DECLARATION OF CONDOMINIUM
OF
262181 KINGSWOOD CONDOMINIUM APARTMENT BUILDINGS NO. 33,34,35,36,54,55
STUART, FLORIDA

Made this 1st day of APRIL, 1976 by KINGSWOOD, INCORPORATED, a Florida corporation, hereinafter called the "Developer", for itself, its successors and assigns.

WHEREIN the Developer makes the following declarations:

1. PURPOSE.

The purpose of this Declaration is to submit the land described in this instrument and improvements on such lands to the condominium form of ownership and use in the manner provided by Chapter 711, Florida Statutes, hereinafter called the Condominium Act; and the Developer does hereby submit the condominium property to condominium ownership.

2. NAME AND ADDRESS.

The name by which this condominium is to be identified is KINGSWOOD CONDOMINIUM APARTMENT BUILDINGS NO. 33-34-35-36 54-55. Its address is 2950 S.E. Ocean Boulevard, Stuart, Florida 33494.

3. THE LAND.

The land owned by the Developer, which by this instrument is submitted to the condominium form of ownership, is located in Martin County, Florida. A description thereof is attached, as a part of Exhibit A.

4. DEFINITIONS.

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

4.1. Apartment means unit as defined by the Condominium Act.

4.2. Apartment Owner means unit owner, as defined by the Condominium Act.

4.3. Assessment means a share of the funds required for the payment of common expenses, which is assessed against each apartment owner.

4.4. Association means KINGSWOOD ASSOCIATION, #2, INC. the Florida not for profit corporation, its successors and assigns, which is responsible for the operation of the condominium.

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THIS DOCUMENT PREPARED BY:
ANGELA McLAUGHLIN, President
Kingswood, Inc.
2950 S.E. Ocean Blvd.
Stuart, Florida 33494

EXHIBIT 1

4.5. Common Elements means the portion of the condominium property not included in the apartments; and shall include the land of the condominium, the premises leased by the Association under the Long Term Lease, the leasehold interest of the condominium in said premises, and the tangible personal property required for the maintenance and operation of the condominium.

4.6. Common Expenses include:

a. Expenses of administration; expenses of maintenance, operation, repair or replacement of the common elements, and of the portions of the apartments to be maintained by the Association.

b. Expenses declared common expenses by provisions of this Declaration or the Bylaws of the Association.

c. Any valid charge against the condominium property as a whole.

d. All monies due under the Long Term Lease.

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

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

4.9. Condominium Property means and includes the land of the condominium, all improvements thereon, and the common elements; and all easements and rights appurtenant thereto.

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

4.11. Long Term Lease means and refers to the Lease between the Developer and the Association, demising the premises therein described to the Association; and upon which premises there is constructed, or will be constructed, recreational facilities, a sewage disposal system pumping station, sewer mains and related sewage disposal equipment.

4.12. Management Agreement means and refers to the agreement between the Developer and the Association, providing for the operation and management of the condominium for a period of five years.

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

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5. DEVELOPMENT PLAN.

The condominium includes six apartment buildings; and is described and established as follows:

5.1. Survey and Site Plan. A survey of the land, showing the apartment building on it and common elements upon the land is attached as a part of Exhibit A. An additional document creating a road easement may also be attached, as a part of Exhibit A.

It is anticipated that this condominium will be one of a series of separate condominium apartment buildings established by the Developer upon lands in Martin County, Florida, a description of which is also attached as a part of Exhibit A, and that the Association will be responsible for the operation of all of said condominiums. The land of this condominium is a part of said lands.

5.2. Plot Plans. Plot plans and other documents showing common elements within or attached to the apartment building, the location and dimensions of each apartment, and the location, dimensions and description of the premises leased by the Association under the Long Term Lease (designated a common element) are attached as collective Exhibit B. For the purpose of identification, all apartments are given identifying numbers and no apartment bears the same identifying number as does any other apartment.

5.3. A Surveyor's Certificate that said survey, site plan and plot plans, together with the wording of this Declaration, is a correct representation of the improvements described; and that there can be determined, therefrom, the identification, location, dimensions, and size of the common elements, and of each apartment is attached as Exhibit C.

5.4. Amendment of Plans.

a. Alteration of Apartment Plans. The Developer reserves the right to change the interior design and arrangement of all apartments and to alter the boundaries between apartments, as long as it owns the apartments so altered. No such change will increase the number of apartments nor alter the boundaries of the common elements without amendment of this Declaration in the manner described in Article 18 hereof. If the Developer makes any changes in apartments, as herein authorized, such changes will be reflected by an amendment of this Declaration; and if more than one apartment is concerned, the Developer will apportion between the apartments the shares in the common elements appurtenant to the apartments concerned.

b. Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of apartment plans by Developer need by signed and acknowledged only by the Developer and need not be approved by the Association, apartment owners or lienors or mortgagees of apartments or of the condominium, whether or not elsewhere required for an amendment.

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5.5. Easements are hereby reserved through the condominium property for the installation of force mains, water lines, electrical power lines and such other equipment as is required to furnish adequate sewer service, water and other utilities to this condominium and to others entitled thereto; provided, however, such easements through an apartment will be only according to the plans and specifications for the apartment building, or as the building is constructed, unless approved in writing by the apartment owner.

5.6. Improvements - General Description.

a. Apartment Buildings. The condominium includes apartment buildings. They each consits of a first and second floor and contain apartments and common elements.

b. Other improvements may include landscaping, automobile parking areas and private roads; all of which are part of the common elements.

5.7. Apartment boundaries. Each apartment will include that part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

a. Upper and lower boundaries. The upper and lower boundaries of the apartment will be the following boundaries, extended to an intersection with the perimetrical boundaries;

(1) Upper Boundary (first floor apartments) - The horizontal plane of the lower surfaces of the ceiling slab;

(2) Upper Boundary (second floor apartments) - The horizontal plane of the upper surfaces of the sheetrock;

(3) Lower Boundary (all apartments) - The horizontal plane of the lower surfaces of the floor slab.

b. Perimetrical boundaries. The perimetrical boundaries of the apartment will be the following boundaries extended to an intersection with the upper and lower boundaries:

(1) Exterior building walls - the intersecting vertical planes adjacent to and which include the exterior of the outside walls of the apartment building bounding an apartment and fixtures thereon; and when there is attached to the building a balcony, porch, stairway or other portion of the building serving only the apartment being bounded, such boundaries will be the intersecting vertical planes adjacent to and which include all of such structures and fixtures thereon.

(2) Interior building walls - the vertical planes of the center line of walls bounding an apartment extended to the intersections with other perimetrical boundaries, with the following exceptions:

(i) If interior building walls separate apartments from common elements, the perimetrical boundaries as to such walls will be the intersecting vertical planesx adjacent to and including the surfaces thereof facing the common elements.

(ii) If walls between apartments are of varying thickness, or about a column or shaft, the plane of the center line of a bounding wall will be extended to an intersection with the connecting bounding plane without regard to the plane of the center line of an intervening column or shaft.

(iii) If walls of different thickness abut with a flush side so that their center lines do not intersect, the plane of the center line of the thinner wall will be extended into the thicker wall for a distance which is one-half the thickness of the thinner wall, and the boundary will thence tun at right angle to the plane of the center line of the thicker wall.

(iiii) If exterior faces of apartment walls are diametrically opposite from each other, the perimetrical boundary of such apartments will proceed through the intersection of such walls at an angle of forty-five degrees from exterior face to exterior face.

5.8. Common Elements. The common elements of the condominium consist of the land and all other parts of the condominium property not within the qpartments, including but no limited to alll tangible persofnal property used in the maintenance and operation of the condominium. However, the coin operated washing machines and drying machines are the property of the Developer; and are installed pursuant to the provisions of the Management Agreement.

6. OWNERSHIP OF COMMON ELEMENTS.

There will be an undivided share in the common elements appurtenant to each apartment of the condominium, stated as a percentage thereof. The types of apartments of the condominium and the percentages attributable to each is set forth in the schedule attached as Exhibit D.

The fee title to each apartment will include both the apartment and its undivided interest in the common elements, said undivided interest to be deemed to be conveyed or encumbered with its respective apartment, even though the description in the instruments of conveyance or encumbrance may refer only to the fee title to the apartment. Any attempt to separate the fee title to an apartment from the undivided interest in th4 common elements appurtenant to each apartment will be null and void.

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7. LONG TERM LEASE.

The Association (as Lessee) has entered into a Long Term Lease (ninety-nine (99) years) withe the Developer (as Lessor) which lease demises the premises therein described. The Developer has constructed and installed, or will construct and install, recreational facilities, sewage disposal system pumping stations, sewer mains and related sewage disposal equipment upon said premises. Such facilities and equipment are for the use and benefit of the apartment owners, for the use and benefit of the owners of qpartments in other condominiums for which the Association has or will have operating responsibilities, members of their families and their social guests and for the use and benefit of others (all as set forth in said Long Term Lease). The Association has agreed to pay rent under said Long Term Lease, adjustable at five (5) year intervals to coincide with the purchasing power of the beginning amount, and to pay taxes, insurance and maintenance charges for the Demised Premises. Such rent and other expenses are apportioned as set forth in said lease.

The Lessor has retained a lien against the condominium property and against each apartment, as set forth in said Long Term Lease, for the purpose of securing the payment of such rent and expenses. In the event any apartment owner fails to pay his share of rent and other expenses the Lessor, among other remedies allowed, may foreclose its lien against the apartment for which payment is not made.

All monies due and to become due under the provisions of said Long Term Lease, including, without limitation, rent and other items as are specified in said lease, are and will continue to be for the full term of said lease, common expenses of the condominium.

The Long Term Lease referred to herein has been recorded in the public records of Martin County, Florida and a copy thereof is attached as Exhibit E. Each apartment owner by the acceptance of a deed to his apartment, whether from the Developer or otherwise, agrees to be bound by its terms and conditions and agrees to pay his share of the monies due, pursuant to and in the amount or percentage amount, if so stated, as specified in said Long Term Lease. It will be mandatory for the apartment owners to make such payments.

8. MANAGEMENT AGREEMENT.

The Association has entered into a Management Agreement with the Developer, providing for the operation and management of the condominium for a period of five (5) years.

The Developer, under said Management Agreement, is the exclusive managing agent of all condominiums for which the Association is and will be responsible; and it is authorized and required to collect all assessments against apartment owners, together with other monies due to the Association. The amounts of these assessments are set forth in said Management Agreement; they are to be adjusted after a period of two and one-half (2½) years to coincide with the purchasing power of the beginning amounts; they include the monies due by apartment owners under the Long Term Lease; and they are common expenses.

A copy of said Management Agreement is attahced as Exhibit F. Each apartment owner by the acceptance of a deed to his apartment, whether from the Developer or otherwise, agrees to be bound by its terms and conditions and agrees to pay his share of the monies due, pursuant to and in the amount or percentage amount if so stated, as specified in said Management Agreement. It will be mandatory for the apartment owners to make such payments.

9. COMMON EXPENSES AND COMMON SURPLUS.

a. Common expenses of said condominiums to be established upon the land described in Exhibit A, including this condominium, during such times as they are managed as a single entity, will be shared by all owners in the percentage thereof determined by dividing the square feet of area within each apartment by the total square feet of area of all apartments; so that assessments agaifnst all apartments of the same type be the same amount. If not so managed, common expenses will be shared in the same proportions as the percentage interest in common elements. Provided that rent and other monies due will be shared as set forth in the Long Term Lease; and the above will be subject to the Management Agreement.

b. Common surplus while said condominiums are being managed as a single entity will be owned in the same proportions as shares of common expenses. If not so managed, such amount as may be apportioned to this condominium by the Association will be owned in the same proportions as common elements.

10. MAINTENANCE, ALTERATION AND IMPROVEMENT.

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

10.1. Apartments.

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

(1) All portions of apartments contributing to the support of the apartment building, the surfaces of outside walls of the apartment building, the surfaces of interior building walls facing common elements, the outside surfaces of doors leading into apartments, fixtures attached to the outside su faces of said doors, the outside windows of apartments, and all materials enclosing the floor areas of apartments in addition to walls, doors and windows. Such will be done at the expense of the Association, unless made necessary by the negligence of any apartment owner, members of his family or his or their guests, employees, agents or lessees. In the event of such negligence, it will be done by the Association at the expense of said apartment owner.

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services, except electrical switches, electrical outlets, light bulbs, appliances, bathroom fixtures, kitchen fixtures and similar equipment, contained within or attached to the portions of the apartments to be maintained by the Association. Such will be done at the expense of the Association, unless made necessary by the negligence of any apartment owner, members of his family or his or their guests, employees, agents or lessees. In the event of such negligence, it will be done by the Association at the expense of said apartment owner.

(3) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services and all fixtures and equipment contained within portions of the apartments to be maintained by the apartment owners, if necessary to properly furnish utility services to parts of the condominium other than the apartment within which they are contained Such will be done at the expense of the owner of the apartment where the work is done.

(4) All incidental damage caused to apartments by such work will be promptly repaired by the Association, at the expense of the party responsible for the expense of such work.

b. By the apartment owners. The responsibility of the apartment owners will be as follows:

(1) To maintain, repair and replace all portions of apartments and the fixtures and equipment contained within apartments, except the portions thereof to be maintained, repaired and replaced by the Association. Such will be done at the expense of the owner of the apartment where the work is done.

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building or the surfaces of interior building walls facing common elements without the prior written approval of the Board of Directors of the Association.

(3) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

c. Insurance Proceeds. The liability of the Association and apartment owners for maintenance, repair and replacement, as aforesaid, will be reduced to the extent by which such expenses are met by the proceeds of insuranc carried by the Association.

d. Alteration and Improvement. Except as elsewhere reserved to the Developer, no structural alterations will be made in the portions of any apartment to be maintained by the Association, without the prior written approval of the owners of

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apartments in which such work is to be done and of the Board of Directors of the Association. A copy of plans for all such work prepared by an architect licensed to practice in the State of Florida, will be filed with said Board of Directors prior to the start of such work.

10.2. Common Elements.

a. By the Association. The maintenance, repair, replacement and operation of the common elements will be the responsibility of the Association and a common expense. However, the liability of the Association for such expenses will be reduced to the extent by which they are met by the proceeds of insurance carried by it.

b. Alteration and Improvement. Except as herein reserved to the Developer, there will be no alterations or additions to the common elements without prior approval in writing by the record owners of all of the apartments. Provided, however, that any alteration or improvement of the common elements bearing the approval in writing of the record owners of not less than 75% of the common elements and which does not interfere with the rights of any owners without their consent, may be done if the owners who do not approve are relieved from the initial cost of such alteration or improvement. The share of any cost of such alteration or improvement not so assessed will be assessed to the other apartment owners in the shares that their shares in the common elements bear to each other. There will be no change in the shares and rights of an apartment owner in the common elements altered or further improved, whether or not the apartment owner contributes to the cost of such alteration or improvement.

11. ASSESSMENTS.

The making and collection of assessments against apartment owners for common expenses will be pursuant to the Bylaws of the Association and the Management Agreement, as supplemented by the following provisions:

11.1. Share of Common Expense. Each apartment owner will be liable for a proportionate share of the common expenses, and will share in the common surplus, as provided for in Article 9 of this Declaration.

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

11.3. Lien for Assessments. The Association will have a lien upon each apartment and upon all tangible personal property located within each apartment for any unpaid assessments, together with interest, except that such liens will be subordinate to the liens created under the Long Term Lease and to bona fide liens recorded in the public records of Martin County, Florida, prior

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to the recording therein of claims of liens for such unpaid assessments. Reasonable attorneys' fees incurred by the Association incident to the collection of such assessments or the enforcement of such liens, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien will be payable by the apartment owner and secured by such liens.

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

11.5. Liability of Mortgagee, Lienor or Judicial Sale Purchaser for Assessments. Where the mortgagee of an institutional first mortgage of record acquires title to an apartment as a result of the foreclosure of said mortgage, or where others acquire title as a result of such foreclosure, or where said mortgagee accepts a deed to an apartment in lieu of foreclosure, or where the Lessor under the Long Term Lease acquires title to an apartment as a result of the foreclosure of a lien under said Lease, or where others acquire title as a result of such foreclosure, or where said Lessor accepts a deed to an apartment in lieu of foreclosure, such acquirer of title, his heirs, executors, legal representatives, successors and assigns, will not be liable for the share of common expenses or assessments by the Association pertaining to such apartment or chargeable to the former owner of such apartment which became due prior to such acquisition of title. Such unpaid share of common expenses or assessments will be deemed to be common expenses, collectible from all of the apartment owners, including such acquirer of title, his heirs, executors, legal representatives, successors and assigns.

Any person who acquires an interest in an apartment, except as hereinabove described, will not be entitled to its occupancy or to the enjoyment of its common elements, until all unpaid assessments due and owing by the former owner have been paid.

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

12. ASSOCIATION.

The operation of the condominium will be by the Association, subject to the terms and provisions of the Management Agreement, which will fulfill its functions pursuant to the following provisions:

12.1. The Bylaws of the Association will be the Bylaws of the condominium, a copy of which is attached as Exhibit G.

12.2. A copy of the Articles of Incorporation of the Association is attached as Exhibit H.

12.3. No modification of or amendment to the Bylaws of the Association will be valid unless set forth in or annexed to a duly recorded amendment to this Declaration. The Bylaws may be amended in the manner provided for therein, but no such amendment will be adopted which would affect or impair the validity or priority of the record owner of any mortgage covering any apartment or which would affect or impair the validity or priority of the Long Term Lease, or which would affect or impair the rights of the Lessor under the Long Term Lease or of the Developer under the Management Agreement, unless the mortgage, Lessor or Developer shall join in the execution of the amendment.

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

12.5. Restraint upon assignment of shares in assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

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

13. INSURANCE.

The Insurance, other than title insurance, that shall be carried upon the condominium property and the property of the apartment owners will be governed by the following provisions:

13.1. Authority to purchase; named insured. All insurance policies upon the condominium property will be purchased

by the Association. The named insured will be the Association individually and as agent for the apartment owners, without naming them. Provision will be made for the issuance of mortgagee endorsements and memoranda or insurance to the mortgagees of apartment owners. Such policies will provide that payments by the insurer for losses will be made to the Insurance Trustee designated below, and all policies and their endorsements will be deposit d with the INsurance Trustee. Apartment owners may obtain coverage at their own expense upon their personal property and for their persofnal liability and living expense.

13.2 Coverage.

a. Casualty. The buildings and improvements upon the land will be insured in an amount equal to the maximum insurable repflacement value, excluding foundation and excavation costs, and all personal property included in the common elements will be insured for its value, as determined by the Association. Sluch coverage will afford protection against:

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

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

b. Public liability in such amounts and with such coverage as shall be required by the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the apartment owners as a groupnto an apartment owner.

c. Workmen's compensation policy to meet the requirements of law.

d. Such other insurance as the Association shall determine from time to time to be desirable.

13.3 Premiums. Premiums upon insurance policies purchased by the Association will be paid by the Association as a common expense.

13.4. Insurance Trustee; share of proceeds. All insurance policies purchased by the Association will be for the benefit of the Association and the apartment owners and their mortgagees as their interests may appear, and will provide that all proceeds covering property losses will be paid to such bank in Florida with trust powers as may be designated as INsurance Trustee by the Board of Directos of the Association, which Trustee is referred to in this instrument as the Insurance T rustee. The Insurance Trustee will not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee will be to receive such proceeds as are paid. and hold the proceeds in trust for the purpose elsewhere stated

in this instrument and for the benefit of the apartment owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

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

b. Apartments. Proceeds on account of damage to apartments will be held in the following undivided shares:

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

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

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

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

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

b. Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds will be paid to defray the cost of such as elsewhere provided. Any proceeds remaining after defraying such costs will be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

c. Failure to reconstruct or repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid will not be reconstructed or repaired,

the remaining proceeds will be distributed to the beneficial owners, remittance to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

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

13.6 Association as agent. The Association or the Developer, as managing agent during the term of the Management Agreement, is irrevocably appointed agent for each apartment owner and for each owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

14. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

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

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

b. Apartments.

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

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

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

14.2 Plans and specifications. Any reconstruction or repair must be substantially in accordance with the plans and

specifications for the original buildings; or if not, then according to plans and specifications approved by the Board of Directors of the Association; and if the damaged property is an apartment or apartments, by the owners of not less than 75% of the common elements, including the owners of all damaged apartments, which approval will not be unreasonably withheld.

14.3 Responsibility. If the damage is only to those parts of one apartment for which the responsibility of maintenance and repair is that of the apartment owner, then the apartment owner will be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty will be that of the Association.

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

14.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments will be made against the apartment owners who own the damaged apartments, and against all apartment owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against apartment owners for damage to apartments will be in proportion to the cost of reconstruction and repair of their respective apartments; and such assessments on account of damage to common elements will be in proportion to the owner's share in the common elements.

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

a. Association. If the total of the payments made in order to provide funds for the costs of reconstruction and repair that is the responsibility of the Association is more than $5,000.00, then the sums paid will be deposited with the Insurance Trustee. In all other cases, the Association will hold the sums paid and disburse them in payment of the costs of reconstruction and repair.

b. Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee on account of such casualty will constitute

a construction fund which will be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - lesser damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than $5,000.00, then the construction fund will be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund will be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - major damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than $5,000.00, then the construction fund will be disbursed in payment of such costs upon the order of the Association, but only with the approval of an architect qualified to practice in the State of Florida and employed by the Association to supervise the work.

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

(4) Surplus. It will be presumed that the first monies disbursed in payment of costs of reconstruction and repair will be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance will be distributed to the beneficial owners of the fund in the manner elsewhere stated, or to the Developer if payment has been made by it in lieu of said assessments. Except, however, that the part of a distribution to a beneficial owner that is not in excess of assessments paid by such owner into the construction fund will not be made payable to any mortgagee.

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee will not be required to determine whether or not sums paid will be deposited with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the

name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee will also name the mortgagee as a payee of any distribution of insurance proceeds to an apartment owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires the approval of an architect named by the Association will be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

15. USE RESTRICTIONS.

The use of the condominium property will be in accordance with the following provisions, as long as the condominium exists and the apartment building in useful condition exists upon the land.

15.1. Apartments. Each of the apartments will be occupied as a single family private dwelling by the owner, the adult members of his family, and his social guests, and for no other purpose. Except as reserved to Developer, no apartment may be divided or subdivided into a smaller unit or otherwise transferred without first amending this Declaration to show the changes in the apartments to be affected.

No children under thirteen (13) years of age will be permitted to reside in any of the apartments, except that children may visit and temporarily reside for a period not to exceed sixty (60) days in any calendar year, which period will not be cumulative.

No animals or pets of any kind will be kept in any apartment, or on any property of the condominium, except with the written consent of the Board of Directors of the Association and thereafter under the rules and regulations adopted by such Board; provided that they will not be kept, bred or maintained for any commercial purpose and further provided that any such pet causing or creating a nuisance or unreasonable disturbance will be permanently removed from the property, upon three (3) days written notice from said Board.

The apartment owners will not cause anything to be hung, displayed, or placed on the exterior walls, doors or windows of the apartment building and will not otherwise change the appearance of any portion of the exterior of the apartment building or the surfaces of interior building walls facing common elements without the prior written consent of the Board of Directors of the Association. No clothes lines or similar devices, and no "For Sale" signs, will be allowed on any part of the condominium property without the written consent of said Board.

Automobiles may be parked in the parking areas of the condominium property adjacent to or near the apartment building, but only in accordance with the regulations of the Board of Directors of the Association. One parking space will be designated

for use by the occupants of each apartment and the remaining spaces, if any, will be used by those persons specified by said Board. No other vehicles and objects, including but not limited to trucks, motorcycles, trailers and boats, will be parked or placed upon such portions of the condominium property unless permitted by said Board.

15.2. Common Elements. The common elements will be used only for the purposes for which they are intended.

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

15.4. Lawful Use. No immoral, improper, offensive or unlawful use will be made of the condominium property nor any part of it; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction, will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the condominium property will be the same as the responsibility for the maintenance and repair of the property concerned.

15.5. Leasing. After approval by the Board of Directors of the Association elsewhere required, entire apartments may be rented, provided the occupancy is only by the lessee, members of his family, and his social guests. No rooms may be rented and no transient tenants may be accommodated.

15.6. Rules and Regulations. Reasonable rules and regulations concerning other use of the condominium property may be made and amended from time to time by the Board of Directors of the Association. Copies of such rules and regulations will be furnished by said Board to all apartment owners and residents of the condominium, upon request.

15.7. Proviso. Provided, however, that until the Developer has completed all construction and closed the sales of all of the apartments of the condominium, neither the apartment owners nor the Association, nor the use of the condominium property, will interfere with such construction or the sale of the apartments. The Developer may make such use of the unsold units and common areas as may facilitate such completion and sales, including but not limited to maintenance of a sales office, the showing of the property, and the display of signs.

16. MAINTENANCE OF COMMUNITY INTERESTS.

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the apartments, the transfer of apartments by any owner other than the Developer will be subject to the following

... NEID PALM BEACH FLORIDA 33480

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provisions as long as the condominium exists and the apartment building in useful condition exists upon the land, which provisions each apartment owner covenants to observe:

16.1. Transfer subject to approval.

a. Sale. No apartment owner may dispose of an apartment or any interest in an apartment by sale without approval of the Board of Directors of the Association, except to another apartment owner.

b. Lease. No apartment owner may dispose of an apartment or any interest in an apartment by lease without approval of the Board of Directors of the Association, except to another apartment owner.

c. Gift. If any apartment owner shall acquire his title by gift, the continuance of his ownership of his apartment will be subject to the approval of the Board of Directors of the Association.

d. Devise or inheritance. If any apartment owner shall acquire his title by devise or inheritance, the continuance of his ownership of his apartment will be subject to the approval of the Board of Directors of the Association.

e. Other transfers. If any apartment owner shall acquire his title in any manner not considered in the foregoing sub-sections, the continuance of his ownership of his apartment will be subject to the approval of the Board of Directors of the Association.

16.2. Approval by Association. The approval of the Board of Directors of the Association that is required for the transfer of ownership of apartments will be obtained in the following manner:

a. Notice to Association.

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

(2) Lease. An apartment owner intending to make a bona fide lease of his apartment or any interest in it will give to the Board of Directors of the Association notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as said Board may reasonably require and an executed copy of the proposed lease.

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

(4) Failure to give notice. If the above required notice to the Board of Directors of the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of an apartment said Board at its election and without notice may approve or disapprove the transaction or ownership. If said Board disapproves the transaction or ownership, it will proceed as if it had received the required notice on the date of such disapproval.

b. Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the proposed transaction. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association.

(2) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information the Board of Directors of the Association must either approve or disapprove the proposed transaction. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association.

(3) Gift; devise or inheritance; other transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance or by any other manner not previously considered, then within thirty (30) days after receipt of such notice and information the Board of Directors of the Association must either approve or disapprove the continuance of the apartment owner's ownership of his apartment. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association.

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

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

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

(1) At the option of the purchaser to be stated in the agreement, the price to be paid will be that stated in the disapproved contract to sell or will be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators will be two appraisers appointed by the American Arbitration Association who will base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration will be paid by the purchaser.

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

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

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

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

b. Lease. If the proposed transaction is a lease, the apartment owner will be advised of the disapproval in writing, and the lease will not be made.

c. Gifts; devise or inheritance; other transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance, or by any other manner not previously considered, then within 30 days after receipt from the apartment owner of the notice and information required to be furnished, the Board of Directors of the Association will deliver or mail by registered mail to the apartment owner an agreement to purchase the apartment concerned by a purchaser approved by it, who will

purchase and to whom the apartment owner must sell the apartment under the following terms:

(1) The sale price will be the fair market value determined by agreement between the seller and purchaser, made within 30 days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price will be determined by arbitration in accordance with the then existing rules of the American Arbiration Association, except that the arbitrators will be two appraisers appointed by the American Arbitration Association who will base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration will be paid by the purchaser.

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

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

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

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

16.4. Mortgage. No apartment owner may mortgage his apartment or any interest in it without the approval of the Board of Directors of the Association, unless it is an institutional mortgage or a mortgage to the Developer to secure a portion or all of the purchase price. The approval of any other mortgage may be upon conditions determined by said Board or may be arbitrarily withheld.

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

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

17. COMPLIANCE AND DEFAULT.

Each apartment owner will be governed by and will comply with the terms and provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, the Long Term Lease, the Management Agreement, and the rules and regulations adopted pursuant to those documents, as they may be amended from time to time. Failure of an apartment owner to comply with such documents and regulations will entitled the Association, its Board of Directors, or apartment owners of the following relief, in addition to the remedies provided by the Condominium Act or otherwise:

17.1. Increase in Insurance Premiums. An apartment owner will pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances, or of the common elements, by the apartment owner.

17.2. Costs and attorneys' fees. In any proceeding arising because of an alleged failure of an apartment owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation and Bylaws of the Association, the Long Term Lease, the Management Agreement, and the rules and regulations adopted pursuant to those documents, as they may be amended from time to time, the prevailing party will be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

17.3. No waiver of rights. The failure of the Association or its Board of Directors, or of any apartment owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, the Long Term Lease, the Management Agreement, and the rules and regulations adopted pursuant to those documents will not constitute a waiver of the right to do so thereafter.

18. AMENDMENTS.

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

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

18.2. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

a. not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Association; or

b. not less than 80% of the votes of the entire membership of the Association; or

c. until the first election of directors, only by all of the directors; provided the amendment does not increase the number of apartments nor alter the boundaries of the common elements.

18.3. Proviso. Provided, however, that no amendment will discriminate against any apartment owner or against any apartment or class or group of apartments, unless the apartment owners so affected shall consent; and no amendment will change any apartment nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, (except as reserved to the Developer) unless the record owner of the apartment concerned and all record owners of mortgages on such apartment shall join in the execution of the amendment; and no amendment will affect or impair the validity or priority of any mortgage covering any apartment or the rights of the lessor under the Long Term Lease or the rights of the Developer under the Management Agreement, unless said mortgagee, lessor or Developer shall join in the execution of the amendment. Neither shall any amendment make any change in the sections hereof entitled "Insurance", "Reconstruction or repair after casualty", or "Amendments", or in paragraph 16.5. of the section entitled "Maintenance Of Community Interests", unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment.

19. TERMINATION.

This condominium may be voluntarily terminated in the manner provided for in the Condominium Act, at any time. However, the written consent of the lessor under the Long Term Lease or of the Developer will also be required for such termination to occur prior to the termination of the Long Term Lease or Management Agreement. In addition thereto, if it is determined in the manner elsewhere provided that the apartments will not be reconstructed because of major damage, the condominium plan of ownership will be terminated without agreement.

20. SEVERABILITY.

The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, the Long Term Lease, the Management Agreement and the regulations of the Association will not affect the validity of the remaining portions.

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

Signed, sealed and delivered
in the presence of:

KINGSWOOD, INCORPORATED

Anthony Castronovo
ANTHONY CASTRONOVO

By Angela McLaughlin
President
ANGELA McLAUGHLIN

Attest:

Marjorie C Privak
MARJORIE C PRIVAK

Robert W. McLaughlin, Jr.
Secretary
ROBERT W McLAUGHLIN, JR

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ANGELA McLAUGHLIN and ROBERT McLAUGHLIN respectively President and Secretary of KINGSWOOD, INCORPORATED, to me well known and they acknowledged before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgment to be the individuals described in and who executed the said instrument.

WITNESS my hand and official seal this 12th day of August, 1976.

Marjorie C Privak
Notary Public Marjorie C Privak
My commission expires:

Notary Public, State of Florida at Large
My Commission Expires June 1, 1980
Bonded By American Fire & Casualty Company

JOINDER OF MORTGAGE

CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION OF FORT PIERCE, a corporation organized and existing under the laws of the United States of America, as the holder of a mortgage encumbering the land described in the foregoing Declaration of Condominium from KINGSWOOD, INCORPORATED, a Florida corporation, dated October 22, 1976 and recorded October 25, 1976 & re-recorded November 2, 1976 in Offical Record Book 408, page 1786, public records of Martin County, Florida, hereby joins in the execution of said Declaration of Condominium and agrees that the lien of such mortgage will henceforth be only upon the units of KINGSWOOD CONDOMINIUM APARTMENT BUILDING NO. 35 and 36. (re-recorded in O.R. Book 409, Page 175)

In the presence of:

CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION OF FORT PIERCE

Patricia A. Bergeron

By _____

Karen Chambley

STATE OF FLORIDA)
COUNTY OF ~~MARTIN~~ St. Lucie) SS.

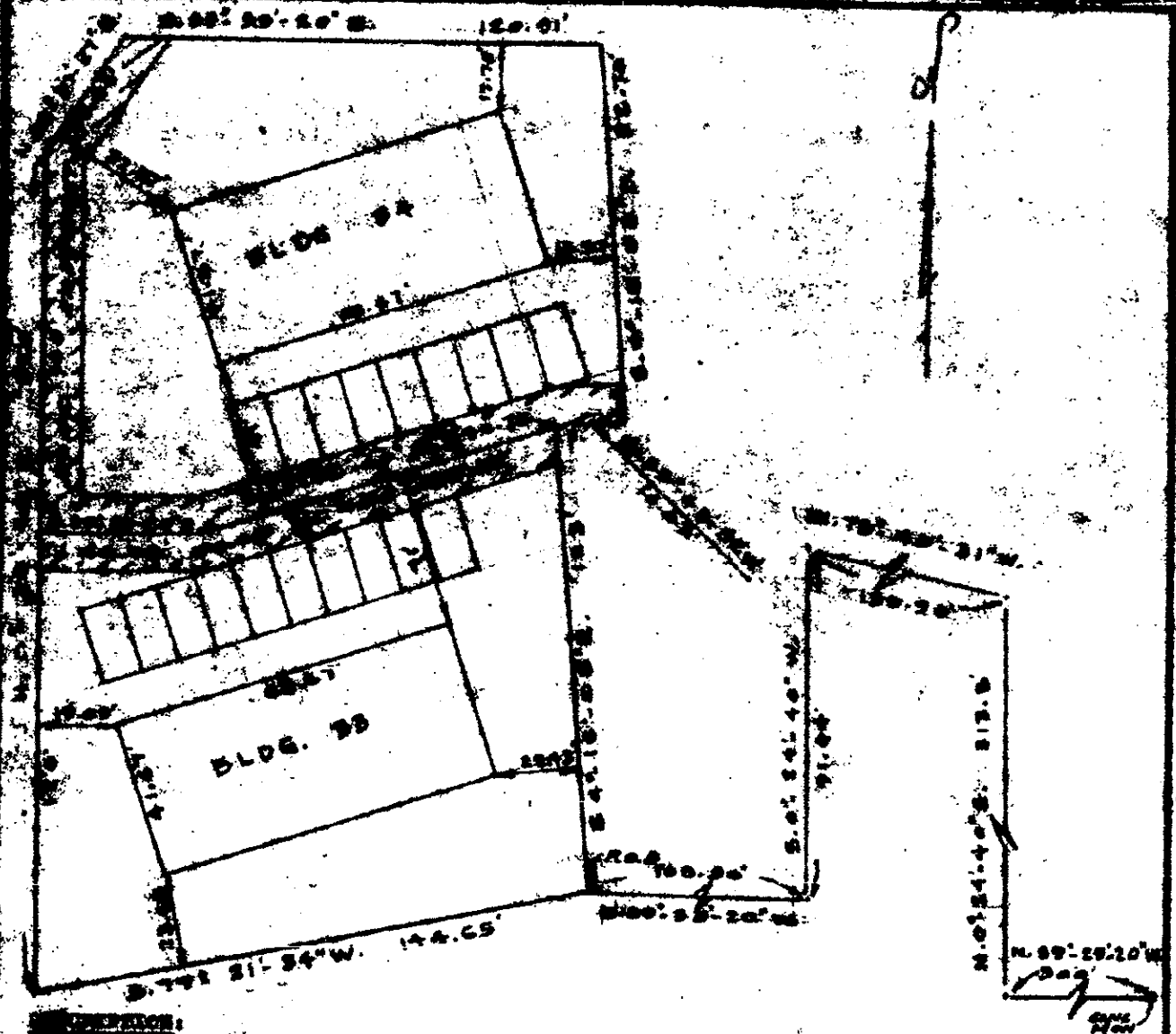
Before me personally appeared E. H. Klueppelberg, Jr. _____ Vice President of CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION OF FORT PIERCE, a corporation organized and existing under the laws of the United States of America, to me well known, and he acknowledged before me that he executed the foregoing instrument as such officer of said corporation, and that he affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said person making said acknowledgment to be the individual described and who executed the said instrument.

WITNESS my hand and official seal this 5th day of November, 1976.

Patricia A. Bergeron

Notary Public
State of Florida at Large
My commission expires:
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN 20 1980
BONDED THRU GENERAL INS. UNDERWRITERS.

Legibility of writing typing or printing unsatisfactory in this document when microfilmed.



Description:
Commence at the Southeast corner of the Northeast one quarter(NE 1/4) of the Southwest one quarter(S.W. 1/4) of Section 2, Township 38 South, Range 41 East, Martin County, Florida; Thence North 89° 29' 20" West along the South line of the Northeast one quarter (N.E. 1/4) of the Southeast one quarter(S.W. 1/4) of said Section a distance of 300 feet; Thence North 0° 24' 40" East a distance of 313.5 feet; Thence North 75° 48' 31" West a distance of 130.90 feet; Thence South 0° 24'40" West a distance of 91.44 feet; Thence North 89° 35' 20" West a distance of 108.90 feet to the Point of Beginning; Thence South 79° 21' 34" West, a distance of 144.65 feet; Thence North 0° 24' 40" East a distance of 220 feet; Thence North 33° 27' 27" East a distance of 35.86 feet; Thence South 89° 35' 20" East a distance of 120.91 feet; Thence South 4° 16' 08" East a distance of 98.70 feet; Thence South 85° 43' 52" West a distance of 16.63 feet; Thence South 4° 16' 08" East a distance of 123 feet to the point of Beginning.

KINGSWOOD CONDOMINIUM
APARTMENT BUILDING NO. 9A & 9B

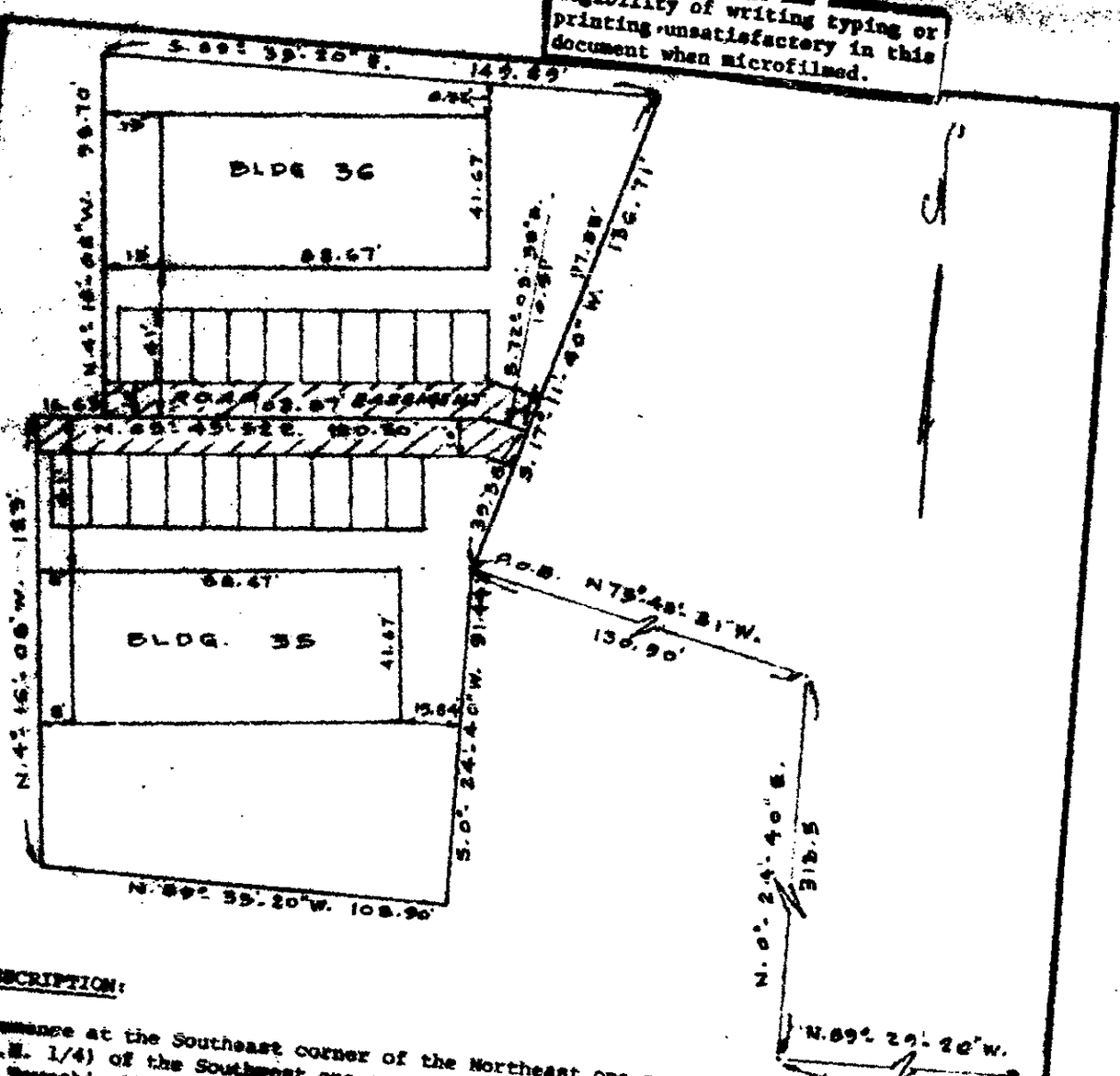
SCALE: 1"=40'	DATE: 6-25-76		

I Hereby Certify that the sketch shown hereon is a correct representation of a survey done under my direction and is true and correct to the best of my knowledge and belief.

RON WILLIAMS & ASSOCIATES, INC.
LAND SURVEYORS
P. O. BOX 2201, STUART

F.B. 141 PAGE 25

Legibility of writing typing or printing unsatisfactory in this document when microfilmed.



DESCRIPTION:

Commence at the Southeast corner of the Northeast one quarter (N.E. 1/4) of the Southwest one quarter (S.W. 1/4) of Section 2, Township 38 South, Range 41 East, Martin County, Florida; Thence North 89° 29' 20" West along the South line of the Northeast one quarter of the Southwest one quarter of said Section a distance of 300 feet; Thence North 0° 24' 40" East a distance of 318.50 feet; Thence North 75° 48' 31" West, a distance of 130.90 feet to the Point of Beginning; Thence South 0° 24' 40" West a distance of 91.44 feet; Thence North 89° 55' 20" West a distance of 108.90 feet; Thence North 4° 16' 08" West a distance of 123.00 feet; Thence North 85° 43' 52" East, a distance of 16.63 feet; Thence North 4° 16' 08" West a distance of 98.70 feet; Thence South 89° 55' 20" East a distance of 149.89 feet; Thence South 17° 11' 40" West a distance of 136.71 feet to the Point of Beginning.

KINGSWOOD CONDOMINIUM

APARTMENT BUILDING NOS. 35 & 36

SCALE: 1" = 40'

DATE: 6-22-78

PLAT BOOK:

PAGE:

I Hereby Certify that the sketch shown hereon is a correct representation of a survey done under my direction and is true and correct to the best of my knowledge and belief.

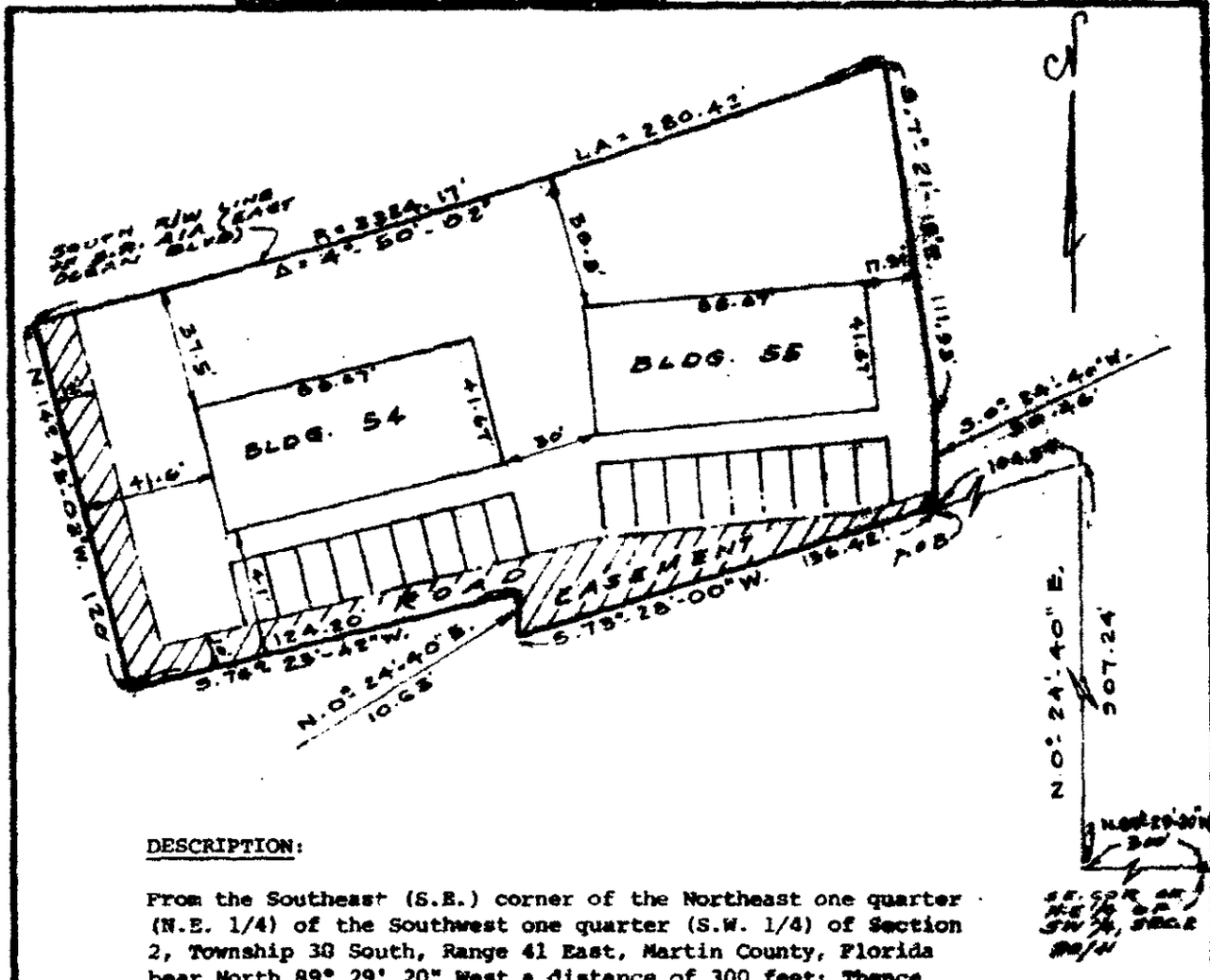
R.L.S. No. 2241 State of Florida

TOM WILLIAMS & ASSOCIATES, INC.
LAND SURVEYORS
P.O. BOX 2201, STUART

FB 144 PAGE 66

O.R. BOOK 411 PAGE 2358

Legibility of writing typing or printing unsatisfactory in this document when microfilmed.



DESCRIPTION:

From the Southeast (S.E.) corner of the Northeast one quarter (N.E. 1/4) of the Southwest one quarter (S.W. 1/4) of Section 2, Township 38 South, Range 41 East, Martin County, Florida bear North 89° 29' 20" West a distance of 300 feet; Thence North 0° 24' 40" East a distance of 907.24 feet; Thence South 73° 28' 00" West, a distance of 104.54 feet to the Point of Beginning; Thence continue South 73° 28' 00" West, a distance of 136.42 feet; Thence North 0° 24' 40" East a distance of 10.63 feet; Thence South 76° 25' 42" West, a distance of 124.20 feet; Thence North 14° 45' 03" West, a distance of 120 feet to a point on the South right of way line of State Road A.1 A. (East Ocean Blvd.) said point being a point of curvature of a curve concave to the North having a central angle of 4° 50' 02" and a radius of 3324.17 feet; Thence Easterly along the arc of said curve a distance of 280.42 feet; Thence South 7° 21' 15" East a distance of 111.93 feet; Thence South 0° 24' 40" West a distance of 30.46 feet to the Point of Beginning.
Subject to Road Easements as shown.

KINGSWOOD CONDOMINIUM
APARTMENT BUILDING NOS. 54 & 55

SCALE: 1" = 30'	DATE: 6-16-76	FIELD BOOK:	SHEET:

I Hereby Certify that the sketch shown hereon is a correct representation of a survey done under my direction and is true and correct to the best of my knowledge and belief.

DON WILLIAMS & ASSOCIATES, INC.
LAND SURVEYORS
P. O. BOX 2201, STUART

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The Developer hereby reserves and creates Road easements, located as shown upon the attached survey, for the purpose of ingress and egress. Said easements are reserved and created for the use and benefit of the following:

A. The Developer, KINGSWOOD, INCORPORATED; any parties who may from time to time become Lessors under the Long Term Lease between KINGSWOOD, INCORPORATED, as Lessor, and KINGSWOOD ASSOCIATION #2, INC. a Florida not for profit corporation as lessee, for so long as they are such Lessors; and any parties who may from time to time become owners of all or any part of the premises demised by such Long Term Lease. A copy of said Long Term Lease is attached to this Declaration of Condominium as Exhibit E.

B. All persons who may from time to time become entitled to use the premises demised by such Long Term Lease, as therein set forth, for so long as they are entitled to such use.

C. KINGSWOOD ASSOCIATION #2, INC. the owners of all condominium apartments that are operated by said corporation, members of their families, their social guests; and the invities of said corporation.

D. All parties who may from time to time become owners of, or become entitled to use, any part of the following described land in Martin County, Florida:

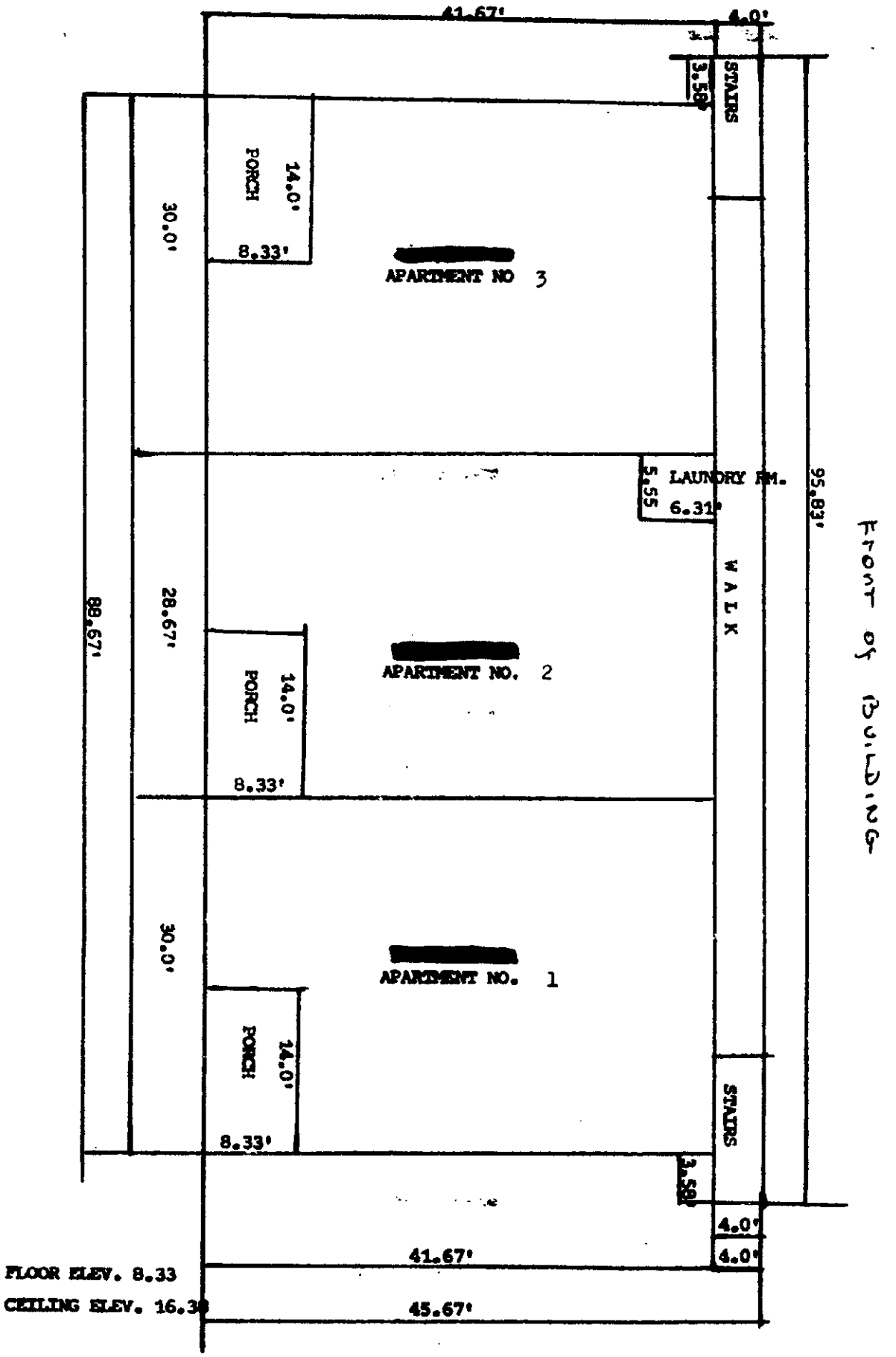
That portion of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, lying South of State Road A-1-A; LESS the Westerly 250 feet thereof (measured at right angles to the West line of the said quarter-quarter section).

and

Parcel No. 1: The south 17½ feet of Block 6, St. Lucie Point Building Lots, a Subdivision of the North End of Lot 4, Section 2, Township 38 South, Range 41 East, according to Plat filed the 10th day of February, 1916, and recorded in Plat Book 6, page 36, Palm Beach County, Florida. Also Lots Twnety-Five (25) and Twenty-Six (26) Block 9, BAY ST. LUCIE SUBDIVISION, filed May 17, 1916, and recorded in Plat Book 6, page 57, Palm Beach County, Florida.

Parcel No. 2: The North 30 feet of Lot 27, Block 9, BAY ST. LUCIE, according to the Plat thereof filed May 17,1916, and recorded in Plat Book 6, page 57, Palm Beach County, Florida public records.

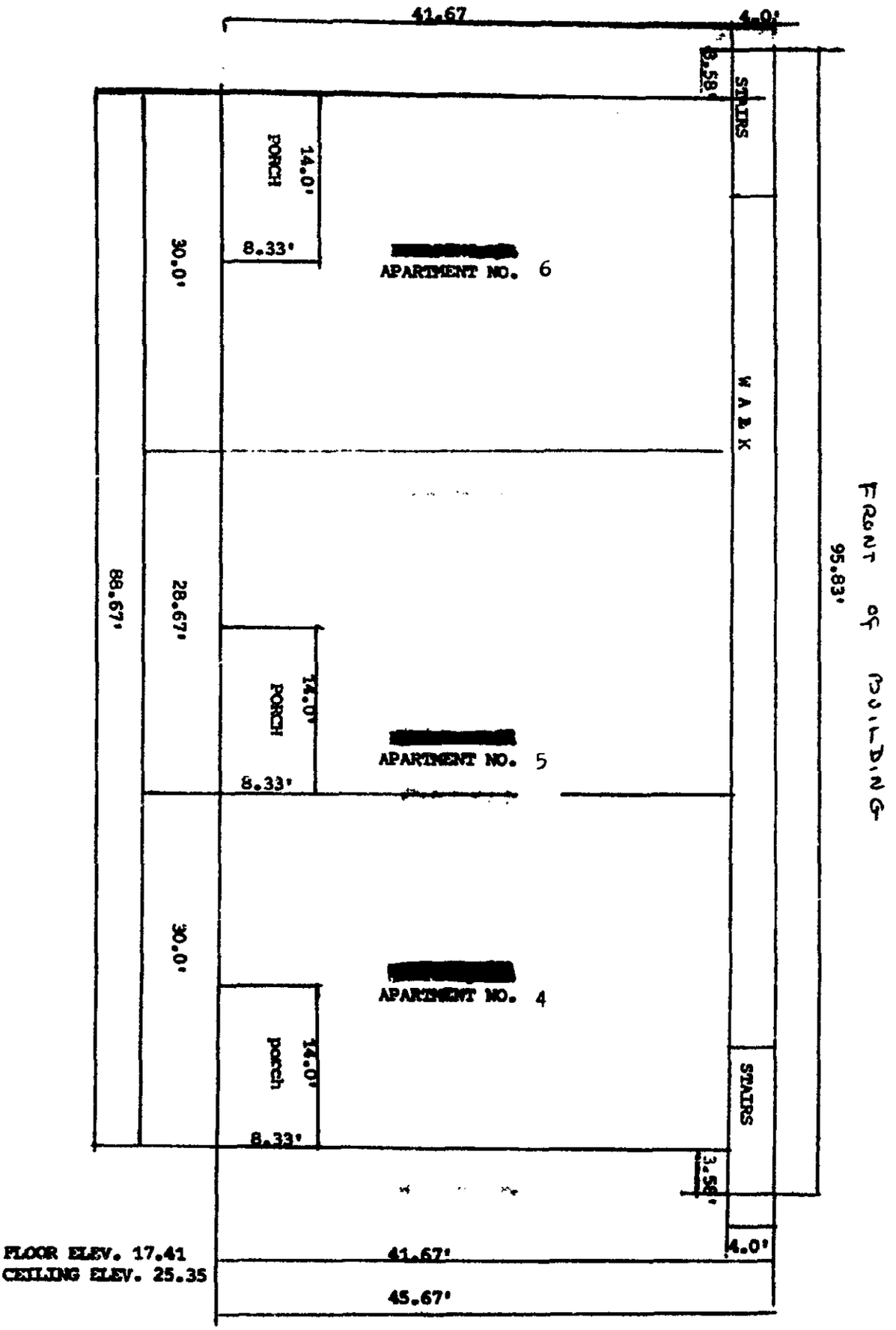
Parcel No. 3: The North Half of the Southeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, comprising Twenty (20) acres, more or less.



FIRST FLOOR COMMON ELEMENTS, LOCATIONS AND DIMENSIONS OF APARTMENTS 1 THROUGH 3, FIRST FLOOR, [redacted] OF EACH KINGSWOOD CONDOMINIUM APARTMENT BUILDING NO. 33,34,35,36,54,55

EXHIBIT B

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SECOND FLOOR COMMON ELEMENTS, LOCATIONS AND DIMENSIONS OF APARTMENTS 4 THROUGH 6, SECOND FLOOR, [redacted] OF EACH KINGSWOOD CONDOMINIUM APARTMENT BUILDING NO. 33,34,35,36,54,55

EXHIBIT B

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgments personally appeared W.L. WILLIAMS, who after being first duly cautioned and sworn, deposed, said and certified as follows:

1. That he is a duly registered land surveyor under the laws of the State of Florida.

2. That the construction of the improvements described in the Survey and Plot Plans for KINGSWOOD CONDOMINIUM APARTMENT BUILDING NO. *, copies of which are attached to this Declaration of Condominium as Exhibit A is sufficiently complete so that such material, together with the wording of this Declaration of Condominium, is a correct representation of the improvements described, and that there can be determined therefrom the identification, location and dimensions of the common elements and of each unit.

*33,34,35,36,54,55

W L Williams
Reg. Land Surveyor 1272

Sworn to and subscribed
before me this 21st day
of December, 1976

Marjorie C Privak
Notary Public
State of Florida at Large
My Commission Expires:
6-1-80

Notary Public State of Florida at Large
My Commission Expires June 1, 1980
Bonded by American Fire & Casualty Company

EXHIBIT C

(no page 32 thru 37)

The Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, lying South of State Road A-1-A, Martin County, Florida: Less the Westerly 250' thereof

Less the following described parcels of land:

The East 300 feet (measured at right angles to the West line of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East) of that portion of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, lying South of State Road A-1-A, Martin County, Florida.

Start at the Northeast corner of the Southwest one quarter of Section 2, Township 38 South, Range41 East, Martin County, Florida; Thence run South 0° 24' 40" West along the East line of said South west one quarter, a distance of 1331.68 feet; Thence run North 89° 29' 20" West a distance of 300 feet; Thence run North 0° 24' 40" East a distance of 907.24 feet; Thence run South 73° 28' 00" West a distance of 140.54 feet to the Point of Beginning; Thence continue to run South 73° 28' 00" West a distance of 100.42 feet; Thence run South 0° 24' 40" West a distance of 137.94 feet; Thence run North 73° 35' 20" East a distance of 100.84 feet; Thence run North 21° 41' 40" West a distance of 19.75 feet; Thence run North 68° 18' 20" East a distance of 40.28 feet; Thence run North 15° 46' 20" West a distance of 108.88 feet to the Point of Beginning.

Start at the Northeast corner of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, Martin County, Florida; thence run South 00° 24' 40" West along the East line of said Southwest Quarter, a distance of 1331.68'; thence run North 89° 29' 20" West a distance of 939.44' to the point of beginning. Thence continue to run North 89° 29' 20" West a distance of 150'; Thence run North 00° 47' 10" East a distance of 236.54'; Thence run South 45° 30' East a distance of 206.67'; Thence run South 00° 24' 40" Wide a distance of 95' to the Point of Beginning.

Start at the Northeast corner of the Southwest Quarter of Section 2, Township 38South, Range 41 East, Martin County, Florida, Thence run South 00° 24' 40" West a distance of 1331.68; Thence run North 89° 29' 20" West a distance 650'; Thence run North 00° 24' 40" East a distance of 704' to the Point of Beginning; Thence continue to run North 00° 24' 40" East a distance of 20'; Thence run North 89° 35' 20" West a distance of 20'; Thence run South 89° 35' 20" East a distance of 20' to the Point of Beginning.

LAND of Kingswood Condominium #2

Legibility of writing typing or printing unsatisfactory in this document when microfilmed.

APARTMENT	INTEREST IN COMMON ELEMENTS, EXCEPT PREMISES DEMISED UNDER LONG TERM LEASE
BUILDING NO. 33 APARTMENT NO. 1 (MODEL #6)	2.8114%
BUILDING NO. 33 APARTMENT NO. 2 (MODEL #7)	2.7106%
BUILDING NO. 33 APARTMENT NO. 3 (MODEL #6)	2.8114%
BUILDING NO. 33 APARTMENT NO. 4 (MODEL #6)	2.8114%
BUILDING NO. 33 APARTMENT NO. 5 (MODEL #7)	2.7106%
BUILDING NO. 33 APARTMENT NO. 6 (MODEL #6)	2.8114%
BUILDING NO. 34 APARTMENT NO. 1 (MODEL #6)	2.8114%
BUILDING NO. 34 APARTMENT NO. 2 (MODEL #7)	2.7106%
BUILDING NO. 34 APARTMENT NO. 3 (MODEL #6)	2.8114%
BUILDING NO. 34 APARTMENT NO. 4 (MODEL #6)	2.8114%
BUILDING NO. 34 APARTMENT NO. 5 (MODEL #7)	2.7106%
BUILDING NO. 34 APARTMENT NO. 6 (MODEL #6)	2.8114%
BUILDING NO. 35 APARTMENT NO. 1 MODEL # 6)	2.8114%
BUILDING NO. 35 APARTMENT NO. 2 (MODEL #7)	2.7106%
BUILDING NO. 35 APARTMENT NO. 3 (MODEL #6)	2.8114%
BUILDING NO. 35 APARTMENT NO. 4 (MODEL #6)	2.8114%
BUILDING NO. 35 APARTMENT NO. 5 (MODEL #7)	2.7106%
BUILDING NO. 35 APARTMENT NO. 6 (MODEL #6)	2.8114%
BUILDING NO. 36 APARTMENT NO. 1 (MODEL #6)	2.8114%
BUILDING NO. 36 APARTMENT NO. 2 (MODEL #7)	2.7106%
BUILDING NO. 36 APARTMENT NO. 3 (MODEL #6)	2.8114%
BUILDING NO. 36 APARTMENT NO. 4 (MODEL #6)	2.8114%
BUILDING NO. 36 APARTMENT NO. 5 (MODEL #7)	2.7106%
BUILDING NO. 36 APARTMENT NO. 6 (MODEL #6)	2.8114%

All apartments have 2 bedrooms and 2 baths.

EXHIBIT D

APARTMENT	INTEREST IN COMMON ELEMENTS, EXCEPT PREMISES DEMISED UNDER LONG TERM LEASE
BUILDING NO. 54 APARTMENT NO. 1 (MODEL #6)	2.8114%
BUILDING NO. 54 APARTMENT NO. 2 (MODEL #7)	2.7106%
BUILDING NO. 54 APARTMENT NO. 3 (MODEL #6)	2.8114%
BUILDING NO. 54 APARTMENT NO. 4 (MODEL #6)	2.8114%
BUILDING NO. 54 APARTMENT NO. 5 (MODEL #7)	2.7106%
BUILDING NO. 54 APARTMENT NO. 6 (MODEL #6)	2.8114%
BUILDING NO. 55 APARTMENT NO. 1 (MODEL #6)	2.8114%
BUILDING NO. 55 APARTMENT NO. 2 (MODEL #7)	2.7106%
BUILDING NO. 55 APARTMENT NO. 3 (MODEL #6)	2.8114%
BUILDING NO. 55 APARTMENT NO. 4 (MODEL #6)	2.8114%
BUILDING NO. 55 APARTMENT NO. 5 (MODEL #7)	2.7106%
BUILDING NO. 55 APARTMENT NO. 6 (MODEL #6)	2.8114%
	100%

All apartments have 2 bedrooms and 2 baths.

The percentages attributable to each apartment in the premises leased by the Association under the Long Term Lease, which is declared, to be and constitute a part of the common elements of the condominum during the term of said lease, are the above percentages divided by the number of condominiums for which the Association shall from time to time have operating responsibilities.

LONG TERM LEASE

THIS LEASE, made and entered into this 4th day of JAN, 1974, by and between KINGSWOOD, INCORPORATED, a Florida corporation, hereinafter called the "Lessor"; and KINGSWOOD ASSOCIATION NO. 2, INC., a Florida not for profit corporation, hereinafter called the "Lessee"; which terms "Lessor" and "Lessee" will be deemed to extend to and include the successors and assigns of the said parties;

WITNESSETH:

WHEREAS, the Lessor is the owner of the parcels of land in Martin County, Florida described in Exhibits A, B, C, D and E attached hereto and made a part hereof, and

WHEREAS, the Lessor intends to develop and improve said parcel of land described in Exhibit E; and will submit all or a part thereof to the condominium form of ownership, and

WHEREAS, the condominiums established by the Lessor upon the parcel of land described in Exhibit E will be apartment buildings containing certain specified types of apartments, including those to be designated by the Lessor as One bedroom, 1½ bath (Model #2), One bedroom, 1½ bath, Deluxe (Model #3), Two bedroom, 2 bath (Model #4) and Two bedroom, 2 bath, Deluxe (Model #5), and

WHEREAS, the Lessee was organized for the purpose of operating said condominium apartment buildings, and

WHEREAS, the Lessor will offer the apartments of said condominium apartment buildings for sale and the owners thereof (including the Lessor) will be unit owners and members of the Lessee corporation, and

WHEREAS, the Lessor will construct and install a sewage disposal system pumping station, sewer mains and related sewage disposal equipment, to be used as a part of a sewage disposal system utilizing the sewer plant facilities of the City of Stuart, Martin County, Florida, upon the parcel of land described in Exhibit A, and

THIS DOCUMENT PREPARED BY
PHILIP H. REID, Jr.
COE, DROBERG AND REID
256 WORTH AVENUE
PALM BEACH, FLORIDA

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EXHIBIT E

WHEREAS, the parcel of land described in Exhibit A has been leased unto KINGSWOOD ASSOCIATION, INC., a Florida not for profit corporation organized for the purpose of operating other condominiums established by the Developer, under a Long Term Lease dated March 15, 1971 and recorded in the public records for Martin County, Florida, and

WHEREAS, said Long Term Lease permits the Developer to lease such parcel of land described in Exhibit A to others, under the terms and provisions therein described, and

WHEREAS, the Lessor will construct recreational facilities upon the parcels of land described in Exhibits B and C; and has constructed and installed a sewage disposal system pumping station, sewer mains and related sewage disposal equipment, to be used as a part of a sewage disposal system utilizing the sewer plant facilities of the City of Stuart, Martin County, Florida, upon the parcel of land described in Exhibit D, and

WHEREAS, certain of said condominium apartment buildings to be operated by the Lessee will require the use of such sewage disposal equipment constructed and installed upon the parcel of land described in Exhibit A; and the remainder of said condominium apartment buildings will require the use of such sewage disposal equipment constructed and installed upon the parcel of land described in Exhibit D, and

WHEREAS, the Lessor and the Lessee desire to provide for the use of said recreational facilities by the Lessee and by owners of such condominium apartments for which it will have operating responsibilities, members of their families and their social guests; and they further desire to provide for a sewage disposal system to serve said condominium apartments.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

1. DEMISE.

The Lessor does hereby lease, let and demise unto the Lessee and the Lessee does hereby lease of and from the Lessor, the parcels of land in Martin County, Florida described in Exhibits A, B, C and D attached hereto and made a part hereof, together with the improvements, buildings, equipment, furniture and fixtures located thereon or to be located thereon, pursuant to the terms hereof (hereinafter sometimes called the "Demised Premises").

2. DURATION OF TERM.

The term and duration of this Lease will be for a period of time commencing on its date and continuing for a period of ninety-nine (99) years thereafter, unless sooner terminated in accordance with its terms.

LAW OFFICES OF COE, BROBERG AND REID — PALM BEACH, FLORIDA 33480

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3. RENT.

The Lessee will pay rent to the Lessor, on a monthly basis. The amount of said rent will be determined in the following manner:

a. The sum of $11.36 will be multiplied by the number of One bedroom, 1½ bath (Model #2) condominium apartments that are located upon any portion of the land described in Exhibit E and that are operated by the Lessee at the time said monthly rent shall be due and payable.

b. The sum of $13.44 will be multiplied by the number of One bedroom, 1½ bath, Deluxe (Model #3) condominium apartments that are located upon any portion of the land described in Exhibit E and that are operated by the Lessee at the time said monthly rent shall be due and payable.

c. The sum of $16.00 will be multiplied by the number of Two bedroom, 1½ bath (Model #4) condominium apartments that are located upon any portion of the land described in Exhibit E and that are operated by the Lessee at the time said monthly rent shall be due and payable.

d. The sum of $18.20 will be multiplied by the number of Two bedroom, 2 bath, Deluxe (Model #5) condominium apartments that are located upon any portion of the land described in Exhibit E and that are operated by the Lessee at the time said monthly rent shall be due and payable.

e. In the event apartments of types not designated by the Lessor as One bedroom, 1½ bath (Model #2), One bedroom, 1½ bath, Deluxe (Model #3), Two bedroom, 2 bath (Model #4) or Two bedroom, 2 bath, Deluxe (Model #5) are located upon any portions of the land described in Exhibit C and they are operated by the Lessee at the time said monthly rent shall be due and payable, a sum equal to .1782 cents multiplied by the number of square feet of living area within its walls, including its porches or balconies (as taken from the Declaration of Condominium submitting the land upon which said apartment is located to the condominium form of ownership), with the product thereof divided by twelve (12), will be determined for each such apartment.

f. The total of the sums calculated each month under the provisions of paragraphs a, b, c, d and e of this Article 3 will constitute the monthly rent due and payable to the Lessor for the period of time commencing on the date that the first rent payment is due, as hereinafter set forth, and continuing for a period of five years thereafter.

g. After the publication and issuance thereof, the Lessor will deliver to the Lessee a true copy of the Consumer Price Index (hereinafter called the "Index"), the United States City Average All Items and Commodity Groups of the Bureau of Labor Statistics of the United States Department

of Labor for the month ending on the last day of the five year period described in paragraph f of this Article 3 and for the months ending on the last day of each fifth year subsequent to the expiration of said five year period for the remainder of the term of this Lease. If the Index for the month ending on the last day of the five year period described in paragraph f of this Article 3 and for the months ending on the last day of each fifth year subsequent to the expiration of said five year period for the remainder of the term of this Lease shows a decrease or an increase in the purchasing power of the sums set forth in paragraphs a, b, c, d, and e of this Article 3, to wit: $11.36, $13.44, $16.00, $18.20, and a sum equal to .1782 cents multiplied by the number of square feet of living area within its walls, with the product thereof divided by twelve (12), for each apartment not designated as One bedroom, 1½ bath (Model #2), One bedroom, 1½ bath, Deluxe (Model #3), Two bedroom, 2 bath (Model #4) or Two bedroom, 2 bath, Deluxe (Model #5), as compared in each case to the Index for the month beginning on the date that the first rent payment is due hereunder (the base month), said sums set forth in paragraphs a, b, c, d and e of this Article 3 will be adjusted to amounts equal to the purchasing power of said sums during the base month; and such adjusted sums will be used to determine the total monthly rent due and payable to the Lessor, in substitution of the sums set forth in said paragraphs. Said total monthly rent, as adjusted, will be paid by the Lessee to the Lessor for each successive five year period during the term hereof, commencing at the expiration of the five year period described in paragraph f of this Article 3.

The Lessor, as soon as possible after the delivery of a copy of each Index, will furnish the Lessee with the computation of the adjusted amount to be paid by the Lessee for the five year period in question. Pending the determination of the adjusted amount the Lessee will continue to pay the amount of rent paid for the preceding period and, when the adjusted amount is determined, the Lessor will pay to the Lessee or the Lessee will pay to the Lessor such amount as may be necessary to correct the amounts of the payments made pending said determination. If at the times required for the determination of the adjusted rent said Index is no longer published or issued, the parties will use such other index or method as is then generally recognized and accepted for similar determination of purchasing power; and if no other index or method is generally recognized and accepted at any time when the Lessor is required to furnish such Index, the Lessee will continue to pay the amount of rent paid for the preceding period. However, it is understood that if the publication of said Index on a monthly basis is discontinued and it is published at some other interval, its use by the Lessor and the Lessee will not be discontinued. In such event the Index for the period closest to the month for which an Index is required to be furnished will be used.

All rent will be payable in advance on the first day of each month during the term of this Lease, commencing on the first day of the first month following substantial completion of either the recreational facilities to be constructed upon the parcel of land described in Exhibit B, or substantial completion of the recreational facilities to be constructed upon the parcel of land described in Exhibit C, whichever first occurs. It will continue for the remainder of the term hereof.

All rent will be payable in current legal tender of the United States of America as the same is constituted by law at the time due, at such place as the Lessor may from time to time specify in writing by notice to the Lessee in the manner hereinafter provided for the giving of notices. If at any time the Lessor accepts anything other than such current legal tender as rent, it will not be construed as modifying the provisions of this paragraph as to any subsequent rent; and for the present and until further notice, the Lessor specifies that the rent will be mailed or delivered to it at 2100 East Ocean Boulevard, Stuart, Florida. All rent will be payable without notice or demand.

4. OBLIGATIONS OF APARTMENT OWNERS FOR RENT AND OTHER MONIES.

Each owner of a condominium apartment located upon any portion of the land described in Exhibit E that is under the operation of the Lessee will become severally obligated to pay a part of the monthly rent provided for in Article 3 of this Lease, at such time as a Declaration of Condominium submitting the land upon which his apartment is located is recorded in the public records of Martin County, Florida. Such part will be the same amount that is attributed to his apartment in determining the total rent due the Lessor, to wit: $11.36 for each One bedroom, 1½ bath (Model #2) condominium apartment, $13.44 for each One bedroom, 1½ bath, Deluxe (Model #3) condominium apartment, $16.00 for each Two bedroom, 2 bath (Model #4) condominium apartment, $18.20 for each Two bedroom, 2 bath, Deluxe (Model #5) condominium apartment, and a sum equal to .1782 cents multiplied by the number of square feet of living area within its walls, with the product thereof divided by twelve (12), for each apartment not so designated; as such amounts may be adjusted under Article 3 of this Lease.

Each owner of a condominium apartment located upon any portion of the land described in Exhibit E that is under the operation of the Lessee will also become severally obligated to pay a part of all monies other than rent, due to the Lessor by the Lessee under this Lease, that become payable after a Declaration of Condominium submitting the land upon which his apartment is located is recorded in the public records of Martin County, Florida. Said part will be determined in the following manner:

a. The number of square feet of living area within the walls, including porches and balconies, (as taken from said Declaration of Condominium) of his apartment will be divided by the total square feet of living area within the walls (as taken from applicable Declarations of Condominium) of all such condominium apartments operated by the Lessee.

b. The resulting percentage will be the part of such monies that the apartment owner is severally obligated to pay.

Said obligations of each condominium apartment owner will continue for as long as he owns his apartment and will become the obligation of each successive owner during the term of this Lease; they will not relieve the Lessee of its covenant to pay rent and other monies due hereunder and they will not require the Lessor to collect rent and other monies due hereunder from said owners. The Lessee will collect all such rent and other monies from said owners as a common expense and as a part of the assessments due by them; and it will take such action as is authorized to enforce such collection. The Lessee's liens upon said apartments for unpaid assessments will be subordinate to the Lessor's liens created in Article 14 hereof; and, in the event of a foreclosure of a Lessee's lien for assessments, the Lessor's lien will be discharged only upon payment to it of the portion thereof representing arrearages of rent and other monies and interest.

5. CONSTRUCTION OF IMPROVEMENTS BY LESSOR.

The Lessor will construct recreational facilities upon the parcel of land described in Exhibit B, at its sole expense, consisting of a clubhouse, a swimming pool, shuffleboard courts, adequate roads and walkways for ingress and egress, and such other facilities as it alone shall determine to construct, by December 31, 1976; and it will construct such recreational facilities, at its sole expense, upon the parcel of land described in Exhibit C, by December 31, 1978. The sizes and types of all of said facilities will be determined by the Lessor, but such determination must be reasonable.

The period of time within which the construction of said recreational facilities must be completed by the Lessor will be enlarged by any delays caused without fault or neglect on the part of the Lessor by acts of God, strikes, lockouts, or any other conditions which are not attributable to, or not caused by, the Lessor's default or neglect to exercise due diligence. However, in any event, all of such construction as to the parcels of land described in Exhibit B must be completed prior to December 13, 1977; and all of such construction as to the parcel of land described in Exhibit C must be completed prior to December 31, 1979.

The Lessor will construct and install such [redacted] sewage disposal facilities and equipment upon the parcel of land described in Exhibit D, at its sole expense, as may from time to time be necessary to adequately serve all entitled to its use. The Lessor warrants and represents that said sewage disposal system pumping station, sewer mains and related sewage disposal equipment and facilities constructed and installed and to be constructed and installed by it upon the parcel of land described in Exhibit D is and will be capable, in conjunction with other sewage disposal facilities and equipment that have been and will be constructed and installed upon the parcel of land described in Exhibit E, of adequately serving all condominium apartments operated by the Lessee, said recreational facilities and all other lessees and buildings entitled to its use, as hereinafter set forth in this Lease.

All of such construction will be completed by the Lessor in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning laws, and in compliance with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments. Said parcels of land described in Exhibits B, C and D will at all times be free of liens as a result of such construction and installation, except the mortgages hereinafter authorized, for services performed and labor and material supplied or claimed to have been supplied thereto; and the Lessor will not install any personal property within improvements under chattle mortgages, conditional bills of sale, or other title retention instruments.

The Lessor will maintain workmen's compensation insurance, at its sole expense, covering all persons employed in connection with all of such construction and installation and with respect to whom death or bodily injury claims could be asserted against the Lessor, the Lessee, or said parcels of land; and it will maintain, at its sole expense, general liability insurance for the mutual benefit of the Lessor and the Lessee, with reasonable limits to be determined by the Lessor, at all times when such construction and installation is in progress.

6. USE OF DEMISED PREMISES BY LESSEE, APARTMENT OWNER, FAMILY MEMBERS, GUESTS AND OTHERS.

The recreational facilities to be constructed upon the parcels of land described in Exhibits B and C may be used by the Lessee and by the owners of the condominium apartments that are located upon the land described in Exhibit E and that are operated by the Lessee, their family members and their social guests. Such use will be only for recreational purposes and for the purpose of the assembly of such persons, it may begin, as to the facilities to be constructed upon each of said parcels of land, only after such construction has been substantially completed, and it will be subject to rules and regulations established by the Lessee.

The sewage disposal system pumping station, sewer mains and related sewage disposal equipment and facilities that have been and will be constructed and installed upon the parcels of land described in Exhibits A and D may be used by the Lessee only for the purpose of providing a sewage disposal system to serve said condominium apartments and recreational facilities.

This Lease does not grant the exclusive right of possession or use of the Demised Premises or any part thereof. The Lessor reserves the right to enter into additional leases demising the parcels of land described in Exhibits A, B, C and D, or any of said parcels, to others. However, each of such additional leases will contain the following provisions:

As to leases of the parcels of land described in Exhibits B and C:

a. That the Lessee must, at all times during the term thereof, own or have the right to possess, use and occupy an apartment or other residential unit located upon any portion of the land described in Exhibit E.

b. That the use of the demised premises is restricted to recreational and assembly purposes.

c. That the Lessee or the Lessor will, at all times during the term thereof, be obligated to pay a part of all costs incident to the maintenance and operation of said recreational facilities, including but not limited to the cost of repairs, replacement, servicing of equipment, utilities, taxes and insurance. The amount to be paid will be determined in the following manner: The number of square feet of living area within the walls, including porches and balconies (as taken from applicable Declarations of Condominium, or building plans if not submitted to condominium ownership) of said apartment or other residential unit will be divided by the total square feet of living area within the walls (as taken from applicable Declarations of Condominium, or building plans if not submitted to condominium ownership), of all such condominium apartments operated by the Lessee and of all other apartments and residential units located upon any portion of the land described in Exhibit E, provided a lessee as herein described owns or has the right to possess, use and occupy such other apartments and residential units. The resulting percentage will be the percentage of all such costs to be paid by said lessee or by the Lessor.

As to leases of the parcel of land described in Exhibits A and D:

a. That the use of the demised premises is restricted to the purpose of providing a sewage disposal system to serve the lessee and its buildings.

b. That the lessee or the Lessor will, at all times during the term thereof, be obligated to pay a part of all costs incident to the maintenance and operation of said sewage disposal system pumping station, sewer mains and related sewage disposal equipment, including but not limited to the cost of repairs, replacement, servicing of equipment, utilities, taxes and insurance. The amount to be paid will be determined in the following manner: the number of square feet of living area within the walls, including porches and balconies (as taken from applicable Declarations of Condominium, or building plans if not submitted to condominium ownership), of all buildings to be served by said sewage disposal system under such lease will be divided by the total square feet of living area within the walls, including porches and balconies (as taken from applicable Declarations of Condominium, or building plans if not submitted to condominium ownership), of all buildings to be served by said sewage disposal system under such lease and by all other buildings from time to time served by said sewage disposal system.

In the event the lessee is obligated to pay the above described costs under the terms of any such additional leases, the amount collected by the Lessor will be paid to the Lessee herein; and the Lessee herein will not be entitled to a reduction in any amounts to be paid by it under this Lease, in excess of the amounts so collected. If the Lessor is obligated to pay said costs, under the terms of any such additional leases, the Lessee herein will be entitled to an equal reduction in the amounts to be paid by it under this Lease. All of such sums paid to the Lessee may be apportioned among the condominiums for which it has operating responsibilities and among said condominium apartment owners, as it shall determine; but the obligations of said additional lessees and of the Lessor to pay the amounts herein set forth and the making of such additional leases will not diminish the liability of the Lessee herein and said condominium apartment owners to pay rent. Their obligations to pay other expenses will be diminished or reduced, only as herein specifically set forth.

7. The Lessor, in submitting portions of the parcel of land described in Exhibit E to the condominium form of ownership, or in otherwise developing and improving said land, will establish such easements as are necessary for the use of the Demised Premises by all of those entitled to such use.

8. DEMOLITION, CONSTRUCTION AND MAJOR ALTERATIONS.

The Lessee will undertake no demolition or new construction on the Demised Premises, nor will the Lessee make any major alterations in the improvements, buildings or equipment located on the Demised Premises without the prior written consent and approval of the Lessor and upon such terms and conditions as the Lessor shall require. However, nothing in this paragraph shall be construed to relieve the Lessee of its obligation to maintain and repair the improvements located upon the Demised Premises.

9. PAYMENT OF TAXES.

The Lessee will promptly pay all taxes levied or assessed against the parcels of land described in Exhibits B, C and D and against all improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon said parcels of land by any and all taxing authorities subsequent, as to each such parcel, to the year in which the improvements described in Article 5 hereof are substantially completed and continuing during the term of this Lease, including ad valorem taxes, personal property taxes, special assessments, liens for public improvements; and in general all taxes, tax liens, or liens in the nature of taxes which may be assessed or imposed against said parcels of land and against all improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the said parcels of land (including interest, penalties, fines and costs). In the event any such taxes, assessments or liens are payable in installments, the Lessee will have the right to pay the same as such installments fall due if the right to make payment in installments has not been revoked or lost.

Said taxes will be paid at least thirty days prior to the time when they would become delinquent, in accordance with the law then in force and effect. The Lessee will have the right to contest the validity of any such tax and to seek a reduction in the valuation of the Demised Premises and of all improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the parcels of land described in Exhibits B, C and D for tax purposes, by complying with the applicable law. However, if said parcels of land or said improvements, buildings, equipment, furniture or fixtures would be in danger of being forfeited or lost by such contest or proceedings, the Lessee will first deposit with the Lessor such reasonable security as may be requested by the Lessor to prevent any forfeiture or sale of said parcels of land, or said improvements, buildings, equipment, furniture or fixtures.

Nothing in this Article 9 will obligate the Lessee to pay income, inheritance, estate or succession tax, or any tax in the nature of such taxes, or any other tax which may be levied or assessed against the Lessor, with respect to or because of the income derived from this Lease.

10. INSURANCE TO BE OBTAINED BY LESSEE.

The Lessee shall obtain insurance as follows:

a. The Lessee will cause to be written a policy or policies of insurance in the form generally known as public liability and property damage and/or owners', landlord and tenant policies, insuring against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the use, operation and maintenance of the improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the parcels of land described in Exhibits B, C and D and for any other risk generally insured against by such policies, each class of which will be written within limits of not less than $300,000.00 for damages incurred or claimed by any one person and for not less than $600,000.00 for damages incurred by more than one person. All such policies will name the Lessee and Lessor, as their respective interests may appear, as the persons insured by such policy or policies and the original or a true copy of each of such policies will be delivered by the Lessee to the Lessor promptly when written, together with adequate evidence of the fact that the premiums therefor are paid; and, in any event, such policies and evidence of payment by the Lessee of the premiums will be delivered by the Lessee to the Lessor before the expiration of any then similar coverage and in time to assure the Lessor that such coverage will be carried continuously.

b. The Lessee will keep insured any and all buildings, improvements, equipment, furniture and fixtures now or hereafter constructed or brought upon the parcels of land described in Exhibits B, C and D in a good and responsible insurance company authorized to do business in the State of Florida, for protection against all loss or damage to such property by fire, windstorm or causes insured against by "extended coverage"; and wherever

the doctrine of co-insurance might apply to any such insurance, then the amount of the insurance so carried by the Lessee will be at all times sufficient to prevent co-insurance on the part of the Lessor and the Lessee. All such policies will be payable in the event of loss jointly to the Lessor and the Lessee, as their respective interests may appear. Nothing herein contained, however, will be construed as prohibiting the attachment to such policies of a standard mortgage form clause but, in such event, the said mortgage clause will identify briefly the interest of the mortgagee, such as, for example, stating "first mortgagee of the fee simple title", or mortgagee of Lessee's interest in lease". The amount of insurance required, as specified in this paragraph, will be an amount equal to the maximum insurable replacement value, as determined annually by the Lessee, its successors, assigns, or agents, and as approved by the Lessor.

c. From the inception of any construction work which Lessee may effect on the parcels of land described in Exhibits B, C and D and as often as the Lessee may construct a building or make a substantial alteration in a building, the Lessee will cause workmen's compensation and builder's risk insurance policies to be written. Said policies will be subject to the approval of the Lessor and will provide coverage at all times when such construction is in progress.

In the event of the damage or destruction of any of the buildings, improvements, equipment, furniture and fixtures now or hereafter constructed or brought upon the parcels of land described in Exhibits B, C and D by fire, windstorm or any other casualty for which said insurance is payable, and as often as such insurance money will be paid to the Lessor and the Lessee, said sums so paid will be deposited in a joint account of the Lessor and the Lessee in a bank designated by the Lessor and will be available to the Lessee for the reconstruction, repair, or replacement, as the case may be, of any of the said buildings, improvements, equipment, furniture or fixtures damaged or destroyed by fire, windstorm, or other casualty for which insurance money is payable and will be paid out from said joint account from time to time on the estimates of an architect licensed as such in the State of Florida and having supervision of such construction and repair, certifying that the amount of such estimate is being applied to the payment of the reconstruction, repair or replacement and at a reasonable cost therefor. Provided, however, that it will be the duty of the Lessee, at the time of creating such joint bank account and from time to time thereafter until the said work of repair or reconstruction shall have been completed and paid for, to afford the Lessor adequate evidence of the fact that at all times the undisbursed portion of the fund in said joint account is sufficient to pay for such reconstruction, repair or replacement in its entirety; and, if the said fund is at any time insufficient to pay for the full cost of the job, the Lessee will immediately deposit into said fund such additional sums as may be necessary and will procure receipted bills and full and final waivers of lien when said work shall have been completed. It will be the duty of the Lessee to cause such showing to be made and such to be accomplished as often as said buildings, improvements, equipment, furniture or fixtures may be damaged, destroyed or lost; and all of such work will be effected, completed and paid for as promptly as the exercise by the Lessee of diligence makes possible. And, in any event, it shall be completed within nine (9) months after the time when the damage, destruction or

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loss first took place. However, such nine (9) month period will be enlarged by any delays caused without fault or neglect on the part of the Lessee by acts of God, strikes, lockouts, or any other conditions which are not attributable to, or are not caused by, the Lessee's default or neglect to exercise due diligence. The work, when completed, will restore said parcels of land substantially to the condition in which they existed before such damage, destruction or loss took place; and, in any event, it will cause said parcels of land, as restored, to have a value which is not less than the value which they had or possessed prior to the damage or loss which made such repairs or reconstruction necessary. The Lessor will have the right to require the Lessee to obtain a completion, performance and payment bond in an amount and in the form and with a company licensed to do business in the State of Florida, approved by the Lessor. At such time as any of the property described in Exhibit E is submitted by the Lessor to condominium ownership, the provisions in the Declaration of Condominium under the article covering Casualty Insurance relating to the rights of first mortgagees are hereby incorporated herein by reference. Any first mortgagee may require the insurance proceeds to be endorsed by the Lessor and the Lessee to the Insurance Trustee as specified in said Declarations and disbursed by said Insurance Trustee only upon the approval of the Lessor, Lessee and said first mortgagee.

The originals of all such policies will be delivered to the Lessor by the Lessee, together with receipted bills evidencing the fact that the premiums therefor are paid; but nothing herein contained will be construed as prohibiting the Lessee from financing the premiums where the terms of the policies are for three (3) years or more and, in such event, the receipts will evidence it to be the fact that the installment premium payment or payments are paid at or before their respective maturities. However, where there is a mortgage upon the parcels of land described in Exhibits B, C or D created pursuant to the provisions contained in this Lease and under the terms of such mortgage it is obligatory upon the Lessee to cause the originals of such policies to be delivered to the mortgagee, then the Lessee may deliver such originals to the mortgagee and deliver certificates of such policies to the Lessor. Such policies or certificates, together with evidence of the fact that the premiums have been paid as aforesaid, will be delivered by the Lessee to the Lessor before the expiration of the then corresponding insurance coverage so that the Lessor may be assured that such coverage is being continuously carried by the Lessee.

If at any time while said joint bank account contains any of the proceeds of such insurance the Lessee is in default under this Lease, then the Lessor will be immediately entitled to receive from said joint bank account the amount of money necessary to cure the Lessee's default; and if, while any of the funds remain in said joint bank account, the mortgagee of any mortgage upon the parcels of land described in Exhibits B, C or D or upon the Lessee's interest therein elects under the terms of such mortgage to receive any part or all of the proceeds

of such insurance by way of application upon said mortgage, then such sum will be paid from said insurance awards or from the proceeds of said joint bank account to such mortgagee; but in either of these events, it will be obligatory upon the Lessee to immediately reimburse said joint bank account with a sufficient sum of money to assure the Lessor that the said joint bank account will, at all times, contain sufficient funds to pay for all of the cost of reconstruction, repair or replacement. If after said work is completed and paid for there remains any money in said joint bank account such balance will be paid to the Lessee, if at that time the Lessee is not in default under the terms of this Lease. If at any time while the joint bank account contains any undisbursed funds or while there remains outstanding any obligation from any insurance company for such losses this Lease is cancelled for the Lessee's default, then the undisbursed portion of said joint bank account and the insurance claim will be and become immediately the property of the Lessor as part of what will accrue to the Lessor upon the occasion of default by the Lessee and the consequent cancellation of this Lease.

No damage or destruction to any improvements, buildings, equipment, furniture or fixtures by fire, windstorm or any other casualty will entitle the Lessee to surrender possession of the Demised Premises or to terminate this Lease, or to violate any of its provisions, or to cause any abatement or rebate in the rent then due or thereafter becoming due hereunder.

11. LESSEE TO PAY INSURANCE PREMIUMS.

The Lessee will pay the premiums for all insurance policies which the Lessee is obligated to obtain under the terms of this Lease and will deliver the said policies and the evidence of payment to the Lessor within the time herein set forth.

Nothing herein contained will ever be construed as rendering the Lessor liable for the payment of any such insurance premiums; but if at any time during the continuance of this Lease the Lessee shall fail, refuse or neglect to procure any of the policies of insurance required in and by this instrument to be procured by it or to keep and maintain same in affect or pay the premiums therefor promptly when due, the Lessor may, at its option, procure or renew such insurance and thereupon the amount or amounts of money paid as the premium or premiums thereon, plus interest at the rate of ten percent (10%) per annum, will be collectible as though it were rent then matured hereunder and will be due and payable forthwith. However, in lieu thereof and notwithstanding the procurement and renewal of such policies by the Lessor, this Lease may be terminated and declared at an end and all of the right, estate and interest of the Lessee in this Lease shall thereupon immediately cease and become null and void.

12. PAYMENT OF COSTS FOR OPERATION OF SEWAGE DISPOSAL SYSTEM PUMPING STATION UPON PARCEL OF LAND DESCRIBED IN EXHIBIT A.

The Lessee will, at all times during the term of this Lease, pay a part of all costs incident to the maintenance

and operation of the sewage disposal system pumping station, sewer mains and related sewage disposal equipment constructed and installed upon the parcel of land described in Exhibit A, including but not limited to the cost of repairs, replacement, servicing of equipment, utilities, taxes and insurance. The amount to be paid will be determined in the following manner: the number of square feet of living area within the walls, including porches and balconies (as taken from applicable Declarations of Condominium) of all of the condominium apartment buildings for which the Lessee will have operating responsibilities and which from time to time are served by such sewage disposal system will be divided by the total square feet of living area within the walls, including porches and balconies (as taken from applicable Declarations of Condominium or building plans if not submitted to condominium ownership), of all such buildings served by said sewage disposal system and of all other buildings from time to time served by such system. The Lessor will determine which of said condominium apartment buildings will be served by such system; the Lessee will become obligated for said payments when any of said condominium apartment buildings are being so served; and all payments by the Lessee hereunder will be made to the Lessor.

Except as hereinabove specifically set forth, all rights and obligations of the parties under this Lease are subject and subordinate to the rights and obligations of the Lessor and of KINGSWOOD ASSOCIATION, INC., a Florida not for profit corporation, under said Long Term Lease dated March 15, 1971 and recorded in the public records for Martin County, Florida.

13. EMINENT DOMAIN.

If any part of the Demised Premises is taken under the power of eminent domain during the term of this Lease, the rent herein provided for will continue unaffected as to amount unless such taking completely destroys the usefulness of all parts of the Demised Premises for purposes leased. In such event, the Lessee will have the right to terminate this Lease by written notice to the Lessor within thirty (30) days after such taking or to continue in possession of an undivided interest in the remainder of the leased premises under all of the terms and conditions hereof.

All damages awarded for such taking will belong to and be the property of the Lessors, whether such damages shall be compensation for diminution in the value of the Lease or to the fee of the leased premises.

14. LESSOR'S LIENS.

The Lessor retains a lien on every right and interest of the Lessee in and to this Lease and on the improvements, buildings, equipment, furniture and fixtures now and hereafter constructed or brought upon the Demised Premises and on the equity therein of the Lessee. Said lien is granted for the purpose of securing the payment of rent and other monies herein covenanted to be paid by the Lessee and for the purpose of securing the performance of all other conditions of this Lease to be performed and observed by the Lessee.

The Lessor also retains a lien against all land described in Exhibit E that it submits to the condominium form of ownership and upon all improvements and buildings now located or hereafter constructed thereon, for the purpose of securing it in the payment of rent and other monies due and to become due hereunder by the Lessee. Said lien will survive the recording of Declarations of Condominium whereby portions of such land will be submitted to the condominium form of ownership; it will continue for the full term of this Lease; and it may be enforced and foreclosed in the manner in which mortgages upon real property are enforced and foreclosed or, at the option of the Lessor, in any other manner available to it.

The Lessor also retains and is hereby given and granted a lien by the Lessee upon each condominium apartment to be located upon any portion of the land described in Exhibit E that is under the operation of the Lessee and upon each apartment's proportionate interest in the common elements of the condominium of which it is a part, for the purposes of further securing it in the payment of all rent and other monies due and to become due hereunder by the Lessee. These liens will have the same dignity and priority as the lien created in the next preceding paragraph of this Article 14, but they will apply to and be enforceable against the condominium apartments severally. Said liens will be for the amounts of rent and other monies due the Lessor that are apportioned to each apartment, plus interest and reasonable attorneys' fees incurred in the collection and enforcement thereof; and they may be enforced and foreclosed in the manner in which mortgages upon real property are enforced and foreclosed, or at the option of the Lessor, in any other manner available to it.

A default arising from the nonpayment of rent or other monies due to the Lessor by the Lessee under this Lease or by any condominium apartment owner will not be a default on the part of those condominium apartment owners who have paid the share of rent and other monies for which they are severally liable; and the Lessor may exercise its rights and have its remedies as described in this Article 14 only against the default owner. Upon full payment of arrearages, interest and attorneys' fees, the condominium apartment owner making payment will be entitled to a recordable satisfaction discharging said lien as to such arrearages, interest and attorneys' fees, but such satisfaction will not extinguish or diminish said lien as to any amount to become due. It will continue throughout the term of this Lease.

Rent and other monies due and to become due hereunder will be a common expense of each condominium to be established upon the land described in Exhibit E in an amount equal to the total sum thereof attributable to each condominium; the Lessee will make such assessments upon such condominium apartments as may be necessary for it to fulfill its obligations herein; and it will enforce its lien for said assessments, if necessary for it to fulfill said obligations.

The Lessor's liens provided for in this Article 14 will at all times be subject and subordinate to the lien of any mortgage made by any condominium apartment owner, provided the

proceeds of said mortgage are utilized to purchase condominium apartments located upon any portion of the land described in Exhibit E from the Lessor and it is made with an institutional mortgagee (herein defined as a bank, savings and loan association, insurance company, or union pension fund authorized to do business in the State of Florida, or an agency of the United States Government); and the Lessor will execute and deliver such further instruments evidencing such subordination as may be requested by any of said condominium apartment owners or prospective condominium apartment owners. However, the foreclosure of such a mortgage will not terminate this lease or any part thereof or extinguish or diminish said liens against the entire condominium property or the apartment encumbered by the foreclosed mortgage. Said Lessor's liens will only be subordinated this one time as herein provided, during the term of this Lease; but such subordinated liens of the Lessor will be subordinate and secondary in position to any and all rights, claims, titles or liens acquired by said institutional mortgagees.

The Lessor's liens provided for in this Article 14 will not relieve the Lessee of any of its obligations hereunder, it being intended that they afford the Lessor additional remedies in the event of default. In the event they should for any cause or reason whatever be determined to be invalid, extingusihed or unenforceable, in whole or in part, such invalidity will not extinguish or diminish any of the Lessee's obligations hereunder. Nothing herein contained will authorize the Lessor to collect the same indebtedness twice.

15. ENCUMBRANCES OF LESSOR AND LESSEE.

This Lease and the Lessee's and said condominium apartment owner's rights hereunder will be subject and subordinate to any mortgages now encumbering the Demised Premises. The Lessee in its own behalf and in behalf of said condominium apartment owners will execute and deliver such further instruments evidencing such subordination as may be requested by the Lessor. The Lessor will pay such mortgages and will perform all of their terms and conditions; and in the event of default by the Lessor, the Lessee, in addition to any other remedies available to it, may cure such default and deduct the cost thereof from the rent herein provided for.

The Lessor may encumber the fee simple title to the Demised Premises with other mortgages, irrespective of the existence of this Lease. However, such other mortgages will in all respect be subject and subordinate to the terms of this Lease and to the Lessee's rights herein. Although the Lessee may mortgage or otherwise encumber its interest in this Lease, any such mortgage or encumbrance will in all respects be subject and subordinate to the rights of the Lessor herein and to the rights of all persons claiming by, through or under the Lessor by reason of or in connection with this Lease. The termination of this Lease will extinguish any of said mortgages or encumbrances upon the Lessee's interest herein.

Nothing in this Lease will ever be construed as empowering the Lessee to encumber the title or interest of the Lessor.

16. DEFAULT.

In case at any time default shall be made by the Lessee in payment of any of the rent herein provided for upon the day it becomes due and payable, or if the Lessee shall fail to pay any of the other monies due to the Lessor by the Lessee, or if the Lessee shall fail to perform any of the other conditions of this Lease by it to be kept and performed; then, in any of such events, it will and may be lawful for the Lessor, at its election, to terminate this Lease and to reenter upon the Demised Premises or any part thereof, either with or without process of law, the said Lessee hereby waiving any demand for possession of the Demised Premises. Or the Lessor may have such other remedies as the law and this Lease afford; and upon the termination of this Lease, at such election of the Lessor or in any other way, the Lessee will surrender and deliver up the Demised Premises, improvements, buildings, equipment, furniture and fixtures peaceably to the Lessor's agent or attorneys, immediately upon such termination. If the Lessee, its members, agents, attorneys, or tenants shall hold the Demised Premises, or any part thereof, after the same should be surrendered according to the terms of this Lease, it will be deemed guilty of forcible detainer of the Demised Premises and be subject to eviction or removal, forcibly or otherwise, with or without process of law.

Although this is a Long Term Lease, the parties understand that the relationship between them is that of landlord and tenant; and the Lessee specifically acknowledges that all statutory proceedings in the State of Florida regulating the relationship of Landlord and Tenant, including collecting of rent or possession of the Demised Premises, accrues to the Lessor hereunder.

Nothing herein contained will be construed as prohibiting the Lessor from declaring this Lease in default. However, if the default consists in the non-payment of rent or other monies due to the Lessor by the Lessee, the Lessor may not declare this Lease in default until such non-payment shall have continued for fifteen (15) days after written notice of such default shall have been given by the Lessor to the Lessee; and where the alleged default consists of some violation other than the foregoing, the Lessor may not declare this Lease in default until such violation shall have continued for thirty (30) days after the Lessor shall have given the Lessee written notice of such violation and the Lessee shall not have undertaken, during said thirty (30) day period, to cure said violation by vigorous and affirmative action. Provided, however, that nothing herein contained will be construed as precluding the Lessor from having such remedy as may be and as may become necessary in order to preserve its rights and its interest in the Demised Premises, in said improvements, buildings, equipment, furniture and fixtures, and in this Lease, even before the expiration of the grace or notice periods provided for in this paragraph, if the allowance of such grace or the giving of such notice would prejudice or endanger the rights and interests of the Lessors.

All default and grace periods will be deemed to run concurrently and not consecutively.

The various rights, powers, options, elections, privileges and remedies of the Lessor contained in this Lease will be construed as cumulative, and no one of them will be construed as being exclusive of the other or exclusive of any rights or priorities provided by law.

The right herein given to the Lessor to collect the rent due under this Lease, or its right to collect any other monies due to it, or its right to enforce any of the other terms and provisions of this Lease, will not in any way affect its right to declare this Lease void and the term hereof ended, when default is made by the Lessee.

If at any time by reason of the failure of the Lessee to keep and perform any covenant or agreement which it is obligated to keep and perform it becomes necessary for the Lessor to employ an attorney to protect its rights and interests in the Demised Premises, in said improvements, equipment, buildings, furniture and fixtures, and in this Lease, the Lessee will pay unto the Lessor reasonable attorneys' fees incurred or expended by the Lessor and costs of Court, if any.

In the event this Lease is terminated at any time before the expiration of the term of years hereby created for the breach by the Lessee of any of the conditions herein contained, all of the right, estate and interest of the Lessee and its members in and under this Lease and in said Demised Premises, improvements, buildings, equipment, furniture and fixtures, together with all rents, issues and profits, whether then accrued or to accrue, and all insurance policies and all insurance monies paid or payable thereunder, and the then entire undisbursed balance of any building escrow fund, and the entire undisbursed balance of any then existing joint bank account which may have been created in connection with the collection of insurance, shall at once pass to and become the property of the Lessor (subject, however, to the rights of mortgagees), not as a penalty for forfeiture, but as liquidated damages to the Lessor because of such default by the Lessee and the termination of this Lease. Each of the parties acknowledges that for such breach and termination the Lessor will sustain substantial damage, being damage of such character as to make it more burdensome and tedious, if not actually impossible, to ascertain with mathematical precision; and they have, therefore, agreed upon this provision for liquidated damages in the interests of obviating which would otherwise be burdensome and difficult litigation. Further, this provision for liquidated damages has been taken into account by both parties in fixing the terms of and the consideration for the making of this Lease.

The Lessee pledges with and assigns unto the Lessor all of the rent, issues and profits which might otherwise accrue to the Lessee for the use, enjoyment and operation of the Demised

Premises and of the improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the Demised Premises. If the Lessor upon the default of the Lessee elects to file a suit in chancery to enforce or terminate this Lease and protect its rights hereunder, it may, as ancillary of such suit, apply to any court having jurisdiction thereof for the appointment of a Receiver of all and singular said Demised Premises, improvements, buildings, equipment, furniture and fixtures; and thereupon the court will forthwith appoint a Receiver with the usual powers and duties of Receivers in like cases and such appointment will be made by such court as a matter of strict right to the Lessor and without reference to the adequacy or inadequacy of the value of the property which is subject to the landlord's lien or to the solvency or insolvency of the Lessee and without reference to the commission of waste.

17. LESSOR'S INTEREST NOT SUBJECT TO MECHANIC'S LIENS.

The Lessee has no power to incur any indebtedness giving a right to a lien of any kind or character upon the right, title and interest of the Lessor in and to the Demised Premises or in and to the improvements, buildings, equipment, furniture and fixtures hereafter constructed or brought upon the Demised Premises and no person will ever be entitled to any lien directly or indirectly derived through or under the Lessee, or its agents or servants, or on account of any act or remission of the Lessee, which will be superior to the interest in this Lease reserved to the Lessor upon the Demised Premises and upon the improvements, building, equipment, furniture and fixtures hereafter constructed or brought upon the Demised Premises. All persons contracting with the Lessee, or furnishing materials or labor to the Lessee, or to its agents or servants, as well as all persons whomsoever, will be bound by this provision of this Lease. This provision is inserted pursuant to the authority of Chapter 713.10, Florida Statutes. Should any such lien be filed, the Lessee shall discharge the same by paying it, or by filing a bond or otherwise, as permitted by law.

18. ASSIGNMENT.

This Lease is freely assignable, provided it is not in default and is in good standing. However, no assignment or transfer by the Lessee will be valid unless the assignee shall expressly assume and agree to perform each and every of the conditions of this Lease which by the terms hereof the Lessee agrees to keep and perform. Such assumption will be evidenced by written instrument executed in such fashion as to entitle it to recording; and such assignment will not be valid unless the assignment and assumption agreements are promptly recorded in the public records of Martin County, Florida and unless an executed original thereof is delivered to the Lessor, together with a reference to the book and page number of recordation. No assignment, transfer or assumption will ever operate to release any prior Lessee or its members from any of the obligations or liens hereof, unless and until a written discharge of such Lessee, duly executed by the Lessor, shall be recorded in the public records of Martin County, Florida.

The Lessor and the Lessee will give to each other written statements as to the status of this Lease, within fifteen (15) days after written notice requesting such statement have been received. Said statements will state whether or not this Lease is in good standing and, if not, they will state the particulars in which it is not in good standing. Failure to give such statements within said fifteen (15) day period will constitute a representation that this Lease is in good standing and said representation may be relied upon by any person as being true and correct. Said notices and statements will be deemed to be given, and the time period specified will begin to run, when they are deposited in the U.S. certified or registered mail with postage prepaid.

19. INDEMNIFICATION.

The Lessee covenants and agrees with the Lessor that during the entire term of this Lease it will indemnify and save harmless the Lessor against any and all claims, debts, demands or obligations which may be made against the Lessor or against the Lessor's title in the premises, arising by reason of or in connection with the making of this Lease and the ownership by the Lessee of the interest hereby created; and if it becomes necessary for the Lessor to defend any action seeking to impose any such liability, the Lessee will pay the Lessor all costs of court and reasonable attorneys' fees incurred by the Lessor in effecting such defense, plus any other sums which the Lessor may be called upon to pay by reason of the entry of a judgment against the Lessor in the litigation in which such claim is asserted.

20. BANKRUPTCY.

Neither this Lease nor any interest therein, nor any estate thereby created, will pass to any Trustee or Receiver in bankruptcy or to the assignee for the benefit of creditors or otherwise by operation of law.

21. LESSEE'S DUTY TO KEEP DEMISED PREMISES IN GOOD REPAIR.

The Lessee will keep said improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the Demised Premises in a good state of repair and in first class condition; and will not suffer or permit any waste or neglect of any of said property. The Lessee will repair, replace and renovate saidproperty as often as it may be necessary in order to keep it in first class repair and condition. However, the replacement of any sewage disposal system equipment will be subject to the prior written approval of the Lessor. Such approval will not be unreasonably withheld.

22. QUIET ENJOYMENT.

The Lessee shall have quiet and undisturbed and continuous possession and use of the Demised Premises free from any claims of the Lessor, subsequent to the completion of the construction of the recreational facilities described in Article 5

hereof, so long as it keeps and performs all of the covenants and conditions to be kept and performed by it herein. This provision will not extend to any interruption in the possession of the Lessee occasioned by its failure to keep in good standing any mortgage encumbering its interest in this Lease.

23. LESSOR'S RIGHT OF ENTRY.

The Lessor will have the right to enter upon the Demised Premises at all reasonable times to examine the condition and use thereof; provided that such right will be exercised in such manner as not to interfere with the Lessee in the conduct of the Lessee's business upon the Demised Premises. If said improvements, buildings, equipment, furniture or fixtures are damaged by fire, windstorm or by any other casualty which causes them to be exposed to the elements, the Lessor may enter upon the Demised Premises to make emergency repairs; but, if the Lessor exercises its option to make emergency repairs, such act will not be deemed to excuse the Lessee from its obligation to keep the premises in repair. The Lessee will, upon demand of the Lessor, reimburse the Lessor for the cost and expense of such emergency repairs.

The Lessor retains and is hereby given and granted an easement over and upon the land described in Exhibit E for the purpose of ingress and egress to the Demised Premises. Such easement will survive the recording of such Declarations of Condominium.

24. TERMS, ETC. TO BE COVENANTS RUNNING WITH THE LANDS.

The terms, conditions and provisions set forth in this Lease will be binding upon the Lessor and the Lessee, and upon their successors and assigns; and they will be deemed to be covenants running with the land; and by land is meant the premises described in Exhibits A, B, C, D and E.

25. NOTICES.

Whenever a provision is made herein for notice of any kind it shall be deemed sufficient notice and service thereof if such notice is in writing, addressed to the Lessor or the Lessee at their last known address, and sent by U.S. certified or registered mail with postage prepaid.

26. MISCELLANEOUS PROVISIONS.

In the event the Lessee is dissolved, or if its existence is otherwise terminated, or if for any reason it ceases to be responsible for the operation of any of the condominiums established by the Lessor upon the land described in Exhibit E (after having first been responsible for such operation) or if any of said condominiums are terminated, during the term of this Lease, none of the rent or other monies due hereunder will abate or be diminished. In any or all of such events, the owners of all apartments in each such condominium apartment building that was formerly operated by the Lessee will be deemed to be individual lessees under this Lease, for so long as they own their apartments; they will continue to have the possession, use and occupancy of the Demised Premises; and they will be severally bound by all of the provisions of this Lease (as its context shall permit).

If any of said apartment owners described in the preceding paragraph hereof sells his apartment, or if title thereto is transferred in some other manner, the obligations and liabilities herein created will become the obligations and liabilities of each successive owner of the apartment transferred during the term of this Lease.

The Lessor will require each purchaser of a condominium apartment from it to ratify, confirm and approve in writing all of the terms and provisions hereof and the acts of the officers and directors of the Lessee in making and entering into this Lease. Such writings will also contain the agreement of each condominium apartment owner to be bound by all of the terms and provisions hereof; and they will contain a provision whereby each condominium apartment owner individually impresses the aforesaid liens upon his condominium apartment. They may be a part of theWarranty Deeds conveying such condominium apartments.

No waiver of a breach of any of the covenants in this Lease contained will be construed to be a waiver of any succeeding breach of the same covenant. The Lessor specifically reserves the right to waive any portion of the rent due hereunder, including the right to waive rent attributable to individual condominium apartments. Such waiver will not affect the obligations of the owners of apartments for which rent has not been waived to pay rent.

Time is of the essence in every particular, and particularly where the obligation to pay money is involved.

All arrearages in the payment of rent and the repayment by the Lessor or the Lessee of any sums which may be paid in order to cure defaults (as elsewhere herein provided for) will bear interest from the date when due and payable at the rate of ten percent (10%) per annum until paid.

If at any time by reason of the failure of the Lessor to keep and perform any of its covenants or agreements contained herein it becomes necessary for the Lessee or for any of said condominium apartment owners to employ an attorney to protect their interests, the Lessor will pay unto the Lessee or said condominium apartment owners reasonable attorneys' fees incurred or expended by them and costs of Court, if any.

No modification, release, discharge or waiver of any provisions hereof will be of any force, effect or value, unless in writing and signed by the persons who are then the Lessor and the Lessee.

The Lessee shall not amend its Articles of Incorporation, its Bylaws or said Declarations of Condominium, during the term of this Lease, in such a manner as to affect or impair the rights of the Lessor herein; unless the Lessor shall first approve such amendments in writing.

At the termination of this Lease the Lessee will peaceably and quietly deliver unto the Lessor possession of

the Demised Premises and improvements, buildings, equipment, furniture and fixtures now or hereafter constructed or brought upon the Demised Premises; and the Lessee covenants and agrees with the Lessor that the Demised Premises will be used for legal purposes only.

Whenever the context hereof so permits, the use of plural will include the singular, the singular the plural, and the use of any gender will be deemed to include all genders.

IN WITNESS WHEREOF, the parties hereto have hereunto set forth their hands and seals.

Executed in the presence of:

Gerald R. Bell
Beatrice B. Shannon

KINGSWOOD, INCORPORATED
By Angela McLaughlin
President
Attest:
Robert W McLaughlin
Secretary

Gerald R. Bell
Beatrice B. Shannon

KINGSWOOD ASSOCIATION NO. 2, INC.
By Angela McLaughlin
President
Attest:
Robert W McLaughlin
Secretary

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ANGELA McLAUGHLIN and ROBERT W. McLAUGHLIN, JR., respectively President and Secretary of KINGSWOOD, INCORPORATED, to me well known, and they acknowledged before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgment to be the individuals described in and who executed the said instrument.

WITNESS my hand and seal this 7 day of Jan, 1974.

O R BOOK 411 PAGE 2389

Donald F. Fahn
Notary Public
My commission NOTARY PUBLIC, STATE OF FLORIDA AT LARGE MY COMMISSION EXPIRES OCT. 8, 1976 BONDED THRU GENERAL INSURANCE UNDERWRITERS

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ANGELA McLAUGHLIN and ROBERT W. McLAUGHLIN, JR., respectively President and Secretary of KINGSWOOD Association, Inc #2 to me well known, and they acknowledged before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgment to be the individuals described in and who executed the said instrument.

WITNESS my hand and seal this 7 day of January, 1974.

Donald N. Johns
Notary Public
My commission expires: 10/8/76

Start at the N.E. corner of the S.W.one quarter of Section 2, Township 38 South, Range 41 East, Martin County, Florida; Thence run South 00° 24' 40" West along the East line of said South west one quarter, a distance of 1331.68 feet; Thence run North 89° 29' 20" West a distance of 300 feet; Thence run North 00° 24' 40" East a distance of 907.24 feet; Thence run South 73° 28' 00" West a distance of 140.54 feet to the Point of Beginning; Thence continue to run South 73° 28' 00" West a distance of 100.42 feet; Thence run South 00° 24' 40" West a distance of 137.94 feet; Thence run North 73° 35' 20" East a distance of 100.84 feet; Thence run North 21° 41' 40" West a distance of 19.75 feet/ Thence run North 68° 18' 20" East a distance of 40.28 feet; Thence run North 15° 46' 20" West a distance of 108.88 feet to the Point of Beginning.

RECREATION AREA NO. 2

EXHIBIT B

Start at the N. E. corner of the S. W. 1/4 of Section 2, T38S, R41E, Martin County, Florida; thence run S00°24'40"W along the East line of said S. W. 1/4, a distance of 1331.68'; thence run N89°29'20"W a distance of 939.44' to the point of beginning; thence continue to run N89°29'20"W a distance of 150'; thence run N 00°47'10"E a distance of 238.54'; thence run S45°30'E a distance of 206.67'; thence run S 00°24'40"W a distance of 95' to the point of beginning.

Description of Land

Kingswood Recreational Area No. 3

EXHIBIT C

Start at the N.E. corner of the S.W. ¼ of Section 2, T38S, R41E, Martin County, Florida; thence run S 00°24'40" W a distance of 512.28'; thence run N 89°35'20" W a distance of 130', to the point of beginning; thence continue to run N 89°35'20" W a distance of 20'; thence run S 00°24'40" W a distance of 20'; thence run S 89° 35'20" E a distance of 20'; thence run N 00°24'40" E a distance of 20' to the point of beginning.

SEWER PUMPING STATION #1

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EXHIBIT A Page 325 MAR 1548

Start at the N. E. corner of the S. W. 1/4 of section 2, T38S, R41E, Martin County, Florida; thence run S00°24'40"W a distance of 1331.68'; thence run N89°29'20"W a distance of 650'; thence run N00°24'40"E a distance of 704' to the point of beginning; thence continue to run N00°24'40"E a distance of 20'; thence run N89°35'20"W a distance of 20'; thence run S 00°24'40"W a distance of 20'; thence run S 89°35'20"E a distance of 20' to the point of beginning.

KINGSWOOD

SEWER PUMPING STATION #2

EXHIBIT D

The Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, lying South of State Road A-1-A, Martin County, Florida: Less the Westerly 250' thereof

Less the following described parcels of land:

The East 300 feet (measured at right angles to the West line of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East) of that portion of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East,lying South of State Road A-1-A, Martin County, Florida.

Start at the Northeast corner of the Southwest one quarter of Section 2, Township 38 South, Range41 East, Martin County, Florida; Thence run South 0° 24' 40" West along the East line of said South west one quarter, a distance of 1331.68 feet; Thence run North 89° 29' 20" West a distance of 300 feet; Thence run North 0° 24' 40" East a distance of 907.24 feet; Thence run South 73° 28' 00" West a distance of 140.54 feet to the Point of Beginning; Thence continue to run South 73° 28' 00" West a distance of 100.42 feet; Thence run South 0° 24' 40" West a distance of 137.94 feet; Thence run North 73° 35' 20" East a distance of 100.84 feet; Thence run North 21° 41' 40" West a distance of 19.75 feet; Thence run North 68° 18' 20" East a distance of 40.28 feet; Thence run North 15° 46' 20" West a distance of 108.88 feet to the Point of Beginning.

Start at the Northeast corner of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, Martin County, Florida; thence run South 00° 24' 40" West along the East line of said Southwest Quarter, a distance of 1331.68'; thence run North 89° 29' 20" West a distance of 939.44' to the point of beginning. Thence continue to run North 89° 29' 20" West a distance of 150'; Thence run North 00° 47' 10" East a distance of 236.54'; Thence run South 45° 30' East a distance of 206.67'; Thence run South 00° 24' 40" Wide a distance of 95' to the Point of Beginning.

Start at the Northeast corner of the Southwest Quarter of Section 2, Township 38South, Range 41 East, Martin County, Florida, Thence run South 00° 24' 40" West a distance of 1331.68; Thence run North 89° 29' 20" West a distance 650'; Thence run North 00° 24' 40" East a distance of 704' to the Point of Beginning; Thence continue to run North 00° 24' 40" East a distance of 20'; Thence run North 89° 35' 20" West a distance of 20'; Thence run South 89° 35' 20" East a distance of 20' to the Point of Beginning.

Land of Kingswood Condominium #2

MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this 4th. day of JAN, 1974, by and between KINGSWOOD ASSOCIATION NO. 2, INC., a Florida not for profit corporation, hereinafter called the "Association"; and KINGSWOOD, INCORPORATED, a Florida corporation, hereinafter called the "Developer"; which terms "Association" and "Developer" will be deemed to extend to and include the successors and assigns of the said parties:

WITNESSETH:

WHEREAS, the Association was organized to provide an entity for the operation of condominiums to be established by the Developer upon land in Martin County, Florida, as described in Exhibit A attached hereto and made a part hereof, and

WHEREAS, the condominium established by the Developer upon the land described in Exhibit A will be apartment buildings containing certain specified types of apartments, including but not limited to those to be designated by the Developer as One bedroom, 1½ bath (Model #2), One bedroom, 1½ bath, Deluxe (Model #3), Two bedroom, 2 bath (Model #4) and Two bedroom, 2 bath, Deluxe (Model #5), and

WHEREAS, the Developer will offer the apartments of said condominium apartment buildings for sale and the owners will become members of the Association and be required to pay assessments for the common expenses of said condominiums, and

WHEREAS, the Association has entered into a Long Term Lease with the Developer, whereby parcels of land have been leased unto the Association, and

WHEREAS, certain recreational facilities, sewer disposal system pumping stations, sewer mains and related sewage disposal equipment will be and have been constructed and installed upon said parcels of land leased to the Association, and

WHEREAS, the Association and the owners of said condominium apartments will be required to pay rent and other monies to the Developer under said Long Term Lease; and they have certain other obligations under said Long Term Lease, as are more fully described therein, and

WHEREAS, said rent, together with other monies due under such Long Term Lease, will be a common expense of such condominiums, and

THIS DOCUMENT PREPARED BY
PHILIP H. REID, Jr.
COE, BRODBERG AND REID
256 WORTH AVENUE
PALM BEACH, FLORIDA

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EXHIBIT F

WHEREAS, the parties hereto desire to provide that the amounts of the assessments paid by the owners of said condominium apartments will remain unchanged for a period of two and one-half (2½) years from the date hereof, and they desire to provide for the management of said condominiums.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

1. The Association appoints the Developer as its exclusive managing agent in the operation of all condominiums for which the Association will have operating responsibilities that are established by the Developer upon the land in Martin County, Florida described in Exhibit A attached hereto and made a part hereof. The Developer will confer with the directors of the Association, at their request, in the performance of its duties under this Management Agreement.

2. The term of this Management Agreement will begin on January 15, 1974. It will continue for a period of five (5) years.

3. The Developer will manage said condominiums; and in such management, will have all of the powers and duties given and assigned to the Association by the condominium laws of the State of Florida, by the Declarations of Condominium submitting the land described in Exhibit A to the condominium form of ownership, by the Articles of Incorporation and Bylaws of the Association, by the Association's Long Term Lease with the Developer and by this Management Agreement, with the following exceptions:

a. Any powers and duties specifically given or assigned to the Board of Directors or membership of the Association by said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease.

b. The power to make assessments, except to the extent hereinafter set forth.

c. The power to amend said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease.

d. The power to assign, sublease or mortgage the Association's interest in said Long Term Lease.

e. The power to lease the common elements of the condominiums.

f. The power to enter into any additional leases demising land or other property to the Association.

The Developer will have such additional duties as may be assigned to the Association by amendments to the condominium laws of the State of Florida, said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease. However, any such additional duties must be accepted in writing by the Developer.

The entire cost of performing its duties hereunder will be paid by the Developer, except that the Developer will not be obligated to pay rent and other monies due under said Long Term Lease until it has collected such rent and other monies from apartment owners. For the purposes of this Management Agreement, all assessments collected from apartment owners will be applied first to rent under said Long Term Lease and next to other monies due under said lease.

4. The Association will make assessments in the amounts set forth in paragraph 5 of this Management Agreement. However, for all purposes hereof, the parties hereto and the owners of all such condominium apartments will consider said assessments are made, whether or not the Association or its Board of Directors or members take any action in regard thereto. The Association will not, without the Developer's written consent:

a. Amend said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease.

b. Assign or sublease its interest in said Long Term Lease.

c. Mortgage its interest in said Long Term Lease or any of the common elements of said condominiums.

d. Make any lease, whereby any of the common elements of said condominiums are demised.

e. Make any additional lease demising land or any other property to it.

f. Make any additional agreements providing for the management and operation of said condominiums (except Insurance Trust Agreements) or for the installation of any coin operated machines upon the condominium properties, including the premises demised to the Association under said Long Term Lease.

g. Purchase any such condominium apartments; and, if acquired, make any mortgages encumbering same.

h. Employ any personnel during the term hereof if the Developer would be liable for the cost thereby incurred.

5. The monthly assessments against the owners of said apartments contained within the condominiums established upon the land described in Exhibit A, for which the Association will have operating responsibilities, will be as follows during the two and one-half (2½) year period beginning on Jan. 15, 1974

a. Prior to incurrence of liability for rent under said Long Term Lease.

(1) The assessment for each One bedroom, 1½ bath (Model #2) condominium apartment will be $25.01 per month.

(2) The assessment for each One bedroom, 1½ bath, Deluxe (Model #3) condominium apartment will be $29.57 per month.

(3) The assessment for each Two bedroom, 2 bath (Model #4) condominium apartment will be $35.19 per month.

(4) The assessment for each Two bedroom, 2 bath, Deluxe (Model #5) condominium apartment will be $40.04 per month, and

(5) The monthly assessment for each condominium apartment of any type not hereinabove specifically set forth will be determined by multiplying .3958 cents by the number of square feet of living area within its walls, including its porches or balconies (as taken from Declarations of Condominium); and by dividing the product thereof by twelve (12).

b. After the incurrence of liability for rent under said Long Term Lease:

(1) The assessment for each One bedroom, 1½ bath (Model #2) condominium apartment will be $36.37 per month.

(2) The assessment for each One bedroom, 1½ bath, Deluxe (Model #3) condominium apartment will be $43.01 per month.

(3) The assessment for each Two bedroom, 2 bath (Model #4) condominium apartment will be $51.19 per month.

(4) The assessment for each Two bedroom, 2 bath, Deluxe (Model #5) condominium apartment will be $58.24 per month, and

(5) The monthly assessment for each condominium apartment of any type not hereinabove specifically set forth will be determined by multiplying .5973 cents by the number of square feet of living area within its walls, including its porches or balconies (as taken from Declarations of Condominium); and by dividing the product thereof by twelve (12).

After the publication and issuance thereof, the Developer will deliver to the Association a true copy of the Consumer Price Index (hereinafter called the "Index"), the United States City Average All Items and Commodity Groups of the Bureau of Labor Statistics of the United States Department of Labor for the month ending on the last day of said two and one-half year period beginning on the first day of the first month following the commencement of the term hereof. If said Index shows a decrease or an increase in the purchasing power of the sums set forth in paragraphs a and b (less, however, any rent attributable to the condominium apartments described in said paragraphs under such Long Term Lease) as compared in each case to the Index for the first month of said two and one-half year period (the base month), said sums set forth in paragraphs a and b (less, however, any rent attributable to the condominium apartments described in said paragraphs under such Long Term Lease) will be adjusted to amounts equal to the purchasing power of said sums during the base month; and such adjusted sums (plus the adjusted rent attributed to each condominium apartment under such Long Term Lease) will be the monthly assessments for said condominium apartments, in substitution of the sums set forth in said paragraphs.

The Developer, as soon as possible after the delivery of a copy of said Index, will furnish the Association and the owner of each apartment with the computation of the adjusted assessments. Pending the determination of the adjusted assessments, the apartment owners will continue to pay the sums set forth in paragraphs a and b; and when the adjusted amounts are determined, the Developer will pay to the apartment owners, or they will pay to the Developer, such amounts as may be necessary to correct the amounts of the assessments paid, pending said determination. If at the time required for the determination of the adjusted assessments said Index is no longer published or issued, the parties will use such other index or method as is then generally recognized and accepted for similar determination of purchasing power; and if no index or method is generally recognized and accepted, the apartment owners will continue to pay the sums set forth in paragraphs a and b. However, it is understood that if the publication of said Index on a monthly basis is discontinued and it is published at some other interval, the Index for the period closest to the month for which an index is required to be furnished will be used.

The Developer may from time to time, at its option, waive all or any part of the amounts of said assessments set forth in paragraphs a and b, either as to all or as to only a portion of said apartments, by giving written notice thereof to the Association. Such waivers will be effective for the periods of

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LAW OFFICES OF COE BROBERG AND REID PALM BEACH FLORIDA 33480

time specified in said notices; and they will not affect the obligations of the owners of apartments for which no waiver has been made. No assessments, except those herein specifically described, will be made against the owners of said apartments during the term of this Management Agreement; and no increases in the amounts of said assessments will be made, except as herein authorized.

The amounts of the assessments set forth in paragraph b are based upon the beginning rents attributed to each of said condominium apartments under such Long Term Lease. If said rents are waived or reduced by the Lessor, said assessments will be amended as required.

6. The Developer will have the exclusive right to collect all monies due the Association under said Declarations of Condominium, Articles of Incorporation, Bylaws and Long Term Lease. It will expend such amount thereof as is necessary in the performance of its duties under this Management Agreement and it will hold a reasonable amount thereof in reserve, for the purpose of paying current expenses during the term hereof. The Developer will not be required to create any other reserves, including but not limited to any for contingencies, for deferred maintenance, for replacement, or for additional improvements. Current expenses will be deemed to include only such items as the cost of gardening services, maid services, minor repairs, regular swimming pool maintenance service, insurance premiums and taxes. The portions of such reserve attributable to insurance premiums and taxes will be reasonable if they are sufficient to pay said items, on a pro rata basis, only during the term of this Management Agreement; and, if not known, the Developer may estimate the amounts that will be due for taxes.

The excess of the amounts collected by the Developer over the amounts expended and held in reserve for current expenses will be the compensation of the Developer.

7. In the event of default by either the Association or the Developer in the performance of this Management Agreement, the other will have the right to specific performance and to any other remedies given by law. However, a failure on the part of the Developer to perform any of the conditions hereof will not be considered a default unless such failure shall continue for a period of sixty (60) days after the Association shall have given it written notice thereof and unless the Developer does not undertake during said sixty (60) day period to cure its failure by vigorous and affirmative action.

If the Association or the Developer is compelled to pay reasonable attorneys' fees in prosecuting or defending any action or proceeding instituted by reason of a default by the other, it will be reimbursed for such expense by the other defaulting party.

8. In the event the Association is dissolved, or if its existence is otherwise terminated, or if for any reason it

ceases to be responsible for the operation of any of the condominiums established by the Developer upon the land described in Exhibit A (after having first been responsible for such operation), or if any of said condominiums are terminated, during the term of this Management Agreement, the owners of all apartments in each such condominium apartment building that was formerly operated by the Association, their heirs executors, legal representatives, successors and assigns, will, as to their separate interests, be bound by the provisions hereof; and the Developer will manage such interests pursuant to the terms and provisions of this Management Agreement, as the nature of such interests and the context hereof shall permit.

9. The terms, conditions, provisions and covenants set forth in this Management Agreement will be binding upon the Association and the Developer, and upon their successors and assigns, and will be deemed to be covenants running with the land described in Exhibit A.

10. The entire fiscal management of the Association will be governed solely by this Management Agreement during its term.

The Developer will not be liable to the Association or its members for any loss or damage not caused by the Developer's own gross negligence or willful misconduct; and the Association and its members will, and do hereby, indemnify and save harmless the Developer from any liability, costs and expenses arising from injury to any person or property upon or about any of the said condominiums from any cause whatever, unless such injury shall be caused by the Developer's own gross negligence or willful misconduct.

The Developer may install coin operated washing machines and drying machines, which will be owned by it, upon the condominium properties; and the proceeds received from any such installation will be the property of the Developer. It may also make agreements with individual condominium apartment owners to provide services not herein specified.

The invalidity of any term or provision of this Management Agreement, or of any part of any term or provision, will not affect the validity of the remaining portions thereof.

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LAW OFFICES OF COE BOBERG AND REID PALM BEACH FLORIDA

IN WITNESS WHEREOF, the parties hereto have hereunto set forth their hands and seals.

Executed in the presence of:

KINGSWOOD, INCORPORATED,
a Florida corporation

GERALD R. BELL

By _____
Angela McLaughlin, President

BEATRICE B. SISSON Attest: _____
Robert McLaughlin, Secretary

KINGSWOOD ASSOCIATION #2 INC.,
a Florida corporation

GERALD R BELL

By _____
Angela McLaughlin, President

BEATRICE B. SISSON Attest: _____
Robert McLaughlin, Secretary

STATE OF FLORIDA)
COUNTY OF ~~PALM BEACH~~ MARTIN) SS.

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ANGELA McLAUGHLIN and ROBERT McLAUGHLIN, respectively President and Secretary of KINGSWOOD, INCORPORATED, to me well known, and they acknowledged before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgment to be the individuals described in and who executed the said instrument.

WITNESS my hand and seal this 7th day of JANUARY, 1974.

DONALD N. JOHNS
Notary Public
My commission expires: OCT. 8, 1976

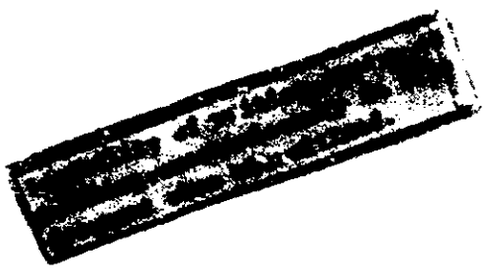
77

STATE OF FLORIDA }
COUNTY OF MARTIN } SS.

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ANGELA MCLAUGHLIN AND ROBERT McLAUGHLIN, RESPECTIVELY President and Secretary of KINGSWOOD ASSOCIATION #2 INC., to me well known, and they acknowledged before me that they executed the foregoing instrument as such officers of said corporation, and that they affixed thereto the official seal of said corporation; and I FURTHER CERTIFY that I know the said persons making said acknowledgment to be the individuals described in and who executed the said instrument.

WITNESS my hand and seal this 7th day of January 1974.

DONALD K JOHNS
Notary Public
My commission expires 10/8/76



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The Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, lying South of State Road A-1-A, Martin County, Florida: Less the Westerly 250' thereof

Less the following described parcels of land:

The East 300 feet (measured at right angles to the West line of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East) of that portion of the Northeast Quarter of the Southwest Quarter of Section 2, Township 38 South, Range 41 East,lying South of State Road A-1-A, Martin County, Florida.

Start at the Northeast corner of the Southwest one quarter of Section 2, Township 38 South, Range41 East, Martin County, Florida; Thence run South 0° 24' 40" West along the East line of said South west one quarter, a distance of 1331.68 feet; Thence run North 89° 29' 20" West a distance of 300 feet; Thence run North 0° 24' 40" East a distance of 907.24 feet; Thence run South 73° 28' 00" West a distance of 140.54 feet to the Point of Beginning; Thence continue to run South 73° 28' 00" West a distance of 100.42 feet; Thence run South 0° 24' 40" West a distance of 137.94 feet; Thence run North 73° 35' 20" East a distance of 100.84 feet; Thence run North 21° 41' 40" West a distance of 19.75 feet; Thence run North 68° 18' 20" East a distance of 40.28 feet; Thence run North 15° 46' 20" West a distance of 108.88 feet to the Point of Beginning.

Start at the Northeast corner of the Southwest Quarter of Section 2, Township 38 South, Range 41 East, Martin County, Florida; thence run South 00° 24' 40" West along the East line of said Southwest Quarter, a distance of 1331.68'; thence run North 89° 29' 20" West a distance of 939.44' to the point of beginning. Thence continue to run North 89° 29' 20" West a distance of 150'; Thence run North 00° 47' 10" East a distance of 236.54'; Thence run South 45° 30' East a distance of 206.67'; Thence run South 00° 24' 40" Wide a distance of 95' to the Point of Beginning.

Start at the Northeast corner of the Southwest Quarter of Section 2, Township 38South, Range 41 East, Martin County, Florida, Thence run South 00° 24' 40" West a distance of 1331.68; Thence run North 89° 29' 20" West a distance 650'; Thence run North 00° 24' 40" East a distance of 704' to the Point of Beginning; Thence continue to run North 00° 24' 40" East a distance of 20'; Thence run North 89° 35' 20" West a distance of 20'; Thence run South 89° 35' 20" East a distance of 20' to the Point of Beginning.

Land of Kingswood Condominium #2

BYLAWS

KINGSWOOD ASSOCIATION, ~~INC.~~ NO. 2, INC.

1. IDENTITY.

These are the Bylaws of KINGSWOOD ASSOCIATION, NO 2, INC., called Association in these Bylaws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which have been filed in the office of the Secretary of State. The Association has been organized for the purpose of operating condominiums established by KINGSWOOD, INCORPORATED, a Florida corporation, hereinafter called the Developer. The units of such condominiums will be apartments of various types.

1.1. The office of the Association will be at 2150 SOUTH East Ocean Boulevard, Stuart, Florida.

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

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

2. MEMBERS' MEETINGS.

The members of the Association will be the owners of the apartments of said condominiums.

2.1. The annual members' meeting will be held at 1:30 P.M., Eastern Standard Time, on the 3rd ~~Tuesday~~ FRIDAY in March of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting will be held at the same hour on the same day that is not a legal holiday.

2.2. Special members' meetings will be held whenever called by the President or by a majority of the Board of Directors; and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership.

2.3. Notice of all members' meetings stating the time and place and the objects for which the meeting is called will be given by the President or Secretary or Assistant Secretary unless waived in writing. Such notice will be in writing to

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each member at his address as it appears on the books of the Association and will be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing will be given by affidavit of the person giving the notice. Notice of a meeting may be waived before or after the meeting.

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

2.5. Voting.

a. The owner of each apartment will be entitled to one vote; and if one owner owns more than one apartment he will be entitled to one vote for each apartment owned.

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

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

2.7. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

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

a. Election of chairman of the meeting
b. Calling of the roll and certifying of proxies
c. Proof of notice of meeting or waiver of notice

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d. Reading and disposal of any unapproved minutes
e. Reports of officers
f. Reports of committees
g. Election of Directors
h. Unfinished business
i. New business
j. Adjournment

2.9. Proviso. Provided however, that until the Developer elects to terminate its control of the Association, or until December 31, 1980, whichever first occurs, the proceedings of all meetings of members of the Association will have no effect unless approved by the Board of Directors.

3. DIRECTORS.

3.1. Membership. The affairs of the Association will be managed by a board of not less than three nor more than nine (9) directors, the exact number to be determined at the time of election.

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

a. Election of directors will be held at the annual members' meetings.

b. A nominating committee of five (5) members will be appointed by the Board of Directors not less than 15 days prior to the annual members' meeting. The committee will nominate one person for each director then serving. Nominations for additional directorships created at the meeting will be made from the floor, and other nominations may be made from the floor.

c. The election will be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There will be no cumulative voting.

d. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members will be filled by the remaining directors.

e. Any director may be removed by concurrence of two-thirds of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created will be filled by the members of the Association at the same meeting.

f. Provided, however, that until the Developer elects to terminate its control of the Association, or until December 31, 1980, whichever first occurs, the first directors of the Association will serve; and, in the event of vacancies, the remaining directors will fill such vacancies and if there are no remaining directors, the vacancies will be filled by the Developer.

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

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

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

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

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

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

3.9. Adjourned meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

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

3.11. The presiding officer of directors' meetings will be the chairman of the Board of Directors if such an officer has been elected; and if none, the President will preside. In the absence of the presiding officer, the directors present will designate one of their number to preside.

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

a. Calling of roll
b. Proof of due notice of meeting
c. Reading and disposal of any unapproved minutes
d. Reports of officers and committees
e. Election of officers
f. Unfinished business
g. New business
h. Adjournment

3.13. Directors' fees will not be paid.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the Association will be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically herein or elsewhere required.

5. OFFICERS.

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

5.2. The President will be the chief executive officer of the Association. He will have all of the powers and duties usually vested in the office of President of an association, including but not limited to the powers to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

5.3. The Secretary will keep the minutes of all proceedings of the directors and the members. He will attend to the giving and serving of all notices to the members and directors and other notices required by law. He will have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He will keep the records of the Association, except those of the Treasurer, and will perform all other duties incident to the office of Secretary of the Association and as may be required by the directors or the President.

5.4. The Secretary will keep the minutes of all proceedings of the directors and the members. He will attend to the giving and serving of all notices to the members and directors and other notices required by law. He will have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He will keep the records of the Association, except those of the Treasurer, and will perform all other duties incident to the office of Secretary of the Association and as may be required by the directors or the President.

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

5.6. The Assistant Secretary in the absence or disability of the Secretary will perform the duties of the Secretary. He will also assist the Secretary generally and perform such other duties as shall be prescribed by the directors.

5.7. No compensation will be paid to officers of the Association.

6. FISCAL MANAGEMENT.

The separate condominiums established by the Developer upon the lands described in the Articles of Incorporation will, in fiscal matters, be managed as a single entity, but each condominium will pay its proportionate share of common expenses. However, such fiscal management will be governed by the provisions of any agreements made by the Association for the management and operation of the condominiums, during the terms of such agreements.

In the event such agreements are not made, or if they do not contain provisions for fiscal management, or at the termination of any such agreements, fiscal management will be as set forth in the Declarations of Condominium and these Bylaws, supplemented by the following:

6.1. Accounts. The receipts and expenditures of the Association will be credited and charged to such accounts as shall be appropriate. All expenditures will be common expenses.

6.2. Budget. The Board of Directors will adopt a combined budget for each fiscal year that will include the estimated funds required to defray current expenditures and to provide and maintain funds for any other accounts and reserves, according to good accounting practices.

Copies of the budget and proposed assessments will be transmitted to each member on or before December 1 preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget will be furnished to each member.

6.3. Proviso. Provided, however, that until the Developer elects to terminate its control of the Association, or until December 31, 1980, whichever first occurs, the Board of Directors may omit from the budget all allowances for contingencies and reserves.

6.4. Assessments. Assessments against the apartment owners for their shares of the items of the budget will be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments will be due in equal monthly installments on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment and monthly installments on such assess-

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ment will be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors; and the unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made will be due in equal monthly installments on the first day of each month remaining in the year for which such amended assessment is made.

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

6.6. Assessments for emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses will be made only after notice of the need for such is given to the members. After such notice and upon approval by more than one-half of the members, the assessment will become effective, and it will be due after 30 days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

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

7. PARLIAMENTARY RULES.

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

8. AMENDMENTS.

These Bylaws may be amended in the following manner:

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

8.2. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such

approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

a. not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Association; or

b. by not less than 80% of the votes of the entire membership of the Association; or

c. until the first election of directors, only by all of the directors; provided the amendment does not increase the number of apartments or alter the boundaries of the common elements.

8.3. Proviso. Provided, however, that no amendment will discriminate against any member, unless the member so affected shall consent; and no amendment will affect or impair the validity or priority of any mortgage covering any apartment, or affect or impair the rights of a lessor under any leases made by the Association.

The foregoing were adopted as the Bylaws of KINGSWOOD ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors.

Secretary

Approved:

President

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ARTICLES OF INCORPORATION

OF

KINGSWOOD ASSOCIATION NO. 2, INC.
(A Condominium Association)

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

ARTICLE 1

Name

The name of the corporation will be KINGSWOOD ASSOCIATION NO. 2, INC. For convenience, the corporation will be referred to in this instrument as the Association.

ARTICLE 2

Purpose

2.1. The purpose for which the Association is organized is to provide an entity pursuant to the Condominium Act, which is Chapter 711, Florida Statutes, for the operation of condominiums to be established by KINGSWOOD, INC., a Florida corporation, hereinafter called the Developer, or its assigns, upon parcels of land in Martin County, Florida.

The Developer, or its assigns, will offer the units of such condominiums for sale.

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

ARTICLE 3

Powers

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

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

3.2. The Association will have all of the powers and duties set forth in the Condominium Act and in Chapter

617, Florida Statutes, except as limited by these Articles and the Declarations of Condominium for the condominiums operated by the Association; and it will have all of the powers and duties reasonably necessary to operate said condominiums pursuant to their separate Declarations of Condominium, as they may be amended from time to time, including but not limited to the following:

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

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

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

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

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

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

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

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

I. To contract for the management, operation and maintenance of the condominiums, including their common elements, and of any recreational facilities leased to it; and to thereby delegate all powers and duties of the Association, except such as are specifically required to have approval of the Board of Directors or of the membership of the Association.

J. To lease such portions of the common elements of the condominiums as are susceptible to separate management and operation.

K. To enter into leases, as Lessee, whereby recreational facilities and lands upon which such facilities are or will be located are demised to the Association. Said leases may create liens upon the condominium properties, including all condominium units and they may require rent and other monies due thereunder to be common expenses of the condominiums.

L. To employ personnel to perform the services required for the proper management, operation and maintenance of the condominiums, including their common elements, and of any recreational facilities owned by it.

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

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

ARTICLE 4

Members

4.1. The members of the Association will consist of all of the record owners of the condominium units in the condominiums; and after termination of any condominium will consist of those who were members of the terminated condominium at the time of such termination, their successors and assigns, and of the record owners of condominium units in the remaining condominiums.

4.2. After receiving approval of the Association, change of membership will be established by recording in the public records of Martin County, Florida, of a deed or other instrument establishing a record title to a condominium unit and by the delivery to the Association of a copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

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

ARTICLE 5

Directors.

5.1. The affairs of the Association will be managed by a board consisting of the number of directors determined by

the Bylaws of the Association, but by not less than three (3) directors; and in the absence of such determination the board will consist of three (3) directors. Directors need not be members of the Association.

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

5.3. The first election of directors will not be held until after the Developer, or its assigns, has closed the sales of all of the condominium units to be established by it upon lands in Martin County, Florida (as will be more specifically described in its Declarations of Condominium showing the Association as the operating entity), or until it elects to terminate its control of the Association, or until December 31, 1983, whichever first occurs. The directors named in these Articles will serve until the first election of directors and any vacancies in their number occurring before the first election will be filled by the remaining directors.

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

ANGELA C. McLAUGHLIN	2100 East Ocean Boulevard Building 1, Apartment 5 Stuart, Florida 33494
ROBERT W. McLAUGHLIN, JR.	2100 East Ocean Boulevard Building 1, Apartment 5 Stuart, Florida 33494
NEAL JOHNS	813 East 5th Street Stuart, Florida 33494
RUDOLF MAIRER	1500A Palm City Avenue Stuart, Florida 33494

ARTICLE 6

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

President	ANGELA C. McLAUGHLIN 2100 East Ocean Boulevard Building 1, Apartment 5 Stuart, Florida 33494
Secretary	ROBERT W. McLAUGHLIN, JR. 2100 East Ocean Boulevard Stuart, Florida 33494

Assistant Secretary	NEAL JOHNS 813 East 5th Street Stuart, Florida 33494
Assistant Secretary	RUDOLF MAIRER 1500A Palm City Avenue Stuart, Florida 33494
Treasurer	ROBERT W. McLAUGHLIN, JR. 2100 East Ocean Boulevard Building 1, Apartment 5 Stuart, Florida 33494

ARTICLE 7

Indemnification

Every director and every officer of the Association will be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any matter or proceeding or any settlement of any matter or proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. Provided that in the event of a settlement the indemnification will apply only when the Board of Directors approves such settlement and reimbursements being for the best interest of the Association. The foregoing right of indemnification will be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE 8

Bylaws

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

ARTICLE 9

Amendments

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

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

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

A. Such approvals must be by not less than seventy-five percent (75%) of the entire membership of the Board of Directors and by not less than seventy-five percent (75%) of the votes of the entire membership of the Association; or

B. by not less than eighty percent (80%) of the votes of the entire membership of the Association; or

C. until the first election of directors, only by all of the directors.

9.3. Provided, however, that no amendment will make any changes in the qualifications for membership nor the voting rights of members, without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium units; no amendment will make any changes in paragraph 5.3. of the Article 5 hereof, without the approval of the Developer; and no amendment will be made that is in conflict with the Condominium Act or the Declarations of Condominium.

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

ARTICLE 10

This corporation shall have perpetual existence.
Term

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

ANGELA C. McLAUGHLIN
2100 East Ocean Boulevard
Building 1, Apartment 5
Stuart, Florida 33494

ROBERT W. McLAUGHLIN, JR.
2100 East Ocean Boulevard
Building 1, Apartment 5
Stuart, Florida 33494

NEAL JOHNS
813 East 5th Street
Stuart, Florida 33494

RUDOLF MAIRER
1500A Palm City Avenue
Stuart, Florida 33494

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 13th day of December, 1973.

Angela C. McLaughlin

Angela C. McLaughlin

Robert W. McLaughlin, Jr.

Robert W. McLaughlin, Jr.

Neal Johns

Neal Johns

Rudolf Mairer

Rudolf Mairer

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, ANGELA C. McLAUGHLIN and she acknowledged to and before me that she executed the foregoing Articles of Incorporation for the uses and purposes therein expressed.

WITNESS my hand and official seal this 13 day of December, 1973.

Notary Public
My commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES NOV 4, 1977
BONDED THRU GENERAL INSURANCE UNDERWRITERS

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, ROBERT W. McLAUGHLIN, JR. and he acknowledged to and before me that he executed the foregoing Articles of Incorporation for the uses and purposes therein expressed.

WITNESS my hand and official seal this 14 day of Dec., 1973.

Notary Public
My commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES OCT 8, 1976
BONDED THRU GENERAL INSURANCE UNDERWRITERS

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, NEAL JOHNS and he acknowledged to and before me that he executed the foregoing Articles of Incorporation for the uses and purposes therein expressed.

WITNESS my hand and official seal this 13 day of December, 1973.

Notary Public
My commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES APR. 9, 1975
CENTRAL INSURANCE UNDERWRITERS, INC.

STATE OF FLORIDA)
COUNTY OF MARTIN) SS.

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, RUDOLF MAIRER and he acknowledged to and before me and he executed the foregoing Articles of Incorporation for the uses and purposes therein expressed.

WITNESS my hand and official seal this 13 day of December, 1973.

Notary Public
My commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES NOV. 4, 1977
BONDED THRU GENERAL INSURANCE UNDERWRITERS

FILED FOR RECORD
MARTIN COUNTY, FLA.
'73 DEC 22 P1:38
LOUISE [illegible]ACS
CLERK CIRCUIT COURT
BY [illegible] D.C.