenance or repairs of the Marina Property, and the Association shall not be relieved of its obligations to maintain the Marina Property because of the election of Developer or any predecessor developer to inspect or not inspect or report to the Association the condition of the Marina Property or to perform or not to perform any maintenance or repair.

Developer reserves an easement over the Condominium Property and the Association Property to the extent necessary for ingress and egress and for vehicular and pedestrian access to and from the Marina Property.

12. LIABILITY INSURANCE PROVISIONS

12.1. Public Liability Insurance.

The Board shall obtain liability insurance in the form generally known as Public Liability and/or Owners, Landlord and Tenant Policies, or alternatively, in the event Developer so elects, the Association shall be covered under Developer's insurance, in such amounts as Developer or the Board may determine from time to time for the purpose of providing liability insurance coverage for all property and improvements in The Cortez excluding the Units; provided, however, that such policy or policies shall not have limits of less than One Million Dollars (\$1,000,000) covering all claims for personal injury and One Hundred Thousand Dollars (\$100,000) for property damage arising out of a single occurrence. The Board shall collect and enforce the payment of a share of the premium for such insurance for each Unit Owner as part of the Quarterly Assessment. Said insurance shall include, but not be limited to, legal liability for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of any property or improvements within the Condominium, legal liability arising out of law suits related to employment contracts of the Association (if available at acceptable rates), water damage, liability for hazards related to usage and liability for property of others (if available at acceptable rates), hired automobile, non-owned automobile and off-premises employee coverage (if available at acceptable rates) and such other risks as are customarily covered with respect to developments similar to The Cortez in construction, location and use. All such policies shall name the Association and Developer, so long as Developer shall own any of the Condominium Property or have any potential liability with respect thereto, as their respective interests may appear, as the insured(s) under such policy or policies. The original or a true copy of each policy shall be held in the office of the Association. The insurance purchased shall contain a "severability of interest endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of either the Association, Developer or any other Unit Owner or deny the claim of either Developer or the Association because of the negligent acts of the other or the negligent acts of a Unit Owner. All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to each Unit Owner. Each Unit Owner shall be responsible for the purchasing of liability insurance for accidents occurring in his or her own Unit and, if the Unit Owner so determines, for supplementing any insurance purchased by the Association.

12.2. Fidelity Insurance.

Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association (whether or not they receive compensation), shall be maintained. Such coverage shall be in the form of fidelity bonds which meet the following requirements: (i) such bonds shall name the Association as an obligee and premiums therefore shall be paid by the Association; (ii) such bonds shall be written in an amount equal to the amount of the annual operating budget at any one time plus reserve funds, but in no event less than the amount required by the Condominium Act for each such person; and (iii) such bonds shall contain waivers of any

defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

12.3. Cancellation Provision.

All insurance policies or fidelity bonds purchase pursuant to this Article shall provide that they may not be cancelled without at least thirty (30) days prior written notice to the Association and to Institutional Mortgagees.

13. PROVISIONS RELATING TO CASUALTY INSURANCE AND DESTRUCTION OF IMPROVEMENTS

13.1. Hazard Insurance.

Each Unit Owner shall be responsible for the purchase of casualty insurance for all of his or her personal property including the following equipment, if any, located within his or her Unit, electrical fixtures, appliances, air conditioning or heating equipment, water heaters and built-in cabinets. The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage for all insurable property and improvements within The Cortez, including Fire and Extended Coverage, Vandalism and Malicious Mischief Insurance, all of which insurance shall insure all of the insurable improvements on or within The Cortez, including personal property owned by the Association, in and for the interest of the Association, all Unit Owners and their mortgagees, as their interests may appear, with a company (or companies) acceptable to the standards set by the Board. The Association shall purchase insurance for each Building and all improvements now located or which may hereafter be located, built or placed within The Cortez in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof, if available. All such policies shall name the Association and Developer (so long as Developer shall own any of the Condominium Property or have any potential liability with respect thereto, as their respective interest may appear) as the insured(s) under such policy or policies. The term "Building" as used in this Article does not include Unit floor covering, wall coverings or ceiling coverings. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage as determined annually by the Board. The Board may determine the kind of coverage and proper and adequate amount of insurance. The casualty insurance shall contain an "inflation guard endorsement," and, if determined necessary, an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" or a "demolition endorsement" or the equivalent. The casualty insurance shall insure the Buildings from loss or damage caused by or resulting from at least the following: fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, windstorm, vandalism, malicious mischief, debris removal and demolition, and such other risks as shall customarily be covered with respect to projects or developments similar to the Buildings in construction, location and use.

13.2. Flood Insurance.

If determined appropriate by the Board, the Association shall obtain a master or blanket policy of flood insurance covering all property and improvements of The Cortez, if available and at a reasonable premium, under the National Flood Insurance Program or any other governmental regulated insurance carrier authorized to conduct business in the State of Florida or a commercial underwriter, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program or one hundred percent (100%) of the current replacement cost of all Buildings and other insurable property located in the flood hazard area.

13.3. Form of Policy and Insurance Trustee.

The Association may, to the extent possible and not inconsistent with the foregoing, obtain one (1) policy to insure all of the insurable improvements within The Cortez operated by the Association. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and assessed as part of the Quarterly Assessment. The company (or companies) with which the Association shall place its insurance coverage, as provided in this Declaration, must be a good and responsible company (or companies) authorized to do business in the State of Florida. In addition, the insurance agent must be located in the State of Florida. The Association shall have the right to designate a trustee ("Insurance Trustee") and upon the request of the Institutional Mortgagee holding the highest dollar indebtedness encumbering Units within The Cortez, as applicable ("Lead Mortgagee") shall designate an Insurance Trustee. Thereafter the Association from time to time shall have the right to change the Insurance Trustee to such other trust company authorized to conduct business in the State of Florida or to such other person, firm or corporation as Insurance Trustee as shall be acceptable to the Board and the Lead Mortgagee. The Lead Mortgagee shall have the right, for so long as it holds the highest dollar indebtedness encumbering Units within The Cortez, as applicable, to approve: (i) the form of the insurance policies; (ii) the amounts thereof; (iii) the company or companies which shall be the insurers under such policies; (iv) the insurance agent or agents; and (v) the designation of the Insurance Trustee if it deems the use of an Insurance Trustee other than the Board to be necessary, which approval(s) shall not be unreasonably withheld or delayed; provided, however, for so long as Developer owns any Unit (s), Developer shall have the right, but not the obligation, to require the Association to designate an Insurance Trustee other than the Board. Notwithstanding anything in this Declaration to the contrary, the Board may act as the Insurance Trustee hereunder unless otherwise required by the Lead Mortgagee or Developer. The Lead Mortgagee shall inform the Association by written notification if it requires the use of an Insurance Trustee other than the Board. If the use of an Insurance Trustee other than the Board is requested in writing, then the Lead Mortgagee shall be deemed to have approved the Insurance Trustee unless the Lead Mortgagee's written disapproval is received by the Association within thirty (30) days after notice from the Association of the identity of the proposed Insurance Trustee. If no Insurance Trustee is required, the Board shall receive, hold and expend insurance proceeds in the manner hereinafter provided as if it were the Insurance Trustee.

13.4. Required Policy Provisions.

All policies shall name Developer as an additional insured until such time as Developer notifies the Association, in writing, that such requirement is no longer needed. All such aforesaid policies shall provide that they may not be canceled without at least thirty (30) days prior written notice to the Association and Listed Mortgagees (and Developer as to any policy in which it is listed as an additional insured) and shall be deposited with the Insurance Trustee upon its written acknowledgement that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee. In the event of a casualty loss, the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its service as Insurance Trustee. The Association is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. The Association may determine to act as Insurance Trustee, in which event references herein to Insurance Trustee shall refer to the Board.

13.5. Restriction of Mortgagees.

No mortgagee shall have any right to participate in the determination of whether property is to be rebuilt, nor shall any mortgagee have the right to apply insurance proceeds to repayment of its loan unless such proceeds are distributed to Unit Owners and/or their respective mortgagees.

13.6. Distribution of Insurance Proceeds and Losses.

The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it and to hold such proceeds in trust for the Association, Unit Owners and mortgagees under the following terms:

13.6.1. Loss to Units Alone. In the event a loss insured under the policies held by the Insurance Trustee occurs to any improvements within any of the Units alone, without any loss to any other improvements within The Cortez, the Insurance Trustee shall immediately pay all proceeds received because of such loss directly to the Unit Owners of the Units damaged and their mortgagees, if any, as their interests may appear, and it shall be the duty of these Unit Owners to use such proceeds to effect necessary repair to the Units. The Insurance Trustee, where other than the Association, may rely upon the written statement of the Association as to whether or not there has been a loss to the Units alone, the Common Elements or any combination thereof.

13.6.2. Loss of Fifty Thousand Dollars (\$50,000) or Less to Units and Common Elements. In the event that a loss of Fifty Thousand Dollars (\$50,000) (such amount is based on the value of the dollar in 2020 and shall be increased each year thereafter based upon increases in the Consumer Price Index) or less occurs to improvements within one (1) year or more Units and to improvements within Common Elements contiguous thereto, or to improvements within the Common Elements, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Association. Upon receipt of such proceeds, the Association will cause the necessary repairs to be made to the improvements within the Common Elements and within the damaged Units. In such event, should the insurance proceeds be sufficient to repair the improvements within the

Common Elements but insufficient to repair all of the damage within the Units, the proceeds shall be applied first to completely repair the improvements within the Common Elements and the balance of the funds ("Balance") shall be appropriated by the Association to repair the damage to the improvements within Units, which apportionment shall be made to each Unit in accordance with the proportion of damage sustained to improvements within said Units as estimated by the insurance company whose policy covers such damage. Any deficiency between the Balance apportioned to a damaged Unit and the cost of repair shall be paid by a Special Assessment.

13.6.3. Loss in Excess of Fifty-Five Thousand Dollars (\$55,000) to Units and Common Elements. In the event the Insurance Trustee receives proceeds in excess of the sum of Fifty-Five Thousand Dollars (\$55,000) (such amount is based on the value of the dollar in 2022 and shall be increased each year thereafter based upon increases in the Consumer Price Index) as a result of damages to the improvements within the Common Elements and/or Units and Common Elements that are contiguous, then the Insurance Trustee shall hold, in trust, all insurance proceeds received with respect to such damage, together with any and all other funds paid as hereinafter provided, and shall distribute the same as follows:

(a) The Board shall obtain or cause to be obtained reliable and detailed estimates and/or bids for the cost of rebuilding and reconstructing the damage and for the purpose of determining whether insurance proceeds are sufficient to pay for the same.

(b) In the event the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements, or upon the collection of the necessary funds that are described in subparagraph 13.6.3 (c) below, then the damaged improvements shall be completely repaired and restored. In this event, all payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee and execute affidavits required by law, by the Association, by any Institutional Mortgagee named on a mortgage endorsement or by the Insurance Trustee, and shall deliver the same to the Insurance Trustee. Further, the Association shall negotiate and obtain a contractor willing to do the work on a fixed price basis or some other reasonable terms under the circumstances, said contractor shall post a performance and payment bond, and the Insurance Trustee shall disburse the insurance proceeds and other funds held in trust in accordance with the progress payments contained in the construction contract between the Association and the contractor. Subject to the foregoing, the Board shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(c) In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements within the Common Elements and Units contiguous to such damaged Common Elements, the Board shall hold a special meeting to determine a Special Assessment against all of the Unit Owners to obtain any necessary funds to repair and to restore such damaged improvements. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Special Assessment against the Units setting forth the date or dates of payment of the same, and any and all funds received from the Unit Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 13.6.3(b) immediately preceding. In the event the deficiency between the estimated cost of the repair and replacement of the damaged property and the insurance proceeds exceeds the sum of Five Thousand Dollars (\$5,000) per Unit Owner, and three-fourths

(3/4) of the Unit Owners advise the Board in writing on or before the date for the first payment thereof that they are opposed to a Special Assessment, then the Insurance Trustee shall divide the net insurance proceeds into shares described hereof and shall promptly pay each share of such proceeds to the Unit Owners and mortgagees of record as their interests may appear ("Insurance Proceeds Distribution"). In making any such Insurance Proceeds Distribution to the Unit Owners and mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Unit Owners and their respective mortgagees. Any Insurance Proceeds Distribution shall also require the approval of the Lead Mortgagee.

13.6.4. Distribution of Excess Funds. In the event that after the completion of and payment for the repair and reconstruction of the damage to the damaged property and after the payment of the Insurance Trustee's fee with respect thereto any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed in the manner of the Insurance Proceeds Distribution. However, in the event such repairs and replacement were paid for by any Special Assessment as well as insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement and reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to the Unit Owners in proportion to their contributions by way of Special Assessment.

13.6.5. Institutional Mortgagees. In the event the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay fully any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any mortgagee may be enforced by a mortgagee.

13.6.6. Repair of Damaged Property. Any repair, rebuilding or reconstruction of damaged property shall be substantially in accordance with the architectural plans and specifications for The Cortez, as: (i) originally constructed; (ii) reconstructed; provided, however, any material or substantial change in new plans and specifications approved by the Architectural Committee from the plans and specifications of The Cortez as previously constructed shall require approval by the Lead Mortgagee.

13.6.7. Determination of Damage. The Board shall determine, in its sole and absolute discretion, whether damage or loss has occurred to improvements within Units alone, Common Elements alone or to improvements within any combination thereof.

13.6.8. Insurance Amounts. Notwithstanding anything in this Article to the contrary, the amounts set forth for the purchase of insurance in this Article are the minimum amounts to be purchased. Therefore, Unit Owners or the Association, as the case may be, may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by Developer or the Association as to the proper amount or kinds of insurance required.

13.6.9. Miscellaneous Policy Requirements. Policies insuring the property within The Cortez purchased pursuant to the requirements of this Article shall provide that any insurance

trust agreement shall be recognized; the right of subrogation against Unit Owners will be waived; the insurance will not be prejudiced by any acts or omission of individual Unit Owners who are not under the control of the Association; and the policy will primary, even if a Unit Owner has other insurance that covers the same loss.

13.6.10. Master Form of Insurance. Nothing contained herein shall prohibit the Association from obtaining a "Master" or "Blanket" form of insurance to meet the requirements of this Article, provided that the coverages required hereunder are fulfilled.

14. PROVISIONS RELATING TO CONDEMNATION OR EMINENT DOMAIN PROCEEDINGS

14.1. Proceedings.

The Association shall represent the Unit Owners in the condemnation proceedings and/or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or any parts thereof by the condemning authority.

14.2. Deposit of Awards with Insurance Trustee.

The taking of any portion of the Condominium Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Although the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee, and in the event of failure to do so, in the discretion of the Board, a special charge shall be made against a defaulting Unit Owner in the amount of his or her award, which amount shall be secured by a lien, or the amount of that award shall be set off against the sums hereafter made payable to that Unit Owner.

14.3. Disbursement of Funds.

If the Condominium is terminated in accordance with the provisions of this Declaration after condemnation, the proceeds of the awards and Special Assessments, if any, shall be deemed to be Condominium Property and shall be divided into the shares described in this Declaration and distributed to the Unit Owners and mortgagees as their interests may appear. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the owners of the condemned Units will be made whole and the Condominium Property damaged by the taking will be made usable in the manner provided below.

14.4. Unit Reduced But Tenable.

If the taking reduces the size of a Unit ("Affected Unit") and the remaining portion of the Affected Unit can be made tenable, the award for the taking of a portion of the Affected Unit shall be used for the following purposes in the order and the following changes shall be effected in the Condominium:

14.4.1. Affected Unit Made Tenatable. The Affected Unit shall be made tenatable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be collected as a special charge from the Unit Owner of the Affected Unit.

14.4.2. Excess Distributed to Unit Owner and Institutional Mortgagee. The balance of the award, if any, shall be distributed to the Unit Owner of the Affected Unit and to each Institutional Mortgagee of the Affected Unit, the remittance being made payable to the Unit Owner and Institutional Mortgagees as their interest may appear.

14.4.3. Reduction in Percentage of Common Elements. If the floor area of the Affected Unit is reduced by more than ten percent (10%) by the taking, the number representing the share in ownership of the Common Elements appurtenant to the Affected Unit shall be reduced ("Reduction in Percentage of Common Elements") in the proportion by which the floor plan area of the Affected Unit is reduced by the taking, and then the shares of all Units in the ownership of the Common Elements shall be restated with the Reduction in Percentage of Common Elements being allocated to all the Units in proportion to their share in ownership in the Common Elements.

14.5. Affected Unit Made Untenatable.

If the taking is of the entire Affected Unit or so reduces the size of an Affected Unit that it cannot be made tenatable, the award for the taking of the Affected Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

14.5.1. Payment to Unit Owner and Institutional Mortgagee. The market value of the Affected Unit immediately prior to the taking shall be paid to the Unit Owner thereof and/or to each Institutional Mortgagee thereof as their interests may appear.

14.5.2. Remaining Portion of Affected Unit. The remaining portion of the Affected Unit, if any, shall be released by the Institutional Mortgagee and conveyed by the Unit Owner to the Association. Such remaining portion of the Affected Unit shall become a part of the Common Elements and shall be placed in a condition approved by the Board and the Condominium Documents shall be amended to reflect the addition of such Common Elements; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking after the payment set forth in subparagraph 14.4.1 above, the work shall be approved in the manner required for further improvement of the Common Elements.

14.5.3. Adjustment in Shares of Common Elements. The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements from the Affected Units among the reduced number of Units. The shares of the continuing Units in the ownership of the Common Elements shall be restated with the percentage of ownership in the Common Elements of the Affected Unit being allocated to all the continuing Units in proportion to their relative share of ownership in the Common Elements.

14.5.4. Insufficient Award. If the amount of the award for the taking is not sufficient to pay the market value of the Affected Unit to the Unit Owner and to condition the remaining portion of the Affected Unit for use as part of the Common Elements, the additional funds required for those purposes shall be raised by Special Assessments against all of the Unit Owners who will continue as Unit Owners after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the shares of those Unit Owners in the Common Elements after the changes effected by the taking.

14.5.5. Determination of Market Value of Affected Unit. If the market value of an Affected Unit prior to the taking cannot be determined by agreement between the Unit Owner, the Institutional Mortgagees of the Affected Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Affected Unit; and the determination of the arbitrators shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The cost of arbitration proceedings shall be assessed against all Units in proportion to the shares of the Units in the Common Elements as they exist prior to the changes effected by the taking.

14.6. Taking of Common Elements.

Awards for taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation and to Institutional Mortgagees as their interests may appear.

14.7. Amendment of Declaration.

The changes in Units, in the Common Elements and in the ownership of the Common Elements that are affected by the condemnation shall be evidenced by an amendment to this Declaration that need be approved only by a majority of the Board unless written approvals from Developer and/or Listed Mortgagees are also required pursuant to this Declaration. Such amendment shall be evidenced by an amendment executed by the Association in recordable form in accordance with the Condominium Act, and a true copy of such amendment shall be mailed via first class mail by the Association to Developer, all Unit Owners and Listed Mortgagees ("Interested Parties"). The amendment shall become effective upon the recording of such amendment amongst the Public Records of the County.

15. PROVISION FOR APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

15.1. New Total Tax.

In the event that any taxing authority having jurisdiction over the Condominium shall levy or assess any tax or special assessment against the Condominium as a whole as opposed to levying or assessing such tax or special assessment against each Unit and its appurtenant undivided interest in Common Elements, as now provided by law ("New Total Tax"), then such New Total Tax shall be paid as a Common Expense by the Association, and any taxes or special assessments which are to be so levied shall be included wherever possible in the estimated annual "Budget" (as hereinafter defined) of the Association or shall be separately levied and collected as a Special Assessment by the Association against all of the Unit Owners of all Units. Each Unit Owner shall be assessed by and shall pay to the Association a percentage of the New Total Tax equal to that Unit Owner's percentage interest in the Common Elements. In the event that any New Total Tax shall be levied, then the assessment by the Association shall separately specify and identify the portion of such assessment attributable to such New Total Tax and such portion shall be and constitute a lien prior to all mortgages and encumbrances upon any Unit and its appurtenant percentage interest in Common Elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrances, to the same extent as though such portion of New Total Tax had been separately levied by the taxing authority upon each Unit and its appurtenant percentage interest in Common Elements.

15.2. Personal Property Taxes.

All personal property taxes levied or assessed against personal property owned by the Association and all federal and state income taxes levied and assessed against the Association shall be paid by the Association and shall be included as a Common Expense in the Budget of the Association.

16. OCCUPANCY AND USE RESTRICTIONS

In order to preserve the values and amenities of the Condominium, the following provisions shall be applicable to the Condominium Property:

16.1. Single-Family Use.

The Units shall be used for single-family residences only (with the exception of Developer, for so long as Developer is a Unit Owner). This provision will not prohibit the use of one Unit by two or more families or from renting on a short-term basis. No trade, business, profession or any other type of commercial activity shall be carried on in the Units, other than as a model, sales, management, or rental office (and related uses) by Developer or the Association; provided, however, a Unit Owner may use a room within a Unit as an office for conducting personal business if such personal business does not require contact at the Unit with customers or clientele of the Unit Owner, nor be of such a pervasive nature as to dominate the residential character of the occupancy of such Unit. Any such personal office use shall not be deemed a commercial activity in violation of this Paragraph. Such personal business use must, nonetheless, comply with any applicable governmental regulation.

16.2. Leasing of Units.

A Unit Owner may lease his or her Unit on such terms and conditions as such Unit Owner may determine, provided that the lessee shall be bound by all terms and conditions of the Condominium Documents. Developer makes no representations as to whether any modifications to the Units or the Buildings are required before Units may be placed into a rental program or whether other legal requirements apply to the renting of a Unit. Each Unit Owner should perform his/her own investigations in that regard.

16.3. Nuisance.

A Unit Owner shall not permit or suffer anything to be done or kept in his or her Unit which will: (i) increase the insurance rates on his or her Unit, the Common Elements or any portion of The Cortez; (ii) obstruct or interfere with the rights of other Unit Owners or the Association; or (iii) annoy other Unit Owners by unreasonable noises or otherwise. A Unit Owner shall not commit or permit any nuisance, immoral or illegal act in his or her Unit, or the Common Elements or any portion of The Cortez.

16.4. Signs.

A Unit Owner (with the exception of Developer, for so long as Developer is a Unit Owner) shall show no sign, advertisement or notice of any type on the Common Elements, other portions of The Cortez or in or upon his or her Unit so as to be visible from the Common Elements, or any public way, except as may be previously and specifically approved in writing by the Board. Developer specifically reserves the right to place and maintain identifying or informational signs on any building located on the Condominium Property as well as any signs in connection with its sales activities.

16.5. Animals

A Unit Owner is permitted to keep up to three (3) domestic pets (dogs, cats, birds) in his or her Unit. Only common domesticated household pets may be kept in a Unit, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock, reptiles or poultry of any kind shall be kept, raised, bred or maintained on any portion of the Condominium Property. Permitted pets shall only be kept subject to and in accordance with such rules and regulations as shall be promulgated from time to time by the Board. Any pet must be carried or kept on a leash when outside of a Unit. No pet shall be kept tied up outside of a Unit or in any Lanai/Balcony. An Owner shall immediately pick up and remove any solid animal waste deposited by his or her pet on the Condominium Property. An Owner is responsible for the cost of repair or replacement of any Condominium Property damaged by his or her pet.

If a dog or any other animal becomes obnoxious to the Unit Owner by barking or otherwise, the Unit Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Unit Owner, upon written notice by the Association, will be required to permanently remove the animal from the premises. The Association will promulgate rules and regulations from time to time designating other rules as necessary to regulate pets.

Each Unit Owner who determines to keep a pet thereby agrees to indemnify the Association and Developer and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out, or in any way related to, his or her having any animal on the Condominium Property.

16.6. Clotheslines.

No clothesline or other similar device shall be allowed in any portion of the Condominium Property. Clotheslines within a Unit shall be concealed from view from all portions of The Cortez. Hanging items on or from the Lanais/Balconies is prohibited.

16.7. Window Décor.

Window treatments shall consist of drapery, blinds, decorative panels or tasteful other window covering, and no newspaper, aluminum foil or other temporary window treatments are permitted, except for periods not exceeding two (2) weeks after a Unit Owner or tenant first moves into a Unit or when permanent window treatments are being cleaned or repaired. Reflective or foil window treatments are prohibited. All window treatments installed within a Unit which are visible from the exterior of the Unit shall have a white backing, unless otherwise approved in writing by the Board. Window tinting is permitted provided that the type and method of tinting is first approved by the Board.

16.8. Removal of Sod and Shrubbery; Alteration of Drainage, etc.

Except for Developer's acts and activities with regard to the development of the Condominium, no sod, top soil, muck, trees or shrubbery shall be removed from the Condominium Property and no change in the condition of the soil or the level of land of the Condominium Property shall be made which would result in any permanent change in the flow or drainage of surface water within the Condominium without prior written consent of the Board.

16.9. Antenna, Aerial and Satellite Dish.

No outside television, radio, or other electronic towers, aeriels, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Condominium Property or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are one meter (39.37") in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt rules governing the types of antennae, restrictions relating to safety, location and maintenance of antennae. The Association is empowered to adopt rules governing the types of antennae, restrictions relating to safety, location and maintenance of antennae. The Association may also adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to certain specified locations, not visible from the street or neighboring properties, and integrated with the Condominium Property and surrounding landscape, to the extent that reception of an

acceptable signal would not be unlawfully impaired by such rules. Any approved antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. This Section shall not apply to Developer.

16.10. Litter.

In order to preserve the beauty of the Condominium, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon any part of the Condominium Property except in proper sized, closed plastic bags or in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Board. All containers, dumpsters and other garbage collection facilities shall be kept in a clean condition with no noxious or offensive odors emanating therefrom.

16.11. Radio Transmission.

No ham radios or radio transmission equipment shall be operated or permitted to be operated within the Condominium Property without the prior written consent of the Board.

16.12. Parking and Vehicular Restrictions.

Parking upon the Condominium Property shall be restricted to the designated parking areas within the Condominium Property. No parking on the streets, unless designated, or swales is permitted. Boats are not permitted to be parked in outdoor automobile spaces or anywhere on the common area of the Property with the exception of being parked within the designated Boat Slips. No Unit Owner shall keep any vehicle on the Condominium Property which is deemed to be a nuisance by the Association. No Unit Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency) or restoration of any motor vehicle, boat, trailer, or other vehicle upon the Condominium Property. No commercial vehicle may be parked or stored on the Condominium Property. Motorcycles are permitted on the Condominium Property; however, they are restricted to parking in the designated parking areas. No bus or tractor-trailer or any other truck larger than a full-size pickup truck may be parked on the Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to a Unit Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Developer. The Association shall have the right to authorize the towing away of any vehicles which violate this Declaration or the rules and regulations of the Association, with the cost to be borne by the Unit Owner or violator. All local, county, and/or state police and/or sheriff's departments, are authorized to ticket and/or tow any vehicle that is unlawfully parked, at the vehicle owner's expense. In addition, the Board shall adopt rules and regulations from time to time regulating and limiting the size, weight, type and place and manner of operation of vehicles on the Condominium Property.

16.13. Projections.

No Unit Owner shall cause anything to project out of any window or door except as may be approved in writing by the Association. The Association may not refuse the request of a Unit Owner for a reasonable accommodation for the attachment on the mantel or frame of the

door of the Unit Owner of a religious object not to exceed 3 inches wide, 6 inches high, and 1.5 inches deep.

16.14. Display of Flags

Any unit owner may display one portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.

16.15. Condition of Units.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors or windows thereof any dirt or other substances.

16.16. Hurricane Season.

Each Unit Owner who plans to be absent from his or her Unit during the hurricane season must prepare his or her Unit prior to their departure by removing all furniture, potted plants and other movable objects, if any, from the Lanai/Balcony and the hot tub area within a Unit, and by designating a responsible firm or individual satisfactory to the Association to care for his or her Unit should the Unit suffer hurricane damage. Since the windows of the Units are constructed of wind resistant materials, Unit Owners are prohibited from installing hurricane shutters.

16.17. Structural Modifications.

A Unit Owner may not make or cause to be made any structural modifications to his or her Unit without the Board's prior written consent.

16.18. Tree Removal.

Developer is attempting to save existing trees on the Condominium Property during the construction of the Condominium. Developer makes no warranty or guarantee to Unit Owners that any or all of the existing trees will survive. Developer is not responsible nor is Developer required to replace or remove the trees in the event that the trees do not survive; any expenses associated therewith shall be a Common Expense. After the construction of the Condominium by Developer, no trees shall be removed except for diseased or dead trees and trees needed to be removed to promote the growth of other trees or for safety reasons, unless approved by the Board.

16.19. Roof.

A Unit Owner who has a roof top Limited Common Element has the right and authority to construct the following improvement, to wit: roof garden, planters, landscaping, sundeck, subject to the written approval of the Association, or such other improvements as may be

authorized in writing by the Association. Furthermore, a Unit Owner who has a roof top Limited Common Element may have a hot tub or whirlpool on the roof deck, but only so long as the Unit Owner bears the cost of any structural support or other modifications that may be required by the Developer and/or Association, and otherwise complies with standards of construction, permitting, insurance and other requirements that may be mandated by the Developer or the Association. Unit Owners are responsible for the cost of replacement and/or repair of the roof of his or her Unit.

16.20. Board's Rule-Making Power.

The Association, through its Board, may, from time to time, promulgate such other rules and regulations with respect to the Condominium as it determines to be in the best interests of the Condominium and the Unit Owners. The Board may promulgate, modify, alter, amend or rescind such rules and regulations provided such promulgation, modifications, alterations and amendments: (i) are consistent with the use covenants set forth in the Condominium Documents; (ii) apply equally to all lawful residents of The Cortez without discriminating on the basis of whether a Unit is occupied by a Unit Owner or his or her lessee; (iii) are necessary and proper to promote the safety, health and security of the Unit Owners and/or public, or are required by any insurance carrier; and (iv) in Developer's opinion, for so long as Developer holds any Units for sale in the ordinary course of business, would not be detrimental to the sales of Units by Developer.

16.21. Limitations.

Notwithstanding any other rule, regulation, or restriction to the contrary herein contained, the Board shall make reasonable accommodations in the rules, regulations or restrictions, if such accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy the Condominium Property.

17. MAINTENANCE AND REPAIR PROVISIONS

17.1. By Unit Owners.

17.1.1. Maintenance and Repair. Each Unit Owner shall maintain in good condition, repair and replace at his or her expense all portions of his or her Unit and Limited Common Elements and the following equipment or fixtures, if located within his or her Unit or on the Limited Common Elements assigned to his or her Unit: electrical fixtures, plumbing, appliances, air conditioning or heating equipment, water heaters, built-in cabinets, all window panes, all interior surfaces within or surrounding his or her Unit (such as the surfaces of the walls, ceilings, floors and walkways), all exterior doors including casings and hardware therefore, and the roof of his or her Unit; and shall pay for any utilities which are separately metered to his or her Unit. Every Unit Owner must perform promptly all maintenance and repair work within his or her Unit, which if not performed would affect the Condominium Property, The Cortez in its entirety or a Unit belonging to another Unit Owner. Each Unit Owner shall be expressly responsible for the damages and liabilities that his or her failure to perform his or her above-mentioned responsibilities may engender. Said Unit shall be maintained and repaired in accordance with the building plans and specifications utilized by the Developer, copies of which are to be on file in the office of the Association, except for changes or alterations approved by the Board.

17.1.2. Controlling Moisture. Controlling moisture is vital to minimizing mold growth indoors. Moisture can occur not only from water intrusion (plumbing leaks, rain, groundwater, appliances, etc.), but also from indoor relative humidity. Homeowners must regularly inspect their Units for plumbing leaks, water accumulation near the foundation (after rainfall or lawn watering) water intrusion through windows, doors and roofs or any signs of mold. Each Unit Owner is required to perform regular maintenance and inspections of their Unit and HVAC system to prevent problems before they start. These include: (1) Vacuum dust and clean your Unit regularly. Use mold-killing products while cleaning bathrooms. (2) Use air-conditioners and dehumidifiers, especially in hot, humid weather. It is important to run your air conditioner/heating units even when you are not staying in your Unit. Clean dehumidifiers often. Empty them frequently or have the appliance drip directly into a drain. (3) Vent clothes dryers to the outside. Check and clean vents frequently. (4) Remove visible moisture accumulations on windows, windowsills, walls, floors, ceilings and other surfaces as soon as reasonably possible. (5) Do not block or cover HVAC registers or grilles. Clean them frequently. (6) Use exhaust fans whenever cooking, dishwashing, showering and cleaning. (7) Keep attics and crawl spaces ventilated and insulated. (8) Clean refrigerator drip pans regularly according to manufacturer's instructions. If refrigerator and freezer doors don't seal properly, moisture may build up and mold can grow there. Remove any mold on door gaskets and replace faulty gaskets. (9) To control condensation on windows, you may consider raising the window blind 4-6 inches to allow conditioned air to flow inside the cavity between the window and the blind.

Unit Owners are also required to promptly report to the Association and to the Developer any evidence of water leaks; water infiltration; excessive moisture or mold; failure or malfunctioning of HVAC system, windows or doors; both within their Unit, outside their Unit (roof, outside walls/windows, etc.) their Limited Common Elements, and in the Common Elements and areas.

17.1.3. Alterations. No Unit Owner shall make any alterations in the Building or the Common Elements which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Building, the Common Elements, the Limited Common Elements or which, in the sole opinion of the Board, would detrimentally affect the architectural design of the building without first obtaining the written consent of the Board and the Architectural Committee, if applicable. Notwithstanding, nothing contained herein shall prohibit the combining of one or more Units with Association approval.

17.1.4. Painting and Board Approval. No Unit Owner shall paint, refurbish, stain, alter, decorate, repair, replace or change the Common Elements or any outside or exterior portion of the Building maintained by the Association, including Lanais/Balconies, porches, doors or window frames (except for replacing window panes), etc. No Unit Owner shall have any exterior lighting fixtures, mailboxes, window screens, screen doors, awnings, umbrellas or shades (particularly on the roof top areas), hurricane shutters, hardware or similar items installed which are not consistent with the general architecture of the Building maintained by the Association without first obtaining specific written approval of the Board. The Board shall

not grant approval if, in their opinion, among other things the effect of any of the items mentioned herein will be unsightly as to the portion of the Building maintained by the Association or affect safety or integrity of the Building and unless such items substantially conform to the architectural design and color scheme of the Building and the design of any such items which have previously been installed at the time the Board approval is requested.

17.1.5. Duty to Report. Each Unit Owner shall promptly report to the Association or its agents any defect or need for repairs on the Condominium Property or other portions of The Cortez, the responsibility for the remedying of which is that of the Association.

17.1.6. Use of Licensed Plumbers and Electricians. No Unit Owner shall have repairs made to any plumbing or electrical wiring within a Unit, except by licensed plumbers or electricians authorized to do such work by the Board; provided, however, that if any repair or alteration is to be made in any Common Elements, the Board will approve all such work. The provisions as to the use of a licensed plumber or electrician shall not be applicable to any Institutional Mortgagee or to Developer. Plumbing and electrical repairs within a Unit shall be paid for by and shall be the financial obligation of the Unit Owner, unless such repairs are made in a Unit to plumbing and electrical systems servicing more than one (1) Unit.

17.1.7. Access by Association. Each Unit owner hereby authorizes to the Association an irrevocable right of access to his or her Unit from time to time during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements or Limited Common Elements, or for making emergency repairs therein necessary to prevent damage to the Common Elements, Limited Common Elements or to another Unit or Units.

17.1.8. Air Conditioning. Air conditioning units and service lines regarding any such air conditioning units which serve only one Unit shall be maintained, replaced or repaired by the Unit Owner whose Unit is serviced by the air conditioning unit by licensed air conditioning contractors authorized to do such work by the Board; provided, however, that if any repair or alteration is to be made in any Common Elements, the Board shall approve all such work.

17.1.9. Liability for Actions. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement of any real or personal property rendered necessary by his or her act, negligence or carelessness, or by that of his or her lessee or any member of their families, or their guests, employees or agents (normal wear and tear excepted). Such liability shall include, by way of example and not limitation, the cost of repairing broken windows. A Unit Owner shall also be liable for any personal injuries caused by his or her negligent acts or those of his or her lessee or any member of their families, or their guests, employees or agents. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

17.1.10. Enforcement of Maintenance. In the event a Unit Owner fails to maintain his or her Unit or Limited Common Elements, as required herein, or makes any alteration or addition 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, but not the obligation, to perform such maintenance, to remove any unauthorized addition

or alteration, and to restore the Condominium Property to good repair and condition and charge the Unit Owner for the cost therefor. In the event the Unit Owner fails to maintain his or her Unit or the Limited Common Elements, as required herein, or makes any structural addition or alteration, or change without the required consent, if applicable, or otherwise violates or threatens to violate the provisions hereof, the Association shall also have the right immediately to proceed in a court of competent jurisdiction for an injunction to seek compliance with the provisions hereof.

17.2. By the Association.

17.2.1. Improvements. The responsibility of the Association is to repair, maintain and replace any and all improvements and facilities located upon the Common Elements and the Condominium Property, including the seawall and rip-rap, parking spaces, drives, as otherwise provided herein. Maintenance includes, but is not limited to, the following: cleanup, landscape care and replacement, lawn care, services related to drainage areas, painting, structure upkeep, sidewalks, parking areas and drives. The Association shall maintain and repair all exterior walls of the Buildings, including the exterior walls of the Buildings continued within Lanais/Balconies.

17.2.2. Utilities. The Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of any and all utility services including cable television, solid waste removal, the operation of the drainage and storm water management system and the maintenance of the sanitary water and sewer service laterals leading to the Buildings if such water and sewer lines are not maintained by the appropriate utility company, but excluding therefrom appliances, wiring, plumbing fixtures and other facilities within a Unit. The Association shall also be responsible for water utility charges which may be commonly or individually metered.

17.2.3. Stormwater Management System. 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 as permitted or, if modified, as approved by the St. Johns River Water Management District (the "District"). The obligations of the Association hereunder shall include the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance, or other surface water or stormwater management capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to stormwater management, drainage, and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved in writing by the District.

17.2.4. Compliance with Regulations of Public Bodies. The Association shall perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the same in order to comply with sanitary requirements, fire hazard requirements,

zoning requirements, setback requirements, drainage requirements and other similar requirements designed to protect the public.

17.2.5. Maintenance of Property Adjacent to Condominium Property. If the Association is permitted by the owner of property adjacent to the Condominium Property or the governmental authority responsible for maintaining same to provide additional maintenance for such adjacent property, and the Board elects to do so in order to enhance the overall appearance of the Condominium, then the expense thereof shall be a Common Expense. The Association shall maintain banks of ponds to the edge of water on all ponds within the Condominium Property, if any, whether such banks are within or adjacent to the Condominium Property. Such maintenance may include, but is not limited to grass cutting, tree trimming, sprinkling, fertilizing, spraying, and maintaining and operating any amenities or structures established in such areas. The cost of the foregoing maintenance responsibilities shall be Common Expenses.

17.3. Developer's Warranties.

Notwithstanding anything contained in this Article to the contrary, each Unit Owner acknowledges and agrees that Developer shall be irreparably harmed if a Unit Owner undertakes the repair or replacement of any defective portion of a Unit, a Building, the Common Elements or any other real or personal property constituting the Condominium Property during the time in which Developer is liable under any warranties in connection with the sale of any Unit. Accordingly, each Unit Owner hereby agrees (i) to promptly, upon such Unit Owner's knowledge of the existence of any such defective portion, provide written notice to Developer specifying each such defective portion, upon the receipt of which Developer shall have ninety (90) days ("Repair Period") to commence the repair or replacement of such defective portion and diligently pursue the completion thereof; and (ii) not to repair, replace or otherwise adjust any such defective portion during the Repair Period; provided, however, that if Developer fails to commence the repair or replacement of such defective portion within the Repair Period, such Unit Owner may repair or replace same. If any Unit Owner fails to comply with the provisions of this Paragraph, such Unit Owner will be deemed to have breached his or her obligation to mitigate damages and such Unit Owner's conduct shall constitute an aggravation of damages.

17.4. Alterations and Improvements.

The Association shall have the right to make or cause to be made structural changes and improvements of the Common Elements which are approved by the Board and which do not prejudice the rights of any Unit Owner or any Institutional Mortgagee. In the event such changes or improvements prejudice the rights of a Unit Owner or Institutional Mortgagee, the consent of such Unit Owner or Institutional Mortgagee so prejudiced shall be required before such changes or improvements may be made or caused. In any event, approval of the Board shall be submitted for ratification by the affirmative vote of the Unit Owners of two-thirds (2/3) of the Units if the cost of the same shall be a Common Expense which shall exceed One Thousand Dollars (\$1,000) per Unit. The cost of such alterations and improvements shall be assessed among the Unit Owners in proportion to their share of Common Expenses.

18. ASSESSMENTS FOR COMMON EXPENSES;

ESTABLISHMENT AND ENFORCEMENT OF LIENS

18.1. Affirmative Covenant to Pay Common Expenses.

In order to: (i) fulfill the covenants contained in this Declaration; (ii) provide for maintenance and preservation of the Common Elements for the recreation, safety, welfare, and benefit of Unit Owners, their invitees, guests, family members and lessees, subject to the terms of this Declaration; and (iii) provide for maintenance and preservation of the services and amenities provided for herein, there is hereby imposed upon the Units and the Unit Owners thereof the affirmative covenant and obligation to pay the Assessments including, but not limited to, the Quarterly Assessments. Each Unit Owner, by acceptance of a deed or other instrument of conveyance for a Unit, whether or not it shall be so expressed in any such deed or instrument, shall be so obligated and agrees to pay to the Association all Assessments determined in accordance with the provisions of this Declaration and all of the covenants set forth herein shall run with the Condominium Property and each Unit therein.

18.2. Developer's Obligation to Pay Assessments.

Except as provided in the Condominium Act and in this subsection, no Unit Owner may be excused from the payment of his proportionate share of the Common Expense unless all Unit Owners are likewise proportionately excused from such payment. Provided however, as provided in Florida Statutes § 718.116(9)(a)(2), Developer may be excused from the payment of its share of the Common Expenses for those Units and in all respects during the period of time that it shall have guaranteed that the assessment for Common Expenses of the Condominium imposed upon the Unit Owners other than the Developer shall not increase over a stated dollar amount per quarter per Unit, and shall have obligated itself to pay any amount of Common Expenses incurred during that period and not produced by the assessments at the guaranteed level receivable from other Unit Owners, pursuant to section 19.2 below.

18.3. Lien.

The Quarterly Assessment and Special Assessments, as determined in accordance with this Article hereof, together with Interest thereon and costs of collection thereof, including Legal Fees as hereinafter provided, are, pursuant to the Condominium Act, subject to a lien right on behalf of the Association to secure payment thereof and such Assessments are hereby declared to be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Condominium Assessment is made. Each Condominium Assessment against a Unit together with Interest thereon and costs of collection thereof, including Legal Fees, shall be the personal obligation of the person, persons, entity and/or entities owning the Unit so assessed. The Association's statutory lien for Assessments shall be effective only from and after the time of recordation amongst the Public Records of the County of a written acknowledged statement by the Association, as of the date the statement is signed setting forth the description of the condominium parcel, the name of the record owner, the name and address of the Association, the amount due to the Association and the due dates. Upon full payment of all sums secured by such lien or liens, the party making payment shall be entitled to a recordable satisfaction of the statement of lien.

18.3.1. Personal Obligation. Each Assessment against a Unit, together with Interest thereon and costs of collection thereof, including Legal Fees, shall be the personal obligation of the person, persons, entity and/or entities owning the Unit so assessed.

18.3.2. Institutional Mortgagees. An Institutional Mortgagee or other person who obtains title to a Unit by foreclosure of a first mortgage, or Institutional Mortgagee who obtains title to a Unit by deed in lieu of foreclosure, shall be liable for the unpaid Assessments that became due prior to such acquisition of title to the extent required by Section 718.116, Florida Statutes as it exists at the time of recording this Declaration in the Public Records of the County. Assessments which are not due from such Institutional Mortgagee shall become a Common Expense collectible from all Unit Owners pursuant to the provisions herein.

18.4. Enforcement.

In the event that any Unit Owner shall fail to pay any Quarterly Assessment, or installment thereof, or any Special Assessment, or installment thereof, charged to his or her Unit within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have the following remedies:

- (i) To advance, on behalf of the Owner in default, funds to accomplish the needs of the Association; provided that: (a) the amount or amounts of monies so advanced, including Legal Fees and expenses which have been reasonably incurred because of or in connection with such payments, together with Interest thereon, may thereupon be collected by the Association; and (b) such advance by the Association shall not waive the default of the Owner in failing to make its payments;
- (ii) To accelerate the entire amount of any Assessments for the remainder of the budget year in accordance with the provisions of the Condominium Act and rules set forth in the Florida Administrative Code promulgated by the Division of Florida Land Sales, Condominiums and Mobile Units;
- (iii) To file an action in equity to foreclose its lien at any time after the effective date thereof or an action in the name of the Association in like manner as a foreclosure of a mortgage on real property; and
- (iv) To file an action at law to collect the amount owing plus Interest and Legal Fees without waiving its lien rights and its right of foreclosure.

19. METHOD OF DETERMINING, ASSESSING AND COLLECTING ASSESSMENTS

The Assessments as hereinafter set forth and described shall be assessed to and collected from Unit Owners on the following basis:

19.1. Determining Quarterly Assessment.

19.1.1. Expenses. The total anticipated Common Expenses for each calendar year shall be set forth in a schedule to the Budget of the Association which shall be prepared by the Board as described in the Articles and Bylaws. The total anticipated Common Expenses shall be that sum necessary for the maintenance and operation of the Condominium and such expenses shall be allocated to the Units based upon each Unit's share of the Common Expenses, which allocated sum shall be assessed and properly prorated as the "Quarterly Assessment." The Quarterly Assessment may be adjusted quarterly in the instance where the Board determines that the estimated Common Expenses are insufficient to meet the actual Common Expenses being incurred, in which event the anticipated Common Expenses for the remaining months may be increased accordingly in calculating the Quarterly Assessment.

19.1.2. Assessment Payment. The Quarterly Assessment shall be payable quarterly in advance on the first day of each quarter of a calendar year. The Association may at any time require the Unit Owners to maintain a minimum balance on deposit with the Association to cover future installments of Assessments. The amount of such deposit shall not exceed one-quarter (1/4) of the then current Quarterly Assessment for the Unit.

19.2. Developer's Guarantee.

Developer hereby guarantees for a period of twelve (12) months, which Developer may extend at his sole option, commencing on the recording of this Declaration, that the Quarterly Assessment due and payable to the Association for Common Expense shall not exceed Four Thousand Five Hundred and 00/100 Dollars (\$4,500.00). Regardless of the stated dollar amount of the guarantee, Assessments charged to a Unit Owner shall not exceed the maximum obligation of the Unit Owner based upon the total amount of the adopted budget and the Unit Owner's proportionate ownership share of the Common Elements pursuant to F.A.C. 61B-22.004(3). The Developer shall have the option to extend the guarantee period for four or more additional one-quarter periods. In exchange for the guarantee of the Assessment amount aforesaid, the Developer shall be relieved from any obligation to pay Quarterly Assessments on the Units it owns during the period of the guarantee, or any extension thereof, 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. Provided also, so long as the Association has maintained all insurance coverages required by Section 718.111(11)(a) of the Act, the Common Expenses incurred during the Guaranty Period resulting from a natural disaster or an Act of God, which are not covered by insurance proceeds from the insurance maintained by the Association may be assessed against all Unit Owners, including the Developer, owning Units in accordance with their share of Common Expenses on the date of such natural disaster or Act of God.

19.3. Special Assessments.

In addition to the Quarterly Assessment, Unit Owners shall be obligated to pay such Special Assessments as shall be levied by the Board in accordance with the Bylaws against their Unit either as a result of: (i) extraordinary items of expense; (ii) the failure or refusal of other Unit

Owners to pay their Quarterly Assessment; or (iii) such other reason or basis determined by the Board which is not inconsistent with the terms of the Condominium Documents or the Condominium Act.

19.4. Working Fund Contribution.

Each Unit Owner who purchases a Unit from Developer shall pay to the Association at the time legal title is conveyed to such Unit Owner a "Working Fund Contribution" in an amount equal to one (1) Quarterly Assessment in effect at the time of acquisition of the Unit.

20. COMMON EXPENSES

The following expenses are declared to be Common Expenses of the Condominium which each Unit Owner is obligated to pay to the Association as provided in this Declaration and the Condominium Documents.

20.1. Taxes.

Any and all taxes levied or assessed at any and all times by any and all taxing authorities including all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments and water drainage districts, and in general all taxes and tax liens which may be assessed against the Common Elements, Condominium Property and against any and all personal property and improvements, which are now or which hereafter may be a portion thereof to be placed thereon, including any interest, penalties and other charges which may accrue thereon shall, as appropriate, be considered Common Expenses.

20.2. Utility Charges.

All charges levied for utilities providing services for the Common Elements and Condominium Property, whether they are supplied by a private or public firm shall, as appropriate, be considered Common Expenses. It is contemplated that this obligation will include all charges for water, gas, electricity, telephone, cable television, solid waste removal, sewer and any other type of utility or any other type of service charge incurred in connection with the Condominium Property and the Common Elements. It is contemplated that there will be multiple meters for water and sewer lines to each Building or group of Buildings. All charges related to such lines shall be a Common Expense.

20.3. Insurance.

The premiums on any policy or policies of insurance required to be maintained under this Declaration and the premiums on any policy or policies the Association determines to maintain on the Condominium Property or specifically related to this Condominium, even if not required to be maintained by the specific terms of this Declaration, shall be Common Expenses, commencing with the recordation of this Declaration and even before such property is owned by the Association.

20.4. Destruction of Buildings or Improvements.

Any sums necessary to repair or replace, construct or reconstruct damages caused by the destruction of any building or structure upon the Common Elements, or any property owned or to be owned by the Association as contemplated by this Declaration, by fire, windstorm, flood or other casualty regardless of whether or not the same is covered in whole or in part by insurance, including all amounts required to be deducted from any proceeds received by the Association from an insurer pursuant to a deductible clause in the applicable insurance agreement, shall be Common Expenses. In the event insurance money shall be payable, such insurance money shall be paid to the Association who shall open an account with a banking institution doing business in the County, for the purpose of providing a fund for the repair and reconstruction of the damage. The Association shall pay into such account, either in addition to the insurance proceeds, or in the event there are no insurance proceeds, such sums as may be necessary so that the funds on deposit will equal the costs of repair and reconstruction of the damage or destruction. The sums necessary to pay for the damage or destruction as herein contemplated shall be considered Common Expenses, but shall be raised by the Association under the provisions for Special Assessments as provided in Paragraph 17.3 of this Declaration. The Association agrees that it will levy Special Assessments to provide the funds for the cost of reconstruction or construction within ninety (90) days from the date the destruction takes place and shall go forward with all deliberate speed so that the construction or reconstruction, repair or replacement, shall be completed, if possible, within nine (9) months from the date of damage.

20.5. Maintenance, Repair and Replacements.

Common Expenses shall include all expenses necessary to keep and maintain, repair and replace any and all buildings, improvements, storm water management system, personal property and furniture, fixtures and equipment of the Association upon the Common Elements, landscaping and lawn and sprinkler service, in a manner consistent with the development of the Condominium and in accordance with the covenants and restrictions contained herein, and with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction thereover including the statutes and laws of the State of Florida and the United States. This shall include any expenses attributable to the maintenance and repair and replacement of pumps or other equipment, if any, located upon or servicing the Condominium Property, pursuant to agreements between the Association and utility corporations. 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. All expenses for replacements which would not be in the nature of normal repair and maintenance shall be the subject of a Special Assessment as provided in Paragraph 17.3 of this Declaration.

20.6. Administrative and Operational Expenses.

The costs of administration of the Association including, but not limited to, any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association as to the Condominium shall be deemed to be Common Expenses. In addition,

the Association shall retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate or an otherwise related entity of Developer) to assist in the operation of the Condominium Property, and carrying out the obligations of the Association hereunder. The fees or costs of this or any other management company or contractors so retained shall be deemed to be part of the Common Expenses hereunder as will fees which may be requested to be paid to the Division of Florida Land Sales, Condominiums and Mobile Units from time to time.

20.7. Indemnification.

The Association covenants and agrees that it will indemnify, defend and hold harmless Developer and the members of the Board from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Condominium Property or the appurtenances thereto from and against all costs, Legal Fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon, and from, and against any orders, judgments and/or decrees which may be entered therein. Included in the foregoing provisions of indemnification are any expenses that Developer may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in this Declaration to be kept and performed by the Association.

20.8. Compliance with Laws.

The Association shall take such action as it determines necessary or appropriate in order for the Common Elements to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Association shall be a Common Expense.

20.9. Failure or Refusal of Unit Owners to Pay Assessments.

Funds needed for Common Expenses due to the failure or refusal of Unit Owners to pay their Assessments levied shall, themselves, be deemed to be Common Expenses and properly the subject of a Special Assessment.

20.10. Extraordinary Items.

Extraordinary items of expense under this Declaration such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment.

20.11. Matters of Special Assessments Generally.

Amounts needed for capital improvements, as hereinbefore set forth, or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which

are not inconsistent with the terms of any of the Condominium Documents must also be approved by a majority vote of the Unit Owners at any meeting of members of the Association having a quorum, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Condominium Property, which was destroyed or damaged, it being recognized that the sums needed for such capital expenditure shall be the subject of a Special Assessment.

20.12. Costs of Reserves.

The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance, repair and replacement of the Common Elements, and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Board from time to time shall be a Common Expense. Reserves shall be levied, assessed and/or waived in accordance with the Condominium Act. The Reserves shall be deposited in a separate account to provide such funds and reserves. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association and no Unit Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

20.13. Miscellaneous Expenses.

Common Expenses shall include the cost of all items of costs or expense pertaining to or for the benefit of the Association or the Common Elements or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Common Expense by the Board.

20.14. Property to be Owned or Maintained by the Association.

Notwithstanding the current ownership of any real or personal property by Developer, in the event it is contemplated that such property will be owned or is to be maintained by the Association, then the costs associated by the ownership or maintenance shall be a Common Expense commencing with the recordation of this Declaration.

21. PROVISIONS RELATING TO PROHIBITION
OF FURTHER SUBDIVISION

21.1. Subdivision.

Except regarding such rights as may be granted by Developer hereunder, the space within any of the Units and Common Elements shall not be further subdivided. No time share units may be created in any portion of the Condominium Property. Any instrument, whether a conveyance, mortgage or otherwise, which describes only a portion of the space within any Unit shall be deemed to describe the entire Unit owned by the person executing such instrument and the interest in the Common Elements appurtenant thereto.

21.2. Restraint Upon Separation and Partition of Common Elements.

Pursuant to Section 718.107, Florida Statutes, the undivided share in the Common Elements which is appurtenant to a Unit shall not be separated from it and shall pass with the title to the Unit, whether or not separately described. The share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Unit. The shares in the Common Elements appurtenant to units are undivided, and no action for partition of the Common Elements shall lie.

22. PROVISIONS RELATING TO SEVERABILITY

If any provision of this Declaration, any of the other Condominium Documents or the Condominium Act is held invalid, the validity of the remainder of this Declaration, the Condominium Documents or the Condominium Act shall not be affected.

23. PROVISIONS RELATING TO INTERPRETATION

23.1. Titles.

Article, Paragraph and subparagraph titles in this Declaration are intended only for convenience and for ease of reference, and in no way do such titles define, limit or in any way affect this Declaration of the meaning or contents of any material contained herein.

23.2. Gender.

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

23.3. Member.

As used herein, the term "member" means and refers to any person, natural or corporate, who becomes a member of the Association, whether or not that person actually participates in the Association as a member.

23.4. Rule Against Perpetuities.

In the event any court should hereafter determine any provisions as originally drafted herein in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, "measuring lives" shall be that of the incorporator of the Association.

24. PROVISIONS CONTAINING REMEDIES FOR VIOLATION

Each Unit Owner shall be governed by and shall comply with the Condominium Act and all of the Condominium Documents as such Condominium Documents may be amended and

supplemented from time to time. The Association shall have the right to enforce all the restrictions set forth in this Declaration, the Articles of Incorporation, and the Condominium Act, in any manner it deems necessary including without limitation, injunctions, suit for damages or fines. The failure to enforce promptly any of the provisions of the Condominium Documents shall not bar their subsequent enforcement. In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Condominium Documents, the prevailing party shall be entitled to recover the costs of the proceeding and Legal Fees. The failure of the Board to object to Unit Owners' or other parties' failure to comply with covenants or restrictions contained herein or in any of the other Condominium Documents (including, without limitation, the rules and regulations promulgated by the Board) now or hereafter promulgated shall in no event be deemed to be a waiver by the Board or any other party having an interest therein of its rights to object to same and to seek compliance therewith in accordance with the provisions of the Condominium Documents. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained herein which relate to the maintenance, operation and repair of the surface water or stormwater management system.

25. PROVISIONS FOR ALTERATIONS OF UNITS BY DEVELOPER

25.1. Developer's Reserved Right.

Developer reserves the right to alter, change or modify the interior design and arrangement of all Units and to nonmaterially alter the boundaries between the Units as long as Developer owns the Units so altered (which alterations in Developer's Units are hereinafter referred to as the "Alterations"). Any material Alterations shall require the majority approval of the Voting Interests in the Condominium.

25.2. Alterations Amendment.

Any Alterations which will alter the boundaries of existing Common Elements of this Condominium other than interior walls abutting Units owned by Developer and the Common Elements therein and not including proposed Common Elements of any Subsequent Phase not then submitted to condominium ownership will first require an amendment to this Declaration in the manner provided in Article 26 hereof.

In the event Alterations do not require an amendment in accordance with the above provisions, then, as long as Developer owns the Units being affected, an amendment of this Declaration shall be filed by Developer ("Developer's Amendment") in accordance with the provisions of this Paragraph. Such Developer's Amendment need be signed and acknowledged only by Developer and need not be approved by the Association, Unit Owners, or mortgagees of the Units, whether or not such approvals are elsewhere required for an amendment of this Declaration; provided, however, if the amendment is material, then the consent of a majority of the Unit Owners is also required.

26. PROVISIONS FOR AMENDMENTS TO DECLARATION

26.1. General Procedure.

Except as elsewhere in this Declaration or in the Condominium Act otherwise provided, this Condominium Declaration may be amended by providing a copy of each proposed amendment to this Declaration, showing the full text of the provisions to be amended with proposed insertions underlined and proposed deletions lined through with hyphens, as required by Section 718.110(1)(b) of the Condominium Act, shall be included in the notice of any meeting at which a proposed amendment is to be considered. A resolution for the adoption of a proposed amendment to this Declaration may be proposed either by a majority of the Board of Directors of the Association or by not less than one-third (1/3) of the Voting Interests. Except as otherwise specifically provided in this Declaration, approvals of proposed amendments must be by an affirmative vote representing not less than two-thirds (2/3) of all Voting Interests in the Condominium.

26.2. Material Alteration.

Except as otherwise provided in this Declaration, no amendment of this Declaration shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to such Unit, permit timeshare estates, or change the percentage by which the Unit Owner shares the Common Expenses and owns the Common Surplus and Common Elements or the Unit's voting rights in the Association, unless: (i) the record owner of the Unit; (ii) all record owners of mortgages or other liens on the Unit join in the execution of the amendment; (iii) the amendment is otherwise approved by a majority of the Voting Interests in the Condominium; and (iv) it complies with all requirements of the Act. The acquisition of property by the Association, material alterations or substantial additions to the Common Elements or Association Property by the Association and installation, replacement and maintenance of approved hurricane shutters, if in accordance with the provisions of this Declaration, shall not be deemed to constitute a material alteration or modification of the appurtenance of the Units, and accordingly, shall not constitute a Material Amendment.

26.3. Developer Amendments.

Notwithstanding anything contained in this Declaration to the contrary, during the time the Developer has the right to elect a majority of the Board of Directors of the Association, the Declaration, the Articles or the Bylaws may be amended by the Developer alone, without requiring the consent of any other party, to effect any change whatsoever, except for a Material Alteration, which must be approved in the manner set forth above. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to Developer, without prior written consent of the Developer in each instance.

Notwithstanding any provisions to the contrary set forth herein or in the Articles or Bylaws of the Association, the Developer may, without consent or joinder of any other party, amend this Declaration (i) to add any surveyor's certificate(s); (ii) to conform with the requirements of the United States Department of Housing and Urban Development ("HUD"), the Veterans Administration ("VA"), the Federal National Mortgage Association ("FNMA"), the

Federal Home Loan Mortgage Corporation ("FHLMC") or any similar governmental or quasi-governmental agency; and (iii) to amend any provisions of this Declaration in a manner that will not materially and adversely affect the property rights of any Unit Owner other than Developer, subject to the requirements of Section 718.110(4), Florida Statutes. Developer's rights to amend this Declaration as provided in this section shall cease and be terminated at such time as Developer no longer holds Units in the Condominium for sale in the ordinary course of business. No amendment to this Declaration may permit timeshare estates to be created in any Unit of the Condominium, unless the record owner of each Unit and the record owners of liens on each Unit join in the execution of the amendment. Notwithstanding the above, the Developer may not amend this Declaration without the written consent of its construction lender, Oakstar Bank, if such construction lender's mortgage is still of record. Such consent may not be unreasonably withheld or delayed.

26.4. Defect, Error or Omission.

Whenever it shall appear to the Board that there is a defect, error or omission in this Declaration, or in other documentation required by law to establish this Condominium, the Association, through its Board, shall immediately call for a special meeting of the Unit Owners to consider amending this Declaration or other Condominium Documents. Upon the affirmative vote of one-third (1/3) of the Unit Owners, with there being more positive votes than negative votes, the Association shall amend the appropriate documents. A true copy of such amendment shall be sent in conformance with the E-mailing. The amendment shall become effective upon the recording of the certificate amongst the Public Records.

26.5. Rights of Developer, the Association, and Institutional Mortgagees.

No amendment shall be passed which shall impair or prejudice the right or priorities of Developer, the Association, or any Institutional Mortgagee under this Declaration and the other Condominium Documents without the specific written approval of Developer, the Association, or any Institutional Mortgagees affected thereby. In addition, any amendment that would affect the surface water management system, including the conservation areas or water management portions of the Common Elements and Condominium Property must have the prior approval of the St. Johns River Water Management District.

26.6. Scrivener's Error.

The Association may amend this Declaration and any exhibits hereto, in order to correct a scrivener's error or other defect or omission by the affirmative vote of two-thirds (2/3) of the Board without the consent of the Unit Owners provided that such amendment does not materially and adversely affect the rights of Unit Owners, lienors or mortgagees. This amendment shall be signed by the President of the Association and a copy of the amendment shall be furnished to the Association and all Listed Mortgagees and sent by email as soon after recording thereof amongst the Public Records, as is practicable.

26.7. Amendments Required by Secondary Mortgage Market Institutions.

Notwithstanding anything contained herein to the contrary, Developer may, without the consent of the Unit Owners, file any amendment which may be required by an Institutional Mortgagee for the purpose of satisfying its Planned Unit Development criteria or such criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, that any such Developer filed amendments must be in accordance with any applicable rules, regulations and other requirement promulgated by the United States Department of Housing and Urban Development.

26.8. Amendments Regarding Tenants.

Any amendment to any of the Condominium Documents granting the Association or the Board the right to approve or in any manner screen tenants of any Unit Owner must first be approved by a majority of the Board and eighty percent (80%) of all Unit Owners (at a duly called meeting of the Unit Owners at which quorum is present.)

26.9. Amendments Regarding Leasing.

Any amendment to any of the Condominium Documents granting the Association or the Board the right to restrict leasing of Units must first be approved by a majority of the Board and eighty-percent (80%) of all Unit Owners (at a duly called meeting of the Unit Owners at which a quorum is present.)

26.10. Amendments Regarding Operating a Rental Program.

The Association may operate a rental program. Any amendment to any of the Condominium Documents prohibiting the Association or the Board from operating a rental program must first be approved by a majority of the Board and eighty-percent (80%) of all Unit Owners (at a duly called meeting of the Unit Owners at which a quorum is present.)

26.11. Amendments Regarding Management Companies.

Any amendment to this Declaration to remove the requirement of the Association to utilize the services of a management company must first be approved by the entire Board and eighty-percent (80%) of all Unit Owners (at a duly called meeting of the Unit Owners at which a quorum is present.)

26.12. Amendments Regarding Stormwater Management System.

Any amendment to this Declaration which alters any provision relating to the Stormwater Management System is subject to the requirements of Section 17.2.3 above.

26.13. Condominium Documents.

The Articles, Bylaws and other Condominium Documents shall be amended as provided in such documents.

26.14. Form of Amendment.

An amendment, other than amendments made by the Developer alone pursuant to the Condominium Act or this Declaration, shall be evidenced by a certificate of the Association, executed either by the President of the Association or a majority of the members of the Board of Directors of the Association, which shall include recording data identifying the Declaration and shall be executed with the same formalities required for the execution of a deed. An amendment of the Declaration is effective when the applicable certificate is properly recorded in the Public Records of St. Johns County, Florida. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain full text of the provision 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 Declaration. See provision _____ for present text." Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly adopted amendment.

27. PROVISIONS SETTING FORTH THE RIGHTS OF DEVELOPER

27.1. Developer's Right to Convey.

The provisions, restrictions, terms and conditions of Article 16 hereof shall not apply to Developer as a Unit Owner, and in the event and so long as Developer shall own any Unit, whether by reacquisition or otherwise, Developer shall have the absolute right to use, sell, convey, transfer, mortgage or encumber in any way any such Unit upon any terms and conditions as it shall deem to be in its own best interests; however, any such conveyance shall remain subject to any lien of any mortgagee.

27.2. Developer's Right to Transact Business.

Notwithstanding anything to the contrary contained herein, Developer reserves and shall have the right to enter into and transact on the Condominium Property and other portions of The Cortez any business necessary to consummate the sale, lease or encumbrance of Units including the right to maintain models and a sales and/or leasing office, place signs, employ sales personnel, hold promotional parties, use the Common Elements, Condominium Property and show Units and including the right to carry on construction activities of all types necessary to construct all improvements in The Cortez pursuant to the plan for development as set forth in Article 9 hereof. Any such models, sales and/or leasing office, signs and any other item pertaining to such sales and/or leasing efforts shall not be considered a part of the Common Elements and shall remain the property of Developer. Developer reserves the right for itself and any of its affiliates to utilize the models for other communities being developed by Developer and/or any of Developer's

affiliates, as Developer and/or any of Developer's affiliates as developers of other communities may so determine, in their sole and absolute discretion.

27.3. Assignment.

This Article may not be suspended, superseded or modified in any manner by any amendment to this Declaration, unless such amendment is consented to in writing by Developer. The right of use and transaction of business as set forth in this Article may be assigned in writing by Developer in whole or in part.

28. GENERAL PROVISIONS

28.1. Withdrawal Notice and Other Units.

28.1.1. Rights of Developer. Nothing contained in this Declaration shall be deemed to prohibit Developer from developing any condominium units, other than the Units within the Condominium ("Other Units"), upon any portion of any Subsequent Phase with respect to which Developer has recorded amongst the Public Records a Withdrawal Notice.

28.1.2. Rights of Unit Owners of Other Units to Use Condominium Property and Association Property and Easements Created for Access. In the event that Developer constructs Other Units, the owners of such Other Units ("Other Unit Owners") and their family members, guests, invitees, and lessees may have as an appurtenance to and a covenant running with such Other Units: (i) the right to use and enjoy any landscaped areas, walks, drives, parking areas, other facilities and improvements, including, but not limited to, the real property and all improvements which comprise the Condominium Property and/or Association Property in the same manner and with the same privileges as Unit Owners have or may have from time to time; and (ii) in perpetual nonexclusive easement over, across and through the Condominium Property and/or Association Property for the use and enjoyment thereof and from and to public way, including dedicated streets. Unit Owners shall have a similar perpetual nonexclusive easement for ingress and egress and access to, over and across the walks and other rights-of-way located upon the portion of the Land covered by a Withdrawal Notice from and to public ways, including dedicated streets and the Condominium Property and Association Property subject to rules and regulations established by the Association governing the use and enjoyment of such easements. The Association shall not establish any rule or regulation with respect to the use and enjoyment of the Condominium Property and/or Association Property or the easements created by this Paragraph which do not apply uniformly to the Unit Owners, Other Unit Owners and their respective family members, guests, invitees and lessees.

28.1.3. Obligations of Other Units. In the event that Developer develops Other Units, the Association shall itemize separately in the annual budget of the Association and all adjustments and revisions thereto, the expenses ("Other Unit Expenses") anticipated to be incurred by the Association for the use, maintenance, upkeep and repair of Association Property including, but not limited to, the cost and expense of any taxes and insurance which can be determined as applicable solely to the Association Property. The Other Unit Expenses shall be assessed among all existing Units and the "Other Units Subject to Assessment" (as hereinafter defined). Each

Units' share of the Other Unit Expenses shall be the product of the multiplication of the Other Unit Expenses multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the "Total Units" (as hereinafter defined). Each Other Unit Subject to Assessment shall also be responsible for a share of any expense with respect solely to the Association Property which would be subject to a Special Assessment against Units. "Other Units Subject to Assessment" shall mean the total number of Other Units developed from time to time on any portion of the Land originally intended to be a Subsequent Phase with respect to which Developer has recorded amongst the Public Records a Withdrawal Notice and to which Developer has granted the right to use the improvements located upon the Condominium Property and/or Association Property, which shall become subject to assessment as provided herein upon the recording amongst the Public Records of a declaration of condominium submitting such Other Units to the condominium form of ownership. "Total Units" as used herein shall mean the sum of the number of Units within the Condominium and the number of Other Units Subject to Assessment as determined from time to time. In the event of condemnation of any Other Units Subject to Assessment, assessments against such Other Units Subject to Assessment shall be reduced or eliminated on the same basis as Assessments shall be reduced or eliminated with respect to Units.

28.1.4. Liens upon Other Units. There shall be a charge on and continuing lien upon all Other Units Subject to Assessment against which assessment is made as provided herein which shall be subject to all provisions herein to which Units are subject, including, but not limited to, the rights of foreclosure of Other Units Subject to Assessment and such right shall be set forth in the documents establishing the Other Units.

28.1.5. Conflict with Other Provisions. The matters set forth in Paragraphs 28.1.2, 28.1.3 and 28.1.4 shall only become applicable if, as and when Developer develops Other Units, and, in such event, shall control in the event of any conflict between the terms and provisions of such Paragraphs 28.1.2, 28.1.3 and 28.1.4 and the terms and provisions of any other Paragraphs in this Declaration. Amendment of this Article 28 shall require, in addition to any votes or approvals elsewhere required, the written consent of Developer for so long as Developer owns any Units or Other Units or any portion of the Land upon which they can be built and by a majority of the Other Unit Owners, if any.

28.1.6. Merger. In the event Developer develops Other Units which are submitted to the condominium form of ownership, the Association may merge the condominiums operated by the Association by calling a special meeting for such purpose, obtaining the affirmative vote of seventy-five percent (75%) of the owners in each such condominium, obtaining the approval of all record owners of liens, and upon the recording of new or amended Articles of Incorporation, Declaration, and Bylaws.

28.2. Severability.

Invalidation of any one of these covenants or restriction or of any of the terms and conditions herein contained shall in no way affect any other provisions which shall remain in full force and effect.

28.3. Rights of Mortgagees.

28.3.1. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Condominium Documents and the books, records and financial statements of the Association to Unit Owners and the holders, insurers, or guarantors of any first mortgages encumbering Units. In addition, evidence of insurance shall be issued to each Unit Owner and mortgagee holding a mortgage encumbering a Unit upon written request to the Association. A mortgagee shall be entitled to receive timely written notice of any proposed action that requires the consent of a specified percentage of mortgagees. To be entitled to receive notices under this Section, the mortgagee (or mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guaranties) the mortgage.

28.3.2. Rights of Listed Mortgagee. Upon written request to the Association identifying the name and address of the Listed Mortgagee of a mortgage encumbering a Unit and the legal description of such Unit, the Association shall provide such Listed Mortgagee with timely written notice of the following:

28.3.2.1. Any condemnation, loss or casualty loss which affects any material portion of the Condominium or any Unit encumbered by a first mortgage held, insured or guaranteed by such Listed Mortgagee;

28.3.2.2. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

28.3.2.3. Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Unit; and

28.3.2.4. Any failure by a Unit Owner owning a Unit encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his or her obligations under the Condominium Documents, including, but not limited to, any delinquency in the payment of Quarterly Assessments or Special Assessments, or any other charge owed to the Association by said Unit Owner where such failure or delinquency has continued for a period of sixty (60) days.

28.3.3. Right of Listed Mortgagee to Receive Financial Statement. Any listed Mortgagee shall, upon written request made to the Association, be entitled free of charge to financial statements from the Association for the prior fiscal year and the same shall be furnished within a reasonable time following such request.

28.3.4. Right to Cover Cost. Developer (until the Majority Election Meeting) and any Listed Mortgagee shall have the right, but not the obligation, jointly or singularly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Unit. Further, Developer (until the Majority Election Meeting) and any Listed Mortgagees shall have the right, but not the obligation, jointly or singularly, and at their sole option, to pay insurance premiums or fidelity bond premiums or any New Total Tax on behalf of

the Association where, in regard to insurance premiums, the premiums are overdue and where lapses in policies may or have occurred or, in regards to New Total Taxes, where such tax is in default and which may or has become a charge against the Condominium Property. Developer and any Listed Mortgagees paying insurance premiums or any New Total Tax on behalf of the Association as set forth above shall be entitled to immediate reimbursement from the Association plus any costs of collection, including, but not limited to, Legal Fees.

28.4. Developer Approval of Association Actions.

Notwithstanding anything in this Declaration to the contrary, while Developer holds units for sale or lease in the ordinary course of business, none of the following actions may be taken without approval in writing by Developer:

- (i) Assessment of Developer as a Unit Owner for capital improvements; and
- (ii) Any action by the Association that would be detrimental to the sale or leasing of Units by Developer.

The determination as to what actions would be detrimental or what constitutes capital improvements shall be in the sole and absolute discretion of Developer; provided, however, that an increase in assessments for Common Expenses without discrimination against Developer shall not be deemed to be detrimental to the sale or lease of Units.

28.5. Notices.

Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to (i) any Unit Owner, at the address of the person whose name appears as the Unit Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Unit owned by such Unit Owner, (ii) the Association, certified mail, return receipt requested, at 23 Comares Avenue, St. Augustine, Florida 32080, or such other address as the Association shall hereinafter notify Developer and the Unit Owners of in writing; (iii) Developer, certified mail, return receipt requested, at 5744 Castlebay Drive, Springfield, Missouri 65809, or such other address or addresses as Developer shall hereafter notify the Association of in writing, any such notice to the Association of a change in Developer's address being deemed notice to the Unit Owners. Upon request of a Unit Owner, the Association shall furnish to such Unit Owner the then current address for Developer as reflected by the Association records.

28.6. No Time-Share Estates

Pursuant to the requirements of Section 718.403(f) of the Act, it is hereby specified that no time share estates will be created with respect to Units in any Phase.

28.7. Assignment of Developer's Rights.

Developer shall have the right to assign, in whole or in part, any of its rights granted under this Declaration. No Unit Owner or other purchaser of a portion of the Land shall, solely by the purchase, be deemed a successor or assignee of any right granted to Developer under this Declaration, unless such purchaser is specifically designated as such in an instrument executed by Developer.

28.8. Lease

A lessee of a Unit shall be subject to and bound by all applicable terms and provisions of this Declaration, and agrees to conform and comply with all provisions contained herein and allow the lessor or the Association to fulfill all obligations imposed pursuant thereto. Each Unit Owner, by his/her acceptance of a deed to a Unit thereby assigns to the Association the right to collect rent from any lessee of a Unit, in the event such Unit Owner is delinquent in pay his/her Common Expenses to the Association. After collecting such rent, the Association may deduct any late Assessments, Interest and Legal Fees and remit any balance to the Unit Owner.

28.9. Security.

The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium safer than it otherwise might be. Neither Developer nor the Association makes any representations whatsoever as to the security of the Condominium Property or any Unit, or the effectiveness of any monitoring system or security service. All Unit Owners agree to release Developer and the Association from any loss or claim arising from the occurrence of any crime or other act. Neither the Association, Developer, nor any successor developer, shall in any way be considered insurers or guarantors of security within the Condominium. Neither the Association, Developer, nor any successor developer, shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken, if any. All Unit Owners and occupants of any Unit, and tenants, guests and invitees of a Unit Owner, acknowledge that the Association and its Board, Developer, or any successor developer, do not represent or warrant that any fire protection system, burglar alarm system or other security system, if any, may not be compromised or circumvented or that any fire protection or burglar alarm systems or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Each Unit Owner and occupant of any Unit and each tenant, guest or invitee of a Unit Owner, acknowledges and understands that the Association, its Board, Developer, or any successor developer, are not insurers and that each Unit Owner and occupant of any Unit and each tenant, guest and invitee of a Unit Owner assumes all risks for loss or damage to persons, to Units and to the contents of Units and further acknowledge that neither the Association, its Board, Developer, nor any successor developer, have made neither representations nor warranties nor has any Unit Owner or occupant of any Unit, or any tenant, guest or invitee of a Unit Owner relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems or other security systems recommended or installed, if any, or any security measures undertaken within the Condominium, if any.

28.10 Annexation of Contiguous Land.

Notwithstanding any other provision of this Declaration to the contrary, the Developer reserves and shall have the sole right to annex additional contiguous land, subject to the approval of the construction lender, Oakstar Bank, on which a condominium, or additional lots may be developed, and make same subject to this Declaration without the joinder or consent of any Unit Owner, the Association, an Institutional Mortgagee, or any other person. The Unit Owners situated on such additional contiguous land shall be members of the Association in accordance with the provisions of this Declaration and shall be subject to the covenants, rules, regulations, and bylaws of this Declaration and the Association.

29. PROVISIONS RELATING TO TERMINATION

The Condominium may be terminated in the following manner:

29.1. Agreement.

The Condominium may be terminated at any time by written agreement of the Unit Owners of at least three fourths (3/4) of the Units and the primary Institutional Mortgagee, if any.

29.2. Very Substantial Damage.

If the Condominium suffers "very substantial damage" to the extent defined in Section 13.6 above, and it is not decided as provided in Section 13.6 above that the Condominium will be reconstituted or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

29.3. Certificate of Termination; Termination Trustee.

The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the President or Vice President of the Association with the formalities of a deed, and certifying to the facts effecting the termination. The certificate also shall include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, designated by the Association as Termination Trustee. The certificate shall be signed by the Trustee indicating willingness to serve in that capacity. Termination of the Condominium occurs with a Certificate of Termination meeting the requirements of this Section is recorded in the Public Records of the County. The recording of the Certificate of Termination automatically divests the Association and all Unit Owners of legal title and vests legal title to all real and personal property formerly the Condominium Property in the Termination Trustee named in the Certificate of Termination without need for further conveyance. Beneficial title to the Property is owned by the former Unit Owners as tenants in common in the same undivided shares each Unit Owner previously owned in the Common Elements. On termination, each lien encumbering a Unit shall be transferred automatically to the equitable share in the Property attributable to the Unit encumbered by the lien with the same priority.

29.4. Wind-up of Association Affairs.

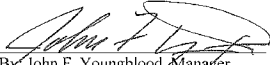
The termination of the Condominium does not, by itself, terminate the Association. The former Unit Owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, the Articles of Incorporation, and Bylaws for the purpose of winding up the affairs of the Association in accordance with this Section.

IN WITNESS WHEREOF, Developer has caused these presents to be duly executed this 28 day of April, 2022.

WITNESSES:

1723 Comares, LLC, a Florida limited liability company

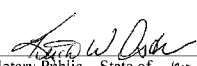

Print Name: William Rhoades


By: John F. Youngblood, Manager


Print Name: Rhonda Rhoades

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me on this 28th day of April, 2022, by ☒ physical presence or ☐ remote online notarization by John F. Youngblood, as the Manager of 1723 Comares, LLC, a Florida limited liability company, ☒ who is personally known to me or ☐ who produced _____ as identification.


Notary Public – State of MD



KEITH W. OSBURN
My Commission Expires
July 15, 2022
Greene County
Commission #14433380

CONSENT AND JOINDER OF MORTGAGEE

Oakstar Bank, its successors and/or assigns, as their interest may appear ("Mortgagee") is the mortgagee under that certain mortgage ("Mortgage") recorded in the public records of St. Johns County, Florida in Official Records Book 5286, beginning at Page 1721. Mortgagee joins in this Declaration to evidence its consent and joinder to the provisions hereof and its intent that its security interests be subordinated hereto. Mortgagee hereby agrees that such security interests are subordinate and inferior to this Declaration of Condominium.

Signed, sealed and delivered
in the presence of:

OAKSTAR BANK

[Signature]
Assistant Vice President
Printed Name

[Signature]
Assistant Vice President
Printed Name

By: [Signature]
Its: Vice President

STATE OF Missouri
COUNTY OF Christian

The foregoing instrument was acknowledged before me by ☐ remote online notarization or ☒ physical presence on this 17th day of April, 2022, by Colleen Boulware, as Vice President of Oakstar Bank, a financial institution on behalf of said company, ☒ who is personally known to me or ☐ who has produced _____ as identification.

[Signature]
Notary Public
State of ~~Florida~~ at Large Missouri
My Commission Expires: 12-6-2024

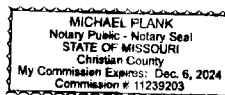


EXHIBIT A
TO
DECLARATION OF CONDOMINIUM

Legal Description of the Land

Please refer to the legal descriptions of The Cortez,
a Condominium, which are part of Exhibit B hereof,
which in aggregate Comprise the Land.

EXHIBIT B
TO
DECLARATION OF CONDOMINIUM

Surveys, Plot Plans and
Graphic Descriptions of Improvements

(LEGAL DESCRIPTION AS PROVIDED)

PARCEL A:

LOTS 8, 9, 22 AND 23, BLOCK 32, DAVIS SHORES OCEAN VIEW SECTION, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN MAP BOOK 3, PAGE 97, 98, 99, 100, 101 AND 102, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

PARCEL B:

LOTS 125, 126 AND 127, BLOCK 1, DAVIS SHORES OCEAN VIEW SECTION, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 97, 98, 99, 100, 101 AND 102, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA. ALSO, THOSE PARTS OF INLET PLACE VACATED BY THE CITY OF ST. AUGUSTINE ORDINANCE NO. 9107, RECORDED IN OFFICIAL RECORDS BOOK 892, PAGE 953, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA, DESCRIBED AS FOLLOWS: THAT PART BOUNDED ON THE SOUTHWEST BY THE CENTERLINE OF SAID INLET PLACE, ON THE NORTHEAST BY THE NORTHEAST LINE OF INLET PLACE, ON THE NORTHWEST BY THE SOUTHWEST EXTENSION OF THE NORTHWEST LINE OF SAID LOT 125, BLOCK 1 AND ON THE SOUTHEAST BY A STRAIGHT LINE CONNECTING THE SOUTHWEST CORNER OF SAID LOT 127, BLOCK 1 WITH THE SOUTHEAST CORNER OF SAID LOT 8, BLOCK 32;

AND

THAT PART BOUNDED ON THE SOUTHWEST BY THE SOUTHWEST LINE OF SAID INLET PLACE, ON THE NORTHEAST BY THE CENTERLINE OF SAID INLET PLACE, ON THE NORTHWEST BY THE NORTHEAST EXTENSION OF THE NORTHWEST LINE OF SAID LOT 9, BLOCK 32, AND ON THE SOUTHEAST BY A STRAIGHT LINE CONNECTING THE SOUTHWEST CORNER OF SAID LOT 127, BLOCK 1 WITH THE SOUTHEAST CORNER OF SAID LOT 8, BLOCK 32.

PARCEL C: LOT 128, BLOCK 1, AND LOTS 7 AND 24, BLOCK 32, DAVIS SHORES SUBDIVISION, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN MAP BOOK 3, PAGE 100 OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

PARCEL D: LOTS 10, 11, 20 AND 21 OF BLOCK 32, DAVIS SHORES SUBDIVISION, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 3, PAGE 100, OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA. TOGETHER WITH ALL OF THE RIGHT, TITLE AND INTEREST OF GRANTORS IN AND TO THE VACATED PORTIONS OF THE FORMER PUBLIC STREET, INLET DRIVE, ABUTTING THE ABOVE DESCRIBED PROPERTY, IF ANY, AS SET FORTH IN DEED RECORDED IN OFFICIAL RECORDS BOOK 176, PAGE 478, OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

PARCEL E: LOT 12, AND SOUTH 1/2 OF LOTS 13 AND 18 AND ALL OF LOT 19, BLOCK 32, LOTS 123 AND 124, AND THE SOUTHERLY PART OF LOT 122, BLOCK 1, DAVIS SHORES, ACCORDING TO PLAT THEREOF RECORDED IN MAP BOOK 3, PAGE 100 OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS:

PARCEL 1:

LOTS 12 AND SOUTH 1/2 OF LOTS 13 AND 18, AND ALL OF LOT 19, BLOCK 32, DAVIS SHORES S/D. ALSO LOTS 123 AND 124, BLOCK 1, DAVIS SHORES S/D, ACCORDING TO PLAT THEREOF RECORDED IN MAP BOOK 3, PAGE 100 OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

PARCEL 2:

THE SOUTHERLY PART OF LOT 122, BLOCK 1, DAVIS SHORES, ACCORDING TO PLAT OR MAP THEREOF RECORDED IN MAP BOOK 3, PAGE 100, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA, MORE FULLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 122; THENCE NORTHWESTERLY ON THE WESTERLY LINE OF SAID LOT 122, AN ARC DISTANCE OF 28.49 FEET; THENCE NORTH 55 DEGREES 47 MINUTES EAST, ON THE NORTHEASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH HALF OF LOT 13, BLOCK 32 OF SAID DAVIS SHORES, 151.83 FEET; THENCE SOUTH 34 DEGREES 32 MINUTES EAST, ON THE EASTERLY LINE OF SAID LOT 122, A DISTANCE OF 20.91 FEET TO THE SOUTHEAST CORNER OF SAID LOT 122; THENCE SOUTH 52 DEGREES 47 MINUTES WEST ON THE SOUTH LINE OF SAID LOT 122, A DISTANCE OF 152.15 FEET TO THE POINT OF BEGINNING.

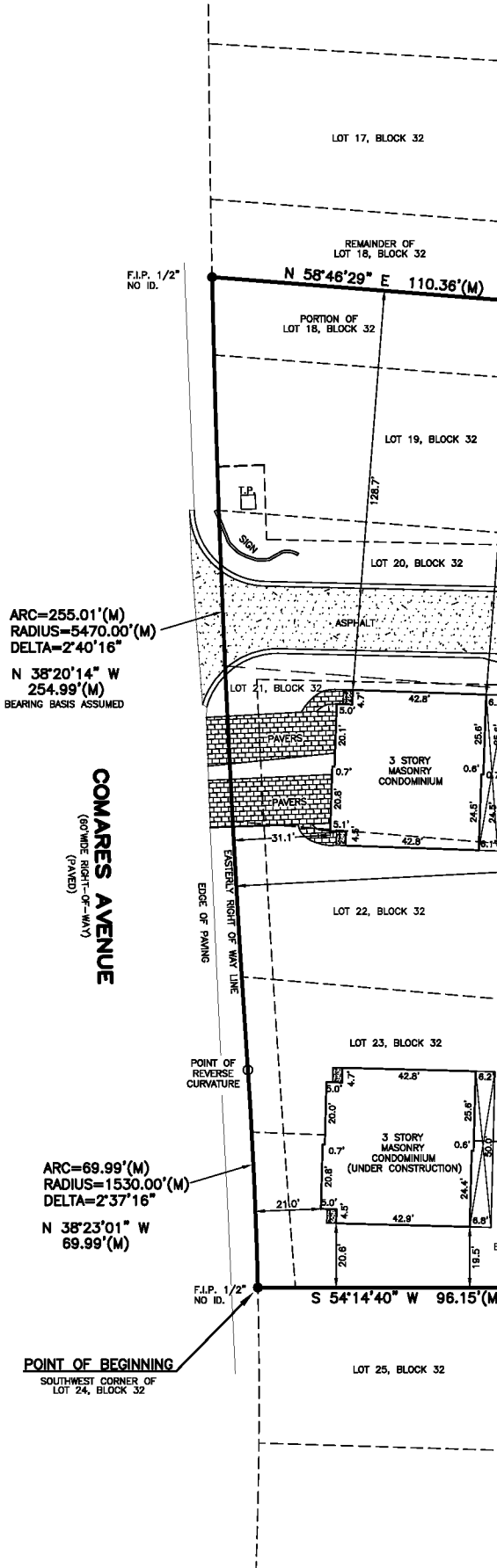
PARCEL 3:

PART OF VACATED INLET PLACE MORE FULLY DESCRIBED AS FOLLOWS: A PORTION OF INLET PLACE IN ST. AUGUSTINE, FLORIDA, SITUATE IN DAVIS SHORES SUBDIVISION, OCEAN VIEW SECTION, AS RECORDED IN MAP BOOK 3, PAGE 100 OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA, TO-WIT: A PORTION OF INLET PLACE, ORIGINALLY NAMED ALAMINOS AVENUE, THEN INLET DRIVE, NOW INLET PLACE, SAID PORTION OF INLET PLACE BEING BOUNDED ON THE WEST BY BLOCK 32, DAVIS SHORES SUBDIVISION, OCEAN VIEW SECTION, AS RECORDED IN MAP BOOK 3, PAGE 100, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA; BEING BOUNDED ON THE EAST BY BLOCK 1, DAVIS SHORES SUBDIVISION, BEING BOUNDED ON THE SOUTH BY A STRAIGHT LINE CONNECTING THE SOUTHEAST CORNER OF LOT 12, BLOCK 32, AND THE SOUTHWEST CORNER OF LOT 124, BLOCK 1, DAVIS SHORES SUBDIVISION; BEING BOUNDED ON THE NORTH BY A STRAIGHT LINE CONNECTING THE NORTHWEST CORNER OF LOT 123, BLOCK 1, DAVIS SHORES SUBDIVISION AND THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF LOT 13, BLOCK 32, DAVIS SHORES SUBDIVISION. TOGETHER WITH ALL OF THE RIGHT, TITLE AND INTEREST OF GRANTORS IN AND TO THE VACATED PORTIONS OF THE FORMER PUBLIC STREET, INLET DRIVE, ABUTTING THE ABOVE DESCRIBED PROPERTY, IF ANY, AS SET FORTH IN DEED RECORDED IN OFFICIAL RECORDS BOOK 176, PAGE 478, OF THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

A/K/A UNITS 1 THROUGH 30 OF THE CORTEZ, A CONDOMINIUM, TOGETHER WITH ALL OF THOSE COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND THE MARINA PROPERTY, ALL ACCORDING TO THE DECLARATION OF CONDOMINIUM DATED AUGUST 16, 2016 AND RECORDED IN O.R. BOOK 4240, PAGE 1109, AND THAT AMENDED AND RESTATED DECLARATION OF CONDOMINIUM DATED MAY 19, 2020, RECORDED IN O.R. BOOK 4982, PAGE 50, TOGETHER WITH ALL EXHIBITS ATTACHED THERETO AND AMENDMENTS THEREOF, IN THE PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA.

(DESCRIPTION BY SURVEYOR)

A PORTION OF LOTS 13 AND 18 BLOCK 32 ALSO, A PORTION OF LOT 122, BLOCK 1, ALL OF LOTS 7, 8, 9, 10, 11, 12, 19, 20, 21, 22, 23 AND 24, BLOCK 32, ALSO, LOT 123, 124, 125, 126, 127 AND 128, BLOCK 1, DAVIS SHORES OCEAN VIEW SECTION, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN MAP BOOK 3, PAGE 97, 98, 99, 100, 101 AND 102, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA. ALSO, THOSE PARTS OF INLET PLACE VACATED BY THE CITY OF ST. AUGUSTINE ORDINANCE NO. 9107, RECORDED IN OFFICIAL RECORDS BOOK 892, PAGE 953, PUBLIC RECORDS OF ST. JOHNS COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 24, BLOCK 32; THENCE RUN ALONG THE EASTERLY RIGHT OF WAY LINE OF COMARES AVENUE WITH A CURVE TURNING TO THE LEFT AND HAVING AN ARC LENGTH OF 69.99', A RADIUS OF 1530.00', A CHORD BEARING AND DISTANCE OF N 38°23'01" W, 69.99' TO A POINT OF REVERSE CURVATURE; THENCE CONTINUE ALONG THE EASTERLY RIGHT OF WAY LINE OF COMARES AVENUE WITH A CURVE TURNING TO THE RIGHT AN ARC LENGTH OF 255.01', WITH A RADIUS OF 5470.00', A CHORD BEARING AND DISTANCE OF N 38°20'14" W, 254.99'; THENCE DEPARTING SAID EASTERLY RIGHT OF WAY RUN N 58°46'29" E, ALONG THE SOUTHERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 4861, PAGE 641, 110.36'; THENCE CONTINUE ALONG SAID SOUTHERLY LINE, N 56°53'33" E, 113.04'; THENCE N 56°26'24" E, 60.25'; THENCE N 56°48'47" E, 151.66' TO THE SOUTHEAST CORNER OF OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 4861, PAGE 641; THENCE RUN ALONG THE EASTERLY LINE OF SAID BLOCK 1, DAVIS SHORES OCEAN VIEW SECTION THE FOLLOWING (7) SEVEN COURSES, S 34°00'45", 20.95'; THENCE S 33°55'12" E, 50.00'; THENCE S 34°18'12" E, 45.00'; THENCE S 34°42'12" E, 50.00'; THENCE S 35°06'12" E, 50.00'; THENCE S 35°31'12", 50.00'; THENCE S 35°55'12" E, 50.00' TO THE SOUTHEAST CORNER OF SAID LOT 128, BLOCK 1; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 128, BLOCK 1, S 52°09'48" W, 155.35' TO THE SOUTHWEST CORNER OF SAID LOT 128, BLOCK 1; THENCE S 60°06'35" W, 60.28' TO THE SOUTHEAST CORNER OF SAID LOT 7, BLOCK 32; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 7, BLOCK 32, S 52°26'44" W, 103.71' TO THE SOUTHWEST CORNER OF SAID LOT 7, BLOCK 32; THENCE ALONG THE WESTERLY LINE OF SAID LOT 7, BLOCK 32, N 35°46'41" W, 17.03' TO THE SOUTHEAST CORNER OF SAID LOT 24, BLOCK 32; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, BLOCK 32, S 54°14'40" W, 96.15' TO THE POINT OF BEGINNING.



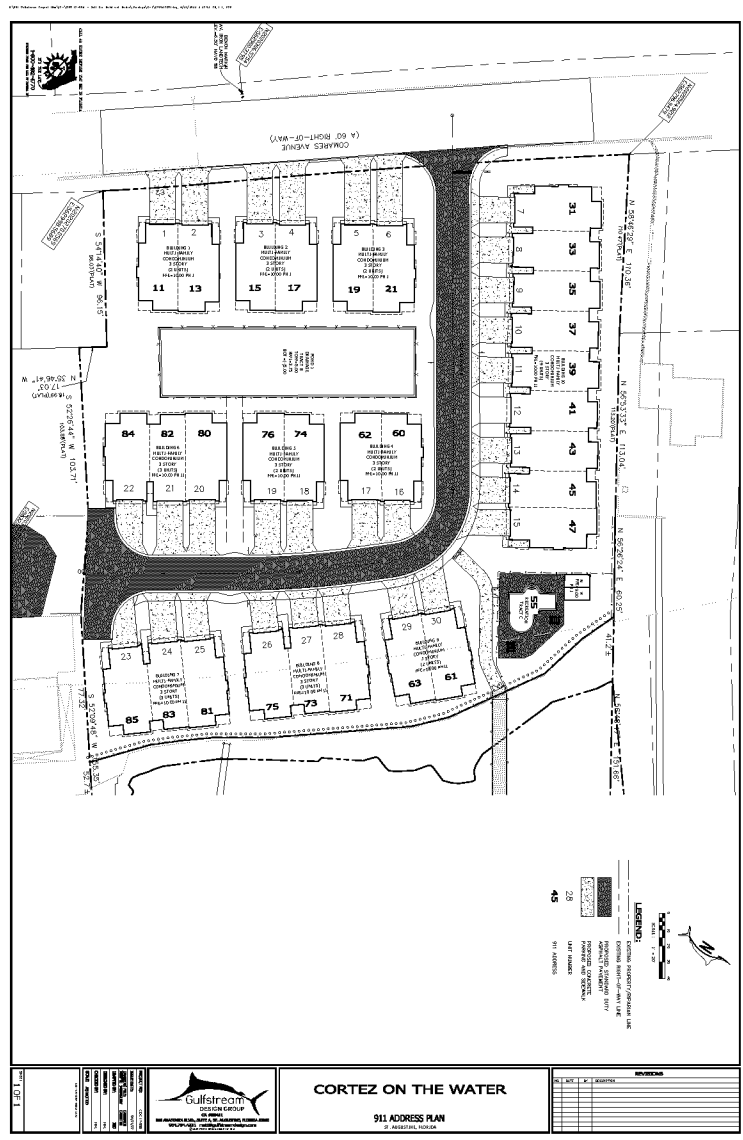
RGS LAND SURVEYING, INC.

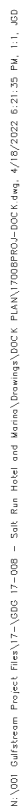
EMAIL: RGSLB8100@GMAIL.COM
(904) 472-3888 WEBSITE: RGSLANDSURVEYING.COM
3624 CRAZY HORSE TRAIL, ST. AUGUSTINE, FL. 32086

FIELD WORK COMPLETED MAP ORIGINALLY SIGNED
DATE 06-23-2021 DATE 06-24-2021
MICHAEL T. DANTZLER, P.S.M., FLORIDA CERT. NO. 6255
RGS LAND SURVEYING, INC. LICENSED BUSINESS NO. 8100

CERTIFIED TO:

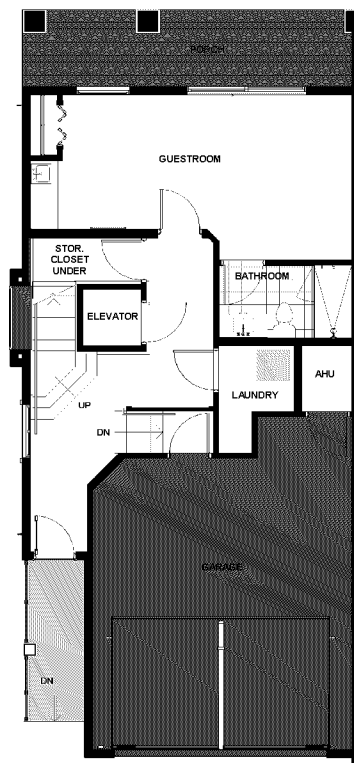
Seth D. Corneal PLLC
D/B/A/ The Corneal Law Firm
Old Republic National Title Insurance Co.
1723 Comares, LLC
Oakstar Bank ISAOA/ATIMA
Phelps Dunbar LLP





101

LEVEL - 1



AREA : 2772 S.F.

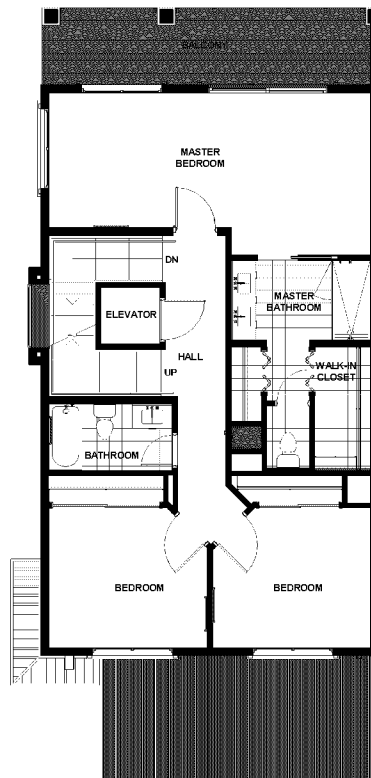


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102

LEVEL - 2

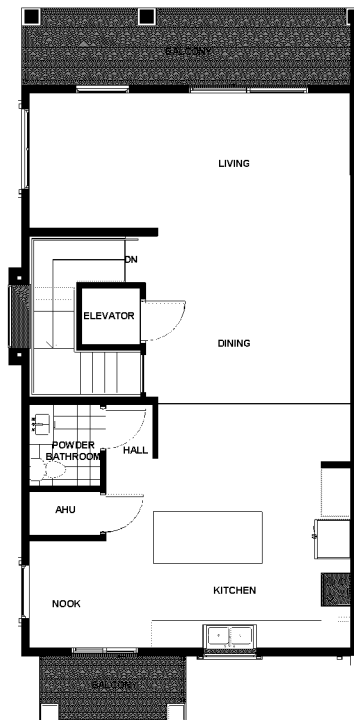


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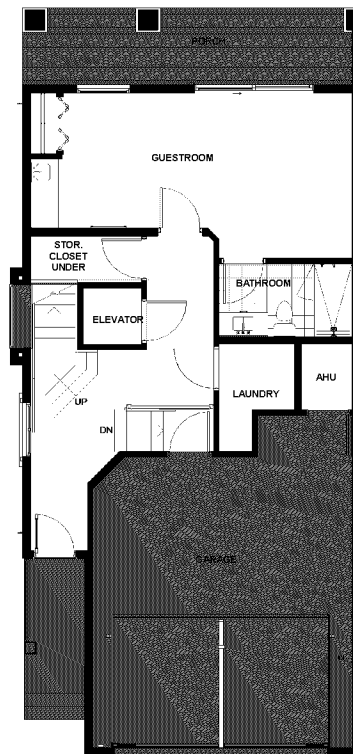
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LEVEL - 3



101

LEVEL - 1



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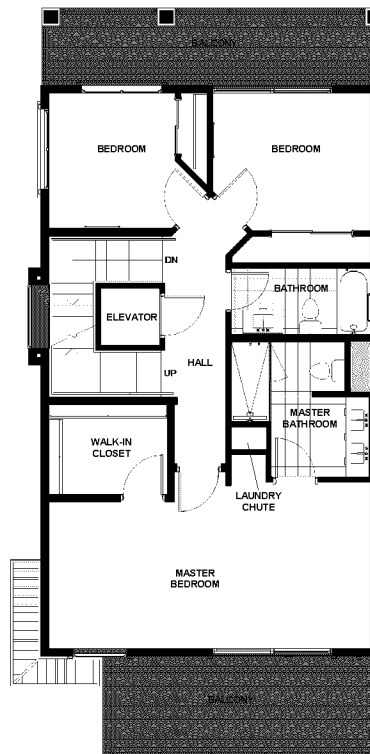


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102

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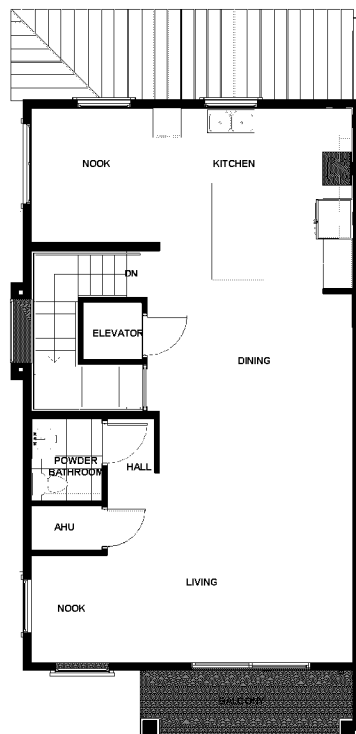


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103

LEVEL - 3



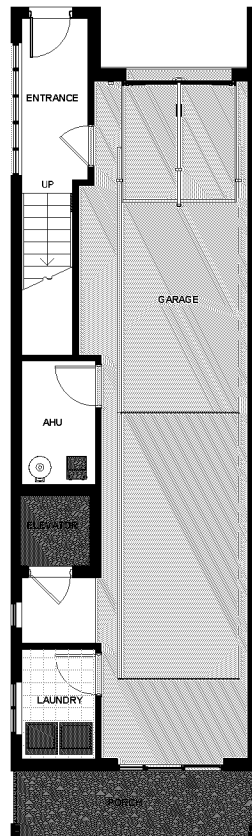
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101

LEVEL - 1



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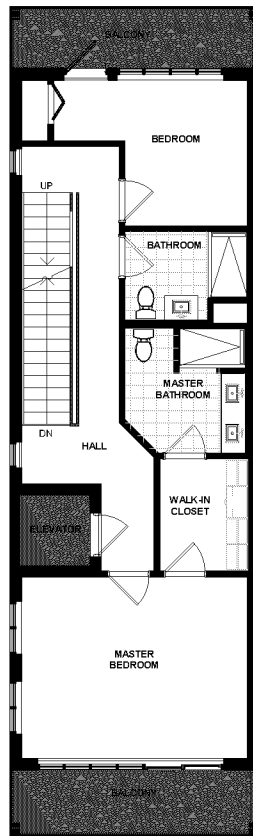
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435 Flagler Boulevard St. Augustine, Florida 32086

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102

LEVEL - 2



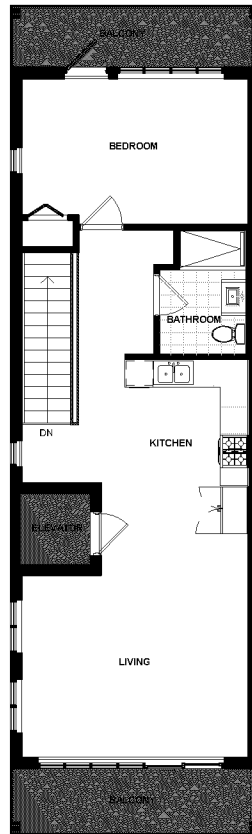
SWORDFISH UNIT

435 Flagler Boulevard St. Augustine, Florida 32086

4/28/2022 11:28:52 AM

103

LEVEL - 3



SWORDFISH UNIT

435 Flagler Boulevard St. Augustine, Florida 32086

4/28/2022 11:28:53 AM

EXHIBIT C
TO
DECLARATION OF CONDOMINIUM

Articles of Incorporation
The Cortez Condominium Association, Inc.

N16000008682

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP ☐ WAIT ☐ MAIL

(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer:

Office Use Only



100289542521

08/29/16--01024--022 **70.00

16 AUG 29 PM 12:40
SECRETARY OF STATE
TALLAHASSEE FLORIDA

ne 4 n1/b

COVER LETTER

Department of State
 Division of Corporations
 P. O. Box 6327
 Tallahassee, FL 32314

SUBJECT: The Cortez Condominium Association, Inc.
 (PROPOSED CORPORATE NAME - MUST INCLUDE SUFFIX)

Enclosed is an original and one (1) copy of the Articles of Incorporation and a check for :

☒ \$70.00
 Filing Fee

☐ \$78.75
 Filing Fee &
 Certificate of
 Status

☐ \$78.75
 Filing Fee
 & Certified Copy

☐ \$87.50
 Filing Fee,
 Certified Copy
 & Certificate

ADDITIONAL COPY REQUIRED

FROM: St. Johns Law Group
 Name (Printed or typed)
104 Sea Grove Main Street
 Address
St. Augustine, Florida 32080
 City, State & Zip
904-495-0400
 Daytime Telephone number
bryangreiner@aol.com
 E-mail address: (to be used for future annual report notification)

NOTE: Please provide the original and one copy of the articles.

ARTICLES OF INCORPORATION
OF
THE CORTEZ CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not for Profit)

16 AUG 29 PM 12:40
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned hereby forms this corporation not for profit under Chapter 617, Florida Statutes, for the purposes and with the powers hereinafter set forth and certifies as follows:

ARTICLE I

NAME

The name of the not for profit corporation is THE CORTEZ CONDOMINIUM ASSOCIATION, INC. (the "Association").

ARTICLE II

PRINCIPAL PLACE OF BUSINESS AND MAILING ADDRESS

The principal place of business 23 Comares Avenue, St. Augustine, Florida 32080. The mailing address of the corporation is 23 Comares Avenue, St. Augustine, Florida 32080.

ARTICLE III

PURPOSE AND POWERS

A. The purpose for which this Association is organized is to maintain, operate and manage The Cortez, a Condominium (the "The Cortez"), and to own portions of, operate, lease, sell, trade and otherwise deal with certain of the improvements located therein now or in the future, all in accordance with the Declaration of Condominium (the "Declaration"), these Articles of Incorporation of the Association (the "Articles"), the Bylaws of the Association (the "Bylaws"), any rules or regulations promulgated by the Association and all of the instruments and documents referred to therein and executed in connection with The Cortez (collectively the "Condominium Documents") and in accordance with the Condominium Act, Chapter 718, Florida Statutes (the "Condominium Act").

B. The Association shall have the following powers which shall be governed by the following provisions:

1. The Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Condominium Documents or the Condominium Act.

2. The Association shall have all of the powers to be granted to the Association in the Condominium Documents. All provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

3. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium Property, including, but not limited to the Units, the Association Property and the Common Elements.

4. To make, levy, collect and enforce Assessments and special charges and any other charges and/or fees as provided in the Condominium Documents against Unit Owners, in order to provide funds to pay for the expenses of the Association, the maintenance, operation and management of The Cortez and the payment of Common Expenses and other expenses in the manner provided in the Condominium Documents and the Condominium Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association.

5. To maintain, repair, replace and operate the Condominium Property and Association Property in accordance with the Declaration and the Condominium Act.

6. To reconstruct improvements on the Condominium Property and Association Property in the event of casualty or other loss;

7. To enforce by legal means the provisions of the Condominium Documents and the Condominium Act;

8. To employ personnel, retain independent contractors and professional personnel, and to enter into service contracts to provide for the maintenance, operation and management of the Condominium Property and Association Property and to enter into any other agreements consistent with the purposes of the Association including, but not limited to, agreements as to the management of the Condominium Property and Association Property and agreements to acquire possessory or use interests in real property and to provide therein that the expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs, are Common Expenses of The Cortez and;

9. To purchase real and/or personal property as determined by the Association in compliance with the Condominium Documents.

ARTICLE IV

MEMBERSHIP

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

A. Until such time as The Cortez is submitted to condominium ownership by the recordation of the Declaration, the membership of the Association shall be comprised solely of the members of the "First Board".

B. Once The Cortez is submitted to condominium ownership by the recordation of the Declaration, the Unit Owners, which shall mean in the first instance Developer as the owner of all the Units, shall be entitled to exercise all of the rights and privileges of the Members.

C. Except as set forth above, membership in the Association shall be established by the acquisition of ownership of fee title to a Unit as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records whereupon the membership of the prior Unit Owner shall terminate as to that Unit. Where title to a Unit is acquired from a party other than Developer, the person, persons, corporation or other legal entity thereby acquiring such Unit, shall not be a Member unless and until such acquisition is in compliance with the provisions of the applicable Declaration. New Members shall deliver to the Association a true copy of the deed or other instrument of acquisition of title to the Unit.

D. No Member may assign hypothecate or transfer in any manner his or her membership or his or her share in the funds and assets of the Association except as an appurtenance to his or her Unit.

E. With respect to voting, the following provisions shall apply:

1. Each Unit shall be entitled to one (1) vote, which vote(s) shall be exercised and cast in accordance with the Declaration of Condominium applicable to such Member. In the event there is more than one (1) owner with respect to a Unit as a result of the fee interest in such Unit being held by more than one (1) person or entity, such owners collectively shall be entitled to (1) vote for each Unit owned in the manner determined by the Declaration.

2. In matters that require a vote, voting shall take place as follows:

(a) Matters substantially pertaining to The Cortez or the Association as a whole shall be voted on by the membership and shall be determined by a vote of the majority of the membership in attendance at any meeting having a quorum (as determined in accordance with the Bylaws).

3. Any decision as to whether a matter substantially pertains to The Cortez or to the Association as a whole, for purposes of voting, shall be determined solely by the Board. Notwithstanding the foregoing, no action or resolution affecting The Cortez which the Board determines requires the vote of the Members as a whole shall be effective with regard to The Cortez unless the Members so affected shall be given the opportunity to vote on said action or resolution.

4. The membership shall be entitled to elect the Board as provided in Article IX of these Articles.

5. Notwithstanding any other provisions of these Articles, on matters which require voting by the Members, if the question is one upon which, by express provisions of the Condominium Act or the Condominium Documents (provided the express provisions of the Condominium Documents are in accordance with the requirements of the Condominium Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

ARTICLE V

TERM

The term for which this Association is to exist shall be perpetual.

ARTICLE VI

INCORPORATOR

The name and address of the Incorporator of these Articles is as follows: 1723 Comares, LLC, a Florida limited liability company, 5744 Castlebay Drive, Springfield, Missouri 65809.

ARTICLE VII

OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board. The Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as it deems necessary to administer or assist in the administration of the operation or management of the Association and Developer shall have the right to be reimbursed for expenses incurred by Developer on behalf of the Association in managing the Association.

B. The Board shall elect the President, the Vice President, the Secretary, and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in Section 4.1 of the Bylaws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the Bylaws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible;

provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE VIII

FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	John F. Youngblood
Vice President	John A. Calhoun
Secretary	Bryan Greiner
Treasurer	John F. Youngblood

ARTICLE IX

BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors ("First Board"), the "Initial Elected Board" (as hereinafter defined) and all Boards elected prior to the Annual Members' Meeting following the "Developer's Resignation Event" (as hereinafter defined) shall be no less than three (3) nor more than seven (7). The number of Directors elected by the Members subsequent to the Developer's Resignation Event shall be as provided in Paragraph K of this Article IX. Except for Developer-appointed Directors, Directors must be Members or the spouses, parents or children of Members except that if a Unit is owned by an entity and not an individual, such entity may appoint an individual on its behalf to be eligible to serve on the Board of Directors.

B. The names and addresses of the persons who are to serve as the First Board are as follows:

<u>NAME</u>	<u>ADDRESS</u>
John F. Youngblood	5744 Castlebay Drive Springfield, Missouri 65809
Bryan Greiner	912 Ocean Palm Way St. Augustine, Florida 32080
John A. Calhoun	5744 Castlebay Drive Springfield, Missouri 65809

Developer reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided. Provided the Developer holds units for sale in the ordinary course of business, Developer reserves the right to remove any Director from the First Board and the right to remove any Director designated by Developer in accordance with these articles.

C. Upon the conveyance by Developer to Unit Owners other than Developer ("Purchaser Members") of fifteen percent (15%) or more of the "Total Units" (as hereinafter defined) of The Cortez, the Purchaser Members shall be entitled to elect one-third (1/3) of the Board, which election shall take place at the Initial Election Meeting. Developer shall designate the remaining Directors on the Board at the Initial Election Meeting. The Director to be elected by the Purchaser Members and the remaining Directors to be designated by Developer are hereinafter collectively referred to as the "Initial Elected Board" and shall succeed the First Board upon their election and qualification. Subject to the provisions of Paragraph IX.D below, the Initial Elected Board shall serve until the next Annual Members' Meeting, whereupon, the Directors shall be designated and elected in the same manner as the Initial Elected Board. The Directors shall continue to be so designated and elected at each subsequent Annual Members' Meeting until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board. Developer reserves the right, until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board, to designate successor Directors to fill any vacancies caused by the resignation or removal of Directors designated by Developer pursuant to this Paragraph IX(C).

The term "Total Units" means the number of Units contemplated for The Cortez (less the number of Units in The Cortez which Developer decides neither to submit as part of The Cortez as provided in the Declarations).

D. Purchaser Members are entitled to elect not less than a majority of the Board upon the happening of any of certain events.

1. If unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer are entitled to elect at least one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect at least a majority of the members of the board of administration of an association, upon the first to occur of any of the following events:

- a. Three (3) years after fifty (50%) percent of the Total Units have been conveyed to purchaser;
- b. Three (3) months after ninety (90%) percent of the Total Units have been conveyed to purchasers;

c. When all units 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;

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;

e. When the Developer files a petition seeking protection in bankruptcy;

f. When a receiver for the Developer is appointed by a circuit court and is not discharged within thirty (30) days after such appointment, unless the court determines within thirty (30) days after appointment of the receiver that transfer of control would be detrimental to the Association or the Members; or

g. Seven (7) years after the date of the recording of the certificate of a surveyor and mapper pursuant to 718.104(4)(e), F.S., or the recording of an instrument that transfers title to a unit in the condominium which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such unit, whichever occurs first; or, in the case of an association that may ultimately operate more than one condominium, seven (7) years after the date of the recording of the certificate of a surveyor and mapper pursuant to 718.104(4)(e), F.S., or the recording of an instrument that transfers title to a unit which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such unit, whichever occurs first, for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to 718.403, seven (7) years after the date of the recording of the certificate of a surveyor and mapper pursuant to 718.104(4)(e), F.S., or the recording of an instrument that transfers title to a unit which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such unit, whichever occurs first. The Developer is entitled to elect at least one member of the Board as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent, in condominiums with fewer than 500 units, and two (2%) percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. After the Developer relinquishes control of the Association, the Developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for the purposes of reacquiring control of the Association or selecting the majority members of the Board.

2. Notwithstanding the above, Declarant shall have the right to at any time, upon written notice to the Association, relinquish its right to designate a majority of the Board.

E. The election of not less than a majority of Directors by the Purchaser Members shall occur at a meeting of the membership to be called by the Board for such purpose ("Majority Election Meeting").

F. At the Majority Election Meeting, Purchaser Members shall elect two (2) Directors and Developer, until the Developer's Resignation Event, shall be entitled to designate one (1) Director. Developer reserves the right, until the Developer's Resignation Event, to name the successor, if any, to any Director it has so designated; provided, however, Developer shall in any event be entitled to exercise any right it may have to representation on the Board as granted by law, notwithstanding the occurrence of the Developer's Resignation Event.

G. At the first Annual Members' Meeting held after the Majority Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. A number equal to fifty (50%) percent of the total number of Directors rounded to the nearest or next whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and
2. The remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

H. The Board shall continue to be elected by the Members subject to the Developer's right to appoint a member to the Board as specified in the Condominium Act at each subsequent Annual Members' Meeting, until Developer is no longer entitled to appoint a member to the Board.

I. The Initial Election Meeting and the Majority Election Meeting shall be called by the Association, through its Board, within seventy-five (75) days after the Purchaser Members are entitled to elect a Director or the majority of Directors, as the case may be. A notice of the election shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least sixty (60) days' notice of such election. The notice shall also specify the number of Directors that shall be elected by the Purchaser Members and the remaining number of Directors designated by Developer.

J. Developer shall cause all of its designated Directors to resign when Developer no longer holds at least five (5%) percent of the sum of the Total Units for sale in the ordinary course of business. In addition, Developer may at any time, in its sole discretion, cause the voluntary resignation of all of the Directors designated by it. The happening of either such event is herein referred to as the "Developer's Resignation Event". Upon the Developer's Resignation Event, the Directors elected by Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of the Developer's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until their successors are elected and qualified; provided, however, nothing herein contained shall be deemed to waive any right to representation

on the Board which Developer may have pursuant to the Condominium Act. Developer specifically reserves the right to assert any right to representation on the Board it may have pursuant to the Condominium Act, notwithstanding that the Developer's Resignation Event may have previously occurred.

K. At each Annual Members' Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors to be elected shall be determined by the Board from time to time, but there shall not be less than three (3) Directors nor more than seven (7).

L. The following provisions shall govern the right of each Director to vote and the manner of exercising such right:

1. There shall be only one (1) vote for each Director.
2. All of the Directors of the Board shall vote thereon as one (1) body, without distinction as to class, on matters which pertain to the Association or the Association Property.
3. In the case of deadlock by the Board, application shall be made to a court of competent jurisdiction to resolve the deadlock.

ARTICLE X

INITIAL REGISTERED AGENT

The initial registered agent of the Association shall be Cortez Water, LLC, 852 Ocean Palm Way, St. Augustine, Florida 32080

ARTICLE XI

INDEMNIFICATION

A. The Association shall indemnify every Director and every Officer of the Association against all expenses and liabilities including attorneys' fees, actually and reasonably incurred by or imposed on him or her in connection with any legal proceeding (or settlement or appeal of such proceeding) in which he or she may be a party because of his being or having been a Director or Officer of the Association to the fullest extent that may be permitted by law. In no event, however, shall any Officer or Director be indemnified for his own willful misconduct, or, with respect to any criminal proceeding, his own knowing violation of provisions of law.

B. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XII

BYLAWS

The first Bylaws shall be adopted by the Board of Directors, and may be altered, rescinded or amended by a majority of the Board, except as otherwise may be provided by the Bylaws and the Declaration.

ARTICLE XIII

AMENDMENTS

A. Except as otherwise required for by Florida law, these Articles may be amended by vote of more than fifty (50%) percent of the voting interest at any annual or special meeting, or by approval in writing of the owners of two-thirds (2/3) of the voting interest without a meeting, provided that notice of any proposed amendment has been given to the members of the Association and that the notice contains a copy of the proposed Amendment.

B. An Amendment shall become effective upon filing with the Secretary of State and recording a copy in the Public Records of St. Johns County, Florida.

ARTICLE XIV

DISSOLUTION OF THE ASSOCIATION

A. Upon expiration of the term of the Declaration, the Association may be dissolved upon a resolution to that effect being approved by the holders of two-thirds of the total voting rights of the Association membership and upon compliance with any applicable laws then in effect.

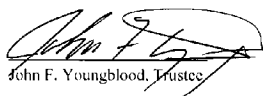
B. Upon dissolution of the Association, all of its assets remaining after provision for payment of creditors and all costs and expenses of such dissolution shall be apportioned among the Units pro rata to the number of votes attributable to such Units, and the share of each shall be distributed to the then owners thereof.

WHEREFORE, on this 16 day of August, 2016, I, the incorporator, submit this document and affirm that the facts stated herein are true. I am aware that any false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s. 817.155, F.S.

"Incorporator"

1723 Comares, LLC, a Florida limited
liability company

John F. Youngblood Trust, its Manager


John F. Youngblood, Trustee

Having been named as registered agent to accept service of process for the above stated corporation
at the place designated in this certificate, I am familiar with and accept the appointment as
registered agent and agree to act in this capacity.

"Registered Agent"

Cortez Water, LLC

By: Bryan Greiner, its Manager

16 AUG 29 PM 12:40
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

"Incorporator"

1723 Comares, LLC, a Florida limited
liability company

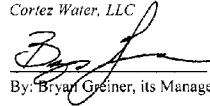
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Cortez Water, LLC



By: Bryan Greiner, its Manager

16 AUG 29 PM 12:40
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT D
TO
DECLARATION OF CONDOMINIUM

The Bylaws of
The Cortez Condominium Association, Inc.

BYLAWS OF THE CORTEZ, A CONDOMINIUM

Section 1. Identification of Association

These are the Bylaws of THE CORTEZ, A CONDOMINIUM ("Association"), as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes, for the purpose of managing, operating, and administering the condominium known as The Cortez, a Condominium.

1.1. The office of the Association shall be for the present at 23 Comares Avenue, St. Augustine, Florida 32080 and thereafter may be located at any place designated by the Board.

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

1.3. The seal of the corporation shall bear the name of the corporation, the word "Florida" and the words "Corporation Not For Profit"

Section 2. Definitions

2.1. All capitalized terms shall have the meanings set forth in the Condominium Act, Chapter 718, Florida Statutes ("Act"), as amended through the date of recording the "Declaration" amongst the Public Records of St. Johns County, Florida ("County") or, if not defined in the Act, as defined in the Articles.

2.2. Notwithstanding anything to the contrary herein, references to any of the Condominium Documents shall be deemed to include any amendment to any such document as set forth therein.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of Members, the manner of their admission to membership and the termination of such membership shall be as set forth in Article IV of the Articles.

3.2. The Members shall meet annually at the office of the Association or at such other place in the County, at such time as determined by the Board and as designated in the notice of such meeting ("Annual Members' Meeting"), commencing with the year following the year in which the Articles are filed with the Secretary of State. All such meetings shall be conducted in the English language. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (subject to the provisions of Article IX of the Articles) and transact any other business authorized to be transacted by the Members.

3.3. Special meetings of the members or any Class Members, as the case may be, shall be held at any place within the State Florida whenever called by the President or Vice President of the Association or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from one-third (1/3) of the Members or any

Class Members, as the case may be, except as otherwise provided in Sections 4.5(a) and 1.3(b) hereof. Unless specifically stated otherwise herein, the provisions of these Bylaws pertaining to meetings of Members shall also be applicable to meetings of Class Members.

3.4. Except as otherwise provided herein, written notice of a meeting (whether the Annual Members' Meeting or a special meeting of the Members) shall be mailed to each Member at his or her last known address as it appears on the books of the Association. Proof of such mailing shall be given by affidavit of the person who mailed such notice and also by such other method as may be required by the Act. The notice shall state the time and place of such meeting and the purposes for which the meeting is called. Unless a Member waives in writing the right to receive notice of the meeting, written notice of Annual Members' Meetings and special meetings of the Members shall be mailed or delivered to each Member in the manner required by the Act, not less than fourteen (14) days prior to the date of the meeting. Notice of the Annual Members' Meeting or special meeting of the Members shall be posted at a conspicuous place on the Condominium Property as more particularly set forth in the rules and regulations, at least fourteen (14) continuous days prior to the meeting. If a meeting of the Members, either a special meeting or an Annual Members' Meeting, is one which, by express provision of the Act or Condominium Documents (provided the express provision of the Condominium Documents is in accordance with the requirements of the Act) there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Paragraph 3.4, then such express provision shall govern.

3.5. The Members or any Class Members, as the case may be, may waive notice of special meetings; and, at the discretion of the Board, act by written agreement in lieu of a meeting. Written notice of the matter or matters to be considered by written agreement in lieu of a meeting shall be given to the Members or any Class Members, as the case may be, at the addresses and within the time periods set forth in Section 3.4 hereof or duly waived in accordance with such Section. The notice shall set forth a time period during which time a response must be made by a Member or "Proxy" (as hereinafter defined). The decision of a majority of a quorum of the Voting Interests (as evidenced by written response to be solicited in the notice) shall be binding on the Members or any Class Members, as the case may be, provided a quorum of the Members or any Class Members, as the case may be, submits a response. However, if the question is one upon which, by express provisions of the Act or the Condominium Documents (provided the express provisions of the Condominium Documents are in accordance with the requirements of the Act) requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.6. A quorum of the Members shall consist of persons entitled to cast votes on behalf of a majority of the entire Membership. A quorum of any Class Members shall consist of persons entitled to cast votes on behalf of such Class Members. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, holders of a majority of the Voting Interests present in person or represented by written Proxy shall be required to decide

the question. However, if the question is one which, by express provision of the Act or the Condominium Documents (provided the express provision of the Condominium Documents is in accordance with the requirements of the Act), requires a vote other than the majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.7. If any meeting of the Members or any Class Members, as the case may be, cannot be properly held because a quorum is not in attendance, the Members who are present, either in person or by Proxy (as defined in Section 11) may adjourn the meeting from time to time until a quorum is present. A quorum is not required for an election to occur; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of Directors. In the case of the meeting being adjourned, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.8. At any Annual Members' Meeting at which elections of Directors are to occur, Directors shall be elected by written ballot or voting machine. In no event shall Proxies be used in electing the Board, either in general elections or elections to fill vacancies caused by resignation, recall, or otherwise, unless otherwise provided in the Act. The procedures for the nomination of candidates and voting in elections shall be as provided in Section 718.112(2)(d)(3) of the Act.

3.9. If a quorum is not in attendance at a Meeting, the Members entitled to vote thereat who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board. In the event any meeting is adjourned or postponed to be continued at another time because a quorum is not present at such meeting, then and in that event, the quorum requirements provided herein shall be reduced to the presence in person or by Proxy of one-third (1/3) of the Voting Interests of Members or Class Members of the Association at the adjourned meeting. Actions approved by a majority of the Voting Interests of Members or Class Members present in person or by Proxy at such adjourned meeting at which such reduced quorum exists shall be binding upon all Members or Class Members and for all purposes except where otherwise provided by law, in the Declaration, in the Articles, or in these Bylaws. This reduction of the quorum requirements shall apply only if the Board sends notice of the adjourned or postponed meeting to the Members or Class Members as elsewhere provided, which notice must specifically provide that quorum requirements will be reduced at the adjourned or postponed meeting.

3.10. Minutes of all meetings shall be kept in a businesslike manner and available for inspection by the Members and Directors at all reasonable times. The official records of the Association will be retained within the state for at least seven (7) years. The records of the Association will be made available to a unit owner within 45 miles of the condominium property or within the county in which the condominium property. This section may be complied with by having a copy of the official records of the Association available for inspection or copying on the

condominium property or association property, or the association may offer the option of making the records available to a unit owner electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. The association is not responsible for the use or misuse of the information provided to an association member or his or her authorized representative pursuant to the compliance requirements of Chapter 718, Florida Statutes, unless the association has an affirmative duty not to disclose such information pursuant to Chapter 718, Florida Statutes.

3.11. If, as and when, one (1) or more phases of The Cortez, a condominium, other than the Condominium as submitted in Phase I, are submitted to condominium ownership, Class Members shall be created for Unit Owners in each additional Condominium. All classes of Members shall vote in the manner stated in Article IV of the Articles. Voting rights of Members shall be as stated in each Declaration and the Articles. Such votes may be cast in person or by Proxy. "Proxy" is defined to mean an instrument in writing, signed by a Member, appointing a person to whom the Member delegates the Member's right to cast a vote or votes in the Member's place and stead. Proxies shall be valid only for the particular meeting designated therein and any lawful adjournments thereof; provided, however, that no Proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, provided, this express provision is not inconsistent with the requirements of the Act, in which case the Act shall govern and control. Each Proxy shall contain the date, time and place of the meeting for which the Proxy is given. A limited Proxy shall set forth those items which the holder of the Proxy may vote and the manner in which the vote is cast. Members shall not vote by general Proxy, except as provided in Florida Statutes 718.112(2)(b)(2), but may vote by limited Proxy. A Proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast by virtue of such Proxy.

3.12. Upon demand of any Member at any time prior to a vote upon any matter at a meeting of the Members, or any Class Members, any Member may demand voting on such matter shall be by secret ballot. The chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

3.13. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the rules and regulations. In addition, any Member may tape record or videotape a meeting in accordance with the rules and regulations.

Section 4. Board of Directors; Directors' Meetings

4.1. The form of administration of the Association shall be by a Board of not less than three (3) Directors. At each Annual Members Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors (which must be an odd number)

shall be determined by the Board from time to time. Except for Developer-appointed Directors, Directors must be Members of the Association or the spouses, parents, or children of Members.

4.2. The provisions of the Articles setting forth the selection, designation, election and removal of Directors are hereby incorporated herein by reference. Voting for Directors, if applicable, shall be noncumulative. Directors elected by the Members in accordance with the Articles shall be elected by a plurality of votes cast by the Members present in person or by Proxy and entitled to vote at a properly held Annual Members' Meeting or special meeting of the Members.

4.3. Subject to Section 4.5 below and the rights of Developer as set forth in the Articles and as set forth in Section 4.5(b) below, vacancies on the Board shall be filled by person(s) elected by the affirmative vote of a majority of the remaining Directors. Such person shall be a Director and have all the rights, privileges, duties and obligations as a Director elected at the Annual Members' Meeting. A Director elected by the Board to fill a vacancy shall hold office only until the next election of Directors by the Members.

4.4. The term of each Director's service, except as provided in Section 4.3 of these Bylaws, shall extend until the next Annual Members' Meeting and thereafter, until his or her successor is duly elected and qualified or until he or she is removed in the manner elsewhere provided herein.

4.5. (a) A Director elected by the Purchaser Members, as provided in the Articles, may be removed from office with or without cause upon the affirmative vote or the agreement in writing of the Purchaser Members acting on behalf of a majority of Voting Interests held by Purchaser Members at a special meeting of the Purchaser Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in Section 718.112(2)(j), F.S., as it may be amended from time to time.

(b) Provided the Developer holds units for sale in the ordinary course of business, a Director on the First Board or designated by Developer as provided in the Articles may be removed only by Developer in its sole and absolute discretion and without any need for a meeting or vote. Provided the Developer holds units for sale in the ordinary course of business, Developer shall have the unqualified right to name successors to fill any vacancies occurring for any reason on the Board among Directors on the First Board or designated by it, and Developer shall notify the Board as to any such removal or vacancy and the name of the successor Director and of the commencement date for the term of such successor Director.

4.6. Notice to Members of the Annual Members' Meeting at which the Board of Directors is elected shall specify that the organizational meeting of the newly elected Board shall be held immediately following the Annual Members' Meeting. In the event the newly elected Board announces at the Annual Members' Meeting that it will not have its organizational meeting immediately after the Annual Members' Meeting, the Members shall be properly noticed as

provided for in these Bylaws. No further notice of the organizational meeting shall be necessary, provided that a quorum shall be present at such organizational meeting.

4.7. 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 Directors. All meetings of the Board shall be conducted in the English language. Special meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors. Participation in meetings of the Board by telephone or another form of electronic communication is permitted subject to the requirements of Section 718.112 (2)(b)5, F.S.

4.8. Notice of the time, agenda and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day specified for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium Property, as more specifically set forth in the rules and regulations, at least forty-eight (48) continuous hours in advance for the attention of Members. Notice of any meeting where regular assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Notice of a meeting where nonemergency Special Assessments or amendments to rules regarding Unit use will be considered shall be mailed or delivered to the Unit Owners and posted conspicuously on the Condominium Property not less than fourteen (14) days prior to the meeting. Proof of such mailing shall be given by affidavit executed by the person providing the notice and filed among the official records of the Association. Any Director may waive notice of the meeting before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically, provided elsewhere herein or in any of the Condominium Documents. A Director who is present at a meeting of the Board at which action of any corporate matter is taken shall be presumed to have assented to the action taken, unless he or she votes against such action or abstains from voting in respect thereto. A vote or abstention for each Director present shall be recorded in the minutes. If, at any meetings of the Board there shall be less than a quorum present, the majority of those present entitled to vote may adjourn the meeting from time to time until a quorum is present. At any properly held adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

4.10. The presiding officer at Board meetings shall be the President. In the absence of the President, the Directors present shall designate any one of their number to preside.

4.11. Directors shall not receive any compensation for their services.

4.12. The Board shall have the power to appoint executive committees of the Board consisting of not less than two (2) Directors. Executive committees shall have and exercise such powers of the Board as may be delegated to such executive committees by the Board.

4.13. Meetings of the Board shall be open to all Members. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the rules and regulations. All Board meetings shall be conducted in the English language. In addition, any Member may tape record or videotape a meeting in accordance with the rules and regulations.

Section 5. Fining Procedure for Enforcement of the Condominium Documents; Fees

5.1.1. First Offense (1st Notice)

When the Association becomes aware of noncompliance of a rule or regulation by a Unit Owner, family member, guest, invitee or lessee, it shall send a certified letter to the Unit Owner advising him or her of the rule which he or she has been accused of violating and warning that strict compliance with the rules and regulations will be required. Each day on which a violation occurs shall be deemed to be a separate offense.

5.1.2. Second Offense (2nd Notice)

If the Association receives a second report that a violation has been repeated or has been continued beyond the time specified within the first notice, the Board, after verifying the violation, may authorize a fine to be levied upon the Unit Owner. The fine for a second offense may not exceed the maximum amount permitted by the Act. Notice of a second violation shall be sent to the Unit Owner by certified mail.

5.1.3. Third Offense (3rd Notice)

If the Association receives a third report that a violation has been repeated or has continued beyond the time specified within the second notice, the Unit Owner may be charged a fine in an amount not to exceed the maximum amount permitted by the Act, following verification of the violation by the Board.

5.1.4. Fourth Offense

For repeated offenses or in any case where the Board deems it appropriate, the Board may seek injunctive relief through court action. In addition, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall, in the aggregate, exceed the amount set forth in Section 718.303(3) of the Act.

5.2 Exemptions and Hearings

(a) Any Unit Owner may appear before the Association to seek an exemption from or variance in the applicability of any given rule or regulation as it relates to said person on grounds of undue hardship or other special circumstances.

(b) Where the Association levies fines, such fines shall be levied pursuant to the procedures set forth in the rules and regulations.

5.3. A Unit Owner who fails to timely pay any Assessment shall be charged a late charge by the Association for such late Assessment in an amount not to exceed the maximum amount permitted by the Act. Unit Owners shall be responsible to pay all legal fees (including but not limited to, attorney and paralegal fees and court costs) incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced. The Association may charge an administrative fee in addition to any interest charged in accordance with the Declaration in an amount not to exceed the greater of \$25.00 or five percent (5%) of each installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any court costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment.

5.4. (a) The existence of the Association's right to fine as herein provided shall not preclude nor limit its right to seek any other enforcement method or remedy provided: (i) pursuant to the Condominium Documents; (ii) at law; or (iii) in equity.

(b) The amount of the fines as set forth herein may be increased by the Board in its sole discretion; provided, however, any such increase shall conform to the applicable requirements of the Act as to the maximum dollar amount of such fines as such maximum dollar amount may be increased by amendment of the Act from time to time.

5.5. Written Inquiries by Unit Owners

Written inquiries by Members to the Board shall be handled in accordance with Section 718.112(2)(a)(2), F.S., as it may be amended from time to time.

Section 6. Officers of the Association

6.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer, a Secretary and, if the Board so determines, an Assistant Secretary and an Assistant Treasurer, all of whom shall be elected annually by the Board. Any officer may be removed from office without cause by vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect and designate the powers and duties of such other officers and assistant officers as the Board shall find to be required to manage the affairs of the Association.

6.2. The President, who shall be a Director, shall be the chief executive officer of the Association. The President shall have all of the powers and duties which are usually vested in the office of the president of a condominium association including, but not limited to, the power to appoint committees from among the Members at such times as he or she may, in his or her discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

6.3. The Vice President(s) shall generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc. and shall be called upon in such order to exercise the powers and perform the duties of the President if he or she is absent or incapacitated.

6.4. The Secretary shall cause the minutes of all meetings of the Board and of the Members to be kept, which minutes shall be recorded in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He or she shall keep, or cause to be kept, the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall assist the Secretary and shall perform the duties of the Secretary when the Secretary is absent. The Treasurer shall have custody of all the property of the Association including funds, securities and evidences of indebtedness. He or she shall keep, or cause to be kept, the assessment rolls and accounts of the Members; he or she shall keep, or cause to be kept, the books of the Association in accordance with good accounting practices; and he or she shall perform all the duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer and shall perform the duties of the Treasurer whenever the Treasurer is absent.

6.6. Officers shall not receive compensation for their services. The compensation, if any, of all other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director or an officer as an employee of the Association nor preclude the contracting with a Director or an officer for the management of all or any portion of the Condominium.

Section 7. Accounting Records; Fiscal Management

7.1. Accounting Records

(a) The Association shall maintain the official records of the Association in accordance with Section 718.111(12) of the Act, which records shall be open to inspection by Members and owners of first mortgages on Units or their authorized representatives at reasonable times. The Association may charge Unit Owners, owners of first mortgages on Units or their authorized representative its actual costs for preparing and furnishing copies of the documents including, but

not limited to, the Declaration, Articles, Bylaws, Rules and Regulations, question and answer sheet and any amendment to the foregoing to those requesting same. Authorization of a representative of a Member must be in writing, signed by the Member giving the authorization and dated within ten (10) working days before the date of the inspection. The official records shall include accounting records for the Association maintained according to good accounting practices, and such accounting records shall be maintained for a period of not less than seven (7) years. Accounting records so maintained by the Association shall include, but are not limited to: (i) accurate, itemized and detailed records of all receipts and expenditures; (ii) a current account, and a quarterly statement of the account for each Unit or as reported at such interval as may be required by the Act as amended from time to time by the Florida Legislature, designating the name of the owner thereof, the due date and amount of each assessment, the amount paid upon the account, and the balance due; (iii) all audits reviews, accounting statements and financial reports of the Association; and (iv) all contracts for work to be performed, and such bids shall be considered official records and maintained for a period of one (1) year.

(b) A report of the actual receipts and expenditures of the Association for the previous twelve (12) months ("Report") shall be prepared annually by an accountant or Certified Public Accountant in accordance with Section 718.111(13) of the Act. The Report shall be prepared consistent with the requirements of Rule 61B-22.006, F.A.C. and a copy of such report shall be furnished in accordance with the Act to each Member not later than the first day of April of the year following the year for which the Report is made. The Report will include account classifications designated in the Act, if applicable, and accounts otherwise included at the Board's discretion. The Report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at the last known address shown on the books and records of the Association.

7.2. Budget

(a) The Board shall adopt a Budget for the Common Expenses of the Condominium ("Budget") for each forthcoming fiscal year ("Budget Year") at a special meeting of the Board ("Budget Meeting") called for that purpose in October or November prior to the applicable Budget Year. Prior to the Budget Meeting a proposed Budget for the Condominium shall be prepared by or on behalf of the Board, which Budget(s) shall include, but not be limited to, the following items of expense applicable to the Condominium:

- (i) Administration of the Association
- (ii) Utilities
- (iii) Management Fees
- (iv) Maintenance
- (v) Rent for recreational and other commonly used facilities

- (vi) Taxes upon Association Property
- (vii) Taxes upon leased areas
- (viii) Insurance
- (ix) Security provisions
- (x) Other expenses
- (xi) Operating capital
- (xii) Reserves for Capital Expenditures and Deferred Maintenance
- (xiii) Fees payable to the Division of Florida Land Sales, Condominiums and Mobile Homes

(b) The Budget for the Condominium constitutes an estimate of the expenses to be incurred by the Association for and on behalf of the Condominium. The procedure for the allocation of the expenses attributable to the Condominiums, which are the Common Expenses of the Condominium, shall be as follows:

(c) Common Expenses with respect to Condominium Property and Association Property (i.e., property held in the name of the Condominium Association, not the Common Elements), if any, shall be assessed against all Units in direct proportion to the percentage of ownership in the Common Elements and in the Common Surplus as set forth in the Declaration of Condominium, as it may exist from time to time.

(d) The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Condominium Property. The Budget for the Condominium shall include, on an annual basis, the establishment of reserve accounts for capital expenditures for deferred maintenance of the Condominium Property and Association Property. The reserve accounts shall include, but not be limited to: roof replacement, roadway resurfacing, building exterior repainting regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the deferred maintenance expense or replacement cost exceeds Ten Thousand Dollars (\$10,000.00). The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost of each reserve item. Notwithstanding any other provisions to the contrary contained herein, in the event that, by a majority vote of either Members or Class Members, as applicable, at a duly called meeting of the Association elect to have less than a full reserve or no reserve for deferred maintenance and replacement, then the applicable Budget shall be based on such lesser reserves or no reserves, as the case may be.

(e) Copies of the applicable proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member or Class Member at the Member's last known address, as reflected on the books and records of the Association, not less than fourteen (14) days

prior to said Budget Meeting, and the Budget Meeting shall be open to the Members. Failure to timely adopt a Budget for the Condominium shall not alter or abrogate the obligation to pay Common Expenses.

(f) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned every calendar year on a pro rata basis any expenses which are prepaid in any one (1) calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than quarterly in amounts not less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting. The cash basis method of accounting shall conform to generally accepted accounting standards and principles.

(g) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses or Operating Expenses not included in a Budget or which shall exceed budgeted items, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from expenses being greater than income from Assessments, then such deficits shall be carried into the applicable Budget for the next succeeding year as a deficiency or shall be the subject of a Special Assessment to be levied by the Board as otherwise provided in the applicable Declaration.

(h) The Board may also include in the proposed Budget a sum of money as an assessment for the making of betterments to the Condominium Property and Association Property for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the Members by the Board as a Special Assessment and shall be considered an "Excluded Expense" under Section 7.3(a) hereof.

7.3. Adoption of Budget

Until the provisions of Section 718.112(2)(e) of the Act relative to the Members' approval of a Budget requiring Assessments against the Members in excess of one hundred fifteen percent (115%) of such Assessments for the Members in the preceding year are declared invalid by the courts, or until amended by the Florida Legislature, the following shall be applicable (however, if such amendment merely substitutes another amount for one hundred fifteen percent (115%), then such new amount shall be substituted for one hundred fifteen percent (115%) each time it is used in this Section 7.3):

(a) Should the Budget adopted by the Board at the Budget Meeting require Assessments against Members of an amount which is not greater than one hundred fifteen percent (115%) of such Assessments for the prior year, the Budget shall be deemed approved by all Members. If, however, the Assessments required to meet the Budget exceed one hundred fifteen percent (115%) of such assessments for the Membership for the preceding year ("Excess Assessment"), then the provisions of Subsections 7.3(b) and (c) hereof shall be applicable. There shall be excluded in the computation of the Excess Assessment certain expenses ("Excluded Expenses") as follows:

(1) Reserves for repair or replacement of any portion of the Condominium Property or Association Property;

(2) Expenses of the Association which are not anticipated to be incurred on a regular or annual basis; and Association Property Assessments for betterments to the Condominium Property and

(b) Should the Excess Assessment be adopted by the Board, then upon delivery to the Board, within twenty (20) days after the Budget Meeting, of a written application requesting a special meeting signed by ten percent (10%) of the Voting Interests, the Board shall call a special meeting to be held upon not less than ten (10) days written notice to each Member, but to be held within thirty (30) days of the delivery of such application to the Board. At said special meeting, the Members shall consider and enact a Budget of Common Expenses. The adoption of the revisions to the Budget of Common Expenses shall require approval of not less than a majority of Voting Interests appurtenant to all Units in the Condominium. The Board may propose revisions to the Members at a meeting of Members or in writing, and, if a revised Budget of Common Expenses is enacted at said special meeting, then the revised Budget shall be, as to the Common Expenses, incorporated into the final Budget. If no written application is delivered as provided herein and a quorum is not obtained or a substitute budget is not adopted by the Members, then the Budget originally adopted by the Board shall be the final Budget and shall go into effect as scheduled.

(c) Until the Majority Election Meeting, the Board shall not impose an Assessment pursuant to a Budget for Common Expenses for the Condominium which is greater than one hundred fifteen percent (115%) of the prior fiscal year's Assessment without approval of a majority of the Voting Interests of Members to be so assessed.

7.4. Allocation of Common Expenses

(a) The portion of the expenses to be allocated to the operation and management of the Condominium shall be set forth in the Budget and shall constitute the Common Expenses of the Condominium. The Common Expenses shall be apportioned to each Unit Owner based upon his share of Common Expenses, as provided in the Declaration of the Condominium.

(b) Notwithstanding the allocation to each Unit of its share of Common Expenses, a Unit Owner shall also be liable for any Special Assessments levied by the Board against his/her Unit as provided in the Condominium Documents. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Unit Owners; provided, however, that upon completion of such specific purpose or purposes any excess funds shall be considered Common Surplus. The Association shall collect Assessments and Special Assessments or Common Expenses from a Unit Owner in the manner set forth in the Condominium Documents.

To the extent that the Association at any time has a Common Surplus, then such Common Surplus shall be prorated equally based on the number of Units within The Cortez, a Condominium.

7.5 Depository

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board. Notwithstanding the foregoing, the President and/or the Treasurer of the Association shall be authorized to sign checks on behalf of the Association, unless otherwise specified by the Board.

Section 8. Rules and Regulations

The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operation and use of the Condominium at any meeting of the Board; provided such rules and regulations are not inconsistent with the Condominium Documents nor detrimental to sales of Units by Developer as determined by Developer. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Unit Owners at the last known address as shown on the books and records of the Association and shall not take effect until forty-eight (48) hours after such mailing.

Section 9. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of this Association when not in conflict with the Condominium Documents or the Act. In the event of a conflict, the provisions of the Condominium Documents and the Act shall govern.

Section 10. Amendments of the Bylaws

10.1. These Bylaws may be amended by the affirmative vote of not less than a majority of the votes of Members entitled to vote thereon, represented in person or by proxy at a properly held Annual Members' Meeting or special meeting of the Membership and the approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed

amendment shall be sent to each Member along with notice of the Annual Members' Meeting or special meeting. An amendment may be approved at the same meeting of the Board and/or Members at which such amendment is proposed.

10.2. An amendment may be proposed by either the Board or by the Members, and after being proposed and approved by one of such bodies, must be approved by the other as set forth above in order to become enacted as an amendment.

10.3. No modification or amendment to these Bylaws shall be adopted which would affect or impair the priority of any holder, insurer or guarantor of a first mortgage on any Unit in The Cortez, the validity of such mortgage or any of the rights of Developer.

Section 11. Fidelity Bonding

The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association in accordance with Section 718.111(11)(d) of the Act.

Section 12. Condemnation of Common Elements

The Association has a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

Section 13. Arbitration

Pursuant to Section 718.1255 of the Act, mandatory nonbinding arbitration shall be required prior to institution of court litigation for disputes involving certain actions or inactions, as described therein.

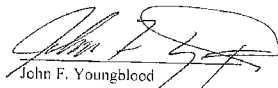
Section 14. Certificate of Compliance

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

Section 15. Recall of Board Members

Pursuant to Section 718.112(2)(j) of the Act, any Board member may be recalled and removed from office as provided for and described therein, except as to Developer-appointed members.

[SIGNATURES ON FOLLOWING PAGE]

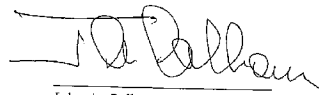


John F. Youngblood

John A. Calhoun

Bryan Greiner

John F. Youngblood



John A. Calhoun

Bryan Greiner

John F. Youngblood

John A. Calhoun



Bryan Greifer

EXHIBIT E
TO
DECLARATION OF CONDOMINIUM

Limited Common Elements

1. The Roof top of any Unit, the Lanai/Balcony (screened or unscreened), and other fixtures and equipment, if any, attached, affixed or contiguous to the exterior of and serving a Unit. These areas shall be a Limited Common Element reserved for the exclusive use of the Unit Owner(s) of the Unit(s) adjacent thereto. Unit Owners are prohibited from installing additional screening or windows on these areas or otherwise enclosing them.
2. All glass and other transparent and/or translucent material, insect screens and screening in windows and doors and the material covering other openings in the exterior walls of Units (including window frames and door frames).
3. One (1) garage will be allocated to each Unit by Developer at the time of conveyance of individual Units. The location of such garages which are hereby designated as Limited Common Elements are more particularly described on Exhibit B attached hereto.
4. The exclusive right to use one Boat Slip located within the Marina to be allocated among the Units at the time of conveyance of individual Units. The location of such Boat Slips which are hereby designated as Limited Common Elements is more particularly described on Exhibit B attached hereto. Included in the Limited Common Element of each Boat Slip shall be the finger dock(s) that run along such Boat Slip, which may be shared with such adjacent Boat Slip and its designated Unit Owner. All upgrades to such Boat Slip that are constructed on the finger dock(s) are considered the respective Unit Owner's personal property and must be maintained, repaired, and replaced at the sole expense and liability of the Unit Owner.

EXHIBIT F
TO
DECLARATION OF CONDOMINIUM

Unit Square Footage Assessment Allocation Work

CORTEZ CONDOMINIUM ASSOCIATION, INC.
ANNUAL OPERATING AND RESERVE BUDGET-Assessment Worksheet
30 HOME COMMUNITY
For the Period February 15, 2022 to February 14, 2023

UNIT OWNER EXPENSES	<i>Unit Share Per Sq Ft</i>	Monthly	Annually
OPERATING EXP FOR HOMES (without reserves)	0.20822	17,850	214,200
RESERVE ASSESSMENT	0.02803	2,403	28,833
TOTAL EXPENSES FOR HOMES (with reserves)		20,253	243,033

Estimated Budgeted Assessments per Home (Operating only)				Assessment	Unit Assessment	
Condominium	30 units	Total Sq Ft	Monthly Assmnt		Estimated Monthly	Estimated Annually
Marlin	4	11,088	2,309		577.20	6,926.36
Sailfish	7	20,069	4,179		596.98	7,163.74
Swordfish	19	54,568	11,362		598.02	7,176.23
	30	85,725	\$ 17,850			

Estimated Budgeted Assessments per Home - Reserves				Assessment	Unit Assessment	
Condominium	30 units	Total Sq Ft	Monthly Assmnt		Estimated Monthly	Estimated Annually
Marlin	4	11,088	311		77.70	932.35
Sailfish	7	20,069	563		80.36	964.31
0.726692088	19	54,568	1,529		80.50	965.99
	30	85,725	\$ 2,403			