

**PROPOSED AMENDMENTS
TO THE
DECLARATION OF CONDOMINIUM
THE REEF OCEAN RESORT, A CONDOMINIUM**

The following are the proposed amendments to the above referenced Declaration of Condominium. Deletions are struck through with hyphens. Additions are double underlined.

1. **Article XII**, of the above referenced Declaration of Condominium shall be amended to read as follows:

**XII.
ASSESSMENTS AND LIENS**

The Association, through its Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Condominium Property, Maintenance Fees for Unit Weeks, and such other assessments as are specifically provided for in this Declaration and Exhibits attached hereto. The procedure for the determination of all such assessments shall be as set forth in the Bylaws of the Association and this Declaration. The Association shall have the same rights, powers and duties for fixing, assessing and collecting the Maintenance Fee for Unit Weeks as it does for Common Expenses.

Assessments, installments and maintenance fees that are unpaid for over ten (10) days after due date shall bear interest at the rate of ~~ten percent (10%)~~ eighteen percent (18%) per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge ~~of \$25.00~~ up to the highest amount allowed by law shall be due and payable. Regular assessments shall be due and payable monthly on the first of each month for Parcels not owned in Interval Estates. Assessments and Maintenance Fees for Parcels submitted to Interval Estates shall be due and payable on January 1 of each year. Bills for regular assessments and Maintenance Fees shall be mailed or delivered to Unit Owners.

The Association shall have a lien on each Condominium Parcel for unpaid assessments, together with interest thereon, late charges, together with a lien on all tangible personal property located within said Unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorneys' fees and other costs of collection incurred by the Association incident to the collection of such assessments or the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association, in order to preserve and protect its lien, shall be payable by the Unit Owner and secured by such lien.

The Board of Directors may take such action as it deems necessary to collect assessments by personal action or by enforcing and foreclosing said lien, and may settle and compromise the same if deemed in ~~its~~the Association's best interests. Said lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Condominium Parcel for the period of time said Parcel is occupied by the Unit owner or anyone by, through or under said Unit Owner, and Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the Unit Owner and/or Occupant.

In the case of a lien against an Owner of Unit Weeks in a Unit submitted to Interval Ownership, said lien shall be limited to the Unit Weeks owned by said Owner and shall not encumber the property, real or personal, of any other Owner or Unit Weeks in said Unit.

~~Where the Mortgagee of an Institutional First Mortgage of record, or other purchaser of a Condominium Unit, obtains title to a Condominium Parcel as a result of foreclosure of the Institutional First Mortgage, or when an Institutional First Mortgagee of record accepts a Deed to said Condominium Parcel in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for the shares of common expenses or assessment by the Association pertaining~~

~~to such Condominium Parcel, or chargeable to the former Unit Owner of such Parcel, which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Unit Owners, including such acquirer, his successors and assigns.~~

Any person who acquires an interest in a Unit ~~(except through foreclosure of an Institutional First Mortgage of record or by virtue of an Institutional First Mortgagee accepting a Deed to a Condominium Parcel in lieu of foreclosure as specifically provided hereinabove)~~ including, without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid assessments due and owing by the former Unit Owners have been paid. The Association, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to ~~the Developer, or to~~ any Unit Owner or group of Unit Owners, or to any third party.

2. Article XIV, Section E. of the above referenced Declaration of Condominium shall be amended to read as follows:

E. Holdover Interval Owners: In the event any Owner of a Unit Week in a Unit submitted to Interval Ownership fails to vacate his Unit at the expiration of his period of Ownership each year, 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 any subsequent Unit Week, who may be affected by the holdover Owner's failure to vacate, to find alternate 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 his Unit due to the failure to vacate of any holdover Owner. Such accommodations shall be as near in value to the Owner's own Unit as possible. The holdover Owner shall be charged for the cost of such alternate

accommodations, any other costs incurred due to his failure to vacate, and an administrative fee of ~~\$50.00~~two hundred fifty dollars (\$250.00) 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 alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover Owner, although the ~~\$50.00~~two hundred fifty dollars (\$250.00) 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 Unit Weeks in accordance with the provisions of Article XIV, hereof.

The above provisions of Article XIV, E, shall not abridge the Association's right to take such other action as is provided by law including, but not limited to, eviction proceedings.

3. Article XIV, Section F. of the above referenced Declaration of Condominium shall be amended to read as follows:

Leasing of Unit: Leasing or renting of Condominium Unit Weeks is not prohibited. The Association may charge a fee to any Unit Owner leasing a Unit, said fee to be an amount determined by the Board of Directors from time to time and not to exceed the maximum amount permitted by law.

4. Paragraph G. shall be added to Article XVI of the above referenced Declaration of Condominium and read as follows:

Material alterations of, or substantial additions to, Common Elements or Association Property may be made by the Association upon the approval of two-thirds (2/3) of the members of the Board of Directors.

5. **Article XVIII** of the above referenced Declaration of Condominium shall be amended to read as follows:

A. **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 that the Condominium shall be terminated.

(2) **Condominium Units.**

(a) **Lesser Damage** - If the damaged improvement is a building containing Condominium Units, and if Units to which 50% of the Common Elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless within 60 days after the casualty, it is determined by Agreement in the manner elsewhere provided that the Condominium shall be terminated.

(b) **Major Damage** - If the damaged improvement is a building containing Condominium Units, and if Units to which more than 50% of the Common Elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will not be reconstructed or repaired and the Condominium will be terminated without Agreement as elsewhere provided, unless within 60 days after the casualty, the Owners of 75% of the Common Elements agree in writing to such reconstruction or repair.

~~(3) **Certificate.** The insurance trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.~~

B. **Plans and Specifications:** Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as Exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association and if the damaged property is a building containing Condominium Units by the Owners of not less than 75% of the Common Elements, including the owners of all damaged Units, which approval shall not be unreasonably withheld.

C. Responsibility: If the damage is only to those parts one 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 repair after casualty shall be that of the Association.

D. Estimates of Costs: Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

E. Assessments: The amount by which an award of insurance proceeds ~~to the insurance trustee~~ is reduced on account of a deductible clause in an insurance policy shall be assessed against all Unit Owners in proportion to their shares in the Common Elements. If the proceeds of such assessments and of the insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Unit Owners, in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against 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.

F. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance ~~held by the insurance trustee~~ 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 the total assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the sums paid upon such assessments shall be deposited by the Association with the insurance trustee. 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) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the insurance trustee by the Association from collections of assessment against Unit owners on account of such Casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:~~

~~(a) — Association — Lesser Damage — If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the insurance trustee by a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund. Such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.~~

~~(b) — Association — Major Damage — If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then The construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association ~~and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.~~~~

~~(c) — Unit owner — The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner shall be paid by the insurance trustee to the Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and Mortgagee jointly, who may use such proceeds as they may be advised.~~

~~(d) — Surplus — It shall be presumed that the first monies disbursed in payment of costs and reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund ~~in the manner elsewhere stated~~; except, however, that the part of a distribution to a beneficial Owner which is not in excess of assessments paid by such Owner into the construction fund shall not be made payable to any Mortgagee.~~

~~(e) — Certificate — Notwithstanding the provisions herein, the insurance trustee shall not be required to determine whether or not sums paid by Unit Owners upon assessments shall be deposited by the Association with the insurance trustee, nor to determine whether the~~

~~disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by Owners. Instead, the insurance trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided, that when a Mortgagee is herein required to be named as payee, the insurance trustee shall also name the Mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association or a Mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.~~

6. **Article XIX**, of the above referenced Declaration of Condominium shall be amended to read as follows:

XIX

AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the Unit Owners, called and convened in accordance with the Bylaws, by the affirmative vote of Voting Members casting not less than a majority of the ~~total vote of~~ votes cast by the members of the Association.

All Amendments shall be recorded and certified as required by the Condominium Act.

No Amendment shall change any Condominium Parcel, nor a Condominium Unit's proportionate share of the common expenses or common surplus, nor the voting rights appurtenant to any Unit, unless the record Owner(s) thereof, ~~and all record Owners of mortgages or other voluntarily placed liens thereon~~, shall join in the execution of the Amendment.

~~No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages or change the provisions of this Declaration with respect to Institutional Mortgages without the written approval of all Institutional Mortgagees of record, nor shall the provisions of~~

~~Article XIV of this Declaration be changed without the written approval of all Institutional Mortgagees of record.~~

~~No amendment shall change the rights and privileges of the Developer without the Developer's written approval.~~

~~Notwithstanding the foregoing paragraphs of this Article XIX:~~

~~A. The Developer reserves the right to change the interior design and arrangement of all Units and to alter the boundaries between Units, as long as the Developer owns the Units so altered; however, no such change shall increase the number of Units nor alter the boundaries of the Common Elements, except the party wall between any Condominium Units, without Amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in Units, as provided in this paragraph, such changes shall be reflected by the Amendment of this Declaration with a Survey attached, reflecting such authorized alteration of Units, and said Amendment need only be executed and acknowledged by the Developer and any holders of Institutional Mortgages encumbering the said altered Units. The Survey shall be certified in the manner required by the condominium Act.~~

~~B. The Developer, so long as it owns more than twenty five percent (25%) of the Condominium Units or Unit Weeks in the Condominium, reserves the right at any time to amend the Declaration, as may be required by any lending institution or public body, or in such manner as the Developer may determine to be necessary to carry out the purposes of the project provided that such Amendment shall not increase the proportion of common expenses nor decrease the Ownership of Common Elements borne by the Condominium Owners.~~

7. Article XXI, Section E. of the above referenced Declaration of Condominium shall be amended to read as follows:

E. Notices. Whenever notices are required to be sent hereunder, the same may be delivered to Unit Owners either personally or by mail, addressed to such Unit Owners at their place of residence on file with the Condominium Association from time to time, or sent electronically.

Proof of such mailing, ~~or~~ personal delivery or electronic delivery by the Association or any Management Firm shall be given by the Affidavit of the person mailing, electronically delivering or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association, or the President of the Association, or to any member of the Board of Directors of the Association. The change of the mailing address of any party as specified herein shall not require an Amendment to this Declaration.

~~Notices to the Developer shall be delivered by mail at:
3450 Ocean Drive, Vero Beach, Florida 32960~~

Notices to the Management Firm shall be delivered by mail at:
3450 Ocean Drive, Vero Beach, Florida 329603

All notices shall be deemed and considered sent when mailed, personally delivered, or sent electronically. Any party may change his or its ~~mailing~~ address by written notice, duly receipted for. Notices required to be given the personal representatives of a deceased Owner or devisee, when there is no personal representative, may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered. The change of the mailing address of any party, as specified herein, shall not-require an Amendment to the Declaration.