

James M. Weber

OF: BEGGS & LANE
700 BRENT BUILDING
PENSACOLA, FLORIDA

DECLARATION OF CONDOMINIUM

OF SAILWIND

A CONDOMINIUM

1100 Shoreline Drive, Gulf Breeze, Florida

BOOK 545 PAGE 04

SANTA ROSA COUNTY, FLA.

THIS DECLARATION OF CONDOMINIUM is hereby made this
15th day of January, 19 81, by Eugene W. Lambert, Sr.,
Eugene W. Lambert, Jr. and Robert C. Seaver, hereinafter called
"Developers", for themselves, their successors, grantees and assigns.

WHEREIN, the Developers make the following declarations:

1. PURPOSE: The purpose of this Declaration is to
submit the lands described in this instrument and improvements on
such lands to the condominium form of ownership and use in the
manner provided by Chapter 718, Florida Statutes, as the same may
be amended from time to time, hereinafter called "The Condominium
Act".

1.1 NAME AND ADDRESS: The name by which this
Condominium is to be identified is Sailwind
a Condominium, and its address is 1100 Shoreline Drive, Gulf
Breeze, Florida.

1.2 THE LAND: The land owned by the Developers,
which by this instrument is submitted to the condominium form of
ownership, is the following described land in Santa Rosa County,
Florida, to-wit:

The West 1,010 feet of Fractional Section 10,
Township 3 South, Range 29 West, Santa Rosa County,
Florida, lying North of Shoreline Drive (State Road
#399, 100 foot right-of-way), according to survey of
W. H. Baskerville dated March 28, 1972 and revised
May 15, 1973,

which land is hereinafter called "The Land".

2. DEFINITIONS: The terms used in this Declaration
and in its exhibits shall have the meanings stated in The
Condominium Act and as follows unless the context otherwise
requires:

2.1 Condominium means that form of ownership of
real property which is created pursuant to The Condominium Act
and which is comprised of units that may be owned by one or more
persons, and their heirs, appurtenant to each unit, an undivided
share of the common elements.

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

2.3 Condominium Parcel means a unit, together with
the undivided share of the common elements which is appurtenant
to the unit.

2.4 Unit means a part of the condominium property
which is subject to exclusive ownership.

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2.5 Unit Owner means the owner of a condominium parcel.

2.6 Association means Sailwind Condominium Association of Gulf Breeze, Inc., a non-profit Florida corporation, which is the entity responsible for the operation of the Condominium.

2.7 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.

2.8 Common Elements means the portions of the condominium property not included in the units and the tangible personal property required for the maintenance and operation of the condominium, even though owned by the Association.

2.9 Common Expenses means all expenses and assessments properly incurred by the Association for the condominium and for which the unit owners are liable and include:

(A) Expenses of administration; expenses of insurance, maintenance, operation, repair or replacement of the common elements and limited common elements and any portion of the units to be maintained by the Association, including reasonable reserves for maintenance and replacement.

(B) Expenses declared to be common expenses by provisions of this Declaration or the By-Laws.

(C) Any valid charge against the Condominium Property as a whole.

(D) Charges for utility services except such services as are metered separately to each Unit.

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

2.11 Utility Services as used in The Condominium Act and as construed with reference to this Condominium and as used in the Declaration and By-Laws, shall include but not be limited to electric power, gas, hot and cold water, heating, refrigeration, air conditioning and garbage and sewage disposal.

2.12 Institutional Mortgagees means banks, savings and loan associations, insurance companies, mortgage bankers and brokers, FHA approved lenders and bankers, real estate investment trusts, and pension and profit sharing trusts or funds, or an agency of the United States of America.

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

3. DEVELOPMENT PLAN. The Condominium is described and established as follows:

3.1 Survey. A survey of the land showing the improvements on it is attached as Exhibit 12.

3.2 Improvements--General Description.

(A) Unit buildings. The Condominium consists of 80 units located in nine buildings. Each building is comprised

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of two floors with units on both the first and the second floor and each unit being completely contained within the same floor level. The Units and the Buildings are more particularly described hereafter.

(B) Other Improvements. The Condominium includes grounds, landscaping, outside driveways and parking areas, all of which are located substantially as shown in the survey attached hereto as Exhibit 12 which are part of the common elements.

3.3 Unit Buildings. Each of the nine unit buildings contains the following number of units:

<u>Unit Building</u>	<u>Number of Units</u>		
	<u>First Floor</u>	<u>Second Floor</u>	<u>Total</u>
1	8	8	16
2	3	3	6
3	4	4	8
4	8	8	16
5	4	4	8
6	3	3	6
7	4	4	8
8	4	4	8
9	2	2	4

The Buildings are numbered 1 through 9 as more particularly designated on the survey attached hereto as Exhibit 12, and the Units within each Building are designated by letter, as more particularly designated on the building floor plans attached hereto as Exhibits 1 through 9.

3.4 Plans. The improvements upon the land are constructed substantially in accordance with the copies of the plans attached as the following exhibits:

<u>Exhibit Number</u>	<u>Contents</u>
1	Building 1--First Floor--Floor Plan
1	Building 1--Second Floor--Floor Plan
2	Building 2--First Floor--Floor Plan
2	Building 2--Second Floor--Floor Plan
3	Building 3--First Floor--Floor Plan
3	Building 3--Second Floor--Floor Plan
4	Building 4--First Floor--Floor Plan
4	Building 4--Second Floor--Floor Plan
5	Building 5--First Floor--Floor Plan
5	Building 5--Second Floor--Floor Plan
6	Building 6--First Floor--Floor Plan
6	Building 6--Second Floor--Floor Plan
7	Building 7--First Floor--Floor Plan
7	Building 7--Second Floor--Floor Plan
8	Building 8--First Floor--Floor Plan
8	Building 8--Second Floor--Floor Plan
9	Building 9--First Floor--Floor Plan
9	Building 9--Second Floor--Floor Plan
10	Typical Floor Plan--Two Bedroom Unit-- Right Hand
10	Typical Floor Plan--Two Bedroom Unit-- Left Hand
11	Typical Floor Plan--Three Bedroom Unit-- Right Hand
11	Typical Floor Plan--Three Bedroom Unit-- Left Hand
12	Survey
13	Office, storage, laundry and clubroom building
14	Elevations of buildings 1 through 9

3.5 Amendment of Plans.

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(A) Alteration of Unit Plans. Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, as long as Developer owns the units so altered. No such change shall increase the number of units nor alter the boundaries of the common elements without amendment of this Declaration by approval of the Association, unit owners, and owners of mortgages in the manner elsewhere provided. If Developer shall make any changes in units so authorized, such changes shall be reflected by an amendment of this Declaration. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements appurtenant to the units concerned.

(B) Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of unit plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, unit owners or lienors or mortgages of units or the Condominium, whether or not elsewhere required for an amendment.

3.6 Easements. Easements are hereby reserved and granted through the Condominium property as follows:

(A) Easements are reserved through the Condominium property as may be required for utility services in order to serve the Condominium adequately; provided, however, such easements through a unit shall be only according to the buildings as actually constructed, unless approved in writing by the unit owner. The unit owner shall do nothing within or outside his unit that interferes with or impairs the utility services using the easements.

(B) Non-exclusive easements are created (and reserved) for ingress and egress over the streets, walks and other rights of way serving the units, as part of the common elements necessary to provide reasonable access to the public ways adjacent to the condominium property. Such easements for ingress and egress shall be encumbered only to the extent and in the manner provided by the Condominium Act.

(C) If any part of the common elements encroaches, or shall hereafter encroach upon a unit, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part of the unit encroaches or shall hereafter encroach upon the common elements, or upon another unit, the owner of that unit shall and does have the easement for such encroachment and for the maintenance for the same. Such encroachment shall not be considered to be an encumbrance, either on the common elements or at any unit. Encroachment referred to herein include, but are not limited to, encroachments caused by errors in the original construction of the buildings, by error in the Condominium map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the project or any part thereof.

(D) Some of the common elements are or may be located within a unit or may be conveniently accessible only through a unit. The Association and each owner shall have an easement, which may be exercised for any owner by the Association as his agent, for access through each unit, and to all common elements from time to time during such reasonable hours as may be necessary for maintenance, repair or replacement of any of the common elements located therein or accessible therefrom or for making emergency repairs necessary to prevent damage to the common elements or to other units.

(E) The Developer by virtue of the execution of this Declaration hereby reserves for the benefit of the Developer, its

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successors, assigns and designees an easement over, across and upon the common elements of the Condominium for the purpose of completion of construction to the improvements constituting the Condominium and landscaping of the common elements and for the purpose of doing all things as may be necessary for the completion of construction of improvements, landscaping of the real property described herein and improvements located thereon, and sale of the Condominium units.

3.7 Unit Boundaries. Each unit shall include that part of the building containing the unit which lies within the boundaries of the unit, which boundaries are as follows:

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

(a) Upper Boundary. The horizontal plane of the undecorated finished ceiling.

(b) Lower Boundary. The horizontal plane of the undecorated finished floor.

(B) Perimetrical Boundaries. The perimetrical boundaries of the unit shall be the vertical planes of the undecorated finished interior of the walls bounding the unit extended to intersections with each other and with the upper and lower boundaries (including the finished interior of the walls and/or railing encompassing any terrace or balcony serving such unit) with the following exception: When the vertical planes of the undecorated finished interior of bounding walls do not intersect with each other on the undecorated interior surfaces of the bounding walls or within an intervening partition, the vertical planes of the undecorated finished interior surfaces of bounding walls shall be extended to intersect with the plane of the center line of the intervening partition and that plane shall be one of the perimetrical boundaries of the unit.

3.8 Common Elements. The common elements include the land and all parts of the Condominium not within the units and include but are not limited to the following items as to which the Association shall have the powers indicated:

(A) Outdoor Automobile Parking. Availability and charges for outdoor parking shall be by regulation of the Association. Parking areas will not be assigned but will be available pursuant to the regulations of the Association.

(B) The outside stairs, walkways and balconies that serve more than one unit. All exterior lighting, exterior showers, and exterior water faucets. The central television antenna system, if there be such a system. The Office Building, the pool, the recreational and laundry facilities and all personal property located thereon or used in connection therewith for the common use of all unit owners. All easements granted or reserved for the common use, benefit and enjoyment of all unit owners in the Condominium.

3.9 Limited Common Elements. Limited common elements, as the term is used herein, shall mean and comprise the common elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain unit to the exclusion of other units, and shall include:

(A) To each unit in the Condominium, the patio area, or other equipment and/or fixtures, if any, attached or contiguous to the exterior of and serving only that unit, and the air conditioner condenser unit serving only that unit; and

(B) To each unit in the Condominium, the balcony or balconies and other fixtures or equipment, if any, affixed or contiguous to the exterior of and serving only that unit; and

(C) To each second story unit or to each group of second story units in a building served by a single staircase, the staircase serving only that unit or those units.

4. THE UNITS. The units of the Condominium are described more particularly and the rights and obligations of their owners established as follows:

4.1 Typical Unit Plans. There are two typical unit floor plans, two bedroom and three bedroom, which are described by the floor plans attached hereto as Exhibits 1 through 11, and as described generally below:

<u>Unit</u>	<u>Containing</u>
Two Bedroom Unit Floor Plan	Two bedrooms, two full baths, kitchen, and combined living and dining room.
Three Bedroom Unit Floor Plan	Three bedrooms, two full baths, kitchen, combined living and dining room, laundry area with washer and dryer connections, and rear balcony and stairs off of kitchen for second story units and private patio area for first floor units.

4.2 Unit Identification. The units within the nine numbered buildings are designated by letters as described in paragraph 3.3 above and in Exhibits 1 through 9. In general, the condominium unit letter for each unit within a building is determined as follows: When facing a building, the units begin with the letter "A" on the left end of the building and are lettered consecutively along the ground floor and then commence at the left end of the building on the second floor and are lettered consecutively along the second floor. Therefore, for example, the unit on the ground floor on the left end of Building Number 1 (the left end is determined by facing the front of the building) is Unit "A"; the unit on the ground floor on the right end of Building Number 1 is Unit "H"; the unit on the left end on the second floor of Building Number 1 is Unit "I"; and the unit on the right end on the second floor of Building Number 1 is Unit "P".

4.3 Appurtenances to Units. The owner of each unit shall own a share and certain interests in the condominium property, which share and interest is appurtenant to his unit, including but not limited to the following items that are appurtenant to the several units as indicated:

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(A) Common Elements and Common Surplus. The undivided share in the land and other common elements and in the common surplus which are appurtenant to each unit is as follows:

<u>Units</u>	<u>Undivided Shares</u>
Two Bedroom Unit	1.2125%
Three Bedroom Unit	1.5125%

(B) Association Membership. The membership of each Unit Owner in the Association and the interest of each Unit Owner in the funds and assets held by the Association.

(C) Automobile Parking Spaces. Automobile parking spaces will be made available so that at least one automobile parking space will be available for use by each Unit Owner according to such reasonable rules and regulations as may from time to time be promulgated by the Association; provided, that at all times, each Unit Owner shall be entitled to the use of at least one automobile parking space without charge.

(D) Voting. Each unit shall be entitled to one vote, said vote to be cast by the Unit Owner in the manner prescribed by the By-Laws of the Association.

4.4 Liability for Common Expenses. Each Unit Owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements appurtenant to his unit. Common expenses attributable to any unit owned by the Association, if there be any such unit, shall be part of the common expense of the condominium divided among other unit owners in accordance with their percentage interest as described above.

5. MAINTENANCE, ALTERATION AND IMPROVEMENT: Responsibility for the maintenance of the condominium property, and restrictions upon the alterations and improvements thereof shall be as follows:

5.1 Limited Common Elements.

(A) By the Unit Owner: The responsibility of a Unit Owner shall be as follows:

(1) To keep clean and in orderly condition those limited common elements which are assigned or granted to, or exclusively serve, a certain unit or units to the exclusion of other units. The cost shall be borne by the owner or owners of the unit or units to which the same are pertinent.

(2) To maintain, repair and replace at his expense the air conditioner condenser unit serving only his unit.

(B) By the Association: Except for those items that are the responsibility of the Unit Owner, the Association shall maintain, repair and replace at the Association's expense the common limited elements.

5.2 Units.

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

1. All portions of a unit, except interior surfaces, contributing to the support of the condominium building, which portions shall include the outside walls of each condominium building and all fixtures on the exterior thereof, (including exterior of doors, windows, balcony decks and patios which are a part of the units), boundary walls of units, floor and ceiling slabs, load-bearing columns and load-bearing walls; and

2. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of a unit maintained by the Association and all such facilities contained within a unit which serve part or parts of the condominium other than the unit within which contained.

3. Balconies that are considered common elements.

4. All incidental damage caused to a unit by such work shall be promptly repaired at the expense of the Association.

(B) By the Unit Owner: The responsibility of a unit owner shall be as follows:

1. To maintain, repair and replace at his expense all portions of his unit except the portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other unit owners.

2. Notwithstanding anything above to the contrary, to reimburse the Association for its repair and replacement of any damage to any portion of the condominium property caused by the negligence of the owner or his assigns and such sums due from any owner to the Association shall be a lien against said owner's unit until paid, with said lien being enforceable under the same provisions relating to the enforcement of assessments.

3. Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the condominium building, including doors, windows, balconies, balcony decks and patios.

4. To promptly report to the Association any defect or need for repairs for which the Association is responsible.

5. To maintain, repair and replace at his own expense the exterior air conditioning equipment servicing his unit located on the condominium property.

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(C) Alteration and Improvement: Except as elsewhere reserved to Developer, neither a unit owner nor the Association shall make any alteration in the portions of a unit or condominium building that is to be maintained by the Association, or remove any portion of such, or make any addition to them, or do anything that would jeopardize the safety or soundness of a condominium building, or impair any easement, without first obtaining approval in writing of owners of all units in which such work is to be done and the approval of the board of directors of the Association. A copy of plans of all such work prepared by an architect licensed to practice in this state shall be filed with the Association prior to the start of the work.

5.3 Common Elements.

(A) By the Association. The maintenance and operation of the common elements shall be the responsibility of the Association and a common expense.

(B) Alteration and Improvement. After the completion of the improvements included in the common elements contemplated by this Declaration, there shall be no additions & no alteration nor further improvement of the real property constituting the common elements without prior approval in writing of the owners of not less than 75% of the common elements except as provided by the By-Laws. Any such alterations or improvements shall not interfere with the rights of any unit owners without their consent. There shall be no change in the shares and rights of a unit owner in the common elements altered or further improved, whether or not the unit owner contributes to the cost of such alteration or improvements. The cost of such work shall not be assessed against a bank, life insurance company, mortgage company or savings and loan association that acquires its title as the

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result of owning a mortgage upon the unit owned, unless such bank, life insurance company, mortgage company or savings and loan association shall approve the alteration or improvement, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any cost not so assessed shall be assessed to the other unit owners in the shares that their shares in the common elements bear to each other.

6. ASSESSMENT. The making and collection of assessments against unit owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

6.1 Share of Common Expense. Each unit owner shall be liable for a proportionate share of the common expenses, and shall share in the common surplus, such share being the same as the undivided share in the common elements appurtenant to the unit owned by him.

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6.2 Interest; Application of Payments. Assessments and installments on such assessments paid on or before 10 days after the date when due shall not bear interest, but all sums not paid on or before 10 days after the date when due shall bear interest at the rate of 10% per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to assessment payments first due.

6.3 Lien for Assessments. The lien for unpaid assessments shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessments or enforcement of such lien.

6.4 Rental Pending Foreclosure. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the Association shall be entitled to appointment of a receiver to collect the same.

6.5 First Mortgage of Record. When the mortgagee of a first mortgage of record, or other purchaser, of a condominium unit obtains title to the condominium parcel as a result of foreclosure of the first mortgage, or, as a result of a deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the share of common expenses or assessments by the Association pertaining to such condominium parcel or chargeable to the former unit owner of such parcel which became due prior to acquisition of title as a result of the foreclosure, or deed in lieu of foreclosure, unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage.

6.6 The Developer or other person owning condominium units shall be excused from the payment of its share of the common expense in respect to those units during such period of time that it shall have guaranteed that the assessment for common expenses of the condominium imposed upon the unit owners other than the Developer or such other person making the guarantee shall not increase over \$57.67 per month for two bedroom units and \$74.06 per month for three bedroom units, and obligate itself to pay any amount of common expenses incurred during that period and not produced by the assessments at the guaranteed level receivable from other unit owners.

7. ASSOCIATION. The operation of the condominium shall be by Sailwind Condominium Association of Gulf Breeze, Inc., a Florida non-profit corporation, which shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit A.

7.2 The By-Laws of the Association shall be the By-Laws of the condominium, a copy of which is attached as Exhibit B.

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7.3 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 elements or other owners or persons.

7.4 Indemnification. Every director and officer of

the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. The cost of the indemnification shall be a common expense.

7.5 Restraint Upon Assignment of Shares and Assets.

The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

7.6 Approval or Disapproval of Matters. Whenever the

decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner, if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

7.7 Roster of Unit Owners and Mortgagees:

(A) Unit Owners: The Association shall maintain a roster of unit owners which shall include the mailing addresses of the unit owners and which shall be furnished to the owners from time to time.

(B) Mortgagees: The Association shall maintain a roster which shall contain the name and address of each owner, and holder of a mortgage upon a unit in the condominium, of which notice is given to the Association. The Association shall give written notification to every first mortgagee that requests the same of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within 30 days.

7.8 No unit owner, except as an officer of the Association, shall have any authority to act for the Association.

7.9 The powers and duties of the Association shall include those set forth in the By-Laws attached hereto as Exhibit B and in addition thereto the Association shall have authority to prescribe such "house rules" as it shall from time to time consider essential to the operation of the condominium as a safe, enjoyable place for all occupants to live.

8. INSURANCE. The insurance, other than title insurance that may be carried upon the condominium property and other than the insurance upon the property of the unit owners, shall be governed by the following provisions:

8.1 Authority to Purchase: Named Insured. All insurance policies upon the condominium property shall be purchased by

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the Association. The named insured shall be the Association individually and as agent for the unit owners, without naming them, and as agent for their mortgagees. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of unit owners. Such policies shall provide that payments by the insurer for losses shall be made to the Insurance Trustee designated below, and all policies and their endorsements shall be deposited with the Insurance Trustee. Unit owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expense.

A copy of each insurance policy and of all endorsements on it shall be furnished by the Association to each mortgagee included in the mortgagee roster who holds mortgages upon units covered by the policy. The copies shall be furnished not less than 10 days prior to the beginning of the term of the policy or not less than 10 days prior to the expiration of each preceding policy that is being renewed or replaced, whichever date shall first occur.

8.2 Coverage.

(A) Casualty. All buildings and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property included in the common elements shall be insured for its value, all as determined annually by the board of directors of the Association. Such coverage shall afford protection against:

1. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

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

The policies shall state whether the following items are included within the coverage in order that unit owners may insure themselves if the items are not insured by the Association; heating and air conditioning equipment; service equipment, such as dish washer, laundry, refrigerator, oven, stove, water heater, whether or not those items are built in equipment; interior fixtures such as electrical or plumbing fixtures; floor covering except the floor slab; and inside paint and other inside wall finishes.

When appropriate and possible, the policies shall waive the insurer's right to subrogation against the Association and against the unit owners individually and as a group; the prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and 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.

(B) Public liability in such amounts and with such coverage as shall be required by the board of directors of the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover the liabilities of the unit owners as a group to a unit owner.

(C) Workmen's compensation policy to meet the requirements of law.

(D) Such other insurance as the board of directors of the Association shall determine from time to time to be desirable.

8.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense. Not less than 10 days prior to the date when a premium is due, evidence of the payment shall be furnished by the Association to each mortgagee listed in the roster of mortgages. Any institutional lender may require that the insurance premium due on any unit on which it has a mortgage be escrowed with it and that the insurance premium

due for that unit be made payable annually from the institutional lender to the Association, or require proof of payment by unit owner.

8.4 Insurance Trustees; Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to Citizens & Peoples National Bank of Pensacola as Trustee, or to such other bank in Florida with trust powers as may be designated as insurance trustee by the board of directors of the Association, which trustee is referred to in this instrument as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes elsewhere stated in this instrument and for the benefit of the unit owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

(A) 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.

(B) Units. Proceeds on account of damage to units shall be held in the following undivided shares:

1. When the building is to be restored - for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Association.

2. When the building is not to be restored - An undivided share for each unit owner, such share being the same as the undivided share in the common elements appurtenant to his unit.

(C) Mortgagees. 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 interests may appear; provided, however, that no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the unit owner and mortgagee pursuant to the provisions of this Declaration.

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

(A) Expense of the Trust. All expenses of the Insurance Trustee shall be paid first, or provision made for such payment.

(B) 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 cost of such 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.

(C) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the remaining insurance proceeds shall be used first to satisfy the liens of existing mortgagees and second, to accomplish the leveling and cleaning of the property and the hauling away of any debris which may remain. Any remaining insurance proceeds shall be distributed to the beneficial owners. This provision is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(D) Certificate. In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the unit owners, but with respect to mortgagees of any units, the Insurance Trustee must include on disbursement checks for any units, the names of all mortgagees giving notice to the Insurance Trustee that they have a mortgage on said units and the names of all mortgagees reflected on any mortgagee endorsements or memoranda of insurance issued with respect to said units.

8.6 Association as Agent. The Association is irrevocably appointed agent for each unit owner and for each owner of a mortgage or other lien upon a unit and for each owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

9. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

9.1 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:

(A) 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.

(B) Condominium Building. If the damaged improvement is the condominium buildings, 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.

9.2 Plans and Specification. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached as exhibits; or if not, then according to plans and specifications approved by the board of directors of the Association, and if the damaged property is the condominium buildings, by the owners of not less than 75% of the common elements, including the owners of all damaged units, and the owners of all mortgages covering said units, which approval shall not be unreasonably withheld.

9.3 Responsibility. If the damage is only to those parts of 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.

9.4 Estimates of Costs. Immediately after damage to property for which the Association has the responsibility for reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

9.5 Assessments. If the proceeds of 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 who own the damaged units, and against all 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.

9.6 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:

(A) Association. If the total of assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair that 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 assessment and disburse them in payment of the costs of reconstruction and repair.

(B) 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 assessments 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:

1. Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair that 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 that is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such funds shall be disbursed in the manner provided for the reconstruction and repair of major damage.

2. Association - Major Damage. If the amount of the estimated costs of reconstruction and repair that 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.

3. 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 mortgagee endorsement as to the unit, then to the unit owner and the mortgagee jointly, who may use such proceeds as they may be advised.

4. Surplus. It shall be presumed that the first moneys disbursed in payment of costs of 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 dis-

SANTA ROSA COUNTY, FLA.
BOOK 545 PAGE 17

tribution to a beneficial owner that is not in excess of assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

5. Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether or not sums paid by the unit owner 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 the payee nor the amount to be paid. 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 required in this instrument 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 that is the beneficiary of an insurance policy whose proceeds 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.

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10. USE RESTRICTIONS: The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and the condominium building in useful condition exists upon the land.

10.1 Units. Each of the units shall be occupied only by a family, its servants and guests, as a residence and for no other purpose. Except as reserved to Developer, no unit may be divided or subdivided into a smaller unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the units to be affected.

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

10.3 Nuisances. No nuisances shall be allowed upon the condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No unit owner shall permit any use of his unit or make any use of the common elements that will increase the cost of insurance upon the condominium property.

10.33
DOGS & CATS

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

10.5 Leasing. Entire units may be rented provided that the unit is used only as a residence; that the lease or rental period is for not less than seven consecutive days; that the unit is occupied by only one family having no more members than the unit is designed to accommodate; and provided that such use by the tenant or tenants does not create a nuisance. An owner may lease or rent his own unit himself to any lessee provided that he provides the Association with the names of all the tenants. All lessees are subject to the provisions of the Declaration and the By-Laws and failure to comply with said provisions shall be a default under any lease of any unit.

1987 #3

1984 #1

1985 #2

1988 #4

1984 #1

1985 #2

1987 #3

10.55 LEASING

1988 #4

DELETED 10.55

ADDED SECTION 19 (SEE)

10.6 Regulations. Reasonable regulations concerning the use of condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all unit owners and residents of the condominium upon request.

10.7 Proviso. Provided, however, that until Developer has completed all of the contemplated improvements and closed the sales of all of the units of the condominium, neither the unit owners nor the Association nor the use of the condominium property shall interfere with the completion of the contemplated improvements and the sale of the units. Developer may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property and the display of signs.

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SANTA ROSA COUNTY, FLA.

11. MORTGAGE: Each unit owner may mortgage his unit or any interest in it without the approval of the Association. Every mortgagee shall have all of the rights set forth in this Declaration, in the By-Laws and all of the additional rights as set forth in paragraph 18 of this Declaration.

12. COMPLIANCE AND DEFAULT. Each unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation and By-Laws and the Regulations adopted pursuant to those documents, and all of such as they may be amended from time to time. Failure of a unit owner to comply with such documents and regulations shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Condominium Act:

12.1 Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or 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. A unit owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances, or of the common elements, by the unit owner.

12.2 Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a unit owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the By-Laws, or the Regulations adopted pursuant to them, and the documents and Regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the court.

12.3 No Waiver of Rights. The failure of the Association or any unit owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Association, the By-Laws or the Regulations shall not constitute a waiver of the right to do so thereafter.

13. AMENDMENT. Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

13.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

13.2 A resolution for the adoption of a proposed amendment may be proposed by either the board of directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.

1984 #1

1987 #3

2002 #6

Except as elsewhere provided, such approvals must be either by:

(A) Not less than 75% of the entire membership of the board of directors and by not less than 75% of the votes of the entire membership of the Association; or

(B) Not less than 80% of the votes of the entire membership of the Association; or

(C) Until the first election of directors, only by all of the directors, provided the amendment does not increase the number of units nor alter the boundaries of the common elements.

(D) Proviso. Provided, however, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units, unless the unit owners & their mortgagees so affected shall consent; and no amendment shall change any unit nor the share in the common elements appurtenant to it, nor increase the owners' share of the common expenses, unless the record owner of the unit concerned and all record owners of mortgages on such unit shall join in the execution of the amendment. Neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair after Casualty" unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment.

13.3 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Escambia County, Florida.

14. TERMINATION. The condominium may be terminated in the following manner in addition to the manner prescribed by the Condominium Act:

14.1 Agreement. The condominium may be terminated at any time by the approval in writing of all record owners of units and all record owners of mortgages on units. If the proposed termination is submitted to a meeting of the members of the Association, and the notice of the meeting gives notice of the proposed termination, and if the approval of the owners of not less than 75% of the common elements, and of the record owners of all mortgages upon the units, are obtained in writing not later than 30 days after the date of such meeting, then the approving owners shall have an option to buy all of the units of the other owners for the period ending on the 60th day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approval shall be irrevocable. The option shall be upon the following terms:

(A) Exercise of Option. The option shall be exercised by delivering or mailing by registered mail to each of the record owners of the units to be purchased an agreement to purchase signed by the record owners of units who will participate in the purchase. Such agreement shall indicate which units will be purchased by each participating owner and shall require the purchase of all units owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(B) Price. The sales price for each unit shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement, and in the absence of agreement as to price it shall be determined by arbitration in accordance with the then-existing 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.

(C) Payment. The purchase price shall be paid in cash.

(D) Closing. The sale shall be closed within 10 days following the determination of the sale price.

14.3 Certificate. The termination of the condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its president and secretary certifying as to facts affecting the termination, which certificate shall become effective upon becoming recorded in the public records of Escambia County, Florida.

14.4 Shares of Owners after Termination. After termination of the condominium, the unit owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares that shall be the same as the undivided shares in the common elements appurtenant to the owners' units prior to the termination.

14.5 Amendment. This section concerning termination cannot be amended without consent of all unit owners and of all record owners of mortgages upon the units.

15. TRANSFER OF CONTROL. As units of the condominium are sold by the Developer, control of the Association shall be transferred from the Developer to the unit owners in the following manner:

15.1 When unit owners, other than the Developer, own 15% or more of the units, the unit owners, other than the Developer, shall be entitled to elect not less than 1/3 of the members of the Board of Directors of the Association. Unit owners, other than the Developer, shall be entitled to elect not less than a majority of the members of the Board of Directors of the Association three years after sales by the Developer have been closed of 50% of the units that will be operated ultimately by the Association, three months after sales have been closed by the Developer of 90% of the units that will be operated ultimately by the Association, or when all of the units that will be operated ultimately by the Association have been completed, some of them have been sold, and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall be entitled to elect not less than one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least 5% of the units in the condominium operated by the Association.

15.2 Within 60 days after unit owners other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call, and give not less than 30 days' or more than 40 days' notice of a meeting of the unit owners for this purpose. Such meeting may be called and the notice given by any unit owner if the Association fails to do so.

15.3 If a 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:

(A) Assessment of the Developer as a unit owner for capital improvements.

(B) Any action by the Association that would be detrimental to the sales of units by the Developer; provided, an increase in assessments for common expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of units.

16. SEVERABILITY. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration and the Articles of Incorporation, By-Laws and Regulations of the Association shall not affect the validity of the remaining portions.

1988 #4

17. CONDEMNATION.

17.1 Deposit of awards with Insurance Trustee.

The taking of condominium property by condemnation shall be deemed to be a casualty, and the awards for 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 the 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 directors of the Association 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 owner.

SANTA ROSA COUNTY, FLA.

BOOK 545 PAGE 22

17.2 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 a casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

17.3 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 a 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 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 provided for disbursement of funds by the Insurance Trustee after a casualty.

17.4 Unit reduced but tenantable. If the taking reduces the size of a unit and the remaining portion of the unit can be made tenantable, the award for the 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 tenantable. 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 shares 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.

17.5 Unit made untenable. If the taking is of the entire unit or so reduces the size of a unit that it cannot be made tenantable, 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:

SANTA ROSA COUNTY, FLA.

a. Payment of award. The market value of the unit immediately prior to the taking shall be paid to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and mortgagees.

b. Addition to common elements. The remaining portion of the unit, if any, shall become a 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 directors of the Association; 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 a 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 effected 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 a unit prior to the taking cannot be determined by agreement between the unit owner and the mortgagees of the unit and the Association within 30 days after notice by either party, the value shall be determined by arbitration in accordance with the then existing 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 upon the decision rendered by the 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.

17.6 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 directors of the Association; 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 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 mortgagees of the unit.

17.7 Amendment of declaration. The changes in units, in the common elements and in the ownership of the common elements that are effected by condemnation shall be evidenced by an amendment of the declaration of condominium that need be approved only

by a majority of all directors of the Association.

18. ADDITIONAL RIGHTS OF MORTGAGEES. In addition to the rights and privileges expressly granted to the mortgagees of condominium units in other Articles of this Declaration of Condominium and by the By-Laws, each and every mortgagee shall have the following rights and entitlements:

1988 #4 18.1 Financial Statements. The right to examine the books and records of the Association and to be furnished with at least one copy of an 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, with such Financial Statement and Report to be furnished within 90 days following the end of each calendar year.

18.2 Insurance approval. Each insurance policy and the agency and company issuing the policy shall be subject to approval by the institutional mortgagee that, according to the roster of mortgagees at the time for approval, is the owner and holder of the oldest unsatisfied mortgage held by such an institution upon a unit covered by the policy. The approval may be obtained by directing to the mortgagee having the right of approval a request in writing for approval or disapproval within 10 days after the receipt of the request; and if a response from the mortgagee is not received within that 10 day period, the request shall be deemed to be approved. An approval shall not be unreasonably withheld or denied.

18.3 Copies of insurance policies to mortgagees and notice of cancellation. One copy of each insurance policy and of all endorsements on it shall be furnished by the Association to each mortgagee included on the mortgagee roster who holds mortgages upon units covered by the policy. The copy shall be furnished not less than 10 days prior to the beginning of the term of the policy or not less than 10 days prior to the expiration of each preceding policy that is being renewed or replaced, whichever date shall first occur. Every mortgagee shall be given an endorsement to the policies covering the Common Elements requiring that such mortgagee be given any notice of cancellation provided for in such policy.

18.4 Right to pay insurance premiums. Should the Association fail to pay any insurance premiums when due, or should the Association fail to comply with other insurance requirements of the mortgagee(s) said 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.

18.5 Exemptions. Any mortgagee which acquires title to a unit through foreclosure or deed in lieu of foreclosure, shall take the property free of any claim for unpaid assessments or charges against the mortgaged unit which became due prior to acquisition of title as a result of said foreclosure or deed in lieu of foreclosure; except for claims secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage; and except for claims for a pro-rata share of any such previous assessment for which a claim of lien was not recorded, in common with the other unit owners, which claim becomes a common expense.

18.6 Notices. The Association shall give written notice to every first mortgagee that requests the same of all meetings of the Association and such mortgagees shall be permitted to designate a representative to attend all such meetings.

1987 #3

SECTION 19 APPROVAL OF PURCHASES, LESSEES
AND TRANSFERS

SANTA ROSA COUNTY, FLA.

IN WITNESS WHEREOF, Eugene W. Lambert, Sr., Eugene W. Lambert, Jr. and Robert C. Seaver have executed this Declaration this 15th day of January, 1981.

Signed, sealed and delivered in the presence of:

Two Witnesses ✓ James M. White
✓ Frankie P. McDonald
As to Lambert, Sr.

Two Witnesses ✓ James M. White
✓ Frankie P. McDonald
As to Lambert, Jr.

Two Witnesses ✓ James M. White
✓ Frankie P. McDonald
As to Seaver

Eugene W. Lambert, Sr.
Eugene W. Lambert, Sr.

Eugene W. Lambert, Jr.
Eugene W. Lambert, Jr.

Robert C. Seaver
Robert C. Seaver

STATE OF Florida
COUNTY OF Franklin

The foregoing instrument was acknowledged before me this 15th day of January, 1981 by Eugene W. Lambert, Sr.

✓ James M. White
Notary Public
State and County Shown Above

My Commission Expires: 12-17-83
(Notary seal)

STATE OF Georgia
COUNTY OF Wilkes

29th The foregoing instrument was acknowledged before me this day of January, 1981 by Eugene W. Lambert, Jr.

William Miller
Notary Public
State and County Shown Above

My Commission Expires: 5-8-82
(Notary seal)

STATE OF Georgia
COUNTY OF Wilkes

29th The foregoing instrument was acknowledged before me this day of January, 1981 by Robert C. Seaver.

William Miller
Notary Public
State and County Shown Above

My Commission Expires: 5-8-82
(Notary seal)

JOINDER OF MORTGAGEE

SANTA ROSA COUNTY, FLA.

CHAMPLAIN VALLEY FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of the United States of America, the owner and holder of that certain mortgage upon the lands in Santa Rosa County, Florida, described in said mortgage and in paragraph 1.2 of the Declaration of Condominium, which mortgage is dated May 30, 1979, recorded in Official Record Book 476, at page 142, and rerecorded in Official Record Book 479, at page 790 of the public records of Santa Rosa County, Florida, and modified by instruments of record in Official Record Book 496, at page 172 and Official Record Book 509, at page 250, of the public records of Santa Rosa County, Florida, and in the principal sum of \$860,000.00, and pursuant to the provisions of Chapter 718, Florida Statutes, which require that all persons having any record interest in any mortgage encumbering the interest in the land being submitted to condominium ownership must join in or consent to the execution of the Declaration, does hereby join in and consent to the Declaration of Condominium of Sailwind, a Condominium, for the purpose of subjecting the fee simple estate in the land described herein to condominium form of ownership, and agrees that the lien of said mortgage shall hereafter encumber each and every of the units as set forth in said Declaration, including, but not limited to, all of the undivided shares in the common elements.

IN WITNESS WHEREOF, Champlain Valley Federal Savings and Loan Association, in pursuance of due and legal action of its stockholders and Board of Directors, has executed these presents, causing its name to be signed by its President and its corporate seal to be affixed hereto this 22nd day of January, 1981.

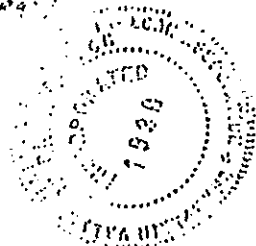
CHAMPLAIN VALLEY FEDERAL SAVINGS
AND LOAN ASSOCIATION

By: Warren L. Chase
Its President

Signed, sealed and
delivered in the
presence of:

Michael R. Harris
Bernard A. King

(Corporate Seal)



STATE OF NEW YORK
COUNTY OF CLINTON

Before the subscriber, duly commissioned, qualified and acting as Notary Public, in and for said State and County, personally appeared Warren L. Chase, known to me to be the individual described by said name who executed the foregoing instrument, and to be the President of the Champlain Valley Federal Savings and Loan Association, a corporation, and acknowledged and declared that he as President of said corporation, and being duly authorized by it, signed its name and affixed its seal to and executed the said instrument for it and as its act and deed.

Given under my hand and official seal this 22nd day of January, 1981.

Thomas A. Robinson
Notary Public

My Commission Expires: March 30, 1982



THOMAS A. ROBINSON
Notary Public, State of New York
Qualified in Clinton County
Commission Expires March 30, 1982

UNITED AMERICAN BANK OF NASHVILLE, a corporation under the laws of the State of Tennessee, the owner and holder of a mortgage upon the lands in Santa Rosa County, Florida, described in said mortgage and in paragraph 1.2 of the Declaration of Condominium, which mortgage is dated January 5, 1981 and recorded in Official Record Book 532, at page 65, as modified by Note and Mortgage Modification Agreement dated February 3, 1981 and recorded in Official Record Book 537, at page 110, of the public records of Santa Rosa County, Florida, and pursuant to the provisions of Chapter 718, Florida Statutes, which requires that all persons having any record interest in any mortgage encumbering the interest in the land being submitted to condominium ownership must join in or consent to the execution of the Declaration, does hereby join in and consent to the Declaration of Condominium of Sailwind, a Condominium, for the purpose of subjecting the fee simple estate in the land described herein to condominium form of ownership, and agrees that the lien of said mortgage shall hereafter encumber each and every of the units or apartments as set forth in said Declaration, including, but not limited to, all of the undivided shares of the common elements.

IN WITNESS WHEREOF, United American Bank of Nashville, in pursuance of due and legal action of its stockholders and Board of Directors, has executed these presents, causing its name to be signed by its Vice President and its corporate seal to be affixed hereto this 2nd day of February, 1981.

Signed, sealed and delivered in the presence of:

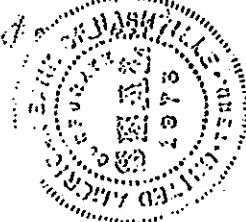
UNITED AMERICAN BANK OF NASHVILLE

By: Frank St. Charles, Jr.
Executive Vice President

*For
Witness*

Kathleen W. Martin
J. Ronald Martin

(Corporate Seal)



STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before the subscriber, duly commissioned, qualified and acting as Notary Public, in and for said state and county shown above, personally appeared Frank St. Charles, known to me to be the individual described by said name who executed the foregoing instrument and to be the Executive Vice President of United American Bank of Nashville, a corporation, and acknowledged and declared that he as Executive Vice President of said corporation, and being duly authorized by it, signed its name and affixed its seal to and executed the said instrument for it and as its act and deed.

Given under my hand and official seal this 2nd day of February, 1981.

John Michael Kelly
Notary Public
State and County shown above
My Commission Expires: 2/22/84

(Notary Seal)