

IN THE CIRCUIT COURT OF THE 17TH
JUDICIAL CIRCUIT, IN AND FOR,
BROWARD COUNTY, FLORIDA

CASE NO.: 2015 CA 017778

Consolidated with 2016 CA 004577

THE HOLLYWOOD BEACH RESORT
CONDOMINIUM ASSOCIATION, INC.

HOLLYWOOD BEACH HOTEL OWNERS
ASSOCIATION, INC.,

And

HHBR, LLC

Plaintiffs,

v.

MICHEL JEKIC,

LAURA WELLIVER,

OCEAN WALK MALL, LLC

COMMERCIAL UNIT 100, LLC

Defendants.

**THIRD AMENDED COMPLAINT WITH JURY DEMAND ENDORSED
HEREON**

Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood
Beach Hotel Owners Association, Inc. (collectively, "Plaintiffs" or "Both Associations") and

HHBR LLC, hereby file their Third Amended Complaint and sue Defendants, Michel Jekic (“Jekic”), Laura Welliver (“Welliver”), Ocean Walk Mall, LLC (“Ocean Walk”), and Commercial Unit 100, LLC (“CU 100”) (collectively, "Defendants"), and allege as follows:

JURISDICTION AND VENUE

1. This Court has subject matter jurisdiction over this action because the damages sought by the Plaintiffs are in excess of Fifteen Thousand Dollars, exclusive of interest, costs and attorneys’ fees.

2. Venue is proper in Broward County because Defendants transacted their affairs and business in Broward County that give rise to the claims alleged herein; the events or omissions giving rise to the claims occurred in Broward County; the causes of action alleged herein all accrued in Broward County and the property which is the subject of this lawsuit is located in Broward County.

STANDING

3. Section 718.303(1), Fla. Stat., authorizes condominium associations such as Both Associations to bring and maintain a lawsuit against Welliver and Jekic as they are former directors who willfully and knowingly failed to comply with the requirements of Florida law, Ch. 718, Fla. Stat. (the “Condominium Act”) and the Plaintiffs’ Declaration of Condominium, By-Laws and Articles of Incorporation (the “Governing Documents”).

4. Plaintiffs are further authorized to bring this action against all Defendants on behalf of all of their respective members as the damages caused by the actions of the Defendants are of common interest to all of Plaintiffs’ members. *See* Fla. R. Civ. P. 1.221 and § 718.111(3) Fla. Stat.

THE HOLLYWOOD BEACH RESORT

5. The “Hollywood Beach Resort” is a resort property located on the historic Hollywood Beach Boardwalk, at 101 North Ocean Drive, Hollywood, Florida 33019 (the “Hollywood Beach Resort”).

6. There are approximately 360 condominium unit owners (the “Condominium Owners”) at the Hollywood Beach Resort.

7. There are approximately 1,976 time-share owners (the “Time-Share Owners”) at the Hollywood Beach Resort, which typically rent their units to transient guests.

8. There are also two commercial condominium units, which have a mall like appearance with various spaces available for rent to tenants for commercial retail, office and restaurant uses, located on two separate floors at the Hollywood Beach Resort.

9. The aforesaid commercial condominium units are known as “Commercial Unit 100” (located on the first floor) and “Commercial Unit 200” (located on the second floor) of the Hollywood Beach Resort (respectively, “Commercial Unit 100” and “Commercial Unit 200”). Because of the mixed use nature of the Hollywood Beach Resort, there is a “master association,” which is responsible for the operation, maintenance and management of the common elements at the Hollywood Beach Resort, and for the issuance and collection of assessments to pay for the same.

10. Plaintiff, Hollywood Beach Hotel Owners Association, Inc., is the “master association” for the Hollywood Beach Resort (the “Master Association”), and is a Florida not-for-profit corporation, with a principal place of business at 101 N. Ocean Drive, #8, Hollywood, Florida 33019.

11. The Master Association serves both as a condominium association as defined by § 718.103(2), Fla. Stat., and as a timeshare “Owners’ Association,” as defined by § 721.05(27), Fla.

Stat.. A true and correct copy of the Master Association's governing documents are attached hereto as Composite Exhibit A.

12. Plaintiff, Hollywood Beach Resort Condominium Association, Inc. (hereinafter the "Condominium Association"), is a Florida not-for-profit corporation, with a principal place of business at 101 N. Ocean Drive, #8, Hollywood, Florida 33019.

13. The Condominium Association's members are limited to the owners of condominium residential units and condominium commercial units located at the Hollywood Beach Resort. A true and correct copy of the Condominium Association's governing documents are attached hereto as part of Composite Exhibit B.

14. Plaintiff, HHBR, LLC ("HHBR"), is a Florida limited liability company, ostensibly owned by the Master Association and the Condominium Association.

15. The members of the Condominium Association are also members of the Master Association.

16. The owners of the time-share units are also members of the Master Association.

JEKIC'S AND WELLIVER'S TENURE AS DIRECTORS/OFFICERS OF BOTH ASSOCIATIONS

17. From November 2010 through February 2015, Jekic and Welliver served as Directors on the Board of Directors and Officers of Both Associations.

18. From January 2011 through February 2015, Jekic served as the President, and Welliver served as the Vice-President, of Both Associations.

THE OWNERSHIP OF THE TWO COMMERCIAL UNITS AT HBR

19. From October 1997 to September 26, 2011, Ocean Walk owned Commercial Unit 100 Commercial Unit 200, the two commercial condominium units at the Hollywood Beach Resort..

20. From October 1997 to the present, Ocean Walk also owned real property, which abuts the Hollywood Beach Resort on the ocean, boardwalk side, which real property includes a bar/restaurant area and pool (the "Bar/Pool Property").

21. The aforesaid Bar/Pool Property is not condominium property within the meaning of § 718.103(13), Fla. Stat., and is separate and apart from the real estate which makes up the Hollywood Beach Resort. However, the Master Association, Association and unit owners have certain use rights to the Bar/Pool Property pursuant to a recreational easement agreement.

22. As of September 26, 2011, Ocean Walk had materially defaulted on its obligation to pay assessments to the Master Association for Commercial Unit 200, and also owed the Master Association for unpaid maintenance fees and special assessments for Commercial Unit 200.

23. On September, 26, 2011, Ocean Walk conveyed ownership of Commercial Unit 100 to "Commercial Unit 100 LLC," and Ocean Walk conveyed ownership of Commercial Unit 200 to "Commercial Unit 200 LLC."

24. Said transfers were without adequate consideration and the transfers were to insiders and affiliates of Ocean Walk. In fact, the deeds for these transfers recite that they are transferred to affiliate entities with no documentary stamps due and the consideration listed on the property appraiser's web site is \$100.00 for each deed. See attached hereto as Composite Exhibit

C.

RICHARD KING'S DUAL AGENCY RELATIONSHIP AND THE FAILURE TO DISCLOSE SAME

25. Commercial Unit 100 and Commercial Unit 200 have the largest percentage of ownership and thus largest percentage of voting rights of any single unit owner at The Hollywood Beach Resort.

26. The combined percentage of voting for Commercial Unit 100 and Commercial Unit 200 is such that they can effectively control who gets elected to the Board of Directors of Both Associations.

27. Consequently, Ocean Walk's ownership of Commercial Unit 100 and Commercial Unit 200 gave it the greatest percentage of votes of any single unit owner at The Hollywood Beach Resort.

28. In 2011, Ocean Walk used its monopolistic voting control over the Boards of Both Associations to elect Richard King to the Board of Directors and to have him appointed as an officer of the Boards of Both Associations at The Hollywood Beach Resort.

29. From January 31, 2011 through at least April 28, 2014, Richard King served as a Director on the Board of Directors of the Condominium Association; and from October 9, 2010, through 2013, he served as a Director on the Board of Directors of the Master Association.

30. From January 31, 2011 through April 28, 2014, Richard King also served as an Officer of the Condominium Association, holding the position of Treasurer; and from October 9, 2010 through January 18, 2011, and 2012 through April 28, 2014, he also served as an Officer of the Master Association, holding the position of Treasurer.

31. During the relevant time period, besides being a Director and the Treasurer for Both Associations, Richard King was also the agent for Ocean Walk and CU 100 from 2003 through at least 2014, and managed Commercial Unit 100, Commercial Unit 200 and the Bar/Pool Property, for which he received financial remuneration and was financially interested.

32. Thus, Richard King acted as a dual agent: owing fiduciary duties to his principal - Both Associations and their Unit Owners; while simultaneously owing fiduciary duties to his other principals - Ocean Walk and CU 100.

33. Richard King's agency relationship with Ocean Walk and CU 100, however, was never fully disclosed by Richard King, Ocean Walk or CU 100 to all of the Board Members of Both Associations, as required by §718.3026(3), Fla. Stat., §617.0832, Fla. Stat., and the common law.

34. Richard King's agency relationship with Ocean Walk and CU 100, also was never fully disclosed by Richard King, Ocean Walk or CU 100 to Both Associations' Unit Owners, as required by Fla. Stat. §718.3026(3), Fla. Stat., Fla. Stat. §617.0832, Fla. Stat., and the common law.

35. Furthermore, Richard King, Ocean Walk or CU 100 not only never fully disclosed said dual agency relationship to all members of the Board of Directors of Both Associations, but there was at least one Board Member, Judy Buchan, who lacked full knowledge of said dual agency and was completely innocent with regard to the wrongful conduct alleged in this Third Amended Complaint.

THE JULY 2012 LEASE BETWEEN BOTH ASSOCIATIONS, AS LESSEES, AND OCEAN WALK AND CU 100, AS LESSORS

36. On July 13, 2012, Jekic executed a lease on behalf of Both Associations, as lessees, which lease was also executed by Ocean Walk and CU 100, as lessors (the "July Lease").

37. A true and accurate copy of the July Lease is attached hereto as Exhibit D.

38. Pursuant to the July Lease, Both Associations, as lessees, leased the front desk, laundry and storage space at The Hollywood Beach Resort, as well as the off-site Bar/Pool Property, from Ocean Walk and CU 100, as lessors.

39. The July Lease term is for fifteen (15) years and the total rent is \$7,500,000.00.

40. The July Lease also amended a First Amended Easement, by, *inter alia*, granting Commercial Unit 100, LLC and Commercial Unit 200, LLC, a 41.09% rebate of all “common charges, assessments, special assessments, fees or other monies.”

41. Other Unit Owners were not granted a proportionate reduction in assessments.

THE JULY LEASE IS UNLAWFUL DUE TO NON-DISCLOSURE OF ITS TERMS

42. Section 718.112(c), Fla. Stat., mandates that all meetings in which a quorum of the board of directors is present shall be open to all unit owners; shall be properly noticed within specified time periods prior to the meeting; shall specifically identify all agenda items and shall be conspicuously posted on the condominium property.

43. Section 718.112(c), Fla. Stat., also mandates that all meetings in which a quorum of the board of directors is present shall allow discussion and comment by unit owners.

44. The only two exceptions in which unit owners do not have a right to attend properly noticed board meetings are where the agenda is to discuss proposed or pending litigation or personnel matters.

45. Jekic, Welliver, King, Ocean Walk and CU 100 wanted to keep their July Lease secret from at least one innocent Board Member and Unit Owner, Judy Buchan, and the other Unit Owners.

46. Thus, prior to execution of the July Lease, it was discussed behind closed doors in secret meetings attended by Jekic, Welliver, King and other directors, excluding Judy Buchan,

and without notice of the meetings and without allowing Judy Buchan and the other Unit Owners to attend.

47. Said closed door meetings were not for the purpose of discussing proposed or pending litigation or personnel matters, and thus, were required to be properly noticed as aforesaid and open to all Unit Owners.

48. Following the aforesaid secret meetings, the July Lease was then executed secretly behind closed doors without there being any discussion at a properly noticed board meeting.

49. The July Lease was kept secret and was never discussed or disclosed by Jekic, Welliver or King to all of the Board Members of Both Associations or to the other Unit Owners.

50. King's other principals, Ocean Walk and CU 100, were fully of aware of the July Lease, as they had participated in the secret closed door meetings and had executed it.

51. Ocean Walk and CU 100 never disclosed the existence of the July Lease or their agency relationship with King to all of the Board Members of Both Associations and to the other Unit Owners.

52. Richard King, Ocean Walk and CU 100 never fully disclosed said dual agency relationship to all members of the Board of Directors of Both Associations, and there was at least one Board Member, Judy Buchan, who lacked full knowledge of said dual agency.

53. Consequently, pursuant to §718.112(c), Fla. Stat., the July Lease is unlawful *in toto*, including the assessment reductions, due to the failure to hold a properly noticed board meeting that Unit Owners could attend relating to the July Lease; and the July Lease is unlawful due to the failure to disclose it to the Unit Owners who are the members of Both Associations.

54. The July Lease is also unlawful for due to the failure to disclose it to other Board members, including Judy Buchan.

THE JULY LEASE IS ALSO UNLAWFUL DUE TO THE 41.09% REDUCTION IN ASSESSMENTS AND OTHER REDUCTIONS IN ASSESSMENTS GRANTED TO CU 100 AND COMMERCIAL UNIT 200

55. Section 718.110, Fla. Stat., §718.115, Fla. Stat., and Section 25.09 of the Master Association's Declaration preclude granting any unit owner a reduction in regular or special assessments without giving all other unit owners a proportionate reduction, and Section 25.09 also precludes any such amendment to the governing documents without a vote of all Unit Owners.

56. On or about July 7, 1986, The Condominium Association entered into an "Easement and Maintenance Agreement For Access, Ingress, Egress and Recreational Use" ("Easement"), with the "Developer," which granted, *inter alia*, certain rights to the Condominium Association and its members and guests, including their right to use a health spa, pool and pool deck, in return for certain obligations of the Association; e.g., certain maintenance payment obligations. A true and accurate copy of this Easement is attached hereto as Exhibit E.

57. On or about September 23, 2004, Both Associations and Ocean Walk, executed an "Easement Agreement," which purported to amend and replace the original Easement (the "First Amended Easement"), a true and correct copy of which is attached hereto as Exhibit F.

58. The First Amended Easement purported to grant, *inter alia*, a 41.09% rebate in regular assessments to Ocean Walk, without granting to the other Unit Owners at the Hollywood Beach Resort a proportionate reduction in assessments. See Exhibit F.

59. Also, the July Lease purports to give Commercial Unit 100 and Commercial Unit 200, LLC, a 41.09% rebate of all common charges, assessments, special assessments, fees or other monies enacted by Both Associations, without granting other Unit Owners at the Hollywood

Beach Resort a proportionate reduction in any such common charges, assessments, special assessments, fees or other monies.

60. There is also an additional rent escalation paragraph in the July Lease, whereby the rent due from Both Associations increases proportionally with certain increases in assessments, special assessments, fees or other monies due from Commercial 100 and/or Commercial 200, without providing to the other Unit Owners at the Hollywood Beach Resort a proportionate right to a reduction in assessments.

61. The Unit Owners at the Hollywood Beach Resort never voted and approved the aforesaid reductions in assessments and were never given a proportionate reduction in assessments.

62. This rent escalation tied to increases in condominium maintenance dues and the 41.09% reduction given to Commercial Unit 100 and /or Commercial Unit 200 violates § 718.110, Fla. Stat., §718.114., Fla. Stat., § 718.115, Fla. Stat., and Section 25.09 of the Declaration of the Master Association, as the other Unit Owners did not vote to approve same and the other Unit Owners were not proportionately excused from payments of assessments.

THE JULY LEASE IS ALSO UNLAWFUL DUE TO RENTING OFF-SITE PROPERTY WITHOUT A UNIT OWNER VOTE APPROVING SAME

63. §718.114, Fla. Stat., requires unanimous approval by the Unit Owners to lease property that is not part of the condominium property, as it is considered a material alteration or modification of the appurtenances to a condominium.

64. Section 718.113, Fla. Stat., provides that there shall be no material alteration or substantial additions to the common elements or to real property which is condominium property without a vote of 75% of the unit owners approving the same.

65. The July Lease is unlawful because it includes the Bar/Pool Property, which is not part of the condominium property of The Hollywood Beach Resort, and there was never a vote of the Unit Owners approving it.

THE OCTOBER 2012 LEASE BETWEEN BOTH ASSOCIATIONS, HHBR, AS LESSEES, OCEAN WALK AND CU 100, AS LESSORS

66. On August 15, 2012, at a Board Meeting for Both Associations, Jekic, Welliver and certain other Board Members (excluding Judy Buchan), voted to approve an alleged lease with Ocean Walk and CU 100, which included the same front desk, laundry, storage space and off-site Bar/Pool Property that were the subject of the July Lease.

67. Jekic, Welliver and the other Board members (excluding Judy Buchan) represented that the purpose of this lease was to create and operate a new hotel rental program, restaurant and a bar. Richard King was present at said meeting. A copy of the August 15, 2012 Board Meeting Minutes is attached hereto as Exhibit G.

68. At the same August 15, 2012 meeting, Jekic, Welliver and other Board members (excluding Judy Buchan) promoted a hotel rental program and provided to the Unit Owners who were present a copy of a hotel management contract for them to sign in order to participate in the hotel rental program. A copy of the hotel management contract provided at the August 15, 2012 Board Meeting is attached hereto as Exhibit H.

69. The hotel management contract specifically represents that participating owners will receive the revenues from the rental of their condominium units after all proportional expenses are paid by the participating owners. *See* Exhibit H.

70. On September 13, 2012, Jekic, Welliver and certain other Board members (excluding Judy Buchan) caused HHBR, LLC, a Florida limited liability company, to be created. See attached as Exhibit I, Articles of Organization for HHBR, LLC.

71. Subsequently, on October 5, 2012 Jekic and Welliver caused HHBR to execute a written fifteen-year lease with Ocean Walk and CU 100 (the "Lease"), which lease was also executed by Both Associations, pursuant to a "Joinder" agreement and "Guaranty." (the "October Lease"). A true and correct copy of the October Lease is attached hereto as Exhibit J. On October 5, 2012, at a Board Meeting for Both Associations, Jekic, Welliver and certain other Board members (excluding Judy Buchan), voted to approve the creation and funding of HHBR to operate a hotel rental program and bar/restaurant business. See attached hereto as Exhibit K, October 5, 2012 Board Meeting Minutes.

72. At the same October 5th Board Meeting, the Both Associations' Boards voted and approved the appointment of directors/members for HHBR. See Exhibit K.

73. Richard King was present at this October 5th Board Meeting and voted in favor of the appointment of directors/members for HHBR. See *id.*

74. The October Lease is materially the same as the July Lease, except for that HHBR, LLC is the lessee and Both Associations executed the Joinder and Guaranty. And in the July Lease, Both Associations are the lessee, and HHBR, LLC, which did not exist at the time, is not a party. Compare Exhibit D with Exhibit J.

75. At the same October 5, 2012 Board Meeting, Jekic, Welliver and certain other Board members (excluding Judy Buchan) voted and approved that the initial start-up of a new bar/restaurant would be funded with money recovered from an insurance claim and/or rebate. See Exhibit K.

THE OCTOBER LEASE IS UNLAWFUL DUE TO CONCEALMENT AND NON-DISCLOSURE OF ITS MATERIAL TERMS TO UNIT OWNERS

76. When Jekic, Welliver and certain other Board members (excluding Judy Buchan) voted to approve an alleged new lease at the August 15, 2012 Board Meeting, there was no lease document presented and no discussion or disclosure by them, Richard King, or any other Board Member regarding any of the material terms of the alleged lease. *See* Exhibit G.

77. Notably, the minutes of the August 15, 2012 Board meeting state in relevant part that: “The Association is negotiating with the mall to take over the lease for the front desk, laundry and storage area on the first floor.” *See* Exhibit G. (emphasis added)..

78. The aforesaid representation leads to the undeniable conclusion of fraudulent, unlawful conduct by Jekic, Welliver, Richard King and certain other Board members (excluding Judy Buchan) as follows: i) that they had not yet executed a lease, which is a complete misrepresentation given their prior execution of the secret July Lease; and/or ii) that they had not yet reached an agreement with CU 100 on all terms and conditions of a lease, which means that they could not be in a position to approve a lease or to disclose its terms and conditions to the other Unit Owners. *See* Board Minutes Exhibit G.

79. Accordingly, the August 15, 2012 Board Meeting Minutes contain material misrepresentations, and the Board Members (including Richard King) unanimously voted in favor of waiving their reading and approved at the October 5, 2012 board meeting. *See* Exhibit G.

80. Further, at the August 15, 2012 Board meeting, Jekic, Welliver, Richard King and the other Board members who knew about the July Lease continued to fail to disclose the existence of the July Lease to the innocent Board Member, Judy Buchan, and the other Unit Owners. *See* Exhibit G.

81. At the August 15, 2012 Board meeting, when the Board provided to the Unit Owners a copy of a hotel management contract, there was likewise no discussion or disclosure regarding details of the hotel rental program, including any business plan, budget, pro formas, ect. *See* Exhibit G.

82. At the October 5, 2012 board meeting, there was also no mention, discussion or disclosure of the execution of the October Lease or its terms by Jekic, Welliver, Richard King or the other Board Members (excluding Judy Buchan). *See* Exhibit K .

83. There was likewise no mention or disclosure by Jekic, Welliver, Richard King or the other Board Members (excluding Judy Buchan) of the existence of the previously executed July Lease. *See id.*

84. Instead, the October 5, 2012 Board meeting dealt exclusively with approving the prior August 15th Board Meeting Minutes and approving the creation of a Florida limited liability company allegedly yet to be formed, and appointing its directors and managers. *See* Exhibit K.

85. Thus, these Board Meeting Minutes were fraudulent because HHBR had already been created secretly on September 13, 2012, and its directors and managers had already been appointed. Jekic, Welliver and Richard King, nevertheless, went along with yet another fraud by voting to approve the appointment of directors and managers to HHBR.

86. To this day, there has never been a vote by the Board to approve the October Lease or the July Lease.

87. Furthermore, to this day, there has never been a disclosure by Jekic, Welliver, Richard King or the other Board members who knew about the July Lease and the October Lease, at any meeting of the Associations' Boards or at any meeting of the Unit Owners of the details of the July Lease or the October Lease, or their material business terms, such as the length of the

leases, the amount of rent, the funding mechanism for paying rent, income and expense projections, etc.

88. Thus, the terms and conditions of the July Lease and the October Lease have been kept secret from other Unit Owners by Jekic, Welliver, Richard King and certain other Board members, excluding Judy Buchan.

89. Both the July Lease and the October Lease, were executed without Jekic, Welliver, Richard King, and the other Board Members, who knew about them, performing due diligence, including, but not limited to, conducting a financial break-even analysis or developing a business plan.

THE OCTOBER LEASE IS ALSO UNLAWFUL DUE TO THE 41.09% REDUCTION IN ASSESSMENTS AND OTHER REDUCTIONS IN ASSESSMENTS GRANTED TO CU 100 AND COMMERCIAL UNIT 200

90. The October Lease is unlawful for the same reason as the July Lease, in that it also contains a rent escalation tied to increases in condominium maintenance dues and a 41.09% reduction that violates § 718.110, Fla. Stat. §718.115, Fla. Stat., and Section 25.09 of the Master Association's Declaration, and the other Unit Owners did not vote to approve the same and the other Unit Owners were not proportionately excused from payments of assessments.

THE OCTOBER LEASE IS ALSO UNLAWFUL DUE TO RENTING OFF-SITE PROPERTY WITHOUT A UNIT OWNER VOTE APPROVING SAME

91. The October Lease is unlawful for the same reason as the July Lease, in that it includes the Bar/Pool Property, which is not part of the Condominium Property, and there was never a vote of the Unit Owners approving it.

THE OCTOBER LEASE IS ALSO UNLAWFUL BECAUSE HHBR IS REALLY AN ASSOCIATION CREATED WITH THE EXCLUSIVE INTENT TO CIRCUMVENT THE PROTECTIONS AND PROVISIONS OF 718.101, FLA. STAT.

92. HHBR was created to be owned by Both Associations; its members initially were Board Members of Both Associations; its managers initially were Both Associations; it was funded 100% by Both Associations' funds, and it was operated and functioned as part of Both Associations. Therefore, under the "constituency test" or the "function test," HHBR was, in actuality, a Florida condominium association.

93. HHBR was formed as a Florida limited liability company and was not registered as a condominium association, with the specific purpose and intent of concealing the July Lease, the October Lease and the amendments to the original Easement from the the Unit Owners, as well as to avoid the application of Florida condominium laws.

94. Nonetheless, a Florida condominium association cannot create an entity to conceal what are in actuality association activities from its members and to avoid the legal safeguards in place for members of associations. Moreover, because HHBR was, in reality, operated as part of a Florida condominium association, its creation as a limited liability company violated § 718.11(1)(a), Fla. Stat., which requires any condominium association to be incorporated.

95. HHBR's creation as a limited liability company per se violated §718.11(1)(a), Fla. Stat., which requires any condominium association to be formed as a not-for-profit corporation.

THE PLUNDERING AND MISAPPROPRIATION OF BOTH ASSOCIATIONS' MONEY AND DISREGARD OF APPROVED BUDGETS BY JEKIC, WELLIVER AND KING

96. As stated in the By-Laws of Both Associations, King, as Treasurer, was responsible for the care, custody and control of all property of Both Associations, including their money, and he was required to comply with generally accepting accounting practices.

97. Immediately after opening, the improperly vetted and created bar/restaurant business and hotel rental businesses failed financially and were unable to pay their expenses in the ordinary course of business.

98. In early 2013, in order to supplement the losses caused by the failing bar/restaurant business and the hotel rental business, Jekic, Welliver and King plundered the Associations', and thus the Unit Owners', reserve funds in violation of §718.111(14), Fla. Stat., and §718.112, Fla. Stat., and without the required vote of the Unit Owners.

99. At the same time, Jekic, Welliver and King plundered the Associations', and thus the Unit Owners', operating funds.

100. This plundering of funds included using Both Associations' funds to pay the August Lease, as well as the operating expenses of the failing bar/restaurant and hotel businesses.

101. This plundering of funds was also contrary to the expenditures approved in the budgets for Both Associations, thereby violating. §718.111(14), Fla. Stat.

102. Furthermore, despite the earlier August 15, 2012 representations regarding the participating Condominium Unit Owners in the hotel rental program bearing all expenses associated therewith, Jekic, Welliver and King looted the Associations' funds belonging to *all* Unit Owners in order to pay those expenses. Both Associations' funds were unlawfully used to supplement the rent payments under the October Lease, and other expenses of the hotel rental and bar/restaurant businesses.

103. In fact, several contracts entered into by HHBR, were unlawfully guaranteed by Both Associations, without a disclosure to the Unit Owners or a vote by the Unit Owners.

104. In 2014, Jekic, Welliver and others, voted and approved a budget for Both Associations, which passed the expenses of the failing hotel rental business and failing

bar/restaurant businesses to Both Associations, despite the fact that the Unit Owners never voted to approve the October Lease and the businesses, and despite the fact that the Jekic, Welliver and certain other Board Members had originally represented at the August 15, 2012 Board Meeting that the expenses of the hotel rental program would be paid exclusively by the Condominium Unit Owners that had opted to participate in the program, and that the bar/restaurant business would support itself.

105. Thus, Jekic, Welliver and certain other Board members forced all of the Unit Owners to pay the expenses of the hotel rental program, even though they were not in the hotel rental program and did not share in the profits of that program.

ACTIVE CONCEALMENT OF THEIR MISAPPROPRIATION OF ASSOCIATION FUNDS

106. Both Associations are required by law to maintain a complete set of audited financial statements in accordance with generally accepted accounting principles, and to provide each unit owner with a copy of same, pursuant to § 718.111(14), Fla. Stat.

107. Jekic, Welliver and King, in their roles as Officers of Both Associations, failed to obtain and maintain audited financial statements for Both Associations, with the specific intent of further fraudulently concealing their secret leasehold deal and their related financial mismanagement, including the failing bar/restaurant and hotel businesses and their diversion and misappropriation of reserve funds from Both Associations.

108. To further conceal their financial impropriety and plundering of Both Associations' reserve funds, Jekic, Welliver and King repeatedly caused the monthly balance sheets of Both Associations to utilize deceptive and fraudulent bookkeeping entries to deceive the Unit Owners into believing that there were large amounts of reserve funds. Their deceptive and

fraudulent bookkeeping scheme utilized booking entries on the balance sheets showing the reserve funds having money “due from” operating funds, and the operating funds having money “due to” reserve funds. As a result, the reserve funds routinely showed that there were large amounts of reserve funds. However, in reality, there were either no reserve funds or very little reserve funds because there was no money in the operating funds to replenish the plundered reserve funds.

109. Under the circumstances, said bookkeeping entries violated generally accepted accounting practices, violated §718.111(14), Fla. Stat., §718.112, Fla. Stat., and were fraudulent.

110. The management company retained by Jekic, Welliver and King was KW Property Management. After a while, it too became concerned about the impropriety of the rogue Directors’ and Officers’ accounting practice and their plundering of money, and begin repeatedly noting on the monthly balance sheets:

“Note: The Balance Sheet Reflects a “Due to Reserves.” Management understands the Association may be in violation of Florida Statutes and its approved budget; hence we recommend the Board take appropriate corrective measures to address this issue in a prompt manner.”

111. Despite the aforesaid warning from KW Management, Jekic, Welliver and King continued their fraudulent practices, plundering of assets and concealment of the same.

112. On August 1, 2013, in order to further conceal the unlawful July Lease and October Lease and the lease payments being made by Both Associations to CU 100 and Ocean Walk, Jekic, Welliver and King, began utilizing a set-off scheme, whereby the monthly lease payment of \$49,526.30 was set-off against the monthly maintenance and the monthly special assessment rebates granted to CU 100, resulting in a deficit amount owed by the Master Association to CU 100 in the amount of \$20,071.75.

**BINDING DETERMINATION OF UNLAWFUL REBATE TO OCEAN WALK
AND CU 100**

113. Pursuant to § 718.111, Fla. Stat., Both Associations have the right and authority to settle claims and lawsuit brought against them, which is binding on all Unit Owners.

114. The State of Florida, Department of Business and Professional Regulation, Division of Condominiums, Timeshares and Mobile Homes, conducted an investigation regarding, *inter alia*, the 41.09% rebate being granted Ocean Walk and Commercial Unit 100, LLC, pursuant to the October Lease, and declared it to be illegal because it did not give other timeshare unit owners a proportionate reduction.

115. Pursuant to its right and authority, The Hollywood Beach Resort Condominium Association, Inc., through a new Board of Directors, settled the matter by entering into a Consent Order with the Division. A true and accurate copy of said Consent Order is attached hereto as Exhibit L.

116. Pursuant to said Consent Order, Both Associations cannot give Plaintiffs a 41.09% rebate, as doing so is unlawful and a violation of the Consent Order. As a member of Both Associations, Ocean Walk and CU 100 are bound as a matter of law by said Consent Order.

**JEKIC, WELIVER, RICHARD KING AND OTHER BOARD MEMBERS' SPECIFIC
FIDUCIARY DUTIES OWED IN THIS CASE**

117. Pursuant to § 718.111(l), Fla. Stat., Jekic, Welliver, Richard King and other Board Members owed the Unit Owners at the Hollywood Beach Resort fiduciary duties.

118. Pursuant to § 718.111(d), Fla. Stat., as required by s. 617.0830, Jekic, Welliver, Richard King, as directors and officers, had a duty to discharge their duties in good faith, and with the care an ordinarily prudent person in a like position would exercise under similar

circumstances, and in a manner they reasonably believed to be in the best interests of the Associations.

119. These fiduciary duties required Jekic, Welliver, and Richard King:
- a. To properly notice Board meetings regarding the July Lease and October Lease, within the specified time periods prior to the meetings, identify said leases as agenda items, conspicuously post the notice of the meetings on the condominium property, and allow discussion and comment by Unit Owners at the meetings;
 - b. To disclose the existence of Richard King's dual agency relationship;
 - c. To obtain the vote of Unit Owners for the July Lease and the October Lease;
 - d. To disclose the existence and the terms and conditions of the July Lease and the October Lease;
 - e. To not grant Ocean Walk and CU 100 reductions in special assessments without a vote of the Unit Owners and/or without giving all Unit Owners a proportionate reduction in their assessments;
 - f. To not lease off-site property without a vote of the Unit Owners;
 - g. To not misappropriate the Associations' funds by using reserve money and operating money to support the hotel business and the bar/restaurant business and to pay CU 100 lease payments;
 - h. To not actively conceal: the July Lease and the October Lease, and their terms and conditions; and the misappropriation of funds from Both Associations;
 - i. To not engage in fraud: by making the aforesaid affirmative misrepresentations at the August 15, 2012 and October 5, 2012 Board Meetings, and by secretly creating HHBR in an attempt to circumvent the law; by concealing and failing to disclose the July Lease and the October Lease, and their terms and conditions; by concealing and by failing to disclose their misappropriating the funds from Both Associations; and by concealing and failing to fully disclose Richard King's dual agency.

120. All conditions precedent to the bringing of Plaintiffs' claims have been met, waived and/or excused.

COUNT I: BREACH OF FIDUCIARY DUTIES
(Against Jekic and Welliver)

121. Plaintiffs re-allege and incorporates paragraphs 1 through 120, as if fully set forth herein.

122. Jekic, Welliver, and Richard King breached their fiduciary duties and violated the Florida Condominium Act, specifically, § §718.110, 718.111, 718.112, 718.113, 718.114, 721.13, and 721.15, Fla. Stat., the Declaration of Condominium and the By-Laws of Both Associations, as follows:

- a. By not properly noticing a Board meetings regarding the July Lease and October Lease, within the specified time periods prior to the meeting, identifying said leases as agenda items, conspicuously posting the notice of the meetings on the condominium property, and allowing discussion and comment by Unit Owners at the meetings;
- b. By failing to fully disclose the existence of Richard King's dual agency relationship;
- c. By not obtaining the vote of the Unit Owners for the July Lease and the October Lease;
- d. By executing and/or allowing to be executed the July Lease and the October Lease;
- e. By not disclosing the existence and the terms and conditions of the July Lease and the October Lease to the innocent Board Member and other Unit Owners;
- f. By granting Ocean Walk and CU 100 reductions in special assessments without a vote of the Unit Owners and/or without giving all Unit Owners a proportionate reduction in their assessments;
- g. By leasing off-site property without a vote of the Unit Owners;
- h. By misappropriating association funds by using reserve money and operating money to support the hotel business and bar/restaurant businesses and to pay CU 100 lease payments;

- i. By actively concealing: the July Lease and October Lease, and their terms and conditions; and the misappropriation of funds from Both Associations;
- j. By engaging in fraud: by making the aforesaid affirmative misrepresentations at the August 15, 2012 and October 5, 2012 Board meetings, and by creating HHBR in an attempt to circumvent the law; by concealing and failing to disclose the July Lease and October Lease, and their terms and conditions; by concealing and failing to disclose their misappropriating the funds from Both Associations; and by concealing and failing to disclose Richard King's dual agency.

123. Jekic, Welliver and Richard King intentionally, willingly and knowingly, by their aforesaid conduct and omissions, failed to comply with the Florida Condominium Act, specifically, §§ 718.110, 718.111, 718.112, 718.113, 718.114, Fla. Stat., and the Plaintiffs' governing documents.

124. Jekic's, Welliver's and Richard King's aforesaid conduct was also committed with a conscious disregard for the best interests of the Associations.

125. Pursuant to § 718.11 l(d), Fla. Stat., Jekic and Welliver are liable for monetary damages as provided in s. 617.0834 if such officer, director, or agent breached or failed to perform his or her duties and the breach of, or failure to perform, his or her duties constitutes recklessness or an act or omission that was in bad faith.

126. The aforesaid actions and omissions by Jekic, Welliver and Richard King were intentional, reckless, in bad faith, and/or grossly negligent, and constituted a breach of their fiduciary duties.

127. Furthermore, the actions of Jekic, Welliver and Richard King are such that they fall outside of exercise of reasonable business judgment.

128. As a direct and proximate cause of the aforesaid breaches of fiduciary duties, Plaintiffs and the Unit Owners have suffered damages in excess of Fifteen Thousand Dollars.

129. Pursuant to §718.303, Fla. Stat., Plaintiffs are entitled to recover their reasonable attorney's fees and costs.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Michel Jekic and Laura Welliver, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), attorneys' fees, costs, and for such other and further relief as is just and proper.

COUNT II: FRAUD
(Against Jekic and Welliver)

130. Plaintiffs re-allege and incorporates paragraphs 1 through 120, as if fully set forth herein.

131. Jekic, Welliver, and Richard King had a fiduciary relationship with Plaintiffs and owed them the aforesaid fiduciary duties.

132. The full nature of Richard King's relationship with Ocean Walk and CU 100: i) was extremely material to the Associations and to the other Unit Owners; ii) Jekic, Welliver, and Richard King failed to fully disclose these material facts to the Associations and other Unit Owners, and failed to fully disclose said relationship to all members of the Board of Directors, which included Judy Buchan; iii) Jekic, Welliver, and Richard King knew or should have known that it was extremely material to the Associations and other Unit Owners and should be disclosed to them; iv) Jekic, Welliver, and Richard King acted in bad faith in failing to disclose these

material facts; v) Jekic, Welliver, and Richard King knew that by failing to disclose these material facts to the Associations and other Unit Owners, they would rely and accept the hotel and bar/restaurant businesses and the October Lease upon discovery of its existence; and they would not question the finances of Plaintiffs and they would be lulled into a false belief that there were funds in the operating account and reserve account; vi) Plaintiffs suffered damages as a direct and proximate result of this nondisclosure by Jekic, Welliver, and Richard King; and vii) Jekic, Welliver, and Richard King had a duty to speak and disclose these material facts to the Associations and other Unit Owners.

133. The terms and conditions of the July Lease and the October Lease, and the fact that they were executed: i) were extremely material to the Associations and other Unit Owners ii) Jekic, Welliver, and Richard King failed to fully disclose these material facts to the Associations and other Unit Owners; iii) Jekic, Welliver, and Richard King knew or should have known that it was extremely material to the Associations and other Unit Owners and should be disclosed to them; iv) Jekic, Welliver, and Richard King acted in bad faith in failing to disclose these material facts; v) Jekic, Welliver, and Richard King knew that by failing to disclose these material facts to the Associations and other Unit Owners, they would rely and accept the hotel and bar/restaurant businesses and the October Lease upon discovery of its existence; and they would not question the finances of Plaintiffs and they would be lulled into a false belief that there were funds in the operating account and reserve account; vi) Plaintiffs suffered damages as a direct and proximate result of this nondisclosure by Jekic, Welliver, and Richard King; and vii) Jekic, Welliver, and Richard King had a duty to speak and disclose these material facts to the Associations and other Unit Owner.

134. The true and accurate accounting of the finances of Both Associations and HHBR, and the use of reserve funds and operating funds of Both Associations by Jekic, Welliver, and Richard King and to fund the losses and liabilities of the hotel and bar/restaurant businesses:

- i) were extremely material to the Associations and other Unit Owners; ii) Jekic, Welliver, Richard and Richard King failed to fully disclose these material facts to the Associations and other Unit Owners and also actively concealed the finances as described in Paragraphs 106-113 above; iii) Jekic, Welliver, and Richard King knew or should have known that it was extremely material to the Associations and other Unit Owners and should be disclosed to them and not concealed them; iv) Jekic, Welliver, and Richard King acted in bad faith in failing to disclose and concealing these material facts; v) Jekic, Welliver, and Richard King knew that by failing to disclose and concealing these material facts to the Associations and other Unit Owners, they would rely and accept the hotel and bar/restaurant businesses and the October Lease upon discovery of its existence; they would not question the finances of Plaintiffs and they would be lulled into a false belief that there were funds in the operating account and reserve account; vi) Plaintiffs suffered damages as a direct and proximate result of this nondisclosure by Jekic, Welliver, Richard King and other Board members; and vii) Jekic, Welliver, and Richard King had a duty to speak and disclose these material facts to the Associations and other Unit Owners.

135. Besides committing the aforesaid failures to disclose material facts, Jekic, Welliver and Richard King committed affirmative misrepresentations of material facts, by making the aforesaid affirmative misrepresentations at the August 15, 2012 and October 5, 2012 Board meetings; they were false when made and they knew that they were false at the time they were made; they made them with the intent that their statements would induce the Associations and other Unit Owners to rely on them and that they would they and accept the hotel and

bar/restaurant businesses and the October Lease upon discovery of its existence; they would not question the finances of Plaintiffs and they would be lulled into a false belief that there were funds in the operating account and reserve account; Plaintiffs justifiably relied on these misrepresentations and did not question or challenge the hotel and bar/restaurant businesses the October Lease upon discovery of its existence, or the finances of Both Associations and did not know the truth at the time; and Plaintiffs suffered damages as a direct and proximate result of said fraud.

136. The aforesaid actions and inactions by the Jekic, Welliver, and Richard King members were intentional, reckless, in bad faith.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Michel Jekic and Laura Welliver, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), attorneys' fees, costs, and for such other and further relief as is just and proper.

COUNT III: FRAUD-VACARIOUS LIABILITY
(Against Ocean Walk and CU 100)

137. Plaintiffs re-allege and incorporates paragraphs 1 through 120, and 132-136, as if fully set forth herein.

138. At the time of the aforesaid fraudulent failure to disclose, fraudulent concealment and affirmative misrepresentations by Richard King, as alleged in Paragraphs 132-135, Richard King was the actual agent for Ocean Walk and CU 100, and they knew and acknowledged that he would undertake to act for them regarding the July Lease and October Lease, and in obtaining their assessment reductions and getting paid lease payments by Plaintiffs.

139. Richard King accepted said undertaking.

140. Ocean Walk and CU 100 had control over Richard King's said undertaking.

141. The aforesaid fraudulent failure to disclose, fraudulent concealment and affirmative misrepresentations by Richard King, as alleged in Paragraphs 132-136, were committed by him within the course and scope of his agency and authority for his principals, Ocean Walk and CU 100, for the purpose of benefitting them.

142. Ocean Walk and CU 100 also ratified the aforesaid fraudulent failure to disclose, fraudulent concealment and affirmative misrepresentations by Richard King, by knowingly accepting the benefits of them in receiving lease payments and reductions in assessments.

143. Ocean Walk and CU 100 are, therefore, vicariously liable to Plaintiffs for Richard King's aforesaid fraudulent failure to disclose, fraudulent concealment and affirmative misrepresentations, as alleged in Paragraphs 132-136 above.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), voiding of the July Lease and October Lease, attorneys' fees, costs, and for such other and further relief as is just and proper.

COUNT IV: VICARIOUS LIABILITY-BREACH OF FIDUCIARY DUTIES
(Against Ocean Walk and CU 100)

144. Plaintiffs re-allege and incorporates paragraphs 1 through 120, 122-129, and 132-136, as if fully set forth herein.

145. At the time of the aforesaid breach of fiduciary duties by Richard King, as alleged in Paragraphs 122-129, Richard King was the actual agent for Ocean Walk and CU 100,

and they knew and acknowledged that he would undertake to act for them regarding the July Lease and October Lease, and in obtaining their assessment reductions and getting paid lease payments by Plaintiffs.

146. Richard King accepted said undertaking.

147. Ocean Walk and CU 100 had control over Richard King's said undertaking.

148. The aforesaid fraudulent failure to disclose, fraudulent concealment and affirmative misrepresentations by Richard King, as alleged in Paragraphs 132-136, were committed by him within the course and scope of his agency and authority for his principals, Ocean Walk and CU 100 for the purpose of benefitting them.

149. Ocean Walk and CU 100 also ratified the aforesaid breaches of fiduciary duties by Richard King, by knowingly accepting the benefits of them in receiving lease payments and reductions in assessments.

150. Ocean Walk and CU 100 are, therefore, vicariously liable to Plaintiffs for Richard King's aforesaid breaches of fiduciary duties by Richard King.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), voiding of the July Lease and October Lease, attorneys' fees, costs, and for such other and further relief as is just and proper.

**COUNT V: VICARIOUS LIABILITY FOR BREACH OF FIDUCIARY DUTIES BY
SELF-DEALING
(Against Ocean Walk and CU 100)**

151. Plaintiffs re-allege and incorporates paragraphs 1 through 120, 122-129, and 145-150, as if fully set forth herein.

152. Transactions in which a corporate fiduciary derives a personal profit, either in dealing with the corporation or its property, or in matters of corporate interest, are subject to the close examination, and the form of the transaction will give way to the substance of what has actually been bought about. Personal dealings with the corporation or transactions with the corporation in which the director has some personal interest may be avoided, unless good faith and fairness are shown.

153. In transactions where an officer or director of a condominium association has contracted on behalf of the association with himself, or with another corporation in which he is, or becomes substantially interested, or with another for his personal benefit, damages may be awarded for the amount unjustly enriched and the contract may be voided.

154. The July Lease and October Lease were contrary to the best interests of and unfair to Both Associations and to HHBR, and Richard King acted in bad faith and breached his fiduciary duties regarding these leases as alleged in Paragraphs 122-129 above.

155. As alleged in Paragraphs 145-150 above, Richard King was acting as an agent within the course and scope of his authority for Ocean Walk and CU 100, when he breached his fiduciary duties and acted in bad faith to Both Associations and HHBR.

156. In his capacity as an agent of Ocean Walk and CU 100, Richard King received financial remuneration and he was financially interested and had a personal interest in the July Lease and the October Lease and their respective Amendment To Easement Agreement, as that term is interpreted by §718.3026, Fla. Stat., and Fla. Stat. §617.0832.

157. Richard King's financial interest in the July Lease and the October Lease and the Amendment To Easement Agreement were never disclosed to Both Associations or to the other Unit Owners.

158. There was no good faith or fairness with respect to Richard King's aforesaid conduct on behalf of CU 100 and Ocean Walk.

159. Ocean Walk and CU 100 are, therefore, vicariously liable to Plaintiffs for Richard King's aforesaid breaches of fiduciary duties and self-dealing.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), voiding of both the July Lease and October Lease, attorneys' fees, costs, and for such other and further relief as is just and proper.

**COUNT VI: VOIDANCE OF JULY LEASE AND OCTOBER LEASE DUE FRAUD BY
UNDISCLOSED DUAL AGENCY
(Against Ocean Walk and CU 100)**

160. Plaintiffs re-allege and incorporates paragraphs 1 through 120, 132-136 and 138-145, as if fully set forth herein.

161. An agent who acts for adverse principals in a transaction is subject to a duty to act with fairness to each, and to disclose to each all facts which he knows or should know would reasonably affect the judgment of each in permitting such dual agency, except as to a principal who has manifested that he knows of such facts or that he does not care to know of them.

162. The agent's disclosure must include not only the fact that he is acting on behalf of the other party, but also facts which are relevant in enabling the principal to make an intelligent determination, such as the prior relations between the agent and such other party, and the knowledge or lack of knowledge by the other party that the agent is acting for the principal.

163. It is the policy law of Florida to deny the agent and his undisclosed principal the benefits of a contract executed while the agent has assumed to act for both parties without full

knowledge and consent to the relation by the principal sought to be held. This rule rests upon policy and not upon the proof of injury or damage to the principal.

164. Such a contract is voidable at the election of the principal, and it is not necessary for a party seeking to avoid such a contract to show that any improper advantage has been gained over him; it is at his option to repudiate, or affirm, the contract, irrespective of any proof of fraud.

165. Richard King's agency relationship with Ocean Walk and CU 100 and all facts were never fully and adequately disclosed to Both Associations, HHBR and the other Unit Owners, by Richard King, Ocean Walk, CU 100 or anyone else, and he fraudulently failed to fully disclose said relationship to Both Associations, other Unit Owners, and all the Directors, including Judy Buchan.

166. There was no good faith or fairness to Richard King's aforesaid conduct on behalf of CU 100 and Ocean Walk, regarding the July Lease and the October Lease.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, voiding of both the July Lease and October Lease, attorneys' fees, costs, and for such other and further relief as is just and proper.

COUNT VII: BREACH OF FIDUCIARY DUTIES -AIDING AND ABETTING
(Against Ocean Walk and CU 100)

167. Plaintiffs re-allege and incorporate paragraphs 1 through 120, 122-129, as if fully set forth herein.

168. Richard King breached fiduciary duties that he owed to Plaintiffs as alleged in Paragraphs 122-129.

169. Ocean Walk and CU 100 knew of said breaches of fiduciary duties and participated in the secret closed door meetings relating to the July Lease and October Lease, and executed both of them.

170. Ocean Walk and CU 100 encouraged with conscious intent for Richard King to breach his fiduciary duties.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), voiding of the July Lease and October Lease, attorneys' fees, costs, and for such other and further relief as is just and proper.

**COUNT VIII: UNCONSCIONABILITY AND UNFAIRNESS OF LEASES AND
AMENDMENTS
(Against Ocean Walk and CU 100)**

171. Plaintiffs re-allege and incorporates paragraphs 1 through 120, as if fully set forth herein.

172. The July Lease and the October Lease and the Amendment To Easement Agreement are unconscionable and grossly unfair to Both Associations, in violation of the common law and §718.122, Fla. Stat., in that:

- (a) They require Both Associations to pay certain real estate taxes on the subject leased premises;
- (b) They require Both Associations to insure buildings or other facilities on the subject leased premises against fire or any other hazard;
- (c) They require Both Associations to perform some or all maintenance obligations pertaining to the subject leased premises;
- (d) They provide for the possibility that failure of Both Associations to make payments of rents due under the leases, may create, establish, or

permit establishment of a potential lien and/or liability upon individual condominium units of the condominium to secure claims for rent;

- (e) They require an annual rental which exceeds 25 percent of the appraised value of the leased property as improved;
- (f) They provide for a periodic rental increases;
- (g) They provide for an amount of rent that is excessive; and
- (h) They provide a rebate of 41.09% of all assessments to Ocean Walk and CU 100 and the owner of Commercial Unit 200, without giving other unit owners a proportionate reduction in assessments.

173. Pursuant to §718.122, Fla. Stat.: “Any provision of the Florida Statutes to the contrary notwithstanding, neither the statute of limitations nor laches shall prohibit unit owners from maintaining a cause of action under the provisions of this section.”

Wherefore, pursuant to §718.122, Fla. Stat., and §718.303, Fla. Stat., Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), voiding of the July Lease and October Lease, attorneys’ fees, costs, and for such other and further relief as is just and proper.

COUNT IX: DECLARATORY JUDGMENT
(Against Ocean Walk and CU 100)

174. Plaintiffs and HHBR, LLC re-allege and incorporates paragraphs 1 through 120, 122-129, 132-136, 138-142, a 145-149, 152-158, and 161-166, as if fully set forth herein.

175. Both the July Lease and the October Lease and the Amendment to Easement Agreements are voidable because Richard King breached fiduciary duties owed to Plaintiffs as alleged in Paragraphs 122-129, committed frauds against Plaintiffs as alleged in Paragraphs 132-

136, while acting as an agent within the course and scope of his authority for Ocean Walk and CU 100 as alleged in Paragraphs 138-142 and 145-149, engaged in self-dealing as alleged in Paragraphs 152-158, and acted in an dual agency capacity that was not fully and properly disclosed as alleged in Paragraphs 161-166.

176. Both the July Lease and the October Lease and the Amendment to Easement Agreements are voidable because they are unconscionable as alleged in Paragraphs 171-173.

177. Despite the fact that the July Lease and the October Lease and the Amendment to Easement Agreements are voidable, Ocean Walk and CU 100 contend that they are valid and enforceable and insist on their performance by the Associations and HHBR, LLC.

178. A determination as to the validity of the July Lease and October Lease and the Amendment to Easement Agreements will be of material help in resolving this controversy.

179. All of the proper parties are before the Court for a determination.

180. A determination as to the validity of the July Lease and October Lease and the Amendment to Easement Agreements is required of the Court.

181. The parties have an actual, present, adverse and antagonistic view of whether the Both Leases and the Amendment to Easement Agreement are valid and enforceable.

182. There is a bona fide, actual, present practical need for a declaration, and the declaration deals with a present, ascertained state of facts or a present controversy as to a state of facts.

183. The rights, obligations and privileges of the parties are dependent upon the facts or the law applicable to the facts.

184. All adverse interests are before the Court.

185. The relief sought herein is not merely the giving of legal advice by the courts or the answer to questions propounded from curiosity.

186. There is a real and present need for a Court determination of validity of the Both Leases, and the Amendment to Easement Agreement.

187. Plaintiffs were directly and proximately damaged by having to pay rent and providing reductions in assessments, pursuant to the July Lease and October Lease.

188. Because the July Lease and October Lease and the Amendment to Easement Agreements are voidable, Plaintiffs and HHBR, LLC are entitled to be refunded all money that was paid by them under the Lease to Ocean Walk and CU 100.

WHEREFORE, Plaintiffs and HHBR, LLC, respectfully request that this Court declare that the July Lease and October Lease and the Amendment to Easement Agreements, and the First Amended Easement, are unenforceable, invalid and void *ab initio*, or alternatively, voidable, award them judgment against Ocean Walk and CU 100 for all money paid them under the Lease, and for all other relief deemed appropriate.

COUNT X: CONSTRUCTIVE FRAUD
(Against Jekic and Welliver)

189. Plaintiffs and HHBR, LLC re-allege and incorporates paragraphs 1 through 120, and 122-129, as if fully set forth herein.

190. Jekic, Welliver, and Richard King had a fiduciary and confidential relationship with Plaintiffs and owed them aforesaid fiduciary duties.

191. Jekic, Welliver, and Richard King committed a constructive fraud against Plaintiffs, by abusing said fiduciary and confidential relationship, taking an unconscionable

advantage over Plaintiffs, and/or taking an improper advantage of the fiduciary relationship at the expense of Plaintiffs.

192. Richard King's constructive fraud further included him abusing his fiduciary and confidential relationship in favor of his masters, CU 100 and Ocean Walk, at the expense of Plaintiffs.

193. Plaintiffs suffered damages as a direct and proximate result of said constructive fraud.

194. The aforesaid actions and inactions by the Jekic, Welliver, and Richard King members were intentional, reckless, in bad faith.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Michel Jekic and Laura Welliver, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), attorneys' fees, costs, and for such other and further relief as is just and proper.

COUNT XI: CONSTRUCTIVE FRAUD-VACARIOUS LIABILITY
(Against Ocean Walk and CU 100)

195. Plaintiffs re-allege and incorporates paragraphs 1 through 97, 122-129, 190-194, as if fully set forth herein.

196. At the time of the aforesaid constructive fraud by Richard King, as alleged in Paragraphs 122-129 and 190-194, Richard King was the actual agent for Ocean Walk and CU 100, and they knew and acknowledged that he would undertake to act for them regarding the July Lease and October Lease, and in obtaining their assessment reductions and getting paid lease payments by Plaintiffs.

197. Richard King accepted said undertaking.

198. Ocean Walk and CU 100 had control over Richard King's said undertaking.

199. The aforesaid fraudulent failure to disclose, fraudulent concealment and affirmative misrepresentations by Richard King, as alleged in Paragraphs 108-112, were committed by him within the course and scope of his agency and authority for his principals, Ocean Walk and CU 100, for the purpose of benefitting them.

200. Ocean Walk and CU 100 also ratified the aforesaid constructive fraud by Richard King, by knowing accepting the benefits of them in receiving lease payments and reductions in assessments.

201. Ocean Walk and CU 100 are, therefore, vicariously liable to Plaintiffs for Richard King's aforesaid constructive fraud by Richard King.

Wherefore, Plaintiffs, The Hollywood Beach Resort Condominium Association, Inc., Hollywood Beach Hotel Owners Association, Inc., and HHBR, LLC, demand judgment against Defendants, Ocean Walk and CU 100, jointly and severally, for damages in excess of Fifteen Thousand Dollars (\$15,000.00), voiding of the July Lease and October Lease, attorneys' fees, costs, and for such other and further relief as is just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury of all issues so triable as a matter of right.

Respectfully submitted,

LAW OFFICES OF GREGORY R. ELDER, LLC

BY: /s/Gregory R. Elder

Gregory R. Elder, Esq.

Florida Bar No. 54006

Law Offices of Gregory R. Elder, LLC
108 SE 8TH Avenue, Suite 114
Fort Lauderdale, Florida 33301
Phone: (305) 546-1061
Email: gelderlaw@gmail.com
Attorneys for Plaintiffs

CERTIFICATION

WE HEREBY CERTIFY that a true and correct copy of the foregoing was electronically filed with the Broward County Clerk of the Court using the e-Filing Portal and by electronically generated e-mails was served on: Jonathon Goldstein and David Haber, of Haber Slade, P.A., dhaber@haberlaw.com and jgoldstein@haberlaw.com; Stefanie S. Copelow, Esq., Michael I Kessler, Esq., S. Jonathan Vine, Esq., Cole, Scott & Kissane, P.A., 222 Lakeview Avenue, Suite 120, West Palm Beach, Florida 33401 (Stefanie.Copelow@csklegal.com; Michael.Kessler@csklegal.com; Jonathan.Vine@csklegal.com; Denise.Allwine@csklegal.com; leslie.vargo@csklegal.com; iraida.avila@csklegal.com); Ramy P. Elmasri, Esq., K. Scott Dwyer, Esq., and Nicholas Travis, Esq., Vernis & Bowling of Miami, P.A., 1680 NE 135th Street, Miami, Florida 33181; RPEfiling@Florida-law.com; RPEfiling@Florida-law.com; ntravis@Florida-law.com; ramyelmasri@aol.com; ksdwyer@florida-law.com; rloika@florida-law.com; dhorn@floridalaw.com); Gerard S. Collins, Esq., Kaye Bender Rembaum, P.L., 1200 Park Central Boulevard South, Pompano Beach, Florida 33064 (litigation@kbrlegal.com and gcollins@kbrlegal.com); and Robert A. Bouvatte, Esq., Dale L. Friedman, Esq., Conroy, Simberg, Ganon, 3440 Hollywood Boulevard, Hollywood, Florida 33021 (rbouvatte@conroysimberg.com; eser vicehwd@conroysimberg.com; dgailey@conroysimberg.com; dfriedman@conroysimberg.com), this 18th day of December, 2017.

BY: /s/ Gregory R. Elder
Gregory R. Elder, Esq.

EXHIBIT A

PLEASE RECORD AND RETURN TO:
Doris S. Greenspoon, Esq.
12000 B 31st, Suite 204
North Miami, Florida 33181

MMid
#60
6/28/83

84- 12296

THIS INSTRUMENT PREPARED BY:
MICHAEL MARDER, ESQ.
GREENSPOON & MARDER, P.A.
12501 Northeast Ninth Avenue
North Miami, Florida 33181

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

THE HOLLYWOOD BEACH HOTEL

...

This Declaration of Covenants, Conditions and Restrictions (the "Plan") for THE HOLLYWOOD BEACH HOTEL, is made this 15th day of July 1983, by ISAAC GAMEL and LOCO TRADE OF FLORIDA, INC., a Florida corporation, as co-partners doing business as HOLLYWOOD INTERNATIONAL, a Florida general partnership (hereinafter referred to as "Developer").

WHEREAS, Developer is the owner in fee simple of certain real property described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "property"); and

WHEREAS, Developer intends to establish a plan of development for the property which may include but not necessarily be limited to the creation of Time Share interests and; commercial activities such as shops, nightclubs, restaurants, hotel accommodations, meeting areas and commercial office space; and

WHEREAS, the Developer intends to develop the property in phases and desires to create pursuant to this Declaration the initial phase of development, which shall consist of the creation of Time Share interests; and

WHEREAS, Developer deems it advisable to subject the property to certain land use covenants, restrictions, reservations, regulations, burdens, liens and easements all as hereinafter set forth and to create an Association to be known as THE HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC., (the "Association") the purpose of which shall be to operate, administer, manage, and maintain the initial phase of development created hereby and to perform such other duties as may be assigned to it from time to time pursuant to the terms hereof;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, Developer hereby declares that the property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the conditions, covenants, restrictions, easements, reservations, regulations and burdens hereinafter set forth, all of which shall run with the property and which shall be binding on all parties having any right, title or interest in the property so committed, and their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

The following words and phrases when used in the Plan (unless the context should clearly reflect another meaning) shall have the following meanings:

A. "Act" means Chapter 71, Florida Statutes, as amended prior to the recording of these covenants, conditions and restrictions.

B. "Annual Assessment" means the share of funds required for the payment of Common Expenses which is assessed annually against an Owner.

C. "Articles" means the Articles of Incorporation of the Association.

D. "Assigned Unit" means the Unit assigned to an Owner by Developer at the time of conveyance of a Time Share interest which such Owner shall occupy during the Owner's "Assigned Unit Week" (as hereinafter defined).

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E. "Assigned Unit Week" means the Unit Week assigned to an Owner by the Developer at the time of conveyance of a Time Share Interest.

F. "Association" means ~~HOLLYWOOD BEACHES HOTEL OWNERS ASSOCIATION~~ a Florida corporation not-for-profit.

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

H. "By-Laws" means the By-Laws of the Association.

I. "Common Facilities" means those portions of the property not specifically included as part of the Time Share Accommodations which are to be used or enjoyed in common by Owners and the Developer, its successors, assigns, designees and licensees. The Common Facilities shall initially consist of those portions of the property described in Article III(b)(c) however may be expanded from time to time in the sole discretion of the Developer without the consent of the Association or any Owner other than the Developer.

J. "Common Areas" means those portions of the Time Share Accommodations which are not included in the Units and specifically excludes any portion of the Common Facilities.

K. "Common Expenses" means costs incurred in the operation of the Time Share Accommodations and the Common Facilities and includes but is not necessarily limited to:

(1) Costs incurred in the operation, maintenance, repair or replacement of the Units, any portion of the Time Share Accommodations, the Common Areas, the Common Facilities, costs of carrying out the powers and duties of the Association, costs of fire and extended coverage insurance; and

(2) Any other expenses designated as "Common Expenses" by the Association in its sole discretion.

L. "Developer" means HOLLYWOOD INTERNATIONAL, a Florida general partnership, its successors and assigns. An "Owner" (as hereinafter defined) shall not solely by reason of the purchase of a "Time Share Interest" (as hereinafter defined) be deemed a grantee, successor or assign of Developer's rights or obligations under the Plan unless such Owner is specifically so designated as a successor or assign of Developer's rights or obligations in the respective instrument of conveyance or other instruments executed by Developer.

M. "Institutional Mortgagee" means a bank, a federal or state savings and loan association, an insurance company, a mortgage company, a real estate investment or business trust, a pension fund, an agency of the United States government, any other lender generally recognized as an institutional type lender owning and holding a mortgage encumbering a Time Share Interest and includes Developer or its assigns with respect to mortgages which it holds encumbering a Time Share Interest.

N. "Managing Entity" means the entity, if any, employed by the Association to operate and manage the Time Share Accommodations.

O. "Owner" means a person to whom the Developer has conveyed or record a Time Share Interest.

P. "Plan" means this Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

Q. "Retained Property" means all portions of the property not specifically included as part of the Time Share Accommodations and Common Facilities. Except as otherwise specifically provided for herein, the Developer, its successors and assigns shall have the exclusive right to use, occupy and enjoy the Retained Property including the right to sell, assign, and/or transfer such exclusive occupancy and/or use rights and to charge fees to Owners of Time Share Accommodations for use and access thereto. The Developer, its successors and assigns shall have the right to manage and control the Retained Property and to make any legal use thereof which may include but not necessarily be limited to one or more shops, nightclubs, restaurants, meeting rooms, hotel accommodations and commercial office space.

R. "Rules and Regulations" means the Rules and Regulations of the Association.

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S. "Service Period" means that period of time designated by the Association in its sole discretion, commencing at the end of each Unit Week and ending at the beginning of the next Unit Week to be used by the Association to clean, service and maintain a Unit and the Common Areas. The Service Period shall initially run for five (5) hours from 10:00 a.m. until 3:00 p.m. however it may be changed by the Association in its sole discretion provided however that the Service Period shall not be less than three (3) hours nor more than seven (7) hours.

T. "Special Assessment" means a share of funds required for the payment of Common Expenses which from time to time is assessed against an Owner in addition to the Annual Assessment.

U. "Time Share Accommodations" means that portion of the property including all improvements thereon and therein including the common areas and all furniture, furnishings, and fixtures, reserved for the exclusive use of owners of one or more Time Share Interests.

V. "Time Share Interest" means the Ownership in fee simple of an undivided interest as a tenant in common in the property with the Developer and Owners of other Time Share Interests together with the right to use and occupy an assigned unit during an assigned unit week in the Time Share Accommodations. The Owner of a Time Share Interest shall not have the right to use and occupy any portion of the property other than the assigned Unit during the assigned Unit Week in the Time Share Accommodations and those portions of the Common Facilities designated for use by Owners except as otherwise set forth herein.

W. "Unit" means a part of the Time Share Accommodations which is subject to exclusive possession.

X. "Unit Week" means a period of use of a Unit which shall consist of not less than seven (7) days. Unit Weeks are computed as follows:

Unit Week No. 1 is the Seven (7) Days commencing on the first Saturday in each year.

Unit Week No. 2 is the Seven (7) Days succeeding.

Additional Unit Weeks, up to and including Unit Week No. 51, are computed in a like manner.

Unit Week No. 52 contains the Seven (7) Days succeeding the end of Unit Week No. 51, without regard to the month or year, plus any excess days not otherwise assigned. Unit Weeks run from 12:00 p.m. on the first Saturday of the Unit Week to 12:00 p.m. on the last Saturday of the Unit Week.

ARTICLE II

DESCRIPTION OF IMPROVEMENTS AND TIME SHARING PLAN

A. Plan.

The Developer shall convey to each Owner by Warranty Deed the ownership in fee simple of an undivided interest in the property previously referenced as Exhibit "A" attached hereto, as a tenant in common with other Owners, including the Developer. Each Time Share Interest created with respect to Phase (a) as described in Article III hereof shall consist of an undivided .0046904% interest in the property. The aggregate of all Time Share Interests created in the Time Share Accommodations with respect to Phase (a) will equal an undivided 9.268293% interest in the property. An Owner may be the Owner of more than one Time Share Interest. The Deed of conveyance by Developer of a Time Share Interest shall designate a Unit which the Owner shall occupy and a Unit Week during which the Owner shall occupy his Unit. The Unit and the Unit Week which is designated for use by a particular Owner shall be such Owner's assigned Unit and assigned Unit Week. Such assigned Unit and assigned Unit Week shall be selected by the Owner. The Owner shall be entitled to the exclusive use of his assigned Unit and to no other Unit and to the non-exclusive use of the common areas and Common Facilities in accordance with the terms hereof. An Owner

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shall not have the right to the use of a Unit except during such Owner's assigned Unit Week, however, this shall not restrict the use by an Owner of the common areas or the Common Facilities at other times of the year, subject to the rules and regulations adopted from time to time by the Association. The Owner of a Time Share Interest shall not have any right to the use of any portion of the property not specifically designated for use by Owners of Time Share Interests and specifically shall have no right whatsoever directly or indirectly to use, enjoy, or occupy for any purpose any portion of the Retained Property except upon such terms and conditions as may be permitted by the Developer, its successors and assigns. The Developer reserves the right exclusively to make any legal use of the Retained Property which the Developer may in its sole discretion deem appropriate and may in its sole discretion sell, lease, transfer, or assign its ownership and use rights thereof and may charge fees to Owners of Time Share Interests in Time Share Accommodations for use thereof. No sale, lease, assignment, or transfer of the Developer's exclusive rights to the Retained Property shall effect the ownership and use rights of the Owners of Time Share Interests in the Time Share Accommodation and/or Common Facilities; and, any purchaser, lessee, or transferee of the Developer's interest of the Retained Property shall be subject to all of the terms, conditions, and provisions of this Plan.

B. Description of Property and Time Share Accommodations.

1. A survey of the Property upon which the Time Share Accommodations, the Common Facilities, and Retained Properties are located is attached hereto and made a part hereof as Exhibit "B". The plot plan, site plan and graphic description of improvements of the Property is attached hereto and made a part hereof as Composite Exhibit "C" and depicts thereon the existing phase of development and all subsequent proposed phases as well as the Common Areas, Common Facilities, Retained Properties, and those portions of the Property excluded from the Time Share Plan. The initial phase of development whereby Time Share Interests are being created shall be designated Phase (a) and shall consist of thirty-eight (38) Units located upon the sixth floor of the Property designated as Parcel A on Exhibit "C" previously referenced which parcel also contains the Common Facilities, Common Areas and Retained Properties. A graphic description of the sixth floor and the Units located thereon is attached hereto and made a part hereof as Exhibit "C" Sheet 6 and Exhibit "C" Sheet 6(a). Phase (a) of the Time Share Accommodations consist of twenty-four (24) one bedroom/one bath Units and fourteen (14) studios. Each Unit shall contain a kitchen and be fully furnished.

C. Description of Common Facilities.

1. The Common Facilities shall initially consist of the lower lobby and elevators (excluding all service elevators) and all electrical, water, sewer, garbage disposal, gas, plumbing, air conditioning, all other mechanical equipment and systems serving the building located upon the Property; and, all structural components, the roof, and all exterior portions of the building and the parking areas and landscaping located thereon, together with all areas designated as Common Facilities on Composite Exhibit "C". It is to be specifically noted that certain areas depicted on Composite Exhibit "C" designated as Common Facilities are to be included as part of proposed future phases. Except as otherwise specifically provided herein, until such time as such proposed future "Common Facilities" are added by the Developer such portions of the Property shall be deemed Retained Property subject to the exclusive control, use and benefit of the Developer, its successors, assigns and licensees.

2. While each Owner shall acquire an undivided interest in the Property as a tenant in common, the Developer, its successors and assigns retains the right to use such facilities on a mutual non-exclusive basis. All Common Facilities shall be managed by the Association except as otherwise provided for herein. The Developer may, however, be not obligated to, add additional properties and improvements to the Common Facilities in its sole discretion, without the consent of the Association or any Owner. If, as and when the Developer desires to add additional properties and improvements to the Common Facilities, the Developer may do so by execution of an amendment to this Declaration (which amendment need not be joined into by the Association or any Owner) wherein such amendment designates additional portions of the Property to be included as part of the Common Facilities together with a revised survey, site plan and graphic description of improvements depicting the additional Common Facilities added pursuant to such amendment.

3. The Developer, its successors, assigns, licensees and designees, and the Owners of Time Share Interests shall have the joint and mutual use of the Common Facilities subject to the exclusive right of the Association to regulate and control the Common Facilities for the health, safety and welfare of all Owners. The Association is hereby empowered to adopt from time to time such rules and regulations as may

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conjunction therewith. Such additional portions of the property may be added without the consent of the Association or any Owner. As previously indicated Composite Exhibit "C" graphically describes those portions of the property including existing and proposed Time Share Accommodations, Common Facilities, and Retained Properties. Notwithstanding anything depicted on Composite Exhibit "C", the Developer reserves the right in its sole discretion to submit portions of the property as additional Common Facilities other than those portions of the property designated as proposed future Common Facilities. Specifically, the Developer may however is not obligated to submit as additional Common Facilities or Time Share Accommodations those portions of the property designated as Retained Properties.

7. Notwithstanding anything contained herein to the contrary, the number of Units and Unit types may vary from the Developer's proposed plan of phase development as set forth on Exhibit "E". The Developer in its sole discretion reserves the right to increase or decrease the number of Units to be included within each phase and to modify the Unit types. The Developer also reserves the right to increase or decrease said number and individual percentage of Time Share Interests conveyed however the aggregate undivided percentage interest of each phase shall not vary from that described on Exhibit "E".

8. As referenced on Exhibit "C", a swimming pool, and pool deck area (hereinafter referred to as the "SWIMMING POOL") are to be located on Phase I(b), if, as and when Phase I(b) is submitted as part of a phase to the development. Such facility is designated as Parcel 8 on Exhibit "C" previously referenced and is described on Exhibit "F" attached hereto and made a part hereof. It is specifically noted that such property is not a part of the property referenced on Exhibit "A" (Parcel A) and no Owner of a Time Share Interest shall gain any ownership rights therein. The Developer shall retain exclusive control and ownership of such facility subject however to the right of each Owner of a Time Share Interest the use thereof subject to payment of applicable fees. If, as and when the SWIMMING POOL is added as part of Phase I(b) such facility shall be deemed an addition to the Beach Club Facilities and shall be subject to all terms, conditions and provisions therefor as set forth in Exhibit "D".

9. The Developer may be required pursuant to the applicable requirements of local governmental authorities to provide additional parking facilities if, as and when additional phases are added to the development. Such additional parking facilities may include the construction of a parking garage upon the property and may also include the dedication of adjacent parcels of property as depicted on Exhibit "C". Attached hereto and made a part hereof as Exhibit "G" are descriptions of additional parcels of property which may be dedicated in the future as parking facilities. If, as and when such additional parcels are added as may be required by governmental authority, such parcels shall be deemed additional Common Facilities and subject to all terms and conditions contained herein with respect to management, operation, control and maintenance. Notwithstanding anything contained herein to the contrary, the Developer shall not be obligated to submit such additional parcels except as may be specifically required by local governmental authority.

10. As previously noted, additional parking facilities may include the construction of a parking garage (proposed parking garage No. 1 or as an alternative site proposed parking garage No. 2 as depicted on Composite Exhibit "C"). If, as and when such additional facility is constructed, it shall be constructed at the sole cost and expense of the Developer, and when so constructed shall be deemed an additional Common Facility for all purposes subject to all terms, conditions and provisions set forth herein with respect to management, maintenance and operation of the Common Facilities.

11. If, as, and when additional Common Facilities are submitted, the Developer reserves the right to grant use rights to third persons, firms, and entities other than the Owners of Time Share Interests upon such terms and conditions as the Developer may deem appropriate. Such use rights shall be on a non-exclusive basis with the use rights of Owners of Time Share Interests in Time Share Accommodations as provided for herein.

12. Upon the submission of Phase I(a), which as previously referenced is the initial phase of the development, membership in the association shall consist solely of the Owners of Time Share Interests in the Time Share Accommodations located in such initial phase and the Developer. In the event the Developer makes and an election to submit one or more additional phases, membership in the Association shall be expanded to include the Owners of Time Share Interests in such additional Time Share Accommodations. Upon the submission of additional phases, the number of membership interests in the Association shall be expanded to include the additional Time Share Interests submitted and upon submission thereof, each Owner of a Time

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Share interest in such additional phase shall have membership status in the Association in conjunction with the Owners of Time Share Interests in previous phases. The membership interest of each Owner in the Association shall equal such Owner's undivided interest in the property.

13. While the Developers plan of phase development as set forth on Exhibit "E" previously referenced is set forth in numerical sequence, the Developer shall not be obligated to submit any phase in the order designated, however may submit one or more phases in any sequence which the Developer in its sole discretion may elect.

14. Amendments adding additional phases shall not require the consent or execution of such amendment by any person, firm or entity other than the Developer including but not limited to Owners of Time Share Interests, the Association, or mortgagees. The election by the Developer to create and submit one or more additional phases shall be evidenced by a Notice of Election describing such phase and specifying that such phase is subject to all of the terms and conditions of this Declaration as same may be amended from time to time.

15. All Owners of Time Share Interests including Owners of Time Share Interests in additional phases shall with respect to all matters on which a vote by Owners is required or permitted to be taken pursuant to the Plan, the Articles or By-Laws, have a vote equal to the percentage ownership interest in the property. The total membership of the Association shall be comprised of all Owners of Time Share Interests and the Developer with respect to its ownership of Time Share Interests and the Retained Property.

16. Upon submission of additional phases, the assessments to be charged to each Owner of a Time Share Interest shall automatically be adjusted to provide for the additional phases so added.

E. Creation of Association for Management of Retained Property.

Notwithstanding anything contained herein to the contrary, the Developer may, in its sole discretion, create an Association solely for the purposes of managing the Developer's interest in the Retained Property. Such Association may be empowered at the election of the Developer to operate, manage, or administer commercial areas located within the building other than the areas which are deemed to be Common Facilities and Time Share Accommodations. Such Association may also be designated by the Developer to operate and manage the beach club facility.

ARTICLE III

THE ASSOCIATION

A. Duties - Organization.

The Association is a non-profit Florida corporation, which shall be the governing body for the operation of all Time Share Accommodations and the Common Facilities. Neither the officers nor the directors shall be required to be members of the Association. The Board of Directors of the Association and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Articles and the By-Laws, as same may be amended from time to time. The initial Board shall consist of three (3) members, however, may be increased from time to time in accordance with the provisions of the Articles and By-Laws to include no more than seven (7) members. The Developer reserves the right to appoint all members to the Board until January 1, 1997. During such period of time, Owners shall not have the right to elect members to the Board except as may be otherwise permitted in the sole discretion of the Developer. Thereafter, the Developer reserves the right to appoint a majority of the members to the Board only in the event the Developer retains at least a fifty (50%) percent undivided interest in the property. The Developer reserves the right to appoint no less than one (1) member to the Board as long as the Developer retains any ownership interest in the property. A copy of the Articles of Incorporation of the Association are attached hereto and made a part hereof as Exhibit "H" and the By-Laws of the Association are attached hereto as Exhibit "I".

B. Membership.

1. Qualifications: Each Owner of a Time Share Interest shall be a member of the Association. The Developer, its successors, or assigns shall be a member with respect to its undivided percentage interest in the property including

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unsold Time Share Interests in Time Share Accommodations created hereby and the Retained Property.

2. Transfer of Membership: The Association membership of each Owner (excluding the Developer, its successors, and assigns) shall be appurtenant to the Time Share interest giving rise to such membership and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon the transfer of any title to said Time Share interests, and then only to the transferee of title to such interests. Any attempt to make a prohibited transfer shall be void. Any transfer of title to such Time Share interests shall operate automatically to transfer the membership in the Association to the new Owner thereof. The membership of the Developer, its successors, and assigns in the Association shall be contingent upon the ownership of an undivided percentage interest in the property. Any transfer by the Developer shall vest ownership and membership rights of such transferee in the Association subject to the terms hereof.

C. Voting.

Subject to the provisions of the Articles and By-Laws of the Association applicable thereto, each Owner or Owners of a Time Share interest including the Developer with respect to its ownership of unsold Time Share interests and its ownership in the Retained Property, shall have a percentage vote in the Association equal to its percentage of ownership. Unless otherwise provided for in this Plan, the Articles and/or the By-Laws, with respect to any issue required or permitted to be voted on, the casting of votes by fifty-one (51%) percent of the total votes of the Owners (including the Developer with respect to its undivided interest in the Retained Property) present at the meeting called, (provided a quorum is present), shall be sufficient to determine any issue voted upon. All voting, election of directors and expansion of the board shall be in accordance with the provisions of the Articles and/or By-Laws.

D. Duties of the Association.

1. Maintenance and Management of Time Share Accommodations, and Common Facilities: The Association shall be responsible for the maintenance, repair and replacement of the Time Share Accommodations, and all Common Facilities. The Association may enter into an agreement with such firms or companies as it may determine to provide certain services and/or maintenance for and on behalf of the Owners whereby the maintenance and services are provided on a regularly scheduled basis for any maintenance and service as the Association deems advisable and for such period of time and on such basis as it determines. Such agreement shall be entered into by the Association on behalf of all members of the Association. The fee for such services shall be deemed a Common Expense and included in the regular maintenance assessment.

2. Interior Color Scheme: In addition, the Association shall determine the color scheme of all buildings located on the property and all exterior and interior color schemes for the Time Share Accommodations and Common Facilities and shall be responsible for the maintenance thereof. The Association shall determine the interior color scheme, decor and furnishings of each Unit in the Time Share Accommodations, as well as the proper time for redecorating and replacements thereof. In addition, the Association shall determine the color scheme of all Buildings located on the property and all exterior and the interior color schemes for the Common Areas, and Common Facilities and shall be responsible for the maintenance thereof.

3. Other Utilities: The Association shall acquire water, sewer, garbage disposal, electrical, telephone, gas and other necessary utility services for the Time Share Accommodations and Common Facilities.

4. Insurance: The Association shall obtain, maintain and enforce the policies of insurance as required herein.

5. Rules and Regulations: The Association shall make, establish, promulgate, amend and repeal Association rules as the Association may from time to time deem advisable, in its sole discretion.

6. Taxes and Assessments: The Association shall collect all taxes and assessments from its members in accordance with the Act and all applicable laws.

7. Enforcement of Restrictions and Rules: The Association shall perform such other acts, whether or not expressly authorized by the Plan, as may be

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reasonably necessary to enforce any of the provisions of the Plan, the Articles, By-Laws or Association rules and regulations.

8. Compliance with Act: The Association shall perform all duties of a managing entity as required by the Act. The managing entity shall act in the capacity of a fiduciary to the Owners. In addition to such other requirements as are set forth in the Act, the Association shall:

(a) Provide, each year, to all Owners including the Developer with respect to its undivided percentage interest in the property an itemized Annual Budget which shall include all receipts and expenditures;

(b) Maintain all books and records concerning the Time Share Accommodations and Common Facilities. All such books and records shall be reasonably available for inspection by any Owner or the authorized agent of any Owner. In addition, any Owner shall have the right to demand and receive from the Association, upon reasonable notice, a complete list of the names and addresses of all other Owners of Time Share Accommodations upon the payment of a reasonable fee for reproduction costs.

(c) Arrange for an annual independent audit to be conducted by a Certified Public Accountant in accordance with the standards of the Accounting Standards Board of the American Institute of Certified Public Accountants of all books and records of the Association.

(d) Make available for inspection by the Division the books and records of the Association.

(e) Schedule the occupancy of Time Share Units in the Time Share Accommodations.

(f) Perform any other functions and duties which are necessary and proper to maintain the Time Share Accommodations and the Common Facilities.

F. Powers and Authorities of the Association.

In addition to such other powers as may be set forth in the Plan, the Articles, or the By-Laws, the Association shall have all the powers of a non-profit corporation organized under the laws of the State of Florida, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, By-Laws or this Plan. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Plan, the Articles and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation:

1. **Assessments:** To levy assessments on the Owners of Time Share Interests and the Developer, its successors, and assigns with respect to its undivided percentage interest in the property, and to enforce payment of such assessments.

2. **Right of Entry and Enforcement:** To enter upon any portion of the Time Share Accommodations, and/or Common Facilities for the purpose of enforcing by peaceful means any other provisions of this Plan or for the purpose of maintaining or repairing any such area if, for any reason whatsoever, maintenance is required thereto.

3. **Easements and Rights-of-Way:** To grant and convey to the Developer or any third party easements and rights-of-way in, on, over or under any portion of the Common Facilities and Common Areas for the purpose of constructing, erecting, operating or maintaining therein, thereon, or thereunder:

(a) Overhead or underground lines, cables, wires, conduits or other devices for the transmission of electricity for lighting, heating, power, telephone or other purposes;

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(b) Public sewers, storm water drains, pipes, water systems, sprinkler systems, water, heating and gas lines or pipes; and, similar public or quasi-public improvements or facilities.

4. Transfer, Dedication and Encumbrance: To sell, transfer or encumber all or any portion of the Common Facilities and Common Areas including the private streets, if any, and any other portion of the property owned by the Association, to a person, firm or entity, whether public or private, and the right of the Association to dedicate or transfer all or any portion of the property owned by the Association to any public agency, authority or Utility for the purposes and subject to such conditions as may be agreed to by the members of the Association. No such sale, transfer, encumbrance or dedication shall be effective unless an instrument signed by the members entitled to cast seventy five (75%) percent of the votes of the members of the Association has been recorded, agreeing to such sale, transfer, encumbrance or dedication, unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance. Notwithstanding anything contained herein to the contrary, until the Developer has transferred control of the Association, as provided elsewhere herein, the Association shall be permitted to sell, transfer, encumber or dedicate such portion of the Common Facilities and/or Common Areas located on the property as, in its sole discretion, it shall deem appropriate and in the best interests of the development without the consent or vote of the members of the Association.

5. Employment of Agents: To employ the services of any person or corporation as Manager, or other employees, to, as may be directed by the Board, manage, conduct and perform the business, obligations and duties of the Association, and to enter into contracts for such purpose. Such agent shall have the right to ingress and egress over such portions of the Common Facilities and Common Areas and the Time Share Accommodations as is necessary for the performance of such business, duties and obligations.

6. Employment of Professional Advisors: To employ professional counsel and advise such persons, firms or corporations such as, but not limited to, landscape architects, recreation experts, planners, lawyers and accountants.

7. Create Classes of Service and Make Appropriate Charges: To create, in its sole discretion, various classes of service and to make appropriate charges therefor for the users thereof, including, but not limited to, reasonable admission and other fees for the use of any recreational facilities situated on the Common Facilities and to avail itself of any rights granted by law without being required to render such services to those of its members who do not assent to the said charges and to such other rules and regulations as the Board deems proper. In addition, the Board shall have the right to discontinue any service on nonpayment or to eliminate such services for which there is no demand therefor or adequate funds to maintain the same out of charges.

8. Miscellaneous: To sue and be sued; pay taxes; make and enter into contracts; and insure, enter into leases or concessions and to pass good and marketable title to the Common Facilities; dedicate or transfer all or any part of the Common Areas or Common Facilities to a public agency, authority or utility for such purposes and subject to such conditions as may be reasonable; make and execute any and all proper Affidavits for various purposes; compromise any action without leave of Court; insure its own liability for claims against it and against its officers, directors, employees and contractors.

9. Three (3) Year Limitation: Notwithstanding anything to the contrary herein, the Developer and its agents are precluded from entering into any contract which binds the Association or its Board for a period in excess of three (3) years, unless reasonable cancellation provisions are included in any such contract.

10. Personal Liability: No member of the Board or any officer of the Association or the Developer or the Manager shall be personally liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Manager or any other representative or employee of the Association, the Developer or any officer of the Association, provided that such person, firm or entity has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

11. Books and Records: To keep separate books and records in accordance with the Articles and/or By-Laws for the Time Share Accommodations and the Common Facilities.

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12. Management of Retained Property: Notwithstanding anything contained herein to the contrary, the Association shall have no authority to act in connection with nor manage any portion of the property designated as Retained Property, and the Developer, its successors and assigns shall have exclusive control thereof.

13. Affirmative Covenant to Pay Expenses: There shall be included in the Budget of the Time Share Accommodations an assessment for management and maintenance of the Common Facilities. There shall also be a separate budgeted amount for Beach Club Membership pursuant to the Beach Club Membership Agreement attached hereto as Exhibit "D". With respect to the Common Facilities (other than Club Membership in the Beach Club) the Owners of Time Share Interests shall be assessed with respect to the total expenses for maintenance and management of the Common Facilities in accordance with the undivided percentage interest of each Owner in the property.

ARTICLE IV

ASSESSMENTS FOR COMMON EXPENSES; ESTABLISHMENT OF LIENS

In order to (1) fulfill the covenants herein contained in the Plan; (2) to preserve the Units, Common Areas, Common Facilities for the recreation, safety, welfare and benefit of Owners, their licensees, invitees, guests, family members and lessees; and (3) to provide for improvement, maintenance and preservation of the Units, Common Areas, Common Facilities and the services and amenities provided for herein, there is hereby imposed upon the Association and the Owners, the affirmative covenant and obligation to pay the Common Expenses as defined and more particularly set forth in Article VI of the Plan. The Association, by its Board, shall prepare and adopt in accordance with the By-Laws an annual Budget setting forth the Common Expenses for the operation and management of the Time Share Accommodations and the Common Facilities. The Association shall establish a separate Budget for the operation and management of the Common Facilities and the operation and management of the time Share Accommodations. There shall be included in the Budget of the Time Share Accommodation an assessment for management and maintenance of the Common Facilities. There shall also be a separate budgeted amount for Beach Club Membership maintenance pursuant to the Beach Club Membership Agreement attached hereto. With respect to the Time Share Accommodations and Common Facilities (other than club membership in the Beach Club) the Owners of Time Share Interests shall be assessed with respect to the total expenses for maintenance and management of the Time Share Accommodations and Common Facilities in accordance with the undivided percentage interest of each Owner in the property.

The Association shall assess each Owner (including the Developer) its share of the common expenses (such assessment to include its share of expenses for the Common Facilities (as determined herein), which shares shall be assessed annually as an annual assessment, and the Association shall collect said sums. Annual Assessments shall be payable in advance of the year in which such Annual Assessments apply or upon such other date as may be from time to time determined by the Board. Notwithstanding the foregoing, each Owner shall be obligated to pay such Special Assessments as shall be levied in addition to the Annual Assessments by the Board against his or her Time Share Interest, either as a result of (a) extraordinary items of expense; (b) nonrecurring capital expenditures; (c) the failure or refusal of other Owners to pay their Annual or Special Assessments; (d) any sums expended by the Association for the repair or replacement of a Unit, Common Areas, or Common Facilities damaged by an Owner or its family members or guests; (e) any sums expended by the Association for the removal of any addition or alteration to a Unit, Common Areas or Common Facilities made by an Owner in violation of the provisions of the Plan, the Articles, By-Laws and/or Rules and Regulations of the Association; or (f) such other reason or basis determined by the Board in its sole discretion. Notwithstanding anything contained herein to the contrary, the Owner of Time Share Interest other than the Developer shall not be assessed for any expenditures relating to the lower lobby area so long as the Developer retains control thereof for sales purposes.

F. Lien.

The record Owner(s) of each Time Share Interest in any Time Share Accommodations and the Developer with respect to its undivided interest in the property shall be personally liable, jointly and severally to the Association for the payment of the Annual Assessments or any Special Assessment (hereinafter collectively referred to as "Assessments") levied by the Association against their Time Share Interest and/or undivided interest in the property and for all costs of collecting such Assessments, including interest, delinquent assessments and attorneys' fees at all trial and appellate levels. The Assessments, together with interest thereon, and the costs of collection, including reasonable attorneys' fees at all trial and appellate levels as herein provided

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are hereby declared to be a charge upon the Time Share Interest and with respect to the Developer, its successors, and assigns a lien on its undivided percentage interest in the property and shall be a continuing lien upon such interest. Each Assessment against a Time Share Interest, and with respect to the Developer its undivided interest in the property, together with interest thereon at the highest rate allowed by law and the cost of collection thereon, shall be the personal obligation of the person, persons or entities owning such interest so assessed. Said lien shall be effective only from and after the date of recordation among the Public Records of Broward County, Florida, of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of the statement of lien. An Institutional Mortgagee acquiring title to a Time Share Interest or to the undivided percentage interest in the property of the Developer as a result of foreclosure of such mortgage or deed in lieu of foreclosure shall not be liable for the share of Common Expenses or other expenses chargeable to the former Owner which became due prior to such acquisition of title unless secured by a claim of lien recorded prior to the recording of the foreclosed mortgage.

Notwithstanding anything contained herein to the contrary, any lien against a Time Share Interest shall encumber only the Assigned Unit during the Assigned Unit Week associated with said Time Share Interest and shall not encumber the property, real or personal of any other Owner including the Developer.

ARTICLE V

REMEDIES OF ENFORCEMENT

A. Enforcement of Plan.

1. The covenants and restrictions herein contained may be enforced by Developer or the Association in any judicial proceeding seeking any relief recognizable at law or in equity, including damages, injunction, and other mandatory relief against any person, persons, firm or entity violating or attempting to violate any covenant or restriction or to enforce any lien created by the Developer pursuant hereto. The failure either by the Developer or the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in any such litigation shall be entitled to reasonable attorneys' fees and court costs, including costs and fees at all trial and appellate levels. All such costs incurred by Developer or Association shall be a continuing lien upon the Time Share Interest of the defaulting Owner and such lien may be enforced in the manner set forth in paragraph (B) of this Article V.

2. All rights, remedies or relief of whatsoever nature or kind provided herein in favor of Developer or the Association shall be cumulative and non-exclusive and none shall exclude, jointly or severally, any other right, remedy or relief permitted by law or otherwise available to Developer or the Association.

3. In addition to any other remedies which Developer or Association may have, in the event an Owner shall be in default of any of the provisions of the Plan, the Articles, the By-Laws or the Rules and Regulations, the Developer and the Association may levy a fine against such Owner which shall continue until such default shall be remedied by the defaulting Owner. Any such fine shall be a continuing lien on the Time Share Interest of the defaulting Owner and may be enforced in the manner set forth in Paragraph B of this Article V.

B. Enforcement of Lien Rights and Other Remedies in the Event of Non-payment of Assessments.

1. In the event an Owner shall fail to pay any Assessment, then the Association may file an action at law to collect the Assessment plus interest at the highest rate allowed by law, plus court costs and reasonable attorneys' fees and may also file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property. The remedies provided herein shall be non-exclusive and cumulative and shall not exclude any other remedy available to the Association by this Plan, law or otherwise.

2. In addition to the foregoing remedies, the Board in its sole discretion may impose a late charge not to exceed twenty-five (25%) percent of the Assessment against an Owner in default.

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3. If the Owner remains in possession of the Unit and a claim of lien is foreclosed, the Owner shall pay a reasonable rental fee for the Unit and the Association is entitled to the appointment of a receiver to collect the rent.

4. Notwithstanding anything in this Plan to the contrary, in the event any Owner (other than the Developer) shall fail to pay any Assessment after the same becomes due, then during such period of default, such Owner shall not be entitled to possession of its Assigned Unit nor shall such Owner be entitled to vote or exercise any of the rights of an Owner as may be provided for herein. In addition to the foregoing, during the period of such default (other than default with respect to the Developer) as specified above, the Association shall be entitled, without further authorization from the Owner, to lease his Assigned Unit on such terms and conditions as may be determined in the sole discretion of the Association and to utilize any rental income received to reimburse the Association for any Assessment in default. Any excess fees received from such rental arrangements shall operate as a credit against future Assessments. The penalty imposed herein shall in no way operate as a waiver of other rights the Association may have in a court of law or equity to enforce the collection of such unpaid Assessments.

5. Any person who acquires an interest in a Time Share interest, except through foreclosure of a mortgage held by an Institutional Mortgagee or by acceptance of a deed in lieu of foreclosure as specifically provided herein, including but not limited to persons acquiring title by operation of law or purchasers at judicial sales, shall not be entitled to occupancy of the Time Share interest until such time as all unpaid Assessments due and owing by the former Owner have been paid.

C. Failure of Owner to Vacate.

In the event any Owner of a Time Share interest fails to vacate his Assigned Unit at the expiration of his Assigned Unit Week or at such earlier time as may be fixed by the Rules and Regulations adopted by the Association from time to time, he shall be deemed a "Holdover Owner". It shall be the responsibility of the Association to take such steps as may be necessary to remove such Holdover Owner from the Unit and to assist the Owner of a Time Share interest entitled to occupy a subsequent Assigned Unit Week who may be affected by the Holdover Owner's failure to vacate, to find alternative accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Association shall secure, at its expense, alternate accommodations for any Owner who may not occupy its Assigned Unit during its Assigned Unit Week due to the failure to vacate of any Holdover Owner. Such accommodations shall be as near in value to the Owner's own Assigned Unit as possible. The Holdover Owner shall be charged for the loss of such alternative accommodations and any other costs incurred due to his failure to vacate and an administrative fee of Fifty (\$50.00) Dollars per day during his period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over in order to secure alternative accommodations as set forth above, the entire period shall be the responsibility of the Holdover Owner, although the Fifty (\$50.00) Dollar per day administrative fee shall cease upon actual vacating by the Holdover Owner.

The Association shall submit a bill to the Holdover Owner in accordance with this paragraph. In the event the Holdover Owner fails to pay same within ten (10) days of the date of same, a lien shall be filed against said Holdover Owner's Time Share interest in accordance with the provisions hereof.

The foregoing provisions shall not abridge the Association's right to take such other action as is provided by law or equity.

ARTICLE VI

GUARANTEE OF ASSESSMENTS

Developer may guarantee the Common Expenses adopted from time to time by the Association and during any such period of guarantee, Developer shall not be required to pay any assessments levied with respect to any unsold Time Share interest owned by the Developer or with respect to the Developer's undivided interest in the Retained Property provided, however, during such period of Developer's guarantee, Developer shall be obligated to pay for any amount required to pay the Common Expenses not receivable from Owners of Time Share interests other than Developer.

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ARTICLE VII
COMMON EXPENSES

The following expenses are declared to be Common Expenses which the Owners are obligated to pay as provided herein.

- A. Maintenance Fees. All expenses for the repair and upkeep of a Unit for normal wear and tear, repair and replacement of furniture, fixtures, appliances, carpeting and utilities.
- B. Utility Charges. All charges levied for utilities providing services for any portion of the Time Share Accommodation and Common Facilities, whether they are supplied by a private or public firm. It is contemplated that this obligation will include all charges for water, gas, sprinkler systems, sprinkler pumps, telephone, sewer, sewage pumps and any other type of utility or any other type of service charge.
- C. Liability Insurance. The premiums on the policy or policies of insurance as described in Article IX of this Plan.
- D. Fire, Windstorm and Other Casualty Insurance. The premiums for insurance as described in Article X of this Plan.
- E. Destruction of Buildings or Improvements. Any sums necessary to repair or replace, construct or reconstruct damages caused by the destruction of any portion of the Time Share Accommodations or the Common Facilities by fire, windstorm or other casualty regardless of whether or not the same is covered in whole or in part by insurance. In the event insurance money shall be payable, such insurance money shall be paid in accordance with the provisions of Article X hereof.
- F. Repair, Replacement and Maintenance. All expenses necessary to keep and maintain, repair and replace any portion of the Time Share Accommodations, including, but not limited to, personal property, furniture, fixtures and equipment and any portion of the Common Facilities in a manner consistent with the development of the Time Share Accommodations and the Common Facilities and in accordance with the covenants and restrictions contained herein and in conformity with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction thereover, as well as the statutes and laws of the State of Florida and the United States.
- G. Operational Expenses. The costs of administration and operation of the Association, including any employees and managing entity or entities necessary to carry on the obligations and covenants of the Association.
- H. Indemnification. The Association covenants and agrees that it will indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life, and/or damage to property, sustained on the Time Share Accommodations or Common Facilities, thereto from and against all costs, counsel fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon and from and against any orders, judgments and/or decrees which may be entered thereon. Including in the foregoing provisions of indemnification are any expenses that Developer may be compelled to incur in bringing suit for the purpose of enforcing rights hereunder or for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in the Declaration to be kept and performed by the Association and its members.
- I. Reserve Funds. The cost to establish an adequate reserve fund for replacement and/or capital refurbishment and/or capital improvements of all or any portion of the Time Share Accommodations or Common Facilities determined proper and sufficient by the Board. Each Owner acknowledges, understands and consents that such reserve funds, if any, are the exclusive property of the Association as a whole and that no Owner shall have any interest, claim or right to any such reserves.
- J. Miscellaneous Expenses. The cost of all items of expenses pertaining to or for the benefit of the Time Share Accommodations or Common Facilities and any improvements now or hereafter located thereon or any part thereof not herein specifically enumerated.
- K. Taxes. If the Board so determines, the Board may include as Common Expenses, any and all taxes levied or assessed at any and all times by any and all taxing authorities, including all taxes, charges, assessments and impositions and liens

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for public improvements, special charges and assessments in water drainage districts and in general all taxes and tax liens which may be assessed against the Time Share Accommodations and the Common Amenities and against any and all personal property and improvements which are now or which may hereinafter be placed thereon, including any interest, penalties or other charges which may be included thereon. Notwithstanding anything contained herein to the contrary, however, unless otherwise required by law the Association shall not be obligated to include such taxes as part of the Common Expenses and collect Assessments therefor. However, in the event such taxes are not included as part of the Common Expenses of each Owner, the Association may, at its option collect such taxes.

L. Separate Budgets. The Association shall prepare separate budgets with respect to the Common Facilities and the Time Share Accommodations. The Budget for the Common Facilities shall include but not necessarily be limited to all expenses for maintenance, administration, management, repair and upkeep of the Common Facilities including but not limited to repair and replacement of furniture, fixtures, appliances, carpeting, utilities, and personal property used in connection therewith, and all electrical, water, sewer, garbage disposal, gas, plumbing, air conditioning and all other mechanical services and equipment, the roof, all structural components of the building in which the Time Share Accommodations and Common Facilities are located, all exterior portions of the building the parking facilities, and landscaping surrounding all areas of the building, in which the Time Share Accommodations and Common Facilities are located. The Budget for the Time Share Accommodations shall include similar expenses as may be applicable solely to such Time Share Accommodations.

ARTICLE VIII

MANAGEMENT OF Time Share Accommodations

The Association may, however, shall not be obligated to, enter into a management agreement with a separate management firm and/or a Manager (including Developer or its affiliate(s)) as the Board may determine in its sole discretion whereby it contracts for management services which are required to discharge its duties under this Plan and for the management, operation and maintenance of the Time Share Accommodations and Common Facilities. Further, the Association may, in the sole discretion, employ a Manager. All costs associated with such management may, at the discretion of the Board, be assessed as a Common Expense against the Owners.

ARTICLE IX

LIABILITY INSURANCE

The Board shall obtain liability insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing liability insurance coverage for the Time Share Accommodations, Common Facilities and each Member Time Share Accommodations managed by the Association. Premiums for such insurance shall be part of the Common Expenses. Such insurance shall also include public liability, workmen's compensation and hired automobile coverage. All liability insurance shall contain a cross liability endorsement to cover liabilities of the Owners as a group to each Owner.

ARTICLE X

CASUALTY INSURANCE AND DESTRUCTION OF IMPROVEMENTS

A. The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage for the Time Share Accommodations and Common Facilities, including fire and extended coverage insurance, vandalism and malicious mischief insurance and flood insurance sponsored by the federal government, all of which insurance shall insure all of the insurable improvements on and within the Time Share Accommodations and Common Facilities, including personal property owned by the Association, in and for the interest of the Association, all Owners and Institutional Mortgagees, as their interest may appear, in a company acceptable to the standards set by the Board in an amount equal to the maximum insurable replacement value as determined annually by the Board. The premiums for such coverage and other expenses in connection with such insurance shall be paid by the Association and charged to

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Owners as part of the Common Expenses. The company or companies with which the Association shall place its insurance coverage, as provided in this Plan, and the insurance agent or agents placing such insurance must be authorized to do business in the State of Florida with a place of business in Broward County, Florida. The Institutional Mortgagees holding the highest dollar indebtedness encumbering Time Share Interest shall have the right, for so long as it holds such highest dollar indebtedness, to approve the form of such insurance policies, the amounts thereof, the company or companies who shall be the insurers under such policies and the insurance agent or agents, and the designation of an "Insurance Trustee" (as hereinafter defined) and a successor "Insurance Trustee", which consent will not be unreasonably delayed or withheld. The Association shall have the right to designate an insurance trustee (the "Insurance Trustee") to act as an insurance trustee in the manner provided in this Plan, which insurance Trustee shall be a commercial bank or trust company which is authorized to do business in the State of Florida and which has its principal office in Broward County, Florida, and thereafter, at any time and from time to time, the Association shall have the right to change the Insurance Trustee to another such bank or trust company. In the event the Board determines in its sole discretion that it is impractical to obtain separate policies insuring the Time Share Accommodations, Common Facilities and Retained Property the Board may obtain one (1) policy insuring all portions of the property however the cost of such policy shall be allocated by the Association so that the Developer shall be solely responsible for the cost of coverage for all portions of the Retain Properties. The total cost of such insurance coverage on the Common Facilities and Time Share Accommodations shall be allocated to the maximum extent possible between the Developer and the Owners of Times Share Interests in accordance with the percentage ownership interest of each in the property.

B. All policies of insurance purchased by the Association shall be deposited with the Insurance Trustee upon its written acknowledgment that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its services as Insurance Trustee. The Board is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association in which Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premiums on policies, the renewal of policies, the sufficiency of the coverage of any such policies or any failure to collect any insurance proceeds under any policies.

C. In the event of any damage to the Time Share Accommodations, no Institutional Mortgagee shall have any right to participate in the determination of whether the Time Share Accommodations are to be rebuilt; nor shall any Institutional Mortgagee have the right to apply insurance proceeds received by the Insurance Trustee to the repayment of its loan, unless such proceeds are distributed to Owners and/or their respective Institutional Mortgagees.

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

1. Loss Less Than "Very Substantial": Where a loss or damage occurs to any Unit or Units in the Time Share Accommodations or to the Common Facilities, but said loss is less than "very substantial" (as hereinafter defined), it shall be obligatory upon the Association to repair or restore the damage caused by said loss. Where such loss or damage is less than "very substantial":

(a) The Board shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(b) If the damage or loss is limited to the Common Areas with no or inconsequential damage or loss to any individual Unit, and if such damage or loss to the Common Areas is less than \$3,000.00, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration of the damage.

(c) Subject to the provisions of subparagraph (f) hereinafter, if the damage or loss involves any individual Unit as well as the Common Areas, or if the damage is limited to the Common Areas alone, but is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association; provided, however, that upon the request of the Institutional

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Mortgagee, having the highest dollar indebtedness on Units in the Time Share Accommodations, the written approval shall also be required of such Institutional Mortgagee. Should written approval be required as aforesaid, it shall be said Institutional Mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the aforesaid Institutional Mortgagee, if said Institutional Mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee, and execute any affidavit required by law or by the Association, the aforesaid Institutional Mortgagee, or the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the Institutional Mortgagee whose approval may be required, as aforesaid, shall have the right to require the Association to obtain a completion, performance, and payment bond in an amount and with a bonding company authorized to do business in the State of Florida which is acceptable to said Institutional Mortgagee.

(d) Subject to the foregoing, the Board shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(e) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair to any Unit or Units or to the Common Areas (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a uniform Special Assessment against all Owners for the deficiency. The Special Assessment shall be delivered by the Association to the Insurance Trustee and added, by said Trustee, to the proceeds available for the repair and restoration of the Time Share Accommodations.

(f) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by Special Assessment within one hundred twenty (120) days after the casualty, so that sufficient funds are on hand to fully pay for such restoration and repair, then no Mortgagees shall have the right to require the application of insurance proceeds as to the payment of its loan; provided, however, this provision may be waived by the Board in favor of any Institutional Mortgagee upon request therefor at any time. To the extent that any insurance proceeds are required to be paid over to such Institutional Mortgagee, the Owner shall be obliged to replenish the funds so paid over, and said Owner and his Time Share interest shall be subject to Special Assessment for such sum.

2. "Very Substantial Damage": As used in this Plan, the term "very substantial" damage shall be deemed to mean loss or damage whereby any of the following conditions occur:

(a) Three-fourths (3/4) or more of the Time Share Accommodations and Common Facilities are rendered untenable and/or inoperable or loss or damage whereby seventy-five (75%) percent or more of the total amount of insurance coverage on the Time Share Accommodations and Common Facilities become payable; or

(b) In the event three-fourths (3/4) or more of the entire property in which the Time Share Accommodations and/or Common Facilities are located is rendered untenable or inoperable or whereby seventy-five (75%) percent or more of the total amount of insurance covering the entire property including the Time Share Accommodations and Common Facilities becomes payable.

Should such "very substantial" damage occur, then the loss shall be repaired or the insurance proceeds distributed in accordance with the terms contained herein.

3. In the event of such "very substantial" damage:

(a) The Board shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same.

(b) In the event the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements or if the insurance proceeds together with the funds described in subparagraph 3(c) below are sufficient for such purpose, then such damaged improvements shall be completely repaired and restored. The Board shall negotiate for the repair and restoration of such

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damaged improvements, and the Association shall negotiate and enter into a construction contract with a contractor to do the work on a fixed price basis or on any other reasonable terms acceptable to the Board, which contractor shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provision for progress payments to be contained in such construction contract; provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and executed affidavits required by law, the Association or any respective Institutional Mortgagees.

(c) In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements, the Board shall hold a special meeting to determine a Special Assessment against all of the Owners to obtain any necessary funds to repair and to restore such damaged improvements. Such Special Assessment shall be uniform as to all Time Share Interests. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Special Assessment against an Owner's Time Share Interest, setting forth the date or dates of payment of the same, and any and all funds received from the Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 3(b) immediately preceding. In the event three-fourths (3/4) of the Owners advise the Board in writing on or before the date for the first payment thereof that they are opposed to a Special Assessment, then the Insurance Trustee shall divide the net insurance proceeds equally and shall promptly pay each share of such proceeds to the Owners and Institutional Mortgagees of record as their interests may appear (an "Insurance Proceeds Distribution"). In making such distribution to the Owners and the Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Owners and their respective Institutional Mortgagees.

4. Notwithstanding anything contained herein to the contrary any insurance proceeds payable on any portions of the property other than the Time Share Accommodations and Common Facilities shall be payable directly to the Developer, its successor or assigns and not to the Insurance Trustee, it being the intent hereof that the insurance proceeds payable on account of damage to all or any portion of the Retained Property be payable solely for the use and benefit of the Developer.

5. Upon the occurrence of any damage, the Board shall immediately make a determination as to whether or not such damage has occurred to the Time Share Accommodations, Common Facilities or Retained Property and shall allocate to the fullest extent possible the amount of insurance applicable thereto.

6. In the event any dispute shall arise as to whether or not "very substantial" damage has occurred or as to the manner or amount of allocation of insurance proceeds with respect to the Time Share Accommodations, Common Facilities or Retained Property, it is agreed that such a finding made by the Board shall be binding upon all Owners.

7. The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and/or restored. Upon request of the Insurance Trustee, the Association shall deliver such certificate.

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

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

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10. Any repair, rebuilding or reconstruction of damaged property shall be substantially in accordance with the architectural plans and specifications for (a) the originally constructed Time Share Accommodations, (b) reconstructed Time Share Accommodations, or (c) new plans and specifications approved by the Board; provided, however, any material or substantial change in new plans and specifications approved by the Board from the plans and specifications of previously constructed property shall require approval by the Institutional Mortgagee holding the highest dollar indebtedness encumbering Units in the Time Share Accommodations.

E. Notwithstanding anything contained herein to the contrary, in the event a loss occurs which is determined to have been attributable to a particular Owner of a Time Share Interest and such loss causes damage to the Common Facilities and/or other Units in the Time Share Accommodations, then the Owner of the Time Share Interest to which the loss is attributable shall be assessed the entire expense of the insured's policy deductible, if any. In the event a loss occurs to the Common Facilities and/or Common Areas and more than one Unit within the Time Share Accommodations and such loss cannot be determined to have emanated from any particular Owner, then all Owners within the Time Share Accommodations, shall equally bear the expense of the insured's policy deductible, if any.

G. The Association shall, in addition to the insurance requirements contained herein, obtain adequate insurance, including liability insurance, for all portions of the Time Share Accommodations and all other portions of the property. All of the provisions herein, with respect to the obligations of the Association to acquire and maintain insurance and the distribution thereof, with respect to the Time Share Accommodations, shall apply equally with respect to the Common Facilities. With respect to the Common Facilities, the Developer, the Association, all members of the Association, and their Mortgagees, as their interests may appear, shall be designated as additional loss payees. The coverage shall equal the maximum insurable replacement value as determined annually by the Board. Casualty insurance shall include fire and extended coverage, vandalism and malicious mischief insurance, and flood insurance sponsored by the Federal Government, all of which shall insure all of the insurable improvements on the Common Facilities, including personal property.

ARTICLE XI

CONDEMNATION

A. Deposit of Awards with Insurance Trustee.

The taking of the Time Share Accommodations by condemnation shall be deemed to be a casualty and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though awards may be payable to Owners, in the event of failure to do so, in the discretion of the Board, a Special Assessment shall be made against a defaulting Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.

B. Determination Whether to Continue Time Share Accommodations.

Whether the Time Share Accommodations will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

C. Disbursement of Funds.

If the Time Share Accommodations is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be common property of the Owners and shall be owned and distributed in the manner of the Insurance Proceeds Distribution. If the Time Share Accommodations is not terminated after condemnation, the size of the Time Share Accommodations will be reduced, the Owners of condemned Units will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner of the Insurance Proceeds Distribution.

D. Unit Reduced But Tenatable.

If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenatable, the award for taking of a portion of the Unit shall be used for

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the following purposes in the order stated and the following changes shall be effected in the Time Share Accommodations

1. Restoration of Unit.

The Unit shall be made tenable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against Owners of the Unit Weeks in the Unit.

2. Distribution of Surplus.

The balance of the award, if any, shall be distributed to the Owners of Unit Weeks in the Unit and to each mortgagee of Unit Weeks in the Unit, the remittance being made payable jointly to the Owners and mortgagees.

3. Unit Made Untenable.

If the taking of the entire Unit or so reduces the size of a Unit that it cannot be made tenable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Time Share Accommodations.

1. Payment of Award. The award shall be paid first to all Institutional Mortgagees in an amount sufficient to pay off their mortgages due from those Units which are not tenable; and then jointly to the Owners and mortgagees of Unit Weeks in the Units not tenable in an amount equal to the market value of the Unit immediately prior to the taking and with credit being given for payments previously reserved for Institutional Mortgagees; and the balance, if any, to repairing and replacing the Common Areas.

2. Addition to Common Areas. The remaining portion of the Unit, if any, shall become part of the Common Area and shall be placed in condition for use by all of Unit Owners in the manner approved by the Board provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Areas.

3. Adjustment of Time Share Interest. The Time Share Interest of each Owner in the Units and Common Areas that continue as part of the Time Share Accommodations shall be adjusted to equally distribute the Time Share interests among the reduced number of Owners.

4. Special Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the Owner and to condition the remaining portion of the Unit for use as a part of the Common Areas, the additional funds required for those purposes shall be raised by Special Assessments against all of the Owners who will continue as Owners of Units after the changes in the Time Share Accommodations affected by the taking. The Special Assessments shall be made in proportion to the Time Share Interest of those Owners in the Time Share Accommodations after the changes affected by the taking.

5. Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Owner and mortgagees of Unit Weeks in the Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed equally against all Owners of Unit Weeks in the affected Units.

6. Taking of Common Areas. Awards for the taking of Common Areas shall be used to make the remaining portion of the Common Areas useable in the manner approved by the Board; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Areas. The balance of the awards for the taking of Common Areas, if any, shall be distributed equally to the Owners. If there is a mortgage of a Unit, the distribution shall be paid jointly to the Owner and the mortgagee of the Unit.

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G. Amendment of Plan. The changes in Units, in the Common Areas and in the Time Share Interest of each Owner shall be evidenced by an amendment of this Plan that need be approved by fifty-one (51%) percent of the total membership vote or Units whose Owner's Time Share Interest are affected by such condemnation.

ARTICLE XII

GRANT OF EASEMENTS AND RESERVATION OF EASEMENTS AND RIGHTS

A. Perpetual Non-Exclusive Easement to Common Areas and Public Ways.

The driveways, walks and other rights-of-way in the property shall be and the same are hereby declared reserved to be subject to a perpetual non-exclusive easement over and across same for ingress and egress to and from the Time Share Accommodations and publicly dedicated ways in favor of Developer, the Association, the Managing Entity, the Owners and all of their family members, guests, licensees, lessees and invitees.

B. Easements and Cross-Easements.

1. Developer hereby grants an easement or easements to the Association and its designees on, upon, across, through and under the Common Areas and/or the Common Facilities (which easement may include reasonable rights of access for persons and equipment necessary to accomplish such purposes) to provide utility services, including, without limitation, power, electric, light, telephone, cable television, gas, water, sewer and drainage and any other utility or service upon or for the benefit of any part of the resort and facility, and to provide for the repair and maintenance of the equipment required to provide such utility services.

C. Reservation of Easement by Developer.

The Developer reserves and shall have the right to enter into and transact in the Time Share Accommodations any portion of the property including the Common Facilities, any business necessary to consummate the sale or lease of Units or the construction or repair, maintenance or reconstruction of improvements located on the property, including the right to maintain models and a sales office, place signs, employ sales personnel, including the right to carry on construction or maintenance activities. The provisions hereof may not be suspended, superseded or modified in any manner and any amendment to the Declaration must be consented to in writing by the Developer. The rights of use and transaction of business set forth herein and any other rights reserved in the Declaration may be assigned in writing by the Developer in whole or in part.

ARTICLE XIII

LAND USE COVENANTS

In consideration of the benefits hereinafter contained and the payment of the Common Expenses referred to herein, Developer does hereby declare that the Time Share Accommodations and Common Facilities shall be used, transferred, demised, sold, conveyed and occupied subject to the terms of the Plan as follows:

A. Occupancy and Use Restrictions

1. The Units shall be for transient resort occupancy only. No trade, business, profession or other type of commercial activity may be conducted in any Unit except for any Units which are used by Developer for models, sales offices, construction offices, storage or related uses. Each Owner shall have the exclusive right to use and occupy his Assigned Unit during the Assigned Unit Week assigned to such Owner subject to the provisions of the Plan.

2. An Owner shall not keep a pet in his Unit unless specifically permitted by the Rules and Regulations which may be promulgated by the Association from time to time, nor shall an Owner keep any other animals, livestock or poultry in his Unit, nor may any of the same be raised, bred or kept upon the Common Facilities, Common Areas or any portion of the Time Share Accommodations.

3. An Owner shall not permit or suffer anything to be done or kept in its Unit which will increase the insurance rates on its Unit, Common Areas.

or Common Facilities which will obstruct or interfere with the rights of other Owners or the Association or the Managing Entity.

4. No Owner shall annoy other Owners by unreasonable noises or otherwise and no Owner shall commit or permit to be committed any nuisance or immoral or illegal act in its Unit or on the Unit, Common Areas, or Common Facilities.

5. In the event of damage to or destruction of any Unit, the furnishings in any Unit or the Common Areas, or any portion of the Common Facilities caused by an Owner or the family members, guests, invitees, lessees or licensees of an Owner, such Owner shall be liable for the cost of necessary repairs and reconstruction to restore the Unit, furnishings and/or Common Areas and/or Common Facilities to its original condition and the cost thereof shall be a lien in accordance with the terms provided for herein.

6. No Owner (with the exception of Developer, for so long as Developer is an Owner) shall display any sign, advertisement or notice of any type on the exterior of its Unit, the Common Areas or Common Facilities or at any window or other part of its Unit or on any personal property located therein; no Owner shall erect any exterior antennae or aerials upon its Unit or the Common Areas or Common Facilities; and no Owner shall cause anything to project out of any window, door, porch or balcony except as may be approved in writing by the Association (except as installed as of the date the Plan is recorded or except as thereafter installed by Developer).

7. An Owner (excluding Developer, for so long as Developer is an Owner) shall not be permitted to keep any boat, trailer, truck, camper or van in excess of twenty (20) feet long, recreational vehicle or other vehicle which is not a private passenger car on any portion of the Common Facilities and any such vehicle shall be removed at the expense of the Owner responsible therefor. The use of parking spaces may be further regulated and limited by the Rules and Regulations promulgated by the Association.

8. No clothesline or other similar device shall be allowed on any portion of the Time Share Accommodations or Common Areas or Common Facilities and no clothes, sheets, blankets, laundry, rugs or any kind of article shall be dried, aired, beaten or dusted by extending same from the windows, doors, porches or balconies of a Unit.

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

10. Waterclosets and other water apparatus on any portion of the property shall not be used for any purposes other than those for which they were constructed. Any Owner shall pay for any damage to a Unit, its contents and/or the Common Areas, and/or any portion of the Common Facilities because of the misuse of waterclosets or other apparatus in its Unit. Liability for any damage to a Unit caused by the moving or carrying of any article on the property shall be borne by the Owner responsible or the presence of such article. An Owner shall be liable for the expense of any maintenance, repair or replacement of any real or personal property rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents, licensees, or lessees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit, Common Areas, Common Facilities and shall also include the cost of repairing broken windows. An Owner shall also be liable for any personal injuries caused by his negligent acts or those of any member of his family, or his or their guests, employees, agents, licensees or lessees. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

11. No Owner shall use or permit to be brought into any Unit, porch or balcony any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzene or other explosives or articles deemed extra hazardous to life, limb or property.

12. The Association will retain a passkey to each Unit. No Owner shall alter any lock or install a new lock on any door leading into its Unit without the prior written consent of the Association. If such consent is given, the Owner shall provide the Association with a key for the use of the Association. In the event the Association is not provided with a key to the Unit, the Owner shall pay the cost incurred by the Association in gaining entrance to its Unit.

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13. An Owner may not make or cause to be made any structural modifications to its Unit (except those modifications which exist as of the date the Plan is recorded or as made by Developer) without the Association's prior written consent, which consent may be unreasonably withheld.

B. Private Use: Except as otherwise provided for herein, the Units, and the Common Areas contained in the Time Share Accommodations are not for the use and enjoyment of the public, but are necessarily reserved for the private use and enjoyment of the Developer, the Association, the Managing Entity, the Owners, guests, invitees and licensees in accordance with the Plan. Notwithstanding anything contained herein to the contrary the Developer, its successors and assigns specifically reserve the right to assign use rights to third persons, firms or entities in and to any portion of the Common Facilities or Retained Property upon such terms and conditions as the Developer may promulgate.

C. Rules and Regulations: The Association may impose rules and regulations regulating the use and enjoyment of the Units, Common Facilities and Common Areas. The rules and regulations so promulgated shall in all respects be consistent with the use covenants set forth in the Declaration and with the architectural and beautification concept presently existing. The Association may modify, alter, amend and rescind such rules and regulations, provided such modifications, alterations, amendments and rescissions are consistent with the use covenants set forth herein.

ARTICLE XIV

PROVISIONS FOR ALTERATIONS OF UNITS BY DEVELOPER

A. Developer reserves the right to alter the interior design and arrangement of all Units and to alter the boundaries between Units and to combine two (2) or more Units into one (1) Unit or to sever any Unit comprised of two (2) or more Units into its component parts as long as Developer owns the Units so altered (which alterations made by Developer to Units it owns are hereinafter referred to as the "Alterations").

B. An amendment of the Plan to evidence such Alterations shall be filed by Developer in accordance with the provisions of this paragraph B. Such amendment ("Developer's Amendment") need be signed and acknowledged only by Developer and shall not require approval of the Association, other Owners or lienors or mortgagees of the amendment of the Plan. This amendment shall adjust the Time Share interest and the voting rights attributable to the Time Share interest being affected by the Alterations and may be made as a Developer's Amendment as long as Developer owns the Time Share interests attributable to the Units being adjusted.

ARTICLE XV

AMENDMENTS TO THE PLAN

A. So long as the Developer has a right to appoint all officers and directors of the Board, as provided for herein, any Amendments may be made by the Developer alone, which Amendment shall be signed by the Developer and need not be joined in by any other party, provided, however, that such Amendment shall not materially and adversely affect any Owner's property rights or materially and adversely affect any Owner's use and enjoyment of the Time Share Accommodations, and/or Common Facilities, change the percentage undivided interest of any Owner in the property, modify the manner in which assessments for maintenance of the Time Share Accommodations and/or Common Facilities relate to the enjoyment of any Owner.

B. Except for a Developer's Amendment and except for amendments which are permitted to be made by the Developer pursuant to the terms hereof, the Plan may be amended only by the consent of fifty-one (51%) percent of all voting interests. Except for an Amendment made by the Developer, pursuant to the terms hereof, no Amendment of the Plan shall change the configuration or size of any Unit in any material fashion or materially alter or modify the appurtenances to such Unit, unless all of the record Owners of the Time Share interests effecting such Unit and all of the Institutional Mortgagees of record holding Mortgages on said Time Share interest shall consent in writing thereto. Any such amendment shall be voted on at a special meeting of the affected Owners and their consent thereto shall be evidenced by a certificate joined in and executed by such Owners and all affected Institutional Mortgagees and recorded in the same manner as an amendment provided in paragraph A of this Article XV.

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ARTICLE XVI

TRANSFER OF ASSOCIATION CONTROL

Control of the Association shall be transferred to Owners other than the Developer at such time as the Developer is no longer permitted to elect a majority of the members to the Board. At such time, the Developer shall transfer all right, title and interest to the Association of all books, records, accounts, and other properties of the Association together with such other items as may be necessary for Owners other than the Developer to assume control. Notwithstanding anything contained herein to the contrary, the Developer may, in its sole discretion, relinquish control of the Association to Owners, other than the Developer, prior to the acquired turnover date irrespective of whether or not the Developer has a right to appoint a majority of the members to the Board.

ARTICLE XVII

TERMINATION

A. This Plan may be terminated only by the affirmative written consent of at least eighty (80%) percent of the Owners (other than the Developer) and the written consent of all Institutional Mortgagees encumbering Time Share interests in the property; provided, however, that the Board consents to such termination by a vote of three-fourths (3/4) of the entire Board taken at a special meeting called for that purpose.

B. In the event of the termination of this Plan, the property shall be deemed removed from the provisions of the Act and shall be owned in common by the Owners pro rata in accordance with their Time Share interest as provided in this Plan. Any and all lien rights provided for in this Plan or elsewhere shall continue to run with the real property designated herein as the Time Share Accommodations and Common Facilities and shall encumber the respective undivided shares of the Owners thereof as tenants in common. Each Owner shall continue to be responsible for his pro rata share of Common Expenses.

ARTICLE XVIII

PARTITION

No Owner or any other person or entity acquiring any right, title or interest in a Time Share interest shall seek or obtain through any legal procedures, judicial partition of the property or sale of the property or any interest therein in lieu of partition.

ARTICLE XIX

RIGHTS RESERVED UNTO INSTITUTIONAL MORTGAGEES

A. So long as any Institutional Mortgagee shall hold any mortgage upon any Time Share interest or shall be the Owner of any Time Share interest, such Institutional Mortgagee shall have the following rights:

1. To be entitled to be furnished with at least one (1) copy of the Annual Financial Statement and Report of the Association, prepared by a Certified Public Accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses; such Financial Statements and Report to be furnished, upon written demand, within ninety (90) days following the end of each calendar year.

2. To be given notice by the Association of the calling of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Plan, the Articles or the By-Laws, which notice shall state the nature of the amendment being proposed.

3. To be given notice of default by any Owner of a Time Share interest encumbered by a mortgage held by any Institutional Mortgagee, such notice to be given in writing and sent to the principal office of such Institutional Mortgagee or to the place which it may designate in writing to the Association.

4. To cause the Association to create and maintain an escrow account for the purpose of assuring the availability of funds with which to pay

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premiums due from time to time on insurance policies which the Association is required to keep in existence, it being understood that the Association shall deposit in an escrow depository satisfactory to the Institutional Mortgagee having the highest dollar indebtedness on Time Share interests in the Time Share Accommodations, a monthly sum equal to one-twelfth (1/12) of the annual amount of such insurance expense and to contribute such other sum as may be required therefor to the end that there shall be on deposit in said escrow account at least one (1) month prior to the due date for payment of such premium, a sum which shall be sufficient to make full payment therefor. The Insurance Trustee designated by the Association shall be the escrow depository for the purposes hereof or the Board may designate any Institutional Mortgagee interested in the Time Share Accommodations to act in such capacity.

B. Whenever any Institutional Mortgagee desires to be subject to the provisions of this Article, such Institutional Mortgagee shall service written notice of such fact upon the Association by registered or certified mail, addressed to the Association and sent to its address stated herein, with a copy by registered or certified mail addressed to the Institutional Mortgagee having the highest dollar indebtedness on Time Share interests in the Time Share Accommodations, which written notices shall identify the Time Share interest upon which any such Institutional Mortgagee holds any mortgage or mortgages or otherwise sufficiently identifies the Time Share interest and the mortgage or mortgages held by such Institutional Mortgagee, and such notice shall designate the place to which notices are to be given by the Association to such Institutional Mortgagee.

C. Should the Association fail to pay any premium for insurance required to be placed on the Time Share Accommodations, or should the Association fail to comply with other insurance requirements imposed by the Institutional Mortgagee owning and holding the highest dollar indebtedness against Time Share interests in the Time Share Accommodations, then said Institutional Mortgagee shall have the right, at its option, to order and advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced, plus interest thereon, at the highest rate allowed by law, said Institutional Mortgagee shall be subrogated to the lien rights of the Association against individual Time Share interests for the payment of such items of Common Expense.

D. If two (2) or more Institutional Mortgagees hold any mortgage upon a Time Share interest, the exercise of the rights above described or the manner of exercising such rights shall vest in the Institutional Mortgagee holding the highest dollar indebtedness against the Time Share interest in the Time Share Accommodations and the decision of such Institutional Mortgagee shall be controlling.

E. In addition to such other rights as may be provided herein, the following specific rights shall apply in the event of a default under a mortgage by an Owner.

1. Upon such default, an Institutional Mortgagee may, in its sole discretion, notify the Association in writing of the default and request the Association to withhold possession of the Assigned Unit during the period of time that the Owner of such Assigned Unit would be otherwise entitled to possession.

2. Such Institutional Mortgagee may further request the Association to lease the Assigned Unit during such time; the proceeds of which shall be applied to such mortgage.

3. The Association shall be entitled to retain its reasonable costs and expenses incurred in renting the Assigned Unit. The Association shall be further entitled to rent the Assigned Unit upon any terms and conditions which it deems appropriate in its sole discretion.

4. The Association shall not be required to inquire into the authenticity or propriety of any request made by such Institutional Mortgagee nor shall the Association be liable to the Owner of such Assigned Unit by virtue of complying with the request of such Institutional Mortgagee.

F. The rights of any Institutional Mortgagee as set forth herein shall apply only with respect to the Assigned Unit during the Assigned Unit Week of the Time Share interest encumbered by such mortgage and shall not affect any other Assigned Unit or Assigned Unit Week notwithstanding anything contained herein to the contrary.

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ARTICLE XX

GENERAL PROVISIONS

A. Duration. All of the covenants, agreements and restrictions covering the Time Share Accommodations, including the land use covenants and affirmative covenants to pay Common Expenses shall run with and bind the Land encumbered hereby and shall inure to the benefit of and be binding upon Developer, the Association and its members, their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date the Plan is recorded, after which time said covenant shall be automatically extended for successive periods of ten (10) years unless after said thirty (30) year term an instrument signed by two-thirds (2/3) of the Owners is recorded agreeing to terminate said covenants and restrictions. No such instrument shall be effective, however, unless made and recorded among the Public Records of Broward County, Florida, one (1) year in advance of the effective date of such termination.

B. Plan of Ownership. Developer, the Association and the Owners and their grantees, successors or assigns by acceptance of their instrument of conveyance of a Time Share interest all acknowledge that the Time Share Accommodations has been developed under a common plan as set forth in Article II herein. Such parties further acknowledge that the easement rights, use covenants and obligations to pay Common Expenses are an integral part of the common plan of development and are required to provide access to and from the various portions of the Time Share Accommodations and publicly dedicated rights-of-way as well as the operation and maintenance of the Time Share Accommodations.

C. Compliance with Regulations of Public Bodies. The Association shall, as a Common Expense, perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the same in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, set-back requirements, drainage requirements and other similar requirements designed to protect the public.

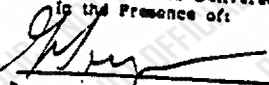
D. Lawful Use of Land. The Association covenants and agrees that it will conform to and observe all ordinances, rules, laws and regulations of Broward County, State of Florida, and the United States of America and all public authorities and boards of officers relating to the Common Areas or improvements upon the same or use thereof and will not during such time permit the same to be used for any illegal or immoral purpose, business or occupation.

E. Fiduciary Obligation of Association. The officers and directors of the Association have a fiduciary relationship to the Owners and are obligated to fulfill the duties and functions set forth herein and to pursue with due diligence the remedies provided pursuant to the Plan and to enforce the covenants and restrictions herein contained.

F. Severability. Invalidation of any one of these covenants or restrictions or any of the terms and conditions herein contained or the reduction in time by reason of any rule against perpetuity shall in no way affect any other provision which shall remain in full force and effect for such period of time as may be permitted by law.

IN WITNESS WHEREOF, this Plan has been executed by Developer, this ^{1ST} day of July, 1983.

Signed, Sealed and Delivered
in the Presence of:


James F. Hardy

HOLLYWOOD INTERNATIONAL, a Florida
general partnership

By: 
ISAAC GAMEL (General Partner)

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J. M. [Signature]
Jeanette F. Hanley

LOCO TRADE OF FLORIDA, INC., a Florida corporation (General Partner)

BY: [Signature]
K. Fujinami, President

(CORPORATE SEAL)

STATE OF FLORIDA)
COUNTY OF BROWARD) SS.:

BEFORE ME, the undersigned authority, personally appeared ISAAC GAMEL to me known and known to me to be the individual who executed the foregoing instrument and he duly acknowledged before me that he executed the same freely and voluntarily.

15th WITNESS my hand and official seal in the County of Broward State aforesaid, this day of July, 1983.

My Commission Expires:

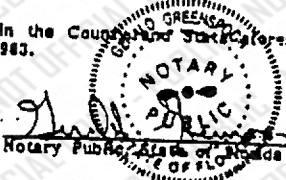


STATE OF FLORIDA)
COUNTY OF BROWARD) SS.:

BEFORE ME, the undersigned authority, personally appeared KIYOSHI FUJINAMI as President of LOCO TRADE OF FLORIDA, INC., a Florida corporation to me known and known to me to be the individual who executed the foregoing instrument, and he duly acknowledged before me that he executed the same freely and voluntarily as the act and deed of said corporation.

15th WITNESS my hand and official seal in the County of Broward State aforesaid, this day of July, 1983.

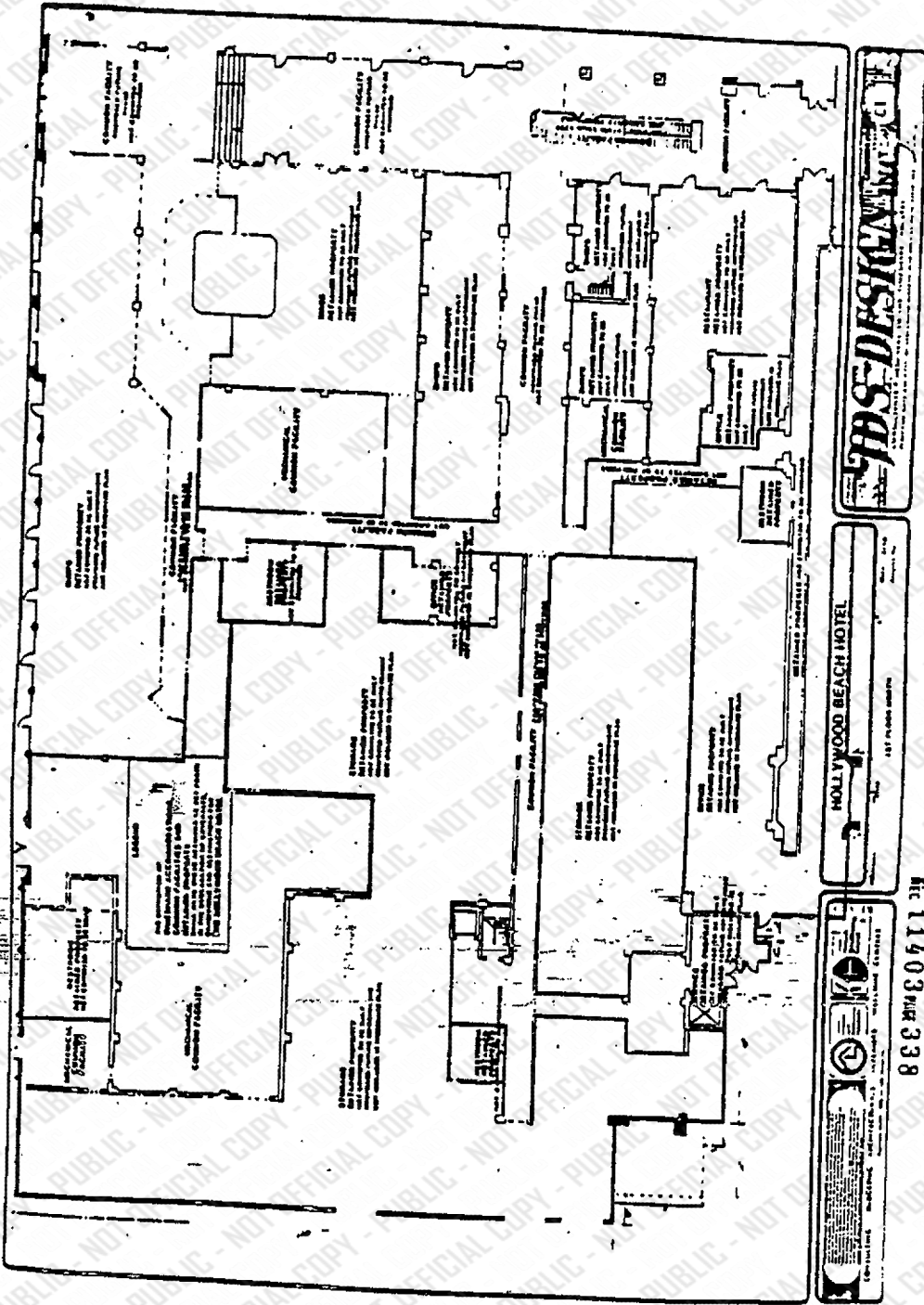
My Commission Expires:



Notary Public, State of Florida at Large
My Commission Expires November 9, 1988
Bundled with General Insurance Unit

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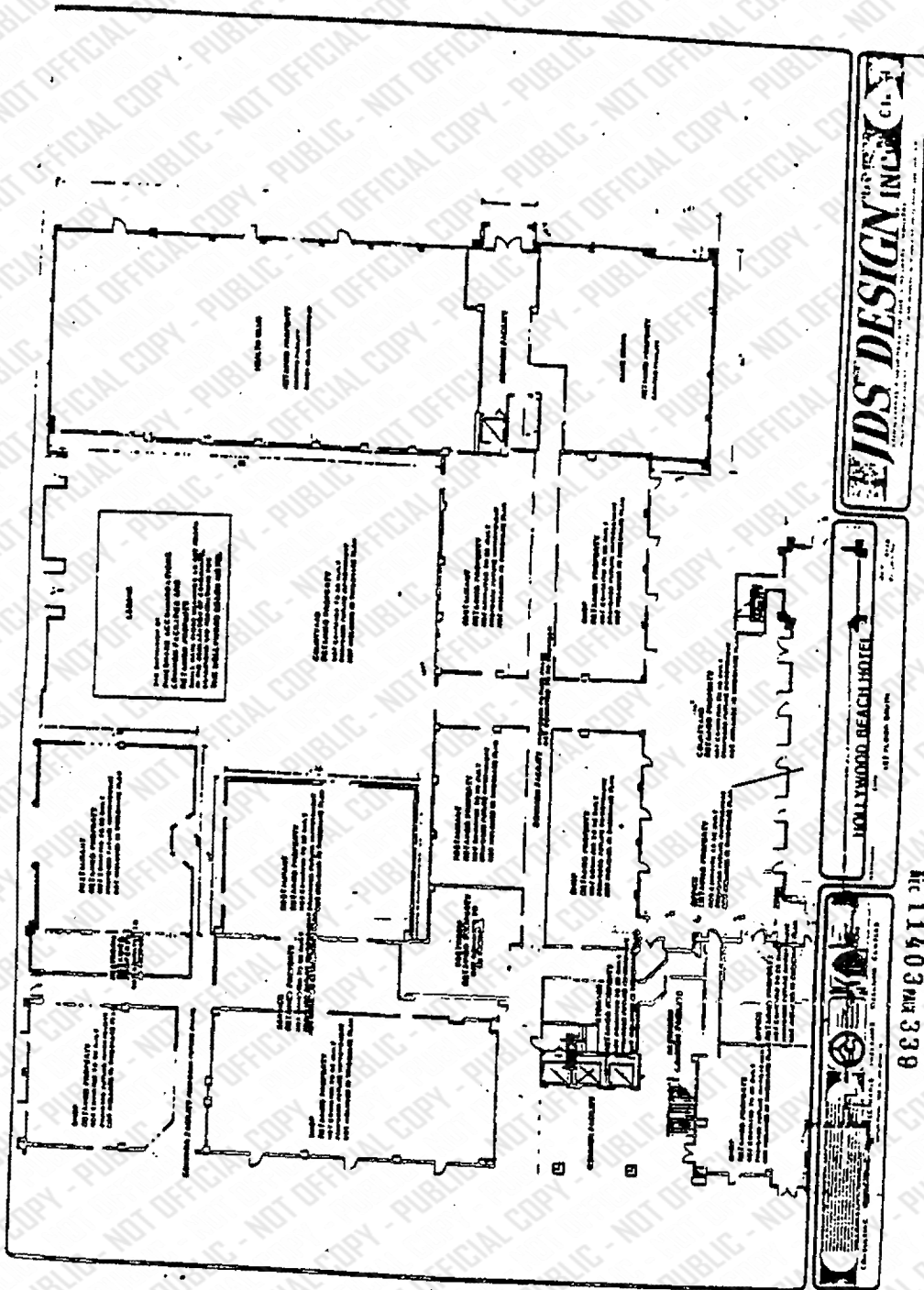
JDS DESIGN INC.
 11111 W. 11th Ave., Suite 100
 Denver, CO 80233
 Phone: (303) 751-1111
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HOLLYWOOD BEACH HOTEL
 11111 W. 11th Ave., Suite 100
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THE HOTEL
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 Phone: (303) 751-1111
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EXHIBIT "A"

Parcel A, HOLLYWOOD BEACH HOTEL, contains Time Share Accommodations, Common Facilities and Retained Properties as defined in the Declaration of Covenants, Conditions and Restrictions.

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EXHIBIT "A"

HOLLYWOOD BEACH HOTEL

Parcel A

A portion of Lots 2 and 3 and a portion of Broad Walk, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of S.88°25'12"W. along the north line of Lot 2 a distance of 1.75 feet to a Point of Beginning; thence, continue S.88°25'12"W. along the north line of Lots 2 and 3 a distance of 395.06 feet to the easterly line of the limited access right-of-way line of Hollywood Boulevard Bridge Interchange at U.S. Highway A-1-A; thence, S.49°32'40"E. along said limited access right-of-way line 87.88 feet; thence, S.46°40'56"E. 25 feet to a point of curvature; thence, along a 190-foot radius curve to the right, through a central angle of 134°59'30", an arc distance of 447.65 feet to a point of tangency; thence, S.88°18'34"W. 38.71 feet; thence, S.4°01'57"W. 161.19 feet to a point of curvature; thence, along a 3321.67-foot radius curve to the right, through a central angle of 0°16'14", an arc distance of 15.70 feet to a point on a non-tangent curve whose center bears N.82°32'12"W. from said point; thence, on a 3309.17-foot radius curve to the right, through a central angle 3°25'53", an arc distance of 198.18 feet to a point on a non-tangent line; thence, S.56°39'03"E. 25 feet; thence, N.88°20'57"E. parallel with and 12 feet North of the south line of said Lot 3 a distance of 11.03 feet; thence, N.1°39'03"W. 145 feet to a point of curvature; thence, along a 125-foot radius curve to the right, through a central angle of 13°30'31", an arc distance of 29.47 feet to a point on a non-tangent line; thence, N.88°20'57"E. 313.45 feet; thence, S.1°39'03"E. 5 feet; thence, N.88°20'57"E. 22 feet to a point on the exterior structure of the existing 'Hollywood Beach Hotel'; thence, along said structure: S.1°47'44"E. 11.63 feet; thence, N.88°12'16"E. 2.80 feet; thence, N.1°47'44"W. 2.30 feet; thence, N.88°12'16"E. 13.10 feet; thence, S.1°47'44"E. 1.40 feet; thence, N.88°12'16"E. 15.50 feet; thence, S.1°47'44"E. 5 feet; thence, N.88°12'16"E. 18.50 feet; thence, S.1°47'44"E. 21.50 feet; thence, N.88°12'16"E. 7.30 feet; thence, N.1°47'44"W. 21.50 feet; thence, N.88°12'16"E. 3.60 feet; thence, N.1°47'44"W. 5 feet; thence, N.88°12'16"E. 2.50 feet; thence, N.1°47'44"W. 1.60 feet; thence, N.88°12'16"E. 105.50 feet; thence, N.1°42'54"W. 54.40 feet; thence, S.88°17'06"W.

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REC 13593P6 551

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0.80 feet; thence, N.1°42'54"W. 126.20 feet; thence, N.88°17'06"E.
1.90 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.88°28'02"E.
3 feet; thence, N.1°31'58"W. 2.50 feet; thence, S.88°28'02"W. 2.10
feet; thence, N.1°31'58"W. 4 feet; thence, N.88°28'02"E. 2.10 feet;
thence, N.1°31'58"W. 2.50 feet; thence, S.88°28'02"W. 2.10 feet;
thence, N.1°31'58"W. 13.50 feet; thence, N.88°28'02"E. 2.10 feet;
thence, N.1°31'58"W. 2.50 feet; thence, S.88°28'02"W. 2.10 feet;
thence, N.1°31'58"W. 4 feet; thence, N.88°28'02"E. 2.10 feet;
thence, N.1°31'58"W. 2.50 feet; thence, S.88°28'02"W. 3 feet; thence,
N.1°42'54"W. 57.80 feet; thence, S.88°19'33"W. 2 feet; thence,
N.1°40'27"W. 126.30 feet; thence, N.88°19'33"E. 1 foot; thence,
N.1°23'11"W. 171.13 feet to the Point of Beginning.

OFF 13593pg 552

REC 11403pg 339

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY III, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above ground encroachments except as shown. I further certify that the survey represented hereon meets the minimum technical standards of the Florida Board of Land Surveyors pursuant to section 472.027, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 14th day of June 1983, A.D.

Maurice E. Berry III
MAURICE E. BERRY III
Registered Land Surveyor No. 3591
State of Florida

EXHIBIT "B"

SURVEY

REC 11403M 534

REC 13593P 553

GREENSPON & MARDER P.A. • 12801 NORTHEAST 9TH AVENUE • NORTH MIAMI, FLORIDA 33161 • (305) 601-5843

M.E. BERRY AND ASSOCIATES

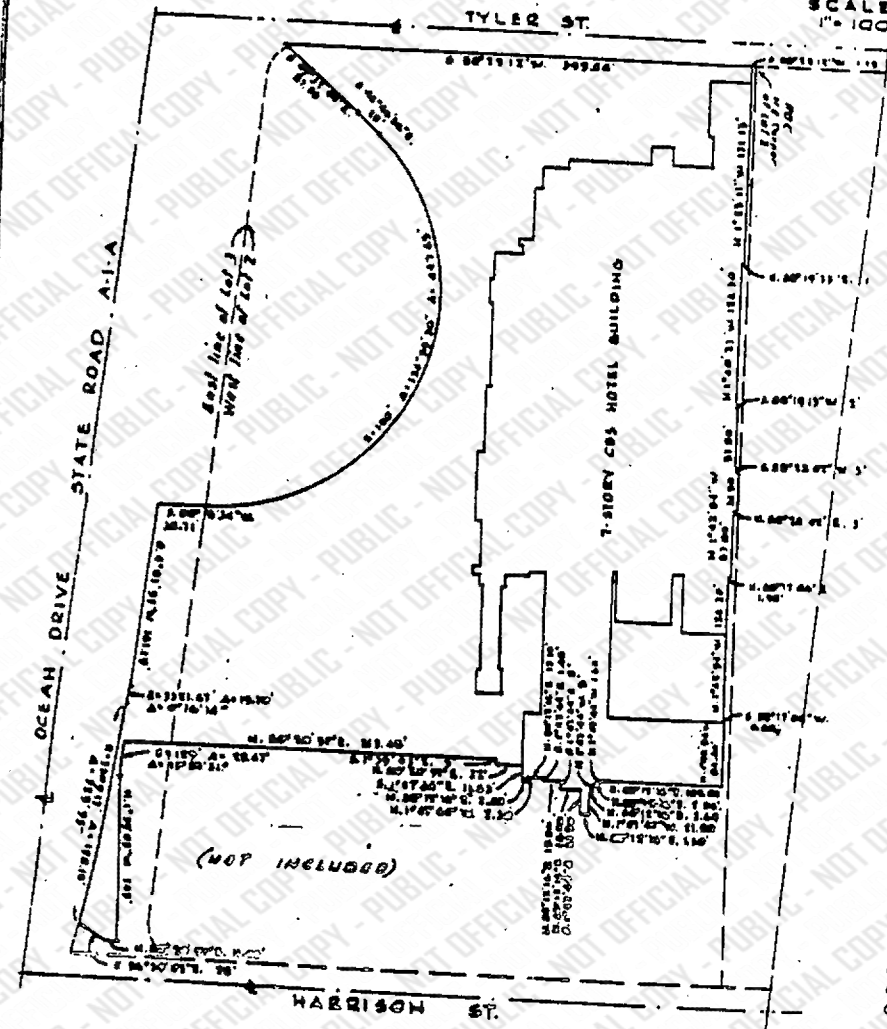
SURVEYORS AND ENGINEERS
2613 HOLLYWOOD BLVD
HOLLYWOOD, FLORIDA 33020

PH 923-6582

SURVEY FOR: HOLLYWOOD BEACH HOTEL
DESCRIPTION: PARCEL A - MAIN BUILDING
(SEE ATTACHED SHEET FOR LEGAL DESCRIPTION)



SCALE:
1" = 100'



REC 11403 WAI 335

OFF 13593Pg 554

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY II, hereby certify that I have made a personal survey of the above described property as indicated, and that there are no errors ground encroachments except as shown. I further certify that the survey represented herein meets the minimum technical standards of the Florida Board of Land Surveyors pursuant to Section 172.027, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 5th day of JULY, A.D. 1985.

NOTE: ELEVATIONS SHOWN HEREON ARE BASED ON NATIONAL GEODETIC VERTICAL DATUM.
SURVEY WAS NOT ABSTRACTED FOR EASEMENTS AND/OR RIGHT-OF-WAY OF RECORD

Maurice E. Berry II
MAURICE E. BERRY II
REGISTERED LAND SURVEYOR No. 111
STATE OF FLORIDA

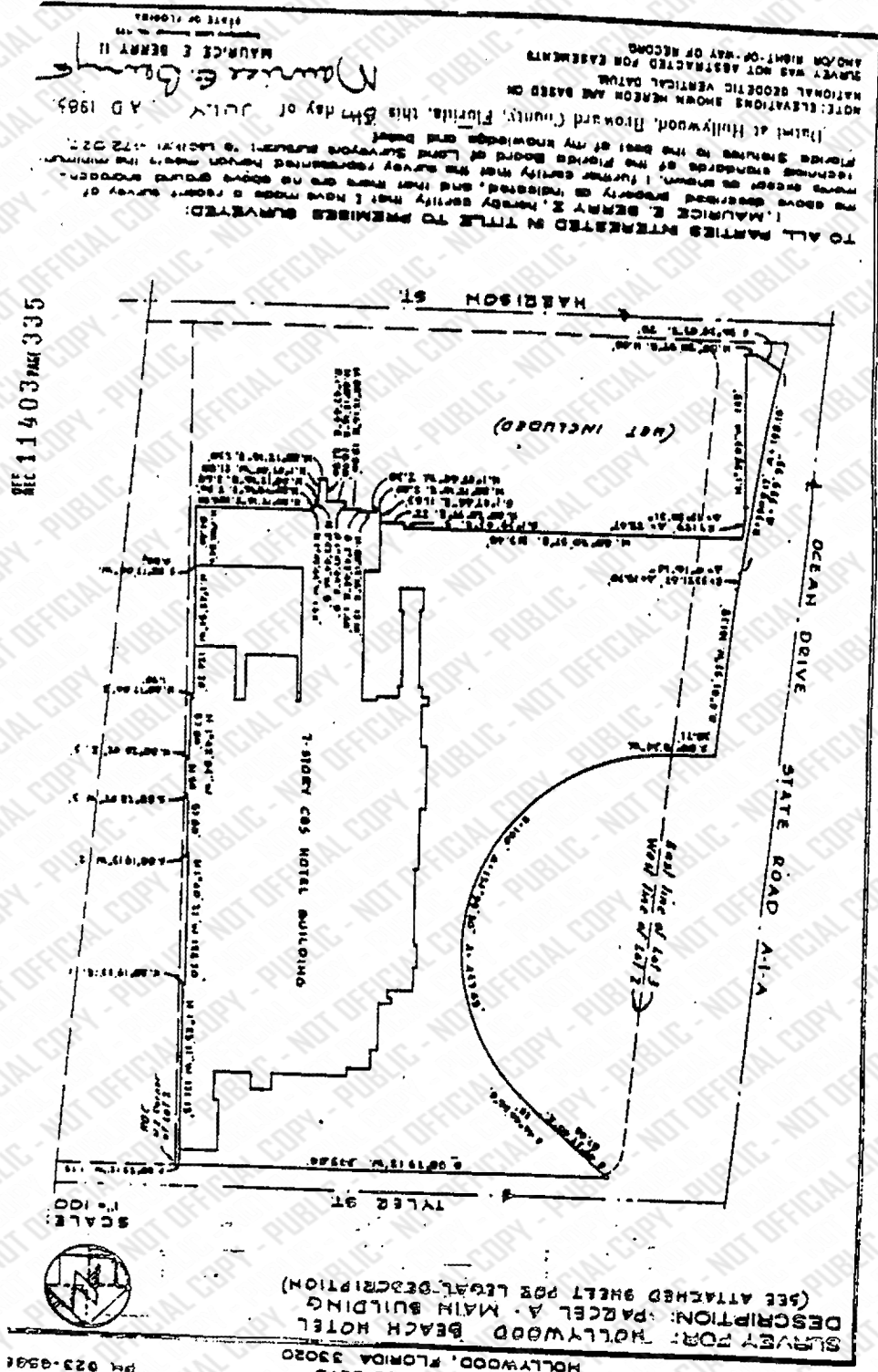
EXHIBIT 'C'

SITE PLAN, PLOT PLAN AND GRAPHIC DESCRIPTION
OF IMPROVEMENTS

17520 1st St. N. ...
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...

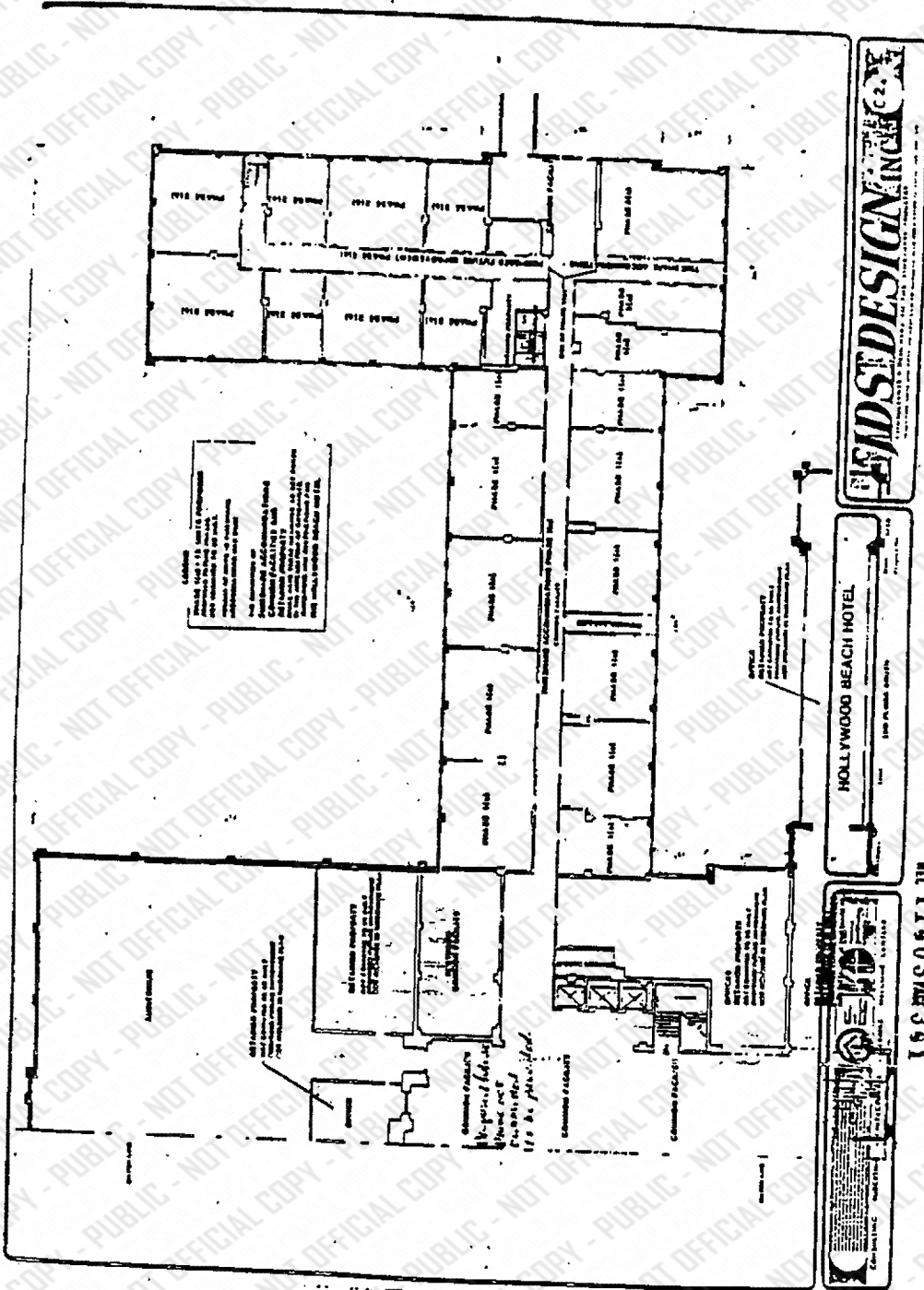
REC 11403 MAR 336

REC 11403 MAR 335



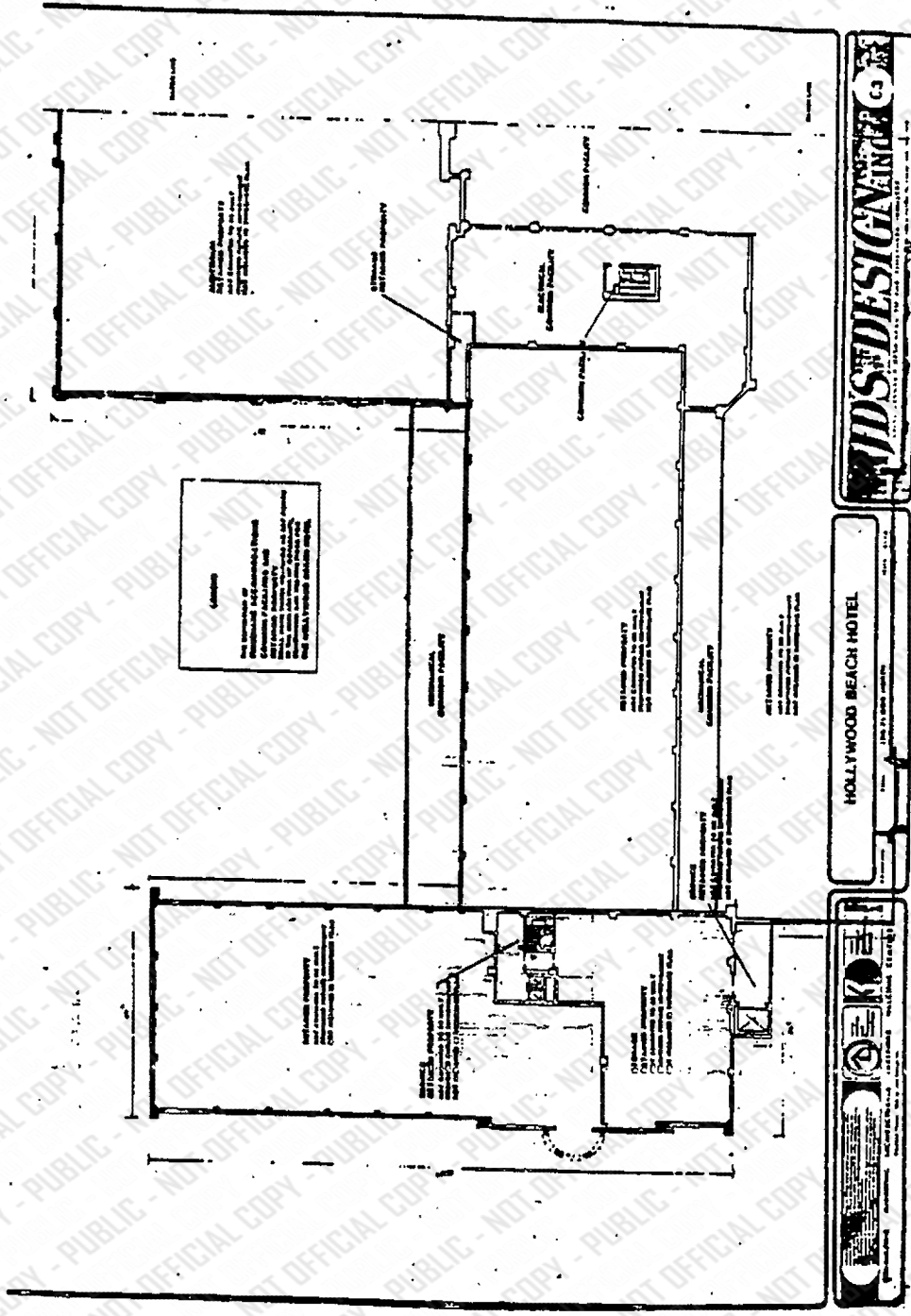
TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:
 I, MAURICE E. BERRY, hereby certify that I have made a recent survey of
 the above described property as indicated, and that there are no other ground encumbrances
 thereon except as shown. I further certify that the survey represented herein meets the minimum
 technical standards of the Florida Board of Land Surveyors pursuant to Section 172.021,
 Florida Statutes, to the best of my knowledge and belief.
 (Printed at Hollywood, Broward County, Florida, this 5th day of JULY, A.D. 1983.)
 MAURICE E. BERRY II
 STATE OF FLORIDA

NOTE: ELEVATIONS SHOWN HEREON ARE BASED ON
 NATIONAL GEODETIC VERTICAL DATUM
 SURVEY WAS NOT ASSIGNED FOR EASEMENTS
 AND/OR RIGHT-OF-WAY OF RECORDS



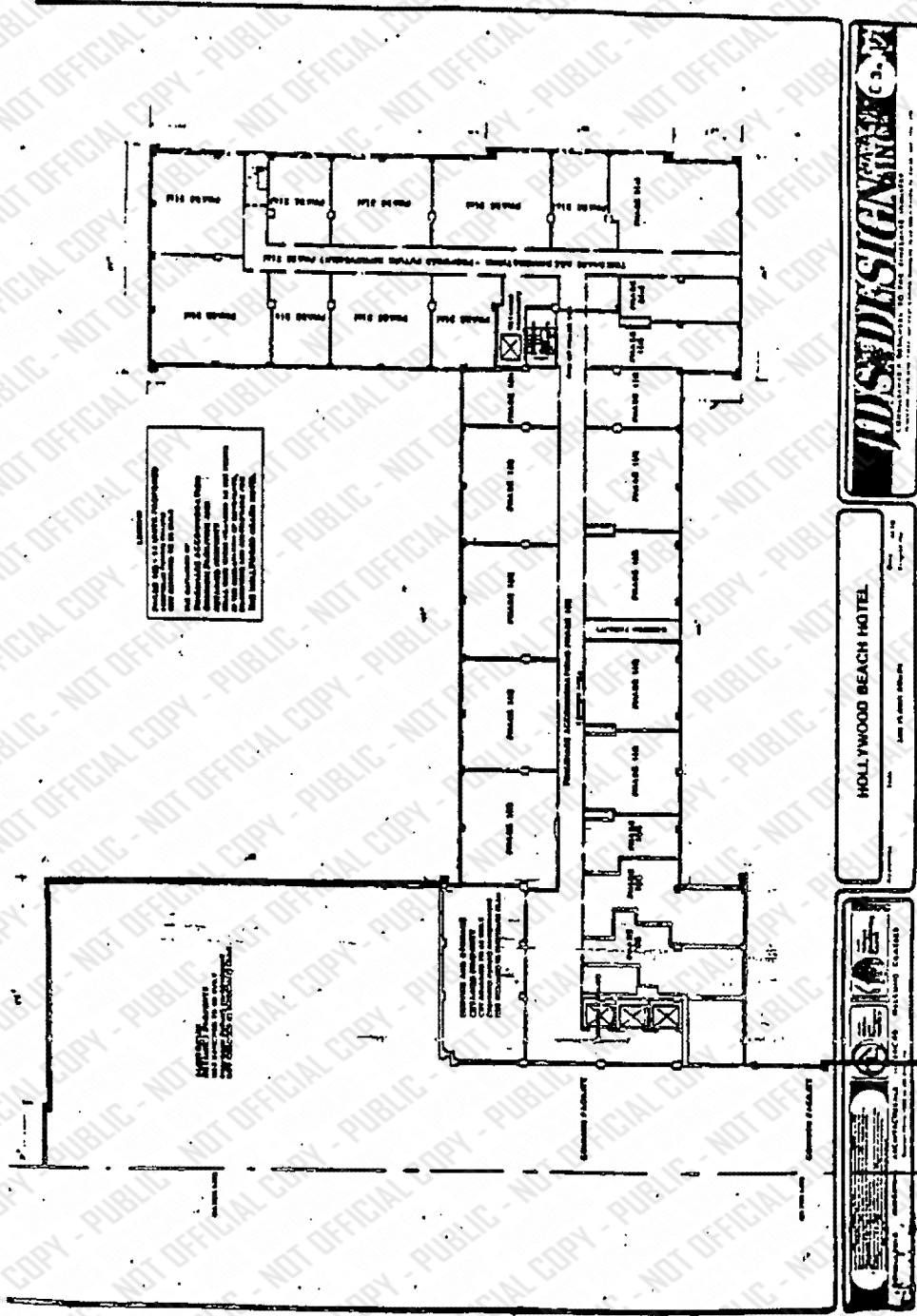
OFF 11403 Rev 3 91

OFF 13593 pg 560



REC 11403 MAR 342

OFF 13593 PG 561



JOE'S DESIGN

10101 W. 15th Ave., Suite 100, Denver, CO 80202
 Phone: (303) 751-1234
 Fax: (303) 751-1235

HOLLYWOOD BEACH HOTEL

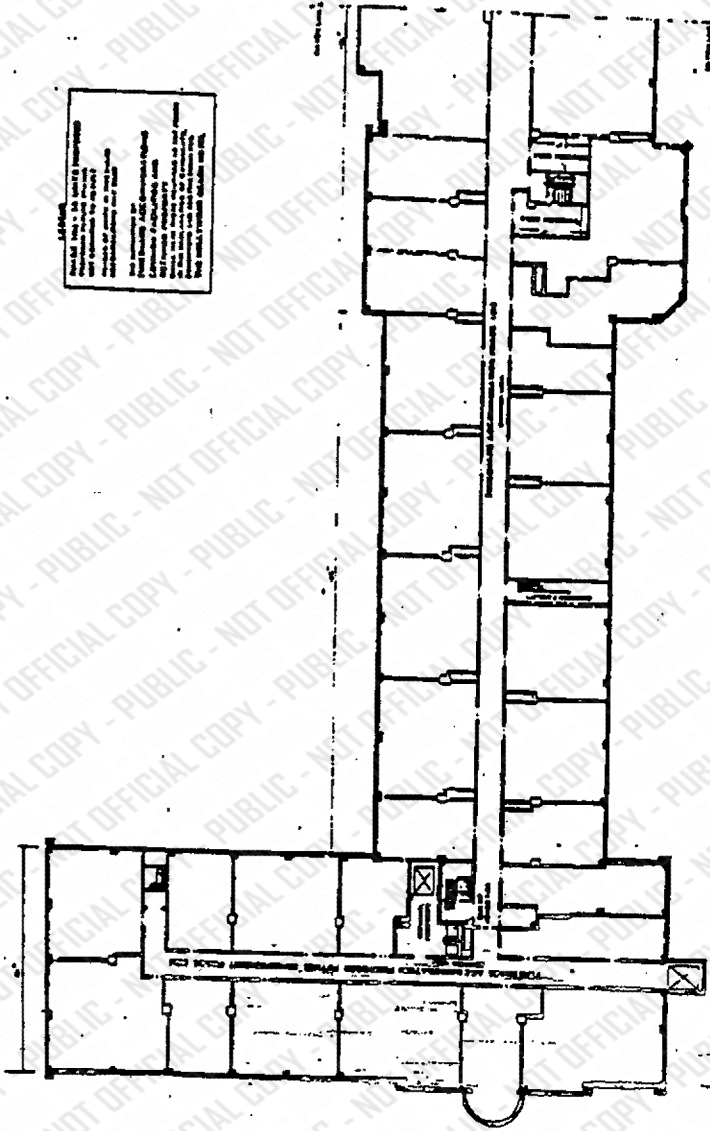
1000 Hollywood Blvd, Hollywood, FL 33020
 Phone: (305) 961-1234



REC 11403 MAR 348

OFF 13593 PG 562

NOTES:
1. ALL ROOMS ARE EQUIPPED WITH FIRE ALARMS.
2. ALL ROOMS ARE EQUIPPED WITH SMOKE DETECTORS.
3. ALL ROOMS ARE EQUIPPED WITH SAFES.
4. ALL ROOMS ARE EQUIPPED WITH TELEPHONES.
5. ALL ROOMS ARE EQUIPPED WITH BATHS.
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13. ALL ROOMS ARE EQUIPPED WITH TABLES.
14. ALL ROOMS ARE EQUIPPED WITH LAMPERS.
15. ALL ROOMS ARE EQUIPPED WITH REFRIGERATORS.
16. ALL ROOMS ARE EQUIPPED WITH STOVES.
17. ALL ROOMS ARE EQUIPPED WITH SINKS.
18. ALL ROOMS ARE EQUIPPED WITH CUPBOARDS.
19. ALL ROOMS ARE EQUIPPED WITH SEATING.
20. ALL ROOMS ARE EQUIPPED WITH STORAGE SPACE.



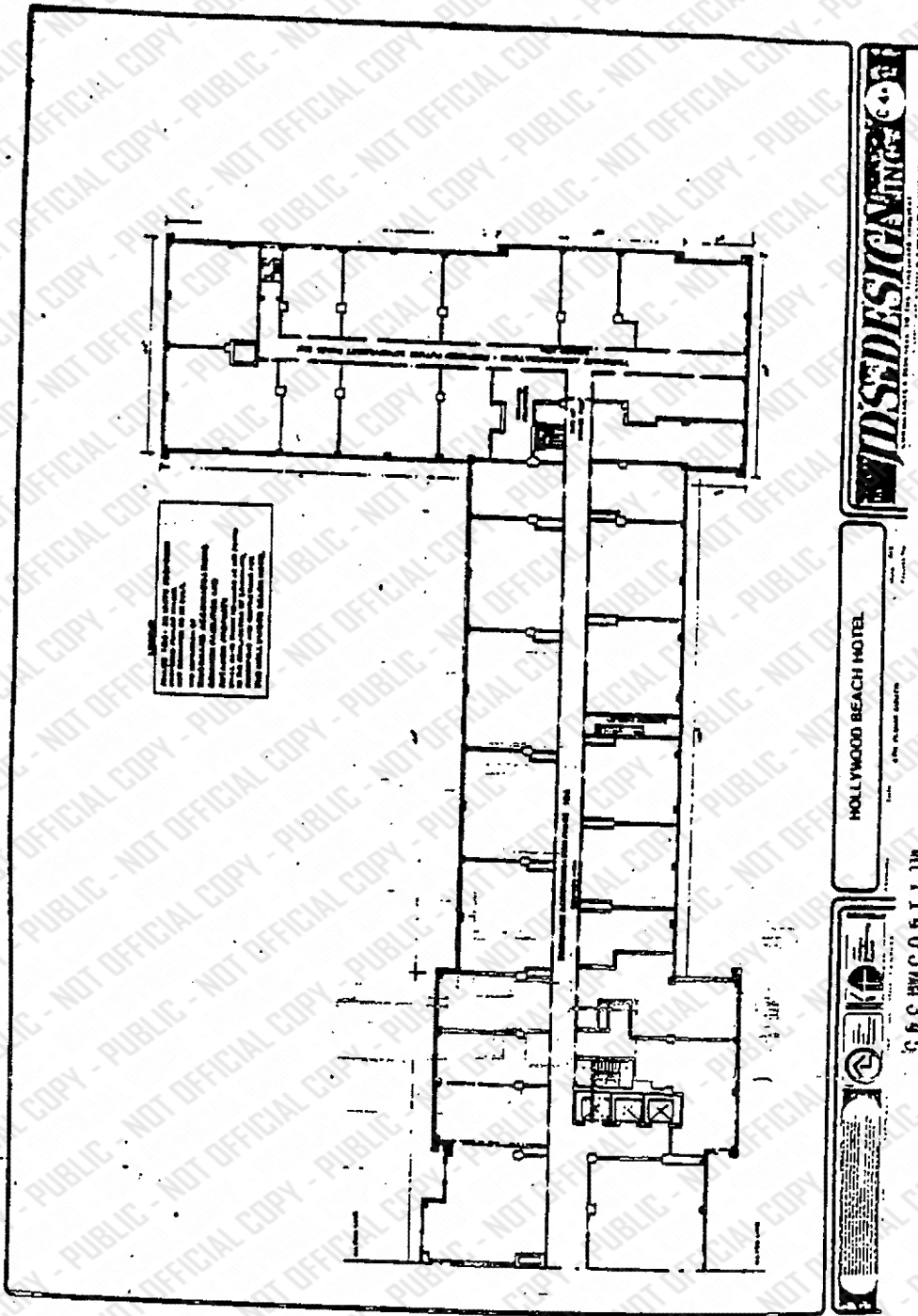
JIM'S DISCOUNT
11403 W. 84th St.
Miami, Florida 33156
Tel. 271-1111

HOLLYWOOD BEACH HOTEL
11403 W. 84th St.
Miami, Florida 33156
Tel. 271-1111

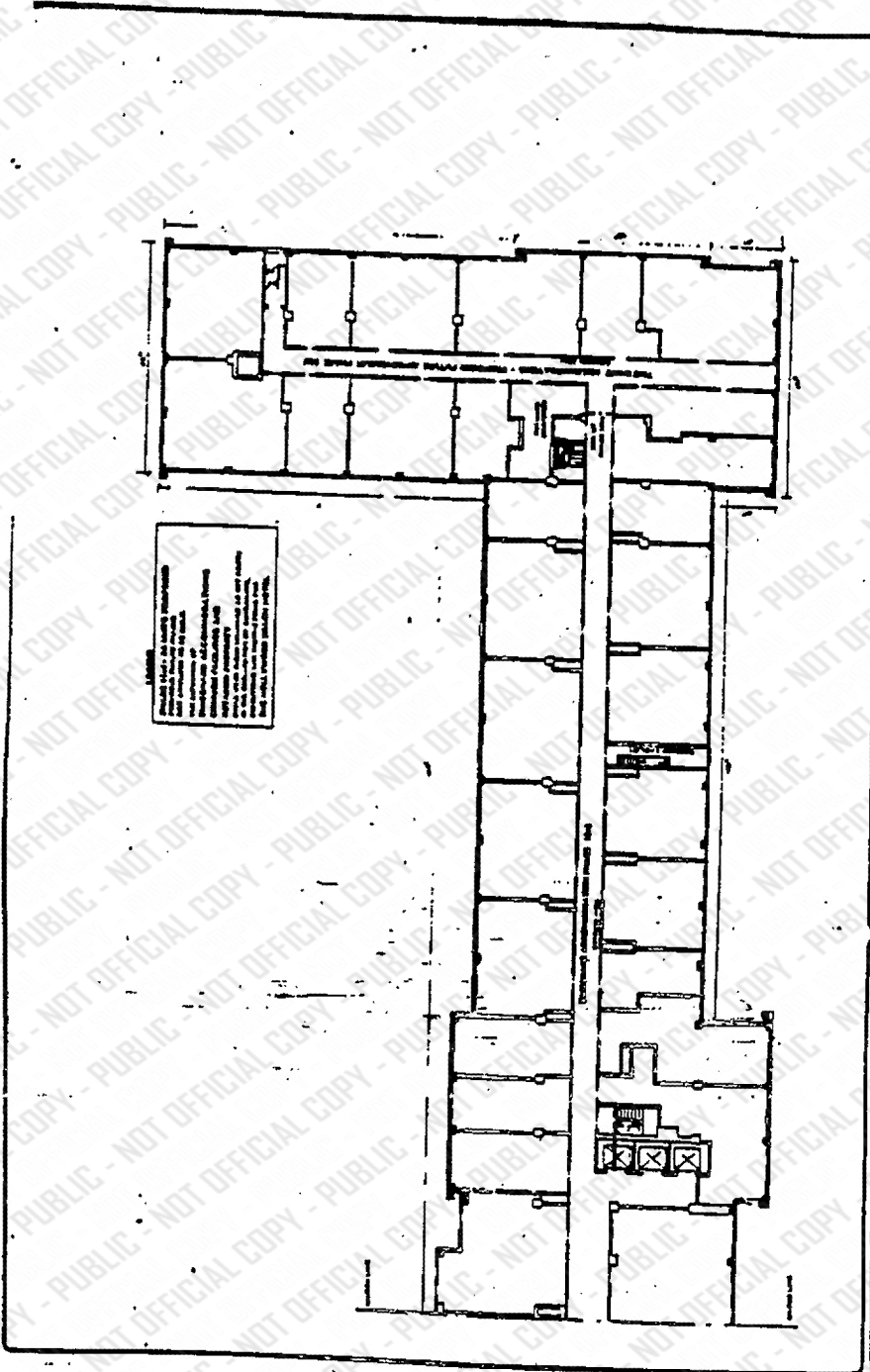
11403 W. 84th St.
Miami, Florida 33156
Tel. 271-1111

REC 11403 W 844

OFF 13593 Pg 563



1. ALL ROOMS ARE EQUIPPED WITH
 2. TELEPHONES AND BATHS
 3. AIR CONDITIONING
 4. CLOSETS
 5. REFRIGERATORS
 6. STOVE
 7. SINK
 8. TUB
 9. SHOWER
 10. WASHING MACHINE
 11. DRYING MACHINE
 12. FURNITURE
 13. CARPETING
 14. CEILING LIGHTS
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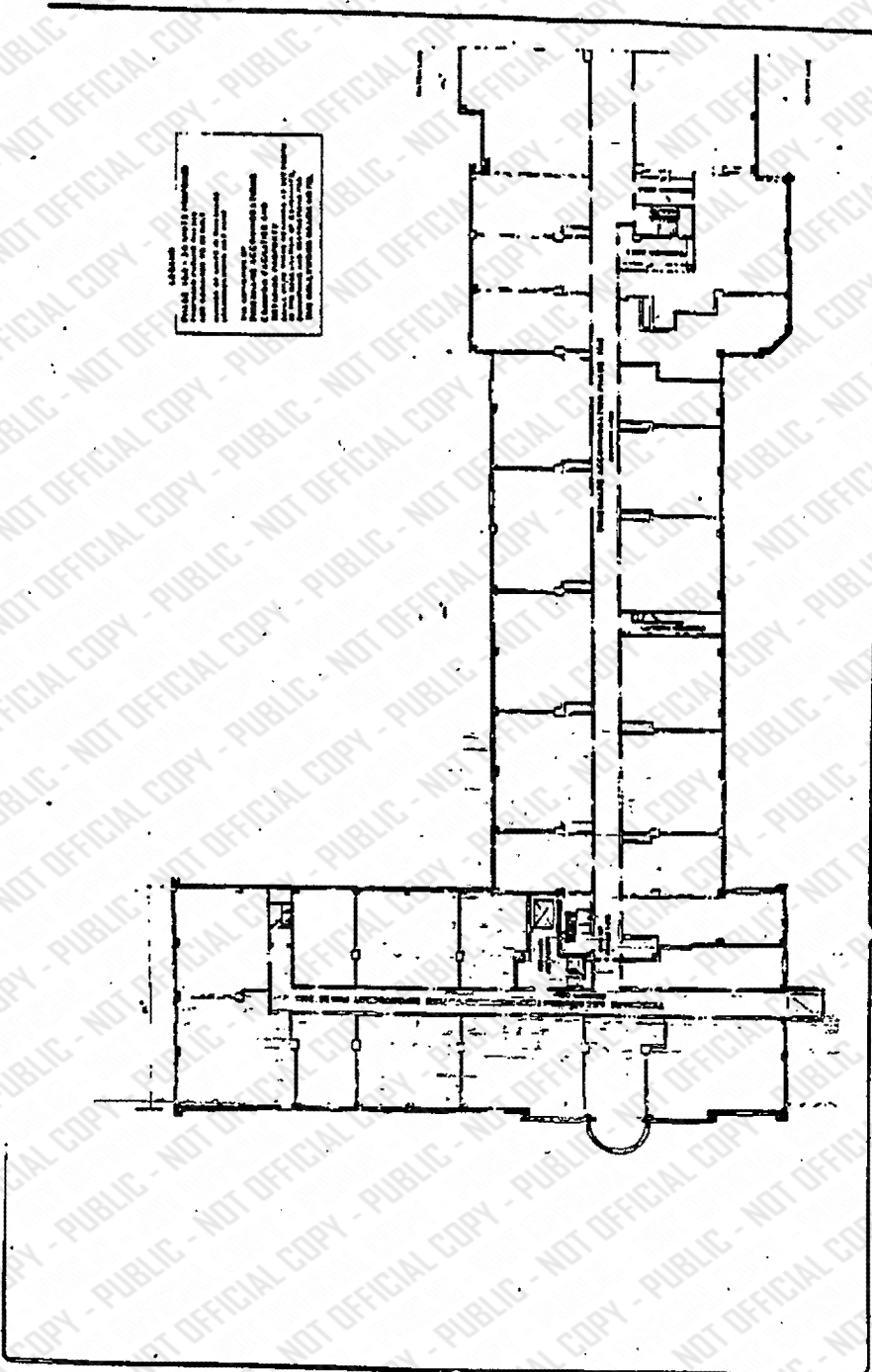


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SWINNEY
 ARCHITECTS
 1000 BROADWAY
 NEW YORK, N.Y. 10018
 TEL. 212-677-1000
 FAX 212-677-1001
 WWW.SWINNEYARCHITECTS.COM

HOLLYWOOD BEACH HOTEL
 1000 BROADWAY
 NEW YORK, N.Y. 10018
 TEL. 212-677-1000
 FAX 212-677-1001
 WWW.SWINNEYARCHITECTS.COM

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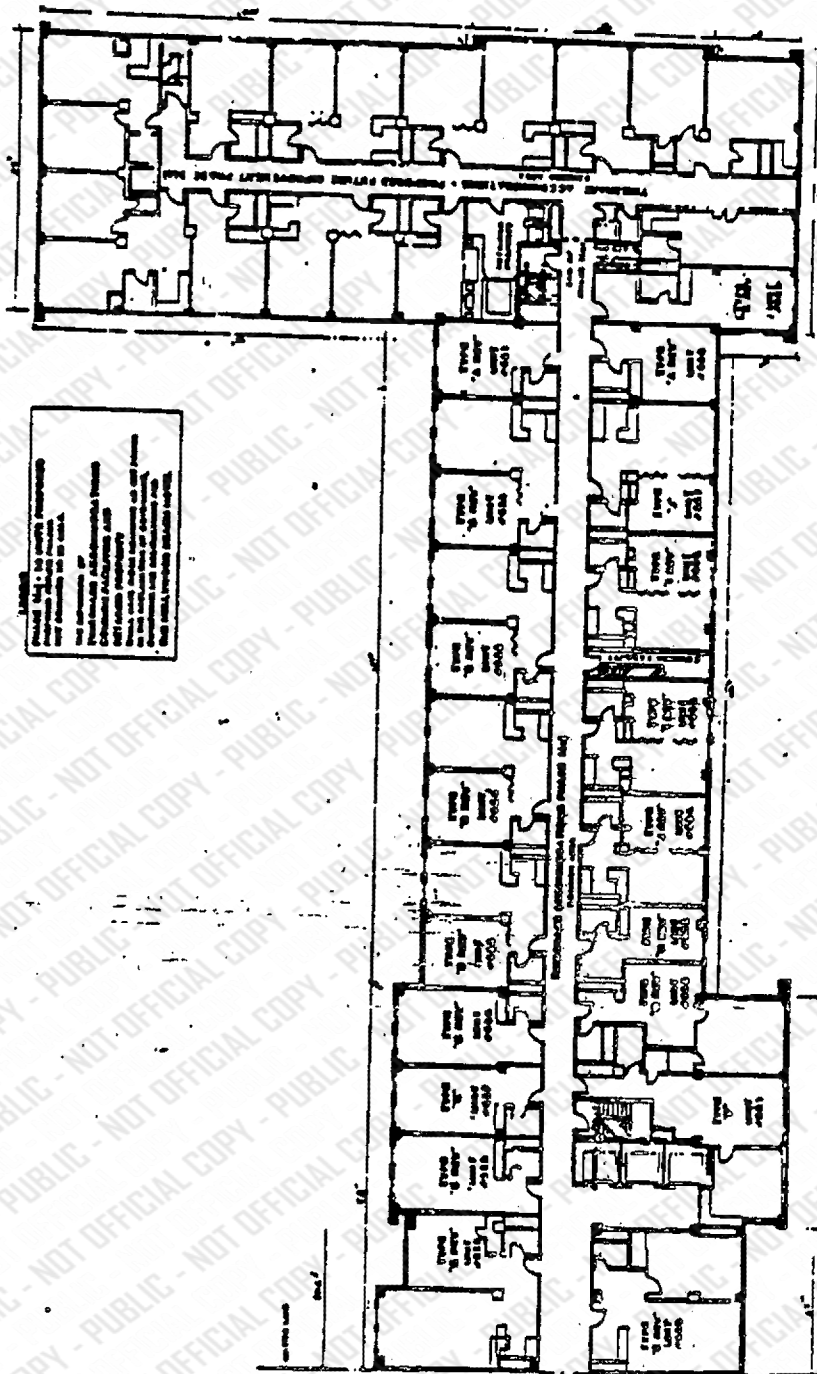
JDS DESIGN INC.
 ARCHITECTS
 1000 N. GARDEN ST.
 SUITE 100
 ANAHEIM, CA 92815
 (714) 771-1111
 FAX (714) 771-1112
 WWW.JDSDESIGN.COM

HOLLYWOOD BEACH HOTEL
 ROOMS 101-108
 CORRIDOR
 BATHS
 STAIRS
 ELEVATOR
 RECEPTION
 OFFICE
 RESTROOMS
 BREAK ROOM
 STORAGE
 MECHANICAL ROOM
 ELECTRICAL ROOM
 TELEPHONE ROOM
 JANITORY
 SERVICE AREA
 LOBBY
 ENTRANCE
 DRIVEWAY
 PARKING
 DRIVE

ARCHITECTURAL FLOOR PLAN
 HOLLYWOOD BEACH HOTEL
 ROOMS 101-108
 CORRIDOR
 BATHS
 STAIRS
 ELEVATOR
 RECEPTION
 OFFICE
 RESTROOMS
 BREAK ROOM
 STORAGE
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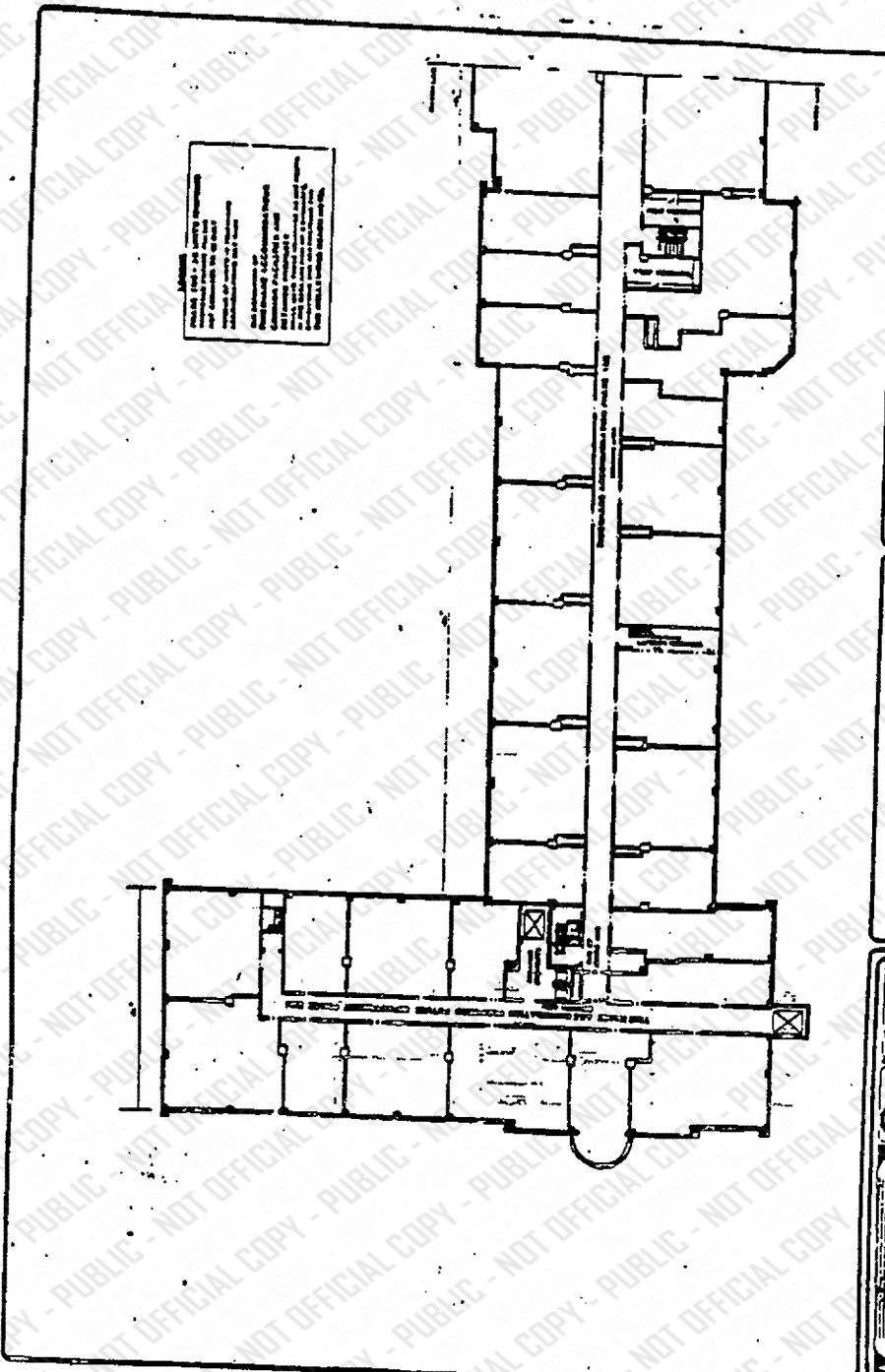
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1. All rooms are furnished with
 2. Bed and bath
 3. Telephone
 4. Refrigerator
 5. Radio
 6. TV set
 7. Air conditioning
 8. Parking space
 9. Laundry service
 10. Restaurant
 11. Bar
 12. Pool
 13. Beach
 14. Tennis courts
 15. Golf course

INSIDESTORIES
 HOLLYWOOD BEACH HOTEL
 MIC 11403 RM 349
 66-15



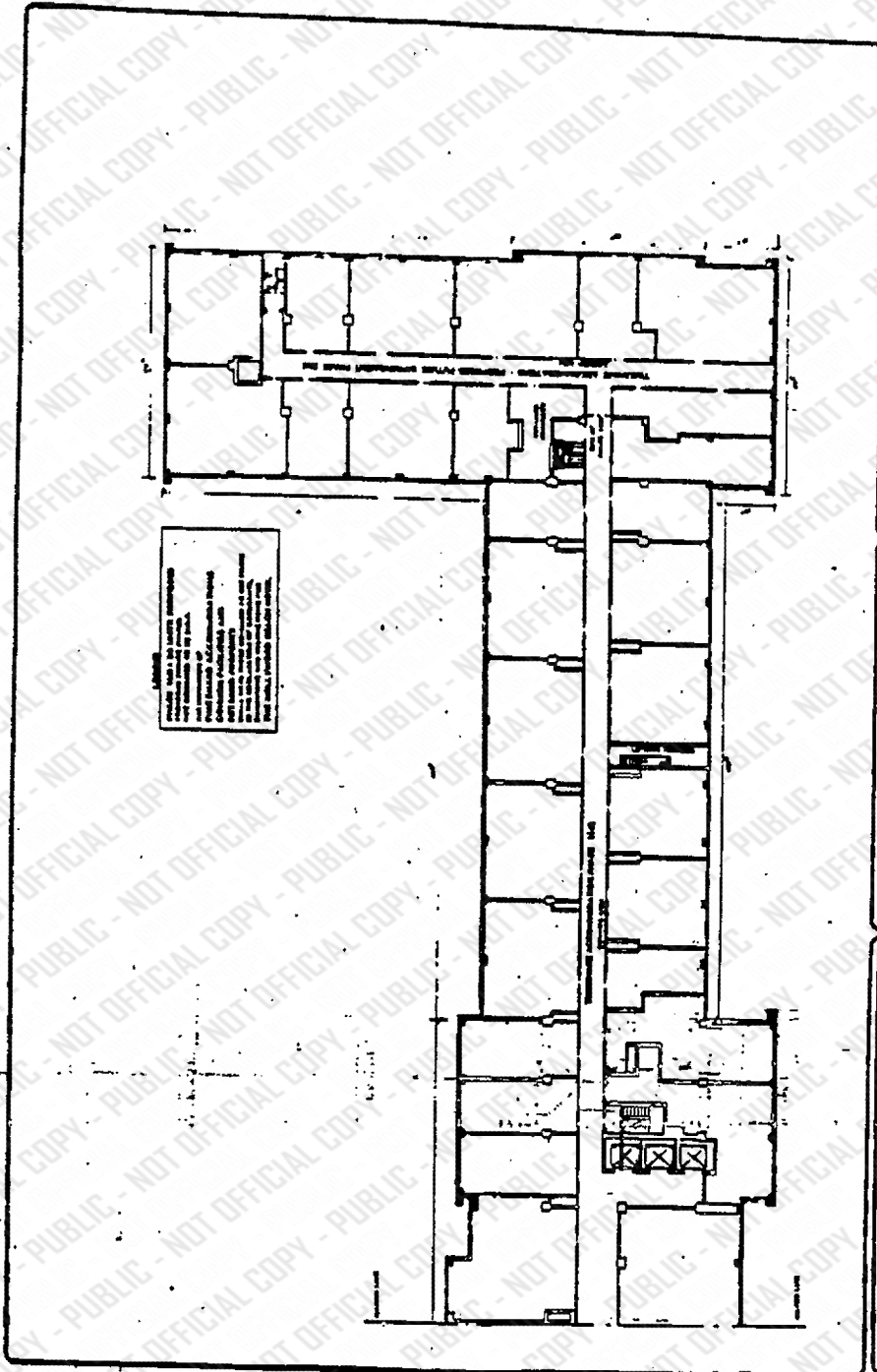
1. All rooms are furnished with a bed, dresser, chair, table, and mirror.
 2. Bathrooms are furnished with a toilet, sink, and shower.
 3. All rooms have a view of the ocean.
 4. The hotel has a swimming pool, tennis courts, and a restaurant.
 5. The hotel is located on Hollywood Beach, Florida.
 6. The hotel is owned and operated by JDS Design, Inc.

JDS DESIGN, INC.
 ARCHITECTS
 1000 N. W. 10th St., Suite 100
 Ft. Lauderdale, Florida 33304
 Phone: (305) 555-1234

HOLLYWOOD BEACH HOTEL
 1000 N. W. 10th St., Suite 100
 Ft. Lauderdale, Florida 33304

11/14/03 MW 350

OFE 13593Pg 569
 REC 11403MW350



LEGEND
 101-102 Conference Room
 103-104 Reception
 105-106 Lobby
 107-108 Dining Room
 109-110 Kitchen
 111-112 Bar
 113-114 Restrooms
 115-116 Elevators
 117-118 Staircase
 119-120 Storage
 121-122 Utility
 123-124 Janitor
 125-126 Office
 127-128 Storage
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JDS DESIGN INC.
 1000 N. W. 10th St.
 Ft. Lauderdale, FL 33304
 Phone: (305) 555-1234
 Fax: (305) 555-5678
 Website: www.jdsdesign.com

HOLLYWOOD BEACH HOTEL


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BEACH CLUB MEMBERSHIP AGREEMENT

THIS AGREEMENT entered into this _____ day of _____, 19____, by and between HOLLYWOOD INTERNATIONAL, a Florida general partnership (hereinafter referred to as "DEVELOPER") and HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC., a Florida corporation not-for-profit (hereinafter referred to as "ASSOCIATION").

WITNESSETH:

WHEREAS, the DEVELOPER is currently developing and marketing a timeshare resort known as the HOLLYWOOD BEACH HOTEL, (hereinafter referred to as "the PROJECT"); and,

WHEREAS, the PROJECT contains a maximum of seventeen thousand four (17,004) individual Unit Weeks which are available for sale (hereinafter referred to as "the UNIT WEEKS"); and,

WHEREAS, the DEVELOPER has developed adjacent to the PROJECT the Condominium known as the HOLLYWOOD BEACH HOTEL AND TOWERS (hereinafter referred to as "the TOWER"); which has been developed as a Time Share Resort; and,

WHEREAS, the DEVELOPER has pursuant to a Beach Club Membership Agreement committed to provide club membership to Owners of Time Share Weeks in the TOWER pursuant to that certain Agreement dated June 1, 1982, between the Developer and the HOLLYWOOD BEACH HOTEL AND TOWERS ASSOCIATION, INC.; and

WHEREAS, the DEVELOPER is desirous of providing for a plan of club membership to the ASSOCIATION and its members for use of certain recreational facilities to be located in the PROJECT as hereinafter defined; and,

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions under which the DEVELOPER shall provide club membership privileges to the ASSOCIATION and its members.

NOW, THEREFORE, in consideration of the mutual premises set forth herein, the sum of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Recitals: The foregoing recitals are incorporated herein and made a part hereof.

2. Plan of Club Membership: There is hereby created the Club Membership Plan to be known as the HOLLYWOOD BEACH HOTEL BEACH CLUB (hereinafter referred to as "the CLUB"). The DEVELOPER shall provide membership privileges in the CLUB to all members of the ASSOCIATION pursuant to all of the terms and conditions of this Agreement.

3. FACILITIES: The CLUB facilities hereinafter referred to as "the FACILITIES" shall consist of the following:

- A. Men's and women's saunas
- B. Men's and women's steam baths
- C. Men's and women's locker rooms
- D. Men's and women's shower and changing facilities
- E. An exercise room
- F. Lounge areas
- G. Whirlpool for joint use by men and women
- H. Use of the beach located east of the HOTEL
- I. Towels and
- J. Beach Lounge chairs.

The FACILITIES shall be located in the PROJECT in the areas designated for same as shown on the plot plan and graphic descriptions of the improvements for the PROJECT. The FACILITIES shall be deemed retained property as defined in that certain Declaration of Covenants, Conditions, and Restrictions setting forth the Time Sharing Plan as delivered to each Purchaser. The DEVELOPER reserves the exclusive right of possession and control of such FACILITY subject to the terms of this Agreement

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and the Plan. The DEVELOPER further reserves the right to add, change or modify all or any of the FACILITIES during the term of this Agreement. Specifically part of the DEVELOPER'S plan of development included the construction of a swimming pool and pool deck as part of Phase II(b) of the HOLLYWOOD BEACH HOTEL as more particularly set forth in the Declaration of Covenants, Conditions and Restrictions (the "PLAN") and as depicted as Parcel B on Composite Exhibit "C" thereof. If, and, when Phase II(b) is added pursuant to the terms and conditions of the PLAN the swimming pool and pool deck shall constitute for all purposes a facility of club membership and shall be subject to all terms and conditions of the agreement.

4. Term. The term of this Agreement shall commence as of June 1, 1984 and shall continue for a period of three (3) years thereafter. The term of this Agreement shall be automatically renewed for successive three (3) year periods unless terminated as elsewhere provided herein.

5. Classes of Membership. Each owner of one or more Time Share Interests in the PROJECT shall automatically become a charter member of the CLUB. Membership shall entitle each member to exercise the membership privileges specified herein. There shall be two (2) categories of CLUB membership which shall be defined as follows:

A. Full Membership. Full membership shall entitle each Beach Club member to the use of all of the FACILITIES. The DEVELOPER shall notify the ASSOCIATION no less than one hundred twenty (120) days prior to the expiration of each year of the Agreement of the amount of the annual assessment fee for each member. The ASSOCIATION shall notify each of its members of the membership fee for the current year whereupon each member may elect to have such membership fee included as part of the regular maintenance fee assessed by the ASSOCIATION to each member. In the event such member elects to pay an annual fee as set forth herein, such member shall be deemed to have full CLUB membership privileges and shall not be charged any other fees for use of the FACILITIES.

B. Limited Membership. Each charter member of the ASSOCIATION who fails to elect full membership privileges in any year shall automatically become a limited member. Failure of any member to elect full membership privileges shall not bar such member from electing full membership privileges in any subsequent year. Limited membership shall entitle each such limited member to use of all of the FACILITIES upon the payment of the per diem fees based upon usage of the various FACILITIES, however, such member shall not be charged an annual membership fee. Such per diem fee shall be based upon a schedule of charges for usage of the various facilities to be promulgated in the sole discretion of the DEVELOPER.

C. Assessments for Capital Expenditures. Commencing beginning the fifth anniversary of this Agreement and every five (5) years during the term hereof including all renewal periods, all full-members and limited members shall at the option of the DEVELOPER, its successors and assigns pay in addition to annual or per diem membership fees for each year an assessment to be used for capital expenses, reserves, and replacement of the FACILITIES. Such funds shall be placed in a reserve account by the DEVELOPER, its successors and assigns and shall be utilized only for the purpose of repairs, and/or replacement of any portion of the FACILITIES. Such assessment fee capital expenditures shall in no event exceed the charge for annual full membership fee for the year in which the assessment is made.

6. Limitation on Per Diem Fees. Subsequent to the third year of this Agreement and each year thereafter, the individual membership fee charged by the DEVELOPER for full CLUB membership privileges shall not increase more than fifteen (15%) percent over the year immediately preceding. There shall be no restriction upon the DEVELOPER as to increases of per diem fees for limited membership privileges.

7. Membership Cards. Each member shall be provided with a membership card. In the event a UNIT WEEK is owned by more than one person (example: husband and wife), each owner will be provided with a membership card. Such membership card must be presented in order to gain access to the FACILITIES. In case the membership is transferred as hereinafter set forth or the membership card is lost or stolen, the DEVELOPER or the Managing Entity designated by the DEVELOPER for operation of the FACILITIES shall be immediately notified, and a new card or cards shall be issued. Membership cards shall be issued annually commencing with the third year of this Agreement and each year thereafter so as to reflect any change of status of membership of each member.

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8. Guests - Guest Fees. All FACILITIES shall be available for usage by one or more guests of any member provided such guest(s) is accompanied by a member. Use of the FACILITIES shall be subject to payment of applicable guest fees as may be determined from time to time in the sole discretion of the DEVELOPER.

9. Ownership and Management of the FACILITIES. All of the FACILITIES shall be retained exclusively by the DEVELOPER and shall be deemed Retained Property in accordance with the terms and conditions of the Plan. Notwithstanding anything contained herein to the contrary, membership in the CLUB shall not create, directly or indirectly, any ownership rights in the FACILITIES. CLUB membership as set forth herein shall not be deemed to create any easement or leasehold interest in the FACILITIES. Initially, the CLUB shall be managed by the DEVELOPER or a management company to be designated by the DEVELOPER. The DEVELOPER reserves the right from time to time assign its management functions. CLUB membership shall not entitle members to exercise any voting rights with regard to operation of the CLUB or use of the FACILITIES.

10. Availability of FACILITIES. All of the FACILITIES provided for herein are presently available. The FACILITIES shall be available for use by members upon the Purchase Agreement becoming fully binding and enforceable in accordance with the terms thereof irrespective of when the closing occurs. If, for any reason whatsoever the Purchase Agreement is not closed in accordance with the terms thereof CLUB membership shall immediately terminate and all rights, obligations and privileges of each party hereunder shall cease.

11. Membership Non-Exclusive - Additional Members. The DEVELOPER reserves the right, in its sole discretion, to provide additional memberships to future purchasers in the PROJECT. The DEVELOPER may also grant, in its sole discretion, use of the FACILITY to hotel guests or other designees, licensees and invitees of the DEVELOPER, its successors and assigns. The terms and conditions under which the DEVELOPER may offer membership privileges to persons, firms and entities other than members as set forth herein shall be subject to the sole discretion of the DEVELOPER.

12. Persons Entitled to Exercise Membership Privileges. In the event title to the UNIT WORKS is owned by one person, membership shall be deemed individual membership entitling only such person to exercise membership privileges as set forth herein. In the event such individual member is widowed or divorced, the unmarried children of such individual member under the age of twenty one (21) shall be entitled to exercise membership privileges. In the event the UNIT WORKS is/are owned by more than one person, such membership shall be a joint membership entitling only such persons to exercise membership privileges. In the event either of such members is/are widowed or divorced, the unmarried children of such member under the age of twenty one (21) shall be entitled to exercise membership privileges. In the event the UNIT WORKS is/are owned by a husband and wife, such membership shall be deemed a family membership entitling such members and their unmarried children under the age of twenty one (21) to exercise membership privileges. In the event the UNIT WORKS is/are owned by a corporation, the Secretary of such corporation shall designate no more than two (2) officers who shall be entitled to use of the FACILITIES.

13. Conduct. Members, their visitors and guests shall conduct themselves maturely and with consideration for other members and guests at all times when using the FACILITIES. Members, visitors and guests shall comply with the terms of this Agreement and such other rules and regulations as may be adopted from time to time in the sole discretion of the DEVELOPER, and members shall be responsible for the conduct of their guests and visitors. Members, visitors and guests shall in no event create or maintain any nuisance or commit any illegal or unlawful act at the CLUB. The DEVELOPER may, from time to time, promulgate dress code requirements pertaining to the FACILITIES.

14. Payment of Membership Fees. Commencing June 1, 1984 through May 31, 1988, neither the ASSOCIATION nor any individual member shall be required to pay any fees to the DEVELOPER for use of the FACILITIES. Each member of the ASSOCIATION shall automatically be entitled to full CLUB membership privileges during such period. Thereafter, the provisions of the preceding paragraph, regarding full membership and limited membership, shall be applicable on or before June 1, 1988 and each year thereafter. Commencing June 1, 1986, the annual membership fee for full membership shall not initially exceed Eighty (\$80.00) Dollars, and the per diem fee per person shall not initially exceed Six (\$6.00) Dollars per member and Seven (\$7.00) Dollars per guest. Membership fees will not be chargeable to members residing during their respective UNIT WEEKS and may apply for a "Member in Residence" identification card. Notwithstanding anything contained herein to the contrary in the event the swimming pool and pool deck is added in connection with Phase (Ib) of the development

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as a part of the FACILITIES, the annual membership fee for full membership shall be increased Twenty (\$20.00) Dollars and the limited per diem membership fee shall be increased by Two (\$2.00) Dollars per member and Three (\$3.00) Dollars per guest for the year commencing June 1, 1986.

15. Transfer of Membership - Termination. Membership in the CLUB pursuant to this Agreement shall be incidental to ownership of a Time Share Interest in the PROJECT. Upon the sale or transfer of such Time Share Interest, membership in the CLUB shall automatically terminate. The subsequent purchaser or transferee shall be entitled to CLUB privileges, and a new membership card(s) shall be issued upon such subsequent purchase or transfer providing the DEVELOPER with such information as the DEVELOPER may reasonably require so as to indicate the identity of such purchaser or transferee, the address of such purchaser or transferee, and evidence of ownership of the UNIT WEEK in the PROJECT. Such information shall be supplied to the DEVELOPER in such form as may be reasonably required from time to time.

16. Rules and Regulations. The DEVELOPER reserves the right to adopt rules and regulations concerning use of the FACILITIES. Such rules and regulations may include, but not necessarily be limited to, hours of use of the FACILITIES, prior reservation for use of the FACILITIES, guest fees, use of the FACILITIES by minors, and per diem charges for limited membership privileges.

17. Default - Suspension of Rights. In the event the ASSOCIATION fails to pay the membership fees for individual electing members within thirty (30) days of the date when due or fails to comply with any of the terms, conditions, or provisions of this Agreement, such an event shall be deemed a default. Upon such default, the DEVELOPER shall notify the ASSOCIATION in writing specifying the particular breach, and the ASSOCIATION shall have thirty (30) days from the date of such notice to cure the default. In the event the default is not cured within such time, the DEVELOPER may terminate this Agreement. Notwithstanding anything contained herein to the contrary, termination of this Agreement shall not affect the individual membership rights of members who are not in default for the balance of the period for which such annual membership fee has been paid. Upon termination of this Agreement, subject to the provisions herein, all members of the ASSOCIATION shall continue to have limited membership privileges in accordance with the terms and conditions set forth elsewhere herein.

In addition to the foregoing, the DEVELOPER, its successors and assigns, pending turnover of control of the ASSOCIATION may suspend membership privileges to any member who is in default in the payment of yearly maintenance to the ASSOCIATION. The DEVELOPER may also suspend at any time membership privileges to members who are in default or delinquent in the payment of any sum due pursuant to a Note and Purchase Money Mortgage executed in connection with the acquisition of the timeshare Unit from the DEVELOPER. In the event of such default, either in the payment of maintenance or any sum due pursuant to such Note and Mortgage, results in the foreclosure of a maintenance lien or such Note and Mortgage, then membership privileges shall automatically terminate.

18. Termination of Plan - Transfer of Control. Notwithstanding anything contained herein or in the Plan to the contrary, the DEVELOPER reserves the right to retain exclusive management and control of the FACILITIES subsequent to turnover of control of the ASSOCIATION as provided for in the Plan. The DEVELOPER, its successors and assigns shall not however be permitted to terminate its obligations hereunder except by transferring all of its right, title, and interest and to the FACILITIES to the ASSOCIATION. DEVELOPER is expressly authorized to transfer all of its right, title and interest in and to the FACILITIES and its full management function hereunder to the ASSOCIATION without the consent of the ASSOCIATION or the members. In the event the DEVELOPER makes the election provided for herein, the ASSOCIATION shall assume full management, control and ownership of the FACILITIES and the DEVELOPER, its successors and assigns shall thereafter be relieved of all responsibility hereunder. Notwithstanding transfer of the DEVELOPER's control and ownership interest as provided for herein, the ASSOCIATION shall upon assumption of ownership and control of the FACILITIES honor any and all preexisting membership rights therein, to Owners in the TOWER PROJECT, or third parties.

19. Subordination. The rights of all CLUB members, jointly and severally, shall be subordinate and inferior to the rights of any and all mortgage lenders having Mortgages upon any property in which the FACILITIES may be located. Such mortgage lender shall include lenders with mortgages existing as of the date hereof or mortgage lenders who acquire Mortgages at any time during the continuance of the CLUB.

20. Hold Harmless - Indemnification. The ASSOCIATION and each individual member, upon the acceptance of membership privileges, does hereby hold the

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DEVELOPER, its successors and assigns harmless from any loss, damage or injury caused by use of the FACILITIES which are not caused by the DEVELOPER's gross negligence or willful misconduct.

21. Attorneys' Fees. In the event of any litigation which may be required or instituted as a result of the performance or non-performance of this Agreement, the prevailing party in any suit so filed shall be entitled to an award for reasonable attorneys' fees and costs, including all costs and attorneys' fees in case of appeal.

22. Governing Law. This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Florida.

23. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

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

Signed, Sealed and Delivered
in the Presence of:

HOLLYWOOD INTERNATIONAL, a Florida
general partnership

BY: _____
General Partner

HOLLYWOOD BEACH HOTEL OWNERS
ASSOCIATION, INC., a Florida corporation not-
for-profit

BY: _____
Authorized Agent

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EXHIBIT "F"

DEVELOPER'S PLAN OF PHASE DEVELOPMENT

REC 11403 REC 358

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EXHIBIT "C"

DESCRIPTION OF PLAN OF PHASE DEVELOPMENT

The Developer, its successor and assigns may improve further portions of the property and by amendment to the Plan create and submit additional Time Share Accommodations in phases and may create and submit additional Common Facilities. In no event, shall the total number of Units to be submitted as part of the Time Share Accommodations exceed three hundred twenty-seven (327). As previously indicated, the initial phase of development (Phase I(a)) consists of thirty-eight (38) Units together with the Common Facilities associated therewith. The additional phases which may be added are as follows:

Phase	Number of Units	Unit Type	Location	Undivided Interest per Interval	Aggregate Undivided Interest Per Phase
1(b)	38	24 one bed-room/one bath-14 studios	4th Floor excluding North and South Wings	.0048904%	9.288293%
1(c)	38	24 one bed-room/one bath-14 studios	5th Floor excluding North and South Wings	.0048904%	9.288293%
1(d)	38	24 one bed-room/one -14 studios	7th Floor excluding North and South Wings	.0048904%	9.288293%
1(e)	12	8 one bed-room/one bath 4 studios	2nd Floor excluding North and South Wings	.0048904%	2.928829%
1(f)	14	8 one bed-room/one bath 5 studios	3rd Floor excluding North and South Wings	.0048904%	3.414834%
Total Time Share Units Phase I: 9,356					
* * *					
2(a)	85	35 one bed-room/one bath 30 studios	2nd, 3rd, 4th, 5th, 6th and 7th Floors South Wing	.0048904%	15.85368%
2(b)	40	24 one bed-room/one bath 20 studios	4th, 5th, 6th and 7th Floors North Wing	.0048904%	10.73171%
Total Time Share Units Phase 2: 5,880					
Total Aggregate Undivided Interest Phase I: 43.41483%					
Total Aggregate Undivided Interest Phase 2: 28.58537%					
Total Aggregate Undivided Interest All Phases: 70.000%					

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Total Retained Property: 30.000%

Total: 100%

...

There are certain additional Common Facilities which may be added from time to time in connection with additional phases. These additional Common Facilities are as follows:

1. Additional Parking Facilities

(a) *Parcels D and F as designated on Composite Exhibit "C" and described on Exhibit "C" to the Plan attached to be submitted in connection with Phase 1(c).

(b) Parcel E as designated on Composite Exhibit "C" to the Plan and described on Exhibit G to the Plan to be submitted in connection with Phase 1(d).

(c) The Construction of a parking garage on either proposed Parking Garage Site No. 1 or proposed Parking Garage Site No. 2 as described on Exhibit "C" to the Plan - to be submitted in connection with Phase 2(b).

2. Additional Common Facilities

(a) Corridors, escalator, and additional lobby areas - first floor north as described on Exhibit "C1".

(b) Corridors, first floor south as described on Exhibit "C1(a)".

(c) Upper lobby second floor north as described on Exhibit "C1".

(d) Upper lobby second floor south as described on Exhibit "C1(a)".

3. Swimming Pool and Pool Deck

As described on Exhibit "C" and designated as Parcel B, such facility is to be submitted in connection with Phase 1(b) and shall become a Beach Club Facility pursuant to the Beach Club Membership Agreement attached as Exhibit "D" to the Plan. It is to be specifically noted that the Parcel "C" (the tiki hut and lagoon area as designated on Exhibit "C") is not included as part of the Beach Club Facility and is deemed Retained Property of the Developer.

4. Maintenance Fees

In the event the additional parking facilities are added as part of future phase development the total maintenance fee per Time Share Interest is estimated to increase from \$101.12 to \$107.42. This is based upon additional maintenance expenses and reserves for such additional facilities. In the event the additional Common Facilities as referenced above are added it is estimated that the annual maintenance fee per Time Share Interest shall increase to \$106.82. It is to be specifically noted that these estimates are based upon the submission of all additional Time Share Accommodations presently proposed and associated Common Facilities. The figures set forth herein are merely estimates and may increase over the amount stated based upon factors which may include but not necessarily be limited to inflation, errors in estimating expenses, and the submission of Time Share Accommodations and Common Facilities in addition to those Time Share Accommodations and Common Facilities proposed to be submitted as set forth herein.

* It is to be noted that Parcel F is to be leased from the Department of Transportation if, as and when such additional parking facilities are added. The Association shall however operate and manage such facility.

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EXHIBIT 77

DESCRIPTION OF POOL AREA

PHASE (b)

REC 13593pg 579

REC 11403pg 361

EXHIBIT "F"

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF POOL AREA

Parcel B Phase 1(b)

A portion of Lot 1 and a portion of Broad Walk, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of Lot 2 of said "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH"; thence, on an assumed bearing of N.88°25'12"E. on the easterly extension of the north line of said Lot 2 a distance of 112.20 feet; thence, S.3°14'49"W along the east line and along an extension of the east line of said Lot 1 a distance of 124.16 feet to a Point of Beginning; thence, continue S.3°14'49"W. along said east line 234.83 feet; thence, S.88°25'12"W. 74.01 feet; thence, N.1°40'27"W. 234 feet; thence, N.88°25'12"E. 94.16 feet to the Point of Beginning.

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TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY III, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above ground encroachments except as shown. I further certify that the survey represented herein meets the minimum technical standards of the Florida Board of Land Surveyors pursuant to section 472.027, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 14th day of June 1981, A.D.

Maurice E. Berry III
MAURICE E. BERRY III
Registered Land Surveyor No. 3591
State of Florida

EXHIBIT "C"

ADDITIONAL PARCELS WHICH MAY BE ADDED AS PARKING FACILITIES

PARCEL D - SOUTH PARKING

PARCEL E - NORTH PARKING

*PARCEL F - D.O.T. PARKING SITE

To be owned by Department of Transportation and leased to the Association for additional parking purposes.

REC 11403 PW 363

REC 13593 PG 581

EXHIBIT "C"

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF SOUTH BROAD WALK PARKING

Parcel D

A portion of Lots 1 and 2, and a portion of Broad Walk, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of N.88°25'12"E. on the easterly extension of the north line of said Lot 2 a distance of 112.20 feet; thence, S.3°14'49"W. along the east line and along an extension of the east line of said Lot 1 a distance of 572.65 feet to a Point of Beginning; thence, continue S.3°14'49"W. along said east line 227.65 feet to a point on the easterly extension of the south line of said Lot 2; thence, S.88°20'57"W. 42.98 feet to the southeast corner of Lot 2; thence, N.1°42'54"W. along the east line of Lot 2 a distance of 172.51 feet; thence, S.88°12'16"W. 3.02 feet to a point on the exterior structure of the existing 'Hollywood Beach Hotel'; thence, along said structure N.1°42'54"W. 54.40 feet; thence, N.88°20'57"E. 65.69 feet to the Point of Beginning.

REC 13593 PG 582
MC 11403 PM 364

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY III, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above-ground encroachments or easements. I further certify that the survey represented herein meets the technical standards of the Florida Board of Land Surveyors pursuant to section 472.027, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 14th day of June 1983, A.D.

Maurice E. Berry III
MAURICE E. BERRY III
Registered Land Surveyor No. 3591
State of Florida

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF NORTH BROAD WALK PARKING

Parcel E

A portion of Lots 1 and 2 and a portion of Broad Walk, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Beginning at the northeast corner of said Lot 2, run on an assumed bearing of N.88°25'12"E. on the easterly extension of the north line of said Lot 2 a distance of 112.20 feet; thence, S.3°14'49"W. along the east line and along an extension of the east line of said Lot 1 a distance of 124.16 feet; thence, S.88°25'12"W. 103.92 feet to a point on the exterior structure of the existing 'Hollywood Beach Hotel'; thence, along said structure N.1°23'11"W. 123.72 to the north line of said Lot 2; thence, N.88°25'12"E. 1.75 feet to the Point of Beginning.

REC 13593PG 503

REC 11403PG 305

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY III, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above ground encroachments except as shown. I further certify that the survey represented herein meets the minimum essential standards of the Florida Board of Land Surveyors pursuant to section 472.027, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 14th day of June 1983, A.D.

Maurice E. Berry III
MAURICE E. BERRY III
Registered Land Surveyor No. 3591
State of Florida

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF D.O.T. PARKING

Parcel F

A portion of Lots 2 and 3, according to the plat of "RE-SUB-DIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of S.88°25'12"W. along the north line of Lots 2 and 3 a distance of 396.81 feet to the easterly line of the limited access right-of-way line of Hollywood Boulevard Bridge Interchange at U.S. Highway A-1-A; thence, S.49°32'40"E. along said limited access right-of-way line 87.88 feet; thence, S.46°40'56"E. 25 feet to a point of curvature; thence, along a 190-foot radius curve to the right, through a central angle of 73°28'31", an arc distance of 243.65 feet to a Point of Beginning; thence, continue along said 190-foot radius curve through a central angle of 61°30'59", an arc distance of 204 feet to a point of tangency; thence, S.88°18'34"W. 31.75 feet; thence, N.4°01'17"E. 59.82 feet to a point on a curve, being concentric with said 190-foot radius and whose center bears N.9°29'41"E. from said point; thence, along a 133-foot radius curve to the left, through a central angle of 72°18'49", an arc distance of 167.86 feet to a point on a non-tangent line; thence, S.64°06'45"E. 57.01 feet to the Point of Beginning.

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:

I, MAURICE E. BERRY III, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above ground encroachments except as shown. I further certify that the survey represented herein meets the minimum technical standards of the Florida Board of Land Surveyors pursuant to section 472.027, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 14th day of June 1983, A.D.

Maurice E. Berry III
MAURICE E. BERRY III
Registered Land Surveyor No. 359
State of Florida

BERRY, CALVIN, BROOME & FARINA - LAND SURVEYORS AND ENGINEERS

EXHIBIT 7E

ARTICLES OF INCORPORATION

RE 11403M367

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D/80

ARTICLES OF INCORPORATION

OF

HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC.
(A Florida Corporation Not-For-Profit)

...

In order to form a corporation not-for-profit under and in accordance with Chapter 617 of the Florida Statutes, we, the undersigned, hereby associate ourselves into a corporation not-for-profit for the purposes and with the powers hereinafter set forth and to that end, we do, by these Articles of Incorporation, certify as follows:

EXPLANATION OF TERMINOLOGY

The terms contained in these Articles which are contained in the Time Sharing Plan ("Plan") creating the Hollywood Beach Hotel, shall have the meaning of such terms set forth in the Plan.

ARTICLE I

NAME

The name of this Association shall be **HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC.**, whose present address is 101 North Ocean Drive, Hollywood, Florida, 33019.

ARTICLE II

PURPOSE OF ASSOCIATION

The purpose for which this Association is organized is to maintain, operate and manage the Time Share Accommodations and Common Amenities and to operate, lease, trade, sell and otherwise deal with the personal and real property thereof.

ARTICLE III

POWERS

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

A. The Association shall have all of the common law and statutory powers of a corporation not-for-profit which are not in conflict with the terms of the Plan, these Articles, the By-Laws or the Act.

B. The Association shall have all of the powers of an owners' association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

1. to make, establish and enforce reasonable Rules and Regulations governing the Time Share Accommodations and Common Facilities and the use of Units;

2. to make, levy, collect and enforce Special Assessments and Annual Assessments against Owners and to provide funds to pay for the expenses of the Association and the maintenance, operation and management of the Time Share Accommodations and Common Facilities in the manner provided in the Plan, these Articles, the By-Laws and the Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association;

3. to maintain, repair, replace and operate the Time Share Accommodations and Common Facilities in accordance with the Plan, these Articles, the By-Laws and the Act;

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4. to reconstruct improvements of the Time Share Accommodations and Common Facilities in the event of casualty or other loss in accordance with the Plan;

5. to enforce by legal means the provisions of the Plan, these Articles, the By-Laws and the Act; and

6. to employ personnel, retain independent contractors and professional personnel and enter into service contracts to provide for the maintenance, operation and management of the Time Share Accommodations and Common Facilities and to enter into such other agreements that are consistent with the purpose of the Association.

ARTICLE IV

MEMBERS

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

A. Until such time as the recordation of the Plan, the Members of this Association shall be comprised solely of the Subscribers ("Subscriber Members") to these Articles; and in the event of the resignation or termination of any Subscriber Member, the remaining Subscriber Members may nominate and designate a successor Subscriber Member. Each of the Subscriber Members shall be entitled to cast one (1) vote on all matters requiring a vote of the Members.

B. Upon the recordation of the Plan, the Subscriber Members' rights and interests shall be automatically terminated and the Owners, which in the first instance means Developer as the owner of the Units, shall be entitled to exercise all of the rights and privileges of Members.

C. Membership in the Association shall be established by the acquisition of ownership of a Time Share interest in the property as evidenced by the recording of an instrument of conveyance amongst the Public Records of Broward County, Florida, whereupon, the membership in the Association of the prior Owner thereof, if any, shall terminate. New Members shall deliver a true copy of the recorded deed or other instrument of acquisition of title to the Association.

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

E. With respect to voting, the Members as a whole shall vote. Each Time Share interest with respect to all matters upon which Owners (other than the Developer) are permitted or required to vote as set forth in the Plan, these Articles or By-Laws shall be entitled to a vote equal to the percentage undivided ownership interest in the property, which vote shall be exercised and cast in accordance with the Plan, these Articles and the By-Laws.

ARTICLE V

TERM

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

ARTICLE VI

SUBSCRIBERS

The names and addresses of the Subscribers to these Articles are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Joel Gamel	101 North Ocean Drive Hollywood, Florida 33019
Bennett Gamel	101 North Ocean Drive Hollywood, Florida 33019

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Jeffrey Froug

101 North Ocean Drive
Hollywood, Florida 33019

ARTICLE VII

OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board.

B. The Board shall elect the President, the Vice President, the Secretary, the Treasurer and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board; provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the By-Laws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice-President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE VIII

FIRST OFFICERS

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

President	Joel Gamel
Vice President	Bennett Gamel
Secretary & Treasurer	Jeffrey Froug

ARTICLE IX

BOARD OF DIRECTORS

A. The form of administration of the Association shall be by a Board of not less than three (3) Directors nor more than nine (9) Directors, the exact amount to be determined from time to time by the Board. The number of Directors on the "First Board" (as hereinafter defined) shall be three (3).

B. The names and addresses of the persons who are to serve as the first Board of Directors ("First Board") are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Joel Gamel	101 North Ocean Drive Hollywood, Florida 33019
Bennett Gamel	101 North Ocean Drive Hollywood, Florida 33019
Jeffrey Froug	101 North Ocean Drive Hollywood, Florida 33019

Developer reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. The First Board shall serve until the "Initial Election Meeting", as hereinafter described, which shall be held thirty (30) days after the sending of notice by Developer to the Association that Developer voluntarily waives its right to continue

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to designate the members of the First Board, whereupon the First Board shall resign and be succeeded by the "Initial Elected Board" (as hereinafter defined).

D. The "Initial Elected Board" shall be composed of Directors elected by the Members of the Association at a meeting ("Initial Election Meeting") to be called by the First Board for such purpose. Notice of the Initial Election Meeting shall be forwarded to all Members in accordance with the By-Laws; provided, however, that the Members shall be given at least fourteen (14) but not more than forty (40) days' notice of such meeting. All members of the Initial Elected Board shall be Owners of Time Share interests in the property. The Initial Elected Board shall succeed the First Board upon the election thereof at the Initial Election Meeting, but nothing herein shall preclude the officers, directors or designees of Developer (as long as Developer is an Owner) from being elected as members of the Board at the Initial Election Meeting or at any time thereafter. The Initial Elected Board shall serve until the next "Annual Members Meeting" (as defined in the By-Laws) following the Initial Election Meeting, whereupon the Members shall elect the Directors. The Board shall continue to be so elected at each subsequent Annual Members Meetings in accordance with the By-Laws of the Association.

ARTICLE X

INDEMNIFICATION

Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels) reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he may become involved by reason of his being or having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he is a Director or officer at the time such expenses are incurred. Notwithstanding the above, in instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law.

ARTICLE XI

BY-LAWS

The By-Laws of the Association shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the By-Laws and the Act. As set forth in the By-Laws, the By-Laws may be amended by the affirmative vote of not less than a majority of the Members present at an Annual Members Meeting or a special meeting of the Members, and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. Notwithstanding anything contained herein to the contrary, the By-Laws may be amended by the Developer without the consent or vote of any Unit Owner provided that such amendment does not materially prejudice the rights of any Owner other than the Developer.

ARTICLE XII

AMENDMENTS

A. Prior to the recording of the Plan amongst the Public Records of Broward County, Florida, these Articles may be amended only by an instrument in writing signed by all of the Directors and filed in the office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended and give the exact language of such amendment, and a certified copy of such amendment shall always be attached to any certified copy of these Articles and shall be an exhibit to the Plan upon the recording of any such Plan.

B. After the recording of the Plan amongst the Public Records of Broward County, Florida, these Articles may be amended in the following manner:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting (whether of the Board or of the Members) at which such proposed amendment is to be considered; and

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2. A resolution approving the proposed amendment may be first passed by either the Board or the Members. After such approval of a proposed amendment by one of said bodies, such proposed amendment must be submitted and approved by the other of said bodies. Approval by the Members must be by a vote of a majority of the Members present at a meeting of the membership at which a quorum (as determined in accordance with the By-Laws) is present and approval by the Board must be by a majority of the Directors present at any meeting of the Directors at which a quorum (as determined in accordance with the By-Laws) is present.

C. A copy of each amendment shall be certified by the Secretary of State and recorded amongst the Public Records of Broward County, Florida.

D. Notwithstanding the foregoing provisions of this Article XII, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Developer, including the right to designate and select the Directors as provided in Article IX hereof, or the provisions of this Article XII, without the prior written consent therefor by Developer.

E. Notwithstanding the foregoing provisions of this Article XII, so long as the Developer is entitled to elect a majority of the Board, the Developer shall have the right to amend these Articles without the consent of any Owner provided such amendment does not materially prejudice the rights of any institutional mortgagee.

IN WITNESS WHEREOF, the Subscribers have hereunto affixed each of their signatures the day and year set forth below.

Dated: _____ JOEL GAMEL
Dated: _____ BENNETT GAMEL
Dated: _____ JEFFREY FROUG

STATE OF FLORIDA)
COUNTY OF _____) SS.

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Joel Gamel, to me known to be the person described as one of the Subscribers in and who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this _____ day of _____, 1987.

My Commission Expires _____

Notary Public, State of Florida

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STATE OF FLORIDA)
COUNTY OF) SS.:

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Bennett Camel, to me known to be the person described as one of the Subscribers in and who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this day of _____, 1982.

Notary Public, State of Florida.

My Commission Expires:

STATE OF FLORIDA)
COUNTY OF) SS.:

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Jeffrey Freug, to me known to be the person described as one of the Subscribers in and who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this day of _____, 1982.

Notary Public, State of Florida.

My Commission Expires:

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BY-LAWS
OF
HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC.
(A Florida Corporation Not-For-Profit)

* * *

Section 1. Identification of Association

These are the By-Laws of HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"), as duly adopted by its Board of Directors. The Association is a corporation not-for-profit, organized pursuant to and under Chapter 617 of the Florida Statutes for the purpose of managing, operating and administering a resort development known as the HOLLYWOOD BEACH HOTEL.

1.1 The office of the Association shall be for the present at 101 North Ocean Drive, Hollywood, Florida, 33019, and thereafter may be located at any place in Broward County, Florida, designated by the Board of Directors of the Association.

1.2 The fiscal year of the Association shall be the calendar year or such other fiscal year authorized by law.

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

Section 2. Explanation of Terminology

Any terms contained in these By-Laws shall have the meanings given such terms in the Time Sharing Plan ("Plan") creating Hollywood Beach Hotel.

Section 3. Membership in the Association, Members Meetings, Voting and Proxies

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

3.2 The Members shall meet annually at the office of the Association or such other place in Broward County, Florida, as determined by the Board and as designated in the notice of such meeting at the time determined by the Board time within ninety (90) days after each year and (the "Annual Members Meeting") commencing with the year 1984. The purpose of the Annual Members Meeting shall be to hear reports of the officers, elect members of the Board (in the event Unit Owners other than the Developer are permitted to elect members) and to transact any other business authorized to be transacted by the Members.

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

3.4 A written notice of the meeting (whether the Annual Members Meeting, or special meeting of the Members) shall be mailed to each Member entitled to vote at his last known address as it appears on the books of the Association.

Written notice of a special meeting of the Members shall be mailed not less than ten (10) days nor more than forty (40) days prior to the date of a special meeting. The notice shall state the time and place of such meeting and the objects for which the meeting is called and shall be signed by an officer of the Association. A meeting of the Members, either a special meeting or an Annual Members Meeting,

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not election
not less
(14) days not more
(40) days

one which, by express provision of the Act, the Plan, the Articles or these By-Laws (provided the express provision of the Plan, the Articles or these By-Laws is in accordance with the requirements of the Act) is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Section 3.4, then the aforesaid express provision shall govern. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after a meeting, which waiver shall be in writing and shall set forth a waiver of written notice of such meeting.

721.43

3.5 The Members, at the discretion of the Board, may act by written agreement in lieu of a meeting, provided written notice of the matter or matters to be agreed upon is given to the Members, at the addresses and within the time periods set forth in Section 3.4 herein or duly waived in accordance with such Section. The decision of the majority of the Members as to the matter or matters to be agreed upon (as evidenced by written response to be solicited in the notice) shall be binding on the Members, provided a quorum of the Members submits a response. The notice shall set forth a time period during which time a response must be made by a Member.

3.6 A quorum of the Members shall consist of persons entitled to cast one third (1/3) of the votes of the Members. A Member may join in the action of a meeting by signing and concurring in the minutes thereof and such a signing shall constitute the presence of such parties for the purpose of determining a quorum. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the voting rights present in person or represented by written "proxy" (as hereinafter defined) shall be required to decide the question. However, if the question is one upon which, by express provisions of the Plan, the Articles or these By-Laws (provided the express provisions of the Act), requires a vote of other than the majority vote of a quorum, then the such express provision shall govern and control the required vote on the decision of such question.

3.7 If any meeting of the Members cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. In the case of a meeting being postponed, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.8 Minutes of all meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times.

3.9 Voting rights of Members shall be as stated in Section 3.10 below. ~~Nothing herein shall be construed to limit the right of a Member to appoint a proxy in writing and shall be valid only for the particular meeting designated therein and any adjournments. A proxy may be revoked prior to the time a vote is cast according to such proxy.~~ "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote on his behalf in the Member's place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein and any adjournments. A proxy may be revoked prior to the time a vote is cast according to such proxy.

3.10 The following provisions shall govern the right of each Member to vote and the manner of exercising such right:

(a) Each Owner of the Owners collectively of a Time Share interest of record shall be entitled to cast a vote in the Association equal to the percentage undivided interest owned, with respect to matters on which a vote by Owners (other than the Developer) is permitted or required to be taken under the Plan, the Articles, these By-Laws, or the Act.

(b) The vote of the Owners of a Time Share interest owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate executed by all of the Owners of the Time Share interest or if appropriate, by properly designated officers, partners or principals of the respective legal entity and filed with the Secretary of the Association. If such a

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certificate is not on file with the Secretary of the Association, the vote of such Time Share Interest shall not be considered for a quorum or for any other purpose.

(c) Notwithstanding the provisions of paragraph (b) of this Section 3.10, whenever any Time Share Interest is owned by a husband and wife, they may, but shall not be required to, designate a voting member. In the event a certificate designating a voting member is not filed by a husband and wife, the following provisions shall govern their right to vote:

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

(2) Where only one (1) spouse is present at a meeting, the person present may cast the vote for the Time Share Interest without establishing the concurrence of the other spouse, absent any prior written notice to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Time Share Interest shall not be considered.

(3) Where neither spouse is present, the person designated in a proxy signed by either spouse may cast the vote for the Time Share Interest, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different proxy by the other spouse, the vote of said Time Share Interest shall not be considered.

(d) In the event any Owner shall fail to pay Assessments within ten (10) days after he has been notified in writing by the Association that such Assessments are due the vote of the Time Share Interest owned by such Owner shall be terminated until such Assessment plus interest thereon and costs of collection thereof are paid to the Association.

3.11 At any time prior to a vote upon any matter at a meeting of the Members, any Member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

Section 4. Board of Directors; Directors' Meetings

4.1 The form of administration of the Association shall be by a Board of not less than three (3) Directors nor more than nine (9) Directors, the exact amount to be determined from time to time by the Board.

4.2 The provisions of the Articles setting forth the selection, election, designation and removal of Directors are hereby incorporated herein by reference.

4.3 Subject to Section 4.2 below and to Developer's rights as set forth in the Articles and as set forth in Section 4.3(e) below, vacancies in the Board shall be filled by persons elected by the remaining Directors. Any such person shall be a

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Director and have all of the rights, privileges, duties and obligations as a Director elected at an Annual Members Meeting and shall serve for the term prescribed in Section 4.4 of these By-Laws.

4.4 The term of each Director's service shall extend until the next Annual Members Meeting and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

4.5 (a) A Director elected by the Members, as provided is in the Articles may be removed from office upon the affirmative vote or the agreement in writing of a majority of the Members at a special meeting for the reasons or reasons deemed by the Members to be in the best interests of the Association. A meeting of Members to so remove a Director elected by them shall be held, subject to the notice provisions of Section 3.4 hereof, upon the written request of ten (10) percent of the Members. However, before any Director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting, a which said motion is to be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

(b) Members shall elect, at a special meeting or at the Annual Members Meeting, persons to fill vacancies on the Board caused by the removal of a Director elected by Members in accordance with Section 4.5(a) above.

(c) A Director designated by Developer, as provided in the Articles, may be removed only by Developer in its sole and absolute discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board as to a Director designated by it and Developer shall notify the Board of the name of the respective successor Director and the commencement date for the term of such successor Director.

(d) In the event a Director not designated by Developer shall fail to pay Assessments with ten (10) days after he has been notified in writing by the Association that such Assessments are due, his Board membership shall automatically be terminated and if such Board member is an officer of the Board he shall automatically be discharged from his office. The provisions hereof shall not act to deprive Developer of its right to designate officers or Directors.

4.6 The organizational meeting of a newly elected Board shall 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. No further notice of the organizational meeting shall be necessary.

4.7 Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of Directors. Special Meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings may be called by the Secretary at the written request of one-third (1/3) of the Directors.

4.8 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegram at least three (3) days prior to the day named for such meeting. Any Director may waive notice of a meeting before, during or after a meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9 A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically otherwise provided in the Plan, Articles or elsewhere herein. If at any meeting of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until

*the
organization
meeting*

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RF 11403m 378

a quorum is present. At any meeting being held because of such an adjournment, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, notice to the Directors of such adjournment shall, subject to the Act, be as determined by the Board.

4.10 The presiding officer at Board meetings shall be the President.

4.11 Directors' fees, if any, shall be determined by a majority of the Members.

4.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times.

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

4.14 Meetings of the Board shall be open to all Members. ~~Members shall have the right to participate in any meeting of the Board, but shall only be entitled to vote at such meeting if they are a Member not serving as a Director and are not otherwise invited by the Directors to participate in such meeting. If a Member not serving as a Director is invited to participate in such meeting, he shall not be entitled to vote at such meeting. Meetings of the Board shall be held at such times and places as may be determined by the Board, and the Board may also hold special meetings of the Board at such times and places as may be determined by the Board. Meetings of the Board shall be held at such times and places as may be determined by the Board, and the Board may also hold special meetings of the Board at such times and places as may be determined by the Board. Meetings of the Board shall be held at such times and places as may be determined by the Board, and the Board may also hold special meetings of the Board at such times and places as may be determined by the Board.~~

Not Members participating on meetings unless invited by a Director.

Section 5. Powers and Duties of the Board of Directors

All of the powers and duties of the Association, including those existing under the Act, the Plan, the Articles and these By-Laws shall be exercised by the Board, unless otherwise specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Act and the Time Share Documents and shall include, but not be limited to the following:

5.1 Making and collecting Special Assessments and Annual Assessments against Members (collectively "Assessments") in accordance with the Plan. These Assessments shall be collected by the Association through payments made directly to it by the Members.

5.2 Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board.

5.3 Maintaining, repairing and operating the Time Share Accommodations and Common Facilities.

5.4 Reconstructing improvements after casualty and losses and making further authorized improvements of the Time Share Accommodations and Time Share Facilities.

5.5 Making and amending Rules and Regulations with respect to the use of the Time Share Accommodations and Common Facilities.

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shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary.

6.5 The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members, keep the books of the Association in accordance with good accounting practices and shall perform all of the duties incident to the office of a Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer whenever the Treasurer is absent and shall assist the Treasurer.

6.6 The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Resort Facility.

Section 7. Accounting Records; Fiscal Management

7.1 The Association shall maintain accounting records in accordance with good accounting practices which shall be open to inspection by Members or their authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the Member giving such authorization and dated within sixty (60) days of the date of any such inspection.

7.2 (a) The Board shall adopt a budget for the Time Share Accommodations and Common Facilities (the "Budget") for each forthcoming fiscal year at a special meeting of the Board ("Budget Meeting") called for that purpose at such time as may be designated by the Board. Prior to the Budget Meeting, a proposed Budget shall be prepared by or on behalf of the Board, which Budget shall include, but not be limited to, the following items of expenses:

- (i) Services
- (ii) Utilities
- (iii) Administration
- (iv) Supplies and Materials
- (v) Insurance
- (vi) Repairs, Replacement and Maintenance
- (vii) Professional Fees
- (viii) Reserve Funds
- (ix) Operating Capital
- (x) Other Expenses

In addition to the foregoing items of expense, the Budget may include taxes, if the Board so determines.

Copies of the proposed Budgets and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's last known address, as reflected on the books and records of the Association, not less than thirty (30) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Members.

(b) The Board may also include in such proposed Budgets, either annually or from time to time as the Board shall determine to be necessary, a sum of money as an assessment for the making of betterments to the Time Share Accommodations and Common Facilities and for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the Members by the Board as a Special Assessment. In addition, the Board shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of the Time Share Accommodations and Common Facilities. The reserve accounts shall include, but not be limited to, Unit furnishings, roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be determined by the Board.

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5.6 Enforcing by legal means the provisions of the Plan, the Articles, these By-Laws and the applicable provisions of the Act.

5.7 To contract for the management and maintenance of the Time Share Accommodations and Common Facilities and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, and repair and replacement of the Common Areas and the Units with funds that shall be made available by the Association for such purposes and other services.

5.8 Paying taxes and Assessments which are or may become liens against the Time Share Accommodations and Common Facilities and the Time Share Interest owned by the Association, if any, and assessing the same against Time Share Interests which are or may become subject to such liens.

5.9 Purchasing and carrying insurance for the protection of Owners and the Association against casualty and liability for the Time Share Accommodations and Common Facilities.

5.10 Paying costs of all power, water, sewer and other utility services rendered to the Time Share Accommodations and Common Facilities and not billed to Owners.

5.11 Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration of the purposes of this Association, including the hiring of a resident manager and paying all salaries therefor.

Section 6. Officers of the Association

6.1 The officers of the Association shall be a President, who shall be a Director, one (1) or several Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by a vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

6.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one (1) Vice President elected by the Board, then they shall be designated "First", "Second", etc., and shall exercise the powers and perform the duties of the Presidency in such order.

6.4 The Secretary shall cause to be kept the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any,

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RIT 11403MCSO

(c) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year or such other fiscal year as may be authorized by law; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made annually in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) Common Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such Common Expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

(e) An audit of the accounts of the Association shall be made annually by an auditor, accountant or Certified Public Accountant designated by the Board, and a copy of such audit shall be furnished to the Board no later than thirty (30) days subsequent to the completion thereof for the previous fiscal year.

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

7.3 (a) The Budget constitutes an estimate of expenses of the Association. This estimate of the expenses of the Association shall be divided as specified by the Plan.

(b) Notwithstanding the allocation to each Time Share Interest of its Annual Assessment, an Owner shall also be liable for any Special Assessments levied by the Board against his Time Share Interest as provided in the Plan.

7.4 The Association shall collect Annual Assessments and Special Assessments from the Owners in the manner set forth in the Plan and the Articles and these By-Laws.

Section 8. Rules and Regulations

The Board may adopt Rules and Regulations or amend or rescind existing Rules and Regulations for the operation and the use of the Time Share Accommodations and Common Facilities at any meeting of the Board; provided, however, that such Rules and Regulations are not inconsistent with the Plan, the Articles or these By-Laws.

Section 9. Amendment of the By-Laws

9.1 These By-Laws may be amended by the affirmative vote of not less than a majority of the Members present at an Annual Members Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with the notice of the special meeting of the Members or Annual Members Meeting. An amendment may be approved at the same meeting of the Board and/or Members at which such amendment is proposed.

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

9.3 Amendments to these By-Laws shall be made in accordance with the requirements of the Act and any amendments thereto in effect at the time of amendment.

9.4 No modification or amendment to these By-Laws shall be adopted which would affect or impair the priority of any Institutional Mortgagee the validity of the mortgage held by any such Institutional Mortgagee, or any of the rights of Developer.

9.5 Notwithstanding anything contained in Article XII of the Articles of Incorporation, so long as the Developer is entitled to elect a majority of the Board, the Developer shall have the right to amend these Articles without the consent of any Member provided such amendment does not materially prejudice the rights of any Institutional mortgagee.

HOLLYWOOD BEACH HOTEL OWNERS
ASSOCIATION, INC.

BY: _____

ATTEST: _____

(CORPORATE SEAL)

REC 114 03 PM 383

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RECORDED IN THE PUBLIC RECORDS OF
DADE COUNTY, FLORIDA
ON 11/14/83 BY
P. JOHNSON

EXHIBIT "R"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM
SCHEDULE OF EACH UNIT'S INTEREST IN
HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC.

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GKR34072/5S

10-07R2220
2/6/86

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

9.268293%

<u>UNIT #</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>PERCENTAGE INTEREST IN THE MASTER ASSOCIATION</u>
Commercial Unit 100		COMMERCIAL	7.984390
Commercial Unit 200		COMMERCIAL	10.524045
201-2	D	1 BED/1 BATH	0.2426245
203-A	O	1 BED/1 BATH	0.2426245
205	C	EFFICIENCY	0.194158
207	C	EFFICIENCY	0.194158
209	C	EFFICIENCY	0.194158
211	C	EFFICIENCY	0.194158
214	B	EFFICIENCY	0.194158
215	B	EFFICIENCY	0.194158
216	B	EFFICIENCY	0.194158
217	C	EFFICIENCY	0.194158
218	C	EFFICIENCY	0.194158
219	C	EFFICIENCY	0.194158
221	C	EFFICIENCY	0.194158
223	C	EFFICIENCY	0.194158
225	A	EFFICIENCY	0.194158
227	A	EFFICIENCY	0.194158
229	A	EFFICIENCY	0.194158
231	A	EFFICIENCY	0.194158
233	A	EFFICIENCY	0.194158
235	A	EFFICIENCY	0.194158
237	A	EFFICIENCY	0.194158
239	A	EFFICIENCY	0.194158
301-2	D	1 BED/ 1 BATH	0.2426245
303-4	O	1 BED/ 1 BATH	0.2426245
305	C	EFFICIENCY	0.194158
306	C	EFFICIENCY	0.194158
307	C	EFFICIENCY	0.194158
308	C	EFFICIENCY	0.194158
309	C	EFFICIENCY	0.194158
310	C	EFFICIENCY	0.194158
311	C	EFFICIENCY	0.194158
312	C	EFFICIENCY	0.194158
314	B	EFFICIENCY	0.194158
315	B	EFFICIENCY	0.194158
316	B	EFFICIENCY	0.194158
317	B	EFFICIENCY	0.194158
318	C	EFFICIENCY	0.194158
319	C	EFFICIENCY	0.194158
320	C	EFFICIENCY	0.194158
321	C	EFFICIENCY	0.194158
322	C	EFFICIENCY	0.194158
323	C	EFFICIENCY	0.194158
324	C	EFFICIENCY	0.194158
325	A	EFFICIENCY	0.194158
326	A	EFFICIENCY	0.194158
327	A	EFFICIENCY	0.194158
328	A	EFFICIENCY	0.194158
329	A	EFFICIENCY	0.194158
330	A	EFFICIENCY	0.194158
331	A	EFFICIENCY	0.194158
332	A	EFFICIENCY	0.194158
333	A	EFFICIENCY	0.194158
334	A	EFFICIENCY	0.194158
335	A	EFFICIENCY	0.194158
336	A	EFFICIENCY	0.194158
337	A	EFFICIENCY	0.194158
339	A	EFFICIENCY	0.194158
341	E	1 BED/1 BATH	0.2426245

27.776728%

OFF 13593PG 603

72.223222%
100-000

UNIT	TYPE	DESCRIPTION	% UNDIVIDED INTEREST IN MASTER ASSOC.
343	E	1 BED/1 BATH	0.2426245
401-2	D	1 BED/ 1 BATH	0.2426245
403-4	D	1 BED/ 1 BATH	0.2426245
405	C	EFFICIENCY	0.194158
406	C	EFFICIENCY	0.194158
407	C	EFFICIENCY	0.194158
408	C	EFFICIENCY	0.194158
409	C	EFFICIENCY	0.194158
410	C	EFFICIENCY	0.194158
411	C	EFFICIENCY	0.194158
412	C	EFFICIENCY	0.194158
414	B	EFFICIENCY	0.194158
415	B	EFFICIENCY	0.194158
416	B	EFFICIENCY	0.194158
417	C	EFFICIENCY	0.194158
418	C	EFFICIENCY	0.194158
419	C	EFFICIENCY	0.194158
420	C	EFFICIENCY	0.194158
421	C	EFFICIENCY	0.194158
422	C	EFFICIENCY	0.194158
423	C	EFFICIENCY	0.194158
424	C	EFFICIENCY	0.194158
425	A	EFFICIENCY	0.194158
426	A	EFFICIENCY	0.194158
427	A	EFFICIENCY	0.194158
428	A	EFFICIENCY	0.194158
429	A	EFFICIENCY	0.194158
430	A	EFFICIENCY	0.194158
431	A	EFFICIENCY	0.194158
432	A	EFFICIENCY	0.194158
433	A	EFFICIENCY	0.194158
434	A	EFFICIENCY	0.194158
435	A	EFFICIENCY	0.194158
436	A	EFFICIENCY	0.194158
437	A	EFFICIENCY	0.194158
438	B	EFFICIENCY	0.194158
439	A	EFFICIENCY	0.194158
440	B	EFFICIENCY	0.194158
441	B	EFFICIENCY	0.194158
442	B	1 BED/1 BATH	0.2426245
443	B	EFFICIENCY	0.194158
444	B	1 BED/1 BATH	0.2426245
446	B	EFFICIENCY	0.194158
447	B	EFFICIENCY	0.194158
448	B	EFFICIENCY	0.194158
449	B	EFFICIENCY	0.194158
450	B	EFFICIENCY	0.194158
451	B	EFFICIENCY	0.194158
452	B	EFFICIENCY	0.194158
453	B	EFFICIENCY	0.194158
454	B	EFFICIENCY	0.194158
455	B	EFFICIENCY	0.194158
456	B	1 BED/2 BATH	0.2426245
457	B	EFFICIENCY	0.194158
458	C	1 BED/1 BATH	0.2426245
459	A	EFFICIENCY	0.194158
460	A	EFFICIENCY	0.194158
461	A	EFFICIENCY	0.194158
462	A	EFFICIENCY	0.194158
463	A	EFFICIENCY	0.194158
464	A	EFFICIENCY	0.194158
465	A	EFFICIENCY	0.194158
466	A	EFFICIENCY	0.194158
467	A	EFFICIENCY	0.194158
468	A	EFFICIENCY	0.194158
469	A	EFFICIENCY	0.194158
470	A	EFFICIENCY	0.194158
471	A	EFFICIENCY	0.194158
472	A	EFFICIENCY	0.194158
473	A	EFFICIENCY	0.194158

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<u>UNIT</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>% UNDIVIDED INTEREST IN MASTER ASSOC.</u>
474	C	EFFICIENCY	0.194158
475	C	EFFICIENCY	0.194158
476	C	EFFICIENCY	0.194158
477	C	EFFICIENCY	0.194158
478	C	EFFICIENCY	0.194158
479	C	EFFICIENCY	0.194158
480	B	EFFICIENCY	0.194158
481	B	EFFICIENCY	0.194158
482	B	B-with balcony	0.194158
483	B	EFFICIENCY	0.194158
484	C	EFFICIENCY	0.194158
485	C	EFFICIENCY	0.194158
486	C	EFFICIENCY	0.194158
487	C	EFFICIENCY	0.194158
488	C	EFFICIENCY	0.194158
489	C	EFFICIENCY	0.194158
490	C	EFFICIENCY	0.194158
491-2	C	EFFICIENCY	0.194158
493-4	D	1 BED/1 BATH	0.2426245
501-2	D	1 BED/1 BATH	0.2426245
503-4	D	1 BED/1 BATH	0.2426245
505	D	1 BED/1 BATH	0.2426245
506	C	EFFICIENCY	0.194158
507	C	EFFICIENCY	0.194158
508	C	EFFICIENCY	0.194158
509	C	EFFICIENCY	0.194158
510	C	EFFICIENCY	0.194158
511	C	EFFICIENCY	0.194158
512	C	EFFICIENCY	0.194158
514	B	EFFICIENCY	0.194158
515	B	EFFICIENCY	0.194158
516	B	EFFICIENCY	0.194158
517	B	EFFICIENCY	0.194158
518	C	EFFICIENCY	0.194158
519	C	EFFICIENCY	0.194158
520	C	EFFICIENCY	0.194158
521	C	EFFICIENCY	0.194158
522	C	EFFICIENCY	0.194158
523	C	EFFICIENCY	0.194158
524	C	EFFICIENCY	0.194158
525	C	EFFICIENCY	0.194158
526	A	EFFICIENCY	0.194158
527	A	EFFICIENCY	0.194158
528	A	EFFICIENCY	0.194158
529	A	EFFICIENCY	0.194158
530	A	EFFICIENCY	0.194158
531	A	EFFICIENCY	0.194158
532	A	EFFICIENCY	0.194158
533	A	EFFICIENCY	0.194158
534	A	EFFICIENCY	0.194158
535	A	EFFICIENCY	0.194158
536	A	EFFICIENCY	0.194158
537	A	EFFICIENCY	0.194158
538	B	EFFICIENCY	0.194158
539	B	EFFICIENCY	0.194158
540	B	EFFICIENCY	0.194158
541	B	EFFICIENCY	0.194158
542	B	1 BED/1 BATH	0.2426245
543-5	B	EFFICIENCY	0.194158
544	E	1 BED/1 BATH	0.2426245
546	B	EFFICIENCY	0.194158
547	B	EFFICIENCY	0.194158
548	B	EFFICIENCY	0.194158
549	B	EFFICIENCY	0.194158
550	B	EFFICIENCY	0.194158
551	B	EFFICIENCY	0.194158
552	B	EFFICIENCY	0.194158
553	B	EFFICIENCY	0.194158
554	B	EFFICIENCY	0.194158
555	E	1 BED/2 BATH	0.2426245

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<u>UNIT</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>% UNDIVIDED INTEREST IN MASTER ASSOC.</u>
556	B	EFFICIENCY	0.194158
557	E	1 BED/1 BATH	0.2426245
558	C	EFFICIENCY	0.194158
559	A	EFFICIENCY	0.194158
560	C	EFFICIENCY	0.194158
561	A	EFFICIENCY	0.194158
562	C	EFFICIENCY	0.194158
563	C	EFFICIENCY	0.194158
564	A	EFFICIENCY	0.194158
565	C	EFFICIENCY	0.194158
566	A	EFFICIENCY	0.194158
567	C	EFFICIENCY	0.194158
568	A	EFFICIENCY	0.194158
569	C	EFFICIENCY	0.194158
570	A	EFFICIENCY	0.194158
571	C	EFFICIENCY	0.194158
572	A	EFFICIENCY	0.194158
573	C	EFFICIENCY	0.194158
574	A	EFFICIENCY	0.194158
575	C	EFFICIENCY	0.194158
576	C	EFFICIENCY	0.194158
577	C	EFFICIENCY	0.194158
578	C	EFFICIENCY	0.194158
579	C	EFFICIENCY	0.194158
580	B	EFFICIENCY	0.194158
581	B-with balcony	EFFICIENCY	0.194158
582	B	EFFICIENCY	0.194158
583	C	EFFICIENCY	0.194158
584	C	EFFICIENCY	0.194158
585	C	EFFICIENCY	0.194158
586	C	EFFICIENCY	0.194158
587	C	EFFICIENCY	0.194158
588	C	EFFICIENCY	0.194158
589	C	EFFICIENCY	0.194158
590	C	EFFICIENCY	0.194158
591-2	D	1 BED/1 BATH	0.2426245
593-4	D	1 BED/1 BATH	0.2426245
661-2	D	1 BED/1 BATH	0.2426245
663-4	D	1 BED/1 BATH	0.2426245
665	C	EFFICIENCY	0.194158
666	C	EFFICIENCY	0.194158
667	C	EFFICIENCY	0.194158
668	C	EFFICIENCY	0.194158
669	C	EFFICIENCY	0.194158
670	C	EFFICIENCY	0.194158
671	C	EFFICIENCY	0.194158
672	C	EFFICIENCY	0.194158
674	B	EFFICIENCY	0.194158
675	B	EFFICIENCY	0.194158
676	B	EFFICIENCY	0.194158
677	C	EFFICIENCY	0.194158
678	C	EFFICIENCY	0.194158
679	C	EFFICIENCY	0.194158
680	B	EFFICIENCY	0.194158
681	B-with balcony	EFFICIENCY	0.194158
682	B	EFFICIENCY	0.194158
683	C	EFFICIENCY	0.194158
684	C	EFFICIENCY	0.194158
685	C	EFFICIENCY	0.194158
686	C	EFFICIENCY	0.194158
687	C	EFFICIENCY	0.194158
688	C	EFFICIENCY	0.194158
689	C	EFFICIENCY	0.194158
690	C	EFFICIENCY	0.194158
691-2	D	1 BED/1 BATH	0.2426245
693-4	D	1 BED/1 BATH	0.2426245
695	D	EFFICIENCY	0.194158
701-2	D	1 BED/1 BATH	0.2426245
703-4	D	1 BED/1 BATH	0.2426245
705	C	EFFICIENCY	0.194158

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<u>UNIT</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>% UNOVIDED INTEREST IN MASTER ASSOC.</u>
706	C	EFFICIENCY	0.194158
707	C	EFFICIENCY	0.194158
708	C	EFFICIENCY	0.194158
709	C	EFFICIENCY	0.194158
710	C	EFFICIENCY	0.194158
711	C	EFFICIENCY	0.194158
712	C	EFFICIENCY	0.194158
714	B	EFFICIENCY	0.194158
715	B	EFFICIENCY	0.194158
716	B	EFFICIENCY	0.194158
717	B	EFFICIENCY	0.194158
718	C	EFFICIENCY	0.194158
719	C	EFFICIENCY	0.194158
720	C	EFFICIENCY	0.194158
721	C	EFFICIENCY	0.194158
722	C	EFFICIENCY	0.194158
723	C	EFFICIENCY	0.194158
724	C	EFFICIENCY	0.194158
725	A	EFFICIENCY	0.194158
726	A	EFFICIENCY	0.194158
727	A	EFFICIENCY	0.194158
728	A	EFFICIENCY	0.194158
729	A	EFFICIENCY	0.194158
730	A	EFFICIENCY	0.194158
731	A	EFFICIENCY	0.194158
732	A	EFFICIENCY	0.194158
733	A	EFFICIENCY	0.194158
734	A	EFFICIENCY	0.194158
735	A	EFFICIENCY	0.194158
736	A	EFFICIENCY	0.194158
737	A	EFFICIENCY	0.194158
738	B	EFFICIENCY	0.194158
739	B	EFFICIENCY	0.194158
740	B	EFFICIENCY	0.194158
741	B	EFFICIENCY	0.194158
742	E	1 BED/1 BATH	0.2426245
743-5	B	EFFICIENCY	0.194158
744	E	1 BED/1 BATH	0.2426245
746	C	EFFICIENCY	0.194158
747	B	EFFICIENCY	0.194158
748	B	EFFICIENCY	0.194158
749	B	EFFICIENCY	0.194158
750	B	EFFICIENCY	0.194158
751	B	EFFICIENCY	0.194158
752	B	EFFICIENCY	0.194158
753	B	EFFICIENCY	0.194158
754	B	EFFICIENCY	0.194158
755	B	EFFICIENCY	0.194158
756	E	1 BED/2 BATH	0.2426245
757	B	EFFICIENCY	0.194158
758	E	1 BED/1 BATH	0.2426245
759	C	EFFICIENCY	0.194158
760	A	EFFICIENCY	0.194158
761	A	EFFICIENCY	0.194158
762	A	EFFICIENCY	0.194158
763	A	EFFICIENCY	0.194158
764	A	EFFICIENCY	0.194158
765	A	EFFICIENCY	0.194158
766	A	EFFICIENCY	0.194158
767	A	EFFICIENCY	0.194158
768	A	EFFICIENCY	0.194158
769	A	EFFICIENCY	0.194158
770	A	EFFICIENCY	0.194158
771	A	EFFICIENCY	0.194158
772	A	EFFICIENCY	0.194158
773	A	EFFICIENCY	0.194158
774	A	EFFICIENCY	0.194158
775	C	EFFICIENCY	0.194158
776	C	EFFICIENCY	0.194158
777	C	EFFICIENCY	0.194158

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UNIT TYPE DESCRIPTION % UNDIVIDED INTEREST IN
MASTER ASSOC.

778	C	EFFICIENCY	0.194158
779	B	EFFICIENCY	0.194158
780	B	EFFICIENCY	0.194158
781TH	B-with balcony	EFFICIENCY	0.194158
782TH	B	EFFICIENCY	0.194158
783TH	F	1 BED/ 2 BATH ✓	0.2426245
784	C	EFFICIENCY	0.194158
785TH	F	1 BED/ 2 BATH	0.2426245
786TH	F	1 BED/ 2 BATH	0.2426245
787TH	F	1 BED/ 2 BATH ✓	0.2426245
788TH	F	1 BED/ 2 BATH	0.2426245
789TH	G	2 BED/ 3 BATH	0.2426245
790TH	G	2 BED/ 3 BATH	0.2426245
791-2	D	1 BED/1 BATH ✓	0.2426245
793-4	D	1 BED/1 BATH ✓	0.2426245
TOWER UNIT	G	2 BED/ 2 1/2 BATH ✓	0.2426245
FL-1		1 BED/ 1 BATH ✓	0.2426245
FL-2		1 BED/ 1 BATH ✓	0.2426245
FL-3		1 BED/ 1 BATH	0.2426245
FL-4		1 BED/ 1 BATH ✓	0.2426245
FL-5		1 BED/ 1 BATH ✓	0.2426245
FL-6		1 BED/ 1 BATH ✓	0.2426245

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EXHIBIT B

FS-718

10-26

THIS INSTRUMENT PREPARED BY:
MICHAEL MARDER, ESQUIRE
GREENSPOON, MARDER & FREEMAN
12000 Biscayne Boulevard, #204
Miami, Florida 33181

86273860

DECLARATION OF CONDOMINIUM

ESTABLISHING

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

SUBMISSION STATEMENT

HOLLYWOOD BEACH ASSOCIATES, a Florida general partnership, hereinafter called the "Developer", for itself, its successors, grantees and assigns, being the holder of fee simple title to the real property described in Exhibit "A", attached hereto and made a part hereof, hereby states and declares that said property is submitted to condominium ownership, pursuant to the requirements of the statutes of the State of Florida, hereinafter sometimes referred to as the "Condominium Act", the provisions of which are hereby incorporated by reference as if fully set forth herein, and does hereby file for record this Declaration of Condominium.

All restrictions, reservations, covenants, conditions and easements contained herein shall constitute covenants running with the land or equitable servitudes upon the land as the case may be, shall be non-exclusive and perpetual unless sooner terminated and shall be binding upon all Unit Owners, as hereinafter defined, and their grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns and all parties claiming by, through or under such persons agree to be bound by the provisions hereof and the By-Laws of the Association. Both the burdens imposed and the benefits granted shall run with each Unit and the interests in the Common Elements.

I. Name:

1.01 The name of the Condominium is: THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM.

1.02 The name of the Unit Owners' Association is THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, hereinafter referred to as the "Association".

II. Land:

The property comprising this Condominium is described on Exhibit "A", attached hereto and made a part hereof.

III. Definitions:

The terms used in this Declaration and in its Exhibits, including the By-Laws of the Association, shall be defined in accordance with the provisions of the Condominium Act, State of Florida effective as of the date of recordation of this Declaration and as follows unless the context clearly requires otherwise:



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3.01 "Act or Condominium Act" - shall mean Florida Statutes Chapter 718 effective as of the date of the recordation of this Declaration of Condominium.

3.02 "Assessment" - means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Unit Owner.

3.03 "Association" - means the corporate entity responsible for the operation of the Condominium.

3.04 "Association Property" - includes that property, real and personal, in which title or ownership is vested in the Association for use and benefit of its members.

3.05 "Board of Administration" - means the Board of Directors of the Association or other representative body responsible for administration of the Association.

3.06 "By-Laws" - means the By-Laws of the Association existing from time to time.

3.07 "Commercial Unit" - means a unit identified as a "Commercial Unit" on the plot plan, survey and graphic description attached hereto as Exhibit "B", as may be amended from time to time in accordance with Article 4.02 and Article 9.01(2).

3.08 "Commercial Unit Standards Committee" - means the committee regulating the alterations, construction, improvements, and/or additions to the Commercial Units and Areas appurtenant thereto as set forth in Article XIX herein.

3.09 "Common Elements" - means the portions of the Condominium Property not included in the Units.

3.10 "Common Expenses" - means all expenses and Assessments properly incurred by the Association for the Condominium.

3.11 "Common Surplus" - means the excess of all receipts of the Association collected on behalf of a Condominium, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, over the Common Expenses.

3.12 "Condominium" - means that form of ownership of real property which is created pursuant to the provisions of the Florida Condominium Act and which is comprised of Units that may be owned by one or more persons, and there is appurtenant to each Unit an undivided share in the Common Elements.

3.13 "Condominium Parcel" - means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.

3.14 "Condominium Property" - means the lands, leaseholds, and personal property that are subjected to condominium ownership, whether or not contiguous, all improvements thereon, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

3.15 "Declaration" or "Declaration of Condominium" - means the instrument or instruments by which a Condominium is created as they are from time to time amended.

3.16 "Declaration of Covenants, Conditions and Restrictions" - means that certain Declaration of Covenants, Conditions and Restrictions for THE HOLLYWOOD BEACH HOTEL, recorded in Official Records Book 11403, at page 304, of the Public Records of Broward County, Florida, as may be amended from time to time, a copy of which is attached hereto and made a part hereof as Exhibit "G", together with the Articles of Incorporation and By-Laws creating and governing the Master Association.

3.17 "Developer" - means a person who creates a Condominium or offers Condominium Parcels for sale or lease in the ordinary course of business, but does not include an Owner or lessee of a Unit who has acquired his Unit for his own occupancy. As used herein, the term "Developer" shall include assigns and successors in interest to the original Developer.

3.18 "Institutional Mortgage" - means a mortgage owned or held by an Institutional Mortgagee.

3.19 "Limited Common Elements" - means those Common Elements which are reserved for the use of a certain Condominium Unit or Units to the exclusion of other Units as specified in the Declaration of Condominium.

3.20 - "Master Association" - THE HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC., a corporation not for profit.

3.21 "Mortgagee" or "Institutional Mortgagee" - means a bank, Federal or State savings and loan association, insurance company, mortgage company, real estate investment or business trust, pension fund, an agency of the United States government, any other lender generally recognized as an institutional type lender, or the Developer (including any nominee of Developer) owning and holding a mortgage encumbering a Condominium Unit. In addition, the term "Mortgagee" or "Institutional Mortgagee" shall mean 916 CHESTNUT STREET ENTERPRISES, a Pennsylvania corporation.

3.22 "Operation" or "Operation of the Condominium" - includes the administration and management of the Condominium Property.

3.23 "Residential Unit" - means all units other than Commercial Units as described on the Survey, Plot Plan and Graphic Description of Improvements attached as Exhibit "B" to this Declaration.

3.24 "Special Assessment" - means any assessment levied against unit owners other than the assessment required by a budget adopted annually.

3.25 "Unit" - means a part of the Condominium Property which is subject to exclusive ownership. A Unit may be in improvements, land, or land and improvements together, as specified in this Declaration.

3.26 "Unit Owner" or "Owner of a Unit" - means the owner of a Condominium Parcel.

3.27 "Voting Certificate" - means a document which designates one of the record title owners, or the corporate partnership, or entity representative who is authorized to vote on behalf of a condominium unit owned by more than one owner or by any entity.

3.28 "Voting Interest" - means the voting rights distributed to the Association members pursuant to Florida Statutes Chapter 718.104(4)(i).

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

IV. Description: The Condominium is described as follows:

4.01 A survey of the land and a graphic description of the improvements is attached hereto and made a part hereof as composite Exhibit "B". Included as part of composite Exhibit "B" is an affidavit of a surveyor as to substantial completion of the

improvements as required by the Act together with a graphic description of the improvement or improvements in which units are located and the identification of each unit by letter, name or number, so that no unit bears the same designation as any other unit; and the plot plan thereof, all in sufficient detail to identify the common elements and each unit and their respective locations and approximate dimensions.

4.02 The Developer reserves the right to change the interior design or arrangement of all Units as long as the Developer owns the Units so changed and/or altered, provided such change shall be reflected by an amendment to this Declaration; any amendment for such purpose need be signed and acknowledged only by the Developer and any Institutional Mortgagee having a lien on the unit(s) changed or altered, and need not be approved by any other person, including, but not limited to, the Association, contract vendees, or Unit Owners, anything herein to the contrary notwithstanding. The rights reserved in this paragraph 4.02 shall permit the Developer at its option prior to creating this Condominium and thereafter jointly or severally to change the number of Units within the Condominium and/or the interests of the Unit Owners in the Common or Limited Common Elements. Notwithstanding anything contained herein to the contrary, the aggregate of the undivided interests of the Unit Owners in the Common or Limited Common Elements of such Units so redesigned or rearranged shall remain the same, although the undivided interests of the Unit Owners in the Common Elements or Limited Common Elements of such Units so redesigned or changed may be different than as originally provided herein.

4.03 The following non-exclusive easements shall be covenants running with the land and are expressly granted and/or reserved in favor of the Unit Owners, occupants of any Unit, their guests and invitees, to-wit:

(1) Utilities: Blanket non-exclusive easements are reserved throughout the Condominium Property as may be required for utility services in order to adequately serve the Condominium Property. In the event any Unit, recreation area, Common or Limited Common Element encroaches upon any utility easement either granted or reserved hereby, by plat or otherwise, such encroachment shall entitle the owner or owners of such encroaching property and their mortgagees, if any, to an automatic non-exclusive easement on said utility easement for as long as such encroachment shall continue.

(2) Encroachments: In the event that any Unit shall encroach upon any of the Common Elements or any other Unit for any reason other than the intentional act of the Unit Owner or in the event that any Common Element shall encroach upon any Unit, then an easement shall exist to the extent of such encroachments so long as the same shall continue.

(3) Traffic: An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, elevators, if any, and other portions of the Common Elements as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, and such easements shall be for the use and benefit of the Unit Owners and those claiming by, through or under the aforesaid; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium Property, except to the extent that the space may be specifically designated and assigned for parking purposes.

(4) Access: Each Unit Owner and any officer, agent, employee or designee of the Association or member of the Board of Administration of the Association shall have access across any Limited Common Elements for the purpose of ingress and

Property. In this regard, it is understood that, in connection with any additional improvements which are constructed by the Developer, its successors and assigns on and above the roof, any such additional construction shall be at the sole cost and expense of the Developer, its successors and assigns, and such additional improvements shall not become a part of the Condominium Property. In this regard, it is further understood that the Developer, its successors and assigns shall be responsible for maintenance above the roof level of the building with respect to any additional improvements and shall share expenses for utility services servicing any such additional improvements and for maintenance and service of the elevators in proportion to which the square footage of the total area within the perimeter walls of any additional floors constructed bears to the square footage of the entire structure as ultimately improved. The Developer, its successors and assigns shall have the right to provide separate meters for utility services to any floors above the roof level, in which case the Developer, its successors and assigns shall cease to be responsible for its pro rata share of expenses for maintaining such utility services. With respect to the Developer's maintenance responsibilities, the Developer shall not be responsible for any expenses directly or indirectly related to the operation, maintenance, repair or replacement of any portion of the structure or any mechanical, electrical or plumbing system therein, nor shall the Developer be responsible for maintenance of any exterior portions of the building, it being the Developer's express intention to be responsible only for interior maintenance of any floors constructed above the roof, together with the maintenance of any mechanical, electrical or plumbing located solely within the parameters thereof.

V. Identification of Units, Survey, Shares in Common Elements, Prorations of Common Expenses, Voting Rights

5.01 The property described on Exhibit "A" and the improvements thereon, together with Common Elements and Limited Common Elements constitute the Condominium Property. All Unit Plans attached hereto and made a part hereof as composite Exhibit "B" and all Plot Plans and graphic description of the improvements also included as part of composite Exhibit "B" and all legends and notes thereon contained are incorporated herein and made a part hereof by reference, and said plans have been certified in the manner required by the Condominium Act and are attached hereto.

5.02 The proportion or percentage assigned to each Unit shall be the basis upon which assessments are made. The Developer has allocated a total undivided percentage interest of 20.90% percent in the aggregate of all Commercial Units and 79.10% percent in the aggregate to all Residential Units. The Developer has made a determination with respect to the Commercial Units that each such Unit shall be allocated the undivided percentage interest set forth on Exhibit "C". Such undivided percentage interest has been made based upon the Developer's estimation of the proportion which each such Commercial Unit bears to the total of all Commercial Units. With respect to the Residential Units, the undivided interest of each such Unit has been allocated based upon a formula, the numerator of which is the number of points attributable to a particular unit, and the denominator of which is the total points attributable to all Residential Units included in the Condominium. The number of points attributable to a particular Unit are as follows:

<u>With respect to:</u>	<u>Points</u>
Efficiency Units	1.00
One Bedroom Units and Two Bedroom Units	1.25

5.03 A Unit Owner is entitled to a vote equal in percentage to the undivided interest appurtenant to such Unit.

If a Unit is owned by more than one person, the owners of said Unit shall designate one (1) of them as the voting member, or, in the case of ownership by a corporation, an officer or an employee thereof shall be designated the voting member. The vote of a Unit shall not be divisible.

VI. Condominium Parcels, Appurtenances, Possession and Enjoyment

6.01 The Condominium Parcel is a separate parcel of real property owned in fee simple, or any other estate of real property recognizable by law.

6.02 There shall pass with a Unit as appurtenances thereto:

(1) An undivided share in the Common Elements and Common Surplus.

(2) The exclusive right to use the portion of the Common Elements as may be provided by the Declaration.

(3) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time.

(4) A Unit Owner is entitled to the exclusive possession of his Unit, subject to the irrevocable right of the Association to access to each Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements, or for making emergency repairs necessary to prevent damage to Common Elements or to another Unit or Units. He shall be entitled to use the Common Elements in accordance with the purpose for which they are intended, but no use may hinder or encroach upon the lawful rights of other Unit Owners.

(5) Membership in the Association as designated in this Declaration, with the full voting rights appurtenant thereto.

(6) Membership in the Master Association as defined in this Declaration, together with the full voting rights appurtenant thereto.

VII. Restraint Upon Separation and Partition of Common Elements

7.01 The undivided share in the Common Elements which is appurtenant to a Unit shall not be separated from it and shall pass with the title to the Unit whether or not separately described.

7.02 The share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered, except together with the Unit.

7.03 The share in the Common Elements appurtenant to Units are undivided, and no action for partition of the Common Elements shall lie.

VIII. Common Elements

8.01 Common Elements include within their meaning the following items:

(1) The Condominium Property which is not included within the Units.

(2) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Unit and the Common Elements.

(3) An easement of support in every portion of a Unit which contributes to the support of a building.

(4) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements.

8.02 Any person having any interest under mortgages of record that encumber any portion of the Common Elements that are not satisfied prior to the recordation of this Declaration shall consent to the recordation of this Declaration; provided, however, in lieu of joining in the execution of this Declaration, any mortgagee may execute an appropriate consent or subordination agreement with the formalities required for deeds.

8.03 Notwithstanding anything contained herein to the contrary, the common elements shall specifically exclude those areas designated as common facilities pursuant to the Declaration of Covenants, Conditions and Restrictions.

IX. Amendment of Declaration

9.01 Unless otherwise provided herein or by Florida Statutes, Chapter 718.403, this Declaration may be amended by sixty-six percent (66%) of the Unit Owners executing a modification or amendment to this Declaration with the formalities of a deed and recording same in the Public Records of the County in which the Condominium is located; or in the alternative, this Declaration may be amended at any regular or special meeting of the Unit Owners called or convened in accordance with the By-Laws by the affirmative vote of voting members casting not less than sixty-six percent (66%) of the total vote of the members of the Association and the execution by the Association of a certificate of the amendment with the formalities of a deed and recording same in the Public Records of the County in which the Condominium is located; provided, however:

(1) Subject to the provisions of Article 4.02, Article 9.01(2) and Article XVIII hereof, no amendment may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the owner of the Unit shares the Common Expenses and owns the Common Surplus unless the record owner of the Unit and all record owners of liens on it join in the execution of the amendment, and unless all the record owners of all other Units and their mortgagees approved the amendment.

(2) Notwithstanding anything contained herein to the contrary, the Developer shall have, in addition to its other rights to amend this Declaration as set forth herein, the following rights to amend the Declaration without the necessity of obtaining the vote or consent of the Association, or any other person, firm or entity:

(a) make alterations, additions or improvements in, to and upon Units owned by the Developer, whether structural or nonstructural, interior or exterior, ordinary or extraordinary.

(b) change the layout or number of rooms in any Developer owned Units.

(c) change the size and/or number of Developer owned Units by subdividing one or more Developer owned Units into two (2) or more separate Units, combining separate Developer owned Units (including those resulting from such subdivi-

vision or otherwise) into one (1) or more Units, or otherwise.

(d) reapportion among Developer owned Units affected by such change in size or number pursuant to the proceeding clause, their appurtenant interest in the Common Elements and the share of Common Expenses; provided, however, that the percentage interest in the Common Elements allocated to each Unit (other than Developer owned Units) shall not be changed by reason thereof unless the Owners of such Units, and all record Owners of Mortgages or other Liens thereon, shall consent thereto.

(e) an Irrevocable Power of Attorney for the purposes of amending this Declaration for the sole purpose of causing same to comply with any requirements of any Governmental Agency, including, but not limited to, the Federal Housing Administration, Veterans Administration, the Government National Mortgage Association, or the Division.

(3) The Common Elements designated by this Declaration may be enlarged by an amendment to the Declaration. The amendment must describe the interest in the property and must submit the property to the terms of this Declaration. The amendment must be approved and executed as provided herein. The amendment shall vest title in the Unit Owners as part of the Common Elements, without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements which are appurtenant to the Unit owned by them.

(4) No amendment shall be passed which shall impair or prejudice the rights and priorities of Institutional Mortgagees.

(5) Notwithstanding anything contained herein to the contrary, no amendment shall be made to this Declaration of Condominium which shall modify in any manner the rights or duties of the Owner of any Commercial Unit without the consent of the Owner thereof, provided, however, that in the event this provision is held by a Court of competent jurisdiction to be invalid for any reason whatsoever, any such amendment shall require the affirmative consent of ninety (90%) percent of the members of the Association.

(6) Notwithstanding anything to the contrary herein, the Developer reserves the right to amend the Declaration and its Exhibits so as to correct any omissions or errors (including scrivener's or surveyor's errors), so long as such amendments do not materially affect the rights of unit owners or mortgages. Such amendment need be executed and acknowledged by the Developer only, and need not be approved by the Association, unit owners, lienors or mortgagees, whether or not elsewhere required for amendments.

X. Termination

10.01 The Condominium Property may be removed from the provisions of Florida Statutes Condominium Act only by consent of all of the Unit Owners evidenced by a recorded instrument to that effect, and upon the written consent by all of the holders of recorded liens affecting any of the Condominium Parcels.

10.02 Upon removal of the Condominium Property from the provisions of the Condominium Act, the Condominium Property is owned in common by the Unit Owners in the same undivided shares as each owner previously owned in the Common Elements. All liens shall be transferred to the undivided share in the Condominium Property attributable to the Unit originally encumbered by the lien in its same priority.

10.03 The termination of a Condominium does not bar the creation of another Condominium affecting all or any portion of the same property.

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XI. Equitable Relief

In the event of substantial damage to or destruction of all or a substantial part of the Condominium Property, and if the property is not repaired, reconstructed, or rebuilt within a reasonable period of time, any Unit Owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition.

XII. Enforcement of Maintenance

In the event the Owner of a Unit fails to maintain it as required herein, or otherwise violates the provisions hereof, the Association or any other Unit Owner shall have the right to proceed in a court of equity to seek compliance with the provisions hereof; or the Association shall have the right to assess the Unit Owner and the Unit for the necessary sums to put the Unit in good condition, to collect such Assessment and have a lien for same as provided in Article XXV, infra. After such Assessment, the Association, its employees or agents shall have the right to enter the Unit and do the necessary work to enforce compliance with the provisions hereof.

XIII. Limited Common Elements

There are Limited Common Elements appurtenant to each of the Units in this Condominium. These Limited Common Elements are reserved for the use of the Units appurtenant thereto to the exclusion of other Units, and there shall pass with a Unit, as appurtenant thereto, the exclusive right to use the Limited Common Elements so appurtenant. The expense of maintenance and repair relating to the interior surfaces of such Limited Common Elements shall be borne by and assessed against the individual Unit Owner entitled to the exclusive use of such Limited Common Elements. Any expenses of maintenance, repair or replacement relating to the exterior surfaces of such Limited Common Elements, or involving structural maintenance, repair or replacement thereof shall be treated and paid for as a part of the Common Expenses of the Association. Notwithstanding any of the foregoing to the contrary, in the event maintenance, repair or replacement of Limited Common Elements, including, but not limited to, windows, screens, entry porches, balconies and doors providing ingress and egress to Units are needed in regard to a particular Unit or Units (and such maintenance, repair or replacement is not being done or needed in connection with the maintenance, repair or replacement of such Limited Common Elements of Units in the Condominium generally) the expense of same shall be borne by and/or assessed against the individual Unit Owner(s).

XIV. Insurance and Condemnation Provisions

The insurance, other than title insurance, which shall be carried upon the Condominium Property and property of the Unit Owners shall be governed by the following provisions:

14.01 Liability Insurance: The Board of Administration of the Association shall obtain public liability and property damage insurance covering all of the Common Elements of the Condominium, and insuring the Association and the Unit Owners, as its and their interests appear, in such amount as the Board of Administration of the Association may determine from time to time, provided that the minimum amount of coverage shall be \$100,000/\$300,000/\$10,000. Said insurance shall include, but not be limited to, water damage, legal liability, hired automobile, non-owned automobile, and off-premises employee coverages. All liability insurance shall contain a cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner. Premiums for payment of such insurance shall be paid by the Association and charged as a Common Expense.

14.02 Casualty Insurance:

(1) Purchase of Insurance: The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance, insuring all of the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interest of the Association and all Unit Owners and their mortgagees, as their interests may appear, in a company acceptable to the Board of Administration of the Association, in an amount equal to the maximum insurable replacement value, as determined annually by the Board of Administration. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and shall be charged as a Common Expense. The company or companies, with which the Association shall place its insurance coverage, as herein provided, must be good and responsible companies, authorized to do business in the State of Florida. The Institutional Mortgagee having the highest dollar indebtedness on Units in the Condominium Property shall have the right to approve the policies, the company or companies who are the insurers under the insurance placed by the Association, and the amount thereof, and the right to designate and appoint the Insurance Trustee, which shall be a bank in Florida with trust powers. (All rights granted to Mortgagees in this paragraph shall be referred to as "Mortgagee's Insurance Rights".) In the absence of the action of said Mortgagee, the Association shall have said right without qualifications.

14.03 Loss Payable Provision - Insurance Trustee: All policies purchased by the Association shall be for the benefit of the Association, all Unit Owners and their mortgagees, as their interests may appear. Such policies shall be deposited with the Insurance Trustee who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal, the sufficiency of policies, the failure to collect any insurance proceeds, nor the form or content of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes herein stated, and for the benefit of the Association, the Unit Owners, and their respective mortgagees (hereinafter sometimes collectively referred to as "beneficial owners"), in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee:

(1) Common Elements: Proceeds on account of damage to Common Elements - an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(2) Condominium Units: Proceeds on account of Units shall be in the following undivided shares:

(a) Partial Destruction - When Units are to be repaired and restored for the owners of the damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner.

(b) Total destruction of condominium improvements or where "very substantial" damage occurs and the condominium improvements are not to be restored, as hereinafter provided in this Article XIV, for the Owners of all Units, each Owner's share being in proportion to his share in the Common Elements appurtenant to his Unit.

(3) Mortgagees: In the event an Institutional Mortgage encumbers a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner, as their

interests may appear; provided, however, 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.

14.04 Distribution of Proceeds: Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:

(1) Reconstruction or Repair: If the damage, for which the proceeds were paid, is to be repaired and restored, the proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners (or retained, pursuant to paragraph 14.08 below). All remittances to Unit Owners and their mortgagees shall be payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same. Said remittance shall be made solely to an Institutional Mortgagee when requested by such Institutional Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of reduction of its mortgage debt.

(2) Failure to Reconstruct or Repair: If it is determined, in the manner herein provided, that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial owners; remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same. Said remittance shall be made solely to an Institutional Mortgagee when requested by such Institutional Mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association, and should the Board of Administration determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the beneficial owners as surplus in the manner provided in this Article XIV, or retained pursuant to paragraph 14.08 infra.

(3) Certificate: In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Unit Owners and their respective shares of the distribution, approved in writing by an attorney authorized to practice law in the State of Florida, or a title insurance company or abstract company authorized to do business in the State of Florida. Upon request of the insurance Trustee, the Association shall forthwith deliver such certificate.

14.05 Loss Within a Single Unit: If loss shall occur within a single Unit without damage of the Common Elements, the insurance proceeds shall be distributed to the beneficial Unit Owner with remittances to said Unit Owner and his mortgagee being payable jointly. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the same; provided, however, such remittance shall be made solely to an Institutional Mortgagee in the event its mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt. Upon the payment of such remittance, the Unit Owner shall be fully responsible for the restoration of his Unit.

14.06 Loss Less Than "Very Substantial": Where a loss or damage occurs to more than one Unit, to the Common Elements, or to any Unit or Units and the Common Elements, but said loss is less than "very substantial" (as hereinafter defined), it shall be obligatory upon the Association and the Unit Owners to repair or restore the damage caused by said loss. Where such loss or

damage is less than "very substantial":

(1) The Board of Administration shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(2) If the damage or loss is limited to the Common Elements, with no, or inconsequential damage or loss to any individual Unit and if such damage or loss to the Common Elements is less than \$3,000, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration of the damage.

(3) Subject to the provisions of subparagraph (6) infra, if the damage or loss involves any individual Unit as well as the Common Elements, or if the damage is limited to the Common Elements alone, but is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association; provided, however, that upon the request of the Institutional Mortgagee, having the highest dollar indebtedness on Units in the Condominium Property, the written approval shall also be required of such Institutional Mortgagee. Should written approval be required as aforesaid, it shall be said mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the aforesaid Institutional Mortgagee, if said Institutional Mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee, and execute any Affidavit required by law or by the Association, the aforesaid Institutional Mortgagee, or the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the Institutional Mortgagee whose approval may be required, as aforesaid, shall have the right to require the Association to obtain a completion, performance, and payment bond in an amount and with a bonding company authorized to do business in the State of Florida which is acceptable to said mortgagee.

(4) Subject to the foregoing, the Board of Administration shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(5) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a special Assessment against all Unit Owners in proportion to the Unit Owners' share in the Common Elements, for that portion of the deficiency as is attributable to the cost of restoration of the Common Elements, and against the individual Unit Owners, for that portion of the deficiency as is attributable to his individual Unit; provided, however, that if the Board of Administration finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to a specific individual Unit which has been damaged, then the Board of Administration shall levy the Assessment for the total deficiency against all of the Unit Owners in proportion to the Unit Owners' share in the Common Elements, just as though all of said damage had occurred in the Common Elements. The special Assessment funds shall be delivered by the Association to the Insurance Trustee and added, by said Trustee, to the proceeds available for the repair and restoration of the property.

(6) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special Assessment within ninety (90) days after the casualty, so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have

the right to require the application of insurance proceeds as to the payment of its loan; provided, however, this provision may be waived by the Board of Administration in favor of any Institutional Mortgagee upon request therefor at any time. To the extent that any insurance proceeds are required to be paid over to such Mortgagee, the Unit Owner shall be obliged to replenish the funds so paid over, and said Unit Owner and his Unit shall be subject to special Assessment for such sum.

14.07 "Very Substantial" Damage: As used in this Declaration, or any other context dealing with this Condominium, the term "very substantial" damage shall mean loss or damage whereby three-quarters (3/4) or more of the total unit space in the Condominium Property is rendered untenable, or loss or damage whereby seventy-five percent (75%) or more of the total amount of insurance coverage becomes payable. The Board of Administration shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof. Should such "very substantial" damage occur, then:

(1) In the absence of any determination to abandon the Condominium as herein provided, then all of the insurance proceeds payable on account of such very substantial damage shall be held by the Insurance Trustee solely for the benefit of Unit Owners (and their mortgagees).

(2) Thereupon, a membership meeting shall be called by the Board of Administration, to be held not later than thirty (30) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the Condominium subject to the following:

(a) If the net insurance proceeds available for restoration and repair, together with funds to be advanced by Unit Owners to replace insurance proceeds paid over to the Institutional Mortgagees, are sufficient to cover the cost thereof so that no special Assessment is required, then the Condominium Property shall be restored and repaired unless three-fourths (3/4) of the total votes of the members of the Condominium shall vote to abandon the Condominium, in which case the Condominium Property shall be removed from the provisions of the law, in accordance with the statutes of the State of Florida.

(b) If the net insurance proceeds available for restoration and repair, together with funds to be advanced by Unit Owners to replace insurance proceeds paid over to the Institutional Mortgagees, are not sufficient to cover the cost thereof so that a special Assessment will be required, as set forth above, then a vote will be taken of the membership of this Condominium to determine whether said special Assessment should be made, or whether the Condominium should be abandoned. Said Assessment shall be made and the Condominium Property restored and repaired, unless two-thirds (2/3) of the total votes of the members of this Condominium shall vote to abandon, the Association shall immediately levy such special Assessment.

(c) Unless it is determined to abandon the Condominium, the Association shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions set forth above. The special Assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available for the repair and restoration of the Property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the Property, as hereinabove provided. To the extent that any insurance proceeds are paid over to Institutional Mortgagees, and in the event it is determined not to abandon the Condominium and to vote a special Assessment, the Unit Owner shall be obliged to replenish the funds so paid over to his mortgagee, and said Unit Owner and his Unit shall be subject to special Assessment for such sum.

(3) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Board of Administration shall be binding upon all Unit Owners (but not upon Institutional Mortgagees).

14.08 Surplus: It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after the payment of all costs of the repair and restoration, such balance may be retained as a reserve, or wholly or partly distributed, at the discretion of the Board of Administration, unless the Institutional Mortgagee holding and owning the highest dollar indebtedness on Units in the Condominium Property requires distribution. In the event of distribution, then the Insurance Trustee shall distribute such balance to the beneficial owners of the fund in the manner elsewhere stated.

14.09 Certificate: The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

14.10 Plans and Specifications: Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board of Administration, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all Institutional Mortgagees shall also be required.

14.11 Association's Power to Compromise Claim: The Association is hereby irrevocably appointed agent for each Unit Owner, for the purpose of compromising the settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor, upon the payment of claims.

14.12 Institutional Mortgagee's Right to Advance Premiums: Should the Association fail to pay insurance premiums required hereunder when due, or should the Association fail to comply with other insurance requirements of the Mortgagee(s), said Institutional Mortgagee(s) shall have the right, at its option to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said Mortgagee shall be subrogated to the Assessment and lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

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

14.14 Such other insurance as the Board of Administration shall determine from time to time be desirable.

14.15 Each individual Unit Owner shall be responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his own Unit, and for purchasing insurance upon his own personal property, and living expense insurance.

14.16 Anything in this Article XIV to the contrary notwithstanding, an Institutional Mortgagee shall always be entitled to receive, in reduction of its mortgage debt, that portion of insurance proceeds apportioned to its mortgaged Unit in the same share as the share in the Common Elements appurtenant to such Unit, in the event: (a) its mortgage is not in good standing and is in default; or, either (b) the insurance proceeds are not sufficient to complete restoration, reconstruction or repair

and the Association has not made additional funds available for such purpose; or (c) it is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different from that existing prior to the casualty and such Mortgagee has not consented in writing to such change or alteration.

14.17 Notwithstanding anything contained herein to the contrary, in the event a loss occurs which is determined to have been attributable to a particular Unit and such loss causes damage to the Common Elements and/or other Units within the Condominium, then the Unit Owner of the Unit to which the loss is attributable shall be assessed the entire expense of the insured's policy deductible, if any. In the event a loss occurs within a single Condominium Unit, the owner of such Unit shall bear the entire expense of the insured's policy deductible, if any. In the event a loss occurs to the Common Elements and/or more than one (1) Unit within the Condominium and such loss cannot be determined to have emanated from any particular Unit, then all Unit Owners within the Condominium -- in the event the damage is solely to the Common Elements or the owners of the Units so damaged in the event the loss involves more than one (1) Condominium Unit -- shall bear the expense of the insured's policy deductible, if any, on a pro rata basis.

14.19 Notwithstanding anything contained herein to the contrary, the Association shall not be required to obtain insurance as provided for in this Article to the extent such insurance has been provided for by the Master Association pursuant to the terms, conditions and provisions of the Declaration of Covenants, Conditions and Restrictions. Any insurance proceeds payable to the Developer pursuant to the terms, conditions and provisions of the Declaration of Covenants, Conditions and Restrictions shall be and are hereby deemed to be assigned to the Association for disbursement to Unit Owners and their named insureds and the Developer pursuant to the terms, conditions and provisions of this Declaration.

14.19 Condemnation:

(1) Deposit of Awards with Insurance Trustee: The taking of Condominium Property by condemnation shall be deemed to be a casualty and the awards for the taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Administration, a special Assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Unit Owner.

(2) Determination Whether to Continue Condominium: Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

(3) Disbursement of Funds: If the Condominium is terminated after condemnation, the proceeds of the awards and special Assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds if the Condominium is terminated after casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the Owners of condemned Units will be made whole and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty.

(4) Unit Reduced But Tenatable: If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenatable, the award for taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(a) Restoration of Unit: The Unit shall be made tenatable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit.

(b) Distribution of Surplus: The balance of the award, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and mortgagees.

(c) Adjustment of Shares in Common Elements: If the floor area of the Unit is reduced by the taking, the number representing the share in the Common Elements appurtenant to the Unit shall be reduced in the proportion by which the floor area of the Unit is reduced by the taking, and then the share of all Unit Owners in the Common Elements shall be restated as percentages of the total of the numbers representing their original shares as reduced by the taking.

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

(a) Payment of Award: The award shall be paid first to all Institutional Mortgagees in an amount sufficient to pay off their mortgages due from those Units which are not tenatable; and then jointly to the Unit Owners and mortgagees of Units not tenatable in an amount equal to the market value of the Unit immediately prior to the taking and with credit being given for payments previously reserved for Institutional Mortgagees; and the balance, if any, to repairing and replacing the Common Elements.

(b) Addition to Common Elements: The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Board of Administration; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements.

(c) Adjustment of Shares in Common Elements: The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Unit Owners. This shall be done by restating the shares of continuing Unit Owners in the Common Elements as percentages of the total of the numbers representing the shares of these Owners as they exist prior to the adjustment.

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

(e) Arbitration: If the market value of

arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Unit Owners in proportion to the shares of the Owners in the Common Elements as they exist prior to the changes effected by the taking.

(6) Taking of Common Elements: Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements useable in the manner approved by the Board of Administration; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation. If there is a mortgage of a Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.

(7) Amendment of Declaration: The changes in Units, in the Common Elements and in the ownership of the Common Elements that are affected by condemnation shall be evidenced by an amendment of this Declaration that need be approved by two-thirds (2/3) of all Unit Owners whose ownership of the Common Elements are affected by such condemnation.

XV. Sales, or Transfer

In order to protect the value of Units and to further the harmonious development of the Condominium, the sale, leasing, rental, and transfer of Units by any Owner of a Residential Unit other than the Developer, shall be subject to the following conditions:

(A) Restrictions on Conveyance, Sale, Rental, Lease and Transfer of Residential Units

15.01 Should any Owner of a Residential Unit wish to sell or transfer, his Unit, he shall, before accepting any offer to purchase or sell his Unit, deliver to the Board of Administration a written notice containing the terms of the offer he has received and wishes to accept, the name and address of the person(s) to whom the proposed sale, lease or transfer is to be made and such other information (to be requested within five (5) days from receipt of such notice) as may be required by the Board of Administration.

15.02 The Board of Administration, within the ten (10) days after receiving such notice and such supplemental information as is required by the Board of Administration, shall either consent to the transaction specified in said notice, or by written notice to be delivered to the Unit Owner's Unit (or mailed to the place designated by the Unit Owner in his notice), designate the Association, or one or more persons, other than Unit Owners, who are willing to purchase upon the same terms as those specified in the Unit Owner's notice.

15.03 The stated designee of the Board of Administration shall have fourteen (14) days from the date of the notice sent by the Board of Administration within which to make a binding offer to purchase upon the same terms and conditions specified in the Unit Owner's notice. Thereupon, the Unit Owner shall either accept such offer or withdraw and/or reject the offer specified in his notice to the Board of Administration. Failure of the Board of Administration to designate such person(s) or failure of such person(s) to make such binding offer within the said fourteen (14) day period, shall be deemed consent by the Board of Administration to the transaction specified in the Unit Owner's notice, and the Unit Owner shall be free to make or accept the offer specified in his notice, and sell said in-

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specified in the Unit Owner's notice. Thereupon, the Unit Owner shall either accept such offer or withdraw and/or reject the offer specified in his notice to the Board of Administration. Failure of the Board of Administration to designate such person(s) or failure of such person(s) to make such binding offer within the said fourteen (14) day period, shall be deemed consent by the Board of Administration to the transaction specified in the Unit Owner's notice, and the Unit Owner shall be free to make or accept the offer specified in his notice, and sell said interest pursuant thereto to the prospective purchaser or tenant named therein within thirty (30) days after his notice was given.

15.04 In the event the sale to a third party is approved by the Board of Administration but is not ultimately consummated or the Unit Owner withdraws his offer to the Association or rejects the offer of the stated designee of the Association, the Unit Owner may not sell his Unit without further complying with the terms and conditions of this Article XV.

15.05 The consent of the Board of Administration shall be in proper recordable form, signed by either the President or the Vice President of the Association and shall be delivered to the purchaser or lessee. Should the Board of Administration fail to act, as herein set forth, and within the time provided herein, the Board of Administration shall, nevertheless, thereafter prepare and deliver its written approval in proper recordable form, as aforesaid, and no conveyance of title or interest whatsoever shall be deemed valid without the consent of the Board of Administration as herein set forth.

15.06 There are no restrictions on the leasing, rental, subleasing or subrenting of a Residential Unit in the Condominium by an owner provided, however, each Owner, shall be required to comply with such reasonable rules and regulations as may be adopted from time to time by the Association with respect to such leasing or rental. A Residential Unit may be leased or rented on a transient rental basis, including on a daily, weekly or monthly basis.

15.07 If a corporate entity is the owner of a Residential Unit, it may designate the occupants of the Units as it desires and for such period of time as it desires without compliance with the provisions of this Article XV. The foregoing shall not be deemed an assignment of a Unit.

15.08 No fee shall be charged in connection with the proposed transfer or approval in excess of the expenditures reasonably required for credit report expenses which shall not exceed Fifty Dollars (\$50.00).

(B) Restrictions Applicable to all Units:

15.09 Anything in this Article XV to the contrary notwithstanding, should any Condominium Unit or Parcel at any time become subject to an Institutional Mortgage, the holder thereof, upon becoming the owner of said Condominium Parcel through foreclosure, deed in lieu of foreclosure, or other means, and its immediate grantee shall have the unqualified right to sell, lease or otherwise transfer said Unit, including the fee ownership thereof, without prior offer to the Board of Administration, to the Committee or to the Developer.

15.10 This Article shall not be applicable to the Developer which is irrevocably empowered to sell Units, whether residential or commercial, to any purchaser(s) upon such terms and conditions as the Developer may deem appropriate in its sole discretion. The said Developer shall have the right to transact any business necessary to consummate sales of said Units, including, but not limited to, the right to maintain model Units, have signs, employees in the offices, use the Common Elements and show Units. Sales offices, signs and all items pertaining to sales shall not be considered Common Elements and

shall remain the property of the Developer.

XVI. Liens

16.01 Subsequent to recording the Declaration and while the property remains subject to the Declaration, no liens of any nature shall be valid against the Condominium Property as a whole, except with the unanimous consent of the Unit Owners. During this period, liens may arise or be created only against individual Condominium Parcels.

16.02 Labor performed or materials furnished to a Unit shall not be the basis for the filing of a lien pursuant to the Mechanics' Lien Law against the Unit or Condominium Parcel of any Unit Owner not expressly consenting to or requesting the labor or materials. Labor performed or materials furnished to the Common Elements shall not be the basis for a lien on the Common Elements, but if authorized by the Association, the labor or materials shall be deemed to be performed or furnished with the express consent of each Unit Owner and may be the basis for the filing of a lien against all Condominium Parcels in the proportions for which the Owners are liable for Common Expenses.

16.03 If a lien against two (2) or more Condominium Parcels becomes effective, each Owner may relieve his Condominium Parcel of the lien by exercising any of the rights of a property owner under F.S., Chapter 713, or by payment of the proportionate amount attributable to his Condominium Parcel. Upon the payment, the lienor shall release the lien of record for that Condominium Parcel.

XVII. Remedies of the Association

17.01 All rights, remedies or relief of whatsoever nature or kind provided in favor of the Association in this Declaration, Exhibits hereto, Rules and Regulations promulgated by the Board of Administration, and the Condominium Act shall be cumulative and non-exclusive and none shall exclude, jointly or severally, any other right, remedy or relief permitted by law or otherwise available to the Association.

17.02 Failure by the Association to enforce or declare a violation of the terms and conditions of this Declaration, Exhibits hereto, Rules and Regulations promulgated by the Board of Administration, or the Condominium Act upon occurrence thereof or any delay in taking any action in connection therewith shall not be considered a waiver of such violation and any express waiver of such violation (which must be in writing to be effective) shall NOT be considered a continuing waiver and upon any subsequent violation, the Association shall not be deemed to have waived its rights to declare such violation and exercise concurrently or severally any rights, remedies or relief the Association may have.

XVIII. Commercial Units

The Developer is the owner of the Commercial Units in the Condominium, which Commercial Units are more particularly identified in the Plot Plan, Survey and Graphic Description attached hereto as Exhibit "B". The Developer shall have the following rights with respect to said Commercial Units:

18.01 The Developer, and its successors and assigns, shall have the right to operate, occupy, lease or rent for its sole benefit all or a portion of said Commercial Units to persons, firms or entities who may engage in commercial enterprises for the purpose of providing commercial services to persons residing in this Condominium, as well as to the general public. Should the Developer rent or lease such space in any or all of the Commercial Units, the Developer shall also have the right to partition any or all of the Commercial Units as it deems neces-

ary to fulfill the objectives of this Article.

18.02 In the event the Developer elects, from time to time, to partition any or all of the Commercial Units, then the Developer shall have the right to restructure Commercial Units by filing among the Public Records of Broward County, Florida, such appropriate amendment or amendments to this Declaration of Condominium as will serve to create restructured Commercial Units under the Act, and said amendment or amendments need be executed solely by the Developer, its successors or assigns, and all Institutional Mortgagees holding mortgages encumbering the restructured Commercial Units. Said amendment or amendments shall expressly set forth the share, expressed as a percentage, of the common elements, common expenses, and common surplus that will be appurtenant to each of the restructured Commercial Units, provided however, that the total of said shares shall be the same as that which is appurtenant to the particular Commercial Unit which has been restructured, as presently set forth in Exhibit "C" attached to this Declaration of Condominium.

18.03 In order to provide access to the Commercial Units, the Developer, the owners of Commercial Units, lessees of Commercial Units and their respective nominees, invitees, grantees, successors and assigns, shall have a non-exclusive easement for access to the Commercial Units and all areas appurtenant thereto over, under and through those portions of the common elements of the Condominium customarily used for pedestrian and vehicular traffic, including walkways, lobby areas, elevators, halls and corridors, together with the use of same. The foregoing easement of access shall remain in existence, without restriction by other unit owners or the Association, and said easement shall be in addition to all such other rights of access as any owner of a Unit may have in a condominium under the Act or pursuant to this Declaration.

18.04 The Developer, or the lessee or owner or each of the Commercial Unit(s) shall be the sole judge, and have sole discretion as to the size, contents, style, amounts, plans and specifications of any improvements and/or equipment and personalty that may be contained in the Commercial Units as well as be the sole judge and have sole discretion as to the type or style of operation of the Commercial Unit. The Developer or the lessee or owner of a Condominium Unit may, from time to time and at any time, without notice to any party whatsoever, (other than the Commercial Units Standard Committee) remove or change or alter any improvements, personalty, or equipment or mode of operation of commercial enterprise. The foregoing shall include, but not be limited to, the right to operate conduct business therein within such business hours as the Developer, lessee or owner of any or all of the Commercial Units shall determine. All proceeds, rents, revenues, profits and income derived from the operation of each of the Commercial Units shall belong to and be the sole property of the Developer and/or the lessee or owner of each of the Commercial Units.

18.05 The Developer, in addition to the other rights set forth above, shall have the right, if permitted by applicable building and zoning laws, to convert all or any portion of a Commercial Unit to a Residential Unit by an amendment to this Declaration, which amendment need be signed by the Developer, its successors or assigns alone without the consent or joinder of the Association or any other Owner of a Residential Unit or any other person, firm or entity. In such case, the undivided interest shall be as designated by the Developer, its successors and assigns, provided, however, that such undivided interest does not in the aggregate exceed the undivided interest allocated to the Commercial Unit which has been so converted. Additionally, the Developer, its successors and assigns shall have the right, in its sole discretion, to convert all or any portion of a Commercial Unit(s) to additional recreational facilities without the consent of the Association or any Owner. Any cost or expense in such conversion shall be at the sole expense of the Developer,

its successors or assigns, and any such facilities may, at the option of the Developer, be added as additional Common Elements or may be added as additional recreational facilities pursuant to that certain Easement and Maintenance Agreement attached as Exhibit "F" hereto.

18.06 The provisions contained in this Article XVIII may not be added to, amended or deleted without the written consent of the Developer and the Owners of each Commercial Unit, provided, however, that in the event this provision is held to be invalid by a Court of competent jurisdiction for any reason, any such amendment hereto shall require the affirmative vote of ninety (90%) percent of the members of the Association.

XIX. Commercial Unit Standards Committee

19.01 Creation of Committee - Members of Committee

At such time as Unit Owners, other than the Developer, are entitled to elect a majority of the Board of Directors, as provided for in this Declaration, the Articles, By-Laws and/or the Act, there shall be established the Commercial Unit Standards Committee (hereinafter referred to as the "Committee"), which shall consist of three (3) members of the Board of Directors. Each member of the Committee shall hold office until such time as he has resigned or has been removed and until his successor has been appointed, as provided herein. Members of the Committee may be removed at any time, with or without cause, upon the vote of a majority of the members of the Board of Directors. It is expressly understood that, notwithstanding anything contained herein to the contrary, the Developer shall have the exclusive right to control the construction, improvements, sales and development of the Commercial Units located within the Condominium in accordance with this Declaration without regard to the provisions applicable herein to the Commercial Unit Standards Committee until such time as the Unit Owners, other than the Developer, are entitled to elect a majority of the Board of Directors.

19.02 Unit Owners' Acceptance of the Committee. Each Owner of a Commercial Unit, by virtue of his acceptance of the deed of conveyance conveying a Commercial Unit, acknowledges the necessity of architectural control and minimum maintenance standards for the Commercial Units, as well as the necessity of maintaining the physical appearance and image of the Commercial Units and the entire Condominium.

19.03 Review of Proposed Construction. No construction, alterations, improvements and/or additions shall be made in any Commercial Unit until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and been approved in writing by the Committee, as to harmony of design, color and location in relation to surrounding structures. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration or addition contemplated thereby in the location indicated will not be detrimental to the appearance of the Common Elements, the Condominium and the other Commercial Units. The Committee may condition its approval of proposals or plans and specifications on such changes therein as it deems appropriate, upon the agreement by the entity or person submitting the same (the "Submitting Party") to grant appropriate easements to the Association and/or to the other Unit Owners and the Committee may require submission of additional plans and specifications or other information prior to approving or disapproving any material submitted. The Committee may also issue rules and guidelines setting forth procedures for the submission of plans for approval. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, elevation drawings and descriptions or samples of exterior materials and colors. Until receipt by the Committee of all required plans and specifications, the Committee may postpone

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review of any plans submitted for approval. The Submitting Party shall be responsible for the payment of all expenses incurred by the Committee in evaluating and reviewing the submitted plans and specifications and for all expenses incurred in the administration of the submission. Notwithstanding any provision of this Article, approval of the Committee shall not be required with respect to any construction, alteration, improvement and/or addition performed or caused to be performed by the Developer.

19.04 Meetings of the Committee. The Committee shall meet, from time to time, as may be necessary to perform its duties hereunder. The Committee may, from time to time, by resolution unanimously adopted in writing, designate a Committee Representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee. In the absence of such designation, the vote of any two (2) members of the Committee taken without a meeting shall constitute an act of the Committee.

19.05 No Waiver of Future Approvals. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

19.06 Compensation of Members. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder, except that members of the Committee may receive compensation for any management or supervisory services rendered to the Association.

19.07 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(1) Upon the completion of any work for which approved plans are required under this Article, the Submitting Party shall give written notice of completion of the Committee.

(2) Within thirty (30) days thereafter, the Committee, or its duly authorized representative, may inspect such improvement. If the Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Submitting Party in writing of such noncompliance within such thirty (30) day period, specifying the particulars of non-compliance, and shall require the Submitting Party to remedy the same.

(3) If, upon the expiration of thirty (30) days from the date of such notification of noncompliance, the Submitting Party shall have failed to remedy such noncompliance, the Committee, upon notice and hearing, shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Submitting Party shall have forty-five (45) days from the date of announcement of the Committee's ruling to remedy such noncompliance. If the Submitting Party does not comply with the Committee's ruling within such period, the Committee, at its option, may either direct the Association to require the Submitting Party to remove the noncomplying improvement or direct the Association to require the Submitting Party to remedy the noncompliance, and the Submitting Party shall reimburse the Committee and/or the Association (whichever may be applicable) upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Submitting Party to the Committee, the Committee may direct the Association to levy a special assessment against the Commercial Unit of the Submitting Party for reimbursement.

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(4) If, for any reason, the Committee fails to notify the Submitting Party of any noncompliance within forth-five (45) days after receipt of said written notice of completion from the Submitting Party, the improvement shall be deemed to be in accordance with the approved plans.

19.08 Power to Adopt Budget and Levy Special Assessments. In addition to such powers as may be vested in the Committee pursuant to this Declaration, the Committee shall have the power to fix and determine, from time to time, a budget necessary to provide funds for the proper and cohesive operation and image of the Commercial Units. The items which may be provided for in such budget adopted by the Committee shall include, but shall not be limited to, general advertising expenditures for the Commercial Units as a whole, grand opening expenses, security measures for the benefit of all of the Commercial Units and necessary maintenance for all of the Commercial Units and appurtenant areas.

Any budget adopted by the Committee shall include a schedule of assessments to be paid by the Owners of the Commercial Units. Each Commercial Unit shall be responsible for its proportionate share of the assessments imposed by the Committee based upon the proportion by which such Unit's undivided interest bears to the total undivided interest allocated to all Commercial Units. In addition, the Committee shall have the power to levy special assessments against all, or less than all, of the Commercial Units in order to effectuate the purposes set forth in this Article.

19.09 Power to Adopt Rules and Regulations. Each Owner of a Commercial Unit acknowledges that the Committee may, from time to time, direct the Association to adopt and amend rules and regulations governing the details of the operation, use, maintenance and control of the Commercial Units and all areas appurtenant thereto. The Association shall be obligated to adopt and amend such rules and regulations, when directed to do so by the Committee.

XX. The Association.

20.01 The document creating the Association is attached hereto and made a part hereof as Exhibit "D". The operation of the Condominium Property shall be governed by the By-Laws of the Association, a copy of which are attached hereto and made a part hereof as Exhibit "E". The By-Laws may be modified or amended as provided herein. No amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Condominium Parcel. Defects or omissions in the By-Laws shall not affect the validity of the Condominium or the title to Condominium Units.

20.02 The operation of the Condominium shall be by the Association which must be a corporation not for profit. The Owners of Units shall be members of the Association. The officers and directors of the Association have a fiduciary relationship to the Unit Owners.


20.03 The Association may contract, sue or be sued with respect to the exercise or nonexercise of its powers. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management and operation of the Condominium Property. After control of the Association is obtained by the Unit Owners, other than the Developer, the Association may institute, maintain, settle or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including, but not limited to, the Common Elements, the roof and structural components of a building or other improvements, mechanical, electrical and plumbing elements serving an improvement or a building, representations of the Developer pertaining to any existing proposed commonly used faci-

ilities, and protesting ad valorem taxes on commonly used facilities. The Association has the authority to maintain a class action; the Association may be joined in an action as representative of that class with reference to litigation and disputes involving the matters for which the Association could bring a class action. Nothing herein limits any statutory or common law right of any individual Unit Owner to bring any action which may otherwise be available.

20.04 A Unit Owner does not have any authority to act for the Association by reason of being a Unit Owner.

20.05 The powers and duties of the Association include those set forth in this section and those set forth in the Declaration and By-Laws if not inconsistent with this Declaration and the law.

20.06 The Association has the irrevocable right to access to each Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements, or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units.

 20.07 The Association has the power to make and collect Assessments, and to lease, maintain, repair and replace the Common Elements.

20.08 The Association shall maintain accounting records for the Condominium according to good accounting practices. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times.

20.09 The Association has the power to purchase Units in the Condominium and to acquire and hold, lease, mortgage and convey them.

20.10 The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association and the Common Elements. A copy of each policy of insurance in effect shall be made available for inspection by Unit Owners at reasonable times.

20.11 The Association has the authority, without the joinder of any Unit Owner, to modify or move any easement for ingress or egress or for the purposes of utilities if the easement constitutes part of or crosses the Condominium Property. This subsection does not authorize the Association to modify or move any easement created in whole or in part for the use or benefit of anyone, other than the Unit Owners, without their consent or approval as required by law or the instrument creating the easement.

20.12 Maintenance and repair of the Common Elements, except as otherwise provided herein, is the responsibility of the Association.

XXI. Membership in Association

21.01 The Association was created to perform the acts and duties of the management of the Units and Common Elements defined and described in this Declaration, and to levy and enforce collection of Assessments necessary to perform said acts and duties.

21.02 All Unit Owners shall automatically be members of the Association, and said membership shall terminate when they no longer own said Units.

XXII. Declaration of Covenants, Conditions and Restrictions
- Master Association

22.01 In connection with the overall development of the property upon which the Condominium has been created, there has been recorded amongst the Public Records of Broward County, Florida, that certain Declaration of Covenants, Conditions and Restrictions for THE HOLLYWOOD BEACH HOTEL, dated as of July 1, 1983, and recorded on January 12, 1984, in Official Records Book 11403, at Page 304, of the Public Records of Broward County, Florida (the "Declaration of Covenants, Conditions and Restrictions"). A copy of the Declaration of Covenants, Conditions and Restrictions is attached as Exhibit "G" to this Declaration. Pursuant to the Declaration of Covenants, Conditions and Restrictions, a master plan of development has been established with respect to the property so as to create and provide for a harmonious planned mixed use development. In connection with the recordation of the Declaration of Covenants, Conditions and Restrictions, there has also been established that certain Association known as THE HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC. (the "Master Association.").

22.02 It is acknowledged that the terms, conditions and provisions of this Declaration and the obligations and duties of the Association shall be expressly subject to all terms, conditions and provisions of the Declaration of Covenants, Conditions and Restrictions and the Articles and By-Laws of the Master Association.

22.03 All Unit Owners shall automatically be members of the Master Association, and said membership shall terminate when they no longer own said Units. Each Unit Owner shall acquire an interest in the Master Association in accordance with the schedule of percentages set forth on Exhibit "H" attached hereto and made a part hereof.

22.04 It is understood that the Master Association has been created in part to perform the acts and duties of management and maintenance of certain portions of the property upon which the Condominium is located designated as "Common Facilities," pursuant to the Declaration of Covenants, Conditions and Restrictions. Such Common Facilities include the lower lobby and elevators (excluding all service elevators) and all electrical, water, sewer, garbage disposal, gas, plumbing, air conditioning and other mechanical equipment and systems serving the building in which the Condominium is located, and all structural components of the roof, and all exterior portions of the building and parking areas and landscaping thereon, as more particularly described on Exhibit "C" attached to the Declaration of Covenants, Conditions and Restrictions. In accordance with the Declaration of Covenants, Conditions and Restrictions, the Master Association shall be responsible for the operation, maintenance and management of the Common Facilities, and Unit Owners shall be responsible to pay assessments to the Master Association for maintenance of the Common Facilities, in accordance with each Owner's interest in the Master Association as set forth in Exhibit "H" attached hereto. The Association may, pursuant to a decision of the Board of Directors, collect from unit owners and remit all assessments of unit owners due and owing to the Master Association. In such event the Association shall have a lien right to the same extent as lien rights for unpaid Condominium assessments.

22.05 Both the Developer, the Association and each Owner shall fully honor all terms, conditions and provisions of the Declaration of Covenants, Conditions and Restrictions, together with the Articles and By-Laws of the Master Association, including all covenants regarding use of the Common Facilities and easements of ingress and egress provided therefor.

XXIII. Recreational Facilities

There are no recreational or other commonly used facilities which are owned by the Association and/or Unit Owners or included within the common elements of the condominium, and all such recreational or other commonly used facilities are located in a Developer owned commercial unit and/or upon property located adjacent to the condominium. All Recreational Facilities to be used by owners are to be dedicated for non-exclusive use to the Association and its members in accordance with that certain Easement and Maintenance Agreement attached as Exhibit F to this Declaration of Condominium. Pursuant to the Easement and Maintenance Agreement, Recreational Facilities may be expanded or added without the consent of any Unit Owner or the Association in accordance with the terms thereof.

XXIV. Common Expenses and Common Surplus

24.01 Common Expenses include the expenses of the operation, maintenance, repair or replacement of the Common Elements; the costs and expenses to be borne by the Association in connection with any charges assessed by the Master Association in connection with the use, maintenance, management and operation of the Common Facilities; and any other expenses designated as Common Expenses by this Declaration, the documents creating the Condominium, and/or the By-Laws including the costs and expenses as set forth in the Easement Agreement attached as Exhibit "F" to this Declaration of Condominium.

24.02 Funds for the payment of Common Expenses shall be assessed against Unit Owners in the proportions or percentages provided in this Declaration. A Unit Owner's share of Common Expenses shall be in the same proportion as his ownership interest in the Common Elements.

24.03 Common Surplus is owned by Unit Owners in the same shares as their ownership interest in the Common Elements.

XXV. Assessments; Liabilities, Lien and Propriety; Interest Collection

25.01 A Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the Unit Owner. Except as provided in 25.06, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for his share of the Common Expenses up to the time of the transfer of title without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee.

25.02 The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by abandonment of the Unit for which the Assessments are made.

25.03 Assessments and installments on them not paid when due bear interest from the date when due until paid at the rate of 18% per annum. The Association may levy reasonable fines against a unit for failure of the owner of the unit or its occupant, licensee or invitee to comply with any provision of the declaration, the association bylaws or reasonable rules of the association. No fine shall become a lien against a unit. No fine shall exceed \$50.00 nor shall any fine be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The provisions of this subsection shall not apply to unoccupied units.

25.04 (1) The Association shall have a lien on each Condominium Parcel for unpaid Assessments, together with all sums advanced and paid by or on behalf of the Association for taxes and payments on account of Mortgages, liens or encumbrances

which may be required to be advanced by or on behalf of the Association to protect and preserve its lien, with interest and for reasonable attorney's fees incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien is effective from and after recording a claim of lien in the Public Records of the County in which the Condominium Parcel is located.

(2) In the event a Unit Owner is thirty (30) days or more late in the payment of any Assessment or charge due to the Association from the Unit Owner of whatsoever nature or kind, the Board of Administration in its sole discretion may accelerate the remaining installments due for the current quarter and other known Assessments and charges for the said quarter and such installments, Assessments and charges may be included in the liens set forth herein. Although such acceleration may be made without notice to the Unit Owner at the discretion of the Board of Administration, notice of any claim of lien filed by the Association or its authorized agent, if any, shall contain the full amount due the Association (whether upon an accelerated basis or not) at the time of filing such claim of lien. In the event a Unit Owner enters a new fiscal year being 30 days or more in the default of payment of any installment, Assessment or charge due during any previous fiscal year, the Board of Administration may accelerate all then known remaining monthly installments for Assessments, Special Assessments and other charges which are due for the quarter in which the Association is beginning.

(3) Notwithstanding anything to the contrary contained within this Article, as to priority between the lien of a recorded mortgage and the lien for an Assessment, the lien for Assessment shall be subordinate and inferior to the lien of any Institutional Mortgage recorded prior to the recording of the claim of lien of the Association regardless of when said Assessment was due, but shall not be subordinate and inferior to the lien of any other mortgage or lien of whatsoever nature or kind.

25.05 (1) The Association may bring an action in its name to foreclose a lien for Assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgement for the unpaid Assessments without waiving any claim of lien. The remedies provided herein shall be non-exclusive and cumulative and shall not exclude any other remedy available to the Association by this Declaration, law or otherwise.

(2) If the Unit Owner remains in possession of the Unit and the claim of lien is foreclosed, the Unit Owner shall pay a reasonable rental for the Unit and the Association is entitled to the appointment of a receiver to collect the rent.

(3) The Association has the power to purchase the Condominium Parcel at the foreclosure sale and to hold, lease, mortgage and convey it.

25.06 Where the holder of any Institutional Mortgage or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of the Institutional Mortgage, or as a result of a deed given in lieu of foreclosure, such acquiror of title and such acquiror's successors and assigns, shall not be liable for the share of common expenses or assessments imposed by the Association pertaining to such Unit or chargeable to the former owner of such Unit which became due prior to acquisition of title as a result of foreclosure (or acceptance of a deed in lieu thereof), unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the Institutional 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 acquiror, acquiror's successors and assigns. It is understood that such acquiror shall be liable for acquiror's share of common expenses or assessments attributable to acquiror's Unit from the date of

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26.03 Not use or permit the use of any Residential Unit except for transient residential occupancy purposes.

26.04 Not permit or suffer anything to be done or kept in his unit which would increase the insurance rates on his unit or the Common Elements, or which will obstruct or interfere with the rights of other members or annoy them with unreasonable noises or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his Unit or on the Common Elements. *Handwritten initials: H... M...*

26.05 Conform to and abide by the By-Laws and uniform rules and regulations in regard to the use of the Unit and Common Elements which may be adopted in writing from time to time by the Association, and to see that all persons using the Owner's property, by, through or under him do likewise.

26.06 Make no alteration, decoration, repair, replacement or change to any Residential Unit, Limited Common Element(s), or the Common Element(s), or to any outside or exterior portion of the building or Condominium Property without the prior written consent of the Association. Such changes shall include but not necessarily be limited to, alterations, repairs, replacements to the plumbing fixtures and/or equipment, or interior configuration of the unit. Notwithstanding anything contained herein to the contrary the Developer or any owner or lessee of a Commercial Unit shall be authorized to make alterations, decorations, repairs, replacements, or changes to all or any portion of a Commercial Unit as otherwise set forth in this Declaration.

26.07 Allow the Board of Administration or the agents and employees of the Association to enter any Unit for the purpose of maintenance, inspection, repair and/or replacement of the improvements within Units or the Common Elements, or in case of emergency threatening Units or the Common Elements, or to determine compliance with this Declaration.

26.08 Show no sign, advertisement or notice of any type on the Common Elements or his Unit, and erect no exterior antennas and aerials, except as provided in uniform regulations promulgated by the Association except with relation to the Developer, owner or lessee of a Commercial Unit.

26.09 Abide by any regulations regarding children as may be established by the Association, except that no regulations shall prohibit children from residing in or occupying a Unit.

26.10 Make no repairs to any plumbing or electrical wiring within a Residential Unit, except by plumbers or electricians authorized to do such work by the management of the Association. Plumbing and electrical repairs within a unit shall be paid for and by the financial obligation of the Owner of the unit. The Association shall pay for and be responsible for plumbing repairs and electrical wiring within the Common Elements.

26.11 Return the "Condominium Parcel" for the purpose of ad valorem taxes to the respective taxing authorities having jurisdiction over them for separate Assessment against his Condominium Parcel. For the purposes of ad valorem taxation, the interest of the Owner of a Condominium Parcel in his Condominium Unit and in the Common Elements shall be considered as a Unit. The value of said Unit shall be equal to the proportion or percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said Unit in Exhibit "C" of this Declaration. The total of all said proportions or percentages equals the value of all of the land and improvements thereon.

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26.12 Use only the parking areas specifically designated for use by the Unit Owner.

26.13 Not place screens, жалousies or other enclosures on balconies, patios or terraces or on other parts of the building, even though such areas may be Limited Common Elements, except with prior written approval of the Board of Administration.

26.14 No balconies, patios or terraces shall be extended, enclosed or decorated in any way whatsoever by a Unit Owner without the prior written consent of the Board of Administration.

26.15 Except as otherwise specifically provided for herein, not divide or subdivide a Unit for purposes of sale or lease.

26.16 Not hang any laundry, garments or other objects which are visible from outside of the Unit, except for draperies, blinds, shades or other suitable window coverings. Decorative window coverings shall not include any type of reflective film on any glass windows or doors.

26.17 Not allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles provided therefor, so that each Unit, the Common Elements and Limited Common Elements shall at all times remain in a clean and sanitary condition.

26.18 Not make any use of a Unit that violates any laws, ordinances and regulations of any governmental body having jurisdiction thereof.

26.19 No Residential Unit Owner shall keep any pet or animal in any Residential Unit or any other portion of the Condominium Property in excess of twelve (12) pounds without the prior written consent of the Association. Such consent may be given upon such conditions as the Board of Directors may direct, and shall only be for a particular pet specified in the consent and shall be deemed conditional and shall be subject to revocation at any time. Pets must be hand carried at all times when not within the Unit of the pet's Owner. No pet or animal shall be maintained or harbored within the Unit that would create a nuisance to any other Unit Owner. A determination by the Board of Directors of a pet or animal maintained or harbored within a Residential Unit creates a nuisance shall be conclusive and binding upon all parties.

26.20 Not permit more than six (6) persons to occupy the Unit.

26.21 There shall be no restrictions upon children residing in the Unit, however, the Association shall have the right to adopt reasonable rules and regulations requiring parental supervision of minor children in connection with the use of recreational and other commonly used facilities.

XXVII. Transfer of Association Control

27.01 When Unit Owners, other than the Developer, own fifteen (15%) percent or more of the Units in this Condominium that will be operated ultimately by the Association, the Unit Owners, other than the Developer, shall be entitled to elect not less than one-third (1/3) of the members of the Board of Administration of the Association. Unit Owners, other than the Developer, are entitled to elect not less than a majority of the members of the Board of Administration of the Association:

(1) Three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; or

(2) Three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; or

(3) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers; and none of the others are being offered for sale by the Developer in the ordinary course of business; or,

(4) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; whichever occurs first. The Developer is entitled to elect at least one (1) member of the Board of Administration of the Association as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent in Condominiums with less than five hundred (500) Units and two (2%) percent in Condominiums with more than five hundred (500) Units of the Condominium Units operated by the Association.

27.02 If the Developer holds Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

(1) Assessment of the Developer as a Unit Owner for capital improvements.

(2) Any action by the Association that would be detrimental to the sale of Units by the Developer; provided, however, that an increase in Assessments for Common Expenses without discrimination against the Developer shall not be deemed to be detrimental to the sale of Units.

XXVIII. Rights Reserved Unto Institutional Mortgagees

So long as any Institutional Mortgagee or Institutional Mortgagees shall hold any mortgage upon any Condominium Unit or Condominium Units or shall be the Owner of any Condominium Unit or Condominium Units, such Institutional Mortgagee or Institutional Mortgagees shall have the following rights, to-wit:

28.01 To be entitled to be furnished with at least one copy of the annual financial statement and report of the Association prepared by a certified public accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such financial statements and report to be furnished, upon written demand, within ninety (90) days following the end of each calendar year.

28.02 To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration or the Articles of Incorporation and By-Laws of the Association, which notice shall state the nature of the amendment being proposed.

28.03 To be given notice of default by any member owning any Unit encumbered by a mortgage held by any Institutional Mortgagee or Institutional Mortgagees, such notice to be given in writing and sent to the principal office of such Institutional Mortgagee or Institutional Mortgagees, or to the place which it or they may designate in writing to the Association.

28.04 To cause the Association to create and maintain an escrow account for the purpose of assuring the availability of funds with which to pay premium or premiums due from time to time on insurance policy or policies which the Association is required to keep in existence, it being understood that the Association shall deposit in an escrow depository satisfactory to the Institutional Mortgagee having the highest dollar indebtedness on

"(b) change the pro rata interest or obligations of any individual Condominium Unit for the purposes of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Condominium Unit in the Common Elements;

"(c) partition or subdivide any Condominium Unit;

"(d) by act or omission, seeking to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium project shall not be deemed a transfer within the meaning of this clause);

"(e) use hazard insurance proceeds for losses to any Condominium property (whether to Units or to Common Elements) for other than repair, replacement or reconstruction of such Condominium property."

XXIX. Assignability of Rights of Developer

The rights and privileges reserved in this Declaration of Condominium and the Exhibits attached hereto in favor of the Developer are freely assignable, in whole or in part, by the Developer to any party who may be hereafter designated by the Developer to have and exercise such rights, and such rights may be exercised by the nominee, assignee or designee of the Developer and/or may be exercised by the successor or successors in interest of the Developer and/or by the successor or successors in interest of the nominees of the Developer and/or by grantees from the Developer (including mortgages accepting deeds from the Developer in lieu of foreclosure) and/or by successors in title to the Developer through mortgage foreclosure.

XXX. Management Agreements

30.01 The Board of Directors of the Association may enter into a contract with any firm, person or corporation in contracting for the management, maintenance and repair of the Condominium Property. However, the Association shall retain at all times the powers and duties to be exercised by or under the authority of the Board.

30.02 The Association and each Unit Owner, their heirs, successors and assigns, shall be bound by any such management agreement to the same extent as if he or she or it had executed said management agreement and shall be deemed to have:

(A). Consented to the execution of any such management agreement by the Association; and

(B). Covenanted and promised to perform each and every one of the covenants, promises and undertakings to be performed by Unit Owners and the Association as provided in any such management agreement; and

(C). Ratified, confirmed, and approved each and every provision of any such management agreement and acknowledged that all of the terms and provisions contained therein are fair and reasonable; and

(D). Agreed that the persons acting as directors and officers of the Association entering into any such management agreement have not breached any of their duties or obligations to the Association.

XXXI. Condominium Working Capital Fund

At the time the Developer closes upon the sale of a Residential Unit to a Purchaser (Purchaser thereby becoming a Unit Owner in the Condominium), the Purchaser shall deposit with the Association an amount equal to two (2) monthly maintenance assessments of the common expenses assessed to the Purchaser of a Residential Unit ("Condominium Working Capital Fund") for the purpose of having funds available for initial and non-recurring items, capital expenses, permits, licenses, utility deposits and advance premiums for insurance policies and coverages pursuant to this Declaration and the Exhibits attached hereto. If the Developer has paid any of the foregoing expenses or items on behalf of the Association, then any such expenses or items shall be reimbursed to the Developer from the Condominium Working Capital Fund, except that the Developer shall not utilize any expenses directly or indirectly for the reimbursement or expenditure of funds for budgeted items pursuant to the Estimated Operating Budget of the Association during the period of any Developer guarantee. The Condominium Working Capital Fund may be commingled by the Association with any of its other funds.

XXXII. Miscellaneous

32.01 If any provisions of this Declaration, or of the By-Laws attached hereto, or of the Condominium Act, or any section, sentence, clause, phrase or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of this Declaration, the By-Laws attached or the Condominium Act, and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

32.02 Whenever notices are required to be sent hereunder, the same shall be sent to the Unit Owners by regular mail, at their place of residence, unless the Unit Owner has, by written notice, duly received for, specified a different address. Notices to the Association shall be delivered by regular mail to the registered agent. All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice.

32.03 Each Unit Owner and the Association shall be governed by and shall comply with the Condominium Act and this Declaration and By-Laws as they may exist from time to time. Failure to do so shall entitle the Association or any other Unit Owner to recover sums due for damages or injunctive relief or both. Such actions may be maintained by or against a Unit Owner or the Association or in a proper case by or against one or more Unit Owners and the prevailing party shall be entitled to recover reasonable attorneys' fees. Such relief shall not be exclusive of other remedies provided by law.

32.04 Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the plural shall include the singular and the singular shall include the plural. The provisions of this Declaration shall be liberally construed to effectuate its purposes of creating a uniform plan for the operation of the Condominium in accordance with the laws made and provided for the same. As used herein, the term "member" means and refers to any person, natural or corporate, who is a Unit Owner.

32.05 This Declaration and all Exhibits hereto shall be binding upon and inure to the benefit of each Unit Owner,

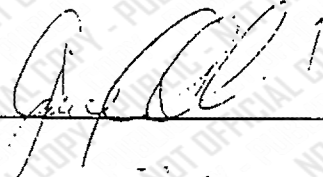
REC 13093PG 44U

their heirs, personal representatives, successors, assigns and grantees and any and all persons claiming by, through or under any Unit Owners.

32.06 The heading and captions used herein are for reference purposes only, are inserted solely as a matter of convenience, and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits hereto.

IN WITNESS WHEREOF, HOLLYWOOD BEACH ASSOCIATES, a Florida general partnership, has caused these presents to be executed on this 7th day of July, 1986.

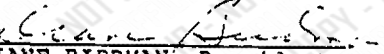
Signed, Sealed and Delivered
in the Presence of:



Diane Birdman

HOLLYWOOD BEACH ASSOCIATES, a
Florida general partnership

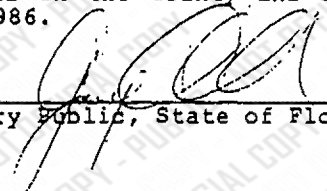
By: HOLLYWOOD BOARDWALK, INC.,
a Florida corporation,
General Partner

BY: 
DIANE BIRDMAN, President

STATE OF FLORIDA)
) ss.
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared DIANE BIRDMAN, as President of HOLLYWOOD BOARDWALK, INC., a Florida corporation, a General Partner of HOLLYWOOD BEACH ASSOCIATES, a Florida general partnership, to be known and known to me to be the person who executed the foregoing instrument as such officer, and she duly acknowledged before me that she executed the same freely and voluntarily as the act and deed of said corporation.

WITNESS my hand and official seal in the County and State aforesaid, this 7th day of July, 1986.



Notary Public, State of Florida

My commission expires:

My Commission expires on _____
I began this office on _____

REC 13593pg 441

EXHIBIT "A"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

LEGAL DESCRIPTION OF REAL PROPERTY

GKR34072/2S

REC 13593pc 442



BERRY & CALVIN
LAND SURVEYORS 923-8588
CIVIL ENGINEERS 921-7781
3128 NORTH BIRN AVENUE • HOLLYWOOD, FLORIDA 33030
MIAMI (305) 371-2180/PORT CALDERON (305) 822-1332

An 90.731707% undivided interest in the following described property:

**HOLLYWOOD BEACH HOTEL
DESCRIPTION OF MAIN BUILDING**

A portion of Lot 2, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of S.88°25'12"W. along the north line of Lot 2 a distance of 1.75 feet; thence, S.1°23'11"E. 12.50 feet to a Point of Beginning being the northeast corner of the structure of the existing building; thence, S.88°41'45"W. along said structure 36.30 feet; thence, S.1°18'15"E. 77.10 feet; thence, S.88°41'45"W. 28.30 feet; thence, N.1°18'15"W. 15.20 feet; thence, S.88°41'45"W. 18.20 feet; thence, S.1°18'15"E. 15.20 feet; thence, S.88°41'45"W. 94.80 feet; thence, S.1°18'15"E. 69.90 feet; thence, S.88°41'45"W. 37.51 feet; thence, S.1°47'44"E. 412.87 feet; thence, N.88°12'16"E. 45.50 feet; thence, S.1°47'44"E. 57.00 feet; thence, N.88°12'16"E. 2.80 feet; thence, N.1°47'44"W. 2.30 feet; thence, N.88°12'16"E. 13.10 feet; thence, S.1°47'44"E. 1.40 feet; thence, N.88°12'16"E. 15.50 feet; thence, S.1°47'44"E. 5 feet; thence, N.88°12'16"E. 29.40 feet; thence, N.1°47'44"W. 5 feet; thence, N.88°12'16"E. 2.50 feet; thence, N.1°47'44"W. 1.60 feet; thence, N.88°12'16"E. 105.50 feet; thence, N.1°42'54"W. 54.40 feet; thence, S.88°17'06"W. 0.80 feet; thence, N.1°42'54"W. 126.20 feet; thence, N.88°17'06"E. 1.90 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.88°28'02"E. 3 feet; thence, N.1°31'58"W. 31.50 feet; thence, S.88°28'02"W. 3 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.1°42'54"W. 57.80 feet; thence, S.88°19'33"W. 2 feet; thence, N.1°40'27"W. 126.30 feet; thence, N.88°19'33"E. 1 foot; thence, N.1°23'11"W. 158.63 feet to the Point of Beginning.

M. B. [Signature]

REC 13593pg 443

EXHIBIT "B"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM
SURVEY, PLOT PLAN, AND GRAPHIC DESCRIPTION
OF IMPROVEMENTS

GKR34072/3S

OFF 13593Pg 444



BERRY & CALVIN
 LAND SURVEYORS 923-6588
 CIVIL ENGINEERS 921-7781
 3129 NORTH 29th AVENUE • HOLLYWOOD, FLORIDA 33020
 MIAMI (305) 371-2180/FORT LAUDERDALE (305) 522-1332


CERTIFICATE OF SURVEYOR
 FOR
 THE HOLLYWOOD BEACH RESORT CONDOMINIUM

STATE OF FLORIDA)
) SS
 COUNTY OF BROWARD)


Before me, the undersigned authority duly authorized to administer and take acknowledgements, personally appeared MAURICE E. BERRY II, by me well known and known to me to be the person hereinafter described, who, being by me first duly cautioned and sworn, desposes and says on oath as follows, to wit:

1. That he is a duly registered and duly licensed land surveyor authorized to practice under the laws of the State of Florida.
2. Affiant hereby certifies that the construction of the improvements is substantially complete so that the material, i.e. this Exhibit "B", together with the provisions of the Declaration of Condominium describing the Condominium property, is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each unit can be determined from these materials. Certain units marked "proposed" or "under construction" on the floor plans are not complete.
3. That all planned improvements, including, but not limited to, landscaping, utility services and access to the unit, and common element facilities serving the building in which the units are located have been substantially completed, except for the recreational areas which are not a part of the condominium property.
4. That the elevations shown on each floor plan are based on National Geodetic Vertical Datum of 1929 adjustment.

FURTHER AFFIANT SAYETH NAUGHT


 MAURICE E. BERRY II
 Registered Land Surveyor No. 1122
 State of Florida

Sworn to and subscribed before me,
 this 12th day of Dec. , A.D. 1985.


 Notary Public
 State of Florida

My commission expires: June 19, 1989

OFF 13593P6 445

JUL 1956



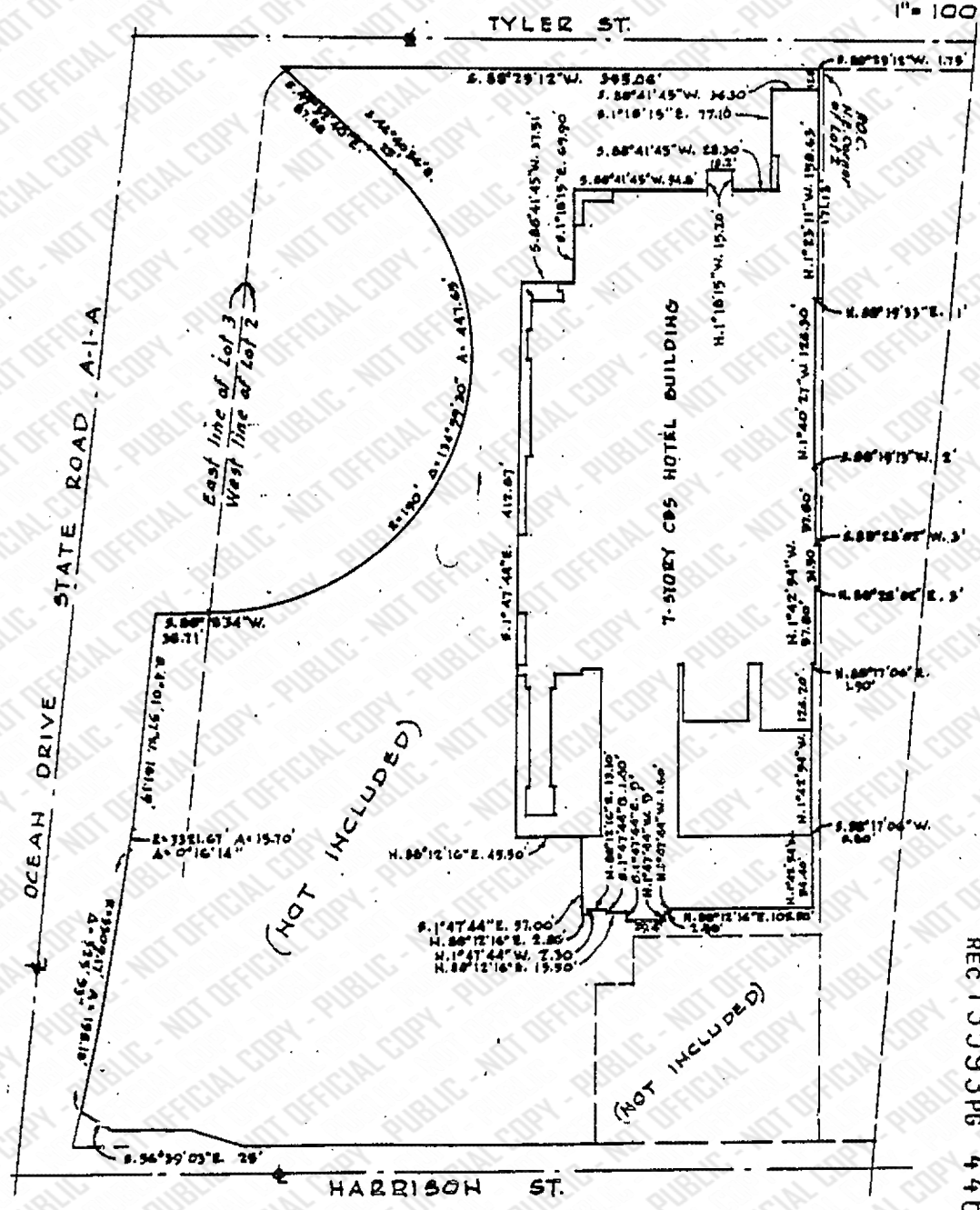
BERRY AND ASSOCIATES
SURVEYORS AND ENGINEERS
3129 N. 29TH AVENUE
HOLLYWOOD, FLORIDA 33020

PH 923-6588

SURVEY FOR: HOLLYWOOD BEACH HOTEL
DESCRIPTION: PARCEL A - MAIN BUILDING
(SEE ATTACHED SHEET FOR LEGAL DESCRIPTION)



SCALE:
1" = 100'



OFF 13593pg 446

TO ALL PARTIES INTERESTED IN TITLE TO PREMISES SURVEYED:
 I, MAURICE E. BERRY II, hereby certify that I have made a recent survey of the above described property as indicated, and that there are no above ground encroachments except as shown. I further certify that the survey represented hereon meets the maximum technical standards of the Florida Board of Land Surveyors pursuant to section 177.07, Florida Statutes to the best of my knowledge and belief.

Dated at Hollywood, Broward County, Florida, this 18th day of JULY, A.D. 1956

NOTE: ELEVATIONS SHOWN HEREON ARE BASED ON NATIONAL GEODETIC VERTICAL DATUM
SURVEY WAS NOT ABSTRACTED FOR EASEMENTS

Maurice E. Berry II
 MAURICE E. BERRY II



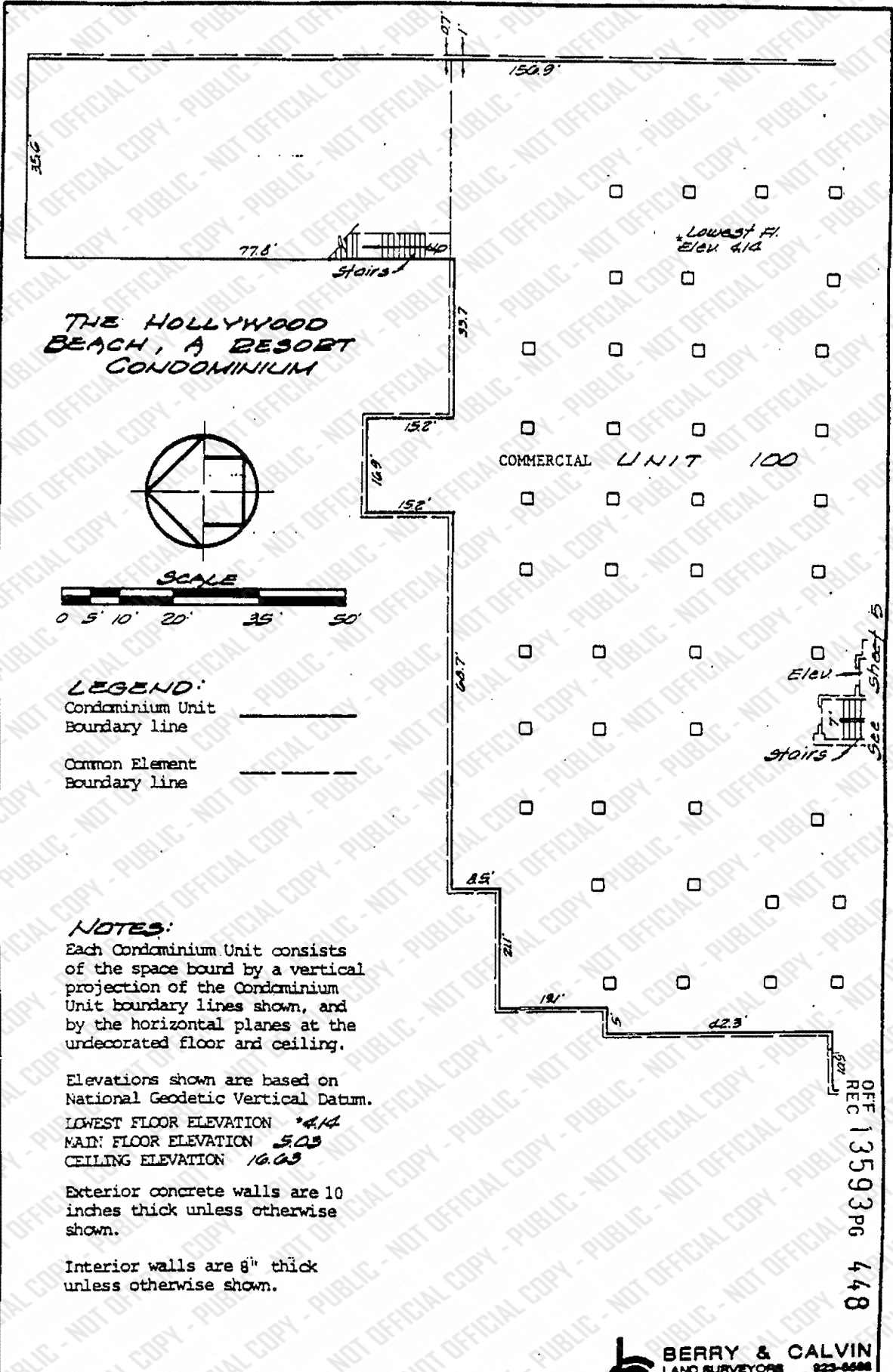
BERRY & CALVIN
LAND SURVEYORS 923-6588
CIVIL ENGINEERS 921-7781
3129 NORTH 29th AVENUE • HOLLYWOOD, FLORIDA 33020
MIAMI (305) 371-2160/FORT LAUDERDALE (305) 822-1332

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF MAIN BUILDING

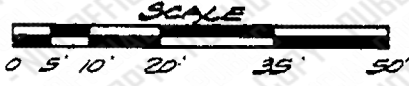
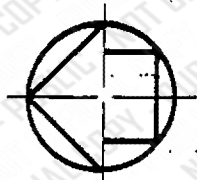
A portion of Lot 2, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of S.88°25'12"W. along the north line of Lot 2 a distance of 1.75 feet; thence, S.1°23'11"E. 12.50 feet to a Point of Beginning being the northeast corner of the structure of the existing building; thence, S.88°41'45"W. along said structure 36.30 feet; thence, S.1°18'15"E. 77.10 feet; thence, S.88°41'45"W. 28.30 feet; thence, N.1°18'15"W. 15.20 feet; thence, S.88°41'45"W. 18.20 feet; thence, S.1°18'15"E. 15.20 feet; thence, S.88°41'45"W. 94.80 feet; thence, S.1°18'15"E. 69.90 feet; thence, S.88°41'45"W. 37.51 feet; thence, S.1°47'44"E. 412.87 feet; thence, N.88°12'16"E. 45.50 feet; thence, S.1°47'44"E. 57.00 feet; thence, N.88°12'16"E. 2.80 feet; thence, N.1°47'44"W. 2.30 feet; thence, N.88°12'16"E. 13.10 feet; thence, S.1°47'44"E. 1.40 feet; thence, N.88°12'16"E. 15.50 feet; thence, S.1°47'44"E. 5 feet; thence, N.88°12'16"E. 29.40 feet; thence, N.1°47'44"W. 5 feet; thence, N.88°12'16"E. 2.50 feet; thence, N.1°47'44"W. 1.60 feet; thence, N.88°12'16"E. 105.50 feet; thence, N.1°42'54"W. 54.40 feet; thence, S.88°17'06"W. 0.80 feet; thence, N.1°42'54"W. 126.20 feet; thence, N.88°17'06"E. 1.90 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.88°28'02"E. 3 feet; thence, N.1°31'58"W. 31.50 feet; thence, S.88°28'02"W. 3 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.1°42'54"W. 57.80 feet; thence, S.88°19'33"W. 2 feet; thence, N.1°40'27"W. 126.30 feet; thence, N.88°19'33"E. 1 foot; thence, N.1°23'11"W. 158.63 feet to the Point of Beginning.

OFF 13593Pg 447



**THE HOLLYWOOD
BEACH, A RESORT
CONDOMINIUM**



- LEGEND:**
- Condominium Unit
 - Boundary line
 - Common Element
 - Boundary line

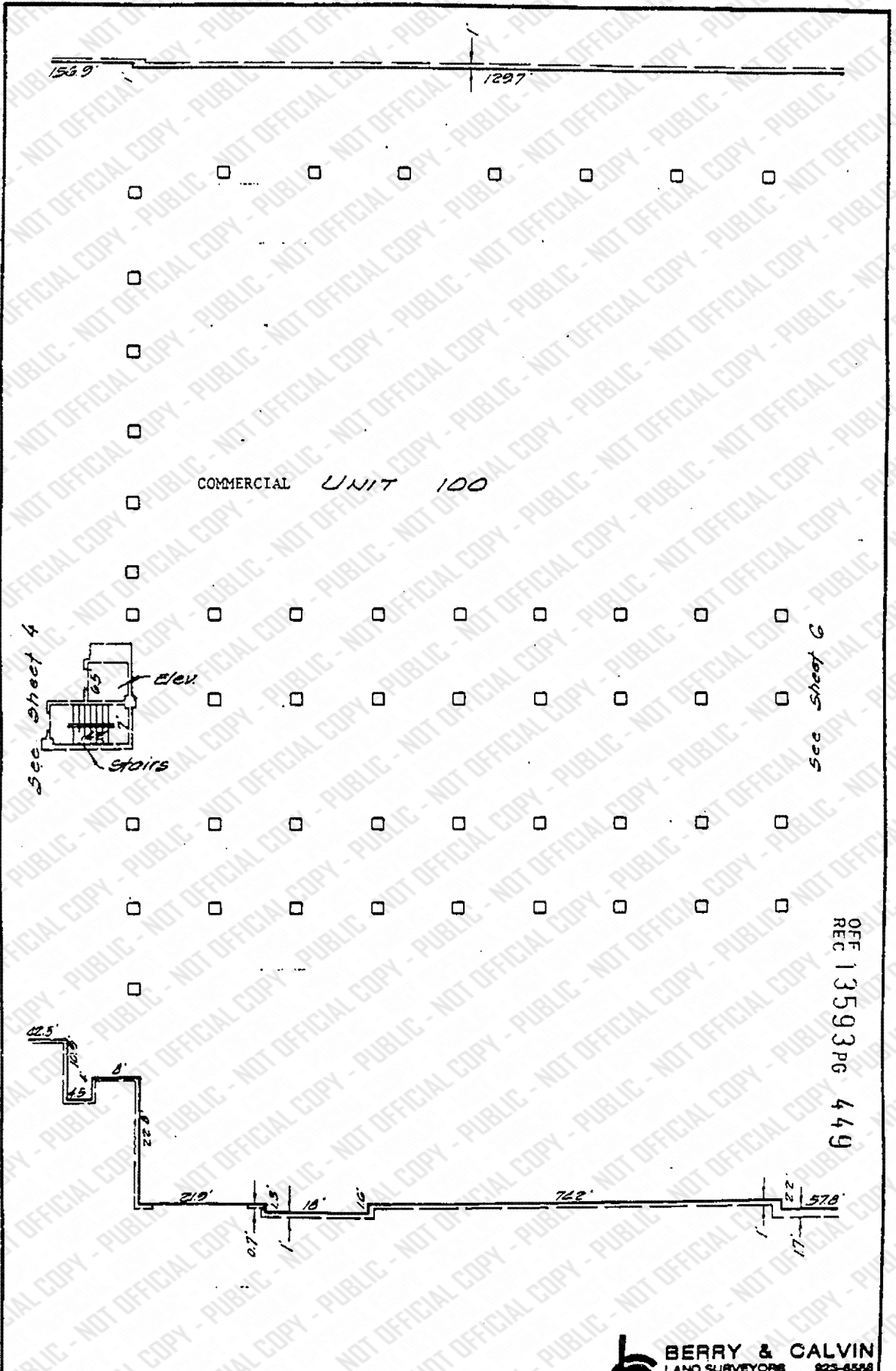
NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.
 LOWEST FLOOR ELEVATION 4.14
 MAIN FLOOR ELEVATION 5.05
 CEILING ELEVATION 10.05

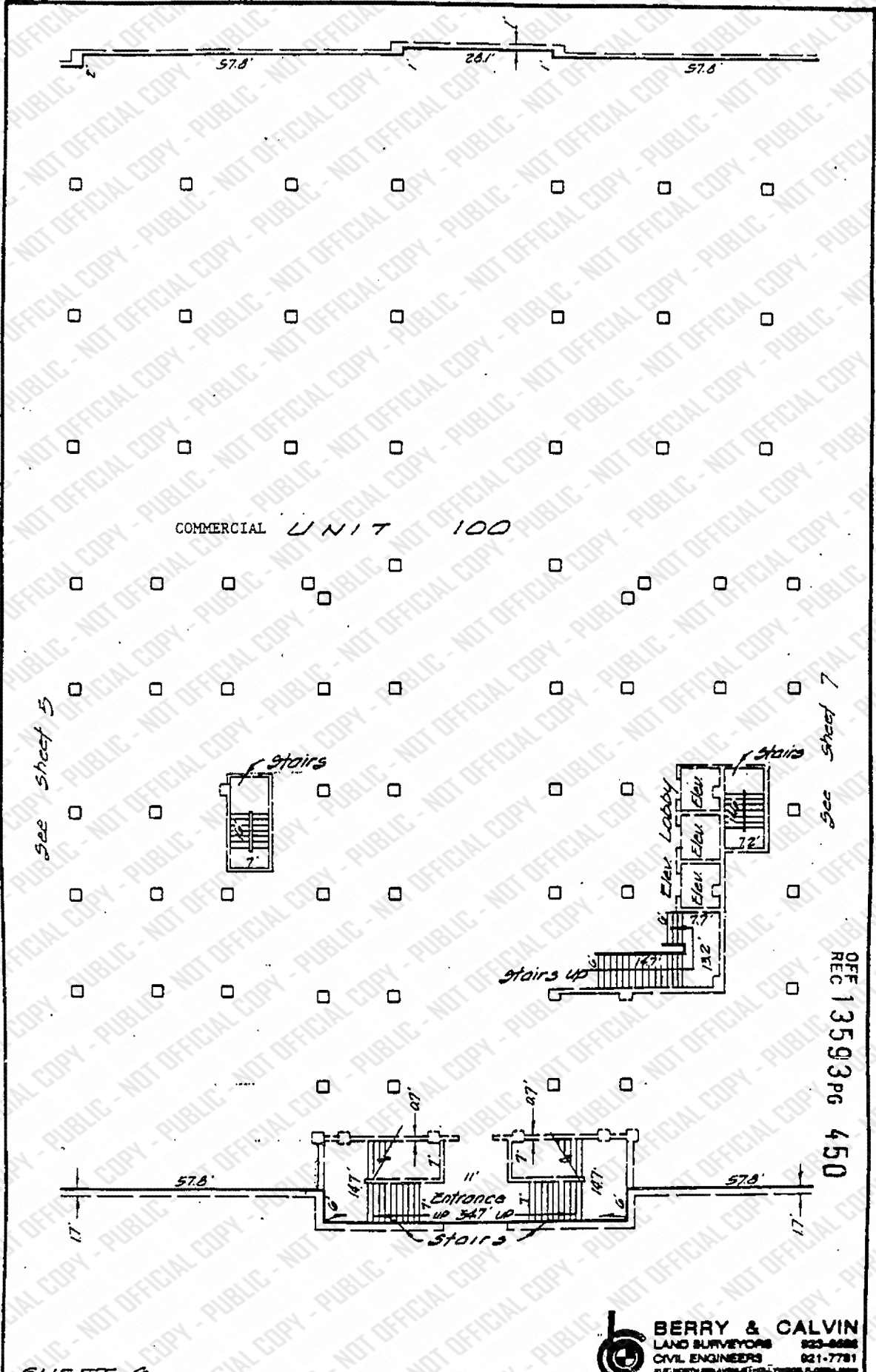
Exterior concrete walls are 10 inches thick unless otherwise shown.

Interior walls are 8" thick unless otherwise shown.

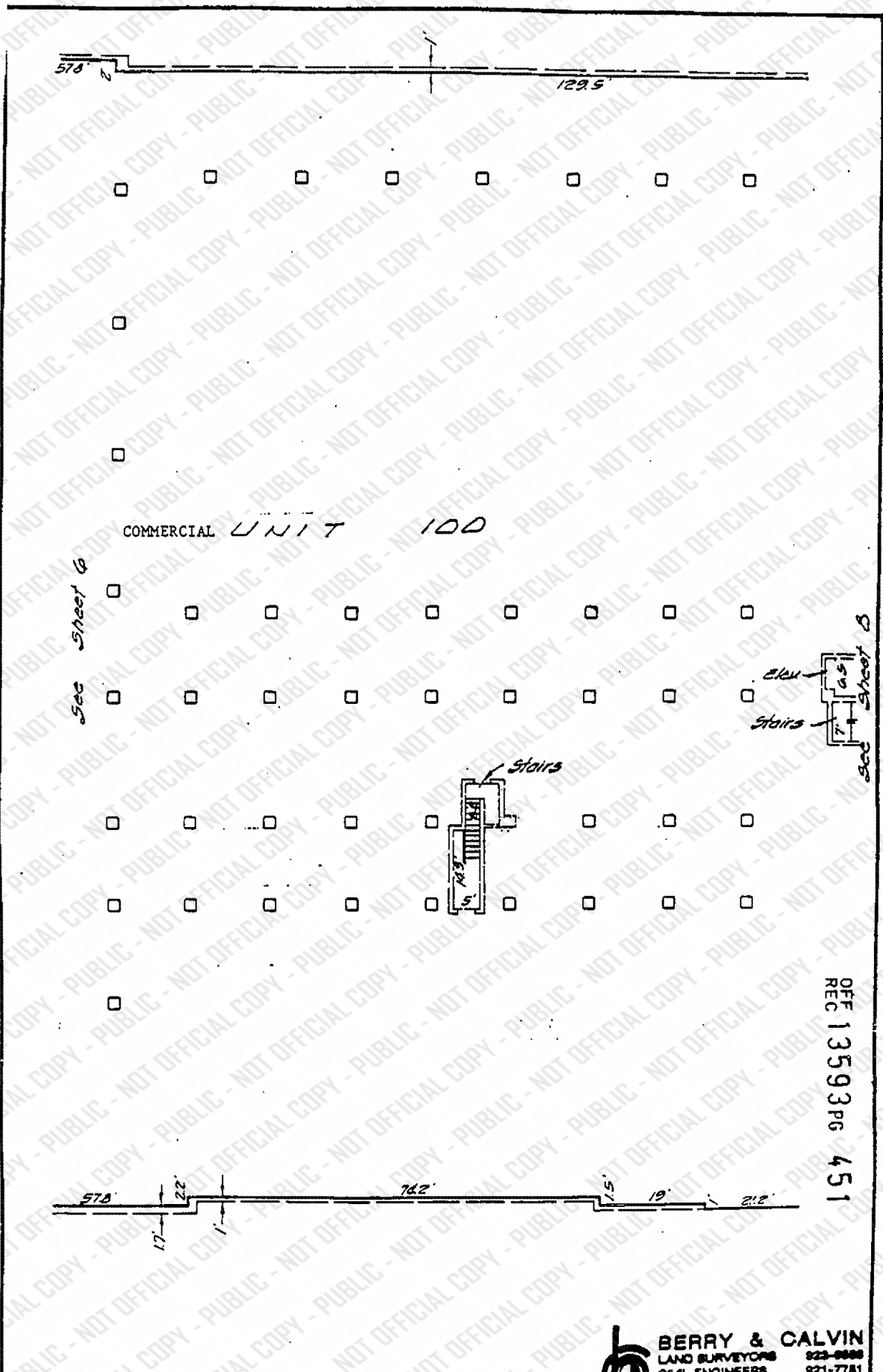
OFF 13593PG 448



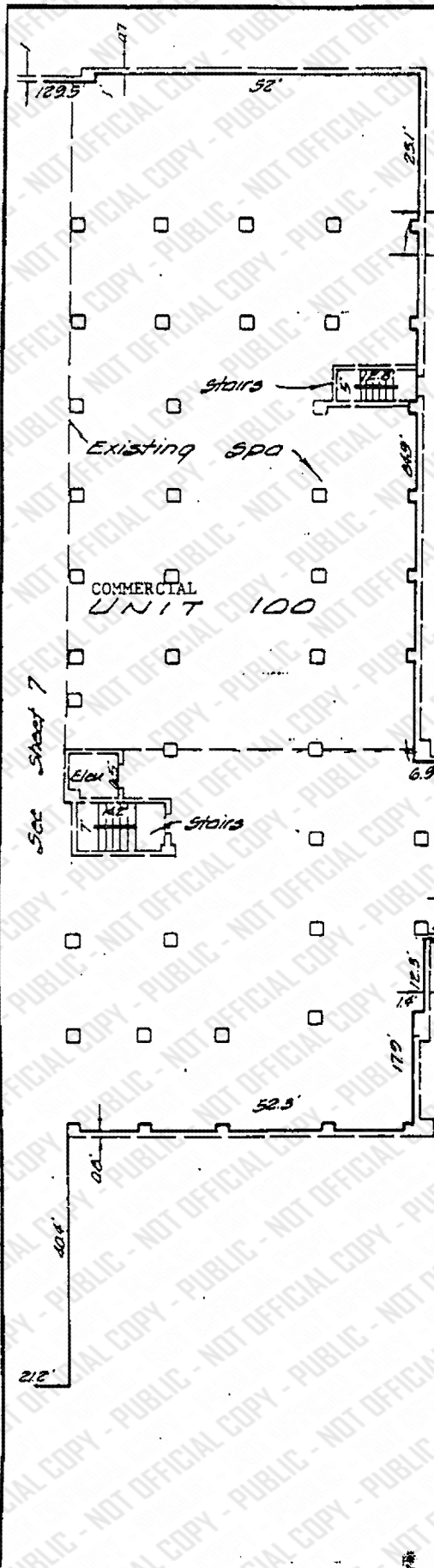
OFF 13593 pg 449



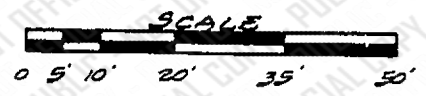
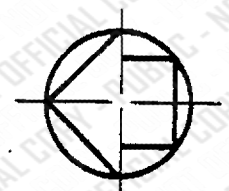
OFF REC 13593pg 450



OFF 13593 PG 451



THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM



- LEGEND:**
- Condominium Unit Boundary line
 - Common Element Boundary line

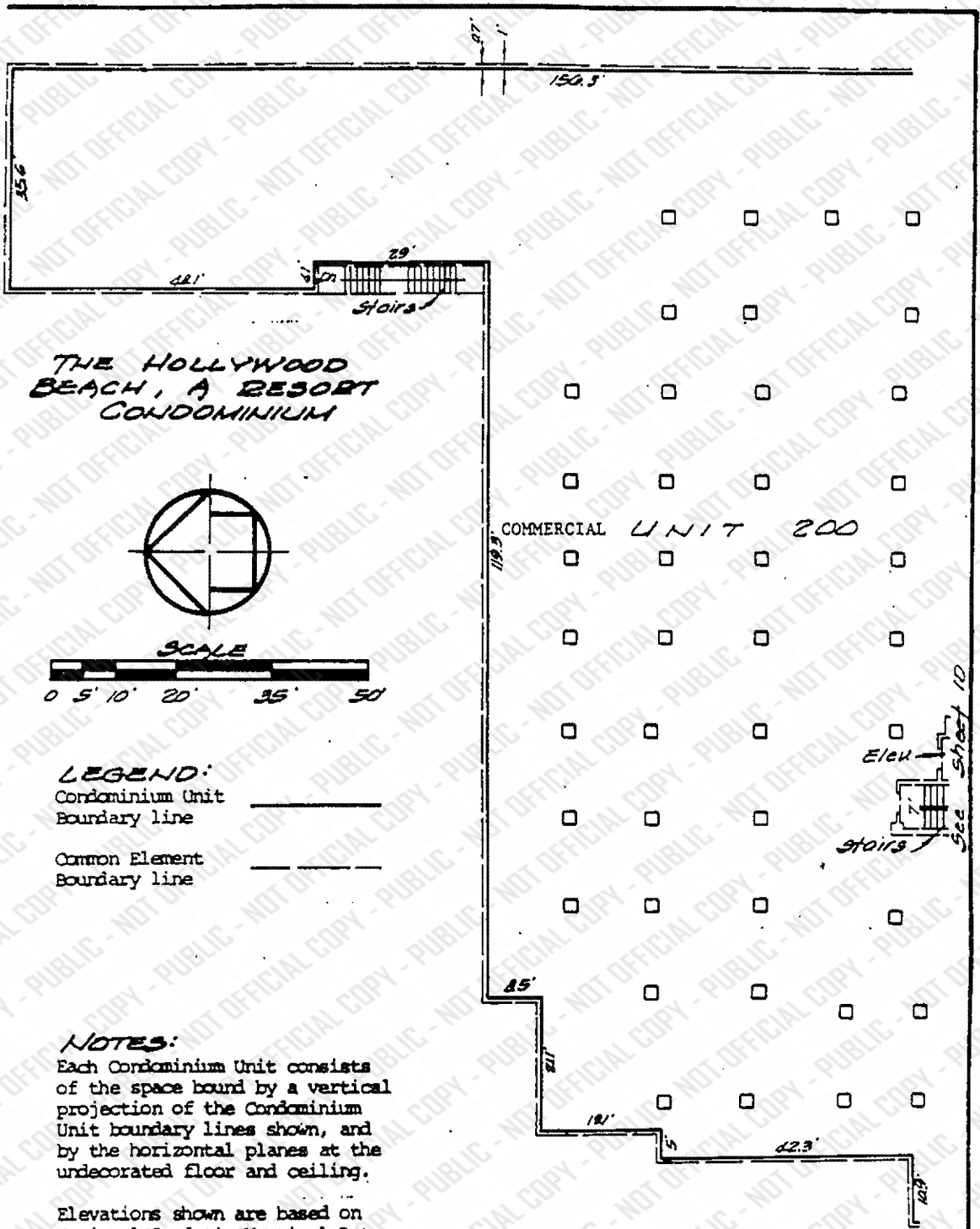
NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.
 LOWEST FLOOR ELEV.* See sheet 4
 MAIN FLOOR ELEVATION 5.03
 CEILING ELEVATION 10.03

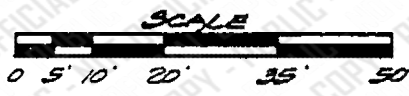
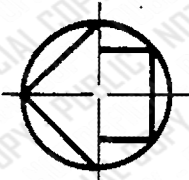
Exterior concrete walls are 10 inches thick unless otherwise shown.

Interior walls are 8" thick unless otherwise shown.

OFF 13593pg 452



**THE HOLLYWOOD
BEACH, A RESORT
CONDOMINIUM**



- LEGEND:**
- Condominium Unit Boundary line —————
 - Common Element Boundary line - - - - -

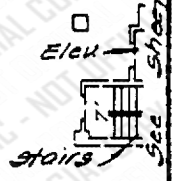
NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

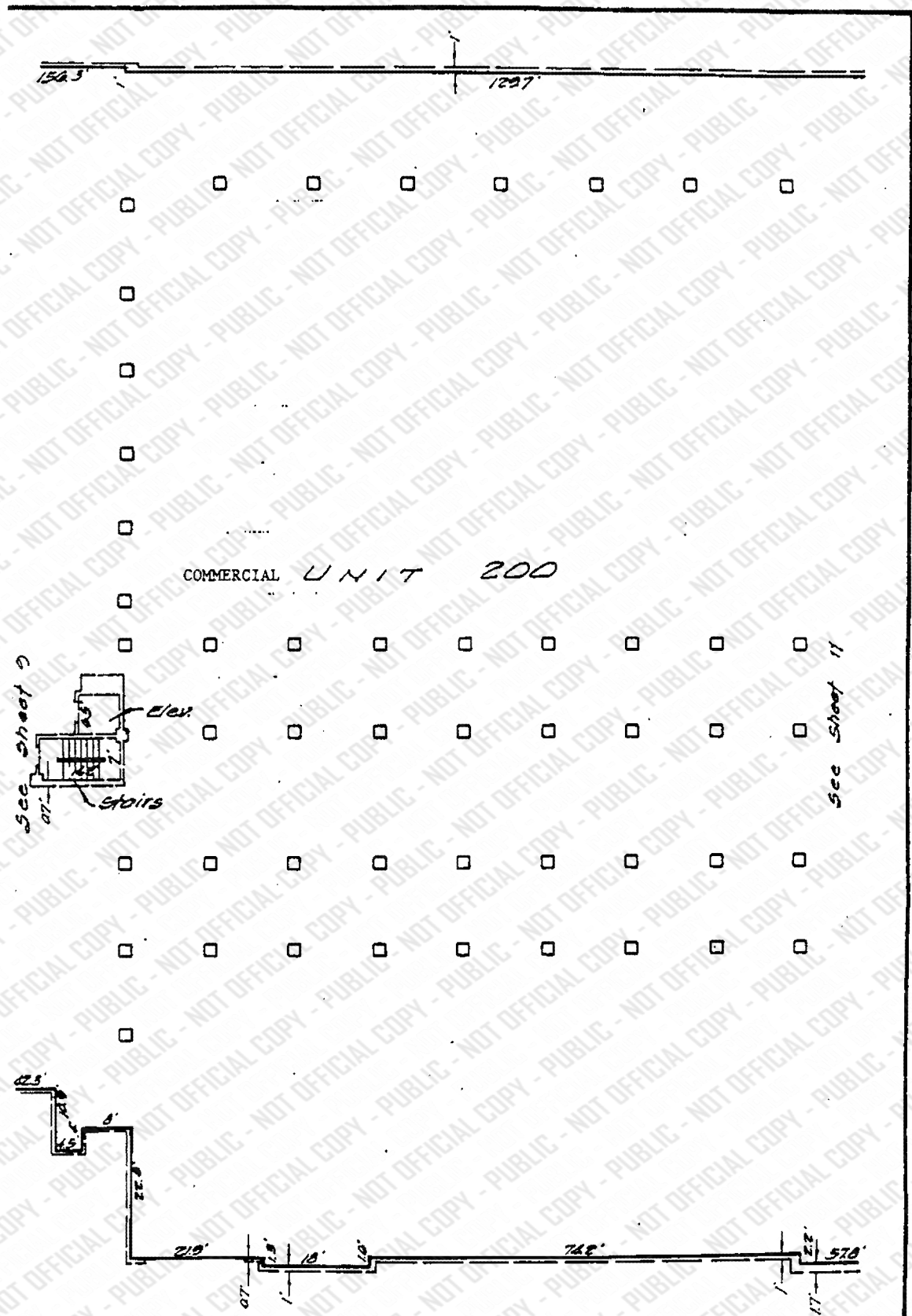
FLOOR ELEVATION: 17.03
 CEILING ELEVATION: 26.53

Exterior concrete walls are 10 inches thick unless otherwise shown.

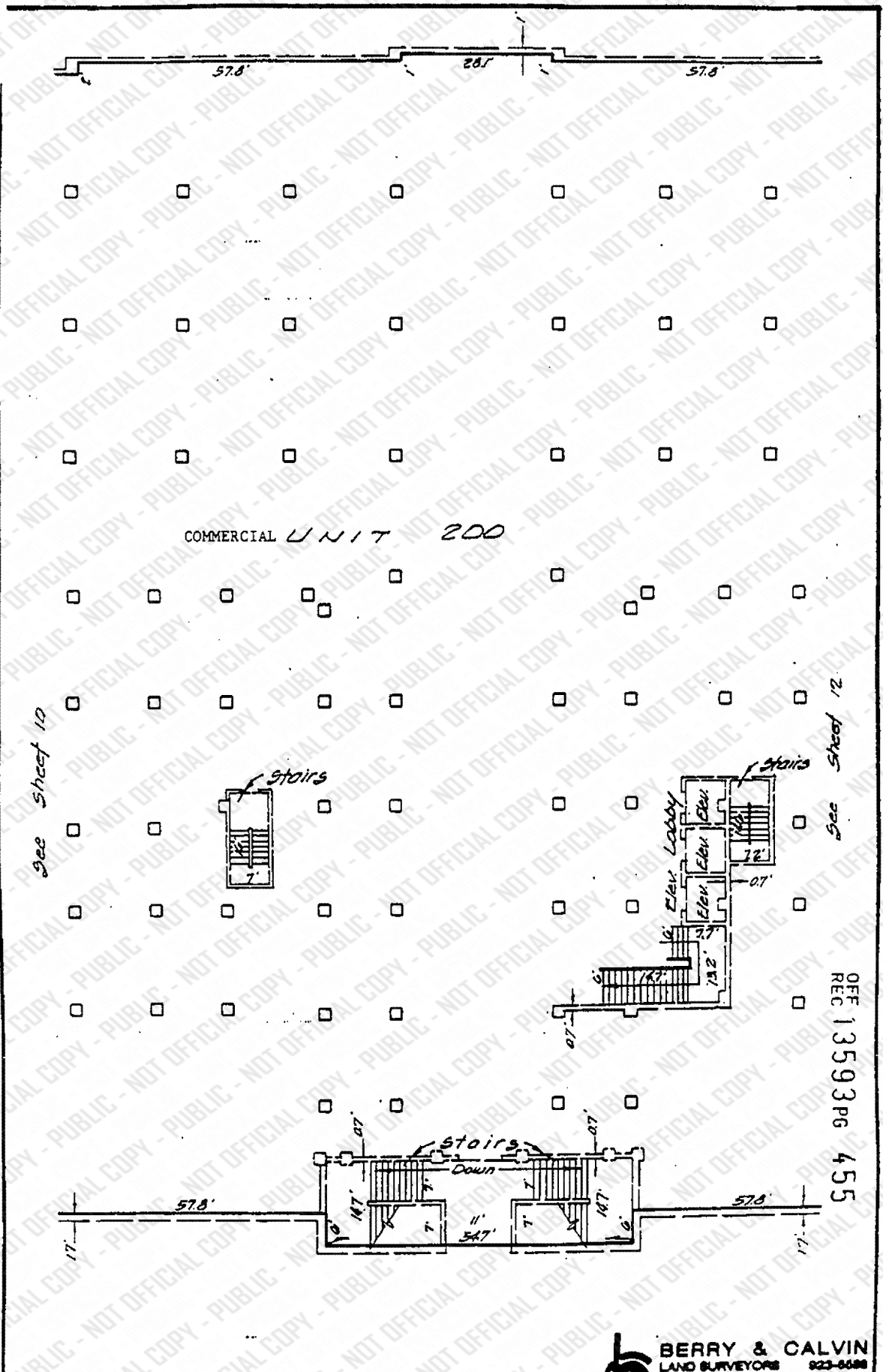
Interior walls are 6" thick unless otherwise shown.



REC 1339316 403



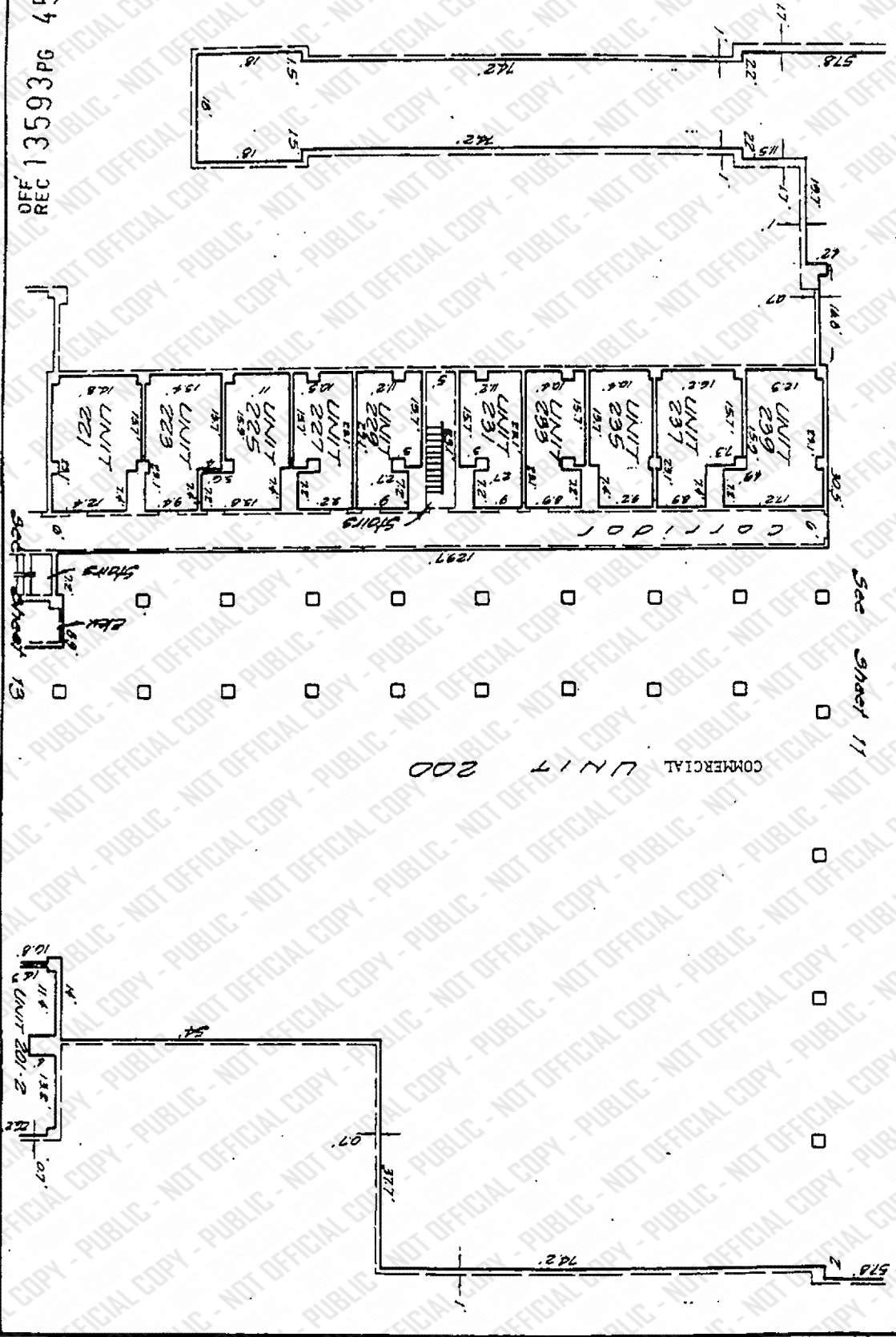
REC 13593pg 454



See Sheet 12

REF 13593P6 455

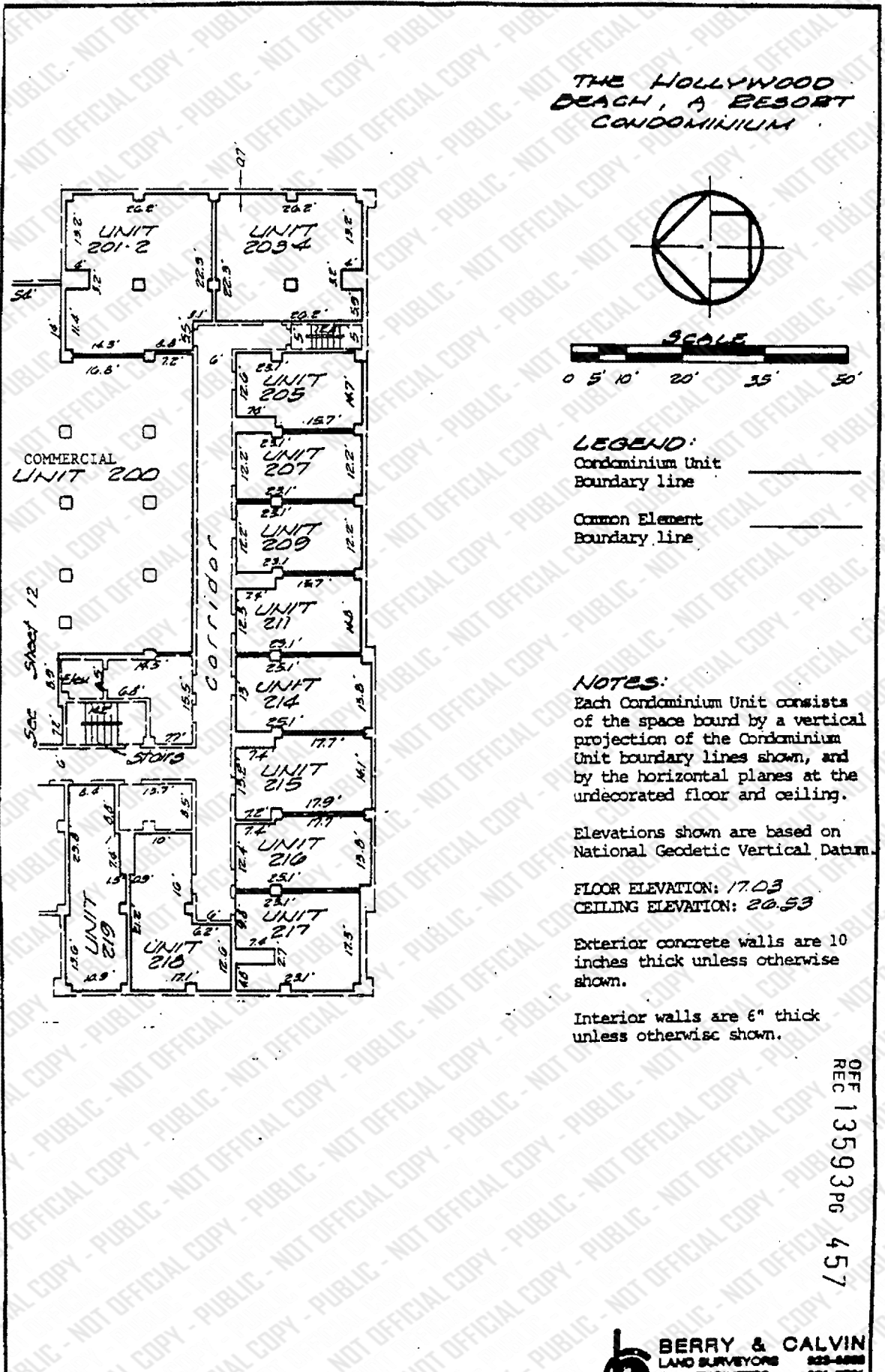
OFF 13593 PG 456



COMMERCIAL UNIT 200

See Sheet 11

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM



LEGEND:
 Condominium Unit Boundary line _____
 Common Element Boundary line _____

NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

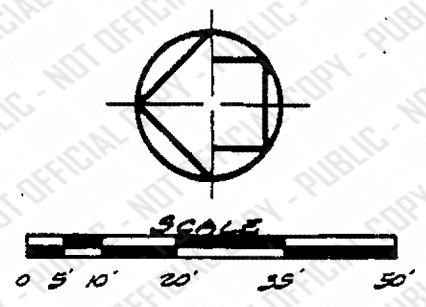
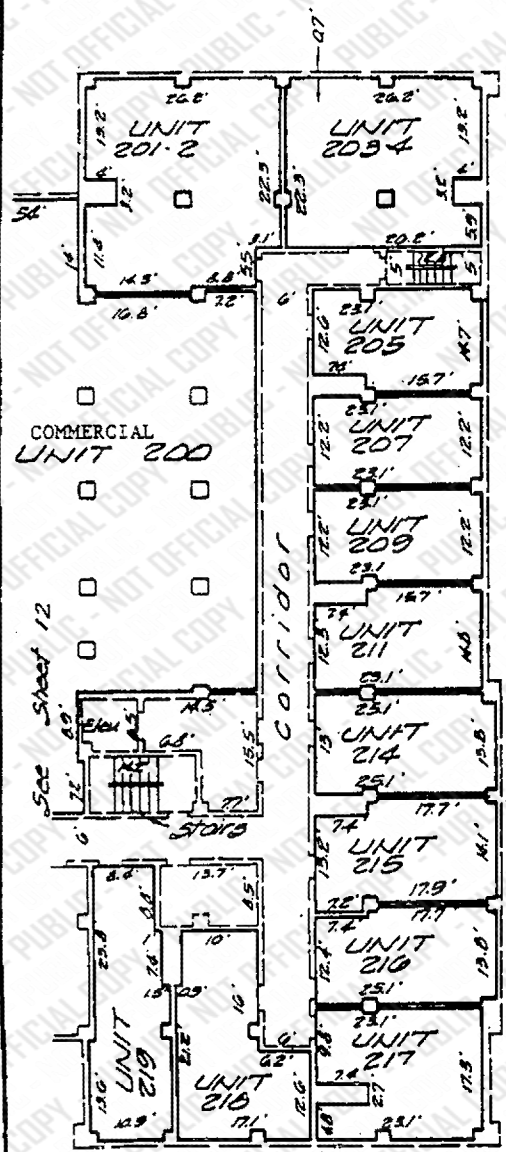
FLOOR ELEVATION: 17.03
 CEILING ELEVATION: 20.53

Exterior concrete walls are 10 inches thick unless otherwise shown.

Interior walls are 6" thick unless otherwise shown.

OFF REC 13593 pg 457

**THE HOLLYWOOD
BEACH, A RESORT
CONDOMINIUM**



LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line

NOTES:

Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

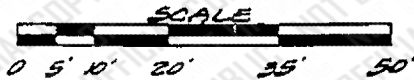
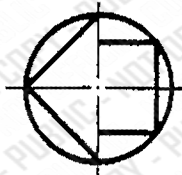
Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 17.03
CEILING ELEVATION: 20.53

Exterior concrete walls are 10 inches thick unless otherwise shown.

Interior walls are 6" thick unless otherwise shown.

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM



LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary Line

NOTES:

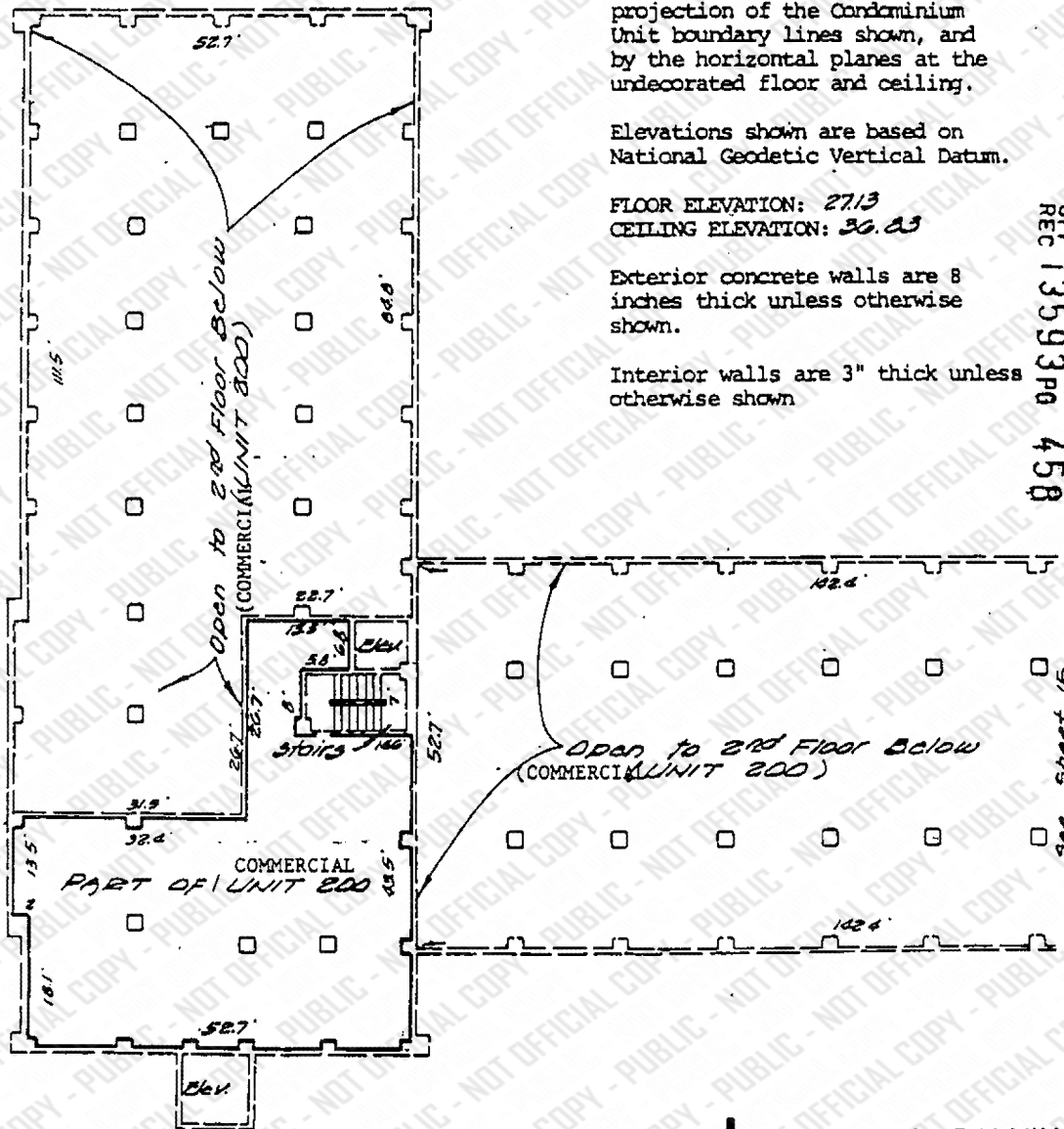
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 27.13
CEILING ELEVATION: 36.23

Exterior concrete walls are 8 inches thick unless otherwise shown.

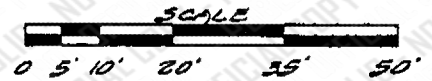
Interior walls are 3" thick unless otherwise shown



REC 13593P0 458

See Sheet 15

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM



LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line

NOTES:

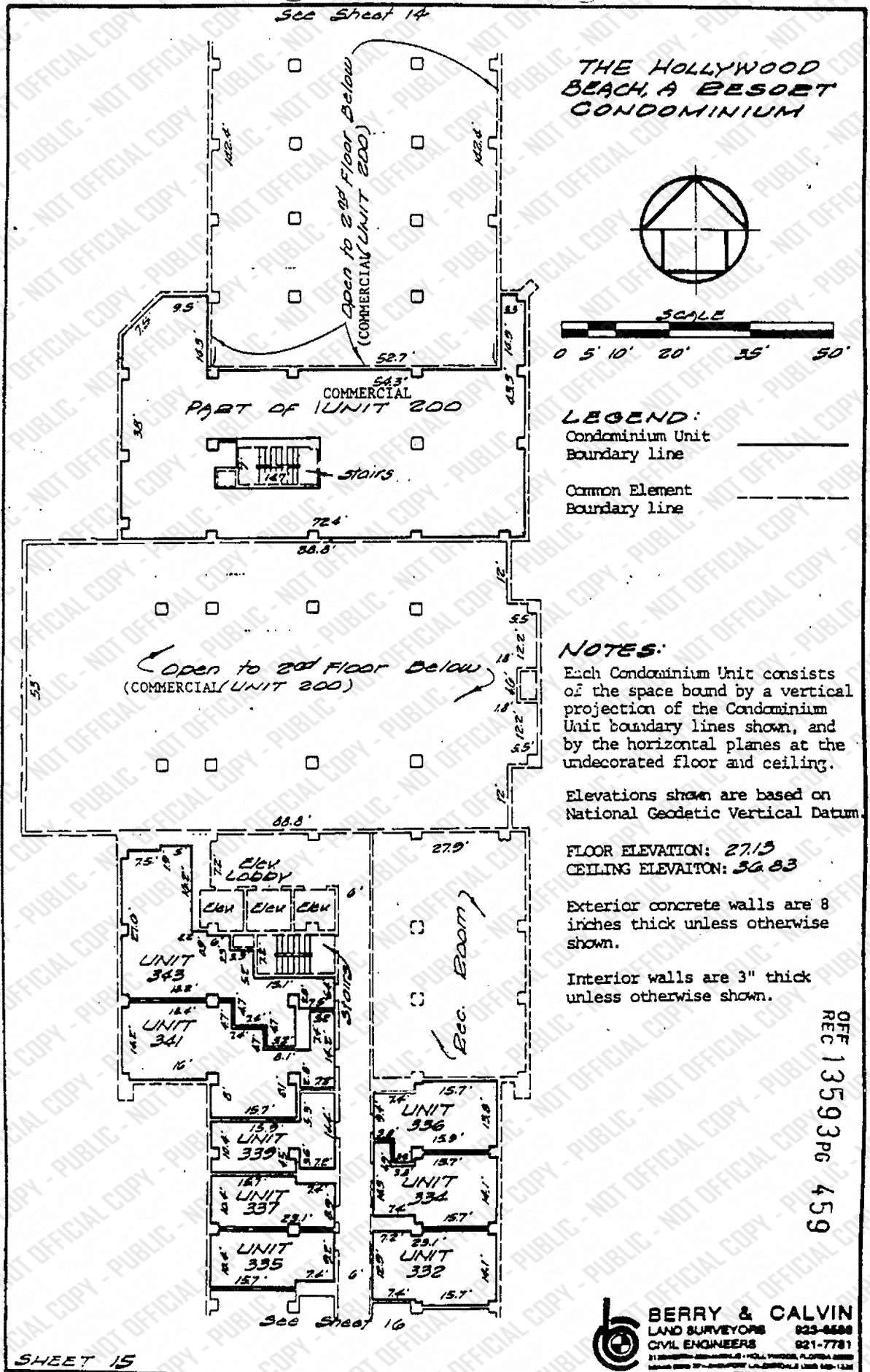
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 27.13
CEILING ELEVATION: 36.83

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.



SHEET 15

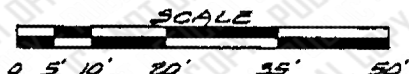
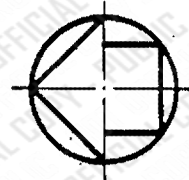
OFF 13593pg 459

BERRY & CALVIN
 LAND SURVEYORS 823-8688
 CIVIL ENGINEERS 821-7781
2110 W. UNIVERSITY BLVD., SUITE 100, UNIVERSITY MICROFILMS, ANN ARBOR, MI 48106
 1988-1989 STATE OF MICHIGAN LICENSE NO. 12345

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM

LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line



NOTES:

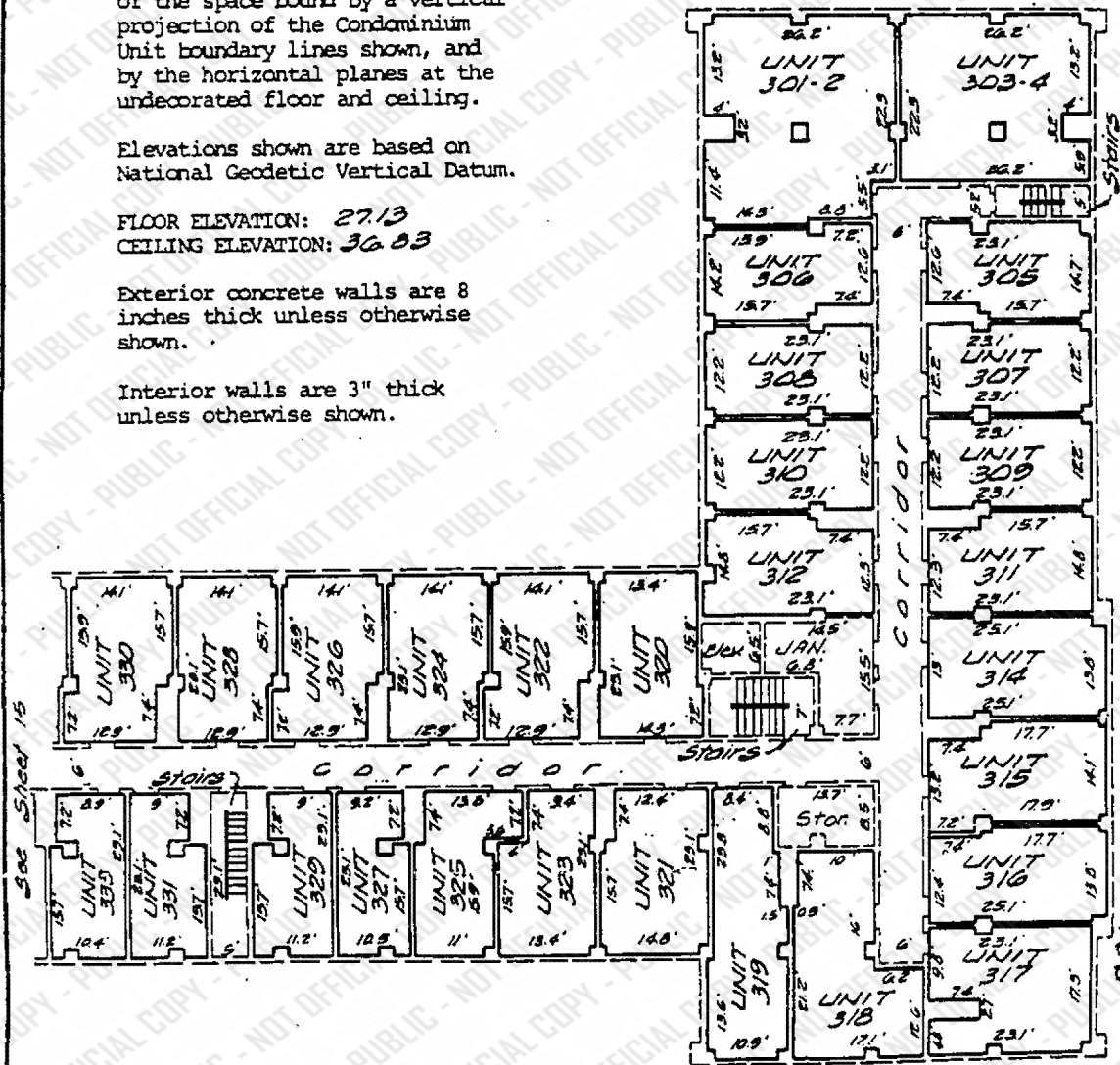
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 27.13
CEILING ELEVATION: 36.83

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.



300 Sheet 15

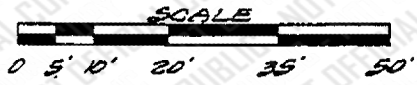
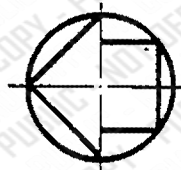
REC 13593Pg 460

SHEET 10
EXHIBIT


BERRY & CALVIN
 LAND SURVEYORS 825-8886
 CIVIL ENGINEERS 821-7781
2120 NORTH 38th AVENUE • HOLLYWOOD, FLORIDA 33021
 PHONE (305) 971-4100 • FAX (305) 971-1282

3RD FLOOR PLAN - SOUTH PORTION

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM



LEGEND:
 Condominium Unit _____
 Boundary Line _____
 Common Element _____
 Boundary Line _____

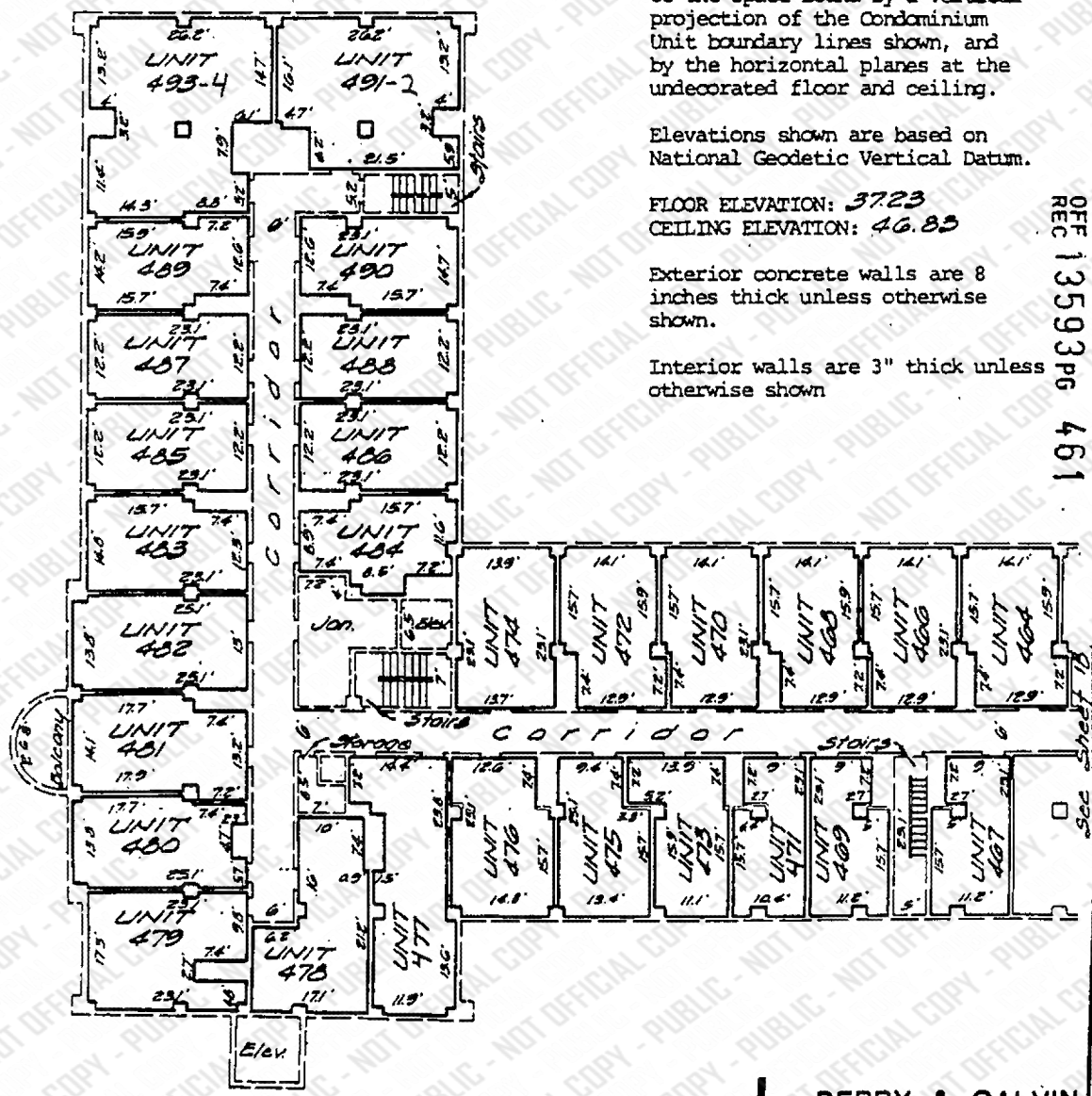
NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 3723
 CEILING ELEVATION: 46.83

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown



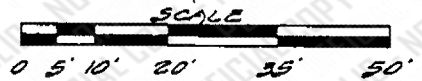
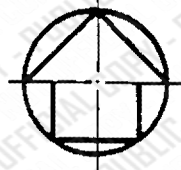
OFF 13593 pg 461

SHEET 17
 EXHIBIT

BERRY & CALVIN
 LAND SURVEYORS 823-8886
 CIVIL ENGINEERS 821-7781
 2115 NORTH 10TH AVENUE - GAITHERSBURG, ALABAMA 36808
 PHONE (205) 371-7100 FAX (205) 371-1300

4TH FLOOR PLAN - NORTH PORTION

THE HOLLYWOOD BEACH RESORT CONDOMINIUM



LEGEND:

Condominium Unit Boundary line

Common Element Boundary line

NOTES:

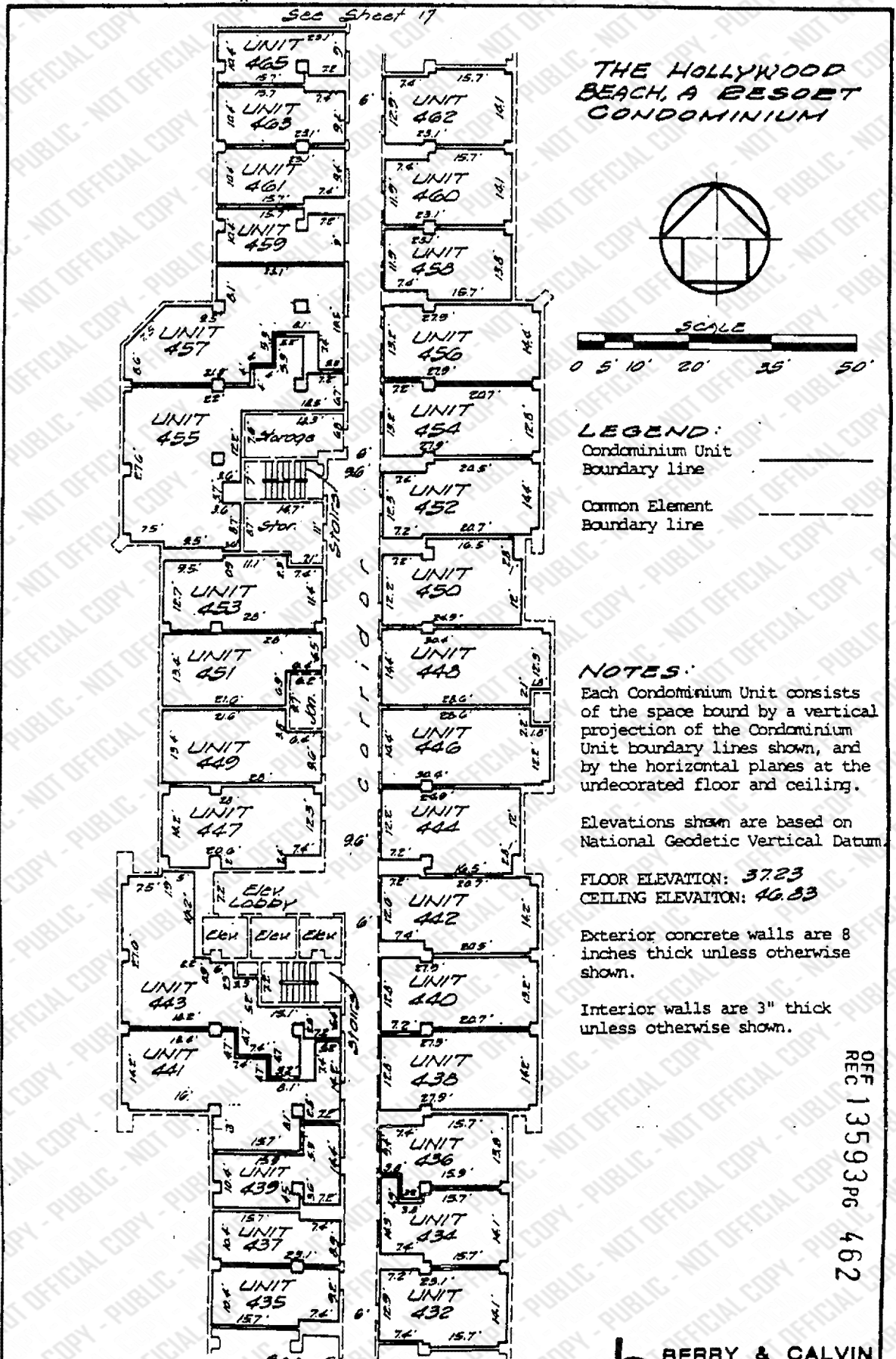
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 37.23
CEILING ELEVATION: 46.83

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.



See Sheet 17

See Sheet 19

SHEET 18

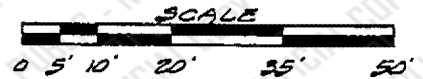
BERRY & CALVIN
 LAND SURVEYORS 923-8688
 CIVIL ENGINEERS 921-7781
 2125 NORTH 28th AVENUE • HOLLYWOOD, FLORIDA 33025
 PHONE 954-371-4747 FAX 954-371-4748

OFF 13593Pg 462

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM

LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line



NOTES:

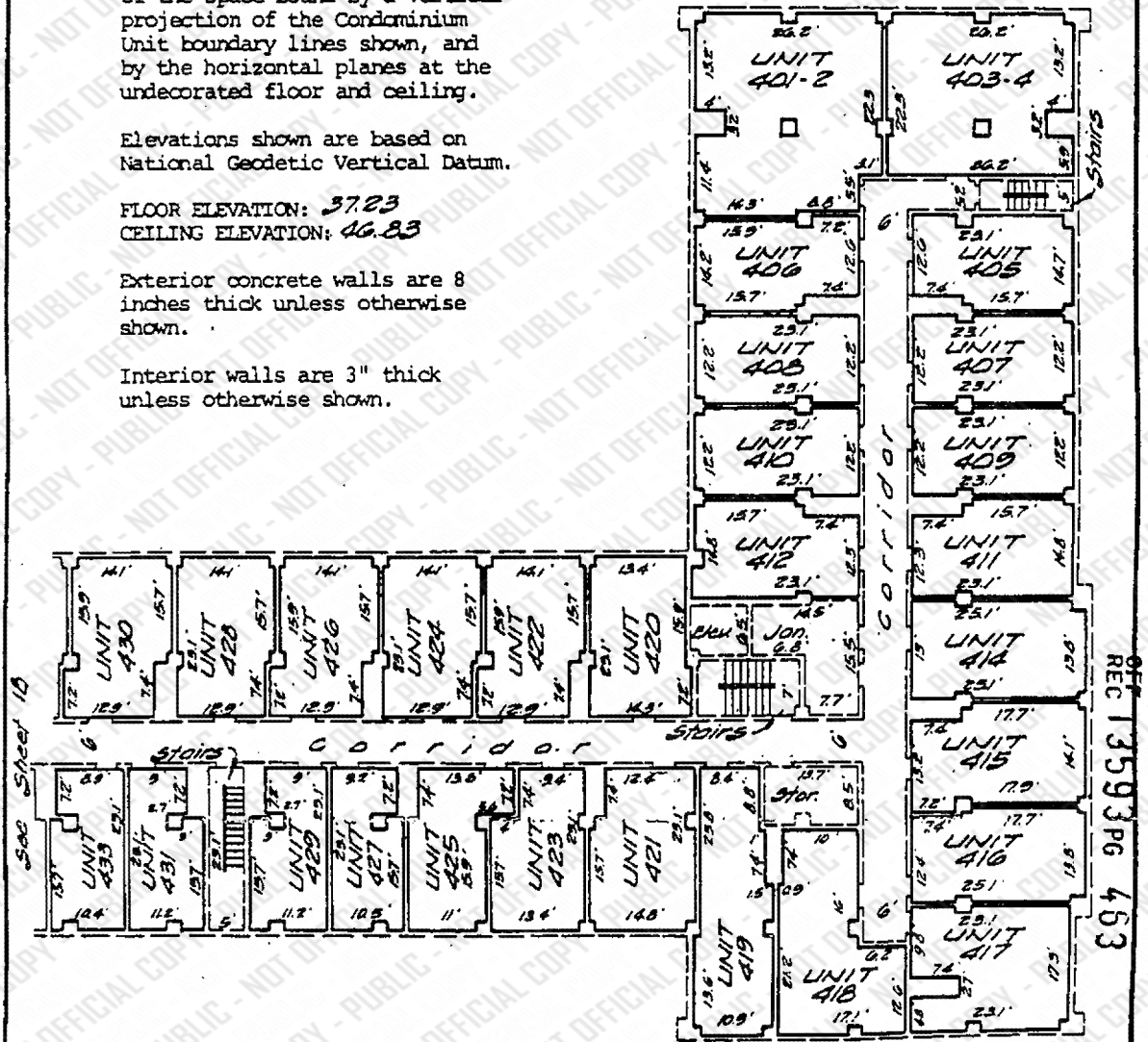
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 57.23
CEILING ELEVATION: 46.83

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.

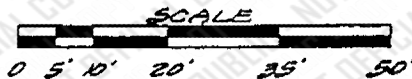
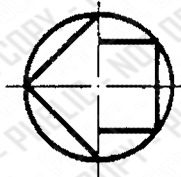


See Sheet 10

REC 13593PG 453

BERRY & CALVIN
 LAND SURVEYORS 825-8888
 CIVIL ENGINEERS 821-7781
2120 NORTH HOLLYWOOD BLVD., HOLLYWOOD, FLORIDA 33020
 PHONE (305) 974-1400 FAX (305) 974-1401

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM



LEGEND:

- Condominium Unit
- Boundary line
- Common Element Boundary Line

NOTES:

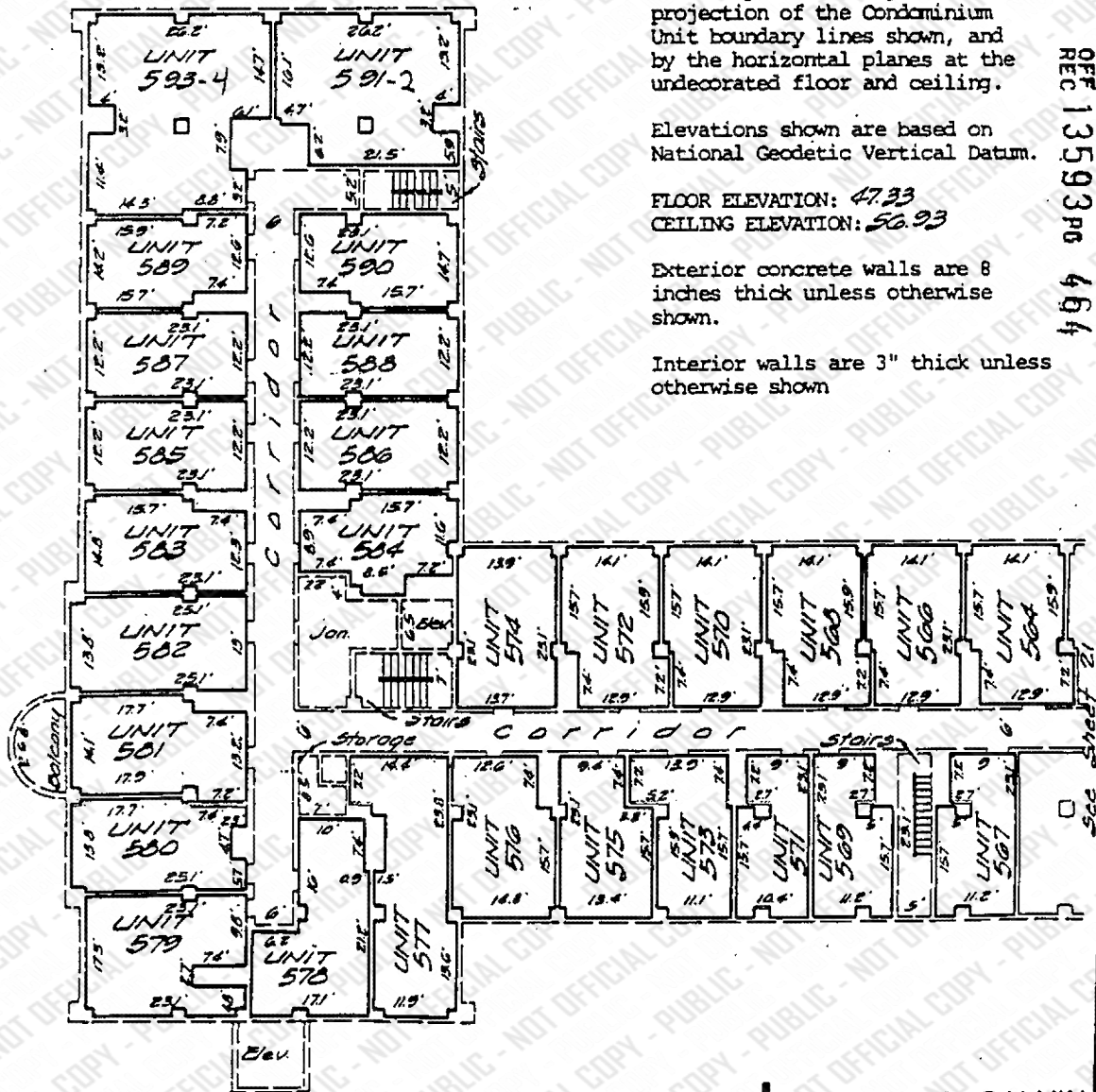
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

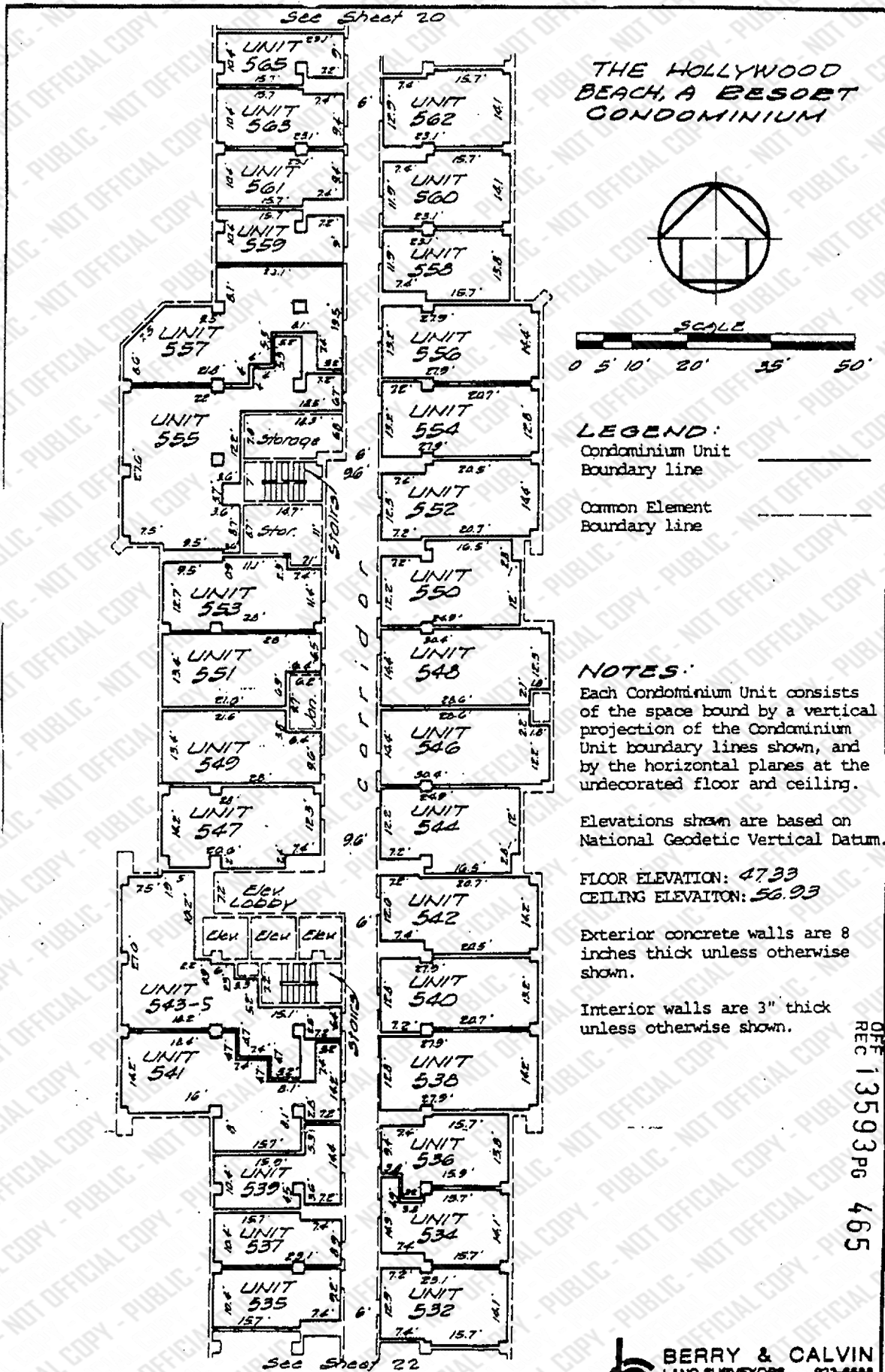
FLOOR ELEVATION: 47.33
CEILING ELEVATION: 50.93

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown



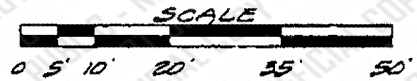
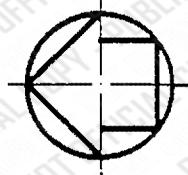
OFF 13593 PG 464



THE HOLLYWOOD BEACH A RESORT CONDOMINIUM

LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line



NOTES:

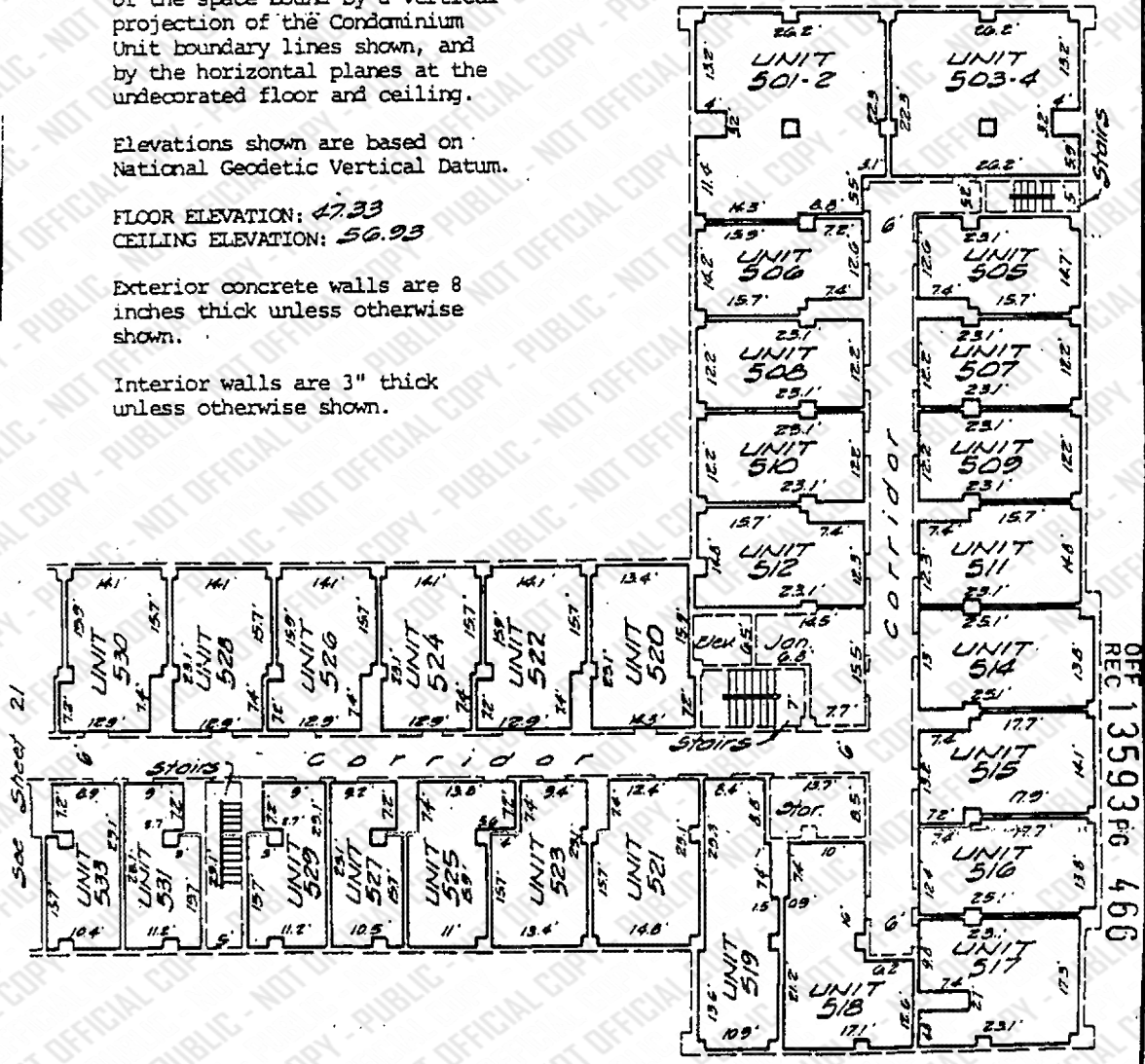
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 47.33
CEILING ELEVATION: 56.93

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.

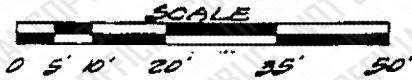
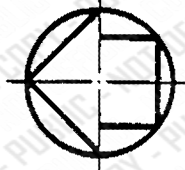


500 Sheet 21

OFF REC 135993 pg 466


BERRY & CALVIN
 LAND SURVEYORS 823-6586
 CIVIL ENGINEERS 921-7781
2120 NORTH 28th AVENUE • HOLLYWOOD, FLORIDA 33020
 PHONE (813) 971-2120 • FAX (813) 971-1882

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM



LEGEND:
 Condominium Unit _____
 Boundary line _____
 Common Element _____
 Boundary Line _____

NOTES:

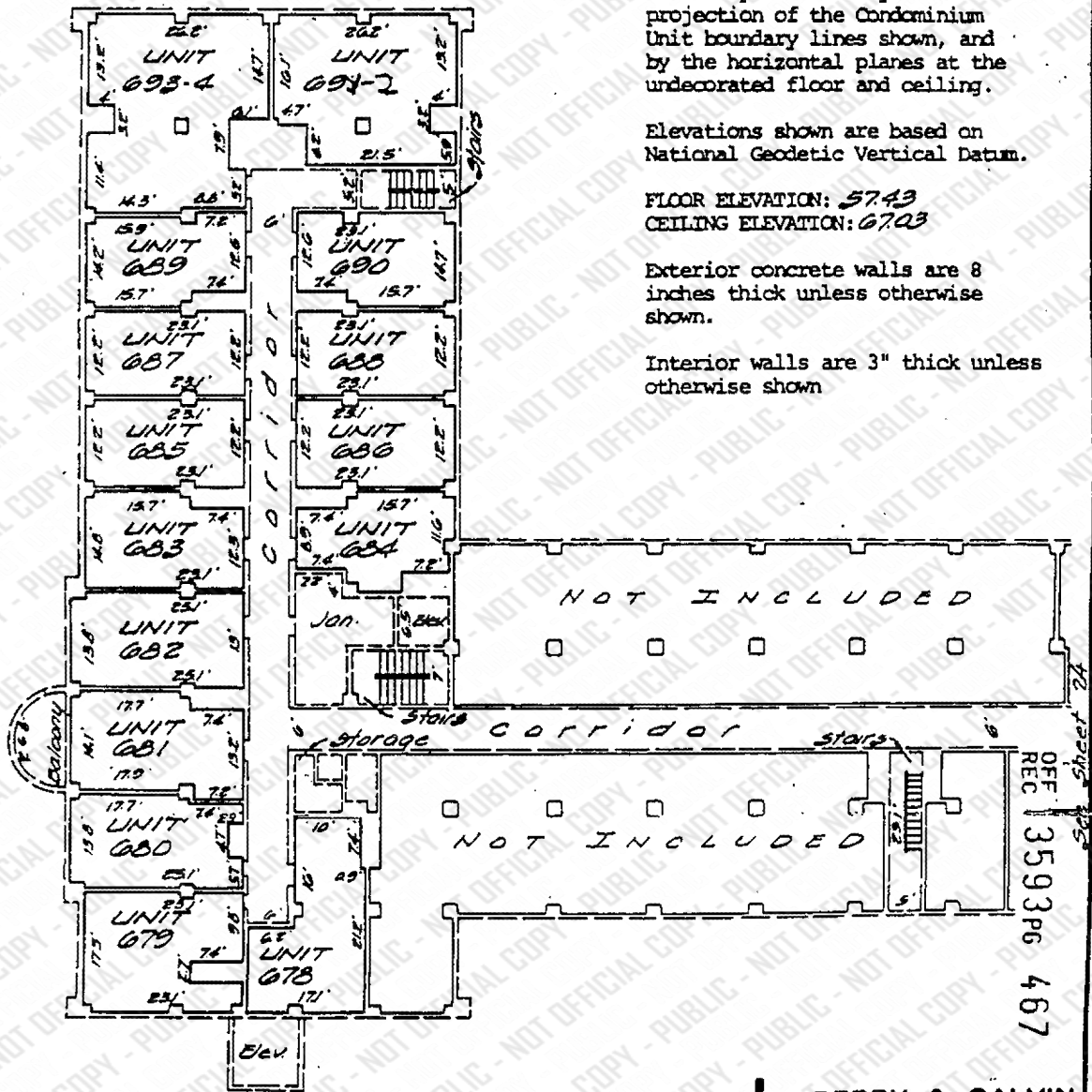
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 57.43
 CEILING ELEVATION: 67.03

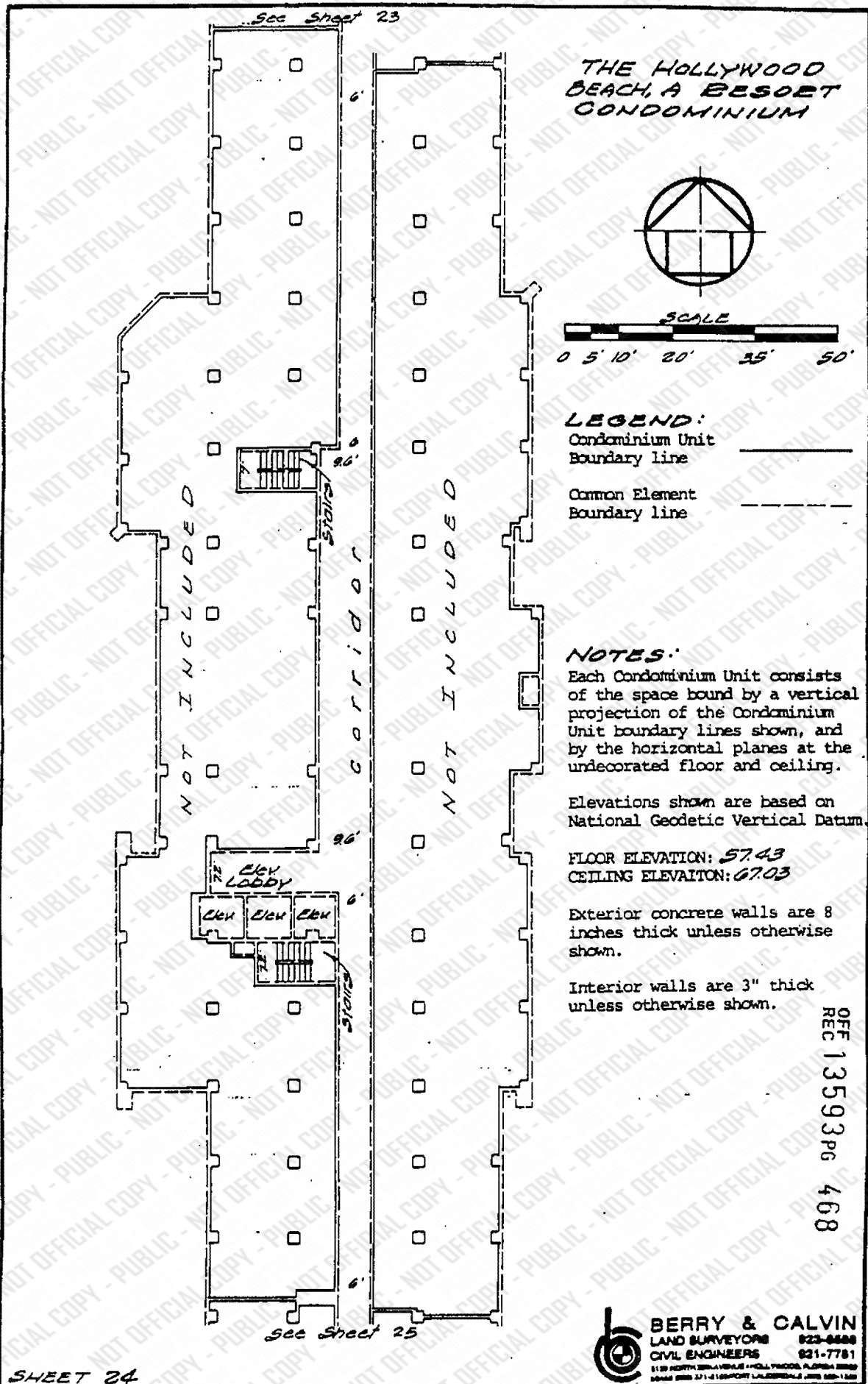
Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown

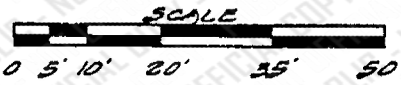


OFF. REC. 3593Pg 467

BERRY & CALVIN
 LAND SURVEYORS 823-8888
 CIVIL ENGINEERS 821-7781
2130 NORTH BEACHBLVD. SUITE 100, PALM BEACH, FLORIDA 33480
 PHONE 888-877-8477 FAX 888-877-1182



THE HOLLYWOOD BEACH, A BESOET CONDOMINIUM



- LEGEND:**
- Condominium Unit Boundary line ————
 - Common Element Boundary line - - - - -

NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum

FLOOR ELEVATION: 57.43
 CEILING ELEVATION: 67.03

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.

OFF 13593pg 468

BERRY & CALVIN
 LAND SURVEYORS 923-8688
 CIVIL ENGINEERS 921-7781
5120 NORTH BIRLA AVENUE • HOLLAND, ALABAMA 36865
 PHONE 923-2714 • TELETYPE 923-1222 • FAX 923-1222

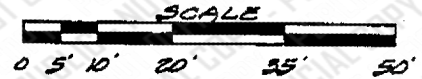
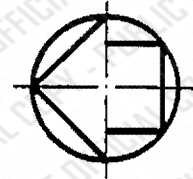
SHEET 24

10th FLOOR PLAN - CENTER PORTION

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM

LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line



NOTES:

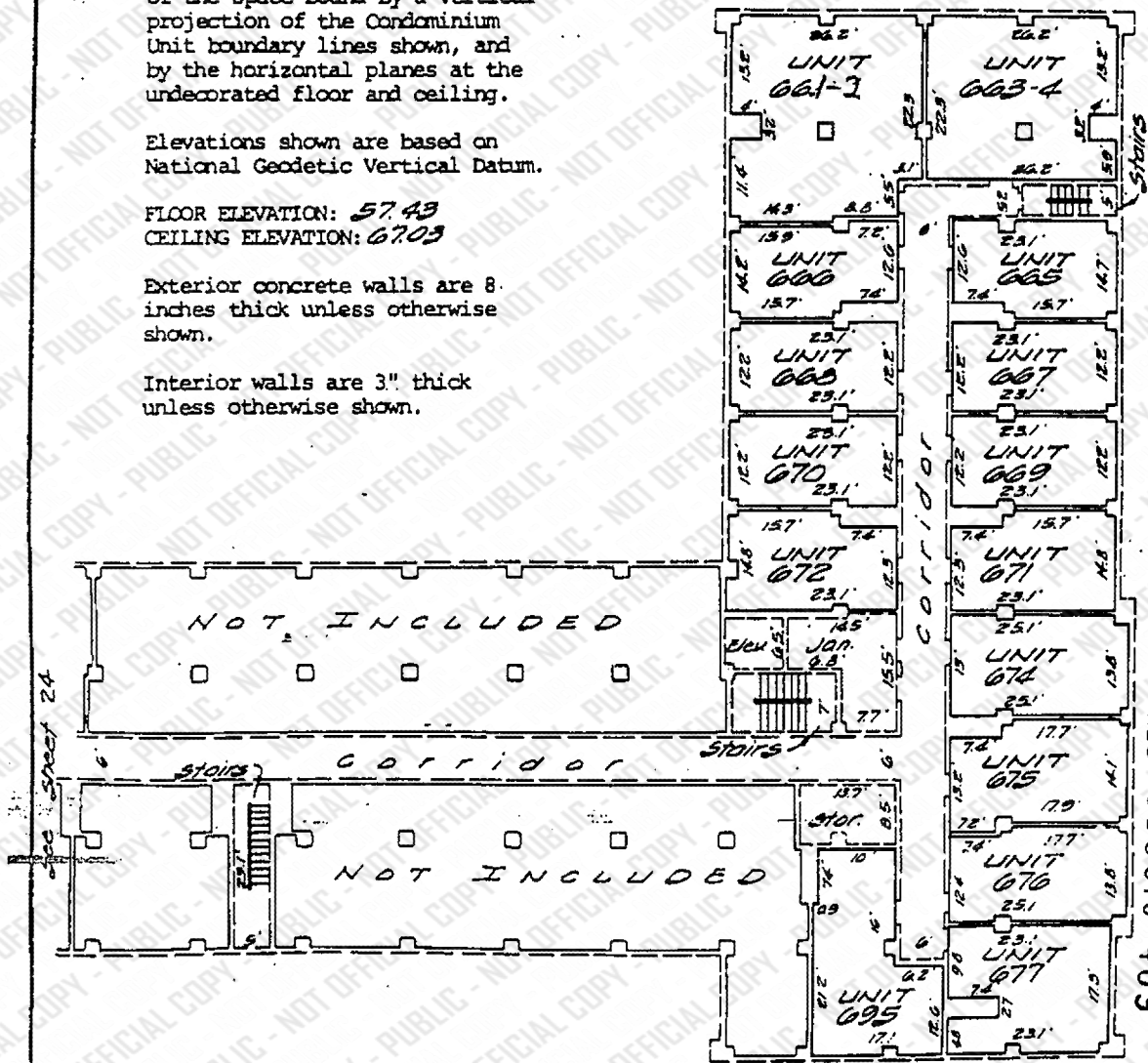
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 57.43
CEILING ELEVATION: 67.03

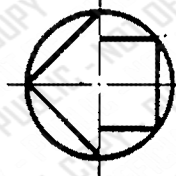
Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.



REC 13593 PG 469

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM



LEGEND:
 Condominium Unit _____
 Boundary line _____
 Common Element Boundary Line - - - - -

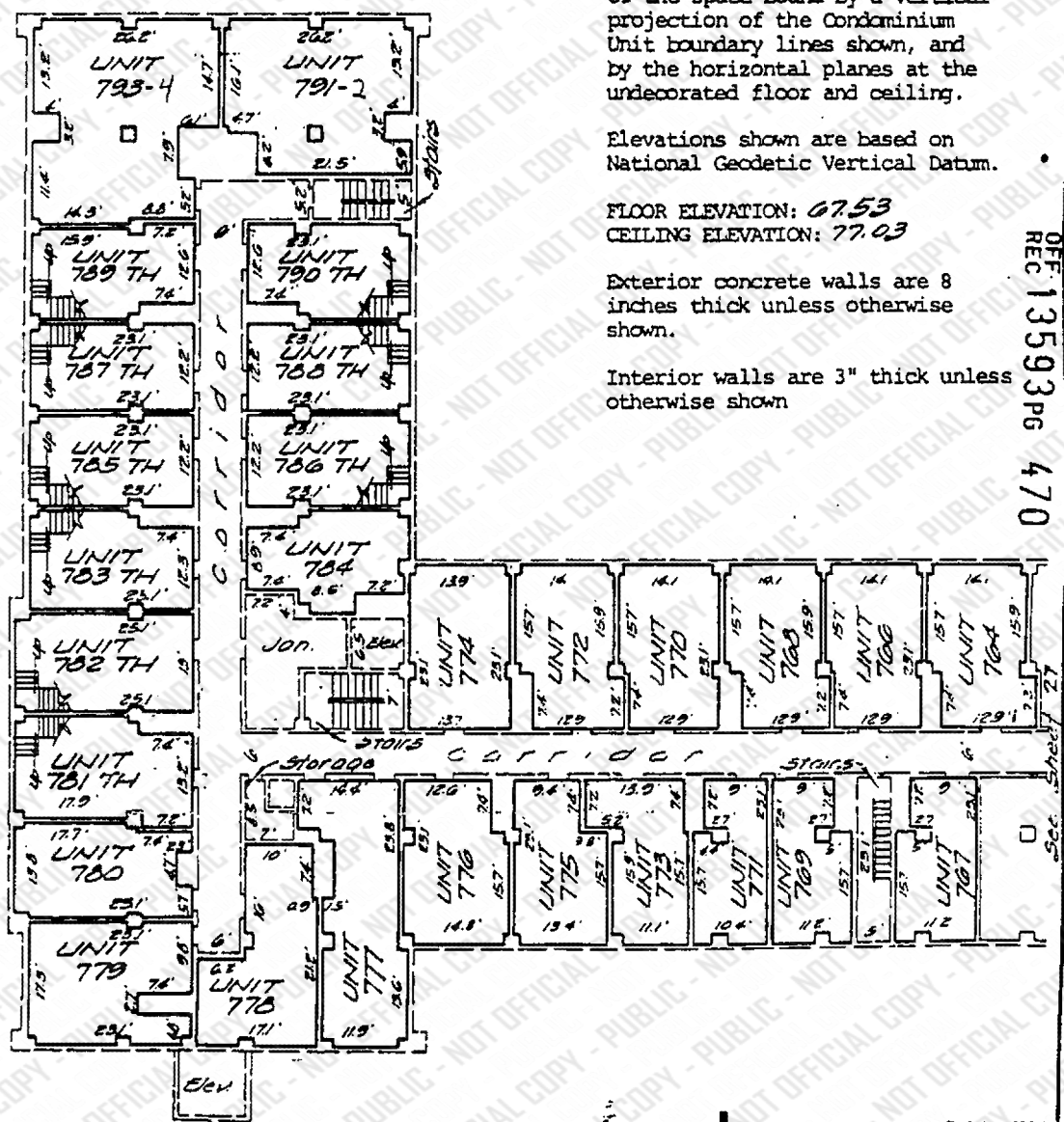
NOTES:
 Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 67.53
 CEILING ELEVATION: 77.03

Exterior concrete walls are 8 inches thick unless otherwise shown.

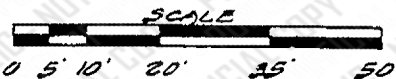
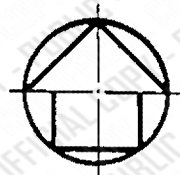
Interior walls are 3" thick unless otherwise shown



OFF REC 13593Pg 470

See Sheet 26

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM



LEGEND:
 Condominium Unit Boundary line
 Common Element Boundary line

NOTES:

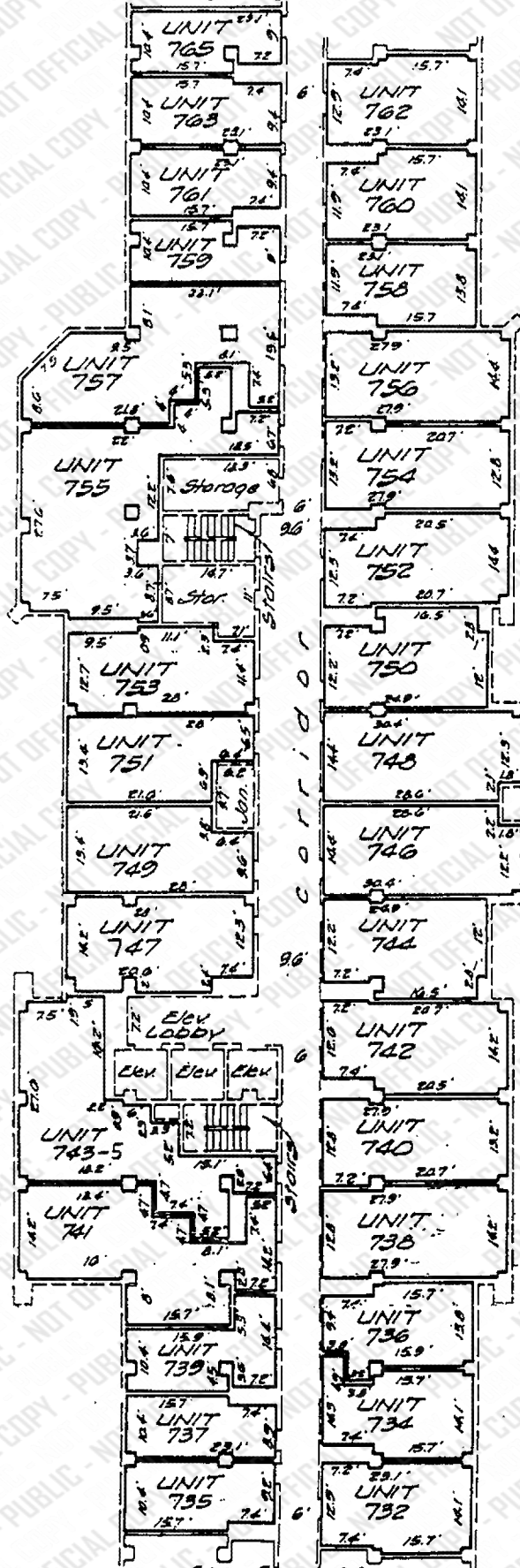
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 67.53
 CEILING ELEVATION: 77.03

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.



See Sheet 28

SHEET 27



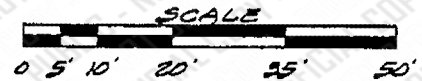
BERRY & CALVIN
 LAND SURVEYORS 923-6688
 CIVIL ENGINEERS 921-7781
 21 82 NORTH 28th AVENUE - HALL COUNTY, FLORIDA 32228
 PHONE 904 371-4100 FAX 904 371-1282

OFF 13593pg 471

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM

LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line



NOTES:

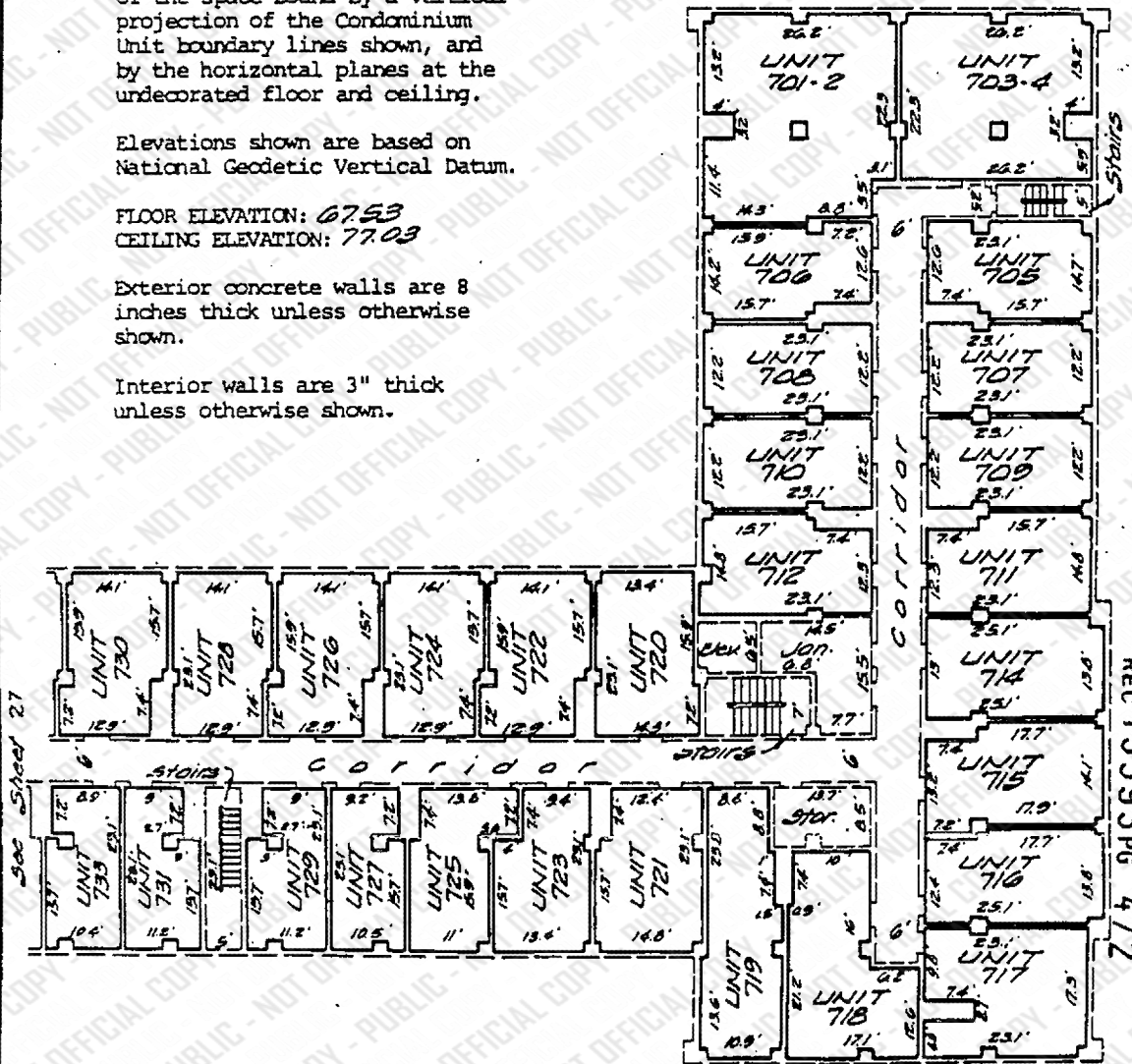
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 67.53
CEILING ELEVATION: 77.03

Exterior concrete walls are 8 inches thick unless otherwise shown.

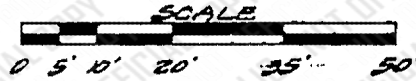
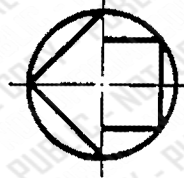
Interior walls are 3" thick unless otherwise shown.



Sheet 27

REC 13593 pg 472

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM



LEGEND:

Condominium Unit Boundary Line

Common Element Boundary Line

NOTES:

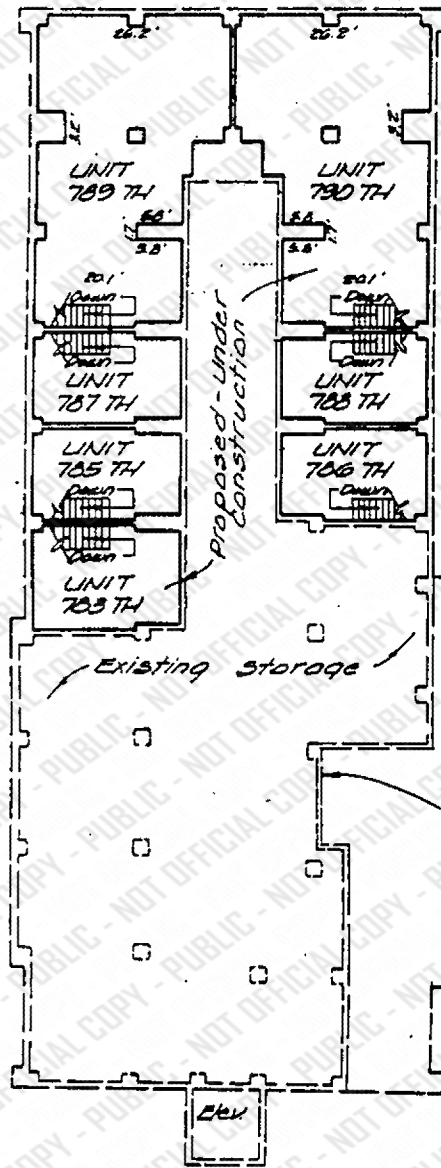
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 77.63
CEILING ELEVATION: 92.03

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown

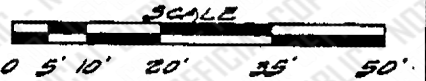
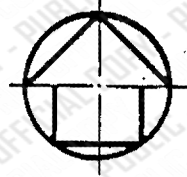


OFF 13593 PG. 473

of pages 228

See Sheet 29

THE HOLLYWOOD BEACH RESORT CONDOMINIUM



LEGEND:

- Condominium Unit Boundary line ————
- Common Element Boundary line - - - - -

NOTES:

Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

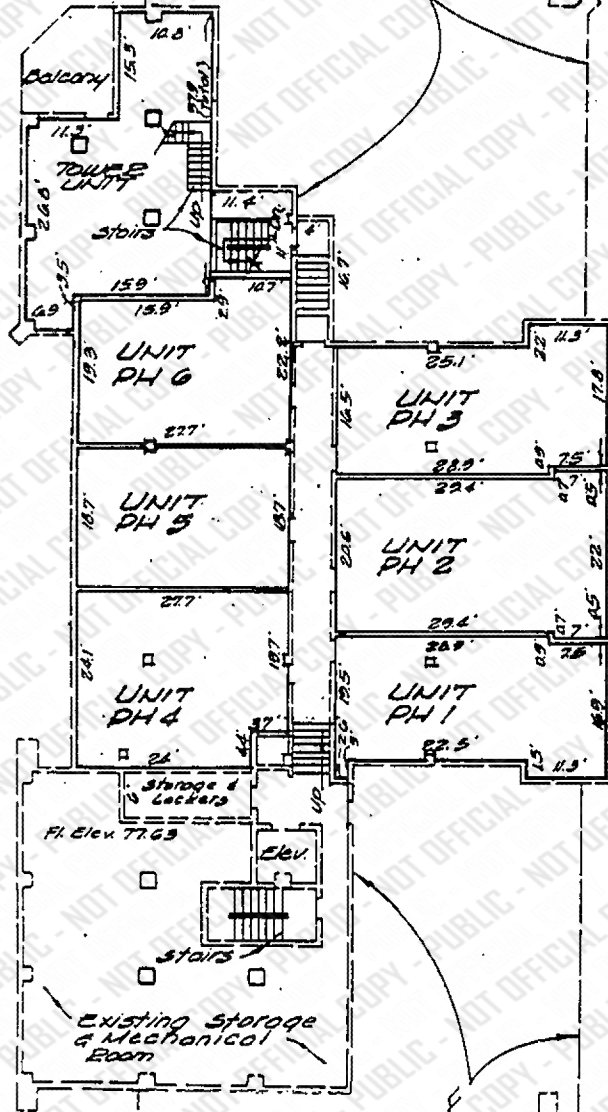
Elevations shown are based on National Geodetic Vertical Datum

FLOOR ELEVATION: 86.93
CEILING ELEVATION: 93.78

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 4" thick unless otherwise shown.

ALL UNITS ARE UNDER CONSTRUCTION 6-15-86.



See Sheet 31

SHEET 30



BERRY & CALVIN
LAND SURVEYORS 823-6666
CIVIL ENGINEERS 821-7781
5128 NORTH BIRLA AVENUE - HELLFORD, FLORIDA 32809
MEMBER: SURVEYORS' BOARD OF FLORIDA

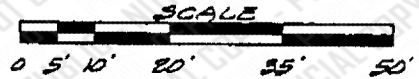
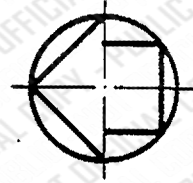
B3 FLOOR PLAN

OFF REC 13593pg 474

THE HOLLYWOOD BEACH A RESORT CONDOMINIUM

LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line



NOTES:

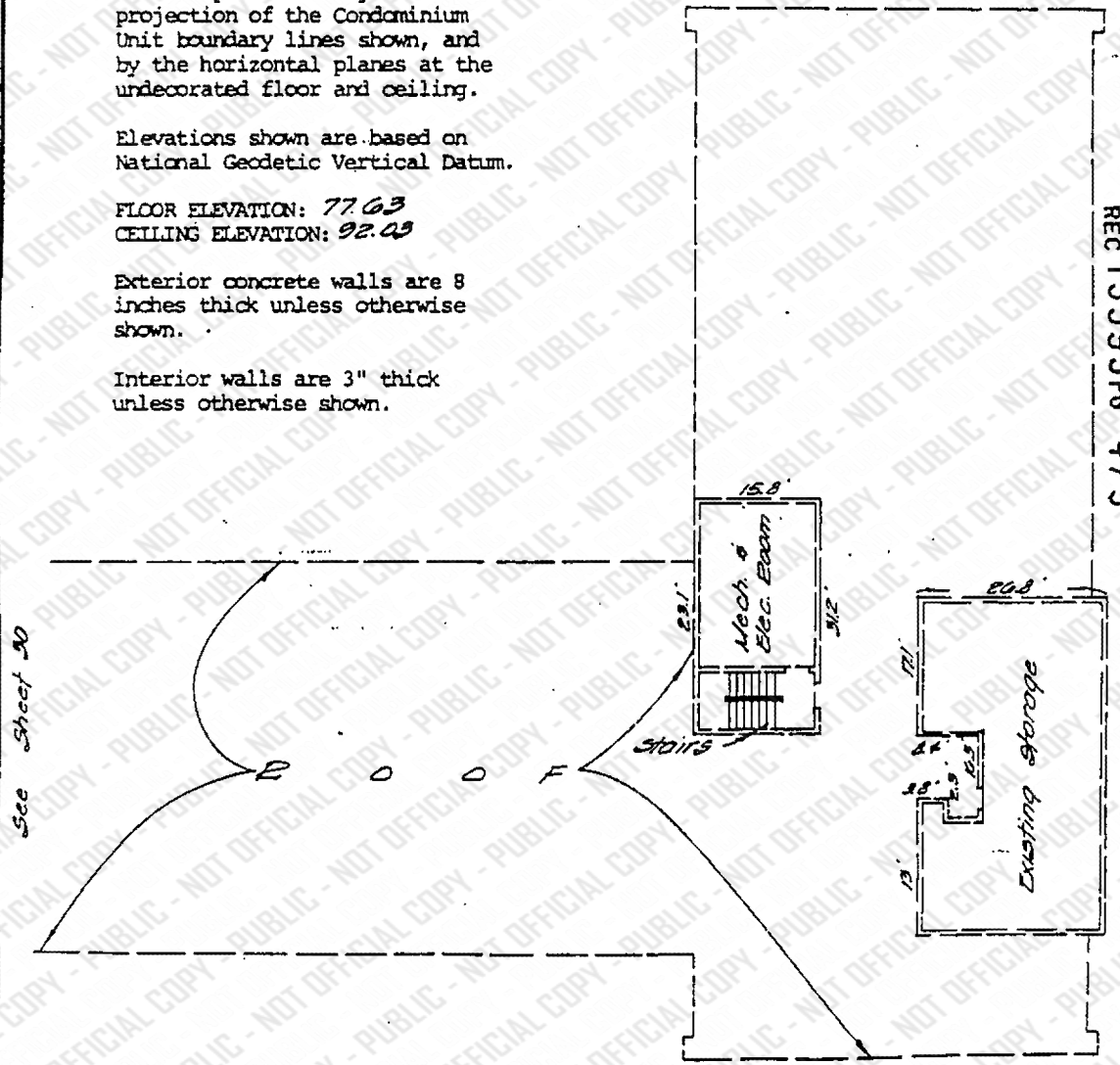
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 77.63
CEILING ELEVATION: 92.09

Exterior concrete walls are 8 inches thick unless otherwise shown.

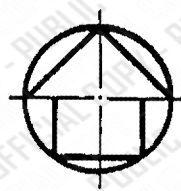
Interior walls are 3" thick unless otherwise shown.



See Sheet 50

OFF 13593Pg 475

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM



LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line

NOTES:

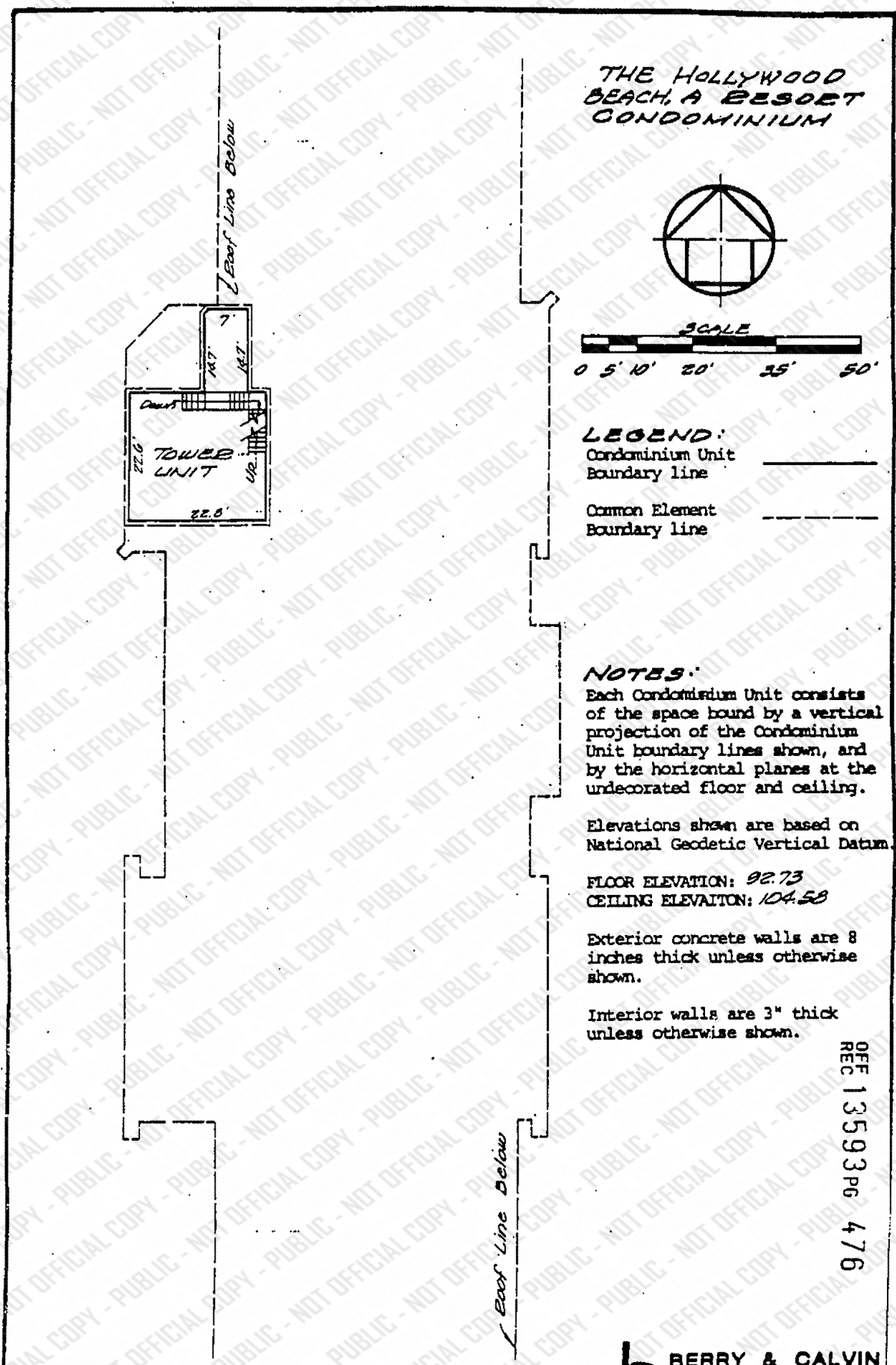
Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 92.73
 CEILING ELEVATION: 104.58

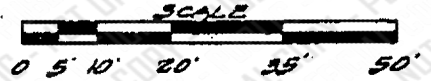
Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.



OFF 13593 pg 476

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM



LEGEND:

- Condominium Unit Boundary line
- Common Element Boundary line

NOTES:

Each Condominium Unit consists of the space bound by a vertical projection of the Condominium Unit boundary lines shown, and by the horizontal planes at the undecorated floor and ceiling.

Elevations shown are based on National Geodetic Vertical Datum.

FLOOR ELEVATION: 105.28
 CEILING ELEVATION: 119.63

Exterior concrete walls are 8 inches thick unless otherwise shown.

Interior walls are 3" thick unless otherwise shown.

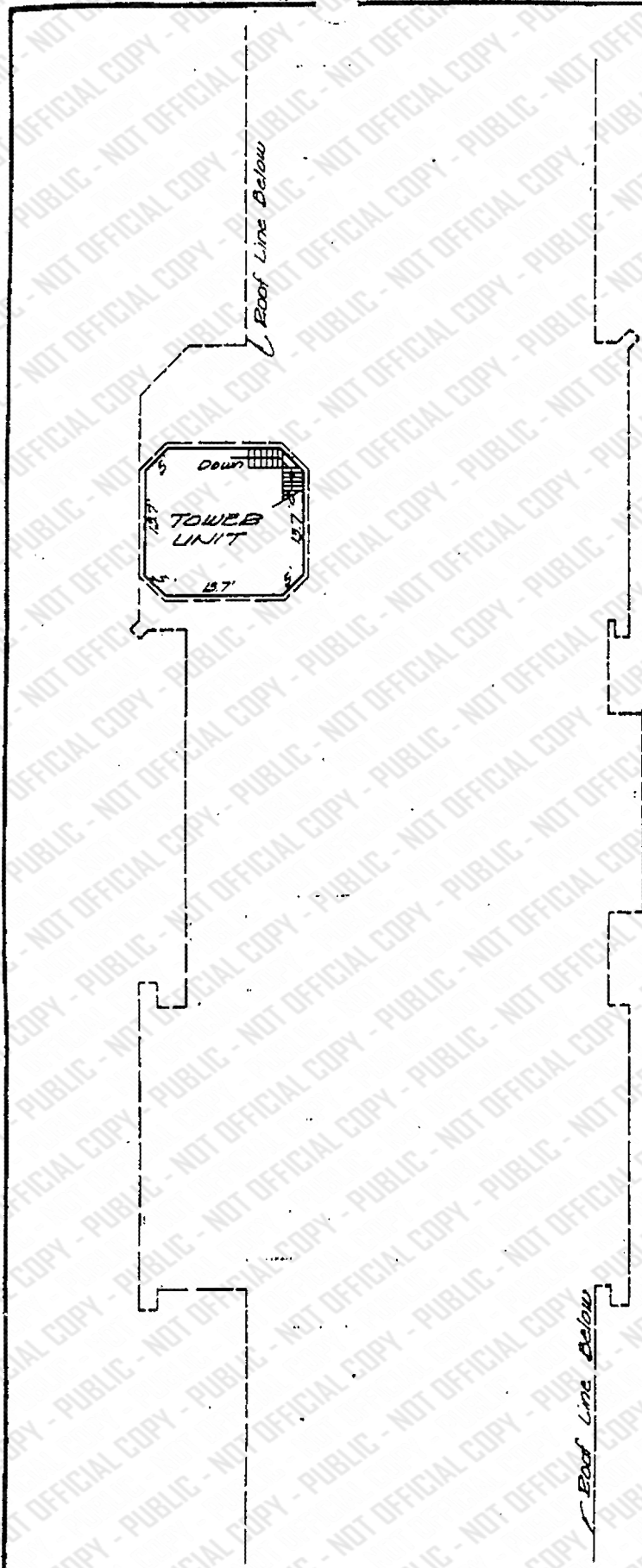


EXHIBIT "C"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM
SHARE OF COMMON ELEMENTS, COMMON SURPLUS AND
COMMON EXPENSES

GKR34072/1S

OFF 13593pg 478

10-07R2119
2/6/86

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

<u>UNIT #</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS</u>
Commercial Unit 100		COMMERCIAL	8.80
Commercial Unit 200		COMMERCIAL	12.10
			} 20.9
201-2	D	1 BED/1 BATH	0.257000
203-A	D	1 BED/1 BATH	0.256968
205	C	EFFICIENCY	0.213992
207	C	EFFICIENCY	0.213992
209	C	EFFICIENCY	0.213992
211	C	EFFICIENCY	0.213992
214	B	EFFICIENCY	0.213992
215	B	EFFICIENCY	0.213992
216	B	EFFICIENCY	0.213992
217	C	EFFICIENCY	0.213992
218	C	EFFICIENCY	0.213992
219	C	EFFICIENCY	0.213992
221	C	EFFICIENCY	0.213992
223	C	EFFICIENCY	0.213992
225	A	EFFICIENCY	0.213992
227	A	EFFICIENCY	0.213992
229	A	EFFICIENCY	0.213992
231	A	EFFICIENCY	0.213992
233	A	EFFICIENCY	0.213992
235	A	EFFICIENCY	0.213992
237	A	EFFICIENCY	0.213992
239	A	EFFICIENCY	0.213992
301-2	D	1 BED/ 1 BATH	0.256968
303-4	D	1 BED/ 1 BATH	0.256968
305	C	EFFICIENCY	0.213992
306	C	EFFICIENCY	0.213992
307	C	EFFICIENCY	0.213992
308	C	EFFICIENCY	0.213992
309	C	EFFICIENCY	0.213992
310	C	EFFICIENCY	0.213992
311	C	EFFICIENCY	0.213992
312	C	EFFICIENCY	0.213992
314	B	EFFICIENCY	0.213992
315	B	EFFICIENCY	0.213992
316	B	EFFICIENCY	0.213992
317	C	EFFICIENCY	0.213992
318	C	EFFICIENCY	0.213992
319	C	EFFICIENCY	0.213992
320	C	EFFICIENCY	0.213992
321	C	EFFICIENCY	0.213992
322	C	EFFICIENCY	0.213992
323	C	EFFICIENCY	0.213992
324	C	EFFICIENCY	0.213992
325	A	EFFICIENCY	0.213992
326	C	EFFICIENCY	0.213992
327	A	EFFICIENCY	0.213992
328	C	EFFICIENCY	0.213992
329	A	EFFICIENCY	0.213992
330	C	EFFICIENCY	0.213992
331	A	EFFICIENCY	0.213992
332	C	EFFICIENCY	0.213992
333	A	EFFICIENCY	0.213992
334	C	EFFICIENCY	0.213992
335	A	EFFICIENCY	0.213992
336	C	EFFICIENCY	0.213992

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UNIT	TYPE	DESCRIPTION	UNDIVIDED INTEREST
471	A	EFFICIENCY	0.213992
472	C	EFFICIENCY	0.213992
473	A	EFFICIENCY	0.213992
474	C	EFFICIENCY	0.213992
475	C	EFFICIENCY	0.213992
476	C	EFFICIENCY	0.213992
477	C	EFFICIENCY	0.213992
478	C	EFFICIENCY	0.213992
479	C	EFFICIENCY	0.213992
480	C	EFFICIENCY	0.213992
481	B	EFFICIENCY	0.213992
482	B	8-with balcony	0.213992
483	C	EFFICIENCY	0.213992
484	C	EFFICIENCY	0.213992
485	C	EFFICIENCY	0.213992
486	C	EFFICIENCY	0.213992
487	C	EFFICIENCY	0.213992
488	C	EFFICIENCY	0.213992
489	C	EFFICIENCY	0.213992
490	C	EFFICIENCY	0.213992
491-2	D	1 BED/1 BATH	0.256968
493-4	D	1 BED/1 BATH	0.256968
501-2	D	1 BED/ 1 BATH	0.256968
503-4	D	1 BED/ 1 BATH	0.256968
505	C	EFFICIENCY	0.213992
506	C	EFFICIENCY	0.213992
507	C	EFFICIENCY	0.213992
508	C	EFFICIENCY	0.213992
509	C	EFFICIENCY	0.213992
510	C	EFFICIENCY	0.213992
511	C	EFFICIENCY	0.213992
512	C	EFFICIENCY	0.213992
514	B	EFFICIENCY	0.213992
515	B	EFFICIENCY	0.213992
516	B	EFFICIENCY	0.213992
517	C	EFFICIENCY	0.213992
518	C	EFFICIENCY	0.213992
519	C	EFFICIENCY	0.213992
520	C	EFFICIENCY	0.213992
521	C	EFFICIENCY	0.213992
522	C	EFFICIENCY	0.213992
523	C	EFFICIENCY	0.213992
524	C	EFFICIENCY	0.213992
525	A	EFFICIENCY	0.213992
526	C	EFFICIENCY	0.213992
527	A	EFFICIENCY	0.213992
528	C	EFFICIENCY	0.213992
529	A	EFFICIENCY	0.213992
530	C	EFFICIENCY	0.213992
531	A	EFFICIENCY	0.213992
532	C	EFFICIENCY	0.213992
533	A	EFFICIENCY	0.213992
534	C	EFFICIENCY	0.213992
535	A	EFFICIENCY	0.213992
536	C	EFFICIENCY	0.213992
537	A	EFFICIENCY	0.213992
538	B	EFFICIENCY	0.213992
539	A	EFFICIENCY	0.213992
540	B	EFFICIENCY	0.213992
541	E	1 BED/1 BATH	0.256968
542	B	EFFICIENCY	0.213992
543-5	E	1 BED/1 BATH	0.256968
544	C	EFFICIENCY	0.213992
546	B	EFFICIENCY	0.213992
547	B	EFFICIENCY	0.213992
548	B	EFFICIENCY	0.213992
549	B	EFFICIENCY	0.213992
550	C	EFFICIENCY	0.213992
551	B	EFFICIENCY	0.213992
552	B	EFFICIENCY	0.213992

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UNIT	TYPE	DESCRIPTION	UNDIVIDED INTEREST
553	B	EFFICIENCY	0.213992
554	B	EFFICIENCY	0.213992
555	E	1 BED/2 BATH	0.256968
556	B	EFFICIENCY	0.213992
557	E	1 BED/1 BATH	0.256968
558	C	EFFICIENCY	0.213992
559	A	EFFICIENCY	0.213992
560	C	EFFICIENCY	0.213992
561	A	EFFICIENCY	0.213992
562	C	EFFICIENCY	0.213992
563	A	EFFICIENCY	0.213992
564	C	EFFICIENCY	0.213992
565	A	EFFICIENCY	0.213992
566	C	EFFICIENCY	0.213992
567	A	EFFICIENCY	0.213992
568	C	EFFICIENCY	0.213992
569	A	EFFICIENCY	0.213992
570	C	EFFICIENCY	0.213992
571	A	EFFICIENCY	0.213992
572	C	EFFICIENCY	0.213992
573	A	EFFICIENCY	0.213992
574	C	EFFICIENCY	0.213992
575	C	EFFICIENCY	0.213992
576	C	EFFICIENCY	0.213992
577	C	EFFICIENCY	0.213992
578	C	EFFICIENCY	0.213992
579	C	EFFICIENCY	0.213992
580	B	EFFICIENCY	0.213992
581	B-with balcony	EFFICIENCY	0.213992
582	B	EFFICIENCY	0.213992
583	C	EFFICIENCY	0.213992
584	C	EFFICIENCY	0.213992
585	C	EFFICIENCY	0.213992
586	C	EFFICIENCY	0.213992
587	C	EFFICIENCY	0.213992
588	C	EFFICIENCY	0.213992
589	C	EFFICIENCY	0.213992
590	C	EFFICIENCY	0.213992
591-2	D	1 BED/1 BATH	0.256968
593-4	D	1 BED/1 BATH	0.256968
661-2	D	1 BED/1 BATH	0.256968
663-4	D	1 BED/1 BATH	0.256968
665	C	EFFICIENCY	0.213992
666	C	EFFICIENCY	0.213992
667	C	EFFICIENCY	0.213992
668	C	EFFICIENCY	0.213992
669	C	EFFICIENCY	0.213992
670	C	EFFICIENCY	0.213992
671	C	EFFICIENCY	0.213992
672	C	EFFICIENCY	0.213992
674	B	EFFICIENCY	0.213992
675	B	EFFICIENCY	0.213992
676	B	EFFICIENCY	0.213992
677	C	EFFICIENCY	0.213992
678	C	EFFICIENCY	0.213992
679	C	EFFICIENCY	0.213992
680	B	EFFICIENCY	0.213992
681	B-with balcony	EFFICIENCY	0.213992
682	B	EFFICIENCY	0.213992
683	C	EFFICIENCY	0.213992
684	C	EFFICIENCY	0.213992
685	C	EFFICIENCY	0.213992
686	C	EFFICIENCY	0.213992
687	C	EFFICIENCY	0.213992
688	C	EFFICIENCY	0.213992
689	C	EFFICIENCY	0.213992
690	C	EFFICIENCY	0.213992
691-2	D	1 BED/1 BATH	0.256968
693-4	D	1 BED/1 BATH	0.256968
695	C	EFFICIENCY	0.213992

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UNIT

TYPE

DESCRIPTION

X UNDIVIDED INTEREST

1/100

UNIT	TYPE	DESCRIPTION	INTEREST
701-2	D	1 BED/ 1 BATH	56968
703-4	D	1 BED/ 1 BATH	256968
705	C	EFFICIENCY	0.213992
706	C	EFFICIENCY	0.213992
707	C	EFFICIENCY	0.213992
708	C	EFFICIENCY	0.213992
709	C	EFFICIENCY	0.213992
710	C	EFFICIENCY	0.213992
711	C	EFFICIENCY	0.213992
712	C	EFFICIENCY	0.213992
714	B	EFFICIENCY	0.213992
715	B	EFFICIENCY	0.213992
716	B	EFFICIENCY	0.213992
717	C	EFFICIENCY	0.213992
718	C	EFFICIENCY	0.213992
719	C	EFFICIENCY	0.213992
720	C	EFFICIENCY	0.213992
721	C	EFFICIENCY	0.213992
722	C	EFFICIENCY	0.213992
723	C	EFFICIENCY	0.213992
724	C	EFFICIENCY	0.213992
725	A	EFFICIENCY	0.213992
726	C	EFFICIENCY	0.213992
727	A	EFFICIENCY	0.213992
728	C	EFFICIENCY	0.213992
729	A	EFFICIENCY	0.213992
730	C	EFFICIENCY	0.213992
731	A	EFFICIENCY	0.213992
732	C	EFFICIENCY	0.213992
733	A	EFFICIENCY	0.213992
734	C	EFFICIENCY	0.213992
735	A	EFFICIENCY	0.213992
736	C	EFFICIENCY	0.213992
737	A	EFFICIENCY	0.213992
738	B	EFFICIENCY	0.213992
739	A	EFFICIENCY	0.213992
740	B	EFFICIENCY	0.213992
741	E	1 BED/1 BATH	0.256968
742	B	EFFICIENCY	0.213992
743-5	E	1 BED/1 BATH	0.256968
744	C	EFFICIENCY	0.213992
746	B	EFFICIENCY	0.213992
747	B	EFFICIENCY	0.213992
748	B	EFFICIENCY	0.213992
749	B	EFFICIENCY	0.213992
750	C	EFFICIENCY	0.213992
751	B	EFFICIENCY	0.213992
752	B	EFFICIENCY	0.213992
753	B	EFFICIENCY	0.213992
754	B	EFFICIENCY	0.213992
755	E	1 BED/2 BATH	0.256968
756	B	EFFICIENCY	0.213992
757	E	1 BED/1 BATH	0.256968
758	C	EFFICIENCY	0.213992
759	A	EFFICIENCY	0.213992
760	C	EFFICIENCY	0.213992
761	A	EFFICIENCY	0.213992
762	C	EFFICIENCY	0.213992
763	A	EFFICIENCY	0.213992
764	C	EFFICIENCY	0.213992
765	A	EFFICIENCY	0.213992
766	C	EFFICIENCY	0.213992
767	A	EFFICIENCY	0.213992
768	C	EFFICIENCY	0.213992
769	A	EFFICIENCY	0.213992
770	C	EFFICIENCY	0.213992
771	A	EFFICIENCY	0.213992
772	C	EFFICIENCY	0.213992
773	A	EFFICIENCY	0.213992
774	C	EFFICIENCY	0.213992

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<u>UNIT</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>INDIVIDED INTEREST</u>
775	C	EFFICIENCY	0.213992
776	C	EFFICIENCY	0.213992
777	C	EFFICIENCY	0.213992
778	C	EFFICIENCY	0.213992
779	C	EFFICIENCY	0.213992
780	B	EFFICIENCY	0.213992
781TH	B-with balcony	EFFICIENCY	0.213992
782TH	B	EFFICIENCY	0.213992
783TH	F	1 BED/ 2 BATH	0.256968
784	C	EFFICIENCY	0.213992
785TH	F	1 BED/ 2 BATH	0.256968
786TH	F	1 BED/ 2 BATH	0.256968
787TH	F	1 BED/ 2 BATH	0.256968
788TH	F	1 BED/ 2 BATH	0.256968
789TH	F	1 BED/ 2 BATH	0.256968
790TH	G	2 BED/ 3 BATH	0.256968
791-2	G	2 BED/ 3 BATH	0.256968
791-2	D	1 BED/1 BATH	0.256968
793-4	D	1 BED/1 BATH	0.256968
TOWER UNIT	G	2 BED/ 2 1/2 BATH	0.256968
PH-1		1 BED/ 1 BATH	0.256968
PH-2		1 BED/ 1 BATH	0.256968
PH-3		1 BED/ 1 BATH	0.256968
PH-4		1 BED/ 1 BATH	0.256968
PH-5		1 BED/ 1 BATH	0.256968
PH-6		1 BED/ 1 BATH	0.256968
		TOTAL	100.000000X

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EXHIBIT "D"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

ARTICLES OF INCORPORATION FOR

THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.

REC 13593PG 485

GKR34072/6S

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of

THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.

a corporation organized under the Laws of the State of Florida, filed on July 3, 1986.

The document number of this corporation is N15708. non-profit

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the day of

3rd July, 1986.

George Firestone
Secretary of State



CR26922 (10-85)

CR21040 (4-84)

OFF 13593PG 486

11-07R2089
2/9/86

FILED
1986 JUL -3 11:07 AM
SECRETARY OF STATE
MIAMI, FLORIDA

ARTICLES OF INCORPORATION

OF

THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.

(A Florida Corporation Not-For-Profit)

* * *

In order to form a corporation not-for-profit under and in accordance with Chapter 617 of the Florida Statutes, we, the undersigned, hereby associate ourselves into a corporation not-for-profit for the purposes and with the powers hereinafter set forth and to that end, we do, by these Articles of Incorporation, certify as follows:

EXPLANATION OF TERMINOLOGY

The terms contained in these Articles which are contained in the Declaration of Condominium ("Declaration") creating THE HOLLYWOOD BEACH, a Resort Condominium, shall have the meaning of such terms set forth in the Declaration.

ARTICLE I

NAME

The name of this Association shall be THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., whose present address is 101 North Ocean Drive, Hollywood Florida 33019.

ARTICLE II

PURPOSE OF ASSOCIATION

The purpose for which this Association is organized is to maintain, operate and manage the Condominium and to operate, lease, trade, sell and otherwise deal with the personal and real property thereof.

ARTICLE III

POWERS

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

A. The Association shall have all of the common law and statutory powers of a corporation not-for-profit and all powers set forth in the Florida Statutes Chapter 718, Florida Statutes Chapter 607, and Florida Statutes Chapter 617 which are not in conflict with the terms of the Declaration, these Articles, the By-Laws or the Act.

B. The Association shall have all of the powers of an owners' association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

1. to make, establish and enforce reasonable Rules and Regulations governing the Condominium and the use of Units;

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2. to make, levy, collect and enforce Special Assessments and Annual Assessments against Owners and to provide funds to pay for the expenses of the Association and the maintenance, operation and management of the Condominium in the manner provided in the Declaration, these Articles, the By-Laws and the Condominium Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association;

3. to maintain, repair, replace and improve the Condominium in accordance with the Declaration, these Articles, the By-Laws and the Act;

4. to reconstruct improvements of the Condominium in the event of casualty or other loss in accordance with the Declaration;

5. to enforce by legal means the provisions of the Declaration, these Articles, the By-Laws and the Act; and,

6. to employ personnel, retain independent contractors and professional personnel and enter into service contracts to provide for the maintenance, operation and management of the Condominium and to enter into such other agreements that are consistent with the purpose of the Association.

ARTICLE IV

MEMBERS

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

A. Until such time as the recordation of the Declaration, the Members of this Association shall be comprised solely of the Subscribers ("Subscriber Members") to these Articles; and in the event of the resignation or termination of any Subscriber Member, the remaining Subscriber Members may nominate and designate a successor Subscriber Member. Each of the Subscriber Members shall be entitled to cast one (1) vote on all matters requiring a vote of the Members.

B. Upon the recordation of the Declaration, the Subscriber Members' rights and interests shall be automatically terminated and the Owners, which in the first instance means Developer as the owner of the Units, shall be entitled to exercise all of the rights and privileges of Members.

C. Membership in the Association shall be established by the acquisition of ownership of a Condominium Unit in the property as evidenced by the recording of an instrument of conveyance amongst the Public Records of Broward County, Florida, whereupon, the membership in the Association of the prior Owner thereof, if any, shall terminate. New Members shall deliver a true copy of the recorded deed or other instrument of acquisition of title to the Association.

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

E. With respect to voting, the Members shall vote for directors in the manner set forth in the Declaration of Condominium and the By-Laws. The Owner of each Condominium Unit, with respect to all matters upon which Owners (other than the Developer) are permitted or required to vote as set forth in the Declaration, these Articles or By-Laws shall be entitled to a vote equal to the percentage undivided interest appurtenant to the unit, which vote shall be exercised and cast in accordance with the Declaration, these Articles and the By-Laws.

ARTICLE V

TERM

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

ARTICLE VI

SUBSCRIBERS

The names and addresses of the Subscribers to these Articles are as follows:

<u>NAME</u>	<u>ADDRESS</u>
WARREN RAPKIN	101 North Ocean Drive Hollywood, Florida 33019
ROCHELLE RAPKIN	101 North Ocean Drive Hollywood, Florida 33019
DIANE BIRDMAN	101 North Ocean Drive Hollywood, Florida 33019

ARTICLE VII

OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board.

B. The Board shall elect the President, the Vice President, the Secretary, the Treasurer and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board; provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the By-Laws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice-President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE VIII

FIRST OFFICERS

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

President	WARREN RAPKIN
Vice President and Treasurer	ROCHELLE RAPKIN
Secretary	DIANE BIRDMAN

The street address of the initial office of this Corporation is 101 North Ocean Drive, Hollywood, Florida 33019; and the name of the initial resident agent of this Corporation at that address is GARY A. KORN, Esq.

apply whether or not he is a Director or officer at the time such expenses are incurred. Notwithstanding the above, in instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to any indemnification to which a Director or officer may be entitled whether by statute or otherwise.

ARTICLE XI

BY-LAWS

The By-Laws of the Association shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the By-Laws and the Act. As is set forth in the By-Laws, the By-Laws may be amended by the affirmative vote of not less than a majority of the Members present at an Annual Members Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. Notwithstanding anything contained herein to the contrary, the By-Laws may be amended by the Developer without the consent or vote of any Unit Owner provided that such amendment does not materially prejudice the rights of any Owner other than the Developer.

ARTICLE XII

AMENDMENTS

A. Prior to the recording of the Declaration amongst the Public Records of Broward County, Florida, these Articles may be amended only by an instrument in writing signed by all of the Directors and filed in the office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended and give the exact language of such amendment, and a certified copy of such amendment shall always be attached to any certified copy of these Articles and shall be an exhibit to the Declaration upon the recording of any such Declaration.

B. After the recording of the Declaration amongst the Public Records of Broward County, Florida, these Articles may be amended in the following manner:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting (whether of the Board or of the Members) at which such proposed amendment is to be considered; and

2. A resolution approving the proposed amendment may be first passed by either the Board or the Members. After such approval of a proposed amendment by one of said bodies, such proposed amendment must be submitted and approved by the other of said bodies. Approval by the Members must be by a vote of a majority of the Members present at a meeting of the membership at which a quorum (as determined in accordance with the By-Laws) is present and approval by the Board must be by a majority of the Directors present at any meeting of the Directors at which a quorum (as determined in accordance with the By-Laws) is present.

C. A copy of each amendment shall be certified by the Secretary of State and recorded amongst the Public Records of Broward County, Florida.

D. Notwithstanding the foregoing provisions of this Article XII, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Developer, including the right to designate and select the Directors as provided in

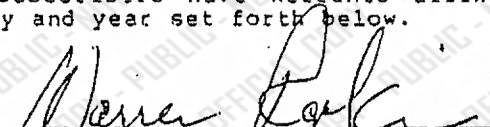
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Article IX hereof, or the provisions of this Article XII, without the prior written consent therefor by Developer.

E. Notwithstanding the foregoing provisions of this Article XII, so long as the Developer is entitled to elect a majority of the Board, the Developer shall have the right to amend these Articles without the consent of any Owner provided such amendment does not materially prejudice the rights of any institutional mortgagee.

IN WITNESS WHEREOF, the Subscribers have hereunto affixed each of their signatures the day and year set forth below.

Dated: 7/3/86


WARREN RAPKIN

Dated: 7/3/86


ROCHELLE RAPKIN

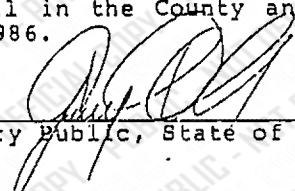
Dated: 7/3/86


DIANE BIRDMAN

STATE OF FLORIDA)
) SS.:
COUNTY OF DADE)

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared WARREN RAPKIN, to me known to be the person described as one of the Subscribers in and who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this 3rd day of July, 1986.



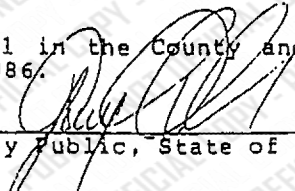
Notary Public, State of Florida

My Commission Expires: _____
Notary Public, State of Florida
My Commission Expires July 22, 1990
Bonded thru First Fed. Insurance, Inc.

STATE OF FLORIDA)
) SS.:
COUNTY OF DADE)

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared ROCHELLE RAPKIN to me known to be the person described as one of the Subscribers in and who executed the foregoing Articles of Incorporation, and she acknowledged before me that she executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this 3rd day of July, 1986.



Notary Public, State of Florida

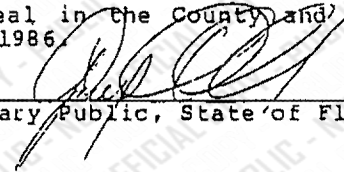
My Commission Expires: _____
Notary Public, State of Florida
My Commission Expires July 22, 1990
Bonded thru First Fed. Insurance, Inc.

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STATE OF FLORIDA)
) SS.:
COUNTY OF DADE)

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared DIANE BIRDMAN, to me known to be the person described as one of the Subscribers in and who executed the foregoing Articles of Incorporation, and she acknowledged before me that she executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid, this 3rd day of July, 1986.




Notary Public, State of Florida

My Commission Expires: _____
Notary Public, State of Florida
My Commission Expires July 27, 1988

ACCEPTANCE BY REGISTERED AGENT

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED NON-PROFIT CORPORATION, AT THE PLACE DESIGNATED IN THE ARTICLE VIII OF THESE ARTICLES OF INCORPORATION, THE UNDERSIGNED HEREBY AGREES TO ACT IN THIS CAPACITY, AND FURTHER AGREES TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE DISCHARGE OF HIS DUTIES.

DATED THIS 3rd DAY OF JULY, 1986.




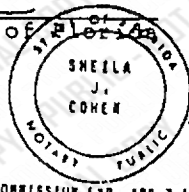
GARY A. KORN
(Registered Agent)

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

I HEREBY CERTIFY that on this 3rd day of July, 1986, personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, GARY A. KORN, to me known to be the individual described in and who executed the foregoing instrument as registered agent to the Articles of Incorporation of THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, and he severally acknowledged to me that he signed and executed such instrument for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have set my hand and official seal in the County and State aforesaid on the day and year last above written.



Notary Public, State of Florida


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My commission expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. APR 7, 1988
BONDED THRU GENERAL INS. UND.

MY COMMISSION EXP. APR 7, 1988

EXHIBIT "E"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

BY-LAWS OF THE HOLLYWOOD BEACH

RESORT CONDOMINIUM ASSOCIATION, INC.

REF 13593PG 494

GKR34072/7S

BY-LAWS

OF

THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.
A Florida Corporation Not for Profit

* * *

ARTICLE ONE

Organization

Section 1. The name of this organization shall be THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.

Section 2. The organization may, by a vote of the Unit Owners, change its name.

ARTICLE TWO

Purposes

The following are the purposes for which this organization has been established:

Section 1. To serve the recreational and maintenance needs of the Owners of the Condominium Units constructed upon the real property described on Exhibit "A" of the Declaration of Condominium to which this Exhibit "E" is attached.

Section 2. To maintain, manage, operate, administer and improve the real property upon which the recreational facilities are to be constructed; and further, to maintain the facilities and improvements, including personal property, thereon.

Section 3. For the purposes set forth in the Articles of Incorporation of this organization and the Declaration of Condominium of THE HOLLYWOOD BEACH, a Resort Condominium.

Section 4. For such other purpose as the Board of Directors may from time to time deem necessary for the efficient operation of the recreational facilities and Common Elements and Limited Common Elements contemplated hereby.

ARTICLE THREE

Meetings of Membership

Section 1. Place: All meetings of the Association membership shall be held at the office of the Association or such other place as may be designated in the notice.

Section 2. Annual Meeting:

(a) The first Annual Meeting shall occur within one hundred (100) days of the recordation of the Declaration of Condominium and annually thereafter. All members of the Board of Directors to be elected by Unit Owners, other than the Developer, shall be elected by plurality vote.

(b) Subsequent to the first Annual Meeting, regular annual meetings shall be held in the month of January of each year upon a date appointed by the Board of Directors. No meeting

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shall be held on a legal holiday. At least fourteen (14) days prior to the Annual Meeting, written notice shall be mailed by regular mail to each member of the Association at the address appearing on the books of the Association.

(c) At the Annual Meetings, the membership of the Association shall elect, by plurality vote, a Board of Directors and transact such other business as may properly come before the meeting. The Directors so elected at the Annual Meeting shall constitute the Board of Directors until the next Annual Meeting of the members of the Association and the election and qualification of their successors.

Section 3. Membership List: At least fifteen (15) days before every election of Directors, a complete list of members entitled to vote at said election, arranged numerically by Condominium Units, shall be prepared by the Secretary of the Association. Such list shall be produced and kept for said fifteen (15) day period and during the election at the office of the Association and shall be open to examination by any member during such period.

Section 4. Special Meetings:

(a) Special Meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, subject to Article Five, Section 14 of these By-Laws, may be called by the President and shall be called by the President or Secretary at the request, in writing, of members holding not less than twenty five (25%) percent of the voting interest in the Association. Such request shall state the purpose, or purposes, of the proposed meeting.

(b) Written notice of a Special Meeting of members, stating time, place and object thereof, shall be mailed by regular mail to each member entitled to vote thereat, at such address as appears on the books of the Association, at least five (5) days before such meeting.

(c) Business transaction at all Special Meetings shall be confined to the purposes stated in the notice thereof.

Section 5. Proxies: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association prior to the meeting. If more than one (1) person owns a Condominium Unit (such as husband and wife), all must sign the proxy for it to be valid.

^{33.3%}
Section 6. Quorum: The presence in person or representation by written proxy of the members holding at least one-third (1/3) of the total voting interest in the Association shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, or by these By-Laws. If, however, such quorum shall not be present, the President, or in his absence, the Vice President; or in his absence, any other appropriate officer or director may adjourn the meeting to a time within fifteen (15) days thereof at the same place to be announced at the meeting by the person adjourning same and a notice of such new meeting to be posted conspicuously upon the Condominium Property at least twelve (12) hours in advance of the meeting. The meeting shall continue to be adjourned in this manner until a quorum shall be present or represented. Notwithstanding anything contained herein to the contrary, at such new meeting or meetings (if additional meetings are necessary in order to obtain the reduced quorum as hereinafter provided), the presence in person or representation by written proxy of the members holding at least one-third (1/3) of the voting interest of the Association shall be requisite to and shall constitute a quorum at such new meeting or meetings; it being intended that, in the event a majority quorum cannot be obtained at any meeting of the members, the quorum requirement be reduced for the purposes of the new

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Section 10. Order of Business: The prescribed order of business at all meetings of the Association will be:

- (a) Determination of a Quorum;
- (b) Proof of Notice of Meeting or Waiver of Notice;
- (c) Reading of Minutes of Prior Meeting;
- (d) Officers' Reports;
- (e) Committee Reports;
- (f) Unfinished Business;
- (g) New Business; and,
- (h) Adjournment.

ARTICLE FOUR

Voting

Section 1. The Owner(s) of each Condominium Unit shall be entitled to a vote equal to the percentage undivided interest allocated to the unit. If a Condominium Unit Owner owns more than one (1) Unit, he shall be entitled to vote the undivided interest allocated to each Unit owned. The vote of a Condominium Unit shall not be divisible.

Section 2. For the election of Directors, voting shall be by secret ballot. When voting by ballot (for Directors or otherwise), the Chairman of the meeting, immediately prior to the commencement of balloting, shall appoint a committee of three (3) members who will act as "Inspectors of Election" and who shall, at the conclusion of the balloting, certify in writing the results, and such certificate shall be annexed to the Minutes of the meeting.

ARTICLE FIVE

Board of Directors

Section 1. The business of this Association shall be governed by a Board of Directors consisting of not less than three (3), nor more than seven (7), persons as is determined from time to time, in accordance with these Articles and By-Laws, by the members. The initial Board of Directors shall consist of the three (3) Directors named herein. At such time as the members of the Association are permitted to elect a majority of the Directors as set forth in the Declaration, a special meeting of the members of the Association shall be called for the purpose of permitting Unit Owners other than the Developer to elect a majority of the Board of Directors. At such meeting seven (7) persons shall be elected to serve as the Directors on the Board of Directors of the Association.

Section 2. The Directors to be chosen for the ensuing year shall be chosen at the Annual Meeting of this Association by plurality vote; and they shall serve for a term of one (1) year.

Section 3. The Board of Directors shall have the control and management of the affairs and business of this Association and shall have the right to establish reserves or Assessments for betterment of the Condominium Property. Said Board of Directors shall only act in the name of the Association when it shall be regularly convened by its Chairman and after due notice to all Directors of such meeting.

Section 4. All meetings of the Board of Directors of the Association shall be open to the members of the Association and notices of such meetings, stating the place and time thereof, shall be posted conspicuously at least forty eight (48) hours prior to any such meeting to call the members' attention thereto; provided, however, in the event of an emergency, said notice shall not be required.

Section 5. The organizational meeting of a newly elected Board of Directors (at which meeting officers for the coming year shall be elected) shall be held within ten (10) days of the election of the new Board at such time and place as shall be fixed by the Chairman of the meeting at which they were elected.

Section 6. A majority of the members of the Board of Directors shall constitute a quorum, and the meetings of the Board of Directors shall be held regularly at such time and place as the Board of Directors shall designate.

Section 7. Each Director shall have one (1) vote, and such voting may not be by proxy.

Section 8. The Board of Directors may make such rules and regulations covering its meeting as it may, in its discretion, determine necessary.

Section 9. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall, nevertheless, be given to each Director personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

Section 10. Special meetings of the Board of Directors may be called by the President, or, in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving five (5) days' notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of Special Meetings shall state the purpose of the meeting.

Section 11. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Vacancies in the said Board of Directors shall be filled by a vote of the majority of the remaining members of the Board of Directors for the balance of the year, unless the vacancy occurs in regard to a Director designated by the Developer who shall thereupon designate a new director.

Section 13. The President of the Association by virtue of his office shall be Chairman of the Board of Directors and preside at meetings of the membership. The removal process of Directors herein described shall not apply to Directors elected, appointed or designated by the Developer who may remove any such Director in its sole discretion and who shall thereafter designate the successive Director.

Section 14. Any member of the Board of Administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the Unit Owners to recall a member or members of the Board of Administration may be called by ten (10%) percent of the voting interests giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

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

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(e) To contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium documents and the Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

(f) Designate one (1) or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association, provided, however, that the powers of a committee shall be limited, and no committee shall be entitled to assume all the powers of the Board of Directors. Such committee(s) shall consist of at least three (3) members of the Association, one (1) of whom must be a director. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors as required.

(g) To enter into and upon the Condominium Units when necessary and at as little inconvenience as practical in connection with the maintenance, care and preservation of Common Elements and Condominium owned personal property.

(h) To use and to expend the Assessments collected to maintain, care for and preserve the Condominium Units, the Common Elements, the Limited Common Elements, and the Condominium Property (other than the interiors of the Condominium Units which are to be maintained, cared for and preserved by the individual Condominium Unit Owners).

(i) To pay taxes and assessments levied and assessed against any real property the corporation might own and to pay for such equipment and tools, supplies and other personal property purchased for use in such maintenance, care and preservation.

(j) For the purpose of preservation, care and restoration of Condominium Property, each Owner of a Condominium Unit grants a perpetual easement in the event of an emergency to the then existing Board of Administration or its duly authorized agents to enter into his Condominium Unit at any reasonable time (or at any unreasonable time if the necessities of the situation should require).

(k) To repair and replace Common Element and Limited Common Element facilities, machinery and equipment.

(l) To insure and keep insured the Owners against loss from public liability and to carry such other insurance as the Board of Directors may deem advisable; and in the event of damage or destruction of property, real or personal, covered by such insurance, to use the proceeds for repairs and replacement, all in accordance with the provisions of the Declaration of Condominium.

(m) To review all complaints, grievances or claims of violations of the Declaration of Condominium, Exhibits thereto, the Condominium Act and the Rules and Regulations promulgated by the Association and to assess fines and establish a uniform procedure for determining whether such violations occurred and whether fines should be assessed. Such procedure may be set forth in the Rules and Regulations promulgated by the Board of Directors.

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(n) To collect delinquent assessments by suit or otherwise to abate nuisances and to enjoin or seek damages from Unit Owners for violations of the Declaration of Condominium, these By-Laws or Rules and Regulations adopted by the Board of Administration.

ARTICLE SIX

Officers

Section 1. The principal officers of the Association shall be as follows:

President, Vice President, Secretary and Treasurer.

Section 2. The President shall preside at all membership meetings. He shall be a Director and shall, by virtue of his office, be Chairman of the Board of Directors. He shall present at each Annual Meeting of the Association an Annual Report of the work of the Association. He shall appoint all committees, temporary or permanent. He shall see to it that all books, reports and certificates, as required by law, are properly kept or filed. He shall be one of the officers who may sign the checks or drafts of the Association. He shall have such powers as may be reasonably construed as belonging to the chief executive of any organization.

Section 3. The Vice President shall be a Director and shall, in the event of the absence or inability of the President to exercise his office, become acting President of the Association with all the rights, privileges and powers of said office.

Section 4. The Secretary shall:

(a) Keep the Minutes and records of the Association in appropriate books.

(b) File any certificate required by any statute, Federal or State.

(c) Give and serve all notices to members of this Association.

(d) Be the official custodian of the records and seal, if any, of this Association.

(e) Be one of the officers required to sign the checks and drafts of the Association.

(f) Present to the membership at any meetings any communication addressed to him as Secretary of the Association.

(g) Submit to the Board of Directors any communications which shall be addressed to him as Secretary of the Association.

(h) Attend to all correspondence of the Association and exercise all duties incident to the office of the Secretary.

Section 5. The Treasurer shall:

(a) Have the care and custody of all monies belonging to the Association and shall be solely responsible for such monies or securities of the Association. He shall cause to be deposited in a regular business bank or trust company a sum not exceeding an amount authorized by the Board of Directors and the balance of the funds of the Association shall be deposited in a savings bank, except that the Board of Directors may cause such funds to be invested in such investments as shall be legal for a savings bank in the State of Florida.

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(b) Be one of the officers who shall be authorized to sign checks or drafts of the Association; no special fund may be set aside that shall make it unnecessary for the Treasurer to sign the checks issued upon it.

(c) Shall render at stated periods as the Board of Directors shall determine a written account of the finances of the Association, and such report shall be physically affixed to the Minutes of the Board of Directors at such meeting.

(d) All or a portion of the duties of the Treasurer may be fulfilled by a management company in the discretion of the Board of Directors.

Section 6. No officer or Director shall, for reason of his office, be entitled to receive any salary or compensation, but, nothing herein shall be construed to prevent an officer or Director from receiving any compensation from the Association for duties other than as a Director or officer.

ARTICLE SEVEN

Salaries

The Board of Directors shall hire and fix the compensation of any and all employees which they, in their discretion, may determine to be necessary in the conduct of the business of the Association. However, no member of the Board of Directors or an officer of the Association shall be paid any compensation for carrying out their duties.

ARTICLE EIGHT

Committees

All committees of this Association shall be appointed by the majority of the Board of Directors for whatever period of time is designated by said Board of Directors.

ARTICLE NINE

Finances and Assessments

Section 1. Depositories: The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors and shall be withdrawn only upon checks and demands for money signed by two (2) officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two (2) officers of the Association.

Section 2. Fiscal Year: The fiscal year for the Association shall begin on the first day of January each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable.

Section 3. Determination of Assessments:

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate for the Common Expenses of the Condominium. Common Expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of

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the Association, 1 insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as Common Expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium to which these By-Laws are attached. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect Assessments, and to lease, maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium and recreation facilities. Funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions and percentages of sharing Common Expenses as provided in the Declaration of Condominium. Said Assessments shall be payable monthly in advance unless otherwise ordered by the Board of Directors. Special Assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. Assessments shall include, but not be limited to, fines made by the Board of Directors in an amount and manner set forth in the Rules and Regulations promulgated by the Board of Directors for violations of the Declaration of Condominium, Exhibits thereto, the Condominium Act and/or the Rules and Regulations. Pursuant to Florida Statutes, Section 718.303(3), no fine imposed by the Association shall become a lien against a Unit.

(b) When the Board of Directors has determined the amount of any Assessment, the Treasurer of the Association shall mail or present to each Unit Owner a statement of said Unit Owner's Assessment. All Assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

(c) The Board of Directors shall adopt an operating budget for each fiscal year.

Section 4. Application of Payments and Comingling of Funds: All sums collected by the Association from Assessments may be comingled in a single fund or divided into more than one (1) fund, as determined by the Board of Directors of the Association. All Assessment payments by a Unit Owner shall be applied as to interest, delinquencies, costs and attorneys' fees, other charges, expenses and advances, as provided herein and in the Declaration of Condominium, and general or Special Assessments, in such manner and amounts as the Board of Directors determines in its sole discretion.

ARTICLE TEN

Minutes

Minutes of all meetings of the Association and the Board of Directors shall be kept in a businesslike manner and be made available for inspection by Unit Owners and Board members at all reasonable times.

ARTICLE ELEVEN

Compliance and Default

Section 1. In the event of a violation (other than the nonpayment of an Assessment) by the Unit Owner in any of the provisions of the Declaration of Condominium, of these By-Laws or of the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional, inexcusable and material breach of the Declaration,

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of the By-Laws, or of the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damage on behalf of the Association or on behalf of the other Unit Owners;

(b) An action in equity to enforce performance on the part of the Unit Owner;

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief; or,

(d) A fine which shall be assessed by the Board of Directors in an amount and manner set forth in the Rules and Regulations promulgated by the Board of Directors.

Any remedy contained in the Declaration of Condominium, Exhibits thereto, the Condominium Act and/or the Rules and Regulations promulgated (including, but not limited to the foregoing) shall be cumulative and in addition to any and all other remedies provided by such documents or the laws of the State of Florida.

Section 2. All Unit Owners 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, of his or their guests, employees, agents 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 insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by an insurance company or rights or replacement required, as provided in this section, shall be charged to said Unit Owner as a specific item which shall be a lien against said Unit with the same force and effect as if the charge were a part of the Common Expenses.

Section 3. In any proceeding arising because of an alleged default by a Unit Owner, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

Section 4. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition of the future.

Section 5. In the event of any internal dispute arising from the operation of the Condominium among Unit Owners, the Association, and their agents and assigns, any party may apply for voluntary binding arbitration, which shall be conducted pursuant to the rules of the American Arbitration Association. Venue for any such proceedings shall be in Dade or Broward Counties, Florida.

ARTICLE TWELVE

Indemnification

The Association shall indemnify every Director and every officer, their heirs, personal representatives and administrators, against all loss, cost and expense reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of their being or having been a Director and officer of the Association, including reasonable counsel fees to be approved by the Association, except as to matters wherein they shall be finally adjudged in such action,

suit or proceedi to be liable for or guil. of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director and officer may be entitled.

ARTICLE THIRTEEN

Liability Survives Termination of Membership

The termination of ownership in the Condominium shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE FOURTEEN

Liens

Section 1. All liens against a Condominium Unit, other than for mortgages, taxes or special Assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and Special Assessments upon a Condominium Unit shall be paid before becoming delinquent as provided in these Condominium documents or by law, whichever is sooner.

Section 2. A Unit Owner shall give notice to the Association of every lien upon his Unit, other than for permitted mortgages, taxes and Special Assessments, within five (5) days after the attaching of the lien.

Section 3. Unit Owners shall give notice to the Association of every suit or other proceeding which will or may affect title to his Unit or any part of the property, such notice to be given within five (5) days after the Unit Owner received notice thereof.

Section 4. Failure to comply with this Article Fourteen concerning liens will not affect the validity of any judicial sale.

ARTICLE FIFTEEN

Amendments to the By-Laws

The By-Laws may be altered, amended or added to at any duly called meeting of the Unit Owners provided that:

(a) Notice of the meeting shall contain a statement of the proposed amendment.

(b) If the amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the Unit Owners present in person or by proxy at such meeting.

(c) If the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of the voting members casting not less than two-thirds (2/3) of the total votes of the Unit Owners present in person or by proxy at the meeting.

(d) Said amendment shall be recorded and certified as required by the Condominium Act. Notwithstanding anything above

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to the contrary, until one of the events in Article XXIV, Section 24.01 of the Declaration of Condominium occurs, these By-Laws may not be amended without a prior resolution requesting the said amendment from the Board of Directors.

(e) Notwithstanding the foregoing, no amendment to these By-Laws may at any time be adopted or become effective which shall abridge, amend or alter the rights of the Developer, its successors or assigns, without having obtained the prior written consent to such amendment by the Developer, its successors or assigns. Additionally, no amendments shall be made which shall modify in any manner the rights or duties of the owner of a commercial unit without the consent of the owner thereof. Provided however, in the event this provision is held invalid for any reason by a court of competent jurisdiction, any such amendment shall require the affirmative consent of 90% of the members of the Association.

ARTICLE SIXTEEN

Construction

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or become unenforceable at law or in equity, the remaining provisions (or portions thereof) of this instrument shall nevertheless be and remain in full force and effect.

Headings are provided herein for convenience purposes only and shall not be construed for interpreting the meaning of any provisions of these By-Laws.

ARTICLE SEVENTEEN

Voluntary Arbitration

All internal disputes arising from the operation of the Condominium among the Unit Owners, Association and their agents and assigns, shall be subject to voluntary binding arbitration in accordance with rules, regulations and provisions adopted from time to time by the Division or as may be otherwise provided by law.

The foregoing were adopted as the By-Laws of THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., at the first meeting of its Board of Directors.

APPROVED:

Secretary

President

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CONSENT OF MORTGAGEE

916 CHESTNUT STREET ENTERPRISES, a Pennsylvania corporation (the "Mortgagee") is the owner and holder of that certain mortgage dated March 28, 1986 (the "Mortgage") executed by HOLLYWOOD BEACH ASSOCIATES, a Florida General Partnership and by HOLLYWOOD SEASIDE ASSOCIATES, a Florida General Partnership, said Mortgage recorded April 7, 1986, in Official Records Book 12306, at Page 715, of the Public Records of Broward County, Florida.

The Mortgagee hereby consents to the filing of the Declaration of Condominium for THE HOLLYWOOD BEACH, a Resort Condominium and the Mortgagee agrees that the lien of the Mortgage, to the extent of its encumbrance upon the real property described in Exhibit "A" attached to the Declaration of Condominium, shall be upon all of the condominium units of THE HOLLYWOOD BEACH, a Resort Condominium, and in and to the undivided share in the common elements appurtenant thereto.

Nothing herein contained shall be deemed to or in any way limit or affect the Mortgage held by the Mortgagee or the priority of the lien created thereby and the sole purpose of this Consent of Mortgagee is to acknowledge the consent of said Mortgagee to the filing of the Declaration of Condominium, as hereinabove provided.

EXECUTED this 19th day of June, 1986.

Witnesses:

MORTGAGEE:

916 CHESTNUT STREET ENTERPRISES,
a Pennsylvania corporation

By: [Signature]
SAMUEL RAPPAPORT,
Vice-President

[Signature]
[Signature]

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA)

SS:

The execution of the foregoing Consent of Mortgagee was acknowledged before me this 19th day of June, 1986, by SAMUEL RAPPAPORT, as Vice-President of 916 CHESTNUT STREET ENTERPRISES, a Pennsylvania corporation, on behalf of the corporation.

My Commission Expires:

LINDA R. KOETHE
Notary Public, Phila., Phila. Co.
My Commission Expires Nov. 30, 1987

[Signature]
Notary Public,
Pennsylvania



RECORDED IN THE OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
F. T. JOHNSON
COUNTY ADMINISTRATOR

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EXHIBIT "F"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

**EASEMENT AND MAINTENANCE AGREEMENT FOR ACCESS,
INGRESS, EGRESS AND RECREATIONAL USE**

REC 15383 PM 2008

GKR34072/8S

10-03R2111
2/9/86

EASEMENT AND MAINTENANCE AGREEMENT
FOR ACCESS, INGRESS, EGRESS AND RECREATIONAL USE

THIS AGREEMENT made and entered into this _____ day of July, 1986, by and between THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (hereinafter referred to as the "Association") and HOLLYWOOD BEACH ASSOCIATES, a Florida general partnership (hereinafter referred to as the "Developer").

W I T N E S S E T H:

WHEREAS, the Developer is the owner of that certain property described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Condominium Property"); and,

WHEREAS, the Developer has created or shall cause to be created upon the Condominium Property that certain condominium known as "THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM" (hereinafter referred to as the "Condominium"); and,

WHEREAS, created within the Condominium shall be various Commercial Units which shall be owned and controlled by the Developer; and,

WHEREAS, a portion of that certain Commercial Unit known as "Commercial Unit 100" shall be operated as a health spa, which shall include men's and women's saunas, a whirlpool, men's and women's changing and locker room facilities, and various exercise equipment (hereinafter referred to as the "health spa"); and,

WHEREAS, the Developer is the owner of certain property more particularly described on Exhibit "B" attached hereto and made a part hereof, which property is located adjacent to the Condominium Property and upon which the Developer intends to construct a

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* swimming pool and pool deck area for the non-exclusive use of the Association and its members (hereinafter referred to as the "pool and pool deck area"); and,

WHEREAS, the Developer shall reserve unto itself, its successors and assigns the fee simple interest in all portions of Commercial Unit 100 and the land described in Exhibit "B" attached hereto and made a part hereof; and,

* WHEREAS, the Developer desires to grant in favor of the Association and its members the right of access, ingress, egress and use in and to the health spa and pool and pool deck area (hereinafter sometimes referred to as the "recreational and other commonly used facilities" and/or "facilities"); and,

WHEREAS, the Association is the entity responsible for the preservation, maintenance, repair and upkeep and management of the Condominium Property; and,

WHEREAS, the Association and its members shall be required to pay their pro rata share to the Developer for maintenance, upkeep and use of the recreational and other commonly used facilities, as more particularly set forth herein.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Representations. The representations as set forth above are true and correct and are made a part hereof.
2. Terms. The terms not otherwise defined herein shall have the meanings as set forth in the Declaration of Condominium for the Condominium Property if so defined, unless the context clearly requires otherwise.

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3. Easements in Favor of the Association and its Members

for Use of the Health Spa and Pool and Pool Deck Area. The Developer does hereby grant, declare, create and establish in favor of the Association and each member of the Association, jointly and severally, easements over all portions of the Condominium Property which are designated as Commercial Units and, in particular, portions of Commercial Unit 100 as may be necessary to have access to recreational and other commonly used facilities. The Developer does hereby further grant, declare, create and establish in favor of the Association and each member of the Association, jointly and severally, an easement of access, ingress, egress, use and enjoyment of that certain area designated as the health spa pursuant to the Survey, Plot Plan and Graphic Description of Improvements of the Condominium attached as Exhibit "B" to the Declaration of Condominium for the Condominium and an easement of access, ingress, egress, use and enjoyment upon that certain property described on Exhibit "B" attached hereto for use of the pool and pool deck area. Such easements and use rights shall be non-exclusive unto the Association and its members. It is understood and agreed that the easements set forth herein shall also run in favor of the immediate family members of each member of the Association, guests who are in residency at the Condominium Property, and/or tenants who are in residency at the Condominium Property. For the purposes hereof, "immediate family member" shall be deemed to mean the spouse and/or children of each member. It is understood and agreed that each member shall be entitled to bring guest(s) to utilize the facilities provided, however, that such the use of the facilities by any guest(s) may be subject to guest fees as may be established from time to time by the Developer in its sole discretion.

The foregoing easements shall be specifically subject to rules and regulations as may be established and adopted from time to time by the Developer in its sole discretion and shall be further conditioned upon payment by the Association and its members of its proportionate share of the costs and expenses in-

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curred in the operation, maintenance and management of such facilities as referenced herein, pursuant to the terms and conditions hereinafter set forth. It is specifically understood and agreed that the Developer, its successors and assigns shall have the full right and authority to control and manage the facilities, subject to the easements herein granted. In this regard, it is specifically understood that the Developer, its successors and assigns shall be entitled to the exclusive benefit of all commercial enterprises conducted at either the health spa or pool and pool deck area, and the easements granted herein are merely for the purpose of use and enjoyment of such facilities. It is further understood that the Developer, its successors and assigns may, in its sole discretion, grant use rights in such facilities to third persons, firms and entities upon such terms and conditions as the Developer may, in its sole discretion, deem appropriate. It is also understood that the Developer, at its option, may expand the facilities for which easement rights have been granted herein, and, in such event, the terms of this Agreement shall apply equally with respect to the added facilities.

4. Maintenance Obligations of the Association With Respect to the Health Spa and Pool and Pool Deck Area. As a condition of use of the easements granted herein for the facilities, the Association shall be required to pay assessments that shall be established from time to time by the Developer and approved by the Association as described herein. Such assessments shall be directly related to the facilities described herein and shall include the costs and expenses for maintenance, repair and operation of such facilities, including, but not necessarily limited to, utilities, labor expenses, including federal and state employee and employers taxes associated therewith, insurance, and reasonable reserves for replacement. In this regard, it is understood that the Association shall be responsible for one hundred (100%) percent of all expenses incurred in the maintenance, management, repair and operation of the health spa and

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the pool and pool deck area so long as the Developer controls and operates the facilities. It is understood that the Developer shall have the right to transfer the operation, maintenance, management, repair and operation of such facility(ies) to an independent entity, and, in such event, the Association shall be responsible for only seventy-five (75%) percent of all expenses incurred, and the owner or operator of such facility(ies) shall be responsible for all expenses not borne by the Association. In this regard, it is also understood that the Developer may transfer control and management of all or any portion of the facilities, and the Association's obligation for expenses shall be reduced as set forth herein only with respect to the portion of the facilities for which the Developer is no longer controlling and managing.

For all years subsequent to the first fiscal year of the Association (the first fiscal year being the period commencing June 1, 1986 through May 31, 1987, or such other fiscal year as may be adopted by the Association as the first fiscal year), the Developer shall provide to the Association on or before sixty (60) days prior to the end of any such fiscal year an estimated operating budget for the health spa and pool and pool deck area as set forth herein, for the expenses described above for the ensuing year of the Association, together with a statement of expenditures for all such expenses incurred by the Developer in the maintenance of such areas for the preceeding fiscal year of the Association. The Association shall have thirty (30) days from the delivery of said notice by the Developer in which to approve or reject the budget provided by the Developer, or, in the alternative, to suggest an alternative budget. Failure of the Association to respond, in writing, within said thirty (30) day period shall be deemed to be an approval by the Association of the assessment. In the event the budget as proposed by the Developer is not approved by the Association as set forth herein, the Association shall continue to pay the assessments applicable for the previous year. The Developer shall in its sole discretion be entitled to increase the total assessment by a sum

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not to exceed fifteen (15%) percent of the previous years assessments until such budget has been approved by the Association in order to cover any projected deficits.

In the event the Developer shall, at any time (except during the first fiscal year of the Association) determine that the estimated amount assessed to the Association for use of the facilities is insufficient to pay the actual maintenance cost thereof (including reserves), the Developer shall immediately notify the Association of the deficit and request the Association to approve a special assessment in order to pay the deficit. The Association shall approve or reject the special assessment within fifteen (15) days of delivery of notice thereof by the Developer. Failure of the Association to respond in writing within the fifteen (15) day period shall be deemed to be an approval of the Association of the assessment. The special assessment shall be payable by the Association within thirty (30) days of approval, as provided for herein.

All payments (except special assessments, which are due as provided for in the notice of special assessment) required to be made hereunder by the Association to the Developer, shall be payable by the Association on a monthly basis, all payments due in advance on the first day of each month. In connection herewith, it is understood that the Association shall have an affirmative obligation to assess each member of the Association for such member's share of the expenses for maintenance of the facilities in the same manner as the Association assesses Unit Owner for condominium maintenance fees and special assessments.

Notwithstanding anything contained herein to the contrary, the Developer shall not be required to subsidize any deficits caused by an insufficiency in the budget, including but not limited to a failure by the Association to approve any operating budget proposed by the Developer or to approve any special assessment proposed by the Developer. In this regard it is understood that the Developer, its successors and assigns shall not be liable to the Association nor any member of the Association for a lack of adequate service or for failure to properly

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maintain the facilities in the event the Association fails to approve the budget proposed by the Developer or any special assessment.

5. Failure to Pay Assessments. In the event the Association shall fail to pay the assessments established and assessed in accordance with the terms hereof, or shall fail to pay such other sums as may be due and payable in accordance with the terms of this Agreement, the Association shall be deemed to be in default and the Developer may notify the Association of the suspension of the privilege to use and enjoy the facilities referenced herein together with such other easements for access, ingress, egress and use as are described herein. Upon delivery of such notice, the Association and all unit owners shall thereafter be denied access to the facilities and such easement rights as are otherwise described herein until such time as all arrears and assessments and other financial obligations set forth herein have been paid in full. In the event of the failure to pay any assessments or other charge due hereunder when due, the Developer shall be entitled to charge and collect interest on such unpaid assessments or other sums from the date due, at the highest lawful rate of interest allowable under Florida law.

The Developer shall have a lien against the Association and shall further have a lien, jointly and severally, on each condominium parcel in the Condominium for unpaid assessments and other charges, with interest thereon and for reasonable attorneys fees incurred by the Developer incident to the collection of the assessment or other charge and the enforcement of any lien. The lien shall be effective from and after the recording of a Claim of Lien in the Public Records of Broward County, Florida. The Developer may bring an action in its name to foreclose a lien for assessments or other charges in the manner a mortgage on real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments or charges without waiving any Claim of Lien. The remedies provided herein shall be non-exclusive and cumulative and shall not exclude any other

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remedy available to the Developer by this Agreement, law or otherwise.

6. Assignment. It is understood that the Association shall not assign its rights or obligations under this Agreement, or any part hereof, without the prior written consent of the Developer.

The Developer may assign its rights and/or obligations under this Agreement. In connection with any assignment herein, the Developer shall be relieved of all obligations for compliance with the terms, conditions and provisions of this Agreement. The Developer may designate a manager to perform management services with respect to the facilities described herein.

Notwithstanding anything contained herein to the contrary, the Developer may assign its rights under this Agreement to an institutional mortgagee, and, in connection with any such assignment, such institutional mortgagee shall not be required to assume the terms and conditions of this Agreement nor shall the Developer be relieved of any of its obligations for compliance with the terms, conditions and provisions hereof.

7. Subordination. This Agreement, and all rights granted by Developer in connection herewith, is subject to and is hereby declared to be subordinate to the mortgage of any Institutional Mortgagee, as that term is defined in the Declaration of Condominium, encumbering any condominium unit within the Condominium Property. The Association agrees to execute any and all documents or instruments necessary to effectuate said subordination, including the execution of one or more subordination agreements in favor of any party designated by Developer specifically subordinating the rights of Association and all unit owners under this Agreement to such lender.

8. Waiver. The failure of the Developer to declare any default immediately upon occurrence thereof or delay in taking any action in connection therewith shall not waive such default,

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but Developer shall have the right to declare any such default at any time and take such action as might be lawful or authorized thereunder, either in law or in equity.

9. Notices. In every instance where it shall be necessary or desirable for the Developer to serve any notice or demand upon Association, it shall be sufficient:

a. To deliver or cause to be delivered to the Association at the Condominium Property a written printed copy thereof, in which event the notice or demand shall be deemed to have been served at the time the copy is so delivered; or,

b. To send a written or printed copy thereof by United States certified mail, postage prepaid, addressed to the Association at the Condominium Property in which event the notice or demand shall be deemed to have been served at the time the copy is deposited in the United States mail, postage prepaid.

10. Miscellaneous Provisions.

a. The terms and provisions set forth in this Agreement shall be deemed to be covenants running with the land, and shall bind all of the parties hereto, as well as their successors in interest, their heirs, administrators and assigns.

b. This Agreement shall be governed by and shall be interpreted in accordance with the laws of the State of Florida.

c. It is understood and agreed that the Association shall have the full right and authority to deal with the Developer with respect to the conditions and provisions of this Agreement, and all members of the Association shall be fully bound thereby.

d. In the event of any litigation arising out of any of the terms or provisions of this Agreement, the prevailing party shall be entitled to recover all costs and reasonable attorneys fees, including all costs and attorneys fees incurred on any appeal.

e. This Agreement represents the entire agreement between the parties and may only be amended or modified by another Agreement signed by the party intended to be bound.

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11. Term. This Agreement shall be effective upon recordation of the Declaration of Condominium for THE HOLLYWOOD BEACH, a Resort Condominium, and shall continue in full force and effect and shall run concurrently with the existence of the Condominium and shall terminate upon the termination of the Condominium as provided pursuant to the Declaration of Condominium.

12. Covenant Running with the Land. The rights, easements, obligations and agreements set forth herein shall be a covenant running with the properties described herein upon the Association and its members and the Developer and its respective successors, assigns, licensees, grantees and designees and such rights, easements, agreements and maintenance obligation shall be enforceable in law or equity.

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

THE HOLLYWOOD BEACH RESORT
CONDOMINIUM ASSOCIATION, INC.,
a Florida corporation not for
profit

BY: _____
WARREN RAPKIN

HOLLYWOOD BEACH ASSOCIATES, a
Florida general partnership

BY: HOLLYWOOD BOARDWALK, INC.,
a Florida corporation,
General Partner

BY: _____
DIANE BIRDMAN, President

STATE OF FLORIDA)
) ss.
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared WARREN RAPKIN, as President, of THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, to me known and known to me to be the officer who executed the foregoing instrument, and he duly acknowledged before me that he executed the same freely and voluntarily as the act and deed of said corporation.

WITNESS my hand and official seal in the County and State aforesaid, this _____ day of July, 1986.

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EXHIBIT "A"



BERRY & CALVIN
LAND SURVEYORS 923-6588
CIVIL ENGINEERS 921-7781
3129 NORTH 29th AVENUE • HOLLYWOOD, FLORIDA 33020
MIAMI (305) 371-2180/FORT LAUDERDALE (305) 622-1332

An undivided 90.731707 interest in the following described property:

**HOLLYWOOD BEACH HOTEL
DESCRIPTION OF MAIN BUILDING**

A portion of Lot 2, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of S.88°25'12"W. along the north line of Lot 2 a distance of 1.75 feet; thence, S.1°23'11"E. 12.50 feet to a Point of Beginning being the northeast corner of the structure of the existing building; thence, S.88°41'45"W. along said structure 36.30 feet; thence, S.1°18'15"E. 77.10 feet; thence, S.88°41'45"W. 28.30 feet; thence, N.1°18'15"W. 15.20 feet; thence, S.88°41'45"W. 18.20 feet; thence, S.1°18'15"E. 15.20 feet; thence, S.88°41'45"W. 94.80 feet; thence, S.1°18'15"E. 69.90 feet; thence, S.88°41'45"W. 37.51 feet; thence, S.1°47'44"E. 412.87 feet; thence, N.88°12'16"E. 45.50 feet; thence, S.1°47'44"E. 57.00 feet; thence, N.88°12'16"E. 2.80 feet; thence, N.1°47'44"W. 2.30 feet; thence, N.88°12'16"E. 13.10 feet; thence, S.1°47'44"E. 1.40 feet; thence, N.88°12'16"E. 15.50 feet; thence, S.1°47'44"E. 5 feet; thence, N.88°12'16"E. 23.40 feet; thence, N.1°47'44"W. 5 feet; thence, N.88°12'16"E. 2.50 feet; thence, N.1°47'44"W. 1.60 feet; thence, N.88°12'16"E. 105.50 feet; thence, N.1°42'54"W. 54.40 feet; thence, S.88°17'06"W. 0.80 feet; thence, N.1°42'54"W. 126.20 feet; thence, N.88°17'06"E. 1.90 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.88°28'02"E. 3 feet; thence, N.1°31'58"W. 31.50 feet; thence, S.88°21'02"W. 3 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.1°42'54"W. 57.80 feet; thence, S.88°19'33"W. 2 feet; thence, N.1°40'27"W. 126.30 feet; thence, N.88°19'33"E. 1 foot; thence, N.1°23'11"W. 158.63 feet to the Point of Beginning.

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

MEB

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EXHIBIT "B"

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF POOL AREA

A portion of Lot 1 and a portion of Broad Walk, according to the Plat of "RE-SUBDIVISION OF BLOCK "E", HOLLYWOOD BEACH", as recorded in Plat Book 7, Page 55, of the Public Records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of Lot 2 of said "RE-SUBDIVISION of BLOCK "E", HOLLYWOOD BEACH"; thence, on an assumed bearing of $N.88^{\circ}25'12"E.$ on the easterly extension of the north line of said Lot 2 a distance of 112.20 feet; thence, $S.3^{\circ}14'49"W.$ along the east line and along an extension of the east line of said Lot 1 a distance of 124.16 feet to a Point of Beginning; thence continue $S.3^{\circ}14'49"W.$ along said east line 234.83 feet; thence, $S.88^{\circ}25'12"W.$ 74.01 feet; thence $N.1^{\circ}40'27"W.$ 234 feet; thence, $N.88^{\circ}25'12"E.$ 94.16 feet to the Point of Beginning.

GKR34072/10S

OFF 13593Pg 521

EXHIBIT "G"

THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE HOLLYWOOD BEACH HOTEL**

GKR34072/4S

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EXHIBIT C

THIS INSTRUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:

Jonathan Cohen, Esq.
Weiss, Seidman, Hoffmann, Pastorek, Cole & Borstein, P.L.
2525 Ponce de Leon Blvd., Suite 700
Coral Gables, Florida 33134

Tax Folio No. [REDACTED]

NOTE: THIS IS UNENCUMBERED PROPERTY AS AN AFFILIATE ENTITY NO DOCUMENTARY STAMPS ARE DUE.

QUIT-CLAIM DEED

THIS QUIT CLAIM DEED, executed this 26th day of September, 2011, from OCEAN WALK MALL LLC, a New York limited liability company, whose mailing address is c/o Heller Realty, 745 Fifth Avenue, New York, NY 10151, hereinafter referred to as "Grantor", and COMMERCIAL UNIT 200 LLC, a Florida limited liability company, whose mailing address is 101 N Ocean Drive, Hollywood, Florida 33019, hereinafter referred to as "Grantee".

(Wherever used herein, the terms Grantor and Grantee include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of Corporations.)

WITNESSETH, That the said Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS, and other good and valuable considerations, in hand paid by the said Grantee, the receipt whereof is hereby acknowledged, does hereby remise, release and quit claim unto the said Grantee forever, all the right, title, interest, claim and demand which the said Grantor has in and to the following described lot, piece or parcel of land, situate, lying and being in Broward County, Florida, to-wit:

Condominium Unit No. Commercial Unit 200 of THE HOLLYWOOD BEACH, a Resort Condominium, according to the Declaration of Condominium thereof, as recorded in Official Records Book 13593, at Page 406, of the Public Records of Broward County, Florida, together with an undivided interest in the common elements appurtenant thereto.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever of the said Grantor, either in law or equity, to the only proper use, benefit and behalf of the said Grantee forever.

THIS INSTRUMENT PREPARED BY AND
AFTER RECORDING RETURN TO

Jonathan Cohen, Esq.
Weiss Serota Helfman Pastorek Cole & Bunick, P.L.
2725 Ponce de Leon Blvd., Suite 700
Coral Gables, Florida 33134

Tax Folio No. [REDACTED]

NOTE: THIS IS UNENCUMBERED PROPERTY AS AN AFFILIATE ENTITY NO DOCUMENTARY STAMPS ARE DUE.

QUIT-CLAIM DEED

THIS QUIT CLAIM DEED, executed this 26th day of September, 2011, from OCEAN WALK MALL LLC, a New York limited liability company, whose mailing address is c/o Heller Realty, 745 Fifth Avenue, New York, NY 10151, hereinafter referred to as "Grantor", and COMMERCIAL UNIT 100 LLC, a Florida limited liability company, whose mailing address is 101 N Ocean Drive, Hollywood, Florida 33019, hereinafter referred to as "Grantee".

(Wherever used herein, the terms Grantor and Grantee include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of Corporations.)

WITNESSETH, That the said Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS, and other good and valuable considerations, in hand paid by the said Grantee, the receipt whereof is hereby acknowledged, does hereby remise, release and quit claim unto the said Grantee forever, all the right, title, interest, claim and demand which the said Grantor has in and to the following described lot, piece or parcel of land, situate, lying and being in Broward County, Florida, to-wit:

Condominium Unit No. Commercial Unit 100 of THE HOLLYWOOD BEACH, a Resort Condominium, according to the Declaration of Condominium thereof, as recorded in Official Records Book 13593, at Page 406, of the Public Records of Broward County, Florida, together with an undivided interest in the common elements appurtenant thereto.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever of the said Grantor, either in law or equity, to the only proper use, benefit and behalf of the said Grantee forever.

K:\DOC5(2)17001\110295288.ncc

EXHIBIT D

OCEANWALK MALL

LEASE

by and among

Commercial Unit 100, LLC, a Florida limited liability company, and
Ocean Walk Mall, LLC, a Florida limited liability company

(collectively, "**Landlord**")

and

Hollywood Beach Hotel Owners Association, Inc., a Florida corporation not for
profit and The Hollywood Beach Resort Condominium Association, Inc., a
Florida corporation not for profit
(collectively, "**Tenant**" or "**Associations**")

for

Premises:

101 North Ocean Drive
Hollywood, Florida 33019

Front Desk with adjacent office space (Unit 115)

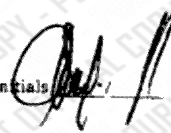
Laundry and attached storage space presently used by current tenant (Unit 120)

O'Malleys restaurant space (Located on the Beachfront Lot)

Kitchen Space currently used by O'Malleys

Storage and Office space presently used as a sales office for time shares
(collectively, the "**Premises**")

All as shown on the plan annexed hereto



Center: Oceanwalk Mall - Hollywood, Florida

Landlord: Commercial Unit 100, I.I.C and Ocean Walk Mall, LLC

Landlord's Address: 101 North Ocean Drive, suite 103
Hollywood, Florida 33019

Tenant: Hollywood Beach Hotel Owners Association, Inc. and
The Hollywood Beach Resort Condominium Association, Inc.

Tenants Address: 101 N. Ocean Drive, #8, Hollywood, Florida 33019

Guaranty: None

Premises: Front desk space and office space behind front desk ("**Front Desk/ Offices**")

Laundry space and storage space presently used by current tenant ("**Laundry**")

Restaurant and bar space currently occupied by O'Malleys restaurant ("**Patio Bar**")

Kitchen space currently used by O'Malleys ("**Kitchen**")

Storage space presently used by O'Malleys and office space presently used as a sales office of time shares ("**Storage**")

All spaces are as shown on the plan annexed hereto as Exhibit A and are collectively referred to as the "**Premises**".

Tenant's Use: As provided in Section 1.3

Initial Lease Term: Approximately Fifteen (15) Years

Renewal Options: None

Fixed Annual Rent: \$504,396.00 Annual
\$42,033.00 Monthly
Subject to Article 4.2

Security Deposit: None

Construction Allowance: None

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made this 13th day of July, 2012, by and between Commercial Unit 100, L.L.C., a Florida limited liability company, and Ocean Walk Mall, L.L.C, a Florida limited liability company, both having a mailing address of c/o Radiant Partners, 145 W. 45th Street, New York, New York 10036 (hereinafter referred to as "**Landlord**") and Hollywood Beach Hotel Owners Association, Inc., a Florida corporation not for profit, and The Hollywood Beach Resort Condominium Association, Inc., a Florida corporation not for profit, jointly and severally, having a mailing address at 101 N. Ocean Drive, #8, Hollywood, Florida 33019 (hereinafter collectively referred to as "**Tenant**" or "**Associations**").

WITNESSETH THAT, in consideration of the rents, covenants and agreement, hereinafter set forth, such parties enter into the following agreement:

ARTICLE I – LEASED PREMISES

1.1 PREMISES: Landlord hereby leases to Tenant and Tenant hereby rents from Landlord the Premises as shown on Exhibit A. Notwithstanding anything to the contrary contained in this Lease, the Premises shall be as same is shown on the attached plan.

- (a) Tenant acknowledges that the a portion of the Premises constitutes a part of Commercial Unit 100 at The Hollywood Beach, a Resort Condominium (hereinafter called the "**Condominium**") located at 101 North Ocean Drive, Hollywood, Florida, 33019. The term "**Building**" shall mean that certain building with an address of 101 North Ocean Drive, Hollywood, FL 33019. The term "**Mall**" shall include: (a) the first floor of the Building (known as Unit C-100 at the Condominium); (b) the second floor of the Building known as Unit C-200 at the Condominium); and (c) certain surrounding exterior portions of the Building.
- (b) This Lease and all rights of Tenant hereunder are and shall also be subject and subordinate in all respects to the Association Documents (as hereinafter defined in this Article), any other matter from now and hereinafter in force and effect and arising out of, under, or in connection with the Association Documents, and all rights of the Association Boards (as hereinafter defined in this Article) and others pursuant to the Association Documents. Tenant acknowledges that it has been provided with copies of and has reviewed the Association Documents. This paragraph shall be self-operative, and no further instrument of subordination shall be required. However, in confirmation of such subordination, Tenant shall promptly execute and deliver any instrument that Landlord, the Association Boards, any officer of the Tenant, or any of their respective successors in interest may reasonably request to evidence such subordination. For purposes of this Lease, the phrase "**Association Documents**" shall mean (i) Declaration of Covenants, Conditions and Restrictions for The Hollywood Beach Hotel, recorded at Official Records Book 13593, Page 523, of the Public Records of Broward County, Florida, and (ii) Declaration of Condominium Establishing The Hollywood Beach, A Resort Condominium, recorded at 13593, Page 406, of the Public Records of Broward County, Florida, both as same may be amended from time to time, including all exhibits annexed thereto and all amendments thereto. The Associations are governed by their own separate Boards of Directors (collectively, the "**Association Boards**").
- (c) Tenant agrees that, in those circumstances where both the Landlord shall have an obligation to Tenant pursuant to this Lease and the Associations shall have a corresponding obligation to Landlord, Landlord shall have no liability to Tenant for its failure to observe or perform such obligations for Tenant's behalf if, and to the extent, the Associations shall fail to observe or perform the corresponding obligation for Landlord's behalf. Further, in those circumstances where the consent of Landlord is required under the Lease and the Associations shall have a corresponding right of consent, Landlord shall

have no liability to Tenant for its failure to consent for Tenant's behalf if and to the extent the Associations shall fail to consent for Landlord's behalf. Tenant acknowledges and agrees that under no circumstances shall Landlord be liable to Tenant for any act or omission of the Associations or anyone acting through or on behalf of the Associations.

1.2 **CONDITION OF PREMISES:** Tenant accepts the Premises in its "as-is" condition. Landlord shall not be required to perform any work whatsoever to the Premises. The taking of possession of the Premises by TENANT shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was taken. Landlord makes no warranty or representation to Tenant concerning the condition thereof. Except as may be otherwise provided in this Lease, Tenant shall not perform any alterations to the Premises without obtaining Landlord's prior written approval which may be withheld in Landlord's sole discretion. Tenant, at its own cost and expense shall comply with all statutes, ordinances, rules, orders, regulations and requirements of the federal, state and local governments and of any and all other departments and bureaus applicable to the Premises in connection with any work, repairs, use or operation of, upon or connected with the Premises.

1.3 **USE:** The Premises shall be used as follows, and for no other purpose, provided same is in compliance with all applicable laws and the Association Documents:

Front Desk/ Offices - for hotel guest check-in, hotel operations, guest check in for time share and condominium use, sales and promotional activities associated with hotel, bookings for conventions and meetings, time share bookings, valet parking services, administrative offices associated with hotel operations selling of tours and other vacations services

Laundry - laundry facility for use in connection with the condominium rental program (not to be used by the public) and storage ancillary to the laundry facility.

Patio Bar - a restaurant and bar, however, in the event that Tenant seeks to change the type of restaurant, such space cannot be changed to a type of restaurant substantially similar to any restaurant then operating in the Mall. Additionally, Tenant shall deliver prior written notice to Landlord upon any proposed change in the type of restaurant.

Kitchen - kitchen use ancillary to Patio Bar.

Storage - storage and office use ancillary to Patio Bar.

1.4 **RESTRICTIONS:** The Tenant cannot engage in the buying or selling of Real Estate to include, residential, commercial, land, apartments, houses, condominiums, and timeshare *on the Premises.*

1.5 **LANDLORD PARTIES:** The parties acknowledge that: (a) a portion of the Premises is located in Unit 100 of the Condominium; (b) a portion of the Premises is located on the Beachfront Lot; (c) Unit 100 of the Condominium is owned by Commercial Unit 100, LLC and (d) the Beachfront Lot owned by Ocean Walk Mall LLC. Commercial Unit 100, LLC shall only be responsible for the Landlord obligations with regard to the portion of the Premises located in Unit 100 (with no obligations relating to the portion of the Premises located on the Beachfront Lot) and Ocean Walk Mall LLC shall only be responsible for the Landlord obligations with regard to the portion of the Premises located on the Beachfront Lot (with no obligations relating to the portion of the Premises located in Unit 100).

ARTICLE II - DEMISE OF PREMISES AND TERM

2.1 **TERM:** Landlord leases the Premises to Tenant for a term of approximately Fifteen (15) years commencing on the date that a fully executed counterpart of this Lease and the Premises are delivered to Tenant free and clear of all occupants and Tenants (the "Commencement Date"); and expiring on the last day of the fifteenth Lease Year (the "Expiration Date") upon and subject to the terms, covenants and conditions set forth herein. The period from the Commencement Date until the Expiration Date shall be referred to as the "Term". The obligation to pay rent and all other charges shall commence on the Commencement Date. Tenant acknowledges that the Premises is currently occupied by

another Tenant pursuant to a lease(s) that contain cancellation clauses that may be exercised by Landlord.

2.2 LEASE YEAR. The term "Lease Year" when used in this Lease shall mean for the first Lease Year, the period from the Commencement Date until the last day of the month immediately prior to the month in which the one-year anniversary of the Commencement Date occurs, and in each subsequent Lease Year, each subsequent period of twelve months. Fixed Annual Rent for the first Lease Year shall be proportionately adjusted to reflect that such period may be shorter than 365 days.

ARTICLE III - SECURITY DEPOSIT

3.1 Tenant has concurrently with the execution of this Lease deposited with Landlord the sum of \$0 Dollars, (hereinafter referred to as the "Security Deposit") as security for the full performance of every provision of this Lease by Tenant. In the event that Tenant is required to post a Security Deposit pursuant to the terms of this Lease, the following provisions shall apply. Landlord may apply all or any part of the Security Deposit to offset any damages, beyond normal wear and tear to the Unit and to cure any default by Tenant including any rent or other charges that are delinquent. Under no circumstances whatsoever shall the Security Deposit be deemed to constitute payment of the final installment of Fixed Annual Rent, and Tenant may not designate that the Security Deposit be utilized to reduce any other charges due to Landlord at any time during the Term of this Agreement. The security deposit shall be maintained by the Landlord for a maximum of thirty days after the expiration of the term or earlier termination of this agreement, at which time any unused portion of the Security Deposit shall be refunded to Tenant.

ARTICLE IV - RENT/TAX PAYMENT

4.1 The Fixed Annual Rent during the first Lease Year (prorated in the event the first Lease Year is less than 365 days) shall be \$504,396.00 per annum, \$42,033.00 per month, which shall be payable monthly on the first day of each month during the Term. On or before the Commencement Date, Tenant shall pay to the order of Landlord, by certified/bank funds, the sum of \$42,033.00, which shall be applied to the Fixed Annual Rent due under this Lease for the first thirty days.

4.2 (A) For purposes of this Article, "Common Charges" shall mean the Association's monthly common charges attributable to Commercial Unit 100 and Commercial Unit 200. "Base Year Common Charges" shall mean the Association's monthly common charges attributable to Commercial Unit 100 and Commercial Unit 200 at the time of the execution of this Lease.

(i) On the first day of each Lease Year, beginning with the second Lease Year, the then current Fixed Annual Rent shall increase by The Percentage (as hereinafter defined). The Percentage shall equal the percentage by which the Common Charges increased during the change in Common Charges that occurred most recently prior to the first day of the Lease Year in question. By way of example for illustration purposes only, if the Commencement Date of the Lease occurs on August 1, 2012 and Common Charges are adjusted as of the first day of each April, the Fixed Annual Rent shall increase on August 1, 2013 by the same percentage that Common Charges increased from April 1, 2012 to April 1, 2013 (if the Common Charges were adjusted from \$20,000 to \$22,000, the Percentage would be 10% as calculated by dividing \$2,000 by \$20,000). In no event shall the Fixed Annual Rent in any Lease Year be lower than the Fixed Annual Rent during the immediately prior Lease Year.

(ii) Notwithstanding anything contained herein to the contrary, in the event that the Common Charges fall below the Base Year Common Charges, then if there is a subsequent increase in Common Charges during any Lease Year, only 50% of the increase up to the Base Year Common Charges shall be considered when calculating the Percentage, and the portion of the Percentage attributable to an increase up to the Base Year Common Charges shall in no event be greater than 3%. By way of example for illustration purposes only continuing the example above, if on April 1, 2014 Common Charges are adjusted to \$19,000, the Fixed Annual Rent would neither increase nor decrease on August 1, 2014. If on April 1, 2015, Common Charges are further adjusted to \$22,000, the Fixed Annual Rent on August 1, 2015 would increase by 13.16%, calculated by adding 2.63% (half of \$1,000 divided by

\$19,000) and 10.53% (\$2,000 divided by \$19,000). By way of further example, if on April 1, 2014 Common Charges are adjusted to \$17,000, the Fixed Annual Rent would neither increase nor decrease on August 1, 2014. If on April 1, 2015, Common Charges are further adjusted to \$22,000, the Fixed Annual Rent on August 1, 2015 would increase by 14.76%, calculated by adding 3% (half of \$3,000 divided by \$17,000 equals 8.82%, however such number is reduced to the 3% cap) and 11.76% (\$2,000 divided by \$17,000).

(B) Additionally, at any time that there is any assessment, special assessment, fees, or other monies due from Commercial Unit 100 and/or Commercial Unit 200 to the Associations, other than (i) Common Charges and (ii) amounts due from Commercial Unit 100 and/or Commercial Unit 200 as fines and/or penalties as a result of failure to comply with the Association Documents (collectively, "Assessments"), the Fixed Annual Rent shall increase as follows:

During any month in which there are any Assessments that are due and payable which are 0% up to and including 10% of the Common Charges, the Fixed Annual Rent shall increase by 0% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 10% up to and including 30% of the Common Charges, the Fixed Annual Rent shall increase by 5% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 30% up to and including 50% of the Common Charges, the Fixed Annual Rent shall increase by 10% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 50% up to and including 70% of the Common Charges, the Fixed Annual Rent shall increase by 15% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 70% up to and including 90% of the Common Charges, the Fixed Annual Rent shall increase by 20% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are 90% or greater of the Common Charges, the Fixed Annual Rent shall increase by 25% of the Common Charges.

For example for illustration purposes only, if on December 31, 2012 there is a \$30,000 assessment payable over the next three months at \$10,000 each month and the common charges are then \$20,000 per month, then the Fixed Annual Rent for January through March, 2013 will be increased by \$2,000 (The \$10,000 per month Assessment is 50% of the \$20,000 per month Common Charges. Thus, the Fixed Annual Rent, for such month will increase by \$2,000 or 10% of \$20,000.). Under such illustration, in April 2012 there would be no increase in the Fixed Annual Rent under this Article 4.2(B).

4.3 SALES, USE AND RENT TAXES, PERSONAL PROPERTY TAXES:

Tenant shall pay before delinquency all personal property taxes and assessments on the furniture, fixtures, equipment, and other property of Tenant located in the Premises and on additions and improvements in the Premises belonging to the Tenant. Tenant shall pay, as Additional Rent, during the term of this Lease, all shares and/or use tax assessed against the rent stated herein by governmental authority, even though the taxing statute or ordinance may purport to impose such sales tax against the Landlord. Tenant expressly acknowledges that all rents under this Lease are subject to a State Tax and Broward County Tax. The payment of any and all sales and use taxes, including but not limited to, the taxes referenced in the previous sentence, shall be made by Tenant to Landlord on a monthly basis, concurrently with payment of the Fixed Annual Rent.

4.4 TAX ESCALATION:

(A) As used in this Lease:

(i) "Taxes" shall mean the real estate taxes, assessments and special assessments attributable to Unit 100 (Folio # 769489), or the Beachfront Lot (Folio #

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767857), as the case may be, imposed by any governmental bodies or authorities. If at any time during the term of this Lease the methods of taxation prevailing at the commencement of the Term hereof shall be altered so that in lieu of, or as an addition to or as a substitute for the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate and the improvements thereof, there shall be levied, assessed and imposed (a) a tax, assessment, levy or otherwise on the rents received therefrom, or (b) a license fee measured by the rent payable by Tenant to Landlord, or (c) any other such additional or substitute tax, assessment, levy, imposition or charge, then all such taxes, assessments, levies, impositions or charges or the part thereof so measured or based shall be deemed to be included within the term "Taxes" for the purpose hereof.

(ii) "Tax Year" shall mean the fiscal year commencing on January 1 and ending on December 31 (or such other period as hereafter may be duly adopted by the applicable government entity as its fiscal year for real estate tax purposes).

(iii) "Base Tax" shall mean the Taxes for the calendar year 2012.

(B) (i) If the Taxes with regard to Unit 100 for any Tax Year shall be more than the Base Tax for Unit 100, Tenant shall pay as Additional Rent for such Tax Year an amount equal to 8.70% of the amount by which such Taxes for such Tax Year are greater than such Base Tax and if the Taxes with regard to the Beachfront Lot for any Tax Year shall be more than the Base Tax for the Beachfront Lot, Tenant shall pay as Additional Rent for such Tax Year an amount equal to 16.00% of the amount by which such Taxes for such Tax Year are greater than such Base Tax (the total amount payable by Tenant with regard to both units is hereinafter called the "Tax Payment"). The Tax Payment shall be prorated, if necessary, to correspond with that portion of a Tax Year occurring within the term of this Lease. The Tax Payment shall be payable by Tenant within ten (10) days after receipt of a demand from Landlord therefor.

(ii) In the event the Base Tax is reduced as a result of an appropriate proceeding, Landlord shall adjust the amount of Tax Payment due from Tenant for any Tax Year in which Tenant is or was obligated to pay a Tax Payment hereunder, and Tenant agrees to pay the amount of said adjustment on the next rental installment day immediately following receipt of a rent statement from Landlord setting forth the amount of said adjustment.

(C) Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the assessed valuation of the Premises. Should Landlord be successful in any such reduction proceedings and obtain a rebate for periods during which Tenant has paid its share of increases, Landlord shall after deducting its expenses, including attorneys' fees and disbursements in connection therewith, return Tenant's Share of such rebate to Tenant.

(D) With respect to any period at the expiration of the term of this Lease that shall constitute a partial Tax Year, Landlord's statement shall apportion the amount of the Additional Rent due hereunder. The obligation of Tenant in respect to such Additional Rent applicable for the last year of the term of this Lease or part thereof shall survive the expiration of the term of this Lease.

(E) Notwithstanding the fact that the increase in rent is measured by an increase in Taxes, such increase is Additional Rent and shall be paid by Tenant as provided herein regardless of the fact that Tenant may be exempt, in whole or in part, from the payment of any taxes by reason of Tenant's diplomatic or other tax-exempt status or for any other reason whatsoever.

(F) The benefit of any discount for any early payment or prepayment of Taxes shall accrue to the benefit of Landlord and Tenant, and such benefits shall be subtracted from the Taxes payable for any comparative year.

(G) The statements of the Taxes to be furnished by Landlord as provided above shall constitute a final determination as between Landlord and Tenant of the Taxes for the periods represented thereby, unless Tenant within thirty (30) days after they are furnished shall in writing challenge their accuracy or their appropriateness. If Tenant shall dispute said

statements, then, pending the resolution of such dispute, Tenant shall pay the additional rent to Landlord in accordance with the statements furnished by Landlord.

4.5 All amounts payable by Tenant pursuant to this Lease in excess of the amount of Fixed Annual Rent shall be deemed "additional rent" or "**Additional Rent**" for purposes of this Lease. Landlord shall have the same rights and remedies with respect to defaults in the payment of additional rent as Landlord has with respect to defaults in the payment of Fixed Annual Rent.

ARTICLE V – TENANT IMPROVEMENT

5.1 Upon delivery of possession of the Premises by Landlord, subject to the terms of this Lease, Tenant will proceed with due diligence, at its own expense, to perform or cause to be performed any work and alterations desired by Tenant (the "**Tenant's Work**") and to fully equip the Premises with all trade fixtures, lighting fixtures, furniture, furnishings, floor and wall coverings, exterior signs and special equipment and other items of construction and personal property necessary for the completion of the Premises and the proper operation of Tenant's business therein. Tenant's Work shall be performed with materials of good quality and in a proper workmanlike manner and, unless the Landlord gives its prior written consent otherwise, all items installed by Tenant in the Premises shall be new. Tenant shall not perform or cause to be performed any construction work or alterations, nor shall Tenant install or cause to be installed any equipment other than trade fixtures and personal property without first obtaining Landlord's written approval of the plans and specifications therefor. The approval by Landlord of such plans and specifications shall not constitute the assumption of any liability on the part of the Landlord for their accuracy or their conformity with requirements of any building code, or other municipal or governmental regulation or ordinance and Tenant shall be solely responsible for such plans and specifications and compliance of Tenant's Work with all governmental requirements. Prior to commencement of any work upon the Premises by Tenant, Tenant shall deliver to Landlord a certificate of public liability and property damage insurance naming Landlord as additional insured and evidence of Workman's Compensation and Builder's Risk coverage in such amounts as are required by law and are reasonably acceptable to Landlord.

5.2 Tenant's Work:

(i) Tenant agrees to perform all other work which is necessary to make the Premises suitable and ready for occupancy by Tenant. Within sixty (60) days after the execution of this Lease, Tenant shall have completed the following work ("**Tenant's Initial Work**"), which shall be performed (or caused to be performed) by Tenant, at its sole cost and expense, using high quality materials and labor: (1) replace current dutch door; (2) paint all interior wall surfaces with high gloss white paint; (3) install louver door over all exposed shelving and cabinets; (4) paint exposed side of wok with appropriate high gloss, heat resistant paint (5) paint the illuminated menu sign displayed within the Premises; (6) relocate Tenant's refrigerator unit to a location under the counter; (7) provide reasonably attractive containers for condiment storage; and (8) replace all burned out light bulbs in the Premises. It is the purpose of this requirement that the Premises be laid out so as not to be a detriment to the other tenants in the Mall and that the Tenant's Work shall not be detrimental to the Mall.

(ii) All work performed by or on behalf of Tenant shall be performed, at its own cost and expense, in a good and workmanlike manner, in accordance with the provisions of this Lease, and in compliance with all federal, state and local laws, orders, ordinances and rules and regulations, and any other lawful authority having or asserting jurisdiction in the Premises. Tenant shall be responsible at its own cost and expense for obtaining permits and approvals, as well as write-offs and compliance with the other provisions of this Lease.

(iii) Tenant shall install furniture, fixtures and equipment in the Premises, and repair and replace same, as necessary, with items of equal quality and utility, so that at all times the physical condition and appearance of the Premises shall be that commensurate with that of a high quality establishment. Any additions, substitutions and replacements Tenant shall make to such furniture, fixtures and equipment shall be of at least equal quality and utility to the quality and utility of the originally installed furniture, fixtures and equipment. All such furniture, fixtures and equipment shall be paid for fully and delivered and installed into the Premises and remain therein without any lien, security interest or other encumbrance, in favor of any other party.

(iv) At the expiration or sooner termination of the term of this Lease, except with respect to furniture, movable fixtures and equipment, and except as Landlord may elect otherwise, all such installations and equipment made or installed by or for Tenant, including, without limitation, kitchen equipment and duct work, shall be and become the property of Landlord and shall remain upon and be surrendered with the Premises.

(v) Any alterations, installations or improvements, decorating or painting, in and to the Premises, by or on behalf of Tenant, shall be effected and installed in accordance with and pursuant to the following terms and conditions:

(1) Tenant shall furnish Landlord for its approval a complete set of professionally prepared architectural and engineering plans and specifications (the "Plans"). Landlord shall approve such plans and specifications in its reasonable discretion, or return them with advice as to what changes are required for its approval to be forthcoming. In the event such plans and specifications are so returned to Tenant, Tenant shall revise them to incorporate such reasonable changes as are required for Landlord's approval to be forthcoming and shall resubmit such revised plans and specifications to Landlord, promptly after they are returned (unapproved) by Landlord. Such plan approval process shall continue until Landlord has approved a complete set of plans and specifications. No work shall commence thereunder without the written approval of Landlord of said Plans. Said work shall be done by the Tenant in strict accordance with said approved Plans without any deviations therefrom, unless first approved by the Landlord in writing. If Landlord fails to respond to Tenant's request for consent to any Plans submitted by Tenant within fifteen (15) business days after the later of: (i) receipt of a written request for such consent, sent by certified mail, return receipt requested addressed to Landlord which includes the Notice statement in bold capital letters; (ii) fax transmission of the request referred to in this subsection (i) above to Goldberg Weprin Finkel Goldstein, I.L.P, attn: Douglas Taus, Esq. at (212) 221-6350; and (iii) receipt of all documentation and information required in connection with a request for approval for such alterations pursuant to this Article, including, but not limited to, any other references and information reasonably requested by Landlord, Tenant may serve a second such notice in the same manner. If Landlord fails to respond to such second notice from Tenant for consent to such Plans within five (5) business days after said second request, Landlord shall be deemed to have consented to such Plans. For purposes of this section, the term "Notice" shall mean the following text: "PLEASE NOTE THAT PURSUANT TO SECTION 5.2(v)(i) OF THE LEASE, IF YOU FAIL TO RESPOND TO TENANT'S REQUEST FOR CONSENT TO THE WITHIN DESCRIBED PLANS WITHIN FIFTEEN (15) BUSINESS DAYS AFTER RECEIPT OF THIS LETTER, AND YOU FAIL TO RESPOND TO TENANT'S SECOND REQUEST FOR CONSENT TO THE WITHIN DESCRIBED PLANS WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF SUCH SECOND LETTER YOU ARE DEEMED TO HAVE CONSENTED TO SUCH PLANS."

(2) All work shall be effected by contractors and consultants reasonably approved by Landlord and in strict compliance with the aforesaid rules and regulations and with Landlord's rules and regulations thereon. Tenant shall reimburse the Landlord for any expense incurred on account of the failure of the Tenant to comply with any of such requirements.

(3) During the progress of the work to be done by the Tenant hereunder, said work shall be subject to inspection by representatives of the Landlord who shall be permitted access and the opportunity to inspect at all reasonable times.

(4) Landlord shall not be responsible for any structural defect, latent or otherwise, in the Premises or change of conditions elsewhere in the Building or in the Premises, resulting from or arising out of alteration, installation, addition or improvement in or to the Premises by or for Tenant, or for any damage to the building or the Premises or to any person or goods or things contained or placed thereon, therein or in the vicinity thereof.

(5) All work to be performed by Tenant shall be done in a

manner which will not unreasonably interfere with or disturb other tenants and occupants of the Building.

(6) With regard to the Restaurant Space, Tenant, at its sole cost and expense, and in accordance with all governmental regulations, shall install and/or maintain in its kitchen an ansul and/or such other fire protective device as may be reasonably required by Landlord's insurance company and applicable law. Tenant shall further, at its sole cost and expense, be liable and responsible for repairing and cleaning any and all waste drains and pipes in and from the Premises which may become clogged or stopped from any waste or sewage emanating from the Premises. Tenant shall also enter into a contract with a company reasonably approved by Landlord which does twice-a-year inspection and cleaning of said system. If more frequent inspections are required by Landlord's insurance carrier, Tenant shall provide and pay for such additional inspection.

(7) With regard to the Restaurant Space, Tenant shall install and/or maintain at its sole cost and expense, in good order and repair, grease traps, filters and other devices to prevent the accumulation of grease and other foreign substances in the waste lines leading from the Premises and to cause the ducts thereof to be cleaned as often as may be required to keep the same free from grease and other foreign substances to allow them to operate efficiently.

(8) Tenant agrees to conduct its business in such manner that no materially noxious odors shall penetrate from the Premises to any other party of the Mall; and with regard to the Restaurant Space, Tenant shall, at its own cost and expense, install in such area as may be designated by Landlord maintain, keep in thorough good order, repair and maintain in clean condition, a first class ventilating system and kitchen exhaust stack, conforming with all applicable laws and regulations, so that at all times all noxious odors and fumes of any kind and any nature whatsoever emanating from the Premises, shall be removed. If at any time during the term hereof the ventilating system or the kitchen exhaust stack, or the manner of operation of the ventilation system shall be deemed reasonably unsatisfactory to Landlord, Landlord may give Tenant written notice specifying the changes, alterations or repairs to be made to the said kitchen exhaust stack and/or ventilation system, and within thirty (30) days thereafter Tenant shall, at its own cost and expense, alter, repair or replace the kitchen exhaust stack and/or ventilating system in the manner specified by Landlord.

5.3 MECHANICS LIENS - Nothing contained in this Lease shall be construed as a consent on the part of the Landlord to subject the estate of the Landlord to liability under the Mechanics' Lien Law of the State of Florida, it being expressly understood that the Landlord's estate shall not be subject to such liability for any work performed by or on behalf of Tenant. Tenant shall strictly comply with the Mechanics' Lien Law of the State of Florida as set forth in Florida Statutes Section 713. In the event that a mechanics' claim of lien is filed against the Mall in connection with any work performed by or on behalf of Tenant, the Tenant shall discharge such lien by payment or bonding, within ten (10) days from the date of filing. In the event that the Tenant fails to discharge such lien within said ten (10) day period, the Landlord may do so and thereafter charge the Tenant, as Additional Rent, all costs incurred by the Landlord in connection with satisfaction or transfer of such claim, including attorneys' fees. Further, the Tenant agrees to indemnify, defend and save the Landlord harmless from and against any damage or loss incurred by the Landlord as a result of any such mechanics' claim of lien. If so requested by the Landlord, the Tenant shall execute a short form or memorandum of this Lease, which may, in the Landlord's discretion be recorded on the Public Records for the purpose of protecting the Landlord's estate from mechanics' claims of lien, as provided in Florida Statutes Section 713.10. In the event such a short form or memorandum of lease is executed, the Tenant shall simultaneously execute and deliver to the Landlord an instrument terminating the Tenant's interest in the real property upon which the Premises are located, which instrument may be recorded by Landlord at the expiration of the term of this Lease, or such earlier termination hereof. The security deposit paid by the Tenant may be used by the Landlord for the satisfaction or transfer of any mechanics' claims of lien, as provided in this Section. This Section shall survive the termination of this Lease.

5.4 In the event that Tenant fails to discharge any lien within the time period provided in section 5.3 above, in addition to any other rights Landlord may at Landlord's

option, offset any amounts incurred by Landlord in connection with the existence or discharge of such lien against amounts owed by Landlord to the Associations for Common Charges and Assessments (however, such offset shall not be considered when calculating the fee due to Landlord from the Associations pursuant to the Easement Agreement ("Easement Fee")).

5.5 SIGNAGE - Tenant must submit all designs and locations for signage in writing to the landlord for reasonable approval prior to the installation of the sign. Handmade or unprofessional signs will not be allowed. All signage, once approved is the responsibility of the Tenant. Tenant's rights to signage pursuant to this provision shall only apply with regard to the Restaurant Space and Tenant shall have no right to signage for any other portion of the Premises.

ARTICLE VI - ELECTRICITY

Electric current shall be furnished to Tenant by the Associations. Landlord shall not in any way be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if either the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements. Tenant's use of electric current in the Premises shall not at any time exceed the capacity of any of the electrical conductors and facilities in or otherwise serving the Premises. In order to insure that such capacity is not exceeded and to avert any possible adverse effect upon the Building's electric service, Tenant shall not, without Landlord's prior written consent in each instance, connect any fixtures, appliances or equipment (other than as may be reasonably necessary for the operation of executive office equipment) to the Building's electric distribution system nor make any alteration or addition to the electric system of the Premises.

ARTICLE VII - DEFAULT

7.1 Upon the happening of one or more of the events set forth in (a) through (h), inclusive (any of which will be referred to hereinafter as an "Event of Default"), the Landlord shall have any and all rights and remedies set forth:

(a) In any event the Tenant should fail to pay an installment of rent, if any, when the same becomes due on the first day of each month, or any other sums required to be paid hereunder, as and when the same becomes due;

(b) In the event of a petition in bankruptcy (including Chapter X and Chapter XI proceedings or any other re-organization proceedings under the Bankruptcy Act) be filed by or against the Tenant and such petition is not dismissed within sixty (60) days from the filing thereof, or in the event Tenant is adjudged bankrupt;

(c) In the event an assignment for the benefit of creditors is made by the Tenant;

(d) Intentionally Deleted;

(e) In the event the Tenant removes, attempts to remove, or permits to be removed from the Premises, except in the usual course of trade, the goods, furniture, effects or other property of the Tenant brought thereon;

(f) In the event Tenant, before the expiration of the Lease Period, and without written consent of the Landlord vacates the Premises or abandons the possession thereof, or uses the same for purposes other than purposes for which the same are hereby leased, or ceases to use the Premises for the purposes herein expressed;

(g) Intentionally Deleted;

(h) In the event of Tenant's failure to perform any nonmonetary covenant or condition of this Lease within five (5) days after written notice and demand, unless the failure is of such a character as to require more than

five (5) days to cure, in which case the Tenant's failure to proceed diligently to cure such a failure shall constitute an Event of Default.

7.2 If any Event of Default occurs the Landlord shall have the right, at the option of Landlord, to terminate this Lease upon ten (10) days written notice, and to declare the entire rent for the balance of the term of this Lease, or any part thereof, due and payable forthwith and to thereupon re-enter and take possession of the Premises. If any Event of Default occurs, the Landlord shall also have the right, at the option of Landlord: (a) to require Tenant to post a security deposit equal to three months of the then current Fixed Annual Rent under the Lease and (b) to offset any amounts owed by Tenant against amounts owed by Landlord to the Associations for Common Charges and Assessments (however, such offset shall not be considered when calculating the Easement Fee due to Landlord pursuant to the Easement Agreement). Tenant agrees to indemnify and hold Landlord harmless for any loss, claim, damage or liability relating to the offset permitted pursuant to this section. If any Event of Default occurs, Landlord shall have the right, at its option, without terminating this Lease to re-enter and re-let the Premises, with or without legal process, as the agent and for the account of Tenant upon such terms and conditions as Landlord may deem advisable or satisfactory, in which event the rents received on such reletting shall be applied first to the expenses of such reletting and collection, including, but not limited to necessary renovation and alteration of the Premises, reasonable attorney's fees, any real estate commissions paid, and toward payment of all sums due or to become due to the Landlord hereunder, and if a sufficient sum shall not be thus realized or secured to pay such sums and other charges. Nothing herein, however, shall be construed to require the Landlord to re-enter and re-let in any event. The Landlord shall not in any event be required to pay the Tenant any surplus of any sums received by the Landlord on a reletting of the Premises in excess of the rent provided in this Lease. The various rights and remedies herein granted to Landlord shall be cumulative and in addition to any other Landlord may be entitled to by law or in equity, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy. In all events, Landlord shall have the right upon notice to Tenant to cure any breach by Tenant at Tenant's sole cost and expense, and such payment by Landlord shall be considered Additional Rent, which shall accrue interest thereon at the highest rate permitted by law, the non-payment of which by Tenant, shall be subject to all remedies available to Landlord for the collection of delinquent rent. Tenant shall reimburse Landlord for such expense upon demand.

7.3 Late Charge: In the event that Tenant should fail to pay any installment of rent by the tenth (10th) day of the month the Landlord shall impose a late charge of five (5%) percent of the overdue rent (hereinafter called "Late Charge") for that month.

7.4 Waiver: The waiver by Landlord of any breach of any term, condition or covenant herein contained shall not be a waiver of any subsequent breach of the same or any other term, condition or covenant herein contained. The consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. No re-entry hereunder shall bar the recovery of rents or damages for the breach of any of the terms, conditions or covenants on the part of Tenant herein contained. The receipt of rent after breach or condition broken, or delay on the part of Landlord to enforce any right hereunder, shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, or waiver of the right of Landlord to annul this Lease or to re-enter said Premises or to re-let same.

7.5 Expenses of Enforcement: In the event any payment due to Landlord under this Lease shall not be paid on the due date, said payment shall bear interest at the rate of eighteen (18%) per annum from the due date until paid unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease. In no event however, shall the interest rate charge pursuant hereto or pursuant to any other provision of this Lease be greater than the maximum rate permitted by law. In the event that it shall be necessary for Landlord to give more than one (1) written notice to Tenant of any violation of this Lease, Landlord shall be entitled to make an administrative charge to Tenant of twenty-five (\$25.00) dollars for each additional notice. Tenant recognizes and agrees that the charges which Landlord is entitled to make upon the conditions stated in this Section represent, at the time this

Lease is made, a fair and reasonable estimate and liquidation of the costs of Landlord in the administration of the Mall resulting from the events described, which costs are not contemplated or included in any other rent or charges to be paid by Tenant to Landlord under this Lease. Any charges becoming due under this Section of this Lease shall be added to and become due with the next ensuing monthly payment of Fixed Minimum Annual Rent and shall be collectible as a part thereof.

7.6 Legal Expenses.

(a) In the event that it shall become necessary for Landlord to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due to it under this Lease or to remedy the breach of any covenant of this Lease on the part of the Tenant to be kept or performed, regardless of whether suit be brought, Tenant shall pay to Landlord such reasonable fee as shall be charged by Landlord's attorney for such services. Should suit be brought for the recovery of possession of the Premises, or for the rent or any other sum due Landlord under this Lease, or because of the breach of any of Tenant's covenants under this Lease, Tenant shall pay to Landlord all expenses of such suit and any appeal thereof, including a reasonable attorney's fee.

(b) In the event that it shall become necessary for either party to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due it under this Lease or to remedy the breach of any covenant of this Lease on the part of the other party to be kept or performed, regardless of whether suit be brought, the non-prevailing party shall pay to the prevailing party such reasonable fee as shall be charged by the prevailing party's attorney for such services. Should suit be brought for recovery of possession of the Premises, or for rent or any other sum due under this Lease, or because of the breach of any covenants under this Lease, the non-prevailing party shall pay to the prevailing party all expenses of such suit and any appeal thereof, including a reasonable attorney's fee.

ARTICLE VIII - NOTICE

Any notice or other communication required or permitted to be given, rendered or made by either party to the other, pursuant to this Lease, shall be in writing and shall be deemed to have been properly given, rendered or made if sent by messenger or courier guaranteeing same day or overnight delivery (by a nationally-recognized company such as FedEx or UPS) and furnishing a receipt in evidence thereof, addressed to the other party at the address on the first page, and shall be deemed to have been given, rendered or made on the date delivered, if delivered to the other party by same day messenger or by overnight courier.

Landlord's Address for Notices:

Commercial Unit 100, LLC and Ocean Walk Mall, LLC
c/o Radiant Partners, 145 W. 45th Street
New York, New York 10036

With a copy to:

Goldberg, Weprin, Finkel, Goldstein, LLP
Attn: Douglas Taus, Esq.
1501 Broadway 22nd Floor
New York, New York 10036

Tenant's Address for Notices:

Hollywood Beach Hotel Owners Association, Inc.
Attn: Michel Jekic, President
101 North Ocean Drive, #8
Hollywood, Florida 33019

The Hollywood Beach Resort Condominium Association, Inc.
Attn: Michel Jekic, President
101 North Ocean Drive, #8
Hollywood, Florida 33019

With a copy to:

Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
Attn: Joshua D. Krut, Esq.
200 E. Broward Blvd., Ste. 1900
Fort Lauderdale, Florida 33301

ARTICLE IX - SUBORDINATION/ATTORNMEN

This Lease is subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber the Premises, the Mall or any portion thereof, ("Mortgage"; the holders of mortgages, deeds of trust, ground leases, or other security instruments being herein called "Mortgagee"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, replacements, modifications, recastings, consolidations, advances or refinancings thereof. This clause shall be self-operative and no further instrument of subordination shall be required to effect the subordination of this Lease. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage and Tenant shall execute, acknowledge and deliver all documents required by such holder in confirmation thereof, provided that said holder executes and delivers to Tenant a subordination, non-disturbance agreement in return therefor, in the Mortgagee's then customary form. With regard to any future Mortgage on the Premises, Landlord agrees to provide Tenant with a subordination, non-disturbance agreement from such Mortgagee in the Mortgagee's then customary form.

Tenant shall at Landlord's request promptly execute any requisite or appropriate document confirming such subordination. Tenant appoints Landlord as Tenant's attorney-in-fact to execute any such document for Tenant. Tenant waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and Tenant's obligations hereunder in the event any foreclosure proceeding is prosecuted or completed or in the event the Premises or any portion thereof is transferred by foreclosure, by deed in lieu of foreclosure or otherwise. If this Lease is not extinguished upon any such transfer or by the transferee following such transfer, then, at the request of such transferee, Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by any payment of Fixed Annual Rent or Additional Rent more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease, (b) bound by any amendment of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for damages for any breach, act or omission of any prior landlord, or (d) subject to any offsets or defenses which Tenant might have against any prior landlord; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising after the date of transfer. Within five (5) days after the request of such transferee, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

After receiving notice from any person, firm or other entity that it holds a Mortgage, no notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to such Mortgagee; provided, however, that Tenant shall have been furnished with the name and address of such Mortgagee via written notice from Landlord. The curing of any of Landlord's defaults by such Mortgagee shall be treated as performance by Landlord. In addition to the time afforded the Landlord for the curing of any default, any such Mortgagee shall have such additional time as may be necessary given the nature and extent of the default (including such time as may be necessary in order to foreclose the Mortgage and obtain possession of the Premises) after the expiration of the period allowed to the Landlord for the cure of any such default within which to cure such default so long as any such Mortgagee acts with reasonable diligence.

ARTICLE X – REPAIRS

10.1 Tenant shall keep and maintain, in good order, condition and repair (including replacement of parts and equipment if necessary) the Premises and every part thereof and any and all appurtenances thereto wherever located, including, but without limitation, the exterior and interior portions of all doors, door checks, locks, windows, window frames, plate glass, store front, glass replacement on the overhead doors and repairs and service of all the overhead doors, all plumbing fixtures and plumbing, ceramic tile, and sewage facilities within the Premises, heating and air conditioning, and all electrical systems, electrical outlets and receptacles, walls, floors, ceilings and ceiling tiles. Tenant's obligations shall include periodic interior painting of the Premises, so as to maintain the same in first-class condition throughout the term hereof. Tenant shall take good care of the Premises and, at its sole cost and expense, shall make all repairs necessary to keep the Premises in good working order and condition.

10.2 Landlord or its agents shall have the right to enter the Premises after reasonable notice for the purpose of inspecting, making of repairs or alterations as Landlord may deem necessary.

10.3 RESPONSIBILITIES OF TENANT:

(a) Tenant will not install any equipment which exceeds the capacity of the utility lines leading into the Premises or the building of which the Premises constitute a part.

(b) Tenant, its employees, or agents, shall not mark, paint, drill or in any way deface any walls, ceiling, partitions, floors, wood, stone, or ironwork in or about the Premises or Mall without the Landlord's prior written consent.

(c) Tenant shall comply with all laws, orders, ordinances and regulations of all governmental authorities and will not permit any waste of property to be committed and will take good care of and keep in a neat, clean and sanitary condition, the Premises at all times.

(d) If Tenant refuses or neglects to repair property as required hereunder and to the reasonable satisfaction of the Landlord as soon as reasonably possible after written demand, Landlord may make such repairs without liability to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property, or to Tenant's business by reason thereof, (except for loss or damage caused by Landlord's negligence), and upon completion thereof, Tenant shall pay as additional rent Landlord's cost for making such repairs plus twenty (20%) percent for overhead, upon presentation of a bill therefor. Said bill shall include interest at fifteen (15%) percent on said cost from the date of completion of repairs by Landlord. In the event that the Landlord shall undertake any maintenance or repair in the course of which it shall be determined that such maintenance or repair work was made necessary by the negligence or willful act of Tenant or any of its employees or agents or that the maintenance or repair is, under the terms of this Lease, the responsibility of Tenant, Tenant shall pay Landlord's cost therefor plus overhead and interest as above provided in this Sub-section.

(e) Tenant shall give Landlord prompt written notice of any accident, fire or damage occurring on or to the Premises.

(f) Neither Landlord nor Landlord's agents or servants shall be liable for any damages caused by or growing out of any breakage, leakage or defective condition of the electric wiring, air conditioning or heating pipes and equipment, closets, plumbing, appliances, sprinklers, other equipment or other facilities, serving the Premises unless such damages are caused by or result from the sole negligence of Landlord or Landlord's agents or servants. Neither Landlord nor Landlord's agents or servants shall be liable

for any damages to the building or any part thereof, or to the said Premises or any part thereof caused by fire, lightning, wind or other similar cause

(g) All property belonging to Tenant or any occupant of the Premises or the Mall shall be there at the risk of the Tenant or such person only, and Landlord shall not be liable for damage thereto or theft or misappropriation thereof unless caused by or resulting from sole negligence of Landlord or Landlord's agents or servants.

(h) At the expiration of the tenancy hereby created, Tenant shall surrender the Premises in the same condition as the Premises were in upon delivery of possession to the Tenant under this Lease, reasonable wear and tear excepted, and shall surrender all keys for the Premises to Landlord. Tenant shall remove all its trade fixtures and any alterations or improvements which Landlord requests to be removed before surrendering the Premises as aforesaid and shall repair any damage to the Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of the Lease.

(i) It is the responsibility of the Tenant to maintain a monthly service contract for extermination of the Premises with a licensed contractor approved by Landlord and provide Landlord with a copy of the contract. Upon request of the Landlord, at any time, proof of extermination service must be shown. If Tenant does not show proof of monthly extermination, the Landlord reserves the right to exterminate the Tenant's Premises and charge the Tenant for the cost of same.

ARTICLE XI - REMEDY

11.1 Tenant agrees to look solely to Landlord's estate and interest in the land and building for the satisfaction of any right or remedy of Tenant. Wherever in this Lease Landlord's consent or approval is required, if Landlord shall delay or refuse such consent or approval, Tenant in no event shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim, for money damages (nor shall Tenant claim any money damages by way of set-off, counterclaim or defense) based upon any claim or assertion by Tenant that Landlord withheld or delayed its consent or approval. Tenant's sole remedy shall be an action or proceeding to enforce any such provision, for specific performance, injunction or declaratory judgment.

11.2 In the event of any litigation arising in any manner out of the parties' lease, or the relationship of Landlord and Tenant, the prevailing party shall be entitled to reasonable attorney's fees and costs associated with the subject litigation. The Parties hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters arising out of, or in any way connected with, this Lease, the Relationship of the Landlord and Tenant and Tenant's use or occupancy of the premises, Tenant further agrees that it shall not interpose any counterclaim in any summary proceedings brought by the Landlord or in any action based upon non-payment of additional rent or any other payment required of Tenant hereunder.

ARTICLE XII - ASSIGNMENT

Tenant shall not assign or otherwise transfer this Lease, sublet any portion of the Premises or otherwise permit the use of the Premises by anyone other than Tenant without obtaining the written consent of Landlord, which may withheld in Landlord's sole discretion.

In the event that Landlord shall consent to a sublease and Tenant thereupon sublets any portion of the Premises, Tenant shall pay to Landlord, as Additional Rent fifty percent (50%) of the amount, if any, by which the Fixed Annual Rent and Additional Rent payable by the sublessee to Tenant shall exceed the Fixed Annual Rent plus Additional Rent allocable to that part of the Premises affected by such sublease, plus fifty percent (50%) of the amounts, if any, payable by such sublessee to Tenant pursuant to any side agreement as consideration (partial or otherwise) for such subletting. Such Additional Rent payments shall be made monthly within five (5) days after receipt of the same by Tenant or within five (5) days after Tenant is credited with the same by the

sublessee. At the time of submitting the proposed sublease to Landlord, Tenant shall certify to Landlord in writing whether or not the sublessee has agreed to pay any monies to Tenant in consideration of the making of the sublease other than as specified and set forth in such instruments, and if so Tenant shall certify the amounts and time of payment thereof in reasonable detail. For purposes of this Article, rents received on account of this Lease shall be allocated according to the following percentages: (i) 46.44% for Front Desk Offices, (ii) 7.12% for Laundry, and (iii) 46.44% for Patio Bar, Kitchen and Storage.

ARTICLE XIII - INDEMNIFICATION OF LANDLORD

Tenant will indemnify and save Landlord harmless from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses including attorneys' fees, which may be imposed upon or incurred by or asserted against Landlord, unless arising out of Landlord gross negligence, by reason of any of the following occurring during the term of this Lease:

(1) any work or thing done by Tenant or any agent, contractor, employee, licensee or invitee of Tenant in, on or about the Mall, Premises or any part thereof;

(2) any use, non-use, possession, occupation, condition, operation, maintenance or management by Tenant of the Mall or Premises or passageways to and from same;

(3) all fines, suits, proceedings, claims, demands and actions of any kind or nature whatsoever brought by anyone whomsoever arising or growing out of or in any manner connected with Tenant's use, operation and maintenance of the Mall or Premises.

(4) any accident, injury, or damage to any person or property occurring in the Premises or any part thereof.

(5) any failure on the part of Tenant to perform or comply with any of the agreements, terms, or conditions contained in this Lease on its part to be performed or complied with.

ARTICLE XIV - INSURANCE

14.1 Throughout the Lease Period, Tenant shall insure and pay premiums for insurance coverage on the Premises for general public liability insurance with limits of at least \$10,000,000.00 for bodily injury including liquor liability and \$1,000,000.00 for property damage. Such insurance shall be with companies reasonably satisfactory to Landlord. Each policy shall name the Landlord, the Associations and Landlord's managing agent as an additional named insured and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days prior written notice. If at any time the Tenant shall fail to obtain, pay for, deliver or maintain in full force and effect such insurance policies, then Landlord, at its sole option, may obtain such insurance coverage and pay the premiums thereof and all sums so paid by Landlord shall be deemed due and owing to Landlord upon submission of a statement thereof.

14.2 Responsibility of Tenant: All alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf by agreement under this Lease shall remain the property of the Tenant for the term of this Lease or any extension or renewal hereof. The Tenant shall at all times maintain "All Risk" insurance in the name of the Landlord and the Tenant, in an amount adequate to cover one hundred (100%) percent of the cost of replacement of all alterations, decorations, additions or improvements in the event of fire or extended coverage loss. Tenant shall deliver to the Landlord certificates of All Risk insurance policies which shall contain a clause requiring the insurer to give the Landlord thirty (30) days notice of cancellation or amendment of such policies. Such alterations, decorations, additions and improvements shall not be removed from the Premises without prior consent in writing from the Landlord. Upon expiration of this Lease the Tenant shall remove all such

alterations, decorations and improvements, and restore the Premises, as provided hereinafter. If the Tenant fails to remove such alterations, decorations and improvements and restore the Premises, then upon the expiration of this Lease, or any renewal thereof, and upon the Tenant's removal from the Premises, all such alterations, decorations, additions and improvements shall become the property of the Landlord and in such event, should Landlord so elect, Landlord may restore the Premises to its original condition for the cost of which, with allowance for ordinary wear and tear, Tenant shall be responsible and pay promptly upon demand.

14.3 Rent Insurance: The Tenant shall provide the Landlord with rent insurance against loss of rent due to fire and risks now or hereafter embraced by "All Risk Coverage" in an amount equal to the amount of Fixed Minimum Annual Rent to be paid by Tenant together with the annual ad valorem and real estate taxes, and Mail Operating Costs, and all other charges payable as additional rent under this Lease. All rent insurance policies provided for herein shall name the Landlord as insured and shall provide for monthly payment of loss to the Landlord, to the extent of the Tenant's monthly obligations hereunder.

14.4 Increase to Fire Insurance Premium: Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by the standard for All Risk insurance policy. Tenant agrees to pay increases in premiums for All Risk insurance that may be charged during the term of this Lease on the amount of such insurance which may be carried by Landlord on said Premises or the building of which they are part, resulting from the type of merchandise sold by Tenant in the Premises or resulting from the Tenant's use of the Premises, whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use of the Premises, a schedule issued by the organization making the insurance rate on the Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the Premises. Tenant agrees to promptly make, at Tenant's cost, any repairs, alterations, changes and/or improvements to the equipment in the Premises required by the company issuing Landlord's All Risk insurance so as to void the cancellation of or the increase in premiums on said insurance.

In the event Tenant's occupation and use of the Premises causes any increase of premium in the fire and/or casualty insurance rates on the Premises or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the Premises, the Tenant shall pay the additional premium on the fire, and/or casualty insurance policies by reason thereof. The Tenant also shall pay in such event that there is any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect and shall be due from, and payable by, Tenant when rendered, and the amount thereof shall be deemed to be additional rent.

14.5 Waiver of Subrogation Landlord and Tenant waive, unless said waiver should invalidate any such insurance, their right to recover damages against each other to the extent the damaged party recovers for same from its insurance carrier. Any insurance policy procured by either Tenant or Landlord which does not name the other as a named insured shall, if obtainable, contain an express waiver of any right of subrogation by the insurance company, including but not limited to Tenant's workmen's compensation carrier against Landlord or Tenant, whichever the case may be. All public liability and property damage policies shall contain an endorsement that Landlord, although named as insured, shall nevertheless be entitled to recover for damages caused by the negligence of Tenant.

ARTICLE XV - WRITTEN MODIFICATION

This Lease shall not be altered, modified or amended orally. Any such alteration, modification or amendment must be in writing and executed by both parties hereto.

ARTICLE XVI HOLDING OVER

On or before the Expiration Date or the date of a sooner termination pursuant to the terms of this Lease, Tenant shall quit and surrender the Premises, broom clean and in good condition. If Tenant fails to surrender possession of the Premises on or before the Expiration Date, or earlier Termination date if applicable, Tenant agrees that in addition to all other remedies available hereunder or at law or equity, Tenant will pay to Landlord, as liquidated damages, for each month or for each portion thereof beyond the Expiration Date during which Tenant holds over in the Premises, two times the Fixed Annual Rent and other charges and additional rent items owed under this Lease during the last year of the Term, as well as any other amounts required under this Lease, including, without limitation, Landlord's attorneys' fees and disbursements.

ARTICLE XVII – REDEVELOPMENT RELOCATION RIGHT

In the event that the Landlord files any plans for the redevelopment or reconstruction of the retail or commercial portions of the Mall, Tenant agrees that Landlord shall have the right to relocate portions of the Premises to other locations in the Mall that are reasonably acceptable to Tenant. In the event that Tenant is relocated to another location in the Mall, Landlord will pay all reasonable expenses associated with the relocation. In addition Landlord agrees that all rents will be abated from the time Tenant must leave the initial location to the time Tenant is substantially relocated.

ARTICLE XVIII – GOVERNMENT REGULATIONS

18.01 Tenant shall comply with all laws, statutes, ordinance, orders, rules, regulations and requirements of all federal, state, county or city departments, or any subdivision or agency thereof, all requirements of any insurance policy covering or applicable to any part of the Building or land thereon and all rules and regulations established by Landlord from time to time for the operation of commercial Unit 100.

18.02 Prohibited Persons and Transactions: Tenant represents to Landlord that (i) neither Tenant nor any person or entity that directly owns a 10% or greater equity interest in it nor any of its officers, directors or managing members is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked persons List) or under Executive Order 13224 (the "Executive Order") signed on September 24, 2001, and entitled "Blocking Property and Prohibiting transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, (ii) that Tenant's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act"), and (iii) that throughout the term of this Lease, Tenant shall comply with the Executive Order and with the Money Laundering Act.

ARTICLE XIX – SECURITY INTEREST

To further secure Tenant's obligations under this Lease, Tenant hereby grants to Landlord a security interest in (i) all property and fixtures affixed to or located on the Premises which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the real property, and (ii) all articles of personal property, trade fixtures and all materials delivered to the Premises for use in Tenant's business operation. This provision is a self-operative security agreement with respect to such property, but Tenant agrees to execute and deliver on demand such other instruments as Landlord may request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. Landlord shall have all the rights and remedies in addition to those specified herein of a secured party under the Uniform Commercial Code.

ARTICLE XX – RADON DISCLOSURE

Pursuant to Florida Statutes Section 404.056(8), the following radon disclosure is required by law:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to the persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health department.

ARTICLE XXI – PARKING

Tenant acknowledges and agrees that it shall be required to arrange for and pay for parking for its employees. Landlord shall have no responsibilities whatsoever with regard to parking for Tenant or its employee or patrons.

ARTICLE XXII – MISCELLANEOUS

22.1 This Lease shall not be construed to create any additional rights in favor of Tenant or impose any additional obligations upon Landlord which are not specifically set forth herein. If any term shall be invalid or unenforceable to any extent, the remaining terms shall not be effected and shall remain valid and enforceable.

22.2 Tenant hereby represents and warrants to Landlord that it has not dealt with any broker in connection with this Lease other than Colliers International who also acts as the listing agent and manger for the owner. Tenant agrees that it shall indemnify and hold Landlord harmless from and against any claims, actions, suits, liability or expenses of every kind that arise in connection with any claim for a brokerage commission related to this Lease other than a claim from Colliers International.

22.3 This Lease shall be governed by and interpreted in accordance with the laws of The State of Florida. Anything in this agreement to the contrary notwithstanding, the Landlord shall not be deemed in default with respect to failure to perform any of the terms, covenants and conditions of this Lease if such failure to perform shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing through an Act of God, hurricane, or any other cause beyond control of the Landlord.

22.4 Accord and Satisfaction: No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided herein by law.

22.5 Entire Agreement: This Lease constitute all the covenants, promises, agreement, conditions and understandings between Landlord and Tenant concerning the Premises and there are no covenants, promises, conditions or understandings, either oral or written, between them other than are herein set forth. Except as otherwise provided, no subsequent alteration, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

22.6 No Partnership: Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venture or a member of a joint enterprise with Tenant, nor does anything in this Lease confer any interest in Landlord in the conduct of Tenant's business. The provisions of this Lease relating to the percentage of rent payable hereunder are included solely for the purpose of providing a method whereby the rent is to be measured and ascertained.

22.7 Tenant Defined, Use of Pronoun: The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, and the permitted subleases, assigns and successors thereof. If there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a

Initials: /

corporation, or a group of two (2) or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply to the plural sense where there is more than one Landlord or Tenant and to any corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

22.8 Estoppel Certificate: Tenant agrees that, at any time and from time to time, within ten (10) days following receipt of written notice by Landlord hereto specifying that it is given pursuant to this Section, execute, acknowledge and deliver to Landlord or anyone or any entity designated by Landlord, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect and stating the modifications), and the date to which the Fixed Minimum Annual Rent and any other payments due hereunder from Tenant have been paid in advance, if any, and stating whether or not there are any defenses or offsets claimed by the maker of the certificate and whether or not to the best knowledge of the signer of such certificate Landlord is in default of in performance of any covenant, agreement or condition contained in the Lease, and if so, specifying each such default of which the maker may have knowledge and if requested, such financial information concerning Tenant and Tenant's business operations (and the Guarantor of the Lease, if the Lease be guaranteed) as may be reasonably requested by any mortgagee or prospective mortgagee or purchaser. The failure of Tenant to execute, acknowledge and deliver to or on behalf of Landlord a statement in accordance with the provisions of this Section within said ten (10) day period shall constitute an acknowledgment Tenant, which may be relied upon by any mortgagee or any person holding or proposing to acquire an interest in the Mall or any part thereof, that this Lease is unmodified and in full force and effect and that such rents have been duly and fully paid to and including the respective dates immediately preceding the date of such notice and shall constitute as to any person entitled as aforesaid to rely upon such statements, waiver of any defaults which may exist prior to the date of such notice; provided however, that nothing contained in the provisions of this Section shall constitute a waiver by the Landlord of any default in payment of rent or other charges existing as of the date of such notice, and unless expressly consented to in writing by Landlord, Tenant shall still remain liable for the same.

22.9 Waiver of Jury Trial: The parties hereto waive trial by jury in connection with proceedings or counterclaims brought by either of the parties hereto against the other.

22.10 Time of Essence: Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

22.11 Landlord and Tenant each warrant and represent that the individuals executing this Lease on behalf of Landlord and Tenant, respectively, have the power and authority to execute this Lease on behalf of Landlord and Tenant, respectively.

22.12 Tenant agrees that Landlord shall be permitted to employ the Associations' management company to manage Landlord's property at the Mall. Any savings incurred by hiring such company that is already working at Mall shall inure to Landlord's benefit.

ARTICLE XXIII - RULES AND REGULATIONS

23.1 (a) Tenant agrees to comply with the following:

(i) All loading of goods shall be done only at such times, in the areas, and through the entrances designated for such purposes by Landlord from time to time. As of the execution of this Lease, Landlord requires that all deliveries for Tenant shall be made through the Mall's north loading dock only. The delivery or shipping of merchandise, supplies and fixtures to and from the Premises shall be subject to such rules and regulations as in the judgment of the Landlord are necessary for the proper operation of the Premises or the Mall. Any hand carts or dollies used to deliver merchandise shall have rubber wheels so as not to damage the tile in the Common Areas. Tenant shall be responsible for any damage to the tile or walls caused by its deliverymen.

(ii) Trailers or trucks shall not be permitted to remain parked overnight in any area of the Mall whether loaded or unloaded.

(iii) All garbage, refuse and rubbish shall be deposited in the kind of container specified by the Landlord, and shall be placed outside of the Premises prepared for collection in the manner and at the times and places specified by the Landlord and in accordance with the municipal regulations. Burning of garbage, refuse or rubbish any place or in the Mall is not permitted. If Landlord shall provide or designate a service for picking up garbage, refuse or rubbish, Tenant shall use same at Tenant's sole cost and expense.

(iv) No radio or television or other similar device shall be installed without first obtaining in each instance the Landlord's consent in writing. No aerial shall be erected on the roof or exterior walls of the Premises, or on the grounds, without first obtaining in each instance, the written consent of the Landlord. Any aerial so installed without such written consent may be removed by Landlord at any time and Landlord shall not be liable for such removal.

(v) No loud speakers, phonographs, compact disc players, mechanical apparatus, or other device shall be used or allowed to operate in a manner so as to be heard or seen outside of the Premises without the prior written consent of the Landlord.

(vi) The outside areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by the Tenant to the satisfaction of the Landlord, and Tenant shall not place or permit any obstruction or merchandise in such areas, nor conduct any business therefrom.

(vii) The plumbing facilities shall not be used for any other purpose than for that which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expenses of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant.

(viii) At all times, Tenant shall neatly display all health certificates and occupational licenses to the public.

(ix) Tenant shall keep the Premises free from nuisances, noises or odors objectionable to the public, to other tenants in the Mall or to the Landlord.

(x) Tenant shall not conduct any auction sale, fire sale, bankruptcy sale, selling out sale, or closing out sale on or about the Premises.

(b) Landlord reserves the right from time to time to suspend, amend or supplement the foregoing rules and regulations, and to adopt and promulgate additional reasonable rules and regulations applicable to the Premises. Notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to Tenant.

(c) Tenant agrees to comply with all additional and supplemental rules and regulations upon notice of the same from Landlord.

ARTICLE XXIV - TOTAL OR PARTIAL DESTRUCTION

If the Premises are totally or partially damaged or destroyed, Tenant agrees that it shall be responsible to insure and to rebuild any portions of the Premises that are not the responsibility of the Association to insure and rebuild pursuant to the Association Documents, except that Landlord shall be responsible to insure and rebuild the demising walls of the Premises. No damage or destruction to the Premises shall impact Tenant's obligations under this Lease and, notwithstanding anything the contrary contained herein, Tenant shall at its sole cost and expense, maintain sufficient insurance to cover such responsibilities. Tenant acknowledges that Landlord shall not be responsible for the

Association's failure to comply with the Association Documents, including, without limitation, any obligations to repair or rebuild any portion of the Premises.

ARTICLE XXV - TOTAL CONDEMNATION

If the whole of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of the title vesting in the condemning governmental body or other authority pursuant to such proceeding and all rentals and other charges shall be paid up to that date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

ARTICLE XXVI - RIGHT OF ENTRY

Landlord reserves the right, at all reasonable times, or in the event of an emergency at any time, by itself or its authorized agents, to:

(a) go upon and inspect the Premises and every part thereof, and at its option, upon reasonable notice, except in the case of an emergency or other repair requiring immediate attention in which case no notice shall be required, to make repairs, alterations and additions to the Premises to the building of which the Premises are a part, the plumbing, electrical wiring, conduits, air ducts, sewage lines and all other such items located in, around, under or over the Premises or in the walls, ceilings, or floors thereof;

(b) display a "For Sale" sign at any time, and also after notice from either party of intention to terminate this Lease, or at any time within three (3) months prior to the expiration of this Lease, a "For Rent" sign, or both "For Rent" and "For Sale" signs, and all of said signs shall be placed upon such part of the Premises as Landlord shall require, except on display windows or door or doors leading into the Premises;

(c) install or place upon, or affix to, the roof and exterior walls of the Premises equipment, signs, displays, antenna and any other object or structure of any kind, and install in, around, over or under the Premises or in the walls, ceilings and floors thereof, such plumbing, electrical wiring, conduits, air ducts, sewage lines and all other items and equipment deemed necessary by Landlord for the operation and maintenance of the Mall, provided the same shall not materially impair the structural integrity of the Premises or materially and substantially interfere with Tenant's occupancy. Nothing herein contained however, shall be deemed or construed to impose upon Landlord any obligations, responsibility or liability whatsoever, for the care, maintenance or repair of the building or any part thereof, except as otherwise specifically provided under this Lease.

ARTICLE XXVII - TAXES ON LEASEHOLD

Tenant shall be responsible for and shall pay before delinquent, all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Premises by Tenant.

ARTICLE XXVIII - LOSS AND DAMAGE

Landlord shall not be responsible for any injury or damage to third persons or property not caused by Landlord's sole negligent or otherwise wrongful act or omission, including without limiting the generality thereof, injury or damage caused by other tenants or persons on the Premises, occupants of adjacent property, or the public, or caused by operations and construction of any private, public or quasi-public work. Subject to the above provisions of this Section (18.02), all property of Tenant kept or stored on the Premises shall be so kept or stored at the risk of Tenant only and Tenant shall hold Landlord harmless from any and all claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers.

ARTICLE XXIX - SUCCESSORS

All rights and liabilities herein given, or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and permitted assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreement herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided herein. Nothing contained in

this Lease shall in any manner restrict Landlord's right to assign or encumber this Lease and, in the event Landlord sells its interest in the Mall and the purchaser assumes Landlord's obligations and covenants, Landlord shall thereupon be relieved of all further obligations hereunder

ARTICLE XXX - EASEMENT MODIFICATION

As a material inducement for Landlord to enter into this Lease, Tenant agrees that following the execution of this Lease, Tenant shall enter into the Amendment to Easement Agreement annexed hereto as Exhibit B which states that the Easement Fee for both Commercial Unit 100 and Commercial Unit 200 shall include Common Charges as well as any Assessments (as defined in Article 4.2) enacted after the Commencement Date (if necessary, such easement will also be amended to include a property description). From the Commencement Date until the date such Amendment to Easement Agreement is executed, Tenant shall pay to Landlord as Additional Rent, 41.09% of any common charges and Assessments (as defined in Article 4.2) enacted after the Commencement Date to the extent that same have not been paid as the Easement Fee pursuant to the Easement Agreement. If the Amendment to Easement Agreement is not executed by the two year anniversary of the execution of this Lease, then in addition, beginning on such two year anniversary until the execution of the Amendment to Easement Agreement, Tenant shall pay to Landlord as Additional Rent an additional twenty five percent (25%) of any Common Charges and Assessments (as defined in Article 4.2).

ARTICLE XXXI - TENANT RENEWAL OPTION

(a) Provided Tenant is then occupying the entire Premises (except for the Front Desk/ Offices if subleased to a hotel operator), Tenant shall have the option to extend the term of this Lease in its then "as is" condition, for two (2) additional periods, the first of which shall be for fifteen (15) years ("First Renewal Option") and the second of which shall be for fifteen (15) years ("Second Renewal Option"). The First Renewal Option shall commence on first day of the sixteenth (16th) Lease Year and shall end on the last day of the thirtieth (30th) Lease Year ("First Renewal Period") and the Second Renewal Option shall commence on the first day of the thirty first (31st) Lease Year and shall end on the last day of the forty fifth (45th) Lease Year ("Second Renewal Period"). Both Renewal Options shall be upon the same terms and conditions as contained in this Lease (unless changed or modified by mutual agreement) except that:

- (1) The Fixed Annual Rent for the First Renewal Period shall be as follows:
 - (i) For the sixteenth (16th) Lease Year, the greater of 110% of the Fixed Annual Rent due in the fifteenth (15th) Lease Year and \$785,832.53 per annum.
 - (ii) For each subsequent Lease Year, the Fixed Annual Rent shall increase pursuant to Article 4.2.
- (2) The Fixed Annual Rent for the Second Renewal Period shall be as follows:
 - (i) For the thirty first (31st) Lease Year, the greater of 110% of the Fixed Annual Rent due in the thirtieth (30th) Lease Year and \$1,224,301.48 per annum.
 - (ii) For each subsequent Lease Year, the Fixed Annual Rent shall increase pursuant to Article 4.2.

(b) The exercise of each option shall only be effective upon, and in strict compliance with, the following terms and conditions:

- (1) In order to exercise the First Renewal Option, written notice of such election shall be given by Tenant to Landlord not later than twelve (12) months and not earlier than 18 months before the last day of the fifteenth (15th) Lease Year. In order to exercise the Second Renewal Option, Tenant must have exercised the First Renewal Option and written notice of such election for the Second Renewal Option shall be given by Tenant to Landlord not later than twelve (12) months and not earlier than 18 months before the last day of the thirtieth

(30th) Lease Year Time shall be of the essence in connection with the exercise of the Renewal Options hereunder.

(2) Tenant shall not be in default under any monetary or material nonmonetary terms, covenants and conditions of this Lease (1) at the time Tenant gives written notice to Landlord of its election to extend the term of this Lease pursuant to either Renewal Option; or (ii) at the commencement date of either Renewal Option.

ARTICLE XXXII – MEMORANDUM OF LEASE

Provided that same shall be at no cost to Landlord, Tenant shall be permitted to record a memorandum of Lease reasonably acceptable to Landlord in the Public Records of Broward County, Florida.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, or have caused the same to be executed as of the day and the year first written above.

Signed this 13th day of July, 2012.

Signed, sealed and delivered in the presence of:

TENANT: The Hollywood Beach Hotel Owners Association, Inc., a Florida corporation not for profit

The Hollywood Beach Resort Condominium Association, Inc., a Florida corporation not for profit

By: [Signature]
Name: MICHEL PERIC
Title: PRESIDENT

By: [Signature]
Name: MICHEL PERIC
Title: PRESIDENT

[Signature]
WITNESS Joshua Krut

[Signature]
WITNESS Joshua Krut

[Signature]
WITNESS Gregory C Ward

[Signature]
WITNESS Gregory C Ward

LANDLORD: Commercial Unit 100, LLC, a Florida limited liability company

LANDLORD: Ocean Walk Mall, LLC, a Florida limited liability company

By: [Signature]
Name: DAVID SCHENBERGER
Title: _____

By: [Signature]
Name: DAVID SCHENBERGER
Title: _____

[Signature]
WITNESS

[Signature]
WITNESS

[Signature]
WITNESS

[Signature]
WITNESS

EXHIBIT A

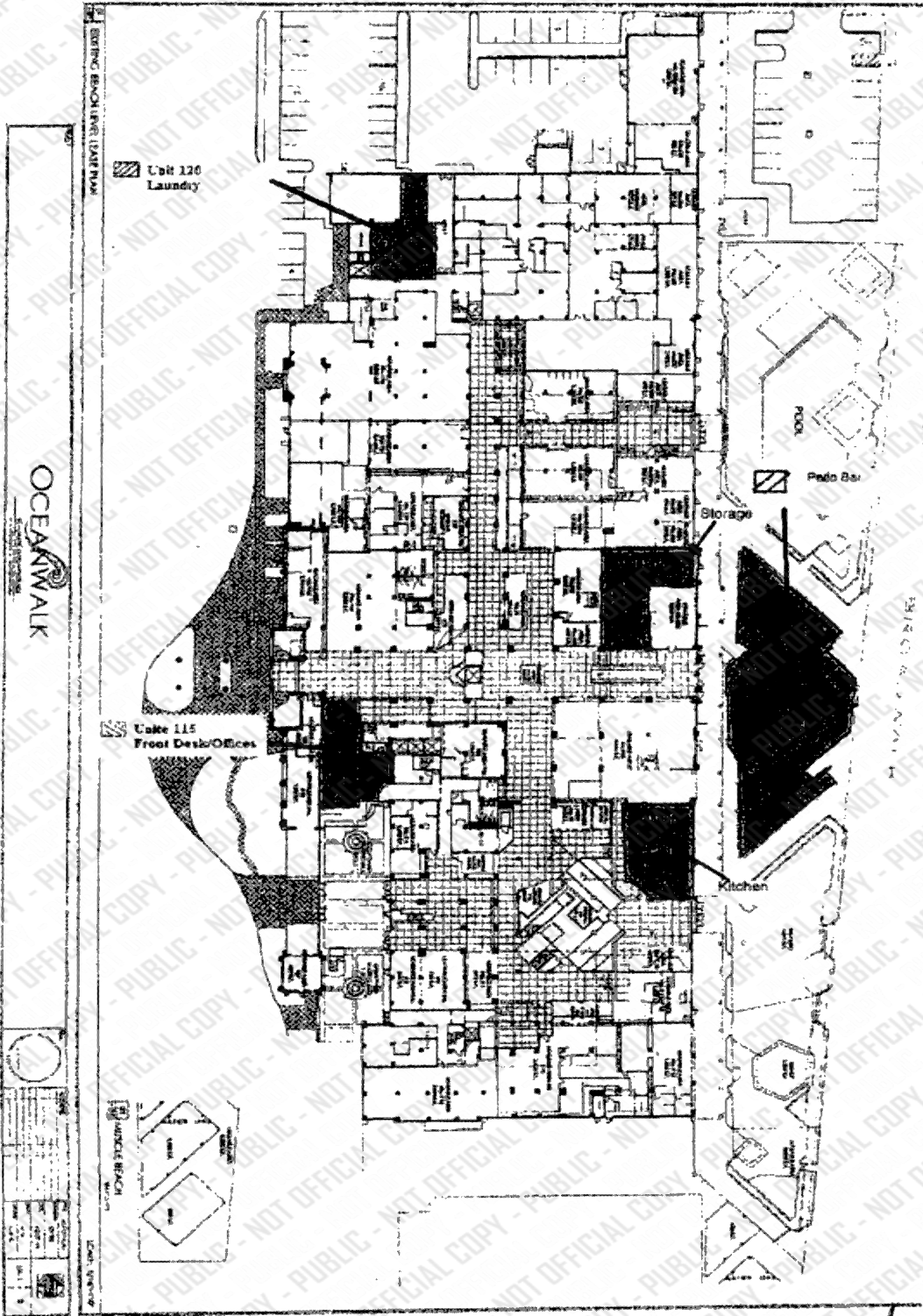


EXHIBIT B

AMENDMENT TO EASEMENT AGREEMENT

AMENDMENT TO EASEMENT AGREEMENT ("Amendment"), is made and entered into this ____ day of ____, 2012 by and among Hollywood Beach Hotel Owners Association, Inc., a Florida not for profit corporation ("Master Association"), The Hollywood Beach Resort Condominium Association, Inc., a Florida not for profit corporation ("Condominium Association") (the Master Association and the Condominium Associations are hereinafter collectively referred to as the "Associations") and Ocean Walk Mall, LLC, a New York limited liability corporation authorized to do business in the State of Florida ("Ocean Walk"), Commercial Unit 100, LLC, a Florida limited liability company and Commercial Unit 200, LLC, a Florida limited liability company.

WITNESSETH:

WHEREAS, the Associations and Ocean Walk entered into that certain Easement Agreement dated September 23, 2003, which is recorded at Official Records Book 38130, Page 1831, of the Public Records of Broward County, Florida (the "Easement Agreement"); and

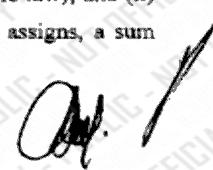
WHEREAS, Subsequent to the execution of the Easement Agreement dated September 23, 2003, Ocean Walk transferred its interests in Commercial Unit 100 to Commercial Unit 100, LLC and transferred its interests in Commercial Unit 200 to Commercial Unit 200, LLC.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that effective as of the execution of this Amendment:

1. The foregoing recitals are hereby incorporated into this Amendment as though fully set forth herein.

2. The Easement Agreement, as previously amended, shall be further amended as provided in this Amendment.

2. The first sentence of Article IV (Consideration) Section 17 of the Easement Agreement shall be deemed deleted and shall hereby be replaced with the following language: "As additional consideration for the rights granted to the Associations herein: (i) the Associations agree to pay Commercial Unit 100, LLC, its successors and assigns, a sum equal to 41.09% of any common charges, assessments, special assessments, fees or other monies, fees, or other monies enacted by the Associations and attributable to Commercial Unit 100 (other than amounts due as fines and/or penalties as a result of failure to timely pay any amounts due or for violation of either or both of the Association's governing documents or applicable law); and (ii) the Associations agree to pay Commercial Unit 200, LLC, its successors and assigns, a sum



equal to 41.09% of any common charges, assessments, special assessments, fees, or other monies enacted by the Associations and attributable to Commercial Unit 200 (other than amounts due as fines and/or penalties as a result of failure to timely pay any amounts due or for violation of either or both of the Associations' governing documents or applicable law)."

3. Except as modified by this Amendment, the Easement Agreement and all the terms, covenants and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Master Association:
**Hollywood Beach Hotel Owners
Association, Inc., a Florida
not for profit corporation**

**Ocean Walk Mall, LLC, a New York
limited liability company**

By: _____
Name:
Title:

By: _____
Name:
Title:

Condominium Association:
**The Hollywood Beach Resort
Condominium Association, Inc., a
Florida not for profit corporation**

**Commercial Unit 100, LLC, a Florida
limited liability company**

By: _____
Name:
Title:

By: _____
Name:
Title:

**Commercial Unit 200, LLC, a Florida
limited liability company**

By: _____
Name:
Title:



EXHIBIT E

10-03R2111
2/9/86

86273861

EASEMENT AND MAINTENANCE AGREEMENT
FOR ACCESS, INGRESS, EGRESS AND RECREATIONAL USE

THIS AGREEMENT made and entered into this 7th day of July, 1986, by and between THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (hereinafter referred to as the "Association") and HOLLYWOOD BEACH ASSOCIATES, a Florida general partnership (hereinafter referred to as the "Developer").

W I T N E S S E T H:

WHEREAS, the Developer is the owner of that certain property described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Condominium Property"); and,

WHEREAS, the Developer has created or shall cause to be created upon the Condominium Property that certain condominium known as "THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM" (hereinafter referred to as the "Condominium"); and,

WHEREAS, created within the Condominium shall be various Commercial Units which shall be owned and controlled by the Developer; and,

WHEREAS, a portion of that certain Commercial Unit known as "Commercial Unit 100" shall be operated as a health spa, which shall include men's and women's saunas, a whirlpool, men's and women's changing and locker room facilities, and various exercise equipment (hereinafter referred to as the "health spa"); and,

WHEREAS, the Developer is the owner of certain property more particularly described on Exhibit "B" attached hereto and made a part hereof, which property is located adjacent to the Condominium Property and upon which the Developer intends to construct a

Jul 29 8 52 AM '86

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BEZOW AND KORN P.A. PENTHOUSE SUITE

11077
Penthouse Suite
Miami, Florida 33181

FL 30261-9002 • (305) 695-2520



Handwritten initials or signature.

swimming pool and pool deck area for the non-exclusive use of the Association and its members (hereinafter referred to as the "pool and pool deck area"); and,

WHEREAS, the Developer shall reserve unto itself, its successors and assigns the fee simple interest in all portions of Commercial Unit 100 and the land described in Exhibit "B" attached hereto and made a part hereof; and,

WHEREAS, the Developer desires to grant in favor of the Association and its members the right of access, ingress, egress and use in and to the health spa and pool and pool deck area (hereinafter sometimes referred to as the "recreational and other commonly used facilities" and/or "facilities"); and,

WHEREAS, the Association is the entity responsible for the preservation, maintenance, repair and upkeep and management of the Condominium Property; and,

WHEREAS, the Association and its members shall be required to pay their pro rata share to the Developer for maintenance, upkeep and use of the recreational and other commonly used facilities, as more particularly set forth herein.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Representations. The representations as set forth above are true and correct and are made a part hereof.

2. Terms. The terms not otherwise defined herein shall have the meanings as set forth in the Declaration of Condominium for the Condominium Property if so defined, unless the context clearly requires otherwise.

3. Easements in Favor of the Association and its Members for Use of the Health Spa and Pool and Pool Deck Area. The Developer does hereby grant, declare, create and establish in favor of the Association and each member of the Association, jointly and severally, easements over all portions of the Condominium Property which are designated as Commercial Units and, in particular, portions of Commercial Unit 100 as may be necessary to have access to recreational and other commonly used facilities. The Developer does hereby further grant, declare, create and establish in favor of the Association and each member of the Association, jointly and severally, an easement of access, ingress, egress, use and enjoyment of that certain area designated as the health spa pursuant to the Survey, Plot Plan and Graphic Description of Improvements of the Condominium attached as Exhibit "B" to the Declaration of Condominium for the Condominium and an easement of access, ingress, egress, use and enjoyment upon that certain property described on Exhibit "B" attached hereto for use of the pool and pool deck area. Such easements and use rights shall be non-exclusive unto the Association and its members. It is understood and agreed that the easements set forth herein shall also run in favor of the immediate family members of each member of the Association, guests who are in residency at the Condominium Property, and/or tenants who are in residency at the Condominium Property. For the purposes hereof, "immediate family member" shall be deemed to mean the spouse and/or children of each member. It is understood and agreed that each member shall be entitled to bring guest(s) to utilize the facilities provided, however, that such the use of the facilities by any guest(s) may be subject to guest fees as may be established from time to time by the Developer in its sole discretion.

The foregoing easements shall be specifically subject to rules and regulations as may be established and adopted from time to time by the Developer in its sole discretion and shall be further conditioned upon payment by the Association and its members of its proportionate share of the costs and expenses in-

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the pool and pool deck area so long as the Developer controls and operates the facilities. It is understood that the Developer shall have the right to transfer the operation, maintenance, management, repair and operation of such facility(ies) to an independent entity, and, in such event, the Association shall be responsible for only seventy-five (75%) percent of all expenses incurred, and the owner or operator of such facility(ies) shall be responsible for all expenses not borne by the Association. In this regard, it is also understood that the Developer may transfer control and management of all or any portion of the facilities, and the Association's obligation for expenses shall be reduced as set forth herein only with respect to the portion of the facilities for which the Developer is no longer controlling and managing.

For all years subsequent to the first fiscal year of the Association (the first fiscal year being the period commencing June 1, 1986 through May 31, 1987, or such other fiscal year as may be adopted by the Association as the first fiscal year), the Developer shall provide to the Association on or before sixty (60) days prior to the end of any such fiscal year an estimated operating budget for the health spa and pool and pool deck area as set forth herein, for the expenses described above for the ensuing year of the Association, together with a statement of expenditures for all such expenses incurred by the Developer in the maintenance of such areas for the preceding fiscal year of the Association. The Association shall have thirty (30) days from the delivery of said notice by the Developer in which to approve or reject the budget provided by the Developer, or, in the alternative, to suggest an alternative budget. Failure of the Association to respond, in writing, within said thirty (30) day period shall be deemed to be an approval by the Association of the assessment. In the event the budget as proposed by the Developer is not approved by the Association as set forth herein, the Association shall continue to pay the assessments applicable for the previous year. The Developer shall in its sole discretion be entitled to increase the total assessment by a sum

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not to exceed fifteen (15%) percent of the previous years assessments until such budget has been approved by the Association in order to cover any projected deficits.

In the event the Developer shall, at any time (except during the first fiscal year of the Association) determine that the estimated amount assessed to the Association for use of the facilities is insufficient to pay the actual maintenance cost thereof (including reserves), the Developer shall immediately notify the Association of the deficit and request the Association to approve a special assessment in order to pay the deficit. The Association shall approve or reject the special assessment within fifteen (15) days of delivery of notice thereof by the Developer. Failure of the Association to respond in writing within the fifteen (15) day period shall be deemed to be an approval of the Association of the assessment. The special assessment shall be payable by the Association within thirty (30) days of approval, as provided for herein.

All payments (except special assessments, which are due as provided for in the notice of special assessment) required to be made hereunder by the Association to the Developer, shall be payable by the Association on a monthly basis, all payments due in advance on the first day of each month. In connection herewith, it is understood that the Association shall have an affirmative obligation to assess each member of the Association for such member's share of the expenses for maintenance of the facilities in the same manner as the Association assesses Unit Owner for condominium maintenance fees and special assessments.

Notwithstanding anything contained herein to the contrary, the Developer shall not be required to subsidize any deficits caused by an insufficiency in the budget, including but not limited to a failure by the Association to approve any operating budget proposed by the Developer or to approve any special assessment proposed by the Developer. In this regard it is understood that the Developer, its successors and assigns shall not be liable to the Association nor any member of the Association for a lack of adequate service or for failure to properly

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maintain the facilities in the event the Association fails to approve the budget proposed by the Developer or any special assessment.

5. Failure to Pay Assessments. In the event the Association shall fail to pay the assessments established and assessed in accordance with the terms hereof, or shall fail to pay such other sums as may be due and payable in accordance with the terms of this Agreement, the Association shall be deemed to be in default and the Developer may notify the Association of the suspension of the privilege to use and enjoy the facilities referenced herein together with such other easements for access, ingress, egress and use as are described herein. Upon delivery of such notice, the Association and all unit owners shall thereafter be denied access to the facilities and such easement rights as are otherwise described herein until such time as all arrears and assessments and other financial obligations set forth herein have been paid in full. In the event of the failure to pay any assessments or other charge due hereunder when due, the Developer shall be entitled to charge and collect interest on such unpaid assessments or other sums from the date due, at the highest lawful rate of interest allowable under Florida law.

The Developer shall have a lien against the Association and shall further have a lien, jointly and severally, on each condominium parcel in the Condominium for unpaid assessments and other charges, with interest thereon and for reasonable attorney's fees incurred by the Developer incident to the collection of the assessment or other charge and the enforcement of any lien. The lien shall be effective from and after the recording of a Claim of Lien in the Public Records of Broward County, Florida. The Developer may bring an action in its name to foreclose a lien for assessments or other charges in the manner a mortgage on real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments or charges without waiving any Claim of Lien. The remedies provided herein shall be non-exclusive and cumulative and shall not exclude any other

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remedy available to the Developer by this Agreement, law or otherwise.

6. Assignment. It is understood that the Association shall not assign its rights or obligations under this Agreement, or any part hereof, without the prior written consent of the Developer.

The Developer may assign its rights and/or obligations under this Agreement. In connection with any assignment herein, the Developer shall be relieved of all obligations for compliance with the terms, conditions and provisions of this Agreement. The Developer may designate a manager to perform management services with respect to the facilities described herein.

Notwithstanding anything contained herein to the contrary, the Developer may assign its rights under this Agreement to an institutional mortgagee, and, in connection with any such assignment, such institutional mortgagee shall not be required to assume the terms and conditions of this Agreement nor shall the Developer be relieved of any of its obligations for compliance with the terms, conditions and provisions hereof.

7. Subordination. This Agreement, and all rights granted by Developer in connection herewith, is subject to and is hereby declared to be subordinate to the mortgage of any Institutional Mortgagee, as that term is defined in the Declaration of Condominium, encumbering any condominium unit within the Condominium Property. The Association agrees to execute any and all documents or instruments necessary to effectuate said subordination, including the execution of one or more subordination agreements in favor of any party designated by Developer specifically subordinating the rights of Association and all unit owners under this Agreement to such lender.

8. Waiver. The failure of the Developer to declare any default immediately upon occurrence thereof or delay in taking any action in connection therewith shall not waive such default,

but Developer shall have the right to declare any such default at any time and take such action as might be lawful or authorized thereunder, either in law or in equity.

9. Notices. In every instance where it shall be necessary or desirable for the Developer to serve any notice or demand upon Association, it shall be sufficient:

a. To deliver or cause to be delivered to the Association at the Condominium Property a written printed copy thereof, in which event the notice or demand shall be deemed to have been served at the time the copy is so delivered; or,

b. To send a written or printed copy thereof by United States certified mail, postage prepaid, addressed to the Association at the Condominium Property in which event the notice or demand shall be deemed to have been served at the time the copy is deposited in the United States mail, postage prepaid.

10. Miscellaneous Provisions.

a. The terms and provisions set forth in this Agreement shall be deemed to be covenants running with the land, and shall bind all of the parties hereto, as well as their successors in interest, their heirs, administrators and assigns.

b. This Agreement shall be governed by and shall be interpreted in accordance with the laws of the State of Florida.

c. It is understood and agreed that the Association shall have the full right and authority to deal with the Developer with respect to the conditions and provisions of this Agreement, and all members of the Association shall be fully bound thereby.

d. In the event of any litigation arising out of any of the terms or provisions of this Agreement, the prevailing party shall be entitled to recover all costs and reasonable attorneys fees, including all costs and attorneys fees incurred on any appeal.

e. This Agreement represents the entire agreement between the parties and may only be amended or modified by another Agreement signed by the party intended to be bound.

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11. Term. This Agreement shall be effective upon recordation of the Declaration of Condominium for THE HOLLYWOOD BEACH, a Resort Condominium, and shall continue in full force and effect and shall run concurrently with the existence of the Condominium and shall terminate upon the termination of the Condominium as provided pursuant to the Declaration of Condominium.

12. Covenant Running with the Land. The rights, easements, obligations and agreements set forth herein shall be a covenant running with the properties described herein upon the Association and its members and the Developer and its respective successors, assigns, licensees, grantees and designees and such rights, easements, agreements and maintenance obligation shall be enforceable in law or equity.

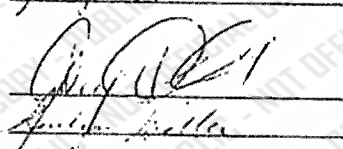
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the date and year first above written.



WARREN RAPKIN, President

THE HOLLYWOOD BEACH RESORT
CONDOMINIUM ASSOCIATION, INC.,
a Florida corporation not for
profit


BY: 
WARREN RAPKIN, President



DIANE BIRDMAN, President

HOLLYWOOD BEACH ASSOCIATES, a
Florida general partnership

BY: HOLLYWOOD BOARDWALK, INC.,
a Florida corporation,
General Partner

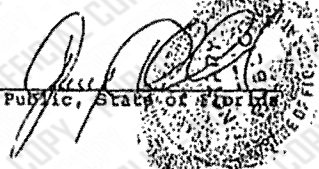
BY: 
DIANE BIRDMAN, President

STATE OF FLORIDA)
) ss.
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared WARREN RAPKIN, as President, of THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, to me known and known to me to be the officer who executed the foregoing instrument, and he duly acknowledged before me that he executed the same freely and voluntarily as the act and deed of said corporation.

WITNESS my hand and official seal in the County and State aforesaid, this 7th day of July, 1986.

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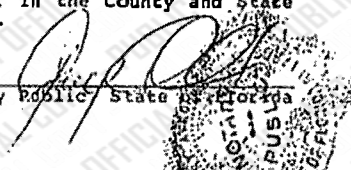

Notary Public, State of Florida

My commission expires State of Florida
My Commission Expires July 22, 1983
Based Upon The 1977 Test-Exemption Act.

STATE OF FLORIDA)
) ss.
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared
DIANE BIRDMAN, as President of HOLLYWOOD BOARDWALK, INC., a
Florida corporation, a General Partner of HOLLYWOOD BEACH
ASSOCIATES, a Florida general partnership, to me known and known
to me to be the officer who executed the foregoing instrument,
and she duly acknowledged before me that she executed the same
freely and voluntarily as the act and deed of said corporation
and said Partnership.

WITNESS my hand and official seal in the County and State
aforesaid, this 7th day of July, 1986.


Notary Public, State of Florida

My commission expires:

By _____
My C. _____

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EXHIBIT 'A'

7-15-56



BERRY & CALVIN
LAND SURVEYORS 923-6588
CIVIL ENGINEERS 921-7781
3129 NORTH 2ND AVENUE • HOLLYWOOD, FLORIDA 33029
MIAMI (305) 371-2182 • FORT LAUDERDALE (305) 923-1332

An undivided 90.731707 interest in the following described property:

**HOLLYWOOD BEACH HOTEL
DESCRIPTION OF MAIN BUILDING**

A portion of Lot 2, according to the plat of "RE-SUBDIVISION OF BLOCK 'E', HOLLYWOOD BEACH", as recorded in Plat Book 7, page 55, of the public records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of said Lot 2, run on an assumed bearing of S.88°25'12"W. along the north line of Lot 2 a distance of 1.75 feet; thence, S.1°23'11"E. 12.50 feet to a Point of Beginning being the northeast corner of the structure of the existing building; thence, S.88°41'45"W. along said structure 36.30 feet; thence, S.1°18'15"E. 77.10 feet; thence, S.88°41'45"W. 28.30 feet; thence, N.1°18'15"W. 15.20 feet; thence, S.88°41'45"W. 18.20 feet; thence, S.1°18'15"E. 15.20 feet; thence, S.88°41'45"W. 94.80 feet; thence, S.1°18'15"E. 69.90 feet; thence, S.88°41'45"W. 37.51 feet; thence, S.1°47'44"E. 412.87 feet; thence, N.88°12'16"E. 45.50 feet; thence, S.1°47'44"W. 2.30 feet; thence, N.88°12'16"E. 2.00 feet; thence, S.1°47'44"E. 1.40 feet; thence, N.88°12'16"E. 13.10 feet; thence, S.1°47'44"E. 5 feet; thence, N.88°12'16"E. 15.50 feet; thence, N.1°47'44"W. 5 feet; thence, N.88°12'16"E. 29.40 feet; thence, N.1°47'44"W. 1.60 feet; thence, N.88°12'16"E. 2.50 feet; thence, N.1°42'54"W. 54.40 feet; thence, S.88°17'06"W. 105.50 feet; thence, N.1°42'54"W. 126.20 feet; thence, N.88°17'06"E. 1.90 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.88°20'02"E. 3 feet; thence, N.1°31'58"W. 31.50 feet; thence, S.88°20'02"W. 3 feet; thence, N.1°42'54"W. 57.80 feet; thence, N.1°42'54"W. 57.00 feet; thence, S.88°19'33"W. 2 feet; thence, N.1°40'27"W. 126.30 feet; thence, N.88°19'33"E. 1 foot; thence, N.1°23'11"W. 150.63 feet to the Point of Beginning.

MCB

MEMO: Legality of writing.

OFF REC 135933re 621

EXHIBIT "B"

HOLLYWOOD BEACH HOTEL
DESCRIPTION OF POOL AREA

A portion of Lot 1 and a portion of Broad Walk, according to the Plat of "RE-SUBDIVISION OF BLOCK "E", HOLLYWOOD BEACH", as recorded in Plat Book 7, Page 55, of the Public Records of Broward County, Florida, being described as follows:

Commencing at the northeast corner of Lot 2 of said "RE-SUBDIVISION OF BLOCK "E", HOLLYWOOD BEACH"; thence, on an assumed bearing of N.88°25'12"E. on the easterly extension of the north line of said Lot 2 a distance of 112.20 feet; thence, S.3°14'49"W. along the east line and along an extension of the east line of said Lot 1 a distance of 124.16 feet to a Point of Beginning; thence continue S.3°14'49"W. along said east line 234.83 feet; thence, S.88°25'12"W. 74.01 feet; thence N.1°40'27"W. 234 feet; thence, N.88°25'12"E. 94.16 feet to the Point of Beginning.

GKR34072/10S

RECORDED IN THE OFFICIAL RECORDS BOOK
14 BROWARD COUNTY, FLORIDA
F. T. JOHNSON
CLERK

MEMO: Legality of writing.
M. J. ...

REC 13593Pg 622

EXHIBIT F

RECORD AND RETURN TO:
SUSAN P. OSBORNE
PARALEGAL
RUDEN, McCLOSKEY, SMITH, SCHUSTER & RUSSELL, P.A.
POST OFFICE BOX 1900
FORT LAUDERDALE, FLORIDA 33302

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Easement Agreement") is made and entered into this 23rd day of September, 2003 by and between HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC., a Florida not for profit corporation ("Master Association), HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida not for profit corporation ("Condominium Association") (the Master Association and the Condominium Association are together referred to as the "Associations"), and OCEAN WALK MALL, LLC, a New York limited liability corporation, authorized to do business in the State of Florida, on behalf of itself, its successors and assigns ("Ocean Walk"), which parties agree as follows:

WITNESSETH:

WHEREAS, the Master Association is the entity responsible for the maintenance and management of the Hollywood Beach Hotel ("Property"), pursuant to the Declaration of Covenants, Conditions, and Restrictions for the Hollywood Beach Hotel, as recorded in Official Record Book 11403, Page 304, of the Public Records of Broward County, Florida, as amended ("Master Declaration");

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WHEREAS, there has been submitted to condominium ownership certain property known as THE HOLLYWOOD BEACH, A RESORT CONDOMINIUM ("Condominium") as established by the Declaration of Condominium thereof recorded in the Public Records of Broward County, Florida at Official Records Book 13593, Page 406 ("Declaration"), which Condominium consists of 398 residential units and 2 commercial units for a total of 400 units;

WHEREAS, the Condominium Association is the entity charged with the responsibility of operating and maintaining the Condominium property, and has the authority to enter into this Easement Agreement pursuant to its rights and obligations more fully set forth in the Declaration;

WHEREAS, Ocean Walk is the owner of Commercial Units 100 and 200 ("Commercial Units"), of the Condominium, as well as a fee simple parcel of land which is adjacent to the Condominium property, but which is not subject to the Master Declaration or Declaration;

WHEREAS, the Condominium Association and Developer, as more fully identified in the Master Declaration and Declaration and as owner of the Commercial Units, entered into an "Easement and Maintenance Agreement for Access, Ingress, Egress and Recreational Use," on July 7, 1986, which agreement was recorded in Official Records Book 13593, Page 610, of the public records of Broward County, Florida ("1986 Easement and Maintenance Agreement"), pursuant to which the owner of the Commercial Units granted certain easement and use rights in and to the Commercial Units, health spa and pool and pool deck area (hereinafter referred to as "Recreational Facilities") located on its property in consideration for a fee calculated according to a formula as more fully set forth therein;

FTL:1095815:1

WHEREAS, the 1986 Easement and Maintenance Agreement was subsequently modified and amended, which amendments were recorded in the public records of Broward County, Florida prior to December 1997, at which time Ocean Walk received title to the Commercial Units pursuant to a Warranty Deed;

WHEREAS, prior to receiving title to the Commercial Units, Associations claim to have entered into an Easement Agreement with Ocean Walk's predecessor-in-interest, dated April 25, 1995 ("1995 Easement Agreement"), which agreement grants certain rights and obligations affecting the Commercial Units, but which agreement was not recorded prior to Ocean Walk receiving title to the Commercial Units;

WHEREAS, the 1995 Easement Agreement, recorded on December 20, 1999, at Official Records Book 30112, Page 1354, of the public records of Broward County, Florida, after Ocean Walk acquired title to the Commercial Units purports to modify, amend and replace the prior agreements of record with regard to the easement and use rights as reflected in the aforementioned recorded documents;

WHEREAS, Ocean Walk filed suit with regard to the validity and enforceability of the 1995 Easement Agreement, in response to which Associations asserted affirmative defenses;

WHEREAS, the parties wish to settle their claims and disputes and clarify the rights and obligations granted by virtue of the aforementioned easements;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

**ARTICLE I
DEFINITIONS**

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The terms not otherwise defined herein shall have the meanings as set forth in the Master Declaration, the Declaration and the 1986 Easement and Maintenance Agreement, if so defined, unless the context clearly requires otherwise.

**ARTICLE II
EASEMENTS**

1. **Grant of Easement: No Change in Title.** Ocean Walk for itself and its successors and assigns, hereby grants to Associations, their members, invitees and guests, a perpetual nonexclusive easement of ingress and egress in and to the Commercial Units, as more fully identified in Exhibit "A" attached hereto. The easement granted herein shall be for the benefit of the Associations, their members, guests and invitees, but this easement is not intended nor shall it be construed as creating an ownership interest in the demised premises and Ocean Walk, its successors and assigns, shall retain a fee simple interest in all portions of the Commercial Units.

2. **Office Area.** Ocean Walk for itself and its successors and assigns, hereby grants to Condominium Association and Master Association an exclusive easement to occupy space located in Commercial Unit 100, as identified on Exhibit "B" to this Easement Agreement, which space can be used solely for the Associations, not-for-profit purposes. This easement is granted solely to Master Association and Condominium Association and is not assignable. Moreover, Associations shall not permit any third party, entity, company corporation, including but not limited to the hotel front desk operator, to occupy or use said space for any purpose. Associations may not permit any agent, employee or individual the right to list the office space as a mailing address for any purpose, or post broker, mortgage or other types of licenses.

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3. **Front Desk Area:** In the event that Ocean Walk, its successors and assigns, cease to lease the hotel front desk to a hotel operator, Ocean Walk shall give the Master Association and Condominium Association the first opportunity to lease the hotel front desk premises to operate the hotel front desk as presently located within Commercial Unit 100, on terms and conditions of the lease in place at this time for the remaining term of the leasehold interest, or on terms which are acceptable to both parties. In the event that the existing lease has expired of its own terms, Ocean Walk is unable to lease the hotel front desk to a third party, and Ocean Walk and the Master Association cannot agree to acceptable leasehold terms, then the Master Association may operate the hotel front desk pursuant to the terms and condition of the prior leasehold interest on a month to month basis until such time as Ocean Walk can relet the hotel front desk to a third party at more favorable terms, or on a month to month basis on similar terms.

4. **First Floor Exclusive Area (Other than Office).** Ocean Walk, for itself and its successors and assigns, hereby grants to the Master Association and the Condominium Association, for the benefit of their respective members, including Ocean Walk, its successors and assigns, the exclusive right to use the areas designated in hatch marks on the first floor (as depicted on Exhibit C hereto) for storage, utilities, first and second floor tower passenger elevator lobbies and maintenance facilities. Ocean Walk, its successors and assigns, shall retain any and all use rights to said spaces that other unit owners are afforded by the Associations, including but not limited to, the use of the elevators identified in hatch marks.

5. **Second Floor Exclusive Area.** Ocean Walk, for itself and its successors and assigns, hereby grants to Master Association and Condominium Association the non-exclusive right

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to use the area designated in hatch marks on the second floor (as depicted on Exhibit D hereto)("Second Floor Designated Easement"). Such areas are to be used by the Master Association and Condominium Association and its members (including Ocean Walk, its successors and assigns) for association purposes only, including members meetings, which use rights are subject to the rights of ingress and egress of Ocean Walk and its tenants and invitees. This right of ingress and egress shall not interfere with the operation of the retail businesses. Associations shall not permit the Second Floor Designated Easement to be used by anyone in furtherance of any commercial purpose or by any commercial entity. Associations may not permit the Second Floor Designated Easement to be used for conventions or gatherings, other than members meeting, and shall not be used to the exclusion of Ocean Walk, its successors and assigns. Associations shall not permit or cause any permanent structure to be placed in the Second Floor Designated Easement. Associations shall not permit or cause any temporary structure to be placed in the Second Floor Designated Easement without the prior written consent of Ocean Walk, its successors and assigns, which consent shall not be unreasonably withheld, delayed or conditioned. Ocean Walk acknowledges that the placement of tables and chairs for association meetings is a permissible use.

6. **Access for Security.** Ocean Walk, its successors and assigns, grants an easement to Master Association and Condominium Association and an easement of ingress and egress in the Commercial Units in order to provide security for the Commercial Units, the Residential Units and Common Property and the members, guests and invitees of the Condominium Association and Master Association.

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7. **Recreational Facilities.** Ocean Walk, its successors and assigns, grants unto Associations, their members, guests and invitees, the right to use the Recreational Facilities, as more fully set forth in the 1986 Easement and Maintenance Agreement (as depicted on Exhibit "G" hereto) except that said easement rights shall be exclusive to said parties so named (including, but not limited to, Ocean Walk, its successors and assigns, guests and invitees). Neither Associations nor Ocean Walk, its successors and assigns, shall charge a fee for said use to the unit owners ("owners"), guests or invitees, for the use of the Recreational Facilities, other than the consideration paid hereunder by the Associations to Ocean Walk, its successors and assigns. It is specifically understood that the Ocean Walk shall maintain the exclusive right to provide food, beverage, and other commercial services within the Recreational Facilities, which right it may assign to third parties. It is understood and agreed that neither the Associations nor Ocean Walk may grant use rights in such Recreational Facilities to third persons, firms or entities which are neither owners, or their guests and invitees. At no time, shall Associations, Ocean Walk, or any owner, guest or invitee be permitted to use the Recreational Facilities to the exclusion of others who have a use right hereunder.

8. **Maintenance.** Ocean Walk, for itself and its successors and assigns, hereby grants to the Master Association and the Condominium Association the right of access to clean the floors and windows in those areas designated on Exhibits "E" and "E1" attached hereto. The Master Association and the Condominium Association agree to clean the floors and windows such designated area in a good and orderly fashion. Ocean Walk, its successors and assigns, shall be responsible for the maintenance (other than cleaning the floors and windows), repair and replacement

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of said areas, except as otherwise provide herein, or for damages caused by the Associations as a direct result of the Associations negligence or improper use thereof. Ocean Walk, its successors and assigns, shall be responsible to maintain the foliage in the planter boxes within said designated area.

9. **Skylight Maintenance:** Associations and Ocean Walk agree that the maintenance, repair and replacement obligations regarding the skylights which are located within the roof above the Commercial Units shall be the mutual obligation of said parties, with the financial obligation to paid on a fifty/fifty basis, to wit: Associations shall be responsible for 50% of the costs associated therewith and Ocean Walk shall be responsible for the 50% of the costs associated therewith; provided, however, Ocean Walk shall be solely responsible for the cost of the design work for the skylights. Any material changes, alterations or repairs associated with the skylights shall be performed only after consultation and agreement by the Associations and Ocean Walk.

10. **Utilities.** Associations grant unto Ocean Walk and its tenants and licensees located on the fee simple parcel located adjacent to and in front of the Hotel ("Fee Simple Parcel"), which Fee Simple Parcel is more particularly identified as Exhibit "F", a non-exclusive easement to tie into and use the electrical lines, storm sewers, sanitary sewers, domestic water supply lines, fire protection lines and gas lines, telephone lines, located in the common areas and common elements of the Property. Commercial Units shall bear all costs associated with work to tie into such utility services. This easement is subject to the right of the Associations to change the location of any easement area at any time provided same is at no cost or expense to Ocean Walk, its successors and assigns, and further provided that, except to the extent same is unavoidable (in which event Associations shall use its best efforts to minimize any interruption of service), same causes no

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interruption of service to the Fee Simple Parcel. Associations shall have no right to terminate service to the Fee Simple Parcel, without the consent of Ocean Walk.

**ARTICLE III
MAINTENANCE AND REPAIR OF DESIGNATED AREAS**

In consideration for and as a condition of use of the easements granted herein, Associations shall be required to perform maintenance of the designated areas as follows:

11. **Ingress and Egress.** Associations shall be responsible to clean the areas designated in Exhibit "B" attached hereto, in a good, clean and orderly fashion.

12. **Office.** All maintenance, repair and replacement responsibilities shall remain with Associations; however, in the event that Associations desire to perform material alterations to the designated area, Associations shall provide notice, the building plans, and obtain consent by Ocean Walk, which consent shall not be unreasonably withheld, delayed or conditioned. Additionally, Associations shall provide proof of licensed contractors, requisite insurance, indemnify Ocean Walk for any and all work performed within the Commercial Units, and not interfere with the daily operations of the vendors, invitees and guests of Ocean Walk, its successors and assigns. Associations represent and warrant that they shall not cause, under any circumstances a lien to be filed against the Commercial Units for work performed by or at the direction of the Associates pursuant to their easement rights hereunder. Associations shall provide a key to Ocean Walk for the office, which key shall be used only in cases of emergency.

13. **First Floor Exclusive Areas (other than office).** All maintenance, repair and replacement responsibilities shall remain with Associations; however, in the event that Associations desire to make material alterations to the designated area, Associations shall provide

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notice, the building plans, and obtain consent by Ocean Walk, which consent shall not be unreasonably withheld, delayed or conditioned. Additionally, Associations shall provide proof of licensed contractors, requisite insurance, indemnify Ocean Walk for any and all work performed within the Commercial Units, and not interfere with the daily operations of the vendors, invitees and guests of Ocean Walk, its successors and assigns. Associations represent and warrant that they shall not cause, under any circumstances, a lien to be filed against the Commercial Units for work performed by or at the direction of the Associations pursuant to their easement rights hereunder. Associations shall provide a key to Ocean Walk for said designated areas, which shall be used only in cases of emergency.

14. **Security.** Association shall be responsible to provide security to all unit owners, including Ocean Walk, its successors and assigns, and their respective guests, invitees at the Hollywood Beach Hotel, in consideration for the easements provided in the Commercial Units. Ocean Walk acknowledges that in the event that one of its tenants requires extraordinary security beyond that provided by Associations in the ordinary course, then Ocean Walk shall be responsible to pay for the additional expense associated therewith. Ocean Walk acknowledges that the providing of security is not an assurance that no incidents of theft or injury will occur.

15. **Recreational Facilities.** Master Association and Condominium Association shall be responsible for the maintenance, repair and replacement of the Recreational Facilities.

16. **Utilities.** Except to the extent the provider of utility service or a public or quasi-public authority has agreed to maintain same, Associations shall maintain in working condition all utility lines which serve the Property. Associations shall have an emergency policy in effect, in

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the event that the commonly shared utilities are interrupted, so there will be as little damage as possible to the operations of the vendors and users on the Fee Simple Parcel.

ARTICLE IV CONSIDERATION

17. As additional consideration for the rights granted to Associations herein, Associations agree to pay to Ocean Walk, its successors and assigns, a sum equal to 41.09% of the monthly assessment attributable to the Commercial Units. This payment shall be due and payable on a monthly basis. This payment shall in no way be considered a reduction in Ocean Walk's, its successors and assigns, obligations to pay their respective monthly assessment pursuant to the Master Declaration and the Condominium Declaration, or affect their percentage interest allocated to said units pursuant to the Condominium Declaration and the Master Declaration. Further, this payment shall not be considered rent, but rather a reimbursement to Ocean Walk of its expenses of ownership associated with the areas in which the Associations shall have easement rights pursuant to this Easement Agreement.

18. Additionally, Ocean Walk grants to Associations a first right of refusal to operate and lease the front desk in the event that the tenant/desk operator vacates the hotel front desk. This option would be to accept the lease on the same terms and conditions that Ocean Walk would be offering the front desk for lease to a third party. This will provide Associations with the ability to ensure the continued operation of a front desk which they believe to be essential to the Associations' members. In the event that Associations do not wish to enter into a lease for the front desk, in the event that the front desk and operator vacates the premises or Ocean Walk is unable to contract with a new front desk operator, then Associations are granted the right to lease the front desk on a month

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to month basis, on the same terms and conditions as the prior front desk operator, until such time as the Ocean Walk can relet the premises to a third party.

**ARTICLE V
INSURANCE**

19. **Insurance.** Associations shall maintain or cause to be maintained in effect comprehensive general/commercial general liability insurance covering the easements areas within the Commercial Units, with a combined single limit of liability of not less than \$2,000,000.00 for bodily injury, \$2,000,000.00 for personal injury or death of any person and consequential damages arising therefrom, and for property damage arising out of any one (1) occurrence or for such greater limits as the parties may from time to time agree.

20. **Construction Period.** Prior to the commencement of any construction activities within the Commercial Units Associations, pursuant to the limitations set forth herein, the party performing such work shall take out and shall continuously carry during the course of said construction all risk, replacement costs, and property insurance.

**ARTICLE VI
INDEMNIFICATION**

Each party hereto (the "Indemnifying Party") agrees to indemnify and hold each other party hereto (the "Indemnified Party") harmless from and against any and all costs, liability or damage which the Indemnified Party suffer, arising from injury or claim of injury during the term hereof to person or property growing out of the occupation, possession, use, management, improvement, construction, alteration, repair, maintenance or control of the Indemnifying Party's property.

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**ARTICLE VII
EFFECTIVE DATE AND TERM**

This Easement Agreement shall be effective upon recordation and shall continue in full force and effect and shall run concurrently with the existence of the Condominium and shall terminate upon the termination of the Condominium.

**ARTICLE VIII
MISCELLANEOUS**

21. **Fee Simple Ownership.** Any and all rights granted to Associations herein shall not interfere with Ocean Walk, its successors and assigns' quiet enjoyment, use or ownership rights to the Commercial Units, or the rights granted pursuant to the Condominium Declaration and the Master Declaration. Nothing herein should construe the easements granted herein to convert any portion of the Commercial Units into common space or common elements. Associations also agree that neither they, nor any person claiming through them, can assert any prescriptive rights by virtue of exclusive easements rights set forth herein

22. **Notices.** Any notice required or permitted to be given by the terms hereof may be delivered by registered mail or by facsimile to the following addresses:

Ocean Walk Mall, LLC
c/o David Schonberger
1212 Avenue of the Americas
18th Floor
New York, New York 10036
with copy to:

Hollywood Beach Hotel Owners
Association, Inc.
Attention: President
101 North Ocean Drive
Hollywood Beach, Florida 33019
with copy to:

Alaine S. Greenberg, Esquire
Fowler White Burnett P.A.
Union Planters Building
100 Southeast Third Avenue, Suite 1100
Fort Lauderdale, Florida 33394

Mark Grant, Esquire
Ruden, McClosky et al.
200 East Broward Boulevard
Fort Lauderdale, Florida 33301

FTL:1095815:1

23. **Applicable Law.** This Easement Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Florida, and shall be read *in parametria* with Chapter 718, Fla. Stat.

24. **Integration.** This Easement Agreement shall supersede the 1995 Easement Agreement, which agreement shall be deemed null and void. This Easement Agreement shall not be amended or modified except by an instrument in writing.

25. **Settlement of Claims.** This Easement Agreement shall constitute settlement of any and all claims brought or which could have been brought with regard to the rights or obligations pursuant to the 1995 Easement Agreement, in Case No. CASE NO. 02-001059 (08) CACE, in the Circuit Court in and for Broward County, Florida. This Easement Agreement shall be recorded in the public records of Broward County, Florida, and shall be deemed to be a covenant running with the land, and binding against the parties successors, and assigns.

26. **Declarations Not Modified.** This Easement Agreement shall not modify or amend the rights and privileges set forth in the Condominium Declaration or the Master Declaration of Restrictions, and shall constitute an amendment of the 1986 Easement and Maintenance Agreement, as amended. The 1995 Easement Agreement shall be deemed to have no legal existence or effect.

27. **Attorneys' Fees.** In the event of any litigation arising out of any of the terms or provisions of this Easement Agreement, the prevailing party shall be entitled to recover all costs and reasonable attorneys' fees, including attorneys' fees incurred on appeal.



28. **Subordination.** This Easement Agreement, and all rights granted in connection herewith, is subject to and is hereby declared to be subordinate to the mortgage of any first mortgagee encumbering any condominium unit within the Property. Associations agree to execute any and all documents or instruments necessary to effectuate said subordination.

29. **Binding Effect.** All easements declared hereunder shall constitute covenants running with the land and shall inure to the benefit of and be binding upon the users of the land and their respective successors and assigns in title to all or any portion of the land.

30. **Not a Public Dedication.** Nothing herein contained shall be deemed to be a gift or dedication of any parcel or any portion thereof to the general public or for any public use or purpose whatsoever.

31. **Force Majeure.** Whenever a performance is required hereunder, the party required to perform shall use due diligence and take all necessary measures to perform provided, however, that if completion of performance shall be delayed by reasons of acts of God, war, civil commotions, riots, strikes, picketing or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty or any cause beyond the reasonable control of such party, then the time for performance shall be extended by the time of the delay. Nothing herein contained shall excuse the prompt payment of any monies required to be paid herein by this Easement Agreement.

32. **Captions.** The captions preceding the text of each Article and section are included for convenience only and are not to be used in construction or interpretation of this Easement Agreement.

FTL:1095815:1

33. **Assignment.** Associations shall have no right to assign its rights, benefits and obligations hereunder to any tenant, third party, or other entity, however, Associations may hire a maintenance or management company to fulfill its maintenance and management obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.


FTL10958151



WITNESSES:

Owner of Commercial Units 100 and 200:

OCEAN WALK MALL LLC, a New York limited liability company


Print Name: DAVID Subonbegor


By: Agent For

Print Name: _____

By:

Address:

HOLLYWOOD BEACH RESORT
CONDOMINIUM ASSOCIATION, INC, a
Florida not for profit corporation


Print Name: RICHARD V. Schecher

By:

Address:

Print Name: _____



STATE OF FLORIDA)
) ss:
COUNTY OF)

The foregoing instrument was acknowledged before me this 23rd day of September
2003 by RICHARD SCHECHER, as, on behalf of the corporation, H. B. R. C. A. Inc.
or who have produced PERSONALLY KNOWN as identification.



Mark R. Moroy
Commission # CC 962377
Expires Oct. 1, 2004
Domiciled There
Athletic Bonding Co., Inc.

Mark Moroy
Notary Public, STATE OF FLORIDA

Print name: MARK R. MOROY

My Commission Expires: 10/01/04

The foregoing instrument was acknowledged before me this 23rd day of September
2003 by RICHARD SCHECHER, as, on behalf of the corporation, H.B.R.C.A. INC.
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Mark R. Moroy
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Mark Moroy
Notary Public, STATE OF FLORIDA

Print name: MARK R. MOROY

My Commission Expires: 10/01/04

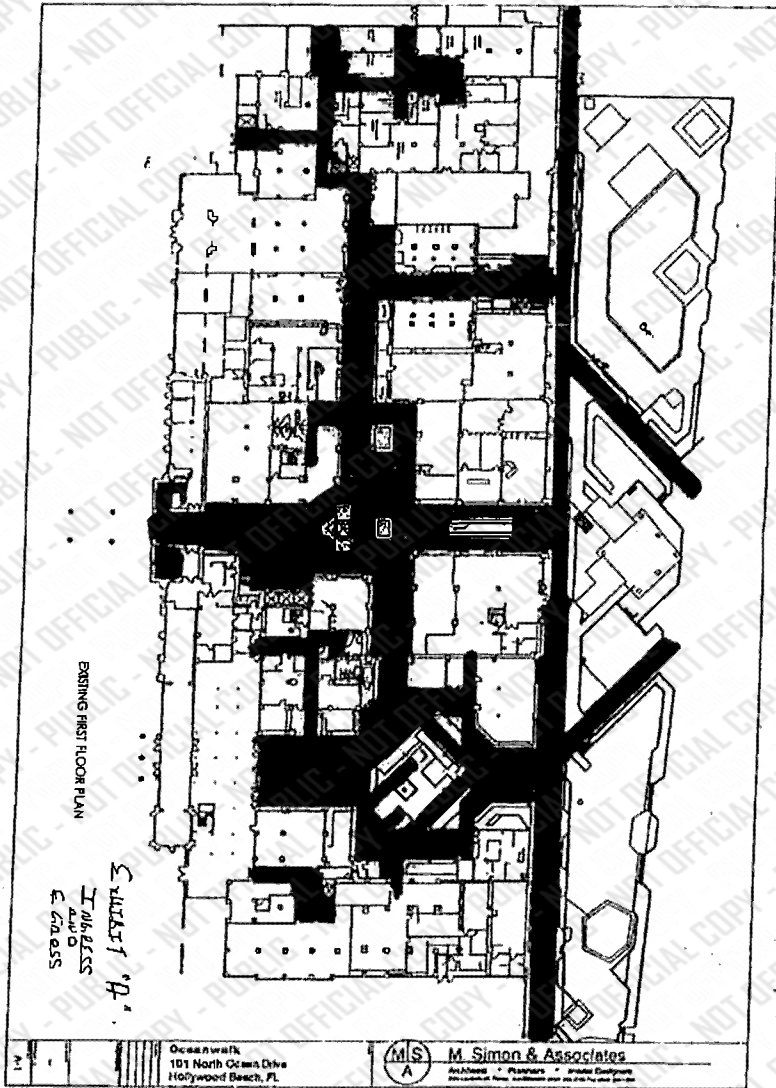
Attachments:

- Exhibit "A": Non-Exclusive Easement Designntions/Commercial Units 100 and 200
- Exhibit "B": Exclusive Easement Designations/Commercial Unit 100: Office
- Exhibit "C": Exclusive Easement Designations/Commercial Unit 100 & 200:Storage & Maintenance
- Exhibit "D": Non-Exclusive Designations/Commercial Unit 200:
- Exhibit "E": Non-Exclusive Maintenance Easement: Units 100 & 200
- Exhibit "E1": Second Floor Maintenance Area
- Exhibit "F": Legal Description of Fee Simple Property
- Exhibit "G": 1986 Easement and Maintenance Agreement

(s) W\33627\BASBM1 ASG (9/12/03-15:48)

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EXISTING FIRST FLOOR PLAN

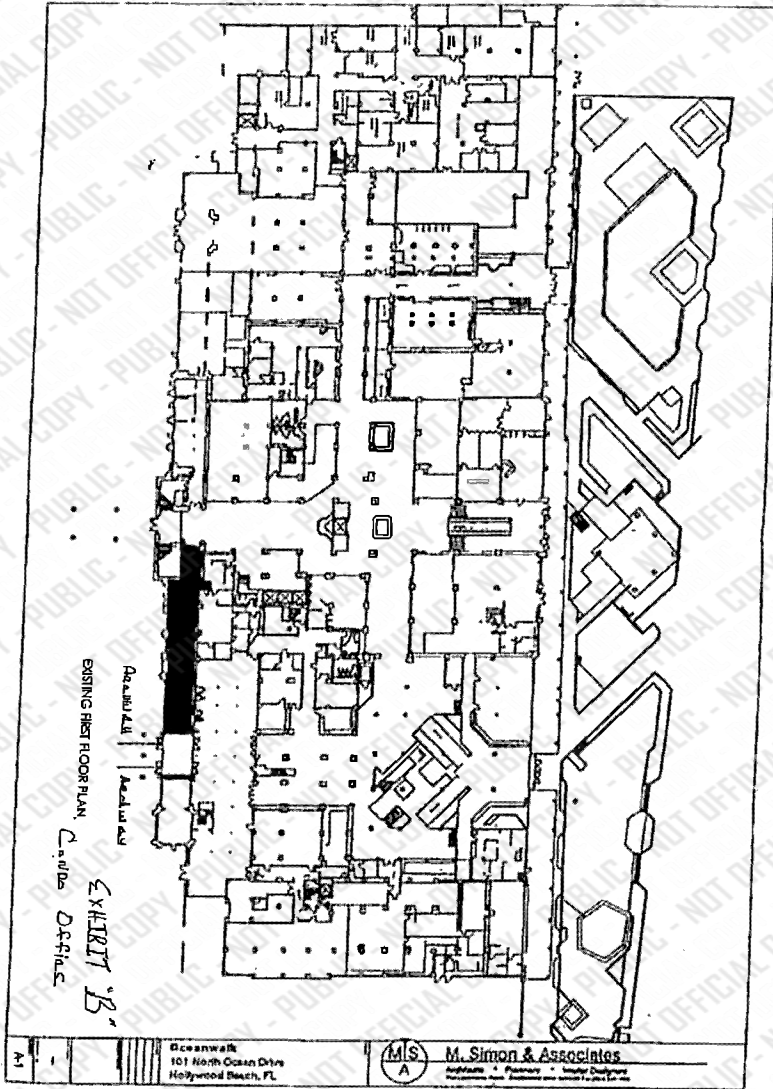
Handwritten notes:
10/18/03
C. G. G. S.

Oceanwalk
101 North Ocean Drive
Hollywood Beach, FL

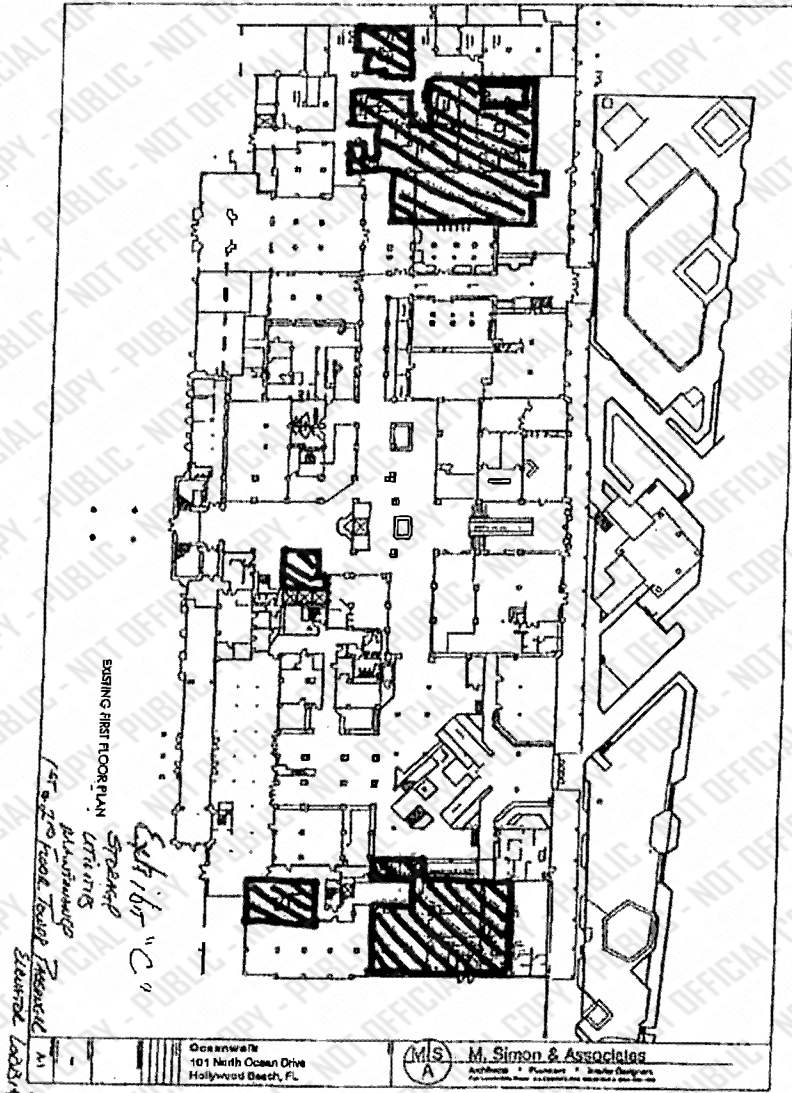
M. S. M. Simon & Associates
Architects Planners Interior Designers
Professional Seal and Number are on file with the State

Handwritten signature/initials

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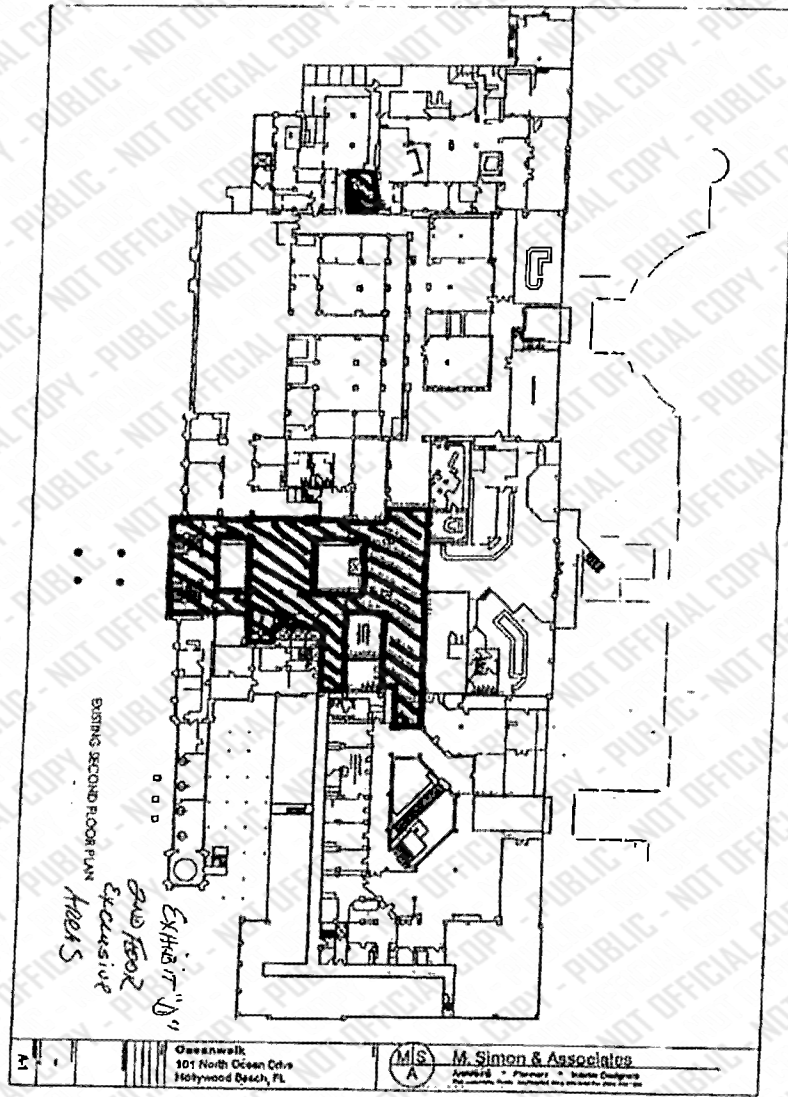


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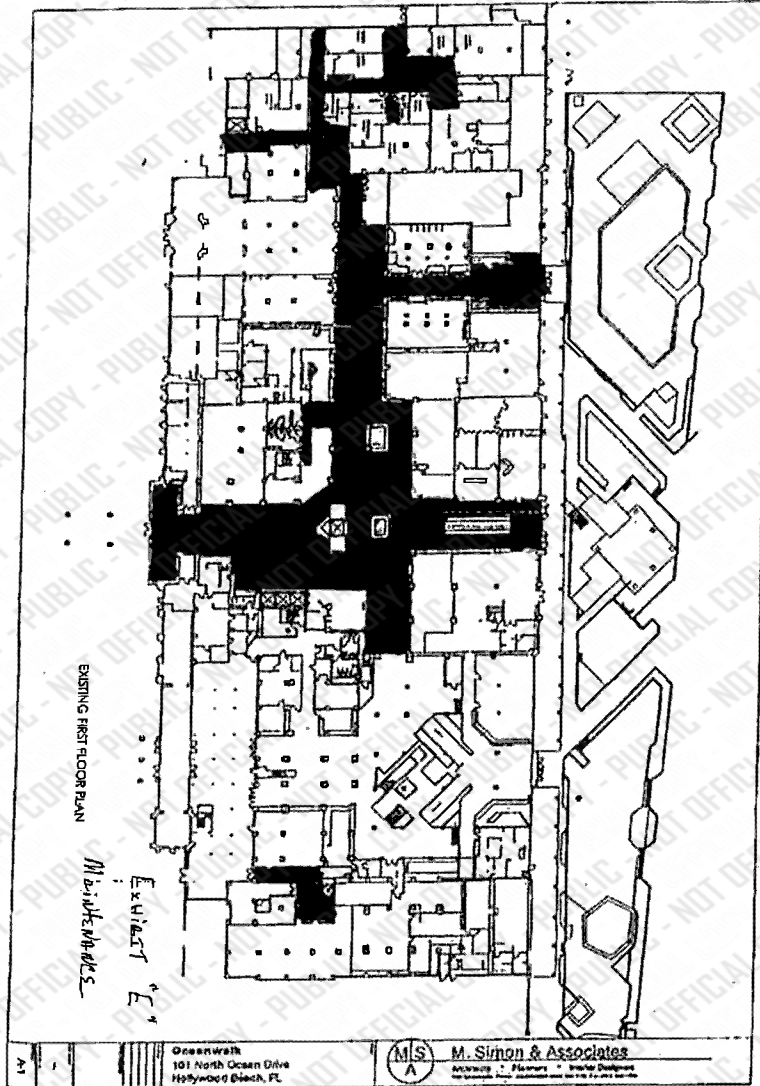
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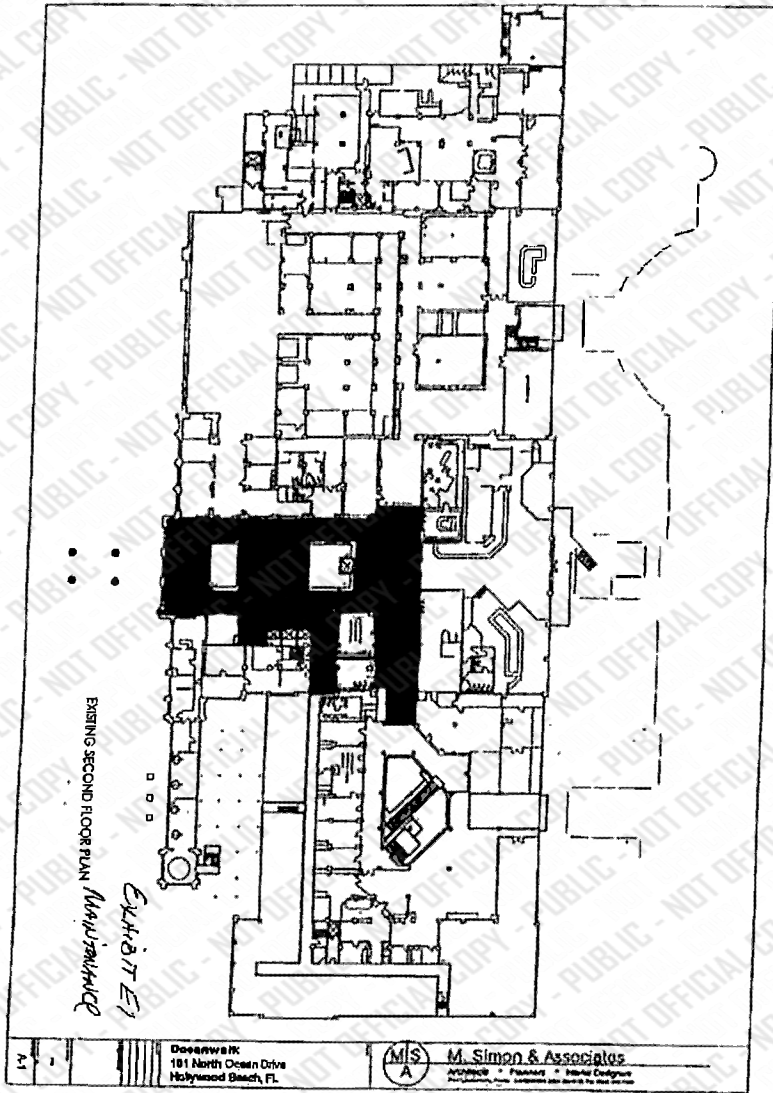


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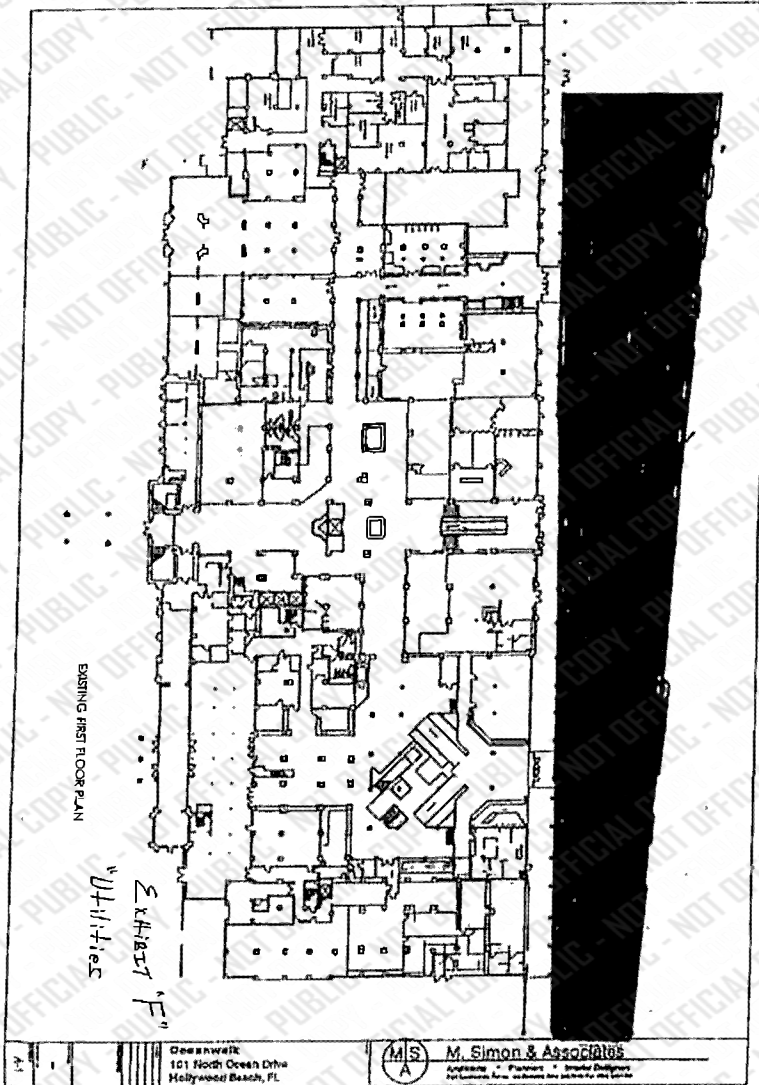
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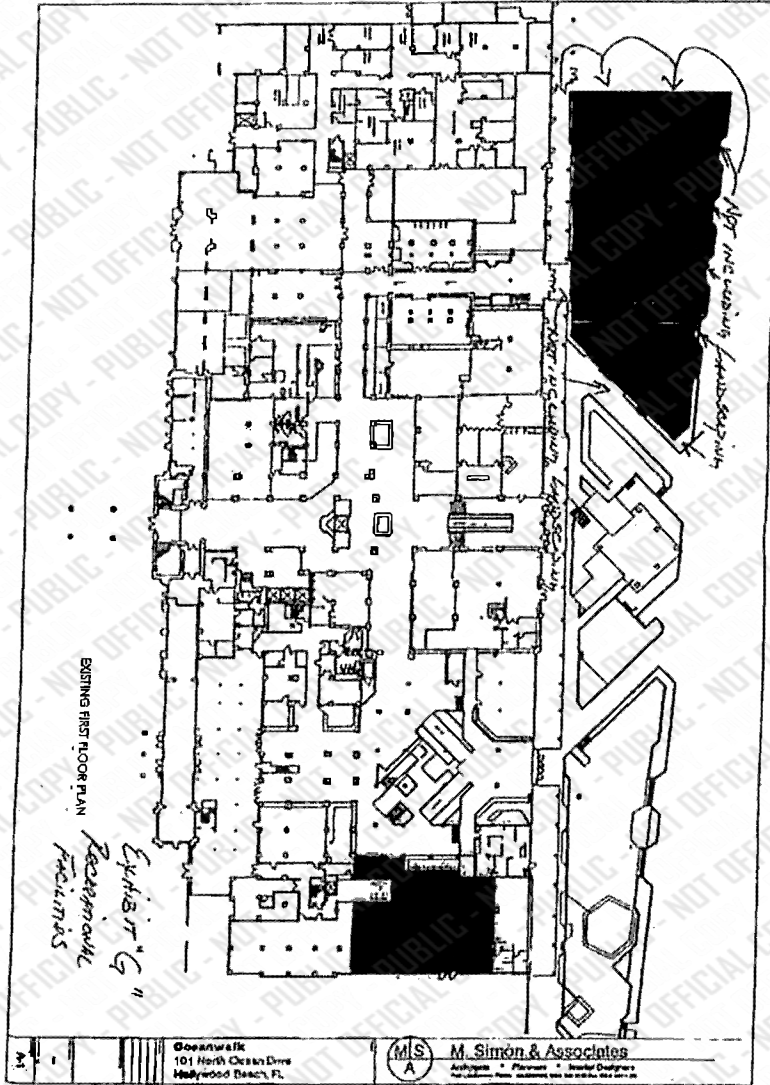
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Instrument Prepared By:
Alicia S. Greenberg, Esq.
Fowler White Burnett P.A.
100 Southeast Third Avenue, Suite 1100
Fort Lauderdale, Florida 33394

Tax filing no.:
Cratebox tax i.d. no.:
RECORD AND RETURN TO:
SUSAN P. OSBORNE
PARALEGAL
RUDEN, McCLOSKEY, SMITH, SCHUSTER & RUSSELL, P.A.
POST OFFICE BOX 1900
FORT LAUDERDALE, FLORIDA 33302

INSTR # 104015681
OR BK 3/507 Pages 739 - 740
RECORDED 05/20/04 16:00 11
BROWARD COUNTY COMMISSION
DEPUTY CLERK 1004
#1, 2 Pages

Reserved for Recorder

MORTGAGE JOINDER AND CONSENT

The undersigned, Robert Horowitz, as authorized agent of QIA Corp., a New York corporation, whose address is C/O Robert Horowitz Associates, 350 Fifth Avenue, Suite 7210, New York, New York 10118, as mortgagee of property owned by Ocean Walk Mall, LLC, located at 101 N. Ocean Drive, Commercial Units 100 and 200, Hollywood, Florida, 33019, hereby acknowledges its joinder and consent to that certain easement agreement, dated 9/23/2003, by and between Ocean Walk Mall, LLC and HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC., a Florida not for profit corporation ("Master Association"), HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC., a Florida not for profit corporation ("Condominium Association").

WITNESSES:

[Signature]
[Signature]

QIA Corp.

By: [Signature]
Robert Horowitz

Date: 5/9/04, 2004

QIA Corp.

[Signature]
SCOTT ADAM STEINBERG
Notary Public, State of New York
No. 02ST6084742
Qualified in Nassau County
Commission Expires 11/11/05

STATE OF NEW YORK)
COUNTY OF New York) ss

The foregoing instrument was acknowledged before me this 21 day of March, 2004 by Robert Weinstein, as President, of QIA Corp., a New York corporation, on behalf of the corporation, who is personally known to me or who has produced as identification.

Scott Adam Steinberg
Notary Public, STATE OF NEW YORK

Print Name: Scott Adam Steinberg

My Commission Expires:

SCOTT ADAM STEINBERG
Notary Public, State of New York
No. 02ST6084742
Qualified in Nassau County
Commission Expires 12/11/06

EXHIBIT "A"

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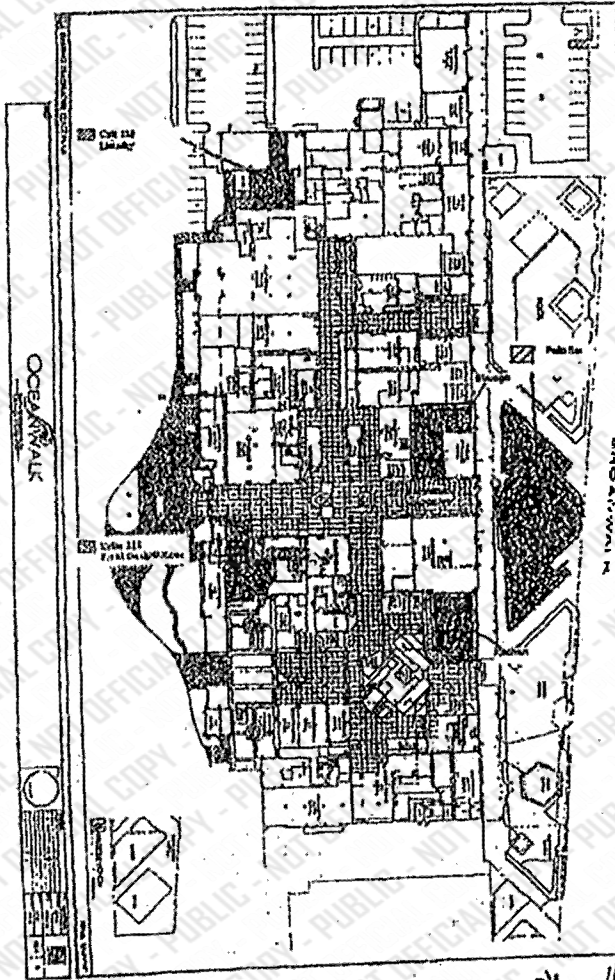
Initials 

31

00031



EXHIBIT A



Handwritten signature or initials

00032

EXHIBIT G

**EMERGENCY BOARD OF DIRECTORS MEETING
OF THE
HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC.
AND
HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.**

**Wednesday August 15th, 2012 at 7 pm
Second floor lobby
HOLLYWOOD BEACH RESORT
101 North Ocean Drive
Hollywood, FL 33019**

AGENDA

- Open Meeting
- Proof of Notice of the Meeting
- Roll Call
- Determination of a quorum
- 1. Approval of new Lease with the Mall
- 2. Approval of Rental Program exclusive Operator / Management Company
- 3. Board Approval for a no smoking building designation
- 4. Contractor approval for plumbing / concrete repairs and closure of all permits
- 5. Approval of write off's of uncollectable dues
- 6. Approval for gas repairs not covered by original contract
- 7. Approval for replacement of sprinklers on the north side of the building that was not covered by last approval
- 8. Approval of Storage Bins distribution and rules
- Adjournment

HBHOA
&
HBRCA

Emergency Meeting Minutes
Wednesday, August 15, 2012

Meeting of the Board of Directors of the **Hollywood Beach Hotel Owners Association (HBHOA)**, and the **Hollywood Beach Resort Condo Association (HBRCA)**, duly called and held on Wednesday, August 15, 2012 at the Hollywood Beach Resort, 101 N. Ocean Drive, Hollywood, Florida, commencing at 7:03 p.m.

PROOF OF NOTICE OF THE MEETING:

Notice of meeting was timely posted and shown

ROLL CALL: Present were: Michel Jekic, President
Laura Welliver, Vice President
Christina M. Morello, Secretary
Richard King, Treasurer
Maria Mejido

DETERMINATION OF QUORUM:

Quorum is met

1. APPROVAL OF NEW LEASE WITH THE MALL

The Association is negotiating with the mall to take over the lease for the front desk, laundry and storage area on the first floor. This will allow the creation of a new hotel rental program which will be owned by the members of the Association. The Association will form an LLC to operate the program on behalf of all unit owners. The business model for the program will allow the owners to eliminate the middleman and receive all the profits generated. Each unit on the program will pay a percentage of its fair share of the operating costs. The profit will be distributed monthly based on each unit's revenue for the particular month, minus the expenses.

The Association is also negotiating with the Mall to take over the lease for O'Malley's Restaurant and Bar. The same LLC will operate the food & beverage facilities on behalf of the Association. All the profits from the operation of food and beverage facilities will be used to fund capital improvements and to offset some costs of monthly maintenance fees for

all members. The LLC will hire a professional hotel management company to run the hotel program and food & beverage facilities.

Motion to approve Lease for the front desk, laundry, storage space and food & beverage facilities was made by Christina Morello; Second by Laura Welliver; Richard King abstained; Motion is passed

2. APPROVAL TO HIRE EXCLUSIVE RENTAL PROGRAM OPERATOR

The Board members have interviewed several hotel management companies for the operation of the hotel program and food & beverage facilities. Out of five, only two management companies have emerged suitable to operate the condo hotel program which requires a turnaround specialist. The final selection will be made by the Board appointed Association members of the LLC.

The compensation for the management services was discussed. Both management companies requested 5% of gross revenue. In order to have the management company perform better, we have offered 2.5% of gross and 2.5% of net. This will force them to work on gross revenues and watch the spending to maximize the net revenues.

Motion to approve hiring of the exclusive management company for the hotel rental program and food & beverage operation was made by Laura Welliver; Second by Maria Mejido; Richard King abstained; Motion is passed.

3. BOARD APPROVAL FOR A NO-SMOKING BUILDING DESIGNATION

Motion to make the Hollywood Beach Resort a non-smoking building was made by Laura Welliver; Second by Michel Jekic; All in Favor; Motion is passed.

The Board will seek the approval of all owners at a later date.

4. CONTRACTOR APPROVAL FOR PLUMBING / CONCRETE REPAIRS AND CLOSURE OF ALL PLUMBING PERMITS

Approval of \$48,000.00 bid for pending plumbing/sewer repair along with fill-in, concrete repairs and closing of permits. Bid is below the assessment's \$55,000.00 however, we may have extra charges for other repairs requested by the plumbing inspector pending the final inspection.

Motion to approve plumbing bid for the concrete repairs, completion of pending plumbing/sewer repairs and closing of permits was made by Laura Welliver; Second by Michel Jekic; All in Favor; Motion is passed

5. **APPROVAL OF WRITE-OFF'S OF UNCOLLECTIBLE DUES**

Uncollectible funds / losses from bank foreclosures on various units

Motion to approve write-off of uncollectible dues in the amount of \$164,683.02 was made by Laura Welliver; Second by Christina Morello; Richard King abstained; Motion is passed

6. **APPROVAL FOR GAS REPAIRS NOT COVERED BY ORIGINAL CONTRACT**

Estimated total expense for repair of gas leaks: \$44,838.00. If other leaks are detected, the cost of repair will be added to the bill. Budgeted amount for this project is \$60,000.00 and we expect to be on the budget for this project.

Motion to approve extra expense for gas line repairs was made by Laura Welliver; Second by Christina Morello; All in Favor; Motion is passed.

7. **APPROVAL FOR REPLACEMENT OF SPRINKLERS ON THE NORTH SIDE OF THE BUILDING THAT WAS NOT COVERED BY LAST APPROVAL**

This is an emergency as it relates to safety. We have to fix leaks on several floors in the north side of building in order to pass our annual inspection. \$32,450.00 - Expense will be paid out of reserves in 7 equal payments.

Motion to approve expense for replacement of sprinklers in the amount of \$32,450.00 was made by Christina Morello; Second by Laura Welliver; All in Favor; Motion is passed.

8. **APPROVAL OF STORAGE BINS DISTRIBUTION AND RULES**

New rules for storage bins: Storage bins are the property of the Association. Storage bins are assigned via a waiting list. Upon the sale of a unit, a storage bin assigned to the seller, if any, will defer back to the Association; they are not transferrable. The Association then assigns the storage bin to the next unit owner on the waiting list; one storage bin per owner regardless of the amount of units owned.

Items must be stored inside the bin; items cannot be stored on the top shelf as this is a fire violation. Bicycles are to be stored in the owner's unit or in the first floor storage area, not in the storage bin area.

Association will abide by Florida Statute §718.303(4) for owners over 90 days delinquent in payment of any monetary obligation due to the Association.

9. **ADJOURNMENT:**

Motion to Adjourn was made by Christina Morello
Meeting Adjourned at 7:32 p.m.

EXHIBIT H

HHBR, L.L.C.

RENTAL PROGRAM AGREEMENT

This Rental Program Agreement ("Agreement") is effective as of _____ and is entered into by the following parties:

HHBR, L.L.C. (the "Hotel")

and

UNIT OWNER

Unit Owner's Name: _____

Unit Number: _____

Unit Owner's Address: _____

Telephone Number _____

E-mail Address _____

Fax Number _____

("Unit Owner")

RECITALS

- A. The Hotel (HHBR, LLC.) is jointly owned by the The Hollywood Beach Resort Condominium Association, Inc. and Hollywood Beach Hotel Owners Association, Inc. (collectively, the "Associations"), which operate the common areas and condominium units to be used by the Rental Program (the "Hotel Facilities").
- B. The Hotel has entered into a Management Agreement (the "Management Agreement"), dated as of October 5th, 2012, with GHR Hollywood, LLC (the "Manager"). The Manager is a subsidiary of Gemstone Hotels & Resorts, an experienced manager of upscale hotels and resorts.
- C. Under the Management Agreement, the Manager is the exclusive agent for the operation of the Hotel Rental Program. As part of that agency, the Manager is the Hotel's exclusive agent and representative in connection with all of the Hotel's rights and duties under this Agreement.
- D. The Hotel Facilities are part of a condominium and a timeshare (collectively, the "Condominium") composed of the Hotel Facilities and the individual condominium units ("Units") associated therewith.

The Hotel offers to owners of the Units ("Unit Owners") the opportunity to enter into rental program agreements under which the Hotel, with Manager's assistance, rents the Units as part of a hotel operation conducted at the Condominium (the "Rental Program").

- E. Unit Owner holds title to a condominium unit located at the Condominium or is legally authorized by the unit's owner to enter into this binding Agreement on behalf of the unit's Owners. Such unit is identified as Unit # _____ (the "Unit"). The Unit Owner or representative must be able to prove their authority to enter into the agreement.
- F. Unit Owner desires to have the Unit included in the Rental Program and to appoint the Hotel to act as the exclusive rental manager to rent the Unit.

TERMS

The Hotel and Unit Owner therefore agree as follows:

SECTION 1. APPOINTMENT

- 1.1. Exclusive Rental Agent. Unit Owner hereby appoints the Hotel and the Hotel hereby accepts such appointment as the exclusive rental agent for the Unit. Unit Owner shall not rent the Unit except through the Hotel under the terms of this Agreement.
- 1.2. Exclusive Right of Manager to Act on the Hotel's Behalf. Unit Owner acknowledges that, pursuant to the Management Agreement, the Manager is the Hotel's sole and exclusive representative for all purposes of this Agreement and exercises all of the Hotel rights and duties under this Agreement.

SECTION 2. TERM

- 2.1. Initial Term. The term of this Agreement commences on _____ and ends on _____.
- 2.2. Renewal. This Agreement shall automatically renew for additional twelve (12) month period unless, at least thirty (30) days before the end of the term of this Agreement or any renewal term, either party gives the other party written notice that the Rental Program Agreement will not be renewed.
- 2.3. Termination Without Cause. Either party may terminate this Agreement at any time upon a thirty (30) day written notice to the other party or upon sale of the Unit. Unit Owner shall honor any reservations taken by the Hotel beyond the thirty (30) day cancellation notice if the Hotel cannot arrange, at no cost to the Hotel, for similar accommodation for such reservation.
- 2.4. Termination Upon Expiration or Termination of Management Agreement. The Hotel shall have the right, in its sole discretion, to immediately terminate this Agreement upon the expiration or termination of the Management Agreement.
- 2.5. Termination for Cause. If either party defaults in the performance of any obligation under this Agreement, then the other party may terminate this Agreement upon 30 days written notice of the default specifying the obligation in default. The termination is not effective if the defaulting party cures the default within the 30 day notice period.

SECTION 3. STANDARDS

- 3.1. Compliance with Standards. Unit Owner shall cause the Unit to meet the standards ("Standards") outlined in Schedule 1 attached hereto.
- 3.2. Failure to Comply With Standards. Unit Owner shall cause the Unit to meet the Standards. If at any time the Unit does not, in the reasonable opinion of the Hotel, comply with the Standards or otherwise is not in first-class rentable condition, then the Hotel may withdraw the Unit from active rental under the Rental Program. The Hotel will notify Unit Owner if the Unit is withdrawn from active rental under this Section 3.2.
- 3.3. Modifications to Standards; Unit Owner's Option to Terminate. The Hotel may modify the Standards upon 90 days notice to Unit Owner. If Unit Owner does not desire to comply with such modified Standards, then Unit Owner may, within such 90 day period, terminate this Agreement by giving the Hotel thirty (30) days notice of such termination. If Unit Owner does not terminate this Agreement under the preceding sentence, then any and all replacements and refurbishments of the Unit or its contents must satisfy in all respects the modified Standards.

SECTION 4. OWNERS USE

- 4.1. Reservations by Unit Owner. Except as otherwise provided by this Agreement, Unit Owner may reserve their Unit for Personal use. Unit Owner agrees to give a minimum of thirty (30) days prior written notice to the Hotel for such reservation so rentals can be booked around any dates Unit Owner desires the Unit for personal uses. All requested reservations within 30 days of arrival will be accommodated on a space available basis and if your unit is not available the Management will do its best to accommodate the requesting party at another similar unit. Unit Owners requesting use of their Unit, by telephone, will be issued a confirmation number at time of the booking. Use of the Unit by Unit Owner shall be limited to Unit Owner, Unit Owner's immediate family or Unit Owner's guest. Unit Owner is not permitted to rent the Unit to others or make reservations for guests actually paying rent to anyone other than the Hotel.
- 4.2. Previously Booked Rooms. Unit Owner must give the Hotel first priority use of the Unit if a previously booked rental cannot be moved to a comparable unit in the Rental Program. The Hotel will use commercially reasonable efforts to accommodate Unit Owner's request within the thirty (30) day time period.

SECTION 5. RENTAL PROGRAM, UNIT MAINTENANCE, CHARGES, AND HOTEL FEES

- 5.1. Registration Office. The Hotel will maintain a front desk at the Hotel Facilities. The Hotel will provide reservation services, which will be provided at the Hotel Facility and/or through one or more third-party call centers engaged by the Hotel.
- 5.2. Rental Rates. The Hotel, through its Manager, has the authority to set rental rates for the Unit, including granting of discounted rates for groups, packages, and special promotions. The Hotel, through its Manager, will endeavor to set rental rates in keeping with the long-term interests of Unit Owner and the Hotel. Except as provided in Section 5.6, the Hotel shall not, without Unit Owner's prior consent, provide the Unit to any hotel guest, other than Unit Owner's family or guests, without a charge. The Hotel will provide Unit Owner current rates range sheets on Unit Owner's request.
- 5.3. Collection of Rooms Revenue. The Hotel, through its Manager, will collect the Rooms Revenue (as

defined in Section 5.7.6) and maintain complete and accurate records regarding all rents received from the rental of the Unit. Such records shall be available for inspection by Unit Owner during normal business hours. The Hotel will provide the Unit Owner with monthly statements showing days the Unit was rented, days the Unit was Unit Owner occupied, and Rooms Revenue received for the immediately preceding month and year-to-date. This statement will be sent by the 20th of the following month.

- 5.4. Collection of Incidental Charges. The Hotel will collect from any occupant of the Unit all incidental charges incurred by the occupant while staying at the Unit or the Hotel Facilities, including phone charges, any charges for room service, food or beverage, resort fee and other incidental fees for services or purchases consumed or made by the occupant. All of such charges are revenues of, and will be retained by, the Hotel and are not included in Rooms Revenue.
- 5.5. Rotation of Rental Units. The Hotel, through its Manager will attempt to rotate rental among, units of the same type participating in the Hotel Rental Program, taking into account size, condition, view, Unit Owner's improvements, Unit Owner use, and customer requests. If a guest has requested a specific unit, the Hotel Manager will use commercially reasonable efforts to accommodate the request. Rental records of the aggregate revenues and expenses will be open for inspection by Unit Owner, during normal business hours, upon reasonable prior notification to the Hotel Manager.
- 5.6. Use of Unit by the Hotel. The Hotel shall be entitled to use the Unit five (5) days per year without charge for promotional activities related to the Hotel Program of HHBR, LLC (i.e. Travel agent and other familiarization tours, radio or media marketing and promotional prizes) and for use by corporate personnel in conducting Managers duties under the Management Agreement.
- 5.7. Unit Maintenance.
- 5.7.1 Efforts by the Hotel Manager. At all times, the Hotel Manager will endeavor to: (i) maintain the Unit in rentable condition, subject to Unit Owner's maintenance and other obligations under this Agreement; (ii) screen all renters as to the number of occupants and proper care of the Unit; (iii) notify renters of the pets policy and, the no-smoking policy; (iv) inspect the Unit to determine its condition; (v) report to Unit Owner as necessary the condition of the Unit and, as directed by Unit Owner, arrange for and supervise necessary repairs and/or replacement of Furniture, Fixtures and Equipment to return the Unit to minimum rental condition.
- 5.7.2 Minor Repairs. The Hotel Manager will provide all minor repairs, as a part of overall expenses. This does include items performed during periodic and routine maintenance.
- 5.7.3 FF&E Replacement. Any replacement to be provided by the Hotel Manager will be provided at cost to the Owner.
- 5.7.4 Approvals by Unit Owner. Any specific replacement will require Unit Owner's approval, which Unit Owner shall not unreasonably withhold or delay.
- 5.7.5 Establishment of FF&E Reserve and emergencies. The Manager will establish an account for FF&E replacement (the "FF&E Reserve"). To calculate the FF&E Reserve, the Manager will fund five percent (5%) of the Unit's Rooms Revenue each month for future use as specified. This account will be reflected on the Unit Owner's monthly financial statement. The accumulated revenue in this account belongs to the Unit Owner and in case of a sale of the Unit, the Unit Owner will receive the accumulated amount.

- 5.7.6 As used in this Agreement, "Rooms Revenue" means the monthly gross receipts of every kind, including credit cards, derived from the rental, sale, use, or occupancy of the Unit, net of sales tax or other taxes required by law to be collected from guests. The parties acknowledge that "Rooms Revenue" does not include (a) incidental charges as described in Section 5.4 or (b) housekeeping fees or other amounts payable to the Hotel by Unit Owner under this Agreement. All funds in the FF&E Reserve account must be used exclusively for expenditures necessary to comply with the Standards. All such expenditures must be approved by the Hotel and the Unit Owner.
- 5.8. Housekeeping.
- 5.8.1 Housekeeping Provided by the Hotel Operator. The Manager will provide and supervise quality housekeeping services for the Unit as an operating expense to the Rental Program. The Manager will provide linens, glassware, china, silverware and consumable products as described on the Hotel Expense Sheet (Schedule 2) attached hereto as an operating expense to the Rental Program.
- 5.8.2 Housekeeping, Linen, Amenity and Maintenance Fees Paid by Unit Owner. Unit Owner is required to pay a checkout housekeeping fee for personal use, as set forth in Schedule 2. Daily stay-over service and other housekeeping services will not be provided unless specifically requested and paid for by Unit Owner or Unit Owner's guest at rates provided in the Schedule 2.
- 5.9. Adjustment of Rates. The Hotel may, upon notice to Unit Owner, adjust, amend, or increase any of the rates set forth in Schedule 2. Any such adjustment, amendment, or increase will be effective the first day of the calendar quarter following the calendar quarter in which such notice is given. If any such adjustment, amendment, or increase is made, then, on and after the date such modification is effective, Schedule 2 is for all purposes under this Agreement deemed automatically modified accordingly and binding on the parties.
- 5.10. Protection Against Conduct of Renters. The Manager will use commercially reasonable efforts to (i) guard against damage to the Unit or theft from the Unit by renters; (ii) collect for such damage and/or theft from renters; and (iii) collect all rents when due.
- 5.11. Management Fees. In exchange for the Hotel's services and obligations under this Agreement, the Manager shall be paid from the Rooms Revenue a fee (the "Management Fee") equal to two and one half percent (2.5%) of the Unit's Adjusted Gross Rooms Revenue and two and one half percent (2.5%) of the Unit's Total Net Rooms Revenue. In this Agreement, "Adjusted Gross Rooms Revenue" means, for any period, the gross receipts of every kind, including credit charges, derived from the rental, sale, use, or occupancy of the Units in the Rental Program during such period, net of sales tax or other taxes required by law to be collected from guests in connection with such rental, sale, use, or occupancy. The parties acknowledge that "Adjusted Gross Rooms Revenue" does not include (a) incidental charges as described in Section 5.4 or housekeeping fees or other amounts payable by the Unit Owners under any Rental Program Agreement. As used in this Agreement, "Total Net Rooms Revenue" means Adjusted Gross Rooms Revenue minus all Operating Expense (as defined below) "Total Net Rooms Revenue does not include payment of unit's monthly condominium maintenance fee or Reserve fund."
- 5.12. Payment of Operating Expenses. On a monthly basis, the Manager will accumulate various expenses in connection with the operation of the Rental Program during a normal day to day operation of the Hotel Rental Program. Such expenses will include, without limitation, daily cleaning of rooms, checking

guests in or out, performing routine maintenance chores, sales efforts by sales personnel, accounting and Management, as well as incidental charges such as: long distance telephone, and credit card charges (the "Operating Expenses"). The Operating Expenses will be shared by all members on the Rental Program. Each unit will be charged a proportional percentage against the Total Rooms Revenue of each unit accordingly.

5.13 Distribution of Rental. The Manager shall, on a monthly basis, distribute to the Unit Owner all Rooms Revenue collected for the month by the Manager net of: "For example" (a) the Management fee of 2.5% of Adjusted Gross Rooms Revenue (b) the Operating Expenses, (c) the FF&E Reserve under Section 5.12 (d) other amounts payable from Gross Rooms Revenue payable pursuant to Section 8 herein below and (e) The Management Fee of 2.5% of Net Room Revenue. Such distributions are due and payable on the 20th of each month following the month for which such Rooms Revenue is collected (the "Payment Date"). , if the Unit has revenue of Four Thousand and No/100 Dollars (\$4,000.00) for the particular month, and expenses for the particular month equal forty percent (40%) of Adjusted Gross Rooms Revenue, one hundred and no/100 dollars (100) will be deducted from the total gross room revenue for Management Fee. Fifteen Hundred and No/100 Dollars (\$1,600.00) will be deducted from the account for Operating Expenses, Two Hundred and No/100 Dollars (\$200.00) will be deducted from the account for the FF&E Reserve. Two Thousand One Hundred and No/100 Dollars (\$2,100.00) is the net revenue. Fifty Two and 50/100 dollars (\$52.50) will be deducted from the Net Room Revenue for the 2.5% Net Room Revenue Management Incentive Fee and the remaining Two Thousand Forty Seven and 50/100 Dollars (\$2,047.50) will be mailed to you or transferred to your account.

5.14 Condominium Maintenance Payment. The Manager will, at no cost to the owner, and at Owner's request only, transfer appropriate monthly maintenance fees, along with any special assessments, to the Associations out of the owner's net monthly proceeds. (See attached Owners approval form)

SECTION 6. UNIT OWNER'S COSTS

- 6.1. Major Repairs and Replacement. Except as set forth in Section 5.7.2, Unit Owner shall pay for the cost of all major repairs or replacements of or for the Unit and items in the Unit.
- 6.2. Housekeeping. Unit Owner shall pay the costs of changing linens and routine cleaning of the Unit after use by Unit Owner, Unit Owner's family or Unit Owners guest as set out on Schedule 2.
- 6.3. Replacement of Supplies. After the use of the unit by unit owner or unit owners guest, the Unit Owner shall pay for the replacement of required kitchen and unit supply items as listed on the Supply List set forth on Schedule 1 ("Supply List"). The Hotel shall replace lost or damaged items due to renter misuse as an operating cost. The Hotel is not responsible for items lost or damaged while Unit Owner or Unit Owner's guest has use of the unit.
- 6.4. Replacement of Non-Standard Items. Unit Owner is responsible for the replacement of unit items which the Hotel feels should not be exposed to renters (for example, expensive CD players and stereo equipment, etc.). Unit Owner will be given an inventory by the Hotel of any items for which the Manager recommends removal prior to joining the Rental Program.

SECTION 7. COSTS OF RENTAL PROGRAM

Except as otherwise provided in this Agreement, all costs of the Rental Program will be paid by the Hotel, and/or shared or charged to persons other than Unit Owner, as follows:

- (a) Costs of operating the hotel front desk and rental office;
- (b) Costs of providing routine cleaning of Unit before, during and after each rental;
- (c) Telephone charges incurred by renters of the Unit;
- (d) Linens, paper products and other basic supplies for the Unit as listed in the Hotel Supply List.
- (e) Replacement costs of linens, amenities and consumable products as listed in the Hotel Supply List.
- (f) Deep cleaning of the Unit.
- (g) Costs of promotion and advertising of the Rental Program.
- (h) Cost of Management and other costs such as credit cards costs, etc.etc.

SECTION 8. AUTHORIZED DEDUCTIONS FROM ROOMS REVENUE

The Hotel is hereby authorized to deduct from Rooms Revenue the following:

- (a) The Management Fee;
- (b) The costs of necessary housekeeping, repairs and replacements as set forth in this Agreement;
- (c) Any other amounts owing by Unit Owner to the Hotel under this Agreement;
- (d) Any amounts required to be paid into the Unit FF&E Reserve
- (e) Upon written request and authorization of the Hotel's Board of Directors, any delinquent assessments owing by Unit Owner under the documents and agreements of the Condominium.
- (f) Insurance cost associated with Hotel Rental Program`

SECTION 9. MISCELLANEOUS

9.1. Limitation On Hotel's Rental Program Liability. The Hotel shall be responsible for its violation(s) of the terms of the Agreement and / or for willful misconduct or negligence on its part or the part of its Manager's employees, but shall not be responsible for anything it may do or refrain from doing which does not include willful misconduct or negligence.

9.2. Mediation and Arbitration. With respect to any disagreement(s) arising out of this Agreement, both parties shall make a good-faith effort to settle such disagreement(s) through mediation. Accordingly, all claims shall first be submitted to mediation in accordance with the rules and procedures of the American Arbitration Association (the "AAA"). The failure to offer or agree to mediate a claim may result in the denial of the right to prevailing attorney fees in arbitration. All claims that have not been resolved by mediation shall be resolved by mandatory, binding arbitration in accordance with the then-effective arbitration rules of the AAA. Any mediation or arbitration will be conducted in the State of Florida. Any judgment upon the award rendered pursuant to such arbitration maybe entered in any court having jurisdiction thereof. The prevailing party in any arbitration shall be entitled to apply to the arbitrator for an award of reasonable attorney fees; provided, however, the prevailing party shall not be entitled to any

award of attorney fees unless it is established to the satisfaction of the arbitrator that the party offered or agreed to participate in the above described mediation process.

9.3. Insurance. The Hotel shall maintain insurance covering its activities and those of its agents, employees and contractors against liability for injury or death of persons, public liability, the coverage of which shall not be less than \$500,000 per person, \$1 million per occurrence and \$500,000 for property damage. The Hotel shall also maintain an umbrella public insurance policy for bodily injury and property damage for limits not less than \$5 million for any one occurrence.

9.4 All Owner on the Hotel Rental Program must insure their compliance of insurance requirements according to the condominium bylaws and Florida Statutes.

9.5 Assignment. Neither party shall assign this unit Rental Agreement without the prior written consent of the other party. The Hotel may perform its obligations under this Agreement through any agents or independent contractors selected by the HHBR, in its sole discretion.

9.6 Governing Law. This Agreement is executed under and shall be governed by the laws of the State of Florida.

9.7 Attorneys Fees. Should either party institute any arbitration or legal actions or suit in equity to enforce any of the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs incurred in enforcing its rights under this agreement.

9.8 Entire Agreement. This, together with the Schedules to this Agreement, constitutes the entire agreement between the parties, and any modification or additions to the Agreement shall be unenforceable unless in writing and signed by both parties.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this RENTAL PROGRAM AGREEMENT as of the dated and year first herein above written.

HOTEL:

HHBR, L.L.C. a Florida Limited Liability Company

By: _____

Name: _____

Title: _____

UNIT OWNER:

Signature

Social Security Number

Print Name

Date

EXHIBIT I

**FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS****Detail by Entity Name****Florida Limited Liability Company**

HHBR, L.L.C.

Filing Information

Document Number L12000117722
FEI/EIN Number 46-0975126
Date Filed 09/13/2012
State FL
Status ACTIVE
Last Event LC AMENDMENT
Event Date Filed 10/23/2012
Event Effective Date NONE

Principal Address

101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

Mailing Address

101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

Registered Agent Name & Address

WEISS SEROTA HELFMAN, ET AL.
200 E. BROWARD BLVD.
SUITE 1900
FORT LAUDERDALE, FL 33301

Authorized Person(s) Detail**Name & Address**

Title MGR

WELLIVER, POLLY L
101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

Annual Reports

Report Year	Filed Date
2013	04/17/2013
2014	04/30/2014

Document Images

04/30/2014 -- ANNUAL REPORT

[View image in PDF format](#)

04/17/2013 -- ANNUAL REPORT

[View image in PDF format](#)

10/23/2012 -- LC Amendment

[View image in PDF format](#)

09/13/2012 -- Florida Limited Liability

[View image in PDF format](#)

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State of Florida, Department of State

L12000117722

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

PICK-UP WAIT MAIL

(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

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12 SEP 13 PM 4:37

C. LEWIS
SEP 14 2012
EXAMINER

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2012 SEP 13 AM 10:16

CORPDIRECT AGENTS, INC. (formerly CCRS)
515 EAST PARK AVENUE
TALLAHASSEE, FL 32301
222-1173

FILING COVER SHEET
ACCT. #FCA-14

CONTACT: RICKY SOTO

DATE: 09/13/2012

REF. #: 002216.172790

CORP. NAME: HHBR, L.L.C.

- | | | |
|--|---|---|
| <input type="checkbox"/> ARTICLES OF INCORPORATION | <input type="checkbox"/> ARTICLES OF AMENDMENT | <input type="checkbox"/> ARTICLES OF DISSOLUTION |
| <input type="checkbox"/> ANNUAL REPORT | <input type="checkbox"/> TRADEMARK/SERVICE MARK | <input type="checkbox"/> FICTITIOUS NAME |
| <input type="checkbox"/> FOREIGN QUALIFICATION | <input type="checkbox"/> LIMITED PARTNERSHIP | <input checked="" type="checkbox"/> LIMITED LIABILITY |
| <input type="checkbox"/> REINSTATEMENT | <input type="checkbox"/> MERGER | <input type="checkbox"/> WITHDRAWAL |
| <input type="checkbox"/> CERTIFICATE OF CANCELLATION | | |
| <input type="checkbox"/> OTHER: | | |

STATE FEES PREPAID WITH CHECK# 100981 FOR \$ 130.00

AUTHORIZATION FOR ACCOUNT IF TO BE DEBITED:

_____ **COST LIMIT: \$** _____

PLEASE RETURN:

- | | | |
|--|--|--|
| <input type="checkbox"/> CERTIFIED COPY | <input checked="" type="checkbox"/> CERTIFICATE OF GOOD STANDING | <input checked="" type="checkbox"/> PLAIN STAMPED COPY |
| <input type="checkbox"/> CERTIFICATE OF STATUS | | |

Examiner's Initials

ARTICLES OF ORGANIZATION

FOR

HHBR, L.L.C.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2012 SEP 13 AM 10:16

The undersigned hereby forms a limited liability company pursuant to Chapter 608, Florida

Statutes.

ARTICLE I - NAME

The name of the limited liability company is HHBR, L.L.C.

ARTICLE II - ADDRESS

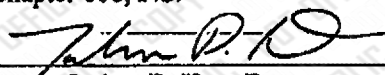
The street address of the principal office and mailing address of the limited liability company is 101 N. Ocean Drive, #8, Hollywood, FL 33019.

ARTICLE III - REGISTERED AGENT,
REGISTERED OFFICE & REGISTERED AGENTS SIGNATURE

The name and the Florida street address of the registered agent are:

Weiss Serota Helfman, et al.
200 East Broward Boulevard, Suite 1900
Fort Lauderdale, FL 33301

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, F.S.

By: 
Its Agent: Joshua D. Krut, Esq.

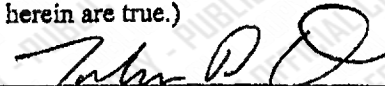
ARTICLE V - MEMBER(S)/MANAGER(S)

The initial manager(s) of the Limited Liability Company is:

Hollywood Beach Hotel Owners Association, Inc.
101 N. Ocean Drive, #8
Hollywood, FL 33019

The Hollywood Beach Resort Condominium Association, Inc.
101 N. Ocean Drive, #8
Hollywood, FL 33019

(In accordance with section 608.408(3), Florida Statutes, the execution of this document constitutes an affirmation under the penalties of perjury that the facts herein are true.)

By: 
Its Agent: Joshua D. Krut, Esq.
Authorized Representative of a Member

L12000117722

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

PICK-UP WAIT MAIL

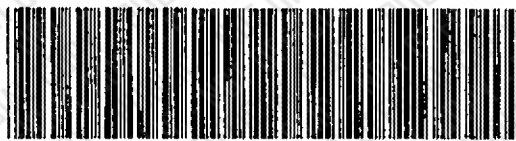
(Business Entity Name)

(Document Number)

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10/23/12--01021--008 **25.00

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

12 OCT 23 PM 1:38

Handwritten initials

B. BOSTICK
OCT 24 2012
EXAMINER

COVER LETTER

**TO: Registration Section
Division of Corporations**

**SUBJECT: HHBR, L.L.C.
Name of Limited Liability Company**

The enclosed Articles of Amendment and fee(s) are submitted for filing.
Please return all correspondence concerning this matter to the following:

LOUIS J. TERMINELLO

Name of Person

TERMINELLO & TERMINELLO, P.A.

Firm/Company

2700 SW 37TH AVENUE

Address

MIAMI, FL 33133

City/State and Zip Code

michelle@terminello.com

E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Michelle Crespo

Name of Person

at (305)

444-5002

Area Code & Daytime Telephone Number

STATE OF FLORIDA
TALLAHASSEE, FLORIDA

12 OCT 23 PM 1:38

10/23/2012

Enclosed is a check for the following amount:

\$25.00 Filing Fee

\$30.00 Filing Fee &
Certificate of Status

\$55.00 Filing Fee &
Certified Copy
(additional copy is enclosed)

\$60.00 Filing Fee,
Certificate of Status &
Certified Copy
(additional copy is enclosed)

MAILING ADDRESS:
Registration Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

STREET/COURIER ADDRESS:
Registration Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

If amending the Managers or Managing Members on our records, enter the title, name, and address of each Manager or Managing Member being added or removed from our records:

MGR = Manager
MGRM = Managing Member

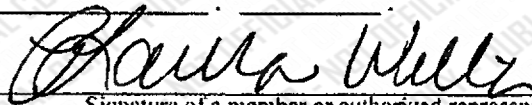
<u>Title</u>	<u>Name</u>	<u>Address</u>	<u>Type of Action</u>
MGR	HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION INC	101 N. OCEAN DRIVE, #8 HOLLYWOOD, FL 33019	<input type="checkbox"/> Add <input checked="" type="checkbox"/> Remove
MGR	THE HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.	101 N. OCEAN DRIVE, #8 HOLLYWOOD, FL 33019	<input type="checkbox"/> Add <input checked="" type="checkbox"/> Remove
MGR	WELLIVER, POLLY LAURA	101 N. OCEAN DRIVE, #8 HOLLYWOOD, FL 33019	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
			<input type="checkbox"/> Add <input type="checkbox"/> Remove
			<input type="checkbox"/> Add <input type="checkbox"/> Remove
			<input type="checkbox"/> Add <input type="checkbox"/> Remove

D. If amending any other information, enter change(s) here: *(Attach additional sheets, if necessary)*

12 OCT 23 PM 1:39

STATE OF FLORIDA
 TALLAHASSEE, FLORIDA

Dated _____



Signature of a member or authorized representative of a member

POLLY LAURA WELLIVER

Typed or printed name of signer

2013 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

FILED
Apr 17, 2013
Secretary of State
CC1833335686

DOCUMENT# L12000117722

Entity Name: HHBR, L.L.C.

Current Principal Place of Business:

101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

Current Mailing Address:

101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

FEI Number: 46-0975126

Certificate of Status Desired: Yes

Name and Address of Current Registered Agent:

WEISS SEROTA HELFMAN, ET AL,
200 E. BROWARD BLVD.
SUITE 1900
FORT LAUDERDALE, FL 33301 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title MGR
Name WELLIVER, POLLY L
Address 101 N. OCEAN DRIVE, #8
City-State-Zip: HOLLYWOOD FL 33019

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 608, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: POLLY L WELLIVER

MANAGER

04/17/2013

Electronic Signature of Signing Authorized Person(s) Detail

Date

2014 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L12000117722

Entity Name: HHBR, L.L.C.

Current Principal Place of Business:

101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

Current Mailing Address:

101 N. OCEAN DRIVE, #8
HOLLYWOOD, FL 33019

FEI Number: 46-0975126

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

WEISS SEROTA HELFMAN, ET AL.
200 E. BROWARD BLVD.
SUITE 1900
FORT LAUDERDALE, FL 33301 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title MGR
Name WELLIVER, POLLY L
Address 101 N. OCEAN DRIVE, #8
City-State-Zip: HOLLYWOOD FL 33019

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: POLLY L. WELLIVER

MANAGER

04/30/2014

Electronic Signature of Signing Authorized Person(s) Detail

Date

EXHIBIT J

OCEANWALK MALL

LEASE

by and among

Commercial Unit 100, LLC, a Florida limited liability company, and
Ocean Walk Mall, LLC, a Florida limited liability company

(collectively, "Landlord")

and

HHBR, L.L.C., a Florida limited liability company ("Tenant")

for

Premises:

101 North Ocean Drive
Hollywood, Florida 33019
Front Desk with adjacent office space (Unit 115)
Laundry and attached storage space presently used by current tenant (Unit 120)
O'Malleys restaurant space (Located on the Beachfront Lot)
Kitchen Space currently used by O'Malleys
Storage and Office space presently used as a sales office for time shares
(collectively, the "Premises")
All as shown on the plan annexed hereto

Center: Oceanwalk Mall – Hollywood, Florida

Landlord: Commercial Unit 100, LLC and Ocean Walk Mall, LLC

Landlord's Address: 101 North Ocean Drive, suite 103
Hollywood, Florida 33019

Tenant: HHBR, L.L.C.

Tenants Address: 101 N. Ocean Drive, #8, Hollywood, Florida 33019

Guaranty: Hollywood Beach Hotel Owners Association, Inc. and The
Hollywood Beach Resort Condominium Association, Inc. (collectively, the "Associations")

Premises: Front desk space and office space behind front desk ("Front
Desk/ Offices")

Laundry space and storage space presently used by current
tenant ("Laundry")

Restaurant and bar space currently occupied by O'Malleys
restaurant ("Patio Bar")

Kitchen space currently used by O'Malleys ("Kitchen")

Storage space presently used by O'Malleys and office space
presently used as a sales office of time shares ("Storage")

All spaces are as shown on the plan annexed hereto as
Exhibit A and are collectively referred to as the "Premises".

Tenant's Use: As provided in Section 1.3

Initial Lease Term: Approximately Fifteen (15) Years

Renewal Options: None

Fixed Annual Rent: \$504,396.00 Annual
\$42,033.00 Monthly
Subject to Article 4.2

Security Deposit: None

Construction Allowance: None

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made this ____ day of _____, 2012, by and between Commercial Unit 100, LLC., a Florida limited liability company, and Ocean Walk Mall, LLC, a Florida limited liability company, both having a mailing address of c/o Radiant Partners, 145 W. 45th Street, New York, New York 10036 (hereinafter referred to as "**Landlord**") and HHBR, L.L.C., a Florida limited liability company, jointly and severally, having a mailing address at 101 N. Ocean Drive, #8, Hollywood, Florida 33019 ("**Tenant**").

WITNESSETH THAT, in consideration of the rents, covenants and agreement, hereinafter set forth, such parties enter into the following agreement:

ARTICLE I -- LEASED PREMISES

1.1 PREMISES: Landlord hereby leases to Tenant and Tenant hereby rents from Landlord the Premises as shown on Exhibit A. Notwithstanding anything to the contrary contained in this Lease, the Premises shall be as same is shown on the attached plan.

- (a) Tenant acknowledges that the a portion of the Premises constitutes a part of Commercial Unit 100 at The Hollywood Beach, a Resort Condominium (hereinafter called the "**Condominium**") located at 101 North Ocean Drive, Hollywood, Florida, 33019. The term "**Building**" shall mean that certain building with an address of 101 North Ocean Drive, Hollywood, FL 33019. The term "**Mall**" shall include: (a) the first floor of the Building (known as Unit C-100 at the Condominium); (b) the second floor of the Building known as Unit C-200 at the Condominium); and (c) certain surrounding exterior portions of the Building.
- (b) This Lease and all rights of Tenant hereunder are and shall also be subject and subordinate in all respects to the Association Documents (as hereinafter defined in this Article), any other matter from now and hereinafter in force and effect and arising out of, under, or in connection with the Association Documents, and all rights of the Association Boards (as hereinafter defined in this Article) and others pursuant to the Association Documents. Tenant acknowledges that it has been provided with copies of and has reviewed the Association Documents. This paragraph shall be self-operative, and no further instrument of subordination shall be required. However, in confirmation of such subordination, Tenant shall promptly execute and deliver any instrument that Landlord, the Association Boards, any officer of the Tenant, or any of their respective successors in interest may reasonably request to evidence such subordination. For purposes of this Lease, the phrase "**Association Documents**" shall mean (i) Declaration of Covenants, Conditions and Restrictions for The Hollywood Beach Hotel, recorded at Official Records Book 13593, Page 523, of the Public Records of Broward County, Florida, and (ii) Declaration of Condominium Establishing The Hollywood Beach, A Resort Condominium, recorded at 13593, Page 406, of the Public Records of Broward County, Florida, both as same may be amended from time to time, including all exhibits annexed thereto and all amendments thereto. The Associations are governed by their own separate Boards of Directors (collectively, the "**Association Boards**").
- (c) Tenant agrees that, in those circumstances where both the Landlord shall have an obligation to Tenant pursuant to this Lease and the Associations shall have a corresponding obligation to Landlord, Landlord shall have no liability to Tenant for its failure to observe or perform such obligations for Tenant's behalf if, and to the extent, the Associations shall fail to observe or perform the corresponding obligation for Landlord's behalf. Further, in those circumstances where the consent of Landlord is required under the Lease and the Associations shall have a corresponding right of consent, Landlord shall have no liability to Tenant for its failure to consent for Tenant's behalf if and to the extent the Associations shall fail to consent for Landlord's behalf. Tenant acknowledges and agrees that under no circumstances shall Landlord

be liable to Tenant for any act or omission of the Associations or anyone acting through or on behalf of the Associations.

1.2 **CONDITION OF PREMISES:** Tenant accepts the Premises in its "as-is" condition. Landlord shall not be required to perform any work whatsoever to the Premises. The taking of possession of the Premises by TENANT shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was taken. Landlord makes no warranty or representation to Tenant concerning the condition thereof. Except as may be otherwise provided in this Lease, Tenant shall not perform any alterations to the Premises without obtaining Landlord's prior written approval which may be withheld in Landlord's sole discretion. Tenant, at its own cost and expense shall comply with all statutes, ordinances, rules, orders, regulations and requirements of the federal, state and local governments and of any and all other departments and bureaus applicable to the Premises in connection with any work, repairs, use or operation of, upon or connected with the Premises.

1.3 **USE:** The Premises shall be used as follows, and for no other purpose, provided same is in compliance with all applicable laws and the Association Documents:

Front Desk/ Offices - for hotel guest check-in, hotel operations, guest check in for time share and condominium use, sales and promotional activities associated with hotel, bookings for conventions and meetings, time share bookings, valet parking services, administrative offices associated with hotel operations selling of tours and other vacations services

Laundry – laundry facility for use in connection with the condominium rental program (not to be used by the public) and storage ancillary to the laundry facility.

Patio Bar – a restaurant and bar, however, in the event that Tenant seeks to change the type of restaurant, such space cannot be changed to a type of restaurant substantially similar to any restaurant then operating in the Mall. Additionally, Tenant shall deliver prior written notice to Landlord upon any proposed change in the type of restaurant.

Kitchen – kitchen use ancillary to Patio Bar.

Storage – storage and office use ancillary to Patio Bar.

1.4 **RESTRICTIONS:** The Tenant cannot engage in the buying or selling of Real Estate to include, residential, commercial, land, apartments, houses, condominiums, and timeshare.

1.5 **LANDLORD PARTIES:** The parties acknowledge that: (a) a portion of the Premises is located in Unit 100 of the Condominium; (b) a portion of the Premises is located on the Beachfront Lot; (c) Unit 100 of the Condominium is owned by Commercial Unit 100, LLC and (d) the Beachfront Lot owned by Ocean Walk Mall LLC. Commercial Unit 100, LLC shall only be responsible for the Landlord obligations with regard to the portion of the Premises located in Unit 100 (with no obligations relating to the portion of the Premises located on the Beachfront Lot) and Ocean Walk Mall LLC shall only be responsible for the Landlord obligations with regard to the portion of the Premises located on the Beachfront Lot (with no obligations relating to the portion of the Premises located in Unit 100).

ARTICLE II - DEMISE OF PREMISES AND TERM

2.1 **TERM:** Landlord leases the Premises to Tenant for a term of approximately Fifteen (15) years commencing on the date that a fully executed counterpart of this Lease and the Premises were delivered to the Associations free and clear of all occupants and tenants, which is hereby acknowledged and agreed to be September 14, 2012 (the "**Commencement Date**"); and expiring on the last day of the fifteenth Lease Year, which is hereby acknowledged to be August 31, 2027 (the "**Expiration Date**") upon and subject to the terms, covenants and conditions set forth herein. The period from the Commencement Date until the Expiration Date shall be referred to as the "**Term**". The obligation to pay rent and all other charges shall commence on the Commencement Date. Tenant acknowledges that the Premises are currently occupied by another Tenant pursuant to a lease(s) that contain

cancellation clauses that may be exercised by Landlord.

2.2 LEASE YEAR: The term "Lease Year" when used in this Lease shall mean for the first Lease Year, the period from the Commencement Date until the last day of the month immediately prior to the month in which the one-year anniversary of the Commencement Date occurs, and in each subsequent Lease Year, each subsequent period of twelve months. Fixed Annual Rent for the first Lease Year shall be proportionately adjusted to reflect that such period may be shorter than 365 days.

ARTICLE III – SECURITY DEPOSIT

3.1 Tenant has concurrently with the execution of this Lease deposited with Landlord the sum of \$0 Dollars, (hereinafter referred to as the "Security Deposit") as security for the full performance of every provision of this Lease by Tenant. In the event that Tenant is required to post a Security Deposit pursuant to the terms of this Lease, the following provisions shall apply. Landlord may apply all or any part of the Security Deposit to offset any damages, beyond normal wear and tear to the Unit and to cure any default by Tenant including any rent or other charges that are delinquent. Under no circumstances whatsoever shall the Security Deposit be deemed to constitute payment of the final installment of Fixed Annual Rent, and Tenant may not designate that the Security Deposit be utilized to reduce any other charges due to Landlord at any time during the Term of this Agreement. The security deposit shall be maintained by the Landlord for a maximum of thirty days after the expiration of the term or earlier termination of this agreement, at which time any unused portion of the Security Deposit shall be refunded to Tenant.

ARTICLE IV – RENT/TAX PAYMENT

4.1 The Fixed Annual Rent during the first Lease Year (prorated in the event the first Lease Year is less than 365 days) shall be \$504,396.00 per annum, \$42,033.00 per month, which shall be payable monthly on the first day of each month during the Term. On or before the Commencement Date, Tenant shall pay to the order of Landlord, by certified/bank funds, the sum of \$42,033.00, which shall be applied to the Fixed Annual Rent due under this Lease for the first thirty days.

4.2 (A) For purposes of this Article, "Common Charges" shall mean the Association's monthly common charges attributable to Commercial Unit 100 and Commercial Unit 200. "Base Year Common Charges" shall mean the Association's monthly common charges attributable to Commercial Unit 100 and Commercial Unit 200 at the time of the execution of this Lease.

(i) On the first day of each Lease Year, beginning with the second Lease Year, the then current Fixed Annual Rent shall increase by The Percentage (as hereinafter defined). The Percentage shall equal the percentage by which the Common Charges increased during the change in Common Charges that occurred most recently prior to the first day of the Lease Year in question. By way of example for illustration purposes only, if the Commencement Date of the Lease occurs on August 1, 2012 and Common Charges are adjusted as of the first day of each April, the Fixed Annual Rent shall increase on August 1, 2013 by the same percentage that Common Charges increased from April 1, 2012 to April 1, 2013 (if the Common Charges were adjusted from \$20,000 to \$22,000, the Percentage would be 10% as calculated by dividing \$2,000 by \$20,000). In no event shall the Fixed Annual Rent in any Lease Year be lower than the Fixed Annual Rent during the immediately prior Lease Year.

(ii) Notwithstanding anything contained herein to the contrary, in the event that the Common Charges fall below the Base Year Common Charges, then if there is a subsequent increase in Common Charges during any Lease Year, only 50% of the increase up to the Base Year Common Charges shall be considered when calculating the Percentage, and the portion of the Percentage attributable to an increase up to the Base Year Common Charges shall in no event be greater than 3%. By way of example for illustration purposes only continuing the example above, if on April 1, 2014 Common Charges are adjusted to \$19,000, the Fixed Annual Rent would neither increase nor decrease on August 1, 2014. If on April 1, 2015, Common Charges are further adjusted to \$22,000, the Fixed Annual Rent on August 1, 2015 would increase by 13.16%, calculated by adding 2.63% (half of \$1,000 divided by

\$19,000) and 10.53% (\$2,000 divided by \$19,000). By way of further example, if on April 1, 2014 Common Charges are adjusted to \$17,000, the Fixed Annual Rent would neither increase nor decrease on August 1, 2014. If on April 1, 2015, Common Charges are further adjusted to \$22,000, the Fixed Annual Rent on August 1, 2015 would increase by 14.76%, calculated by adding 3% (half of \$3,000 divided by \$17,000 equals 8.82%, however such number is reduced to the 3% cap) and 11.76% (\$2,000 divided by \$17,000).

(B) Additionally, at any time that there is any assessment, special assessment, fees, or other monies due from Commercial Unit 100 and/or Commercial Unit 200 to the Associations, other than (i) Common Charges and (ii) amounts due from Commercial Unit 100 and/or Commercial Unit 200 as fines and/or penalties as a result of failure to comply with the Association Documents (collectively, "Assessments"), the Fixed Annual Rent shall increase as follows:

During any month in which there are any Assessments that are due and payable which are 0% up to and including 10% of the Common Charges, the Fixed Annual Rent shall increase by 0% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 10% up to and including 30% of the Common Charges, the Fixed Annual Rent shall increase by 5% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 30% up to and including 50% of the Common Charges, the Fixed Annual Rent shall increase by 10% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 50% up to and including 70% of the Common Charges, the Fixed Annual Rent shall increase by 15% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are greater than 70% up to and including 90% of the Common Charges, the Fixed Annual Rent shall increase by 20% of the Common Charges;

During any month in which there are any Assessments that are due and payable which are 90% or greater of the Common Charges, the Fixed Annual Rent shall increase by 25% of the Common Charges.

For example for illustration purposes only, if on December 31, 2012 there is a \$30,000 assessment payable over the next three months at \$10,000 each month and the common charges are then \$20,000 per month, then the Fixed Annual Rent for January through March, 2013 will be increased by \$2,000 (The \$10,000 per month Assessment is 50% of the \$20,000 per month Common Charges. Thus, the Fixed Annual Rent, for such month will increase by \$2,000 or 10% of \$20,000.). Under such illustration, in April 2012 there would be no increase in the Fixed Annual Rent under this Article 4.2(B).

4.3 SALES, USE AND RENT TAXES, PERSONAL PROPERTY TAXES:

Tenant shall pay before delinquency all personal property taxes and assessments on the furniture, fixtures, equipment, and other property of Tenant located in the Premises and on additions and improvements in the Premises belonging to the Tenant. Tenant shall pay, as Additional Rent, during the term of this Lease, all shares and/or use tax assessed against the rent stated herein by governmental authority, even though the taxing statute or ordinance may purport to impose such sales tax against the Landlord. Tenant expressly acknowledges that all rents under this Lease are subject to a State Tax and Broward County Tax. The payment of any and all sales and use taxes, including but not limited to, the taxes referenced in the previous sentence, shall be made by Tenant to Landlord on a monthly basis, concurrently with payment of the Fixed Annual Rent.

4.4 TAX ESCALATION:

(A) As used in this Lease:

(i) "Taxes" shall mean the real estate taxes, assessments and special assessments attributable to Unit 100 (Folio # 769489), or the Beachfront Lot (Folio # 767857), as the case may be, imposed by any governmental bodies or authorities. If at any time during the term of this Lease the methods of taxation prevailing at the commencement of the Term hereof shall be altered so that in lieu of, or as an addition to or as a substitute for the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate and the improvements thereof, there shall be levied, assessed and imposed (a) a tax, assessment, levy or otherwise on the rents received therefrom, or (b) a license fee measured by the rent payable by Tenant to Landlord, or (c) any other such additional or substitute tax, assessment, levy, imposition or charge, then all such taxes, assessments, levies, impositions or charges or the part thereof so measured or based shall be deemed to be included within the term "Taxes" for the purpose hereof.

(ii) "Tax Year" shall mean the fiscal year commencing on January 1 and ending on December 31 (or such other period as hereafter may be duly adopted by the applicable government entity as its fiscal year for real estate tax purposes).

(iii) "Base Tax" shall mean the Taxes for the calendar year 2012.

(B) (i) If the Taxes with regard to Unit 100 for any Tax Year shall be more than the Base Tax for Unit 100, Tenant shall pay as Additional Rent for such Tax Year an amount equal to 8.70% of the amount by which such Taxes for such Tax Year are greater than such Base Tax and if the Taxes with regard to the Beachfront Lot for any Tax Year shall be more than the Base Tax for the Beachfront Lot, Tenant shall pay as Additional Rent for such Tax Year an amount equal to 16.00% of the amount by which such Taxes for such Tax Year are greater than such Base Tax (the total amount payable by Tenant with regard to both units is hereinafter called the "Tax Payment"). The Tax Payment shall be prorated, if necessary, to correspond with that portion of a Tax Year occurring within the term of this Lease. The Tax Payment shall be payable by Tenant within ten (10) days after receipt of a demand from Landlord therefor.

(ii) In the event the Base Tax is reduced as a result of an appropriate proceeding, Landlord shall adjust the amount of Tax Payment due from Tenant for any Tax Year in which Tenant is or was obligated to pay a Tax Payment hereunder, and Tenant agrees to pay the amount of said adjustment on the next rental installment day immediately following receipt of a rent statement from Landlord setting forth the amount of said adjustment.

(C) Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the assessed valuation of the Premises. Should Landlord be successful in any such reduction proceedings and obtain a rebate for periods during which Tenant has paid its share of increases, Landlord shall after deducting its expenses, including attorneys' fees and disbursements in connection therewith, return Tenant's Share of such rebate to Tenant.

(D) With respect to any period at the expiration of the term of this Lease that shall constitute a partial Tax Year, Landlord's statement shall apportion the amount of the Additional Rent due hereunder. The obligation of Tenant in respect to such Additional Rent applicable for the last year of the term of this Lease or part thereof shall survive the expiration of the term of this Lease.

(E) Notwithstanding the fact that the increase in rent is measured by an increase in Taxes, such increase is Additional Rent and shall be paid by Tenant as provided herein regardless of the fact that Tenant may be exempt, in whole or in part, from the payment of any taxes by reason of Tenant's diplomatic or other tax-exempt status or for any other reason whatsoever.

(F) The benefit of any discount for any early payment or prepayment of Taxes shall accrue to the benefit of Landlord and Tenant, and such benefits shall be subtracted from the Taxes payable for any comparative year.

(G) The statements of the Taxes to be furnished by Landlord as provided above shall constitute a final determination as between Landlord and Tenant of the Taxes for

the periods represented thereby, unless Tenant within thirty (30) days after they are furnished shall in writing challenge their accuracy or their appropriateness. If Tenant shall dispute said statements, then, pending the resolution of such dispute, Tenant shall pay the additional rent to Landlord in accordance with the statements furnished by Landlord.

4.5 All amounts payable by Tenant pursuant to this Lease in excess of the amount of Fixed Annual Rent shall be deemed "additional rent" or "Additional Rent" for purposes of this Lease. Landlord shall have the same rights and remedies with respect to defaults in the payment of additional rent as Landlord has with respect to defaults in the payment of Fixed Annual Rent.

ARTICLE V – TENANT IMPROVEMENT

5.1 Upon delivery of possession of the Premises by Landlord, subject to the terms of this Lease, Tenant will proceed with due diligence, at its own expense, to perform or cause to be performed any work and alterations desired by Tenant (the "Tenant's Work") and to fully equip the Premises with all trade fixtures, lighting fixtures, furniture, furnishings, floor and wall coverings, exterior signs and special equipment and other items of construction and personal property necessary for the completion of the Premises and the proper operation of Tenant's business therein. Tenant's Work shall be performed with materials of good quality and in a proper workmanlike manner and, unless the Landlord gives its prior written consent otherwise, all items installed by Tenant in the Premises shall be new. Tenant shall not perform or cause to be performed any construction work or alterations, nor shall Tenant install or cause to be installed any equipment other than trade fixtures and personal property without first obtaining Landlord's written approval of the plans and specifications therefor. The approval by Landlord of such plans and specifications shall not constitute the assumption of any liability on the part of the Landlord for their accuracy or their conformity with requirements of any building code, or other municipal or governmental regulation or ordinance and Tenant shall be solely responsible for such plans and specifications and compliance of Tenant's Work with all governmental requirements. Prior to commencement of any work upon the Premises by Tenant, Tenant shall deliver to Landlord a certificate of public liability and property damage insurance naming Landlord as additional insured and evidence of Workman's Compensation and Builder's Risk coverage in such amounts as are required by law and are reasonably acceptable to Landlord.

5.2 Tenant's Work:

(i) Tenant agrees to perform all other work which is necessary to make the Premises suitable and ready for occupancy by Tenant. Within sixty (60) days after the execution of this Lease, Tenant shall have completed the following work ("Tenant's Initial Work"), which shall be performed (or caused to be performed) by Tenant, at its sole cost and expense, using high quality materials and labor: (1) replace current dutch door; (2) paint all interior wall surfaces with high gloss white paint; (3) install louver door over all exposed shelving and cabinets; (4) paint exposed side of wok with appropriate high gloss, heat resistant paint (5) paint the illuminated menu sign displayed within the Premises; (6) relocate Tenant's refrigerator unit to a location under the counter; (7) provide reasonably attractive containers for condiment storage; and (8) replace all burned out light bulbs in the Premises. It is the purpose of this requirement that the Premises be laid out so as not to be a detriment to the other tenants in the Mall and that the Tenant's Work shall not be detrimental to the Mall.

(ii) All work performed by or on behalf of Tenant shall be performed, at its own cost and expense, in a good and workmanlike manner, in accordance with the provisions of this Lease, and in compliance with all federal, state and local laws, orders, ordinances and rules and regulations, and any other lawful authority having or asserting jurisdiction in the Premises. Tenant shall be responsible at its own cost and expense for obtaining permits and approvals, as well as write-offs and compliance with the other provisions of this Lease.

(iii) Tenant shall install furniture, fixtures and equipment in the Premises, and repair and replace same, as necessary, with items of equal quality and utility, so that at all times the physical condition and appearance of the Premises shall be that commensurate with that of a high quality establishment. Any additions, substitutions and replacements Tenant shall make to such furniture, fixtures and equipment shall be of at least equal quality and utility to the quality and utility of the originally installed furniture, fixtures

and equipment. All such furniture, fixtures and equipment shall be paid for fully and delivered and installed into the Premises and remain therein without any lien, security interest or other encumbrance, in favor of any other party.

(iv) At the expiration or sooner termination of the term of this Lease, except with respect to furniture, movable fixtures and equipment, and except as Landlord may elect otherwise, all such installations and equipment made or installed by or for Tenant, including, without limitation, kitchen equipment and duct work, shall be and become the property of Landlord and shall remain upon and be surrendered with the Premises.

(v) Any alterations, installations or improvements, decorating or painting, in and to the Premises, by or on behalf of Tenant, shall be effected and installed in accordance with and pursuant to the following terms and conditions:

(1) Tenant shall furnish Landlord for its approval a complete set of professionally prepared architectural and engineering plans and specifications (the "Plans"). Landlord shall approve such plans and specifications in its reasonable discretion, or return them with advice as to what changes are required for its approval to be forthcoming. In the event such plans and specifications are so returned to Tenant, Tenant shall revise them to incorporate such reasonable changes as are required for Landlord's approval to be forthcoming and shall resubmit such revised plans and specifications to Landlord, promptly after they are returned (unapproved) by Landlord. Such plan approval process shall continue until Landlord has approved a complete set of plans and specifications. No work shall commence thereunder without the written approval of Landlord of said Plans. Said work shall be done by the Tenant in strict accordance with said approved Plans without any deviations therefrom, unless first approved by the Landlord in writing. If Landlord fails to respond to Tenant's request for consent to any Plans submitted by Tenant within fifteen (15) business days after the later of: (i) receipt of a written request for such consent, sent by certified mail, return receipt requested addressed to Landlord which includes the Notice statement in bold capital letters; (ii) fax transmission of the request referred to in this subsection (i) above to Goldberg Weprin Finkel Goldstein, LLP, attn: Douglas Taus, Esq. at (212) 221-6350; and (iii) receipt of all documentation and information required in connection with a request for approval for such alterations pursuant to this Article, including, but not limited to, any other references and information reasonably requested by Landlord, Tenant may serve a second such notice in the same manner. If Landlord fails to respond to such second notice from Tenant for consent to such Plans within five (5) business days after said second request, Landlord shall be deemed to have consented to such Plans. For purposes of this section, the term "Notice" shall mean the following text: "PLEASE NOTE THAT PURSUANT TO SECTION 5.2(v)(i) OF THE LEASE, IF YOU FAIL TO RESPOND TO TENANT'S REQUEST FOR CONSENT TO THE WITHIN DESCRIBED PLANS WITHIN FIFTEEN (15) BUSINESS DAYS AFTER RECEIPT OF THIS LETTER, AND YOU FAIL TO RESPOND TO TENANT'S SECOND REQUEST FOR CONSENT TO THE WITHIN DESCRIBED PLANS WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF SUCH SECOND LETTER YOU ARE DEEMED TO HAVE CONSENTED TO SUCH PLANS.

(2) All work shall be effected by contractors and consultants reasonably approved by Landlord and in strict compliance with the aforesaid rules and regulations and with Landlord's rules and regulations thereon. Tenant shall reimburse the Landlord for any expense incurred on account of the failure of the Tenant to comply with any of such requirements.

(3) During the progress of the work to be done by the Tenant hereunder, said work shall be subject to inspection by representatives of the Landlord who shall be permitted access and the opportunity to inspect at all reasonable times.

(4) Landlord shall not be responsible for any structural defect, latent or otherwise, in the Premises or change of conditions elsewhere in the Building or in the Premises, resulting from or arising out of alteration, installation, addition or improvement in or to the Premises by or for Tenant, or for any damage to the

building or the Premises or to any person or goods or things contained or placed thereon, therein or in the vicinity thereof.

(5) All work to be performed by Tenant shall be done in a manner which will not unreasonably interfere with or disturb other tenants and occupants of the Building.

(6) With regard to the Restaurant Space, Tenant, at its sole cost and expense, and in accordance with all governmental regulations, shall install and/or maintain in its kitchen an ansul and/or such other fire protective device, as may be reasonably required by Landlord's insurance company and applicable law. Tenant shall further, at its sole cost and expense, be liable and responsible for repairing and cleaning any and all waste drains and pipes in and from the Premises which may become clogged or stopped from any waste or sewage emanating from the Premises. Tenant shall also enter into a contract with a company reasonably approved by Landlord which does twice-a-year inspection and cleaning of said system. If more frequent inspections are required by Landlord's insurance carrier, Tenant shall provide and pay for such additional inspection.

(7) With regard to the Restaurant Space, Tenant shall install and/or maintain at its sole cost and expense, in good order and repair, grease traps, filters and other devices to prevent the accumulation of grease and other foreign substances in the waste lines leading from the Premises and to cause the ducts thereof to be cleaned as often as may be required to keep the same free from grease and other foreign substances to allow them to operate efficiently.

(8) Tenant agrees to conduct its business in such manner that no materially noxious odors shall penetrate from the Premises to any other party of the Mall; and with regard to the Restaurant Space, Tenant shall, at its own cost and expense, install in such area as may be designated by Landlord maintain, keep in thorough good order, repair and maintain in clean condition, a first class ventilating system and kitchen exhaust stack, conforming with all applicable laws and regulations, so that at all times all noxious odors and fumes of any kind and any nature whatsoever emanating from the Premises, shall be removed. If at any time during the term hereof the ventilating system or the kitchen exhaust stack, or the manner of operation of the ventilation system shall be deemed reasonably unsatisfactory to Landlord, Landlord may give Tenant written notice specifying the changes, alterations or repairs to be made to the said kitchen exhaust stack and/or ventilation system, and within thirty (30) days thereafter Tenant shall, at its own cost and expense, alter, repair or replace the kitchen exhaust stack and/or ventilating system in the manner specified by Landlord.

5.3 MECHANICS LIENS – Nothing contained in this Lease shall be construed as a consent on the part of the Landlord to subject the estate of the Landlord to liability under the Mechanics' Lien Law of the State of Florida, it being expressly understood that the Landlord's estate shall not be subject to such liability for any work performed by or on behalf of Tenant. Tenant shall strictly comply with the Mechanics' Lien Law of the State of Florida as set forth in Florida Statutes Section 713. In the event that a mechanics' claim of lien is filed against the Mall in connection with any work performed by or on behalf of Tenant, the Tenant shall discharge such lien by payment or bonding, within ten (10) days from the date of filing. In the event that the Tenant fails to discharge such lien within said ten (10) day period, the Landlord may do so and thereafter charge the Tenant, as Additional Rent, all costs incurred by the Landlord in connection with satisfaction or transfer of such claim, including attorneys' fees. Further, the Tenant agrees to indemnify, defend and save the Landlord harmless from and against any damage or loss incurred by the Landlord as a result of any such mechanics' claim of lien. If so requested by the Landlord, the Tenant shall execute a short form or memorandum of this Lease, which may, in the Landlord's discretion be recorded on the Public Records for the purpose of protecting the Landlord's estate from mechanics' claims of lien, as provided in Florida Statutes Section 713.10. In the event such a short form or memorandum of lease is executed, the Tenant shall simultaneously execute and deliver to the Landlord an instrument terminating the Tenant's interest in the real property upon which the Premises are located, which instrument may be recorded by Landlord at the expiration of the term of this Lease, or such earlier termination hereof. The security deposit paid by the Tenant

may be used by the Landlord for the satisfaction or transfer of any mechanics' claims of lien, as provided in this Section. This Section shall survive the termination of this Lease.

5.4 In the event that Tenant fails to discharge any lien within the time period provided in section 5.3 above, in addition to any other rights Landlord may, at Landlord's option, offset any amounts incurred by Landlord in connection with the existence or discharge of such lien against amounts owed by Landlord to the Associations for Common Charges and Assessments (however, such offset shall not be considered when calculating the fee due to Landlord from the Associations pursuant to the Easement Agreement ("Easement Fee").

5.5 SIGNAGE – Tenant must submit all designs and locations for signage in writing to the landlord for reasonable approval prior to the installation of the sign. Handmade or unprofessional signs will not be allowed. All signage, once approved is the responsibility of the Tenant. Tenant's rights to signage pursuant to this provision shall only apply with regard to the Restaurant Space and Tenant shall have no right to signage for any other portion of the Premises.

ARTICLE VI – ELECTRICITY

Electric current shall be furnished to Tenant by the Associations. Landlord shall not in any way be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if either the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements. Tenant's use of electric current in the Premises shall not at any time exceed the capacity of any of the electrical conductors and facilities in or otherwise serving the Premises. In order to insure that such capacity is not exceeded and to avert any possible adverse effect upon the Building's electric service, Tenant shall not, without Landlord's prior written consent in each instance, connect any fixtures, appliances or equipment (other than as may be reasonably necessary for the operation of executive office equipment) to the Building's electric distribution system nor make any alteration or addition to the electric system of the Premises.

ARTICLE VII – DEFAULT

7.1 Upon the happening of one or more of the events set forth in (a) through (h), inclusive (any of which will be referred to hereinafter as an "Event of Default"), the Landlord shall have any and all rights and remedies set forth:

(a) In any event the Tenant should fail to pay an installment of rent, if any, when the same becomes due on the first day of each month, or any other sums required to be paid hereunder, as and when the same becomes due;


(b) In the event of a petition in bankruptcy (including Chapter X and Chapter XI proceedings or any other re-organization proceedings under the Bankruptcy Act) be filed by or against the Tenant and such petition is not dismissed within sixty (60) days from the filing thereof, or in the event Tenant is adjudged bankrupt;

(c) In the event an assignment for the benefit of creditors is made by the Tenant;

(d) Intentionally Deleted;

(e) In the event the Tenant removes, attempts to remove, or permits to be removed from the Premises, except in the usual course of trade, the goods, furniture, effects or other property of the Tenant brought thereon;

(f) In the event Tenant, before the expiration of the Lease Period, and without written consent of the Landlord vacates the Premises or abandons the possession thereof, or uses the same for purposes other than purposes



for which the same are hereby leased, or ceases to use the Premises for the purposes herein expressed;

(g) Intentionally Deleted;

(h) In the event of Tenant's failure to perform any nonmonetary covenant or condition of this Lease within five (5) days after written notice and demand, unless the failure is of such a character as to require more than five (5) days to cure, in which case the Tenant's failure to proceed diligently to cure such a failure shall constitute an Event of Default.

7.2 If any Event of Default occurs the Landlord shall have the right, at the option of Landlord, to terminate this Lease upon ten (10) days written notice, and to declare the entire rent for the balance of this Lease, or any part of thereof, due and payable forthwith and to thereupon re-enter and take possession of the Premises. If any Event of Default occurs, the Landlord shall also have the right, at the option of Landlord: (a) to require Tenant to post a security deposit equal to three months of the then current Fixed Annual Rent under the Lease and (b) to offset any amounts owed by Tenant against amounts owed by Landlord to the Associations for Common Charges and Assessments (however, such offset shall not be considered when calculating the Easement Fee due to Landlord pursuant to the Easement Agreement). Tenant agrees to indemnify and hold Landlord harmless for any loss, claim, damage or liability relating to the offset permitted pursuant to this section. If any Event of Default occurs, Landlord shall have the right, at its option, without terminating this Lease to re-enter and re-let the Premises, with or without legal process, as the agent and for the account of Tenant upon such terms and conditions as Landlord may deem advisable or satisfactory, in which event the rents received on such reletting shall be applied first to the expenses of such reletting and collection, including, but not limited to necessary renovation and alteration of the Premises, reasonable attorney's fees, any real estate commissions paid, and toward payment of all sums due or to become due to the Landlord hereunder, and if a sufficient sum shall not be thus realized or secured to pay such sums and other charges. Nothing herein, however, shall be construed to require the Landlord to re-enter and re-let in any event. The Landlord shall not in any event be required to pay the Tenant any surplus of any sums received by the Landlord on a reletting of the Premises in excess of the rent provided in this Lease. The various rights and remedies herein granted to Landlord shall be cumulative and in addition to any other Landlord may be entitled to by law or in equity, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy. In all events, Landlord shall have the right upon notice to Tenant to cure any breach by Tenant at Tenant's sole cost and expense, and such payment by Landlord shall be considered Additional Rent, which shall accrue interest thereon at the highest rate permitted by law, the non-payment of which by Tenant, shall be subject to all remedies available to Landlord for the collection of delinquent rent. Tenant shall reimburse Landlord for such expense upon demand.

7.3 Late Charge: In the event that Tenant should fail to pay any installment of rent by the tenth (10th) day of the month the Landlord shall impose a late charge of five (5%) percent of the overdue rent (hereinafter called "Late Charge") for that month.

7.4 Waiver: The waiver by Landlord of any breach of any term, condition or covenant herein contained shall not be a waiver of any subsequent breach of the same or any other term, condition or covenant herein contained. The consent of approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. No re-entry hereunder shall bar the recovery of rents or damages for the breach of any of the terms, conditions or covenants on the part of Tenant herein contained. The receipt of rent after breach or condition broken, or delay on the part of Landlord to enforce any right hereunder, shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, or waiver of the right of Landlord to annul this Lease or to re-enter said Premises or to re-let same.

7.5 Expenses of Enforcement: In the event any payment due to Landlord under this Lease shall not be paid on the due date, said payment shall bear interest at the rate of

eighteen (18%) per annum from the due date until paid unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease. In no event however, shall the interest rate charge pursuant hereto or pursuant to any other provision of this Lease be greater than the maximum rate permitted by law. In the event that it shall be necessary for Landlord to give more than one (1) written notice to Tenant of any violation of this Lease, Landlord shall be entitled to make an administrative charge to Tenant of twenty-five (\$25.00) dollars for each additional notice. Tenant recognizes and agrees that the charges which Landlord is entitled to make upon the conditions stated in this Section represent, at the time this Lease is made, a fair and reasonable estimate and liquidation of the costs of Landlord in the administration of the Mall resulting from the events described, which costs are not contemplated or included in any other rent or charges to be paid by Tenant to Landlord under this Lease. Any charges becoming due under this Section of this Lease shall be added to and become due with the next ensuing monthly payment of Fixed Minimum Annual Rent and shall be collectible as a part thereof.

7.6 Legal Expenses.

(a) In the event that it shall become necessary for Landlord to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due to it under this Lease or to remedy the breach of any covenant of this Lease on the part of the Tenant to be kept or performed, regardless of whether suit be brought, Tenant shall pay to Landlord such reasonable fee as shall be charged by Landlord's attorney for such services. Should suit be brought for the recovery of possession of the Premises, or for the rent or any other sum due Landlord under this Lease, or because of the breach of any of Tenant's covenants under this Lease, Tenant shall pay to Landlord all expenses of such suit and any appeal thereof, including a reasonable attorney's fee.

(b) In the event that it shall become necessary for either party to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due it under this Lease or to remedy the breach of any covenant of this Lease on the part of the other party to be kept or performed, regardless of whether suit be brought, the non-prevailing party shall pay to the prevailing party such reasonable fee as shall be charged by the prevailing party's attorney for such services. Should suit be brought for recovery of possession of the Premises, or for rent or any other sum due under this Lease, or because of the breach of any covenants under this Lease, the non-prevailing party shall pay to the prevailing party all expenses of such suit and any appeal thereof, including a reasonable attorney's fee.

ARTICLE VIII - NOTICE

Any notice or other communication required or permitted to be given, rendered or made by either party to the other, pursuant to this Lease, shall be in writing and shall be deemed to have been properly given, rendered or made if sent by messenger or courier guaranteeing same day or overnight delivery (by a nationally-recognized company such as FedEx or UPS) and furnishing a receipt in evidence thereof, addressed to the other party at the address on the first page, and shall be deemed to have been given, rendered or made on the date delivered, if delivered to the other party by same day messenger or by overnight courier.

Landlord's Address for Notices:
Commercial Unit 100, LLC and Ocean Walk Mall, LLC
c/o Radiant Partners, 145 W. 45th Street
New York, New York 10036

With a copy to:

Goldberg, Weprin, Finkel, Goldstein, LLP

Attn: Douglas Taus, Esq.
1501 Broadway 22nd Floor
New York, New York 10036

Tenant's Address for Notices:

HHBR, L.L.C. Attn: Manager
101 North Ocean Drive, #8
Hollywood, Florida 33019

With a copy to:

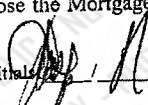
Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.L.C.
Attn: Joshua D. Krut, Esq.
200 E. Broward Blvd., Ste. 1900
Fort Lauderdale, Florida 33301

ARTICLE IX – SUBORDINATION/ATTORNMEN

This Lease is subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber the Premises, the Mall or any portion thereof, ("Mortgage"; the holders of mortgages, deeds of trust, ground leases, or other security instruments being herein called "Mortgagee"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, replacements, modifications, recastings, consolidations, advances or refinancings thereof. This clause shall be self-operative and no further instrument of subordination shall be required to effect the subordination of this Lease. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage and Tenant shall execute, acknowledge and deliver all documents required by such holder in confirmation thereof, provided that said holder executes and delivers to Tenant a subordination, non-disturbance agreement in return therefor, in the Mortgagee's then customary form. With regard to any future Mortgage on the Premises, Landlord agrees to provide Tenant with a subordination, non-disturbance agreement from such Mortgagee in the Mortgagee's then customary form.

Tenant shall at Landlord's request promptly execute any requisite or appropriate document confirming such subordination. Tenant appoints Landlord as Tenant's attorney-in-fact to execute any such document for Tenant. Tenant waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and Tenant's obligations hereunder in the event any foreclosure proceeding is prosecuted or completed or in the event the Premises or any portion thereof is transferred by foreclosure, by deed in lieu of foreclosure or otherwise. If this Lease is not extinguished upon any such transfer or by the transferee following such transfer, then, at the request of such transferee, Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by any payment of Fixed Annual Rent or Additional Rent more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease, (b) bound by any amendment of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for damages for any breach, act or omission of any prior landlord, or (d) subject to any offsets or defenses which Tenant might have against any prior landlord; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising after the date of transfer. Within five (5) days after the request of such transferee, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

After receiving notice from any person, firm or other entity that it holds a Mortgage, no notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to such Mortgagee; provided, however, that Tenant shall have been furnished with the name and address of such Mortgagee via written notice from Landlord. The curing of any of Landlord's defaults by such Mortgagee shall be treated as performance by Landlord. In addition to the time afforded the Landlord for the curing of any default, any such Mortgagee shall have such additional time as may be necessary given the nature and extent of the default (including such time as may be necessary in order to foreclose the Mortgage and obtain



possession of the Premises) after the expiration of the period allowed to the Landlord for the cure of any such default within which to cure such default so long as any such Mortgagee acts with reasonable diligence.

ARTICLE X – REPAIRS

10.1 Tenant shall keep and maintain, in good order, condition and repair (including replacement of parts and equipment if necessary) the Premises and every part thereof and any and all appurtenances thereto wherever located, including, but without limitation, the exterior and interior portions of all doors, door checks, locks, windows, window frames, plate glass, store front, glass replacement on the overhead doors and repairs and service of all the overhead doors, all plumbing fixtures and plumbing, ceramic tile, and sewage facilities within the Premises, heating and air conditioning, and all electrical systems, electrical outlets and receptacles, walls, floors, ceilings and ceiling tiles. Tenant's obligations shall include periodic interior painting of the Premises, so as to maintain the same in first-class condition throughout the term hereof. Tenant shall take good care of the Premises and, at its sole cost and expense, shall make all repairs necessary to keep the Premises in good working order and condition.

10.2 Landlord or its agents shall have the right to enter the Premises after reasonable notice for the purpose of inspecting, making of repairs or alterations as Landlord may deem necessary.

10.3 RESPONSIBILITIES OF TENANT:

(a) Tenant will not install any equipment which exceeds the capacity of the utility lines leading into the Premises or the building of which the Premises constitute a part.

(b) Tenant, its employees, or agents, shall not mark, paint, drill or in any way deface any walls, ceiling, partitions, floors, wood, stone, or ironwork in or about the Premises or Mall without the Landlord's prior written consent.

(c) Tenant shall comply with all laws, orders, ordinances and regulations of all governmental authorities and will not permit any waste of property to be committed and will take good care of and keep in a neat, clean and sanitary condition, the Premises at all times.

(d) If Tenant refuses or neglects to repair property as required hereunder and to the reasonable satisfaction of the Landlord as soon as reasonably possible after written demand, Landlord may make such repairs without liability to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property, or to Tenant's business by reason thereof, (except for loss or damage caused by Landlord's negligence), and upon completion thereof, Tenant shall pay as additional rent Landlord's cost for making such repairs plus twenty (20%) percent for overhead, upon presentation of a bill therefor. Said bill shall include interest at fifteen (15%) percent on said cost from the date of completion of repairs by Landlord. In the event that the Landlord shall undertake any maintenance or repair in the course of which it shall be determined that such maintenance or repair work was made necessary by the negligence or willful act of Tenant or any of its employees or agents or that the maintenance or repair is, under the terms of this Lease, the responsibility of Tenant, Tenant shall pay Landlord's cost therefor plus overhead and interest as above provided in this Sub-section.

(e) Tenant shall give Landlord prompt written notice of any accident, fire or damage occurring on or to the Premises.

(f) Neither Landlord nor Landlord's agents or servants shall be liable for any damages caused by or growing out of any breakage, leakage or defective condition of the electric wiring, air conditioning or heating pipes and equipment, closets, plumbing, appliances, sprinklers, other equipment or other facilities, serving the Premises unless such damages are caused by or result from the sole negligence of Landlord or Landlord's agents or servants. Neither Landlord nor Landlord's agents or servants shall be liable for any damages to the building or any part thereof, or to the said Premises or any part thereof caused by fire, lightning, wind or other similar cause

(g) All property belonging to Tenant or any occupant of the Premises or the Mall shall be there at the risk of the Tenant or such person only, and Landlord shall not be liable for damage thereto or theft or misappropriation thereof unless caused by or resulting from sole negligence of Landlord or Landlord's agents or servants.

(h) At the expiration of the tenancy hereby created, Tenant shall surrender the Premises in the same condition as the Premises were in upon delivery of possession to the Tenant under this Lease, reasonable wear and tear excepted, and shall surrender all keys for the Premises to Landlord. Tenant shall remove all its trade fixtures and any alterations or improvements which Landlord requests to be removed before surrendering the Premises as aforesaid and shall repair any damage to the Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of the Lease.

(i) It is the responsibility of the Tenant to maintain a monthly service contract for extermination of the Premises with a licensed contractor approved by Landlord and provide Landlord with a copy of the contract. Upon request of the Landlord, at any time, proof of extermination service must be shown. If Tenant does not show proof of monthly extermination, the Landlord reserves the right to exterminate the Tenant's Premises and charge the Tenant for the cost of same.

ARTICLE XI – REMEDY

11.1 Tenant agrees to look solely to Landlord's estate and interest in the land and building for the satisfaction of any right or remedy of Tenant. Wherever in this Lease Landlord's consent or approval is required, if Landlord shall delay or refuse such consent or approval, Tenant in no event shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim, for money damages (nor shall Tenant claim any money damages by way of set-off, counterclaim or defense) based upon any claim or assertion by Tenant that Landlord withheld or delayed its consent or approval. Tenant's sole remedy shall be an action or proceeding to enforce any such provision, for specific performance, injunction or declaratory judgment.

11.2 In the event of any litigation arising in any manner out of the parties' lease, or the relationship of Landlord and Tenant, the prevailing party shall be entitled to reasonable attorney's fees and costs associated with the subject litigation. The Parties hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters arising out of, or in any way connected with, this Lease, the Relationship of the Landlord and Tenant and Tenant's use or occupancy of the premises, Tenant further agrees that it shall not interpose any counterclaim in any summary proceedings brought by the Landlord or in any action based upon non-payment of additional rent or any other payment required of Tenant hereunder.

ARTICLE XII – ASSIGNMENT

Tenant shall not assign or otherwise transfer this Lease, sublet any portion of the Premises or otherwise permit the use of the Premises by anyone other than Tenant without obtaining the written consent of Landlord, which may withheld in Landlord's sole discretion.

In the event that Landlord shall consent to a sublease and Tenant thereupon sublets any portion of the Premises, Tenant shall pay to Landlord, as Additional Rent fifty percent (50%) of the amount, if any, by which the Fixed Annual Rent and Additional Rent payable by the sublessee to Tenant shall exceed the Fixed Annual Rent plus Additional Rent allocable to that part of the Premises affected by such sublease, plus fifty percent (50%) of the amounts, if any, payable by such sublessee to Tenant pursuant to any side agreement as consideration (partial or otherwise) for such subletting. Such Additional Rent payments shall be made monthly within five (5) days after receipt of the same by Tenant or within five (5) days after Tenant is credited with the same by the sublessee. At the time of submitting the proposed sublease to Landlord, Tenant shall certify to Landlord in writing whether or not the sublessee has agreed to pay any monies to Tenant in consideration of the making of the sublease other than as specified and set forth in such instruments, and if so Tenant shall certify the amounts and time of payment thereof in reasonable detail. For purposes of this Article, rents received on account of this Lease shall be allocated according to the following percentages: (i) 46.44% for Front Desk Offices, (ii) 7.12% for Laundry, and (iii) 46.44% for Patio Bar, Kitchen and Storage.

ARTICLE XIII – INDEMNIFICATION OF LANDLORD

Tenant and the Associations will jointly and severally indemnify and save Landlord harmless from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses including attorneys' fees, which may be imposed upon or incurred by or asserted against Landlord, unless arising out of Landlord gross negligence, by reason of any of the following occurring during the term of this Lease:

(1) any work or thing done by Tenant or any agent, contractor, employee, licensee or invitee of Tenant in, on or about the Mall, Premises or any part thereof;

(2) any use, non-use, possession, occupation, condition, operation, maintenance or management by Tenant of the Mall or Premises or passageways to and from same;

(3) all fines, suits, proceedings, claims, demands and actions of any kind or nature whatsoever brought by anyone whomsoever arising or growing out of or in any manner connected with Tenant's use, operation and maintenance of the Mall or Premises.

(4) any accident, injury, or damage to any person or property occurring in the Premises or any part thereof.

(5) any failure on the part of Tenant to perform or comply with any of the agreements, terms, or conditions contained in this Lease on its part to be performed or complied with.

ARTICLE XIV – INSURANCE

14.1 Throughout the Lease Period, Tenant shall insure and pay premiums for insurance coverage on the Premises for general public liability insurance with limits of at least \$10,000,000.00 for bodily injury including liquor liability and \$1,000,000.00 for property damage. Such insurance shall be with companies reasonably satisfactory to Landlord. Each policy shall name the Landlord, the Associations and Landlord's managing agent as an additional named insured and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days prior written notice. If at any time the Tenant shall fail to obtain, pay for, deliver or maintain in full force and effect such insurance policies, then Landlord, at its sole option, may obtain such insurance coverage and pay the premiums thereof and all sums so paid by Landlord shall be deemed due and owing to Landlord upon submission of a statement thereof.

14.2 Responsibility of Tenant: All alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf by

agreement under this Lease shall remain the property of the Tenant for the term of this Lease or any extension or renewal hereof. The Tenant shall at all times maintain "All Risk" insurance in the name of the Landlord and the Tenant, in an amount adequate to cover one hundred (100%) percent of the cost of replacement of all alterations, decorations, additions or improvements in the event of fire or extended coverage loss. Tenant shall deliver to the Landlord certificates of All Risk insurance policies which shall contain a clause requiring the insurer to give the Landlord thirty (30) days notice of cancellation or amendment of such policies. Such alterations, decorations, additions and improvements shall not be removed from the Premises without prior consent in writing from the Landlord. Upon expiration of this Lease the Tenant shall remove all such alterations, decorations and improvements, and restore the Premises, as provided hereinafter. If the Tenant fails to remove such alterations, decorations and improvements and restore the Premises, then upon the expiration of this Lease, or any renewal thereof, and upon the Tenant's removal from the Premises, all such alterations, decorations, additions and improvements shall become the property of the Landlord and in such event, should Landlord so elect, Landlord may restore the Premises to its original condition for the cost of which, with allowance for ordinary wear and tear, Tenant shall be responsible and pay promptly upon demand.

14.3 Rent Insurance: The Tenant shall provide the Landlord with rent insurance against loss of rent due to fire and risks now or hereafter embraced by "All Risk Coverage" in an amount equal to the amount of Fixed Minimum Annual Rent to be paid by Tenant together with the annual ad valorem and real estate taxes, and Mall Operating Costs, and all other charges payable as additional rent under this Lease. All rent insurance policies provided for herein shall name the Landlord as insured and shall provide for monthly payment of loss to the Landlord, to the extent of the Tenant's monthly obligations hereunder.

14.4 Increase to Fire Insurance Premium: Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by the standard for All Risk insurance policy. Tenant agrees to pay increases in premiums for All Risk insurance that may be charged during the term of this Lease on the amount of such insurance which may be carried by Landlord on said Premises or the building of which they are part, resulting from the type of merchandise sold by Tenant in the Premises or resulting from the Tenant's use of the Premises, whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use of the Premises, a schedule issued by the organization making the insurance rate on the Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the Premises. Tenant agrees to promptly make, at Tenant's cost, any repairs, alterations, changes and/or improvements to the equipment in the Premises required by the company issuing Landlord's All Risk insurance so as to void the cancellation of or the increase in premiums on said insurance.

In the event Tenant's occupation and use of the Premises causes any increase of premium in the fire and/or casualty insurance rates on the Premises or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the Premises, the Tenant shall pay the additional premium on the fire, and/or casualty insurance policies by reason thereof. The Tenant also shall pay in such event that there is any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect and shall be due from, and payable by, Tenant when rendered, and the amount thereof shall be deemed to be additional rent.

14.5 Waiver of Subrogation Landlord and Tenant waive, unless said waiver should invalidate any such insurance, their right to recover damages against each other to the extent the damaged party recovers for same from its insurance carrier. Any insurance policy procured by either Tenant or Landlord which does not name the other as a named insured shall, if obtainable, contain an express waiver of any right of subrogation by the insurance company, including but not limited to Tenant's workmen's compensation carrier against Landlord or Tenant, whichever the case may be. All public liability and property damage policies shall contain an endorsement that Landlord, although named as

insured, shall nevertheless be entitled to recover for damages caused by the negligence of Tenant.

ARTICLE XV – WRITTEN MODIFICATION

This Lease shall not be altered, modified or amended orally. Any such alteration, modification or amendment must be in writing and executed by both parties hereto.

ARTICLE XVI – HOLDING OVER

On or before the Expiration Date or the date of a sooner termination pursuant to the terms of this Lease, Tenant shall quit and surrender the Premises, broom clean and in good condition. If Tenant fails to surrender possession of the Premises on or before the Expiration Date, or earlier Termination date if applicable, Tenant agrees that in addition to all other remedies available hereunder or at law or equity, Tenant will pay to Landlord, as liquidated damages, for each month or for each portion thereof beyond the Expiration Date during which Tenant holds over in the Premises, two times the Fixed Annual Rent and other charges and additional rent items owed under this Lease during the last year of the Term, as well as any other amounts required under this Lease, including, without limitation, Landlord's attorneys' fees and disbursements.

ARTICLE XVII – REDEVELOPMENT RELOCATION RIGHT

In the event that the Landlord files any plans for the redevelopment or reconstruction of the retail or commercial portions of the Mall, Tenant agrees that Landlord shall have the right to relocate portions of the Premises to other locations in the Mall that are reasonably acceptable to Tenant. In the event that Tenant is relocated to another location in the Mall, Landlord will pay all reasonable expenses associated with the relocation. In addition Landlord agrees that all rents will be abated from the time Tenant must leave the initial location to the time Tenant is substantially relocated.

ARTICLE XVIII – GOVERNMENT REGULATIONS

18.01 Tenant shall comply with all laws, statutes, ordinance, orders, rules, regulations and requirements of all federal, state, county or city departments, or any subdivision or agency thereof, all requirements of any insurance policy covering or applicable to any part of the Building or land thereon and all rules and regulations established by Landlord from time to time for the operation of commercial Unit 100.

18.02 Prohibited Persons and Transactions: Tenant represents to Landlord that (i) neither Tenant nor any person or entity that directly owns a 10% or greater equity interest in it nor any of its officers, directors or managing members is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked persons List) or under Executive Order 13224 (the "Executive Order") signed on September 24, 2001, and entitled "Blocking Property and Prohibiting transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, (ii) that Tenant's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act"), and (iii) that throughout the term of this Lease, Tenant shall comply with the Executive Order and with the Money Laundering Act.

ARTICLE XIX – SECURITY INTEREST

To further secure Tenant's obligations under this Lease, Tenant hereby grants to Landlord a security interest in (i) all property and fixtures affixed to or located on the Premises which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the real property, and (ii) all articles of personal property, trade fixtures and all

materials delivered to the Premises for use in Tenant's business operation. This provision is a self-operative security agreement with respect to such property, but Tenant agrees to execute and deliver on demand such other instruments as Landlord may request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. Landlord shall have all the rights and remedies in addition to those specified herein of a secured party under the Uniform Commercial Code.

ARTICLE XX – RADON DISCLOSURE

Pursuant to Florida Statutes Section 404.056(8), the following radon disclosure is required by law:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to the persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health department.

ARTICLE XXI – PARKING

Tenant acknowledges and agrees that it shall be required to arrange for and pay for parking for its employees, Landlord shall have no responsibilities whatsoever with regard to parking for Tenant or its employee or patrons.

ARTICLE XXII – MISCELLANEOUS

22.1 This Lease shall not be construed to create any additional rights in favor of Tenant or impose any additional obligations upon Landlord which are not specifically set forth herein. If any term shall be invalid or unenforceable to any extent, the remaining terms shall not be effected and shall remain valid and enforceable.

22.2 Tenant hereby represents and warrants to Landlord that it has not dealt with any broker in connection with this Lease other than Colliers International who also acts as the listing agent and manager for the owner. Tenant agrees that it shall indemnify and hold Landlord harmless from and against any claims, actions, suits, liability or expenses of every kind that arise in connection with any claim for a brokerage commission related to this Lease other than a claim from Colliers International.

22.3 This Lease shall be governed by and interpreted in accordance with the laws of The State of Florida. Anything in this agreement to the contrary notwithstanding, the Landlord shall not be deemed in default with respect to failure to perform any of the terms, covenants and conditions of this Lease if such failure to perform shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing through an Act of God, hurricane, or any other cause beyond control of the Landlord.

22.4 Accord and Satisfaction: No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided herein by law.

22.5 Entire Agreement: This Lease constitute all the covenants, promises, agreement, conditions and understandings between Landlord and Tenant concerning the Premises and there are no covenants, promises, conditions or understandings, either oral or written, between them other than are herein set forth. Except as otherwise provided, no subsequent alteration, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

22.6 No Partnership: Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venture or a

member of a joint enterprise with Tenant, nor does anything in this Lease confer any interest in Landlord in the conduct of Tenant's business. The provisions of this Lease relating to the percentage of rent payable hereunder are included solely for the purpose of providing a method whereby the rent is to be measured and ascertained.

22.7 Tenant Defined, Use of Pronoun: The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, and the permitted subleases, assigns and successors thereof. If there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as-if given to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two (2) or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply to the plural sense where there is more than one Landlord or Tenant and to any corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

22.8 Estoppel Certificate: Tenant agrees that, at any time and from time to time, within ten (10) days following receipt of written notice by Landlord hereto specifying that it is given pursuant to this Section, execute, acknowledge and deliver to Landlord or anyone or any entity designated by Landlord, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect and stating the modifications), and the date to which the Fixed Minimum Annual Rent and any other payments due hereunder from Tenant have been paid in advance, if any, and stating whether or not there are any defenses or offsets claimed by the maker of the certificate and whether or not to the best knowledge of the signer of such certificate Landlord is in default of in performance of any covenant, agreement or condition contained in the Lease, and if so, specifying each such default of which the maker may have knowledge and if requested, such financial information concerning Tenant and Tenant's business operations (and the Guarantor of the Lease, if the Lease be guaranteed) as may be reasonably requested by any mortgagee or prospective mortgagee or purchaser. The failure of Tenant to execute, acknowledge and deliver to or on behalf of Landlord a statement in accordance with the provisions of this Section within said ten (10) day period shall constitute an acknowledgment Tenant, which may be relied upon by any mortgagee or any person holding or proposing to acquire an interest in the Mall or any part thereof, that this Lease is unmodified and in full force and effect and that such rents have been duly and fully paid to and including the respective dates immediately preceding the date of such notice and shall constitute as to any person entitled as aforesaid to rely upon such statements, waiver of any defaults which may exist prior to the date of such notice; provided however, that nothing contained in the provisions of this Section shall constitute a waiver by the Landlord of any default in payment of rent or other charges existing as of the date of such notice, and unless expressly consented to in writing by Landlord, Tenant shall still remain liable for the same.

22.9 Waiver of Jury Trial: The parties hereto waive trial by jury in connection with proceedings or counterclaims brought by either of the parties hereto against the other.

22.10 Time of Essence: Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

22.11 Landlord and Tenant each warrant and represent that the individuals executing this Lease on behalf of Landlord and Tenant, respectively, have the power and authority to execute this Lease on behalf of Landlord and Tenant, respectively.

22.12 Tenant agrees that Landlord shall be permitted to employ the Associations' management company to manage Landlord's property at the Mall. Any savings incurred by hiring such company that is already working at Mall shall inure to Landlord's benefit.

ARTICLE XXIII - RULES AND REGULATIONS

23.1 (a) Tenant agrees to comply with the following:

(i) All loading of goods shall be done only at such times, in the areas, and through the entrances designated for such purposes by Landlord from time to time. As of the execution of this Lease, Landlord requires that all deliveries for Tenant shall be made through the Mall's north loading dock only. The delivery or shipping of merchandise, supplies and fixtures to and from the Premises shall be subject to such rules and regulations as in the judgment of the Landlord are necessary for the proper operation of the Premises or the Mall. Any hand carts or dollies used to deliver merchandise shall have rubber wheels so as not to damage the tile in the Common Areas. Tenant shall be responsible for any damage to the tile or walls caused by its deliverymen.

(ii) Trailers or trucks shall not be permitted to remain parked overnight in any area of the Mall whether loaded or unloaded.

(iii) All garbage, refuse and rubbish shall be deposited in the kind of container specified by the Landlord, and shall be placed outside of the Premises prepared for collection in the manner and at the times and places specified by the Landlord and in accordance with the municipal regulations. Burning of garbage, refuse or rubbish any place or in the Mall is not permitted. If Landlord shall provide or designate a service for picking up garbage, refuse or rubbish, Tenant shall use same at Tenant's sole cost and expense.

(iv) No radio or television or other similar device shall be installed without first obtaining in each instance the Landlord's consent in writing. No aerial shall be erected on the roof or exterior walls of the Premises, or on the grounds, without first obtaining in each instance, the written consent of the Landlord. Any aerial so installed without such written consent may be removed by Landlord at any time and Landlord shall not be liable for such removal.

(v) No loud speakers, phonographs, compact disc players, mechanical apparatus, or other device shall be used or allowed to operate in a manner so as to be heard or seen outside of the Premises without the prior written consent of the Landlord.

(vi) The outside areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by the Tenant to the satisfaction of the Landlord, and Tenant shall not place or permit any obstruction or merchandise in such areas, nor conduct any business therefrom.

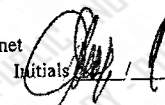
(vii) The plumbing facilities shall not be used for any other purpose than for that which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expenses of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant.

(viii) At all times, Tenant shall neatly display all health certificates and occupational licenses to the public.

(ix) Tenant shall keep the Premises free from nuisances, noises or odors objectionable to the public, to other tenants in the Mall or to the Landlord.

(x) Tenant shall not conduct any auction sale, fire sale, bankruptcy sale, selling out sale, or closing out sale on or about the Premises.

(b) Landlord reserves the right from time to time to suspend, amend or supplement the foregoing rules and regulations, and to adopt and promulgate additional reasonable rules and regulations applicable to the Premises. Notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to Tenant.

Initials 

(c) Tenant agrees to comply with all additional and supplemental rules and regulations upon notice of the same from Landlord.

ARTICLE XXIV - TOTAL OR PARTIAL DESTRUCTION

If the Premises are totally or partially damaged or destroyed, Tenant agrees that it shall be responsible to insure and to rebuild any portions of the Premises that are not the responsibility of the Association to insure and rebuild pursuant to the Association Documents, except that Landlord shall be responsible to insure and rebuild the demising walls of the Premises. No damage or destruction to the Premises shall impact Tenant's obligations under this Lease and, notwithstanding anything the contrary contained herein, Tenant shall at its sole cost and expense, maintain sufficient insurance to cover such responsibilities. Tenant acknowledges that Landlord shall not be responsible for the Association's failure to comply with the Association Documents, including, without limitation, any obligations to repair or rebuild any portion of the Premises.

ARTICLE XXV - TOTAL CONDEMNATION

If the whole of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of the title vesting in the condemning governmental body or other authority pursuant to such proceeding and all rentals and other charges shall be paid up to that date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

ARTICLE XXVI - RIGHT OF ENTRY

Landlord reserves the right, at all reasonable times, or in the event of an emergency at any time, by itself or its authorized agents, to:

(a) go upon and inspect the Premises and every part thereof, and at its option, upon reasonable notice, except in the case of an emergency or other repair requiring immediate attention in which case no notice shall be required, to make repairs, alterations and additions to the Premises to the building of which the Premises are a part, the plumbing, electrical wiring, conduits, air ducts, sewage lines and all other such items located in, around, under or over the Premises or in the walls, ceilings, or floors thereof;

(b) display a "For Sale" sign at any time, and also after notice from either party of intention to terminate this Lease, or at any time within three (3) months prior to the expiration of this Lease, a "For Rent" sign, or both "For Rent" and "For Sale" signs, and all of said signs shall be placed upon such part of the Premises as Landlord shall require, except on display windows or door or doors leading into the Premises;

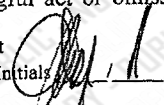
(c) install or place upon, or affix to, the roof and exterior walls of the Premises equipment, signs, displays, antenna and any other object or structure of any kind, and install in, around, over or under the Premises or in the walls, ceilings and floors thereof, such plumbing, electrical wiring, conduits, air ducts, sewage lines and all other items and equipment deemed necessary by Landlord for the operation and maintenance of the Mall, provided the same shall not materially impair the structural integrity of the Premises or materially and substantially interfere with Tenant's occupancy. Nothing herein contained however, shall be deemed or construed to impose upon Landlord any obligations, responsibility or liability whatsoever, for the care, maintenance or repair of the building or any part thereof, except as otherwise specifically provided under this Lease.

ARTICLE XXVII - TAXES ON LEASEHOLD

Tenant shall be responsible for and shall pay before delinquent, all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Premises by Tenant.

ARTICLE XXVIII - LOSS AND DAMAGE

Landlord shall not be responsible for any injury or damage to third persons or property not caused by Landlord's sole negligent or otherwise wrongful act or omission, including

Initials 

without limiting the generality thereof, injury or damage caused by other tenants or persons on the Premises, occupants of adjacent property, or the public, or caused by operations and construction of any private, public or quasi-public work. Subject to the above provisions of this Section (18.02), all property of Tenant kept or stored on the Premises shall be so kept or stored at the risk of Tenant only and Tenant shall hold Landlord harmless from any and all claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers.

ARTICLE XXIX - SUCCESSORS

All rights and liabilities herein given, or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and permitted assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreement herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided herein. Nothing contained in this Lease shall in any manner restrict Landlord's right to assign or encumber this Lease and, in the event Landlord sells its interest in the Mall and the purchaser assumes Landlord's obligations and covenants, Landlord shall thereupon be relieved of all further obligations hereunder.

ARTICLE XXX - EASEMENT MODIFICATION

As a material inducement for Landlord to enter into this Lease, Tenant agrees that following the execution of this Lease, Tenant shall cause the Associations to enter into the Amendment to Easement Agreement annexed hereto as Exhibit B which states that the Easement Fee for both Commercial Unit 100 and Commercial Unit 200 shall include Common Charges as well as any Assessments (as defined in Article 4.2) enacted after the Commencement Date (if necessary, such easement will also be amended to include a property description). From the Commencement Date until the date such Amendment to Easement Agreement is executed, Tenant shall pay (or shall cause the Associations to pay) to Landlord as Additional Rent, an amount equal to 41.09% of any common charges and Assessments (as defined in Article 4.2) enacted after the Commencement Date to the extent that same have not been paid as the Easement Fee pursuant to the Easement Agreement. If the Amendment to Easement Agreement is not executed by the two year anniversary of the execution of this Lease, then in addition, beginning on such two year anniversary until the execution of the Amendment to Easement Agreement, Tenant shall pay (or shall cause the Associations to pay) to Landlord as Additional Rent an amount equal to an additional twenty five percent (25%) of any Common Charges and Assessments (as defined in Article 4.2).

ARTICLE XXXI - TENANT RENEWAL OPTION

(a) Provided Tenant is then occupying the entire Premises (except for the Front Desk/ Offices if subleased to a hotel operator), Tenant shall have the option to extend the term of this Lease in its then "as is" condition, for two (2) additional periods, the first of which shall be for fifteen (15) years ("**First Renewal Option**") and the second of which shall be for fifteen (15) years ("**Second Renewal Option**"). The First Renewal Option shall commence on first day of the sixteenth (16th) Lease Year and shall end on the last day of the thirtieth (30th) Lease Year ("**First Renewal Period**") and the Second Renewal Option shall commence on the first day of the thirty first (31st) Lease Year and shall end on the last day of the forty fifth (45th) Lease Year ("**Second Renewal Period**"). Both Renewal Options shall be upon the same terms and conditions as contained in this Lease (unless changed or modified by mutual agreement) except that:

- (1) The Fixed Annual Rent for the First Renewal Period shall be as follows:
 - (i) For the sixteenth (16th) Lease Year, the greater of 110% of the Fixed Annual Rent due in the fifteenth (15th) Lease Year and \$785,832.53 per annum.
 - (ii) For each subsequent Lease Year, the Fixed Annual Rent shall increase pursuant to Article 4.2.

- (2) The Fixed Annual Rent for the Second Renewal Period shall be as follows:
- (i) For the thirty first (31st) Lease Year, the greater of 110% of the Fixed Annual Rent due in the thirtieth (30th) Lease Year and \$1,224,301.48 per annum.
 - (ii) For each subsequent Lease Year, the Fixed Annual Rent shall increase pursuant to Article 4.2.

(b) The exercise of each option shall only be effective upon, and in strict compliance with, the following terms and conditions:

(1) In order to exercise the First Renewal Option, written notice of such election shall be given by Tenant to Landlord not later than twelve (12) months and not earlier than 18 months before the last day of the fifteenth (15th) Lease Year. In order to exercise the Second Renewal Option, Tenant must have exercised the First Renewal Option and written notice of such election for the Second Renewal Option shall be given by Tenant to Landlord not later than twelve (12) months and not earlier than 18 months before the last day of the thirtieth (30th) Lease Year Time shall be of the essence in connection with the exercise of the Renewal Options hereunder.

(2) Tenant shall not be in default under any monetary or material nonmonetary terms, covenants and conditions of this Lease (i) at the time Tenant gives written notice to Landlord of its election to extend the term of this Lease pursuant to either Renewal Option; or (ii) at the commencement date of either Renewal Option.

ARTICLE XXXII – MEMORANDUM OF LEASE

Provided that same shall be at no cost to Landlord, Tenant shall be permitted to record a memorandum of Lease reasonably acceptable to Landlord in the Public Records of Broward County, Florida.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, or have caused the same to be executed as of the day and the year first written above.

Signed this 5th day of October, 2012.

Signed, sealed and delivered in the presence of:

TENANT: HIBB, L.L.C., a Florida limited liability company

By: [Signature]
 Name: MICHAEL TORIC
 Title: PRESIDENT

[Signature]
 WITNESS Jessica Krout

[Signature]
 WITNESS P. LAURA WELIVER

LANDLORD: Commercial Unit 100, LLC,
 a Florida limited liability company

By: [Signature]
 Name: DAVID SCHONBERGER

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LANDLORD: Ocean Walk Mall, LLC,
 a Florida limited liability company

By: [Signature]
 Name: DAVID SCHONBERGER

Initials: [Signature]

Title: _____

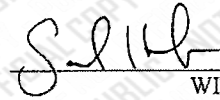
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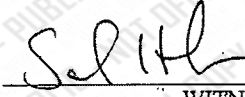
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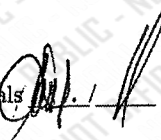
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JOINDER

For good and valuable consideration, the adequacy of which is hereby acknowledged, the undersigned hereby join into this Agreement for the sole purpose of agreeing to fulfill any and all of the obligations of the Tenant (including, without limitation, , those obligations found in Articles V, VII, XIII, XXX hereinabove.

The Hollywood Beach Hotel
Owners Association, Inc.,
a Florida corporation
not for profit

By: [Signature]
Name: MARCEL JERIC
Title: PRESIDENT

[Signature]
WITNESS Joshua Krut

[Signature]
WITNESS P. LAURA Welliver

The Hollywood Beach Resort
Condominium Association, Inc.,
a Florida corporation not for profit

By: [Signature]
Name: MARCEL JERIC
Title: PRESIDENT

[Signature]
WITNESS Joshua Krut

[Signature]
WITNESS P. LAURA Welliver

Initials [Signature]

GUARANTY

FOR VALUE RECEIVED, and as an inducement for the granting, execution and delivery of that certain Ocean Walk Mall Lease by and among Commercial Unit 100, LLC, a Florida limited liability company and Ocean Walk Mall, LLC, a Florida limited liability company (collectively, "Landlord") and HHBR, L.L.C., a Florida limited liability company ("Tenant") of even date herewith (the "Lease"), affecting the Premises, and in further consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by Landlord to the undersigned, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby unconditionally and irrevocably guaranty to Landlord, its successors and assigns the full and prompt: (i) payment of Fixed Annual Rent, Additional Rent (as same are defined in the Lease) and all other charges payable by Tenant, its successors and assigns under or in any way relating to the Lease (calculated and determined as though no free rent or abatements had been granted; and (ii) performance and observance of all the covenants, terms, conditions and agreements in or in any way relating to the Lease to be performed and observed by Tenant and its successors and assigns; and Guarantors hereby covenant and agree to and with Landlord that if default shall at any time be made by Tenant or its successors or assigns, in the payment of any Fixed Annual Rent, Additional rent or other charges due or if Tenant or its successors or assigns should in any manner default in the performance and observance of any of the covenants, terms, conditions and agreements contained in the Lease that are to be performed or observed, Guarantor, in each and every instance, shall and will forthwith pay such Fixed Annual Rent, Additional rent and other charges to Landlord and any arrears thereof, and shall and will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements, and will forthwith pay to Landlord all damages and expenses of any kind or nature that may arise in consequence of any such default by Tenant or its successors or assigns under the Lease, including without limitation, all attorneys' fees and disbursements incurred by Landlord or caused by or in any way related to any such default and/or the enforcement of this Guaranty.

This Guaranty is an irrevocable, absolute and unconditional guaranty of payment and of performance. It shall be enforceable against Guarantors without the necessity of any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant or its successors or assigns, any other guarantor and without the necessity of resorting to any security under the Lease or any need to give notice of nonpayment, nonperformance or nonobservance or of any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantors might otherwise be entitled, all of which Guarantors hereby expressly waive; and Guarantors hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantors hereunder shall in no way be terminated, affected, diminished or impaired by reason of the assertion or the failure to assert by Landlord against Tenant, or against Tenant's successors or assigns, or any other Guarantors any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease.

In addition to and not in limitation of any provision hereof, Guarantors confirm their intent, agreement and understanding to be primarily obligated under the Lease, as if it had executed the same as Tenant.

This Guaranty shall be a continuing guaranty, and the liability of Guarantors hereunder shall in no way be affected, modified, impaired or diminished by reason of any event or circumstance which might otherwise constitute a legal or equitable discharge of Guarantors, including, without limitation: (i) any assignment, renewal or modification of the Lease; (ii) any modification or waiver of or change in any of the terms, covenants, conditions or provisions of the Lease by Landlord or Tenant or their respective successors or assigns notwithstanding that such modifications, waivers or changes increase the liability of Guarantors under this Guaranty; (iii) any dealings or transactions or matter or thing of any kind or nature occurring between Landlord and Tenant as well as any other guarantor of the Lease or their respective successors or assigns; (iv) any consent, indulgence or other action, inaction or omission with respect to Tenant under or in respect of the Lease; (v) any failure to act, delay or lack of diligence on the part of Landlord to enforce, assert or exercise any right, power or remedy conferred on Landlord under the Lease or this Guaranty or any other guaranty of the Lease; (vi) any compromise, settlement,

release or termination of any or all of the obligations of Tenant under the Lease; or (vii) any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship affecting Tenant or Tenant's successors or assigns, whether or not notice thereof is given to Guarantors.

All of Landlord's rights and remedies under the Lease and/or under this Guaranty are intended to be distinct, separate and cumulative and no such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others. This Guaranty and/or any of the provisions hereof cannot be modified, waived or terminated unless such modification, waiver or termination is in writing, signed by Landlord.

Guarantors hereby agree that whenever at any time or from time to time Guarantors shall make any payment to Landlord or perform or fulfill any covenant, term, condition or agreement hereunder on account of the liability of Guarantors hereunder, Guarantors will notify Landlord in writing that such payment or performance, as the case may be, is for such purpose. No such payment or performance by Guarantors pursuant to any provision hereof or any other matter or thing shall entitle Guarantors by subrogation or otherwise to the rights of Landlord to any payment by Tenant or out of the property of Tenant, except after payment of all sums and fulfillment of all covenants, terms, conditions or agreements to be paid or performed by Tenant and its permitted successors or assigns under the Lease. Any payments Guarantors may receive from Tenant shall be considered trust funds for the benefit of Landlord.

Guarantors agree they will, at any time and from time to time, within five (5) days following written request by Landlord and without charge therefor, execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications) and that Guarantors have no defenses to its obligations hereunder and no offsets against any amounts that are then or may thereafter become due pursuant hereto. Guarantors agree that such certificates may be relied upon by anyone holding or proposing to acquire any interest in the Building in which the Premises is located from or through Landlord or by any mortgagee or prospective mortgagee of the Building or of any interest therein.

As a special inducement to Landlord to make and enter into the Lease and in consideration thereof, Guarantor hereby represents and warrants to and for the benefit of Landlord that: (i) Guarantors are the sole owners of Tenant and own one hundred percent (100.00%) of the interest thereof and that by entering into the Lease, Landlord will be conferring a direct and substantial economic benefit on Guarantors; (ii) this Guaranty has been duly executed and delivered by Guarantors and constitutes the legal, valid and binding obligation of Guarantors enforceable in accordance with its terms; (iii) the execution, delivery and performance of this Guaranty does not violate or contravene any laws, ordinances or governmental requirements affecting Guarantors or any agreement to which Guarantors are a party or by which Guarantors are bound; and (vi) Guarantors hereby submit to the jurisdiction of the courts (city, state and federal) located in the City, County and State in which the Premises are located to service of process as provided by the Florida Civil Practice Laws and Rules in connection with any action or proceeding brought on, under, or by virtue of this Guaranty.

As a further inducement to Landlord to make and enter into the Lease and in consideration thereof, Guarantors covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, Guarantors shall and do hereby waive trial by jury. This Guaranty shall be enforced and construed in accordance with the internal laws of the State of Florida (without regard to principles of conflicts of law) and shall be binding upon Guarantors, their legal representatives, successors and assigns and shall inure to the benefit of Landlord, its legal representatives, successors and assigns.

The Hollywood Beach Hotel
Owners Association, Inc.,
a Florida corporation

The Hollywood Beach Resort
Condominium Association, Inc.,
a Florida corporation not for profit

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The Hollywood Beach Hotel
Owners Association, Inc.,
a Florida Corporation
not for profit

By: [Signature]
Name: Michael Tomic
Title: PRESIDENT

[Signature]
WITNESS Joshua Knut

[Signature]
WITNESS P. LAURA Welliver

The Hollywood Beach Hotel
Condominium Association, Inc.,
a Florida corporation
not for profit

By: [Signature]
Name: Michael Tomic
Title: PRESIDENT

[Signature]
WITNESS Joshua Knut

[Signature]
WITNESS P. LAURA Welliver

Initials [Signature]

EXHIBIT "A"

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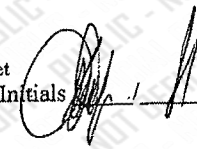
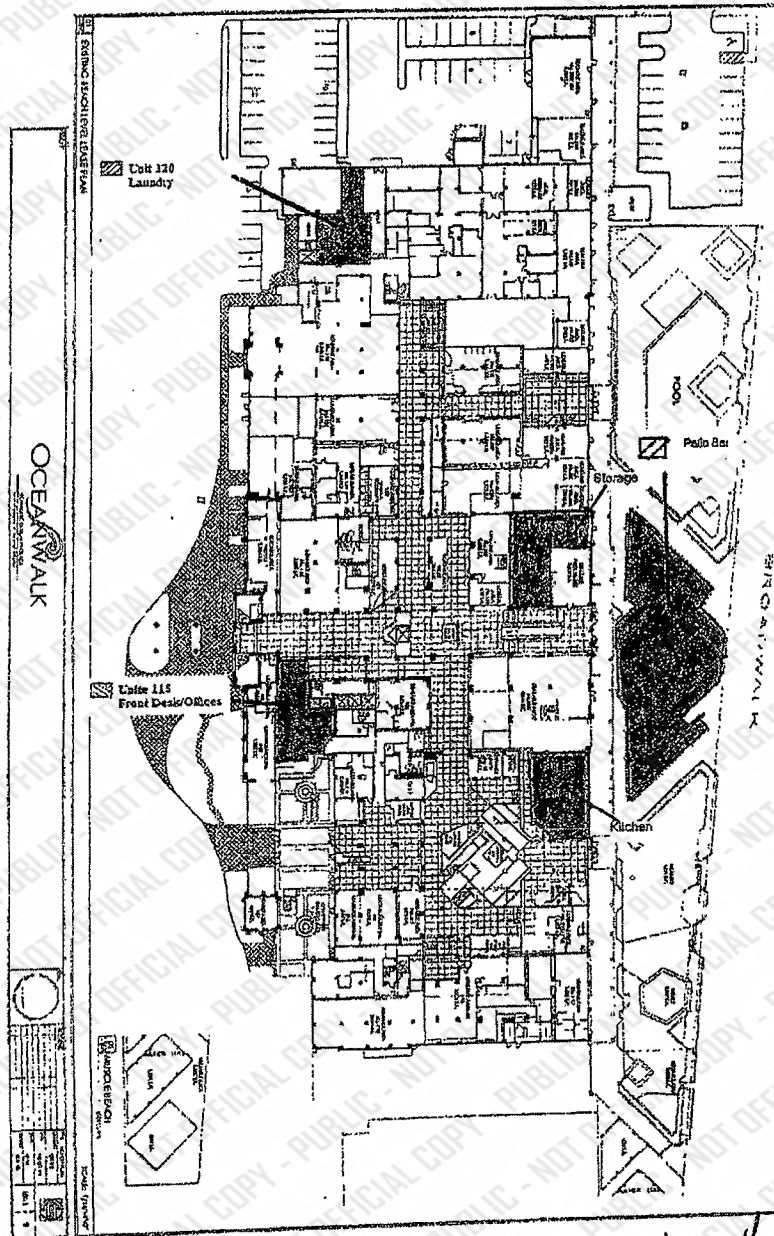


EXHIBIT A



Handwritten signature or initials

EXHIBIT B

AMENDMENT TO EASEMENT AGREEMENT

AMENDMENT TO EASEMENT AGREEMENT ("Amendment"), is made and entered into this ___ day of ___, 2012 by and among Hollywood Beach Hotel Owners Association, Inc., a Florida not for profit corporation ("Master Association"), The Hollywood Beach Resort Condominium Association, Inc., a Florida not for profit corporation ("Condominium Association") (the Master Association and the Condominium Associations are hereinafter collectively referred to as the "Associations") and Ocean Walk Mall, LLC, a New York limited liability corporation authorized to do business in the State of Florida ("Ocean Walk"), Commercial Unit 100, LLC, a Florida limited liability company and Commercial Unit 200, LLC, a Florida limited liability company.

WITNESSETH:

WHEREAS, the Associations and Ocean Walk entered into that certain Easement Agreement dated September 23, 2003, which is recorded at Official Records Book 38130, Page 1831, of the Public Records of Broward County, Florida (the "Easement Agreement"); and

WHEREAS, Subsequent to the execution of the Easement Agreement dated September 23, 2003, Ocean Walk transferred its interests in Commercial Unit 100 to Commercial Unit 100, LLC and transferred its interests in Commercial Unit 200 to Commercial Unit 200, LLC.

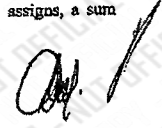
NOW, THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that effective as of the execution of this Amendment:

1. The foregoing recitals are hereby incorporated into this Amendment as though fully set forth herein.

2. The Easement Agreement, as previously amended, shall be further amended as provided in this Amendment.

2. The first sentence of Article IV (Consideration) Section 17 of the Easement Agreement shall be deemed deleted and shall hereby be replaced with the following language: "As additional consideration for the rights granted to the Associations herein: (i) the Associations agree to pay Commercial Unit 100, LLC, its successors and assigns, a sum equal to 41.09% of any common charges, assessments, special assessments, fees or other monies, fees, or other monies enacted by the Associations and attributable to Commercial Unit 100 (other than amounts due as fines and/or penalties as a result of failure to timely pay any amounts due or for violation of either or both of the Association's governing documents or applicable law); and (ii) the Associations agree to pay Commercial Unit 200, LLC, its successors and assigns, a sum

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equal to 41.09% of any common charges, assessments, special assessments, fees, or other monies enacted by the Associations and attributable to Commercial Unit 200 (other than amounts due as fines and/or penalties as a result of failure to timely pay any amounts due or for violation of either or both of the Associations' governing documents or applicable law)."

3. Except as modified by this Amendment, the Easement Agreement and all the terms, covenants and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Master Association:
Hollywood Beach Hotel Owners
Association, Inc., a Florida
not for profit corporation

Ocean Walk Mall, LLC, a New York
limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

Condominium Association:
The Hollywood Beach Resort
Condominium Association, Inc., a
Florida not for profit corporation

Commercial Unit 100, LLC, a Florida
limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

Commercial Unit 200, LLC, a Florida
limited liability company

By: _____
Name:
Title:

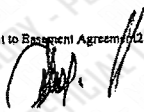


EXHIBIT K

**EMERGENCY BOARD OF DIRECTORS MEETING
OF THE
HOLLYWOOD BEACH HOTEL OWNERS ASSOCIATION, INC.
AND
HOLLYWOOD BEACH RESORT CONDOMINIUM ASSOCIATION, INC.**

**Friday, October 5th, 2012 at 6 pm
Second floor
HOLLYWOOD BEACH RESORT
101 North Ocean Drive
Hollywood, FL 33019**

AGENDA

- 1- Open Meeting
- 2- Proof of Notice of the Meeting
- 3- Roll Call
- 4- Determination of a quorum
- 5- Reading of minutes
- 6- Approval to form and fund Rental Program operating LLC
- 7- Appointment of 3 association members to the HHBR, LLC
- 8- Adjournment
- 9- Legal issues – Board members only

HBHOA

&

HBRCA

**Emergency Meeting - Minutes
Friday, October 5, 2012**

Meeting of the Board of Directors of the **Hollywood Beach Hotel Owners Association (HBHOA)**, and the **Hollywood Beach Resort Condo Association (HBRCA)**, duly called and held on Friday, October 5, 2012 at the Hollywood Beach Resort, 101 N. Ocean Drive, Hollywood, Florida, commencing at 6:02 p.m.

PROOF OF NOTICE OF THE MEETING:

Notice of meeting was timely posted and shown

ROLL CALL: Present were: Michel Jekic, President
Laura Welliver, Vice President
Christina M. Morello, Secretary
Richard King, Treasurer
Judy Buchan

DETERMINATION OF QUORUM:

Quorum is met

READING OF MINUTES:

Motion to waive reading of Minutes of the August 15, 2012 meeting was made by Christina Morello; Second by Richard King; All in Favor.

APPROVAL TO FORM AND FUND RENTAL PROGRAM OPERATING LLC

The Association will form and fund an LLC to operate the hotel rental program and food and beverage operations. The corporation will be called HHBR, LLC (**Historic Hollywood Beach Resort, LLC**).

Motion to approve the forming and funding of the rental program to operate the Historic Hollywood Beach Resort, LLC (HHBR, LLC) was made by Laura Welliver; Second by Christina Morello; Approved - 4; Richard King abstained. Funding of start-up operations will be done from insurance rebate proceeds.

October 5, 2012
Page 2 of 2

APPOINTMENT OF THREE (3) ASSOCIATION MEMBERS TO THE HHBR, LLC

Motion to appoint Michel Jekic, Laura Welliver, and Christina M. Morello as initial directors/ members of HHBR, LLC was made by Judy Buchan; Second by Richard King; All in Favor.

ADJOURNMENT:

Motion to Adjourn was made by Michel Jekic; Second by Richard King; All in Favor
Meeting Adjourned at 6:31 p.m.

EXHIBIT L

FILED	
Department of Business and Professional Regulation Deputy Agency Clerk	
CLERK	Brandon Nichols
Date	3/10/2016
File #	2016-01927

**STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF FLORIDA CONDOMINIUMS, TIMESHARES, AND MOBILE HOMES**

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND
PROFESSIONAL REGULATION,
DIVISION OF FLORIDA CONDOMINIUMS,
TIMESHARES, AND MOBILE HOMES,

Petitioner,

v.

CASE NO. 2014028612

HOLLYWOOD BEACH HOTEL OWNERS
ASSOCIATION, INC.,

Respondent.

CONSENT ORDER

Petitioner, the State of Florida, Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes (hereinafter the "Division"), and Respondent, Hollywood Beach Hotel Owners Association, Inc. (hereinafter the "Respondent"), stipulate and agree to the terms and issuance of this Consent Order, pursuant to sections 120.57 and 721.26, Florida Statutes, as follows:

PRELIMINARY STATEMENT

1. The Division is the state "agency," as that term is defined by section 120.52, Florida Statutes, that is statutorily responsible for enforcement of the Florida Vacation Plan and Timesharing Act, chapter 721, Florida Statutes.

2. The Division has investigated Respondent for certain alleged violations of chapter and 721, Florida Statutes, in Division investigative file number 2014028612.

3. Respondent desires to resolve this investigation without formal administrative or judicial proceedings that might be available.

4. Respondent and the Division agree that the statutory citations referenced in this Consent Order are intended to reference the correct statutory citations for the year(s) in which the violation(s) occurred as well as the division's proper enforcement authority, and that any errors in such statutory citations are not substantive or prejudicial to either party.

STATEMENT OF FACTS

5. The Division is the state agency charged with enforcing chapter 721, Florida Statutes, the Florida Vacation Plan and Timesharing Act, and the administrative rules promulgated thereunder.

6. The Hollywood Beach Hotel, is a "timeshare plan" as that term is defined in section 721.05(39), Florida Statutes, containing 1,976 timeshare interests located in Broward County, Florida.

7. Respondent is the "managing entity," as that term is defined in section 721.05(22), Florida Statutes, that operates the Hollywood Beach Hotel.

8. Respondent, in violation of rule 61B-40.0061(1), Florida Administrative Code, failed to fund reserves in a timely manner. Specifically, as shown on the audit ending May 31, 2013, the operating fund owed the replacement fund the amount of \$471,171.00, indicative of the Association's failure to timely fund reserves.

9. Respondent, in violation of rule 61B-40.007(1)(f), Florida Administrative Code, failed to include one or more components in the 2013 year-end audited financial statements. Specifically, the notes to the financial statements are incomplete in that the following material information is omitted:

- a) Notes disclosing shared expenses since part of the HBHOA's property is handled as hotel/condominium;
- b) Notes identifying the "Sub-Association" and its purpose as provided for in the balance sheets. Specifically, the balance sheet includes material amounts due to "Sub-Association" in the amount of \$296,195.00, and from "Sub-Association" in the amount of \$166,849.00, respectively;
- c) Notes identifying any type of lease as provided for in the Statement of Revenues, Expenses and Changes in Fund Balance. Specifically, the Statement of Revenues, Expenses and Changes in Fund Balance include a rental expense in the amount of \$62,322.00;
- d) Notes disclosing a lease for a parking garage but the financial statements does not reflect the lease for the parking garage;
- e) Notes disclosing all shared expenses and/or lease agreements, i.e., payroll, restaurant, bar, laundry services, mall operations; and
- f) Notes disclosing a loan payable to the bank but the balance sheet does not reflect the liability.

10. Respondent, in violation of rule 61B-40.004(1)(e), Florida Administrative Code, failed to include the estimated common deficits as a separate line item on the budget. Specifically, the 2013 audited financial statements showed an operating fund

deficit of \$1,013,530.00; however, the 2014/2015 adopted budget failed to include a line item for deficits.

11. Respondent, in violation of section 721.07(5)(t)3.a.(V), Florida Statutes, and rule 61B-40.004(1)(e), Florida Administrative Code, failed to include applicable line items on the budget. Specifically, "Note A" in the audit for the year ending May 31, 2013, references that property tax assessments are to be held in a separate escrow account. However, neither the 2012/2013 nor 2013/2014 budget included a line item for property taxes nor did the balance sheet show a restricted cash or property taxes payable account.

12. Respondent, in violation of rule 61B-40.004(1)(c), Florida Administrative Code, failed to properly assess units in 2012 according to the proportionate share in the Declaration of Condominium. Specifically, in the amendment to the lease between Hollywood Beach Hotel Owners Association, Inc. (Master Association), Hollywood Beach Resort Condominium Association, Inc. (the other association), and Ocean Walk (Commercial Unit 100 and Commercial Unit 200, LLC) (hereinafter collectively referred to as the "Associations"), the Associations agreed to pay Commercial Unit 100, LLC, Commercial Unit 200, LLC, and its successors and assigns, a sum equal to 41.09% of any common charges, assessments, special assessments, fees or other monies, enacted by the Associations and attributable to Commercial Unit 100, LLC, and Commercial Unit 200, LLC, without granting other unit owners a proportionate rebate in special assessments.

13. Respondent, in violation of section 721.125(3)(c)1., Florida Statutes, failed to timely file the June 1, 2015 – May 31, 2016 ("2016"), annual adopted budget.

Specifically, the 2015 adopted budget was due by June 30, 2015, but was not received until July 17, 2015.

14. Respondent, in violation of section 721.13(3)(e), Florida Statutes, failed to file the June 1, 2013 – May 31, 2014 (“2014”), annual audited financial statements with the division within five (5) calendar months after the end of the timeshare plan’s fiscal year. Specifically, the 2014 audited financial statements were due by October 31, 2014, but have not been received as of this date.

CONCLUSIONS OF LAW

15. The Division has jurisdiction over these proceedings pursuant to chapters 120 and 721, Florida Statutes, and is authorized to enter into this Consent Order, assess civil penalties, and consider evidence of mitigation of violations, pursuant to sections 120.57 and 721.26(5), Florida Statutes.

16. Respondent, in violation of rule 61B-40.0061(1), Florida Administrative Code, failed to fund reserves in a timely manner. Specifically, as shown on the audit ending May 31, 2013, the operating fund owed the replacement fund the amount of \$471,171.00, indicative of the Association’s failure to timely fund reserves.

17. Respondent, in violation of rule 61B-40.007(1)(f), Florida Administrative Code, failed to include one or more components in the 2013 year-end audited financial statements. Specifically, the notes to the financial statements are incomplete in that the following material information is omitted:

- a) Notes disclosing shared expenses since part of the HBHOA’s property is handled as hotel/condominium;

- b) Notes identifying the "Sub-Association" and its purpose as provided for in the balance sheets. Specifically, the balance sheet includes material amounts due to "Sub-Association" in the amount of \$296,195.00, and from "Sub-Association" in the amount of \$166,849.00, respectively;
- c) Notes identifying any type of lease as provided for in the Statement of Revenues, Expenses and Changes in Fund Balance. Specifically, the Statement of Revenues, Expenses and Changes in Fund Balance include a rental expense in the amount of \$62,322.00;
- d) Notes disclosing a lease for a parking garage but the financial statements does not reflect the lease for the parking garage;
- e) Notes disclosing all shared expenses and/or lease agreements, i.e., payroll, restaurant, bar, laundry services, mall operations; and
- f) Notes disclosing a loan payable to the bank but the balance sheet does not reflect the liability.

18. Respondent, in violation of rule 61B-40.004(1)(e), Florida Administrative Code, failed to include the estimated common deficits as a separate line item on the budget. Specifically, the 2013 audited financial statements showed an operating fund deficit of \$1,013,530.00; however, the 2014/2015 adopted budget failed to include a line item for deficits.

19. Respondent, in violation of section 721.07(5)(t)3.a.(V), Florida Statutes, and rule 61B-40.004(1)(e), Florida Administrative Code, failed to include applicable line items on the budget. Specifically, "Note A" in the audit for the year ending May 31, 2013, references that property tax assessments are to be held in a separate escrow

account. However, neither the 2012/2013 nor 2013/2014 budget included a line item for property taxes nor did the balance sheet show a restricted cash or property taxes payable account.

20. Respondent, in violation of rule 61B-40.004(1)(c), Florida Administrative Code, failed to properly assess units in 2012 according to the proportionate share in the Declaration of Condominium. Specifically, in the amendment to the lease between Hollywood Beach Hotel Owners Association, Inc. (Master Association), Hollywood Beach Resort Condominium Association, Inc. (the other association), and Ocean Walk (Commercial Unit 100 and Commercial Unit 200, LLC) (hereinafter collectively referred to as the "Associations"), the Associations agreed to pay Commercial Unit 100, LLC, Commercial Unit 200, LLC, and its successors and assigns, a sum equal to 41.09% of any common charges, assessments, special assessments, fees or other monies, enacted by the Associations and attributable to Commercial Unit 100, LLC, and Commercial Unit 200, LLC, without granting other unit owners a proportionate rebate in special assessments.

21. Respondent, in violation of section 721.125(3)(c)1., Florida Statutes, failed to timely file the June 1, 2015 – May 31, 2016 ("2016"), annual adopted budget. Specifically, the 2015 adopted budget was due by June 30, 2015, but was not received until July 17, 2015.

22. Respondent, in violation of section 721.13(3)(e), Florida Statutes, failed to file the June 1, 2013 – May 31, 2014 ("2014"), annual audited financial statements with the division within five (5) calendar months after the end of the timeshare plan's fiscal year.

Specifically, the 2014 audited financial statements were due by October 31, 2014, but have not been received as of this date.

23. Respondent agrees that there is competent substantial evidence to support the foregoing conclusions of law.

AGREEMENT

24. **Civil Penalty and Other Relief:**

(a) Respondent owes the Division a civil penalty in the amount of eleven thousand dollars and no cents (\$11,000.00). However, the Division will accept, as full satisfaction, a payment in the amount of seven thousand two hundred fifty dollars and no cents (\$7,250.00), as reduced by mitigating factors pursuant to 61B-41.002(3)(i), Florida Administrative Code, by certified check, cashier's check, or money order made payable to **DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION** as a condition precedent to the Division's execution of this Consent Order. Respondent shall return the check with this Consent Order and include the case number on the check to ensure proper processing. Should Respondent fail to fully comply with the terms of this Consent Order or in the event of a breach, the Division shall be entitled to seek enforcement of the full eleven thousand dollars and no cents (\$11,000.00) civil penalty, less any amounts previously paid by Respondent.

(b) Within twenty-one (21) days of Respondent's receipt of the Consent Order as executed by both parties, but no later than March 31, 2016, Respondent shall place the amount of \$471,171.00 that was due to the replacement fund as of May 31, 2013, into the reserve account or obtain a retroactive majority approval from the unit owners to waive reserves at a properly noticed meeting. Respondent shall provide evidence of

compliance to the Division in the form of an affidavit attesting to the action taken by the Association. Such evidence of compliance shall be provided to the Division no later than March 8, 2016.

(c) Within twenty-one (21) days of Respondent's receipt of the Consent Order as executed by both parties, but no later than March 31, 2016, Respondent shall provide to the Division a statutorily compliant amended 2015-2016 adopted budget with line items included for the deficit and property taxes.

(d) Within twenty-one (21) days of Respondent's receipt of the Consent Order as executed by both parties, but no later than March 31, 2016, Respondent shall provide to the Division a copy of the June 1, 2013 – May 31, 2014, audited financial statements prepared in accordance with section 721.13(3)(e), Florida Statutes, and rule 61B-40.007, Florida Administrative Code, which shall include all of the required disclosures.

(e) Respondent shall properly assess all units according to their proportionate share.

(f) Respondent agrees to maintain its copy of this Consent Order as part of the Association's official records, in accordance with section 721.13(3)(d), Florida Statutes, and rule 61B-40.003, Florida Administrative Code.

(g) Respondent agrees that all items it has agreed to remit, provide, submit or in any way furnish to the Division shall be sent by certified mail, return-receipt requested to the following address:

**Bureau of Compliance
Division of Florida Condominiums, Timeshares, and Mobile Homes
Department of Business and Professional Regulation
1940 North Monroe Street
Tallahassee, Florida 32399-1031**

(h) Respondent agrees that its duties pursuant to this Consent Order shall not be discharged until all items that Respondent has agreed to remit, provide, submit or in any way furnish to the division have actually been received by the division at the address above.

25. Attorney's Fees and Prevailing Party. The Division and Respondent agree that Respondent, through the rendition of this Consent Order, is not a "prevailing small business party" as that term is defined by section 57.111, Florida Statutes, and it is mutually agreed that Respondent shall bear its own costs and attorney's fees that are in any way associated with this action.

26. Cease and Desist. Respondent agrees to cease and desist from any and all violations of chapter 721, Florida Statutes, and the Division's administrative rules.

27. Duress. Respondent acknowledges and agrees it has entered into this Consent Order without duress and for the uses and purposes stated in this order.

28. Effectiveness. This Consent Order is effective on the last date executed below and upon its issuance; it shall be a final administrative order. This Consent Order is fully enforceable by the Division under the provisions of sections 120.69 and 721.26, Florida Statutes.

29. Failure to Comply. As acknowledged and agreed between the Division and Respondent, this Consent Order is directly enforceable by petition to the Circuit Court of Leon County, Florida, as provided by section 120.69, Florida Statutes. For any violation by Respondent of the provisions of this Consent Order, Respondent understands the Division shall bring such action as is necessary to seek compliance with chapter 721, Florida Statutes, its administrative rules, and the provisions of this Consent Order. This

Consent Order does not constitute a waiver of the rights of Respondent to a contested hearing on any subsequent alleged violation of this order.

30. **Future Actions.** Nothing in this order shall be construed to waive or restrict the Division's right to initiate any action against Respondent pursuant to chapters 120 and 721, Florida Statutes, including, but not limited to, administrative or civil action or referral for criminal prosecution if facts or information not presently known or available to the Division come to its attention subsequent to the execution of this Consent Order, including facts that may become known as a result of production of any documents to be produced in compliance with this Consent Order. The Division expressly reserves all rights to pursue such remedies should a cause of action exist. This agreement shall be binding upon the parties, their successors, and assigns.

31. **Releases.** Respondent waives, releases, and forever discharges the Division and its employees, agents, and representatives from any and all causes of action in law or in equity, which Respondent may have arising out of this administrative proceeding. The Division accepts this release and waiver by Respondent without in any way acknowledging or admitting that any such cause of action does or may exist.

32. **Time.** Time is of the essence in this Consent Order.

33. **Waivers.** Respondent knowingly and voluntarily waives:

(a) any right to an administrative hearing provided by chapters 120 and 721, Florida Statutes;

(b) any right to the issuance of a recommended order by an administrative law judge from the Division of Administrative Hearings or from the Division; and

(c) any and all rights to object to or challenge in any judicial proceeding, including but not limited to, an appeal pursuant to section 120.68, Florida Statutes, any aspect, provision or requirement concerning the content, issuance, procedure or timeliness of this Consent Order.

34. Entire Agreement. This Consent agreement embodies the whole agreement of the parties. There are no promises, terms, conditions, or agreements other than those contained herein and this document shall supersede all previous communications, representations, and or agreements whether written or verbal, between the parties hereto.

[this space is intentionally left blank]

WHEREFORE, Respondent, Hollywood Beach Hotel Owners Association, Inc., by its duly authorized representative, Paul Mata, pursuant to the following certified resolution agrees to the terms, conditions and issuance of this Consent Order on this 1st day of March, 2016.

[Signature]
Signature

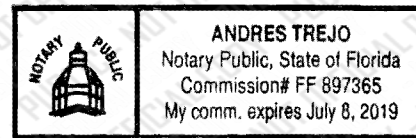
Paul Mata
Printed Name

President
Title

State of Florida
County of Broward

THE FOREGOING INSTRUMENT, CONSENT ORDER, WAS ACKNOWLEDGED BEFORE ME THIS 1st DAY OF March, 2016, BY Paul Mata WHO PRODUCED IDENTIFICATION IN THE FORM OF FL drivers license WHICH WAS EXAMINED BY ME, AND WHO (DID)/(DID NOT) TAKE AN OATH, AND ACKNOWLEDGE THAT HE/SHE IS THE PERSON WHO EXECUTED THE FOREGOING INSTRUMENT.

(SEAL)

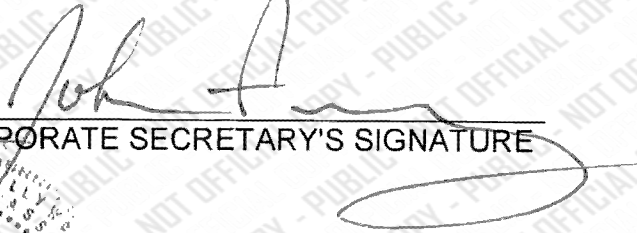


[Signature], Notary Public
State of Florida.

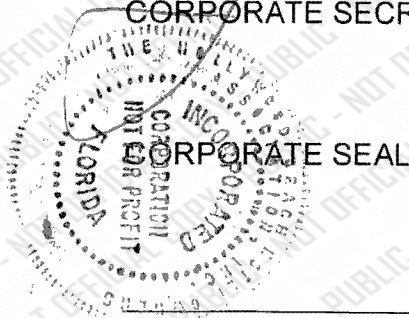
PLEASE COMPLETE THE FOLLOWING PARAGRAPH TO THIS ORDER:

BE IT RESOLVED, THAT ON MARCH 3, 2016, a meeting of the Board of Directors was held pursuant to legal notice and that the Officer's signature appearing on this Consent Order, executed in Case No. 2014028612, on behalf of this Corporate Respondent, is duly authorized, empowered and directed to execute the Consent Order on behalf of the Corporation and is further empowered to execute any other documents necessary to fulfill the intent of the Consent Order.

IN WITNESS WHEREOF, I have hereunto set my HAND AND SEAL of this Corporation this 3RD day of MARCH, 2016.



CORPORATE SECRETARY'S SIGNATURE



REPRESENTATIVE/ATTORNEY

CONTACT PERSON

(Address, Telephone)

(Address, Telephone)

DONE AND ORDERED in Tallahassee, Leon County, Florida this 8th day
of March, 2016.



Kevin Stanfield
Kevin Stanfield, Director
Division of Florida Condominiums,
Timeshares, and Mobile Homes
Department of Business and
Professional Regulation
1940 North Monroe Street
Tallahassee, Florida 32399-1031

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this Consent Order has been
furnished by U.S. Certified Mail to Elizabeth A. Bowen, Attorney for Respondent, of
SRHL Law, P.A., 201 Alhambra Circle, 11th Floor, Coral Gables, FL 33134, this 10th
day of March, 2016.

Brandon M. Nibbel
AGENCY CLERK'S OFFICE

Copies furnished to:

Ms. Susan E. Lewis
Financial Examiner/Analyst II
Bureau of Compliance – Timeshare Section

Hollywood Beach Hotel Owners Association, Inc.
c/o Ken Levy, Registered Agent
101 N. Ocean Drive, #8
Hollywood, FL 33019