

executed copy of the proposed contract to sell.

(b) Lease. A unit owner intending to make a bona fide lease of his unit or any interest therein shall give to the Association notice of such intention, together with the name and address of the intended lessee and such other information as the Association may reasonably require, and an executed copy of the proposed lease, which should specify that it is conditioned upon compliance with this Declaration of Condominium as well as rules and regulations established by the Condominium Association.

(c) Gift, Devise, Inheritance; Other Transfers. A unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not heretofore considered shall give to the Association notice of the acquiring of his title with such information concerning the unit owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

(d) Failure to Give Notice. If the notice to the Association herein requested is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the Association at its election and without notice may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

2. Certificate of Approval.

(a) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information the association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President or a Vice-President and Secretary or by the President or a Vice-President and having a corporate seal affixed in recordable form and shall be delivered to the purchaser and shall be recorded in the Public Records of Brevard County, Florida, at the expense of purchaser, said approval to be in the form as Exhibit "5" of the Declaration.

(b) Gift, Devise, Inheritance; Other Transfers. If the unit owner giving notice has acquired his title by gift, devise, inheritance or in any other manner, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the continuance of the unit owner's ownership of his unit. If approved, the approval shall be stated in a certificate executed by the President and Secretary in recordable form and shall be delivered to the unit owner and shall be recorded in the Public Records of Brevard County, Florida, at the expense of the unit owner.

11.3 Disapproval by the Association. If the Association shall disapprove a transfer of ownership of a unit, the matter shall be disposed of in the following manner:

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

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

(b) The purchase price shall be paid in cash.

(c) The sale shall be closed within thirty (30) days after the delivery or mailing of said agreement to purchase or within ten (10) days after the determination of the sale price if such is by arbitration, whichever is the later.

(d) A certificate of the Association executed by its President or a Vice-President and Secretary, or by its President or a Vice-President and having the corporate seal affixed, and approving the purchaser shall be recorded in the Public Records of Brevard County, Florida, at the expense of the purchaser.

(e) If the Association shall fail to provide a purchaser upon the demand of the unit owner in the manner provided, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval of unit owners proposed transferee, such transfer of ownership to unit owner's proposed transferee shall be deemed to have been approved, and the Association shall furnish a Certificate of Approval as elsewhere provided, which shall be recorded in the Public Records of Brevard County, Florida, at the expense of the unit owner.

11.4 Mortgage. A unit owner may mortgage his unit, or any interest therein, upon written notice to the Association, such notice shall provide the Association with the terms of the mortgage, the correct name and address of the mortgagee, and information relative to the place and date of recording the mortgage.

11.5 Exceptions. The foregoing provision of this section entitled "Maintenance of Community Interests" shall not apply to a transfer or to purchase by a bank, life insurance company, federal savings and loan association, or mortgage company which acquires title as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings; nor shall such provisions apply to a transfer sale or lease by a bank, life insurance company, federal savings and loan association, or mortgage company which so acquired its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a unit at a duly advertised public sale with open bidding which is provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale or tax sale. Neither shall any of the provisions of Section 11 apply to the sale or lease of any unit by the Developer.

11.6 Unauthorized Transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

11.7 Notice of Lien or Suit.

A. Notice of Lien. 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 said lien.

B. Notice of Suit. A unit owner shall give notice to the Association of every suit or other proceedings which may affect the title of his unit, such notice to be given within five (5) days after the unit owner receives knowledge thereof.

Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

11.8 Purchase of Units by Association. The Association shall have the power to purchase units, subject to the following provisions:

1. Decision. The decision of the Association to purchase a unit shall be made by its Administrators, without approval of its members except as hereinafter provided.

2. Limitation. If at any one time the Association be the owner or agreed purchaser of two or more units, it may not purchase any additional unit without the prior written approval of eighty (80%) percent of members eligible to vote thereon. Provided, however that the foregoing limitation shall not apply to units to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration therefore does not exceed the cancellation of such lien.

C. Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer to or purchase by the Association.

12. Parking Spaces. The following provisions will be applicable to the transfer and assignment of Parking Spaces:

12.1 Assignment of Parking Spaces. Each unit is assigned a parking space as a Limited Common Element which is identified, described and located on Exhibit "2" (Plot Plan). Upon the conveyance by the Developer of such parking space in the Limited Common Elements to a unit, the owners of such unit shall have the exclusive right to the use thereof without separate charge therefore by the Association, although nothing herein contained shall be construed as relieving such owner from any portion of any assessment for common expense made against a unit as herein provided, it being the intent that the cost of maintenance and administration of Limited Common Elements shall be included as part of the common expense applicable to all units for purposes of assessment. Upon such conveyance, the owner of the unit to whom such conveyance is made shall have the exclusive right of use of such parking space and the parking space shall become an appurtenance to said unit, and upon the conveyance of or passing of title to the unit to which a parking space conveyance is made, such interest in the Limited Common Element (parking space) shall pass as an appurtenance thereto in the same manner as the undivided interest in the Common Elements appurtenant to such unit. Parking spaces designated as Guest Parking Spaces shall be a part of the Common Elements and shall be under the control and jurisdiction of the Condominium Association except that no Guest

Parking Space may be assigned to a unit or otherwise transferred unless approved in the same manner as required to amend this Declaration of Condominium provided in Paragraph 19.

12.2

Restrictions on Separate Transfer of Parking Spaces. No conveyance, assignment, transfer or conveyance of title in any manner whatsoever to use a parking space constituting Limited Common Elements may be made or accomplished separately from the conveyance, or passing of title to the unit to which it is appurtenant.

13. Easements. Each of the following easements is a covenant running with the land of the Condominium and, notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended use and purpose, and shall survive the termination of the Condominium and the exclusion of any of the lands of the Condominium from the Condominium. The Developer reserves unto itself the right to amend these documents to provide for easements in Phase Two of the Condominium such as those easements delineated in Paragraph 13 through 13.10.

13.1 Utilities. As may be required for utility services in order to adequately serve the Condominium, provided, however, easements through a unit shall be only according to the plans and specifications for the building or as the building is actually constructed, unless approved, in writing, by the unit owner.

13.2 Pedestrian and Vehicular Traffic. For pedestrian traffic over, through and across sidewalks, paths, lands, and walks, as the same may from time to time exist, upon the Common Elements; and for the vehicular traffic over, through and across such portions of the Common Elements as may be from time to time paved and intended for such purposes; such easement shall be for the use and benefit of the unit owners, the Seller as defined herein and all those claiming by, through and under the aforesaid; provided, however, nothing herein shall be construed to give or to create in any person the right to park upon any portion of the Condominium property except to the extent that space may be specifically designated and assigned for parking purposes and further provided that nothing herein shall be construed to give or create a public right-of-way.

13.3 Support. Every portion of a unit contributing to the support of the unit building or an adjacent unit shall be burdened with an easement of support for the benefit of all other units and Common Elements in the building.

13.4 Perpetual Non-Exclusive Easement in Common Property. The common property shall be, and the same is hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of units in the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners.

This easement shall not apply to the Unit Building and the real property contained therein prior to the improvements therein and thereon having been completed by the Developer.

13.5 Right of Entry Into Private Dwelling in Emergencies. In case of emergency originating in or threatening any units, regardless of whether the owner is present at the time of such emergency, the Board of Administration of the Association,

or any other person authorized by it, or managing agent, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the owner of each unit, if required by the Association, shall deposit under the control, of the Association a key to such unit.

13.6 Right of Entry for Maintenance of Common Property. Whenever it is necessary to enter any unit for the purpose of performing any maintenance, alteration, or repair to any portion of the Common Property, the owner of each unit shall permit other owners or their representative, or the duly constituted and authorized agent of the Association, to enter such unit for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

13.7 Easement for Unintentional and Non-Negligent Encroachments. In the event that any unit shall encroach upon any Common Elements or upon any other apartment for any reason not caused by the purposeful or negligent act of the unit owner or owners, or agents of such owner or owners, then an easement appurtenant to such unit shall exist for the continuance of such encroachment onto the Common Element or other apartment for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Element shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the Common Element into any unit for so long as such encroachment shall naturally exist.

13.8 Air Space. An exclusive easement exists for the use of the air space occupied by the Condominium unit as it exists at any particular time and as the unit may lawfully be altered.

13.9 Easements Exist for Encroachments by the perimeter walls, ceilings, and floors surrounding each Condominium unit.

13.10 Easements Exist for Overhanging troughs or gutters, downspouts, and the discharge therefrom of rainwater and the subsequent flow thereof over Condominium units or any of them.

14. Association. In order to provide for the efficient and effective administration of this Condominium by the owners of units, a non-profit corporation known and designated as The Ridgewood Club Condominium Association, Inc. has been organized under the laws of the State of Florida and said corporation shall administer the operation and management of this Condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration of Condominium, and in accordance with the terms of the Articles of Incorporation of the Association, By-Laws and the rules and regulations promulgated by the Association from time to time.

14.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit "6".

14.2 The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached as Exhibit "7".

14.3 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be

liable to unit owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the element or actions of other owners or persons.

14.4 Restraint Upon Assignment of Shares in Assets. The shares of members in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to a unit.

14.5 Approval or Disapproval of Matters. Whenever the decision of an owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed in accordance with the By-Laws of the Association.

14.6 Membership. The record owners of all units in this Condominium shall be members of the Association and no other persons or entities shall be entitled to membership except for subscribers to the Articles. Membership shall be established by acquisition of ownership of fee title to or fee interest in a Condominium unit in said condominiums, whether by conveyance, devise, judicial decree or otherwise, subject to the provisions of the Declaration, and by the recordation among the Public Records of Brevard County, Florida, of the Deed or other instrument establishing the acquisition and designating the parcel affected thereby and by the delivery to the Association of a true copy of such recorded Deed or other instrument. The new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to the parcel designated shall be terminated. Membership shall be subject to the forms of this Declaration, the Articles of Incorporation, the By-Laws and the Rules and Regulations.

14.7 Voting. On all matters as to which the membership shall be entitled to vote, there shall be only one vote for each unit.

14.8 Availability of Records. The Association shall be required to make available for inspection, upon request, during normal business hours to unit owners, lenders and holders, insurers or guarantors of any first mortgages current copies of the Declaration, By-Laws, Rules, books, records and financial statements of the Association.

15. Insurance. The insurance other than title insurance which shall be carried upon the Condominium property and the property of the unit owners shall be governed by the following provisions:

15.1 Authority to Purchase. All insurance policies upon the Condominium property shall be purchased by the Association for the benefit of the Association and the unit owners and their mortgagees as their interest may appear, and provision shall be made for the issuance of certificates or mortgagee endorsements to the mortgagees or unit owners and the unit owners appoint the Association or any Insurance Trustee with whom such Association may enter into an Insurance Trust Agreement or any successor trustee as attorney-in-fact for the purpose of purchasing and maintaining insurance, collection and disposition of proceeds, negotiations of losses, execution of releases and documents, and all other acts necessary to accomplish such purpose. Such coverage shall include Directors or Administrators liability coverage. Unit owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability and living expense. All policies purchased by the Association must be such as are commonly acceptable to prudent lenders generally, must be written by insurance carriers

authorized to do business in the State of Florida, and with offices or agents in Brevard County, Florida, having a Best's Key Rating class of VI or better, and must provide that they may not be cancelled or modified without 10 days prior written notice to the Association and each scheduled first mortgagee. Endorsements to the mortgagees shall be held in the custody of the mortgagees.

15.2 Coverage.

1. Casualty. All buildings and improvements upon the land including units and all personal property of the Association included in the Condominium property are to be insured in an amount equal to one hundred (100%) percent of the replacement value, excluding foundations and excavation costs, as determined annually by the Board of Administration of the Association, and all such insurance must be obtained, if possible, from the same company. Policies must provide a waiver of the right of subrogation against unit owners individually, must not be prejudiced by any act or neglect of individual unit owners not in control of the owners collectively, and must be primary in the event a unit owner has other insurance covering the same loss. Such coverage shall afford protection against:

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

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, including but not limited to, vandalism, malicious mischief, and Director's Liability Insurance.

(c) If the Condominium is ever determined to be located within an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, the Association must obtain and pay for premiums on a master or blanket policy of flood insurance on the building and the insurable property in an amount not less than the maximum coverage available on any insurable property within a designated flood hazard area, or 100% of current replacement cost of such buildings and other insurable property.

(d) Coverage shall not be less than One Million (\$1,000,000.00) Dollars for bodily injury.

2. Public Liability in such amounts and with such coverage as shall be required by the Board of the Association, with cross-liability endorsements to cover liability of the unit owners as a group to a unit owner.

3. Workmen's Compensation as shall be required to meet the requirements of the law.

15.3 Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association.

15.4 Assured. All insurance policies purchased by the Association shall be in the name of The Ridgewood Club Condominium Association, Inc. for the benefit of the Association and the unit owners and their mortgagees as their interest may appear and shall provide that all proceeds covering casualty losses shall be paid to the Association in trust for the purposes elsewhere stated herein and the benefit of the unit owners and their mortgagees in the following shares: (See Exhibit "3" to this Declaration), but which shares need not be set forth in the records of the Association.

1. Common Elements. Proceeds on account of Common Elements shall be held in as many undivided shares as

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there are units in the Condominiums, the shares of each unit owner being the same as his share in the Common Elements, as same as hereinabove stated.

2. Units. Proceeds on account of units shall be held in the following individied shares:

(a) Partial Destruction. When the buildings are to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered in each unit owner.

(b) Total Destruction. When there is total destruction or when the buildings are not to be restored, to the owners of all units on the buildings, each owner's share being in proportion to his share in the Common Elements appurtenant to his unit.

(c) Mortgagee. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interest appear. In no event shall any mortgagee have the right to demand the application of insurance proceeds to any mortgage or mortgages which it may hold against units, except to such extent said insurance proceeds may exceed the actual cost of repair or restoration of the damaged building or buildings.

15.5 Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial owners in the following manner:

1. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed 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 such mortgagee.

2. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittance 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 such mortgagee.

3. Certificate. In making distribution to unit owners and their mortgagees, the Association may rely upon the certificate of the Secretary as to the names of the unit owners and their respective shares of the distribution.

4. Association as Agent. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance.

15.6 Fidelity Bonds. The Association shall acquire, maintain and pay for fidelity bonds for all officers, administrators, trustees and employees of the Association and for all other persons responsible for the funds of the Association in such amounts as shall be determined in the best business judgment of the Board of Administration. Such bonds shall not be less than the maximum amount of funds, including reserves, in custody of the Association or its agent, at any given time and in no event shall it be less than the aggregate of three (3) months assessments on all units plus reserve funds.

1. Fidelity bonds shall name the Owners Association as an obligee;

2. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions;

3. The premiums on all bonds required herein for the Owners Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Owners Association as a common expense;

4. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Owners Association, or, if a condominium project, to any Insurance Trustee and each Servicer in behalf of FNMA.

16. Reconstruction or Repair - After Casualty.

16.1 Determination to Reconstruct or Repair. If any part of the Condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

1. Common Element. If the damaged

improvement is a Common Element, the damaged property shall be reconstructed or repaired unless it is determined in the manner elsewhere provided herein that the Condominium shall be terminated. See Article 21 and Article 16.A(1).

2. Unit Building.

(a) Lesser Damage. If the damaged improvement is a part of the unit building, and if units to which fifty (50%) percent or less of the Common Elements or appurtenances are found by the Board of Administrators of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(b) Major Damage. If the damaged improvement is part of the building, and of units to which more than fifty (50%) percent of the Common Elements or appurtenances are found by the Board of Administrators to be not tenantable, then the damaged property will not be reconstructed or repaired and the Condominium will be terminated as elsewhere provided, unless within sixty (60) days after the casualty the owners of eighty (80%) percent of the Common Elements agree in writing to such reconstruction and repair.

3. Certificate. The Association may rely

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upon a Certificate of the Board made by the President and Secretary to determine whether or not the damaged property is to be constructed or repaired.

16.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the Declaration and the original plans and specifications unless other action is approved by the Board of Administration of the Association, and eligible holders holding mortgages on units which have at least fifty-one (51%) percent of the votes of units subject to eligible holder mortgages.

16.3 Partial Condemnation or Destruction. In any partial condemnation or partial destruction where a reallocation of interest in the common areas is required, no reallocation shall be effected without the prior approval of eligible holders holding mortgages on all remaining units existing in whole or in part, and having at least fifty-one (51%) percent of the votes of such remaining units subject to eligible holder mortgages.

16.4 Responsibility. If the damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and casualty shall be that of the Association.

16.5 Estimates of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

16.6 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of construction and repair by the Association, or if at any time during the reconstruction and repair the funds for the payment of the costs hereof are insufficient, assessments shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to Common Elements, in sufficient amounts to provide funds to pay the estimated costs. Such assessments against the unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to Common Elements shall be in proportion to the owner's share in the Common Elements.

16.7 Deductible Provision. The funds necessary to cover any deductible amount under an insurance policy against which a claim is made shall be a common expense.

16.8 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Association and funds collected by the Association from assessments against unit owners, shall be disbursed in payment of such costs in the following manner:

1. Association. If costs of reconstruction and repair which are the responsibility of the Association are more than Two Thousand Dollars (\$2,000.00), then the sums paid upon assessments to meet such costs shall be deposited by the Association in accordance with the provisions herein. In all other cases the Association shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconstruction and repair.

2. Construction Funds. The proceeds of insurance collected on account of a casualty, and the sums

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