

SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
OF THE VILLAS AT SHADOW BAY

This is an Amendment to the Declaration of Condominium of The Villas at Shadow Bay, which was recorded on the 10th day of December, 1986, in Official Records Book 824, Pages 135 through 243, of the Public Records of Osceola County, Florida.

WHEREAS, Section 14.4 of the Declaration authorizes the Developer to amend the Declaration.

NOW, THEREFORE, in consideration of the above premises, Developer hereby amends the Declaration as follows:

1. Paragraph (6.3) shall be entirely rewritten as follows:

(6.3) PAYMENTS: Assessments and installments thereon paid on or before ten (10) days after the day when the same shall become due, shall not bear interest but all sums not so paid on or before ten (10) days after the same is due shall bear interest until paid at the highest rate allowed by law. All payments on account shall be first applied to interest and then to the assessment payment first due. If any installment of any assessment remains unpaid thirty (30) days after the same shall become due, the Board of Directors may declare the entire annual assessment as to that delinquent owner due and payable in full as if the entire amount was originally assessed. The Board of Directors reserves the right, and does hereby indicate that an Initial Fee shall be collected upon the closing of each condominium unit, which said fee shall equal two months assessments, and which said amount shall be placed in a working capital account for unforeseen expenditures or additional capital purchases. This amount shall be in addition to the regular monthly assessment which shall remain collectible pursuant to the provisions of Section 6.3 of this Declaration.

2. Paragraph (8.2a) shall be entirely rewritten as follows:

(8.2a) CASUALTY: All buildings and improvements upon the land, except coverings on unit floors, walls, and ceilings, shall be insured in an amount equal to the full replacement cost, excluding foundation and excavation costs, as determined by the Board of Directors of the Association, on not less than one hundred percent (100%) of the replacement value. Values of insured property shall be determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

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

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

(3) Unless such coverage cannot be obtained, the policies shall waive the insurer's right to:

(i) Subrogation against the Association and against the unit owners individually and as a group;

(ii) The prorata clause that reserves to the insurer the right to pay only a fraction of the loss if other insurance carriers have issued coverage upon the same risk, and;

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(iii) Avoid liability for a loss that is caused by an act of the Board of Directors of the Association, or by a member of the Board of Directors of the Association or by one or more unit Owners.

(4) Such policies may provide that they may not be cancelled or substantially modified without thirty (30) days prior written notice thereof to each of the insureds.

3. Section (8.2b) shall be entirely rewritten as follows:

(8.2b) PUBLIC LIABILITY: In such amounts and such coverage as may be required by the Board of Directors of the Association and with cross liability endorsement to cover liabilities of the unit owners individually and as a group to a unit owner. Under no circumstances, however, shall liability insurance for bodily injury and property damage be less than \$1,000,000 per occurrence.

4. Paragraph (8.2d) shall be entirely rewritten as follows:

(8.2d) FIDELITY BONDS: Fidelity Bonds shall be maintained providing coverage against dishonest acts by the Association's officer, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Said bond shall be in an amount not less than a sum equalling three months assessments plus reserves.

5. Section (11) shall be entirely rewritten as follows:

(11) MAINTENANCE OF CONDOMINIUM ASSOCIATION RECORDS: In order to maintain accurate records of current ownership and occupants of the community, the sale or lease of units by any owner other than the Developer shall be subject to the following provisions so long as the condominium exists, which provisions each owner covenants to observe.

(11.1) SALE: A unit owner intending to make a bona fide sale of his unit shall give the Association notice, in writing, of such intention, together with the name and address of the intended purchaser and an executed copy of the proposed contract to sell.

(11.2) LEASE: A unit owner intending to make a bona fide lease of his unit or any interest therein shall give to the Association notice, in writing, of such intention, together with the name and address of the intended Lessee, and such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease.

6. The following Paragraph (17) should be added to the Declaration of Condominium:

(17) NOTICE: Upon written request to the Condominium Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

(17.1) Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.

(17.2) Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.

(17.3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners' association.

(17.4) Any proposed action that requires the consent of a specified percentage of mortgage holders.

The Developer hereby ratifies, approves and confirms that the Declaration, as amended hereby, remains in full force and effect in every respect.

This Amendment shall be effective upon being filed among the Public Records of Osceola County, Florida.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on this, the 4th day of March, 1987.

WITNESS:

COMPLETE INTERIORS, INC.  
DEVELOPER

Christie Scott  
Donna S. Casmus

By: Linda C. Clark  
Linda C. Clark, President  
Attest Carole M. Warrington  
Carole M. Warrington, Secretary

STATE OF FLORIDA  
COUNTY OF SEMINOLE

I HEREBY CERTIFY that on this day, before me, personally appeared LINDA C. CLARK, and CAROLE M. WARRINGTON, well known to me and known to be the President and Secretary of Complete Interiors, Inc., and that they acknowledged executing this Amendment to the Declaration in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal at said County and State this 4th day of March, A.D. 1987.

Jane M. [Signature]  
Notary Public

My Commission Expires:

Notary Public, State of Florida at Large  
My Commission Expires Oct. 27, 1987

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FILED, RECORDED AND  
RECORD VERIFIED  
MEL WILIS, JR, CLK CIR CI  
OSCEOLA COUNTY  
BY [Signature] DC