

DECLARATION OF CONDOMINIUM

Condominium plats pertaining
hereto are corded in Plat
Book 30, pages 121-123 inc.

RETURN TO:

This instrument was prepared by
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DECLARATION OF CONDOMINIUM OWNERSHIP
OF PENTHOUSE VILLAS OF MORNINGSIDE
A CONDOMINIUM

This is a Declaration of Condominium made this 24th day of February, 1975,
by JOHN K. TO, hereinafter called "Developer", for himself and his successors,
grantees and assigns to his grantees, assigns, and their heirs, successors and
assigns:

WHEREAS, the Developer owns certain real property hereinafter described,
and desires to submit the said real property together with the improvements located
thereon, to condominium ownership, in accordance with Chapter 711 (1967), Florida
Statutes, as amended, and hereinafter referred to as The Condominium Act, in
accordance with the terms and conditions of this Declaration.

WHEREIN, the Developer hereby makes the following declarations:

1. Property Placed in Condominium Ownership. The following described
property, hereinafter referred to as Condominium Property, is submitted to
condominium ownership:

1.1 Real Property. That certain real property the legal description
of which is attached hereto, and by reference made a part hereof as Exhibit A-1.

1.2 Improvements Located Thereon. All improvements erected or
installed on said land, including two buildings containing a total of twelve (12)
units, together with related facilities. The Developer is responsible for the
construction of said improvements.

2. Name. The Condominium is to identify by the name of PENTHOUSE VILLAS
OF MORNINGSIDE, A Condominium, with the address of 1318 Moreland Drive, Clearwater,
Florida.

3. Name of Condominium Association. The name of the condominium associa-
tion is PENTHOUSE VILLAS OF MORNINGSIDE ASSOCIATION, INC., a Florida non-profit
corporation, hereinafter referred to as "Association". The By-Laws and Articles
of Incorporation of Association are attached hereto as Exhibits B-1 and B-2.

4. Definitions. The terms used herein, and in the By-Laws and Articles
of Incorporation shall have the meaning stated in the Condominium Act, and as
follows:

4.1 Apartment means unit as defined by The Condominium Act.
Apartments should be construed as Condominium Parcel whenever the context so
implies.

4.2 Common Elements. That portion of the Condominium Property
not included in the Apartments, and all personal property as may be owned by
Association from time to time.

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4.3 Condominium Parcel. The Apartment, together with an undivided interest in the common elements appurtenant thereto.

4.4 Condominium. This means all of the Condominium Property as a whole when the context so permits.

4.5 Penthouse Villas of Morningside. A residential development of which this Condominium is a part.

4.6 Owner. Any individual, corporation trustee or other entity capable of holding title to real property except the Developer.

4.7 Common Expense. Common expense shall include, but not be limited to:

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

B. Declared Common Expense. Expenses declared common expenses by provisions of this Declaration, By-Laws, Management and administration of the Association, including but not limited to compensation paid by the Association to a managing agent, accountant, attorney and other employees.

C. Others. Any other valid charge against the Condominium Property as a whole to be common expense.

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

4.9 Apartment Property. The same as Condominium Property.

4.10 Institutional First Mortgage. That mortgage made to a bank, savings and loan association, life insurance company or other institutional lender or an individual.

4.11 Limited Common Element. Limited common element means and includes those common elements which are reserved for the use of a certain unit or units to the exclusion of all other units.

5. Development Plan. The Condominium Property is described as follows:

5.1 Survey and Plot Plan. A survey of the land showing apartment buildings placed thereon is attached as Exhibit C-1.

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

A. Apartment Buildings. The Condominium Property includes two apartment buildings.

B. Other Improvements. The Condominium Property includes sidewalks and landscaping located substantially on the survey as mentioned above, and which are part of the common elements

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

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

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

2. Lower Boundary. The horizontal plane of the unfinished floor.

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

5.4 Amendment to Plans and Completion of Improvements.

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

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

5.5 Easements are reserved through the Condominium Property as may be required for utility services in order to serve the occupants of the apartments; provided, however, such easements through an apartment shall be only according to the plans and specifications for the apartment building, unless approved as may be required for utility services in order to adequately serve the Condominium and to adequately serve lands in PENTHOUSE VILLAS OF MORNINGSIDE, whether adjacent to the Condominium Property or not. Easements are also reserved for ingress and egress over and across sidewalks, paths, walks, lances, as the same may exist now, and from time to time hereafter existing, for other residents of PENTHOUSE VILLAS OF MORNINGSIDE, and for vehicular traffic over and across such portions of the common elements, including streets, as may be from time to time paved and used for that purpose.

5.6 Easement of Unintentional and Non-Negligent Encroachments. If an apartment shall encroach upon any common element, or upon any other apartment by reason of original construction or by the non-purposeful or non-negligent act of the apartment owner, then an easement appurtenant to such encroaching apartment, to the extent of such encroachment, shall

exist. If any common element shall encroach upon any apartment by reason of original construction or the non-purposeful and non-negligent act of Association, then an easement appurtenant to such common elements, to the extent of such encroachment, shall exist so long as such encroachment shall exist.

6. Condominium Buildings.

6.1 Plans. The apartment buildings consist of one floor of garden-type apartments which are shown in the plans attached hereto and which are a correct representation of matters therein contained.

A. Exhibit C-1, page 1, showing certificate of surveyor and description of the property.

B. Exhibit C-1, pages 2 and 3, showing floor plans and elevations.

6.2 Appurtenances to Apartments. The owner of each apartment shall own a share and certain interest in the Condominium Property, which are appurtenant to his apartment, including but not limited to the following items which are appurtenant to the several apartments as indicated:

A. Limited Common Elements. Each apartment owner shall have the exclusive right and use of a patio, which is adjacent to each owner's apartment, as shown on the Condominium plat.

B. Common Elements and Surplus. The undivided share in the land and other common elements and any common surplus which is appurtenant to each apartment is shown on the schedule attached hereto as Exhibit A-2.

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

7.1 Apartments.

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

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

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

B. By the Apartment Owner. The responsibility of the owner shall be as follows:

1. To maintain, repair and replace at his expense all portions of his apartment except the portions to be maintained, repaired and replaced by the Association, including all windows, screens and glass, kitchen equipment, doors, porches and patios contiguous to his unit, and all

air flow ducts, heating and air conditioning equipment, whether contained inside or outside an apartment, including all non-supporting walls and partitions.

2. Not to paint or otherwise decorate or change the appearance or any portion of the exterior of the apartment buildings.

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

C. Alteration and Improvements. Except as elsewhere reserved to Developer, neither an owner nor the Association shall make any alterations in the portions of an apartment or apartment buildings which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the apartment buildings and easement, without first obtaining approval in writing from the Board of Directors of the Association. A copy of plans for all such work prepared by an architect licensed to practice in this State shall be filed with the Association.

7.2 Common Elements.

A. By Association. The maintenance and operation of the common elements shall be the responsibility and the expense of the Association. The maintenance of the limited common elements shall be the responsibility and the expense of the owner whose unit has a limited common element.

B. Alteration and Improvement. After the completion of the initial improvements included in the common elements which are contemplated by this Declaration, there shall be no alteration nor further improvements of common elements without prior approval in writing by the record owners of all the apartments, except as provided for herein provided, however, that alteration or improvement of the common elements may be made if the approval in writing of not less than 75% of the owners is obtained, provided the improvements do not interfere with the rights of owners not giving their consent and if the non-approving owners are relieved of the cost thereof. The cost of any improvement made pursuant to the above provisions shall be paid in full by the approving owners as between themselves in proportion to their ownership percentage. There shall be no change in the shares and rights of an owner in the common elements which are altered or further improved whether or not the owners contribute to the cost thereof. This paragraph shall not apply to any repairs, replacement or reconstruction made to the common elements caused by casualty. An increase in the common expenses caused by alterations or improvements as contemplated by this paragraph shall be borne only by the approving owners and not by the non-approving owners.

8. Assessments. The making and collection of assessments against owners for common expenses shall be pursuant and subject to the following provisions:

8.1 Share of Common Expense. Each owner shall be liable for a proportionate share of the common expenses, and shall share in the common surplus. However, any common surplus shall not be withdrawn or distributed by any owner. Each owner's share of the common surplus shall be set out in Exhibit A-2. Each owner's share of the common expenses shall be set out in Exhibit A-3.

8.2 Interest: Application of Payments. Assessments and installments thereon paid on or before ten (10) days after the due date shall not bear interest, but all sums not paid on or before ten (10) days after the due date shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment due.

8.3 Lien for Assessments. The Association shall have a lien on each apartment interest, as the case may be, for any unpaid assessments, or any part thereof, and for interest thereon against the owners, which lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien. Said lien shall be effective from and after the time of the recording in the Public Records of Pinellas County, Florida, a claim of lien stating the description of the apartment interest, the name of the owner of said interest, the amount due and the date when due, and then the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association. Such liens shall be subordinate to the lien of a mortgage or other liens recorded prior to the date of recording of the claim of lien. Liens for assessments may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure, the owner of the apartment interest being foreclosed on shall be required to pay a reasonable rental for the apartment and the Association shall be entitled, as a matter of law, to the appointment of a receiver to collect the same. The Association may also sue to recover a money judgment on unpaid assessments without waiving the lien to secure same. The lien shall be deemed to be prior to and superior to the creation of any homestead status and every purchaser of an apartment interest hereby consents to the imposition of such lien prior to any homestead status.

9. Sales Promotion on Premises. Developer may designate an agent, or agents, and shall have the right to sell or lease its interest in and to the apartments, to any person or corporation approved by it and for any lawful purpose, without approval of the Association as hereinafter stated, and it shall have the right to conduct on the Condominium Property any and all business necessary to consummate the sale of its interest in each respective apartment, including, but not limited to, the right to maintain models, have signs, employees in the office, use of common elements, and the right to show apartments to prospective purchasers. A sales office, sign and all items pertaining to sale shall not be considered common elements and shall remain the property of the Developer or its sales agent. In the event there are unsold apartments, the Developer retains the right to be the owner thereof, under the same terms and conditions as other owners except he will be excused from payment of the share of the common expenses on any unsold units for a period terminating with the first day of the month of the third succeeding calendar month after the closing of the purchase of a unit to a prospective unit owner.

10. Members of Association.

10.1 Qualification. The Members of the Association shall consist of all of the record owners of apartments, as the case may be.

10.2 Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Pinellas County, Florida, a deed or other instrument establishing a transfer of the interest of a member. The owner designated by such instrument thereby shall become a member of the Association, and the membership of the prior owner shall be terminated. Notwithstanding the above, the membership shall

not be changed nor shall the new owner be entitled to vote until the new owner is approved as set forth therein.

10.3 Voting Rights. Members of the Association shall be entitled to cast one (1) vote for each apartment owned by them.

10.4 Designation of Voting Representative. If an apartment interest is owned by one (1) person, his right to vote shall be established by the record title to his apartment. If an apartment interest is owned by more than one person, or is under short-term lease, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Association. If an apartment is owned by a corporation, trust or association, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation or association or by the Trustee, if owned by a Trust. This certificate should be filed with the Association. Such certificate shall be valid until removed or until superseded by subsequent certificate, or until a change in ownership of the apartment concerned is properly completed. A certificate designating the person entitled to cast the vote of an apartment may be revoked by the owner thereof at any time. The above requirements as to corporation shall not apply to Developer, and any representative of said corporation shall be entitled to vote apartments owned by either of said corporations.

10.5 Restraints upon Assignment of Shares and 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 of his apartment interest.

11. Taxes. Real property taxes shall be assessed and collected on the apartments, and not on the Condominium Property as a whole. In the event a real property tax is assessed against any of the Condominium Property, the said tax shall be deemed as part of the common expense. An owner would be responsible for the taxes as to his specific apartment.

12. Use Restrictions. The use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists and so long as the apartment buildings exist in a useful condition on the land.

12.1 Apartments. Each of the apartments shall be occupied only by a single family and guests, as a residence and for no other purpose. Except as reserved to Developer before sale, no apartment may be divided or sub-divided into a smaller unit, nor any portion thereof sold or otherwise transferred, without first properly amending this Declaration to show the changes in the apartments to be affected thereby.

12.2 Common Elements. The common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the apartments.

12.3 Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice which 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 property shall 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 shall permit any use of his apartment or make any use of the common elements which will increase the rate of insurance upon the Condominium Property.

12.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the property concerned.

12.5 Leasing. After approval by the Association elsewhere required, entire apartments may be rented provided the occupancy is only by the lessee and his family or guests. No rooms may be rented except as part of the leasing of an entire apartment. Leases shall not be for periods of less than thirty (30) days.

12.6 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board of Directors of the Association, provided said regulations do not conflict with this Declaration or the By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all owners and residents of the Condominium upon request.

12.7 Patio Restrictions. There shall be no change made by any owner of an apartment to a patio that is adjacent to his unit. This restriction shall prohibit any type of screen enclosure, glass jalousie enclosure or railing of any type or nature from being constructed in or upon a patio. The restriction shall apply to any improvement made to a patio and is not limited to just the type of enclosure mentioned herein but shall apply to any type of improvement. This restriction shall be a covenant running with the land and enforceable by the Association.

13. Maintenance of Community Interest. The Developer is attempting to create a community of congenial residents in this Condominium, and prospective purchasers of the apartment interest shall be screened by the Developer with such purposes in view. The purpose of this is to organize and maintain a community of residents who are financially responsible, thus protecting the values of the apartment interests. The transfer of the apartment interest by any owner other than the Developer shall be subject to the following provisions as long as the Condominium exists and the apartment buildings in useful condition exist upon the land, which provisions each owner covenants to observe:

13.1 Transfers Subject to Approval.

A. Sale. No owner may dispose of an apartment interest by sale without approval except as provided for herein.

B. Lease. No owner may dispose of an apartment interest by lease without approval except as provided for herein.

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

A. Notice to Association.

1. Sale. An owner intending to make a bona fide sale of his apartment interest shall give to 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 the Association may reasonably require, and an executed copy of the proposed contract of sale.

2. Lease. An owner intending to make a bona fide lease of his apartment shall give to the Association notice of such intention, together with the name and address of the intended lessee and such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease.

3. Failure to Give Notice. If the above required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of an apartment, the Association, at its election and without notice may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall 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 fifteen (15) days after receipt of the notice and information referred to above, the Association must either approve or disapprove the proposed transaction. If approved, the owner shall be notified and the approval shall be stated in a certificate executed by the Association and delivered to the purchaser.

2. Lease. If the proposed transaction is a lease, then within fifteen (15) days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the Association, which shall be delivered to the lessee.

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, and if the owner or purchaser of an apartment interest is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the apartment be approved as required above. This would also apply to ownership by a trust.

13.3 Disapproval. If the Association disapproves a transfer of ownership of an apartment interest, the matter shall be disposed of in the following manner:

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

1. Option. Any owner, after notification by the Association as above mentioned, shall have an option to purchase the apartment at the price stated in the disapproved contract to sell, or for the Fair Market Value which shall be determined in accordance with this agreement, whichever is the lesser amount. The purchasing owner shall exercise his option by giving written notice of said fact to the Association at least fifteen (15) days prior to the date of the intended sale or transfer, and after depositing with the Association ten percent (10%) cash of the purchase price as a good faith deposit. The Association shall immediately notify selling owner of these facts. This option shall also be available to the Developer and Association.

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

3. If No Approval. In the event the owner giving notice to sell received no written notice from any owner or from corporations entitled to exercise the above mentioned option accepting his price in terms of the proposed sale or accepting the sale at the Fair Market Value on or before ten (10) days prior to the sale date as given in the notice above, then the selling owner may complete the sale or transfer on the day and at the price and the terms given in his original notice to sale as mentioned in Paragraph 13.3A above, and if the selling owner completes his transaction as required hereunder, the Association shall furnish a Certificate of Approval as elsewhere provided herein, which shall be delivered to the purchaser.

4. Terms of Sale. In the event the option is exercised and a purchase is made by an owner or by the corporations referred to above, or by a purchaser obtained by the Association, the sale shall be made according to the following terms:

- a. The purchase price shall be in cash.
- b. The sale shall be closed within thirty (30) days after the delivery or mailing of the notice of purchase to the selling owner, or determination of Fair Market Value, whichever is later.
- c. A certificate of Association approving the purchase shall be delivered to the purchaser.
- d. In the event the selling owner giving notice receives the acceptances from more than one purchasing owner, or from one of the corporations having options hereunder, it shall be discretionary with the selling owner to consummate the sale with whichever of the accepting parties he chooses.
- e. The closing costs of said sale shall be borne by the respective parties in the customary manner.

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

13.4 Mortgage. No owner may mortgage his apartment interest without the approval of the Association except to a bank, life insurance company, a savings and loan association, recognized institutional lender, or to a vendor to secure a portion or all of the purchase price. The approval of any other mortgage may be upon conditions determined by the Association.

13.5 Notice of These Provisions. All owners, prospective purchasers of apartment interests, transferees or prospective lessees, are

given notice of these provisions concerning transfer of an interest, and of all other provisions of this Declaration, and the Association may declare a sale, transfer, mortgage or lease not authorized pursuant to the terms of this Declaration to be void unless subsequently approved by Association, and if declared void, appropriate arrangements shall be made for the moneys to be refunded, and the apartment interest reconveyed. Any resolution passed by the Association pursuant to this paragraph or a notice of non-compliance may be recorded in the Public Records of Pinellas County, Florida, to show non-compliance.

13.6 Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interest" shall not apply to a transfer to or purchase by a bank, life insurance company, savings and loan association or recognized institutional lender that acquires its title as the result of owning a mortgage upon the apartment interest concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings, nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company, savings and loan association, or recognized institutional lender that so acquires its title. Neither shall 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.

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

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

13.9 Attorney's Fee. The provisions set forth in this Paragraph 13 are established for the benefit of the entire development of PENTHOUSE VILLAS OF MORNINGSIDE and for the benefit of all of the Members of the Association. In the event it becomes necessary for the Association to enforce these provisions by legal action, or if it becomes necessary for either of said organizations to defend a law suit based on the provisions of this paragraph, then the reasonable legal expenses incurred shall be considered a common expense.

14. Insurance. The insurance other than title insurance

which shall be carried upon the Condominium Property and the property of the owners shall be governed by the following provisions:

14.1 Authority to Purchase. All insurance policies upon the Condominium Property shall be purchased by the Association for the benefit of the Association and the owners and their mortgagees as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of owners. Owners may obtain insurance coverage at their own expense upon their own personal property, and for the contents and portions of the apartment for which they are responsible, and for their personal liability and living expense. Each owner shall be responsible for obtaining insurance coverage upon his own personal property and for the major appliances contained in his respective unit.

14.2 Coverage.

A. Casualty. All buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, exclusive of foundation and excavation costs, as determined by the Board of Directors of the Association. Such coverage shall 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 shall be customarily covered with respect to buildings similar in construction, location and use as the building 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 Board of Directors of the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the owners as a group to an owner and with non-subrogation claims against individual owners.

C. Workmen's Compensation policy to meet the requirements of law.

D. Such Other Insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

14.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

14.4 Insurance Policy - Benefits. All insurance policies purchased by the Association shall be for the benefit of the Association and the owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association to be held for the benefit of the owners and their mortgagees as their interests may appear; provided that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired. Proceeds on account of damage to common elements shall be held as property of the owners in accordance with the percentages herein specified.

14.5 Damage to Apartments Only. In the event a loss occurs to any improvement within any of the apartments alone, without any loss occurring to any of the improvements within the limited and common elements, payment under the insurance policies shall be made to the owners owning such units and their mortgagees, if there be mortgages on said units, as their interests may appear, and it shall be the duty of those owners to effect the necessary repairs to the improvements within their respective apartments.

14.6 Damage to Apartments and Limited and Common Elements. In the event that loss occurs to improvements within apartments and the contiguous limited and common elements, or to improvements within the common elements alone, payment under the insurance policies shall be made to the Association for the benefit of holders of mortgages on the units, and the proceeds shall be expended or disbursed as follows:

A. The Association shall act as escrow agent and will promptly contract for the necessary repairs to the improvements within the limited and common elements and within the damaged apartments. In the event the insurance proceeds should be sufficient to repair all of the damage within the apartments, but insufficient to repair all the improvements within the limited and common elements, the proceeds shall be applied first to completely repair the damage within the apartments and the balance of the funds shall be apportioned to repair improvements within the limited and common elements, and the owners shall be subject to a special assessment and shall contribute to the Association the remaining funds necessary to repair and restore the improvements within the limited and common elements.

14.7 Reconstruction. The Association as escrow agent shall disburse the funds as follows:

A. In the event the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements within the limited and common property and within the apartments, the insurance proceeds shall be applied to this purpose, and the apartments and improvements shall be completely repaired and restored. In this event, the Association shall negotiate and obtain a contractor willing to work on a fixed price basis and who shall post a performance and payment bond and the escrow agent shall disburse the insurance proceeds and other funds held in escrow in accordance with the progress payments contained in the construction agreement between the Association and the contractor.

E. In the event the insurance proceeds are applied to reconstruction, but the insurance proceeds are not sufficient to repair and replace all of the improvements within the limited and common elements and within the apartments, a membership meeting shall be held to determine whether or not to abandon the condominium project or to levy a uniform special assessment against each apartment and the owners thereof as their interests may appear, to obtain the necessary funds to repair and restore the improvements within the limited and common elements and the apartments, provided that the insurance funds available be applied first to repair the apartments damaged. In the event the majority of the voting members vote in favor of the special assessment, the Association shall immediately levy such assessment and the funds received shall be delivered to the escrow agent and disbursed as provided above. In the event the majority of the voting members are opposed to the special assessment and a majority vote for the abandonment of the condominium project, the insurance proceeds shall be disbursed to the owners and their mortgagees as their interests may appear, and the condominium project may be terminated as provided for in Paragraph 16 hereinafter.

C. If the majority of the voting members vote against levying the special assessment referred to above, and vote to abandon the condominium project, the same shall be abandoned subject to the provisions of Paragraph 16 hereinafter. As evidence of the members' resolution to abandon, the President and Secretary of the Association shall effect and place in the Public Records of Pinellas County, Florida, an affidavit stating that such resolution was properly passed, to which a copy of the consent of the apartment owners and holders of all liens shall be affixed.

D. Under all circumstances, the Association hereby has the authority to act as the agent of all owners for the purpose of compromising or settling insurance claims for damage to improvements within apartments or common elements, subject to the approval of any mortgagee of the premises damaged.

E. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is the apartment building, by the owners of all damaged apartments therein, which approvals shall not be unreasonably withheld.

15. Amendments. This Declaration of Condominium and the By-Laws of this Association may be amended in the following manner except as elsewhere provided for alteration of plans by Developer and alteration by owner:

15.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. Notice of any proposed amendment to this Declaration of Condominium or to the By-Laws of the Association shall be given to the Developer, if the Developer is in the process of selling apartments in the development of PENTHOUSE VILLAS OF MORNINGSIDE.

15.2 Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Members of the Association. Directors and Members not present at the meetings considering the amendment may express their approval in writing or by proxy. Such approvals must either be by not less than three (3) Directors or by not less than 75% of the votes of the Members of the Association, provided the amendment does not increase the number of apartments nor alter the boundaries of the common elements.

15.3 Proviso. Provided, however, that no amendment shall discriminate against any owner nor against any apartment or class or group of apartments unless the owners so affected shall consent; and no amendment shall change any apartment nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the apartment concerned and all record owners of mortgages thereon shall join the execution of the amendment. Neither shall an amendment of this Declaration be made which shall in any manner impair the security of any institutional lender having a mortgage or other lien against any apartment.

15.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association

with formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Pinellas County, Florida.

16. Termination. The Condominium may be terminated in the following manner:

16.1 Destruction. In the event it is determined in the manner elsewhere provided that the apartment building shall not be reconstructed because of major damage, the condominium plan of ownership will thereby be terminated without agreement in accordance therewith.

16.2 Agreement. The Condominium may be terminated at any time by the approval in writing of all of the owners of the Condominium, and by all record owners of mortgages upon apartments therein owned by a bank, life insurance company or a Federal savings and loan association, and other lien holders.

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

16.4 Shares of Owners after Terminating. After termination of the Condominium the owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages upon the respective undivided shares of the owners. The undivided shares of the common elements appurtenant to the owner's apartment prior to termination shall be the same as the undivided shares of the common elements.

16.5 Amendment. The section concerning termination cannot be amended without consent of all parties required to terminate this Declaration as stated in Paragraph 6.2 hereof.

17. Arbitration.

17.1 When Arbitration Is To Be Used. The process of arbitration as herein set forth shall be used when any controversy arises between owners and Developer, or which arises between the respective owners or prospective owners if the controversy or dispute arises as to the construction of any provisions of this Declaration, or compliance or non-compliance with any provisions of this Declaration, or any dispute which may arise due to the application of Paragraph 13 of this Declaration concerning approval, or the violation of any of the use restrictions of the Condominium Property, or any dispute which may arise under the insurance clause hereunder, or under any other specific item which may be designated by an amendment to this Declaration as this Declaration may be amended from time to time.

17.2 Procedure. Arbitration, where so provided for in this agreement, shall proceed pursuant to the Florida Arbitration Code in existence at the time of the dispute.

18. Mortgage Foreclosure. The following provisions shall control any foreclosure or attempted foreclosure of an apartment:

18.1 Redemption. In the event proceedings are instituted to foreclose any mortgage on an apartment, the Association, the Developer, or any one or more of the apartment owners shall have the right to redeem from the mortgage, for the amount due and secured under said mortgage including all costs and expenses, or to purchase such apartment at the foreclosure sale for the amount set forth to be due in the foreclosure decree.

18.2 Ownership by Mortgages. Nothing herein contained shall preclude a mortgage institution, savings and loan association, insurance company, or other recognized lending institution from owning an apartment, and such lending institution shall have an unrestricted, absolute right to accept title to the apartment interest in settlement and satisfaction of said mortgage, or to foreclose the mortgage in accordance with the terms thereof, and in accordance with the laws of the State of Florida, and the right to bid upon said apartment at the foreclosure sale.

18.3 Sale of Apartment by Mortgagee. If such default is not cured, as aforesaid and should the Association, the Developer or any Member of Association fail to purchase such mortgage, together with any cost incident thereto, from the mortgagee, or fail to purchase said apartment at the foreclosure sale, and in the event the mortgagee takes title to the apartment by foreclosure, or by taking title in lieu of foreclosure, the said mortgagee may sell said apartment, and the Association, any of its Members and the Developer, shall have option to purchase the apartment at any time the mortgagee owns an apartment. In said event, the approval procedure as set forth herein should not be followed.

18.4 Amounts Due from a Mortgage Owner. Where the mortgagee of a first mortgage of record or other purchaser of a condominium unit obtains title to the condominium parcel as a result of foreclosure of the first mortgage, as a result of a deed given in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by the association pertaining to such condominium parcel or chargeable to the former unit owner of such parcel which became due prior to acquisition of title as a result of the foreclosure, unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners including such acquirer, his successors and assigns.

19. Purchase of Apartment by Association and Parking. The Association shall have the power to purchase an apartment interest subject to the following provisions:

19.1 Decision. The decision of Association to purchase an apartment interest shall be made by Directors, without approval of its membership.

19.2 Parking Plan. The initial directors of the Association shall establish a parking plan and will assign one parking space to each of the units in the Condominium. Additional parking spaces shall be allocated as guest parking spaces and shall be used in common by owners' guests and invitees, pursuant to reasonable rules and regulations to be adopted from time to time by the Association. The parking plan need not be recorded in the public records, but the Association shall keep said plan in its records and make same available to unit owners at all reasonable times.

20. Determination of Fair Market Value. Whenever the term "Fair Market Value" is used herein, it shall mean the reasonable value of an apartment interest at the time of sale, taking into consideration the amount paid for said apartment interest, the applicable portion of any outstanding mortgage encumbering the property, the condition of the market for such interest, and condition of the apartment, and the equipment located therein, and any other facts which may have a bearing on said price. In the event the price set by the Association is not agreeable, the average of three (3) independent real estate appraisers shall be the determining factor.

21. Miscellaneous.

21.1 Who Shall Be Governed. The apartment interest owner, his tenant, family, employee or guest, or any other person that may in any manner use the Condominium Property or any part of it, are subject to the provisions of The Condominium Act, this Declaration and the By-Laws of the Association.

21.2 Compliance and Default. Each owner shall be governed by and shall comply with the terms of the Declaration of Condominium, By-Laws and regulations adopted pursuant thereto and said documents and regulations as they may be amended from time to time. Failure of owner to comply therewith shall entitle the Association or other apartment owners to the relief provided under The Condominium Act, and to other relief legally available.

21.3 Negligence. Any owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family, or his guests, employees or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of an apartment interest or its appurtenance, or of the common elements.

21.4 Cost and Attorney's Fees. In any proceeding arising because of an alleged failure of owner to comply with the terms of the Declaration, By-Laws or regulations adopted pursuant thereto, as said documents and regulations may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the Court.

21.5 No Waiver of Rights. The failure of the Association or owner to enforce any covenant, restriction or other provisions of The Condominium Act, this Declaration, the By-Laws, or the regulations adopted, pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

21.6 Severability. The invalidity in whole or in part of any covenant or restriction, or any other section, subsection, sentence, clause, phrase or word, or other provisions of this Declaration, the By-Laws and regulations of the Association shall not affect the validity of the remaining portions thereof. Specifically, the invalidity of any of the uses of arbitration as herein set forth shall not affect any of the remaining uses pertaining to arbitration.

IN WITNESS WHEREOF the Developer has hereunto set his hand and seal on the day first above written.

Signed, sealed and delivered in the presence of:

Donna Dodd
Beth Carsh

By John K. To (SEAL)
John K. To

"DEVELOPER"

STATE OF FLORIDA
COUNTY OF PINELLAS

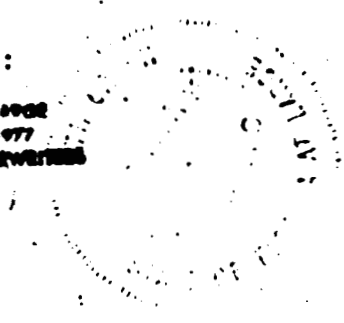
Before me, the undersigned authority, this day personally appeared JOHN K. TO, who, after being duly sworn, acknowledged that he executed the foregoing Declaration of Condominium of Penthouse Villas of Morningside, A Condominium, for the purposes therein expressed.

WITNESS my hand and official seal in the State and County last aforesaid this 24th day of February, 1975.

Beth Carsh
Notary Public

My Commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT 10002
MY COMMISSION EXPIRES OCT 31 1977
BONDED thru GENERAL INSURANCE UNDERWRITERS



CONSENT AND JOINDER OF MORTGAGEE

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF CLEARWATER, herein called the Mortgagee, the owner and holder of a mortgage upon the following described lands in Pinellas County, Florida:

See lands described in Exhibit A-1 attached hereto.

which mortgage is dated May 7, 1974, and recorded in Official Records Book 4170, page 258, of the Public Records of Pinellas County, Florida, consents in the making of the foregoing Declaration of Condominium.

Signed, sealed and delivered in the presence of:

J. B. Henderson
M. Sue Heddleston

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF CLEARWATER

By James E. Phillips, Sr.
James E. Phillips, Sr. Vice President

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF PINELLAS

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, JAMES E. PHILLIPS, Sr. Vice President of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF CLEARWATER, and he acknowledged before me that he executed the foregoing instrument for the uses and purposes therein expressed as the duly authorized officer of said corporation.

WITNESS my hand and official seal in the State and County last aforesaid this 24th day of Feb., 1975.

Mary Sue Heddleston
Notary Public

My Commission expires:

Notary Public, State of Florida at Large
My Commission Expires Aug. 8, 1977.

JGINDER BY ASSOCIATION

PENTHOUSE VILLAS OF MORNINGSIDE ASSOCIATION, INC.,

herein referred to as the Association, hereby joins in and approves the making of the foregoing Declaration of Condominium, and consents to the terms and provisions contained therein.

Signed, sealed and delivered in the presence of:

Donna Dodd
Beth Carsh

PENTHOUSE VILLAS OF MORNINGSIDE ASSOCIATION, INC.

By John K. To
President

(Corporate Seal)



STATE OF FLORIDA
COUNTY OF PINELLAS

Before me, the undersigned authority, this day personally appeared JOHN K. TO, President of PENTHOUSE VILLAS OF MORNINGSIDE ASSOCIATION, INC., and he acknowledged before me that he is the duly authorized officer of said corporation and that he executed the foregoing instrument for the uses and purposes therein expressed.

WITNESS my hand and official seal in the State and County last aforesaid this 24th day of March, 1975.

Beth Carsh
Notary Public

My Commission expires:

NOTARY PUBLIC STATE OF FLORIDA BY 18008
MY COMMISSION EXPIRES OCT 31 1977
BONDED THRU GENERAL INSURANCE UNDERWRITERS



PENTHOUSE VILLAS OF MORNINGSID
A CONDOMINIUM

Parcels "A", "B" and "C" in Section 19, Township 29 South, Range 16 East, further described as follows:

Parcel "A": From the SE corner of LOT 395, MORNINGSIDE ESTATES, UNIT 4, as recorded in Plat Book 61, page 92, Public Records of Pinellas County, Florida, run N 00°51'45" E, along the Westerly right-of-way line of Moreland Drive, as shown on said plat, 395.00'; thence N 89°21'12" W, 258.67'; thence N 00°51'16" E, 175.85' along the Easterly line of Morningside Swim and Tennis Club tract for a P. O. B.; thence continue N 00°51'16" E, 175.84'; thence S 89°13'12" E, 85.00' along a 40 acre line; thence S 00°51'16" W, 175.64'; thence N 89°21'12" W, 85.00' to the P. O. B.; and

Parcel "B": From the SE corner of LOT 395, MORNINGSIDE ESTATES, UNIT 4, as recorded in Plat Book 61, page 92, Public Records of Pinellas County, Florida, run N 00°51'45" E, along the Westerly right-of-way line of Moreland Drive, as shown on said plat, 395.00'; thence N 89°21'12" W, 258.67'; thence N 00°51'16" E, 175.85'; thence S 89°21'12" E, 85.00' for a P. O. B.; thence continue S 89°21'12" E, 85.00'; thence N 00°51'16" E, 175.45'; thence N 89°13'12" W, 85.00' along the 40 acre line; thence S 00°51'16" W, 175.64' to the P. O. B.; and

Parcel "C": From the SE corner of LOT 395, MORNINGSIDE ESTATES, UNIT 4, as recorded in Plat Book 61, page 92, Public Records of Pinellas County, Florida, run N 00°51'45" E, along the Westerly right-of-way line of Moreland Drive, as shown on said plat, 395.00'; thence N 89°11'12" W, 258.67'; thence N 00°51'16" E, 175.85'; thence S 89°21'12" E, 170.00' for a P. O. B.; thence continue S 89°21'12" E, 92.59'; thence along the Northwesterly line of Moreland Drive and a curve to the right, chord bearing N 44°23'15" E, 69.06', arc 71.40', radius 80.00'; thence N 20°02'37" W, 133.98'; thence N 89°13'12" W, 92.36' along the 40 acre line; thence S 00°51'16" W, 175.45' to the P. O. B.

EXHIBIT

PENTHOUSE VILLAS OF MORNINGSIDE
A CONDOMINIUM

Breakdown of percent of common ownership in common elements and percent of common surplus attributable to apartments:

<u>APARTMENT NO.</u>	<u>PERCENT</u>
101	10.13
102	7.34
103	7.34
104	10.13
105	9.12
106	7.34
107	7.34
108	9.12
109	8.73
110	7.34
111	7.34
112	<u>8.73</u>
Total	100.00

PENTHOUSE VILLAS OF MORNINGSIDE
A CONDOMINIUM

Breakdown of the amount of common expenses attributable to each apartment per month:

<u>APARTMENT NO.</u>	<u>AMOUNT</u>
101	\$38.00
102	28.00
103	28.00
104	35.00
105	35.00
106	28.00
107	28.00
108	35.00
109	34.00
110	28.00
111	28.00
112	<u>34.00</u>
Total	\$382.00