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557.00 + 70.00

DECLARATION OF CONDOMINIUM
OF
LA BAHIA
A CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM, made this 23rd day of October, 1987, by THE CONSTRUCTION COMPANY OF PENSACOLA, INC., hereinafter referred to as "Developer", for itself, its successors, grantees and assigns, to its grantees and assigns, and their heirs, successors and assigns, and is hereby joined in by the SANTA ROSA ISLAND AUTHORITY, an agency of Escambia County, Florida, hereafter referred to as the "Authority".

W I T N E S S E T H:

THAT WHEREAS, the Developer is the owner of a 99-year leasehold interest in the following described property located in Escambia County, Florida to-wit:

See EXHIBITS "A" AND "B" which are attached hereto and by this reference made a part hereof.

AND WHEREAS, the Developer, in accordance with Chapter 718.403, Florida Statutes, desires to develop LA BAHIA, A CONDOMINIUM, in two phases, Phase I and Phase II, to be located on the lands described in Exhibits "A" and "B", respectively.

AND WHEREAS, the Developer desires to submit the leasehold interest in the real property described in Exhibit "A" and all improvements now or hereafter constructed thereon to condominium ownership and use, pursuant to Chapter 718, Florida Statutes, hereinafter called "The Condominium Act,"

NOW, THEREFORE, THE CONSTRUCTION COMPANY OF PENSACOLA, INC. hereby makes the following declarations:

1. THE PROPERTY: A 99-year leasehold interest, beginning March 16, 1977, in that real property located in Escambia County, Florida, described on Exhibit "A" hereto, together with all improvements now or hereafter constructed thereon, is hereby submitted to condominium ownership and use to be known as LA BAHIA, A CONDOMINIUM, Phase I, which shall be managed, handled and controlled by a non-profit corporation, LA BAHIA CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the Association. The Association is a not for profit corporation which will manage, handle and control LA BAHIA, A CONDOMINIUM, Phases I and II, which will ultimately contain 35 units and be constructed on the property described in Exhibits "A" and "B". NO UNITS WILL BE SOLD ON A "TIME SHARE" BASIS. DEVELOPER IS NOT LEGALLY OBLIGATED TO CONSTRUCT PHASE II AND IF NOT CONSTRUCTED, THE PROPERTY DESCRIBED IN EXHIBIT "B" WILL NOT BE A PART OF LA BAHIA, A CONDOMINIUM AND MAY BE DEVELOPED AND USED FOR ANY LAWFUL PURPOSE WHICH MAY BE APPROVED BY THE SANTA ROSA ISLAND AUTHORITY.

It is expressly understood that the property shown on Exhibit "B", which Developer hopes to submit to condominium ownership and use at a future date as LA BAHIA, A CONDOMINIUM, Phase II, is not hereby submitted to condominium ownership. It should also be noted that the original Ground Lease, as amended, covers property not subject to this Declaration of Condominium as either Phase I or Phase II and the owner of same is free to develop it according to his election pursuant to said Lease.

2. DEFINITIONS: The terms used in this Declaration and in Exhibits thereto shall have the meanings stated in Section 718.103, Florida Statutes, and as follows:

A. "Association" shall mean the LA BAHIA CONDOMINIUM ASSOCIATION, INC., a corporation not for profit organized under the laws of the State of Florida, and its successors.

B. "Common expenses" shall include:

- (1) a. Expenses of Administration;
 - b. Expenses of maintenance, operation, repair or replacement of the common elements and any portions of the units to be maintained by the Association;
 - c. Expenses of maintaining and operating any other property or improvements in which the Association owns an interest and which property or improvements are reasonably related to the operation of the condominium; and
 - d. Reasonable reserves for replacement of the items set forth in subparagraph (b) and (c) of this paragraph 2 B (1).
- (2) Expenses declared to be common expenses by the provisions of this Declaration or by the By-Laws of the Association.
- (3) Any valid charge against the Condominium property as a whole.

C. "Condominium" means all of the condominium property as a whole when the context so permits, as well as the meaning stated in the Condominium Act.

D. "Santa Rosa Island Authority" is an agency of Escambia County, Florida which has the power, authority and interest to grant leaseholds on that property described in Exhibits "A" and "B".

E. "Unit Owner" means a unit owner as defined in the Condominium Act; provided, however, that a unit owner shall in this instance be a Sub-Lessee of the remainder of a 99-year Lease held by Developer at the time of this Declaration, which Lease was granted on March 16, 1977, by the Santa Rosa Island Authority and which 99-year term began on March 16, 1977.

F. "Institutional Mortgagee" means banks, savings and loan associations, insurance companies, Federal National Mortgage Association, FHA approved lenders and bankers, and real estate investment trusts.

G. "Lease" shall mean that 99-year Lease and all amendments thereto, attached as Exhibit "C" to this Declaration.

H. Limited Common Elements means and includes those common elements which are reserved for the use of a certain unit to the exclusion of other units. The only common elements in LA BAHIA, A CONDOMINIUM, designated as Limited Common Elements are covered parking under each unit, storage compartments adjacent to the covered parking and decks outside of each unit.

3. PHASE DEVELOPMENT PLANS: The Developer is committed to developing LA BAHIA, A CONDOMINIUM, in two phases. This Declaration submits Phase I to condominium ownership. Phase I shall be completed and ready for occupancy no later than October 1, 1987. Phase II of the condominium, which shall be completed at Developer's sole option by October 1, 1992, is described in Exhibit "E". Phase I is described and established as follows:

A. A survey and plot plan of the land in Phase I, locating, showing and explaining in detail the improvements thereon is attached as Exhibit "D". All information required by Florida Statutes 718.104(4)(e) shall be attached to Exhibit "D", to include a survey and surveyor's certificate upon substantial completion of Phase I.

B. The improvements are to be constructed substantially in accordance with the plans and specifications for such prepared by James D. Dodds, AIA, Architect, 7414 Perkins Road, Baton Rouge, Louisiana 70898, entitled LA BAHIA, A CONDOMINIUM. These plans and specifications may be inspected upon request by prospective unit purchasers.

C. Phase I of the Condominium consists of two (2) buildings as shown on the Plot Plan. The building which fronts on the water will contain eight (8) units and the easterly-most building will contain fourteen (14) units, all of which are subject to private ownership in Phase I. In addition, there will be a non-heated irregular-shaped

swimming pool ranging in depth from 3 feet to 6 feet and having a dimension of approximately 20' X 40' and a cabana of approximately 14' X 14', all of which will be situated upon and surrounded by a concrete deck with approximate dimensions of 93' X 35'. The buildings and dwelling units and other improvements, and their locations are shown on the Plot Plan in Exhibit "D" and are described in detail in Exhibit "D". Where there is attached to the Building a balcony, loggia, terrace, canopy, stairway, or other portion of the building serving the unit being bounded, the boundary of such unit shall be deemed to include all of such structures and any fixtures thereon. Each such unit is and shall continue to be identified by number as shown on said Exhibit "D" so that no unit bears the same designation as does any other unit. Each unit consists of the space bounded by the vertical projections of the unit boundary lines as shown on said Exhibit "D" between the horizontal planes at the unfinished floor and ceiling elevations, also as shown on Exhibit "D". Notwithstanding the location of the unfinished walls, ceilings and floors as shown on Exhibit "D", hereto attached, the actual location of the unfinished walls, ceiling and floors, as the same from time to time may exist, shall govern.

D. The common elements shall include the land and all other parts of the Condominium not included within the units.

E. Personal property provided by the Developer in Phase I is as follows:

No personal property will be supplied by Developer in Phase I.

F. The Developer's commitment to phase development of LA BAHIA, A CONDOMINIUM, will have the following affects:

(1) Ownership in the common elements of Phase I shall be vested in the 22 unit owners of Phase I as set forth below, subject to being reduced as set forth below upon the completion of Phase II.

PHASE I

<u>Unit No.</u>	<u>Unit Type</u>	<u>% Ownership Share</u>
114	A	.0706
115	B	.0588
116	B-1	.0588
117	B	.0588
118	B-1	.0588
119	B	.0588
120	B-1	.0588
121	A-1	.0706
122	A-1	.0706
123	C-1	.0304
124	C	.0304
125	C-1	.0304
126	C	.0304
127	C-1	.0304
128	C	.0304
129	A	.0706
223	C-1	.0304
224	C	.0304
225	C-1	.0304
226	C	.0304
227	C-1	.0304
228	C	.0304
TOTAL		1.0000

Upon completion and dedication to condominium of Phase II, unit owners in both phases shall own the following undivided percentage shares of the common elements in both completed phases:

PHASES I AND II COMBINED

<u>Unit No.</u>	<u>Unit Type</u>	<u>% Ownership Share Each Unit</u>
101	A	.0389
102	B	.0324
103	B-1	.0324
104	B	.0324
105	B	.0324
106	B-1	.0324
107	A-1	.0389
108	A-1	.0389
109	B-1	.0324
110	B	.0324
111	B-1	.0324
112	B	.0324

PHASES I AND II COMBINED (Continued)

<u>Unit No.</u>	<u>Unit Type</u>	<u>% Ownership Share Each Unit</u>
113	A	.0389
114	A	.0389
115	B	.0324
116	B-1	.0324
117	B	.0324
118	B-1	.0324
119	B	.0324
120	B-1	.0324
121	A-1	.0389
122	A-1	.0389
123	C-1	.0169
124	C	.0169
125	C-1	.0169
126	C	.0169
127	C-1	.0169
128	C	.0169
129	A	.0389
223	C-1	.0169
224	C	.0169
225	C-1	.0169
226	C	.0169
227	C-1	.0169
228	C	.0169
TOTAL		<u>1.0000</u>

If Phase II is not completed by October 1, 1992, the unit owners in Phase I shall be vested with ownership of the undivided percentage shares of the common elements in Phase I as described above and the ownership shall not be divested by later development on the property described in Exhibit "B".

(2) If Phase II is not developed, the Developer has no obligation to furnish any of the common elements in Phase II as shown in Exhibit "D" and Paragraph (5) below. Developer may elect not to construct Phase II prior to October 1, 1992, and if so, may develop, sell or otherwise dispose of said property in any manner it chooses.

(3) Phase II will consist of the land described in Exhibit "B" upon which two buildings will be constructed as shown on the Plot Plan which will contain a total of thirteen (13) units.

(4) No personal property will be provided by Developer in Phase I.

(5) No personal property will be provided by Developer upon completion of Phase II.

(6) The affect of phase development on the Association is as follows:

a. Upon completion and sale of the units in Phase I, the unit owners shall have that percentage of control of the Association as provided in Chapter 718.301, Florida Statutes, with the owners of each unit having one vote per unit, for a total of twenty-two (22) votes.

b. Upon completion and dedication of Phase II to condominium ownership, membership in the Association shall increase by thirteen (13) members. Upon completion and dedication of the two phases, there shall be a maximum of thirty-five (35) members of the Association.

If Phase II is not completed by the date given for that phase in Paragraph 1 above, the maximum membership in the Association shall be and remain at the number of members which include one member per unit for Phase I previously completed and timely dedicated to condominium ownership.

Developer shall notify all members of the Association by certified mail of either the commencement of or the decision not to construct Phase II.

(7) Developer may, without the consent of any owner, mortgagee or any other party to this Declaration, amend this Declaration to dedicate the condominiums described in Exhibit "E" as Phase II of LA BAHIA, A CONDOMINIUM, by filing said amendment in accordance with Florida Statute 718.403; but in no event shall such amendment increase the number of units or the number of Association members beyond thirty-five (35).

4. AMENDMENT OF PLANS. Developer reserves the right to change the interior design and arrangement of all units, including the number of bedrooms, and to alter the boundaries between units, provided Developer owns the units so altered and provided further that prior written consent is obtained

from all mortgagees holding a mortgage affecting the units being so altered. An amendment to this Declaration reflecting such alteration by the Developer needs to be signed and acknowledged only by the Developer after such written consent, and need not be signed by the Association, unit owners, lienors, or mortgagees. No such change shall, however, increase the number of units nor materially alter the boundaries of the common elements without an amendment to this Declaration in the manner hereinafter provided, which amendment shall require the approval of all owners of units in LA BAHIA, A CONDOMINIUM.

5. EASEMENTS. Such easements are reserved throughout the Condominium property as may be required for utility services needed to serve the Condominium adequately; provided, however, such easements through a unit shall be only in accordance with the plans and specifications for the building containing said unit, or as the building is actually constructed, unless approved in writing by the unit owner and mortgagees of record. There is also created a non-exclusive easement 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. Developer reserves easements for public access to the Sound and also reserves the right to construct walkways for such access in areas which are requested by the Santa Rosa Island Authority; however, no such walkways or access easements shall overlap the boundaries of any unit.

6. SEWAGE TREATMENT. Sewage treatment will be provided by the Santa Rosa Island Authority.

7. COMMON ELEMENTS. There shall be appurtenant to each of the units an undivided share of the ownership of the common elements, subject to the aforementioned phase development, and membership in LA BAHIA CONDOMINIUM ASSOCIATION, INC. The percentage interest in the common elements

appurtenant to each unit upon completion of Phase I shall be as follows:

PHASE I

<u>Unit No.</u>	<u>Unit Type</u>	<u>% Ownership Share</u>
114	A	.0706
115	B	.0588
116	B-1	.0588
117	B	.0588
118	B-1	.0588
119	B	.0588
120	B-1	.0588
121	A-1	.0706
122	A-1	.0706
123	C-1	.0304
124	C	.0304
125	C-1	.0304
126	C	.0304
127	C-1	.0304
128	C	.0304
129	A	.0706
223	C-1	.0304
224	C	.0304
225	C-1	.0304
226	C	.0304
227	C-1	.0304
228	C	.0304
TOTAL		1.0000

Upon completion and sale of all units in Phase II, the percentage interest in the common elements appurtenant to each unit shall be as follows:

PHASES I AND II COMBINED

<u>Unit No.</u>	<u>Unit Type</u>	<u>% Ownership Share Each Unit</u>
101	A	.0389
102	B	.0324
103	B-1	.0324
104	B	.0324
105	B	.0324
106	B-1	.0324
107	A-1	.0389
108	A-1	.0389
109	B-1	.0324
110	B	.0324
111	B-1	.0324
112	B	.0324
113	A	.0389
114	A	.0389
115	B	.0324
116	B-1	.0324
117	B	.0324
118	B-1	.0324
119	B	.0324
120	B-1	.0324
121	A-1	.0389
122	A-1	.0389
123	C-1	.0169
124	C	.0169

PHASES I AND II COMBINED (Continued)

<u>Unit No.</u>	<u>Unit Type</u>	<u>% Ownership Share Each Unit</u>
125	C-1	.0169
126	C	.0169
127	C-1	.0169
128	C	.0169
129	A	.0389
223	C-1	.0169
224	C	.0169
225	C-1	.0169
226	C	.0169
227	C-1	.0169
228	C	.0169
TOTAL		1.0000

The common elements in Phase II are described in Exhibit "F".

8. COMMON EXPENSES AND SURPLUS. Each unit owner shall be liable for a proportionate share of the common expenses and entitled to a proportionate share of the common surplus, such share being the same as the undivided share in the common elements appurtenant to his unit. The share of a unit owner will vary according to the number of phases completed.

9. THE ASSOCIATION. The operation of the Condominium shall be by the LA BAHIA CONDOMINIUM ASSOCIATION, INC., a corporation not for profit organized under laws of the State of Florida, of which each unit owner shall be required to be a member having one vote for each unit owned and which shall fulfill its functions pursuant to the following provisions:

A. A copy of the Articles of Incorporation of the Association is attached hereto as Exhibit "F" and by this reference made a part hereof.

B. The By-Laws of the Association shall be the By-Laws of the Condominium. A copy of said By-Laws is attached hereto as Exhibit "G" and by this reference made a part hereof.

C. Notwithstanding the duties 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 other unit owners or persons.

9. A member's share in the funds and assets held by the Association may not be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

10. MAINTENANCE AND ALTERATION. Responsibility for the maintenance of the Condominium property, and restrictions upon its alteration and/or improvement are as follows:

A. Units.

(1) The Association shall maintain, repair and replace at the Association's expense, all portions of a unit, except the interior surfaces, contributing to the support of the building containing said unit, which portions shall include, but not be limited to, the outside walls of the building and all fixtures on its exterior (provided that windows, screens and doors shall be the responsibility of the unit owners as provided below), boundary walls of the unit, floor and ceiling slabs and roof tops, load-bearing columns and load-bearing walls; all conduits, ducts, plumbing, fireplace chimneys, if any, wiring and other facilities for the furnishing of utility services contained in the portions of the unit maintained by the Association; and all such facilities contained within the unit which service a part or parts of the Condominium other than the unit within which contained. All incidental damage caused to a unit by such work shall be repaired promptly at the expense of the Association.

(2) A unit owner shall maintain, repair and replace at his expense, all portions of his unit (including the terrace, balcony and railing thereon and all heating and air conditioning located in the unit and on the roof and/or ground which services the unit) except the portions to be maintained, repaired and replaced by the Association. Such work shall be accomplished without interference with the rights of the other unit owners. No unit owner or resident of the Condominium shall paint, decorate or otherwise change the appearance of any portion of the exterior of any building without consent of the Association. Each unit owner shall promptly report to the Association any defect or need for repairs for which the Association is responsible.

(3) Except as hereinbefore reserved to Developer, no alteration or addition shall be made to any portion of a unit or building which is to be maintained and repaired by the Association without first obtaining the written approval of all owners whose units are to be affected and the approval of the Board of Directors of the Association. A copy

of plans for any such alteration or addition prepared by an architect licensed to practice in the State of Florida shall be filed with the Association prior to commencement of the work.

B. Common Elements and Limited Common Elements.

(1) The maintenance and operation of the common elements and limited common elements and any other property or improvements in which the Association owns an interest shall be the responsibility of the Association, except unit owners shall maintain the terrace, balcony or deck and railing which serves their unit only.

(2) After completion of the improvements included in the common elements contemplated by this Declaration and the Exhibits thereto, there shall be no alteration or further improvement of said common elements, except for construction of Phase II, without prior written approval of the owners of not less than 60 percent (60%) of the common elements and consent of the mortgagees of record. No such alteration or improvement shall interfere with the rights of any unit owner without his consent and consent of the mortgagees of record. No assessment for the cost of any such work shall be levied against any institutional investor which acquires title as a result of owning a mortgage upon a Condominium parcel and which assessment became due prior to the investor taking title, regardless of whether title is acquired by deed from the mortgagor or through foreclosure proceedings, unless such owner shall approve the alteration or improvement in writing; however, an institutional investor shall not be excused from any such assessment which becomes due subsequent to the investor taking title to the condominium unit. The portion 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 the total common elements less the part owned by the institutional investor or investors. There shall be no change in the share or rights of a unit owner in the common elements so altered or improved, whether or not the unit owner contributes to the cost of such alteration or improvement.

To facilitate and carry out the obligations of the Association for maintenance, repair and replacement as set forth in this paragraph 10, there is reserved unto the Association the right to enter in and upon any unit at any reasonable time.

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

A. Each unit owner shall be liable for a proportionate share of the common expenses, and shall share

in the common surplus, such shares being the same as the undivided share in the common elements appurtenant to the unit owned by him.

B. Assessments and/or installments thereof, which are paid on or before ten (10) days after the date when they become due and payable shall not bear interest, but thereafter such sums shall bear interest at the rate of ten percent (10%) per annum from the date when they became due and payable until paid and there shall be added (in addition to interest) to each assessment not paid within ten days of when it became due a late charge of \$10.00. All payments on account shall be applied first to late charges then to interest and then to the assessment payment first due. All assessments and interest thereon which remains unpaid after such ten-day period shall become a lien as of the time and date, but not before, such lien is recorded in the Public Records of Escambia County, Florida. Any such lien shall also be in compliance with Chapter 718.116(4)(a), Florida Statutes.

C. The lien for unpaid assessments shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

D. In the event any legal proceedings are instituted to foreclose a lien for assessments, the Association upon bringing such proceedings shall be entitled as a matter of right to the appointment of a receiver, who shall be entitled immediately to take possession of said unit under the supervision of the court conducting the foreclosure proceedings, and in the event the receiver allows the owner of the unit to remain on the subject property, the owner shall pay a reasonable rental for the unit to the receiver for the benefit of the Association and the owner, said rental

to be applied first to the payment of delinquent assessments, court costs, attorneys' fees and any other fees, and then to the mortgagee to the extent of any delinquency, and then to the owner.

E. When any mortgagee of record or other purchaser obtains title to a unit as a result of foreclosure of any mortgage on that unit or as a result of a deed given in lieu of foreclosure, such acquirers of title shall not be liable for any share of condominium expenses or assessments of any kind made by the Association on that unit or unit owner prior to the acquisition of title, unless that unit's share of assessments and expenses is secured by a claim of lien which was recorded prior to the recording of the foreclosed mortgage.

The unpaid share of assessments and common expenses are common expenses which are collectible from all unit owners including such acquirer.

The Developer and/or the Association may require any and all reports necessary from unit owners in order to properly maintain records and calculate amounts due to the Santa Rosa Island Authority for rental payments under the Ground Lease, as amended, attached hereto as Exhibit "C".

12. USE OF CONDOMINIUM PROPERTY. The use of the condominium property and other property and improvements in which the Association owns an interest shall be in accordance with the following provisions as long as the Condominium exists and the buildings containing the Condominium units remain in useful condition upon the land:

A. Each of the units shall be occupied or rented, as a residence and for no other purpose; and except as hereinbefore reserved to Developer, no unit may be divided or subdivided into a smaller unit, nor may any portion thereof be sold or otherwise transferred, without first amending this

Declaration as hereinabove provided to show the changes to be effected in the units.

B. The common elements and limited common elements and any property in which the Association owns an interest shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment and use of the residents of the Condominium.

C. No nuisances shall be allowed or permitted upon the Condominium property or any property in which the Association owns an interest, nor shall any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium property or any property in which the Association owns an interest by the residents thereof be allowed or permitted. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed or permitted to accumulate nor any fire hazard allowed or permitted to exist. No unit owner shall make or permit any use of his unit or make or permit any use of the common elements or limited common elements or any property in which the Association owns an interest which shall increase the cost of insurance on the property.

D. No immoral, improper, offensive or unlawful use shall be made of the Condominium property or any property in which the Association owns an interest, nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

E. Reasonable regulations concerning the use of the Condominium property and other property in which the Association owns an interest may be made and amended from time to time by the Association in the manner provided in its Articles of Incorporation and By-Laws. Copies of such

regulations and amendments thereto shall be furnished by the Association to all unit owners, mortgagees of record and residents of the Condominium upon request.

F. Until the Developer has completed all of the contemplated improvements and closed the sales of all the units in both phases of the Condominium, neither the unit owners, contract purchasers nor the Association, nor their use of the condominium property, shall interfere with the completion of the contemplated improvements or the sale of the units. Developer may make such use of any unsold units and common areas as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the property, display of signs, and storage of materials.

G. Unit owners shall show no sign, advertisement or notice of any type on the common elements, or in or upon his unit and shall erect no exterior antenna or aerials upon any portion or part of his unit or the common elements.

H. All exterior windows shall be free from obstruction except curtains or drapery lined in white.

I. Unit owners shall not hang clotheslines or similar devices from the balconies, decks, patios or terraces.

13. SUBJECT TO DECLARATION. Each unit owner and every resident of the condominium and all parties joining in this Declaration shall be subject to and shall comply with the terms and conditions of this Declaration and the Exhibits thereto and all regulations from time to time adopted pursuant to said documents, and all amendments thereto. Failure of a unit owner or resident of the Condominium to comply with the terms of said documents or regulations shall entitle the Association and/or other unit owners to the

following relief in addition to the remedies provided by the Condominium Act and by law.

A. Each unit owner shall be liable for the expense of any maintenance, repair or replacement of the condominium property or any property in which the Association owns an interest rendered necessary by his willful action or negligence or by the willful action or negligence 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 defrayed by the proceeds of insurance carried by the Association. Each unit owner shall pay to the Association the amount of any increase in its insurance premiums occasioned by the use, misuse, occupancy or abandonment of his unit or its appurtenances, or of the common elements of any property in which the Association owns an interest, by said owner or any resident of the unit.

B. In any proceeding arising out of an alleged failure of a unit owner or resident of the condominium to comply with the aforementioned documents or regulations, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

C. The failure of the Association, or any unit owner to enforce any covenant, restriction or other provision of the aforementioned documents or regulations shall not constitute a waiver of the right to do so thereafter.

14. AMENDMENTS. Except as reserved to the Developer in Paragraphs 3. and 4. hereof, the Declaration of Condominium may be amended only in the following manner:

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

B. 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 or disapproval in writing, provided such approval or disapproval is delivered to the Secretary at or prior to the meeting.

Approval of a proposed amendment must be either by:

(1) Not less than sixty percent (60%) of the entire membership of the Board of Directors and not less than sixty percent (60%) of the votes of the members of the Association voting at the particular meeting; or

(2) Not less than seventy-five percent (75%) of the votes of the entire membership of the Association; or

(3) All of the Directors (not just all of the Directors present) until the first election of the Board of Directors provided the amendment does not increase the number of units nor alter the boundaries of the common elements.

C. No amendment may be adopted which discriminates against any unit owner or against any unit or class or group of units, unless one hundred percent (100%) of the unit owners so affected consent thereto, and no amendment shall change or alter any unit or the share in the common elements appurtenant thereto, nor increase the unit owner's share of the common expenses, unless the record owner of a unit concerned and all record owners of the mortgages on such unit shall join in the execution of the amendment. Neither shall an amendment make any change in Paragraph 15 hereof (dealing with insurance) nor in Paragraph 16 hereof (dealing with repair and reconstruction after casualty), unless the record owners of all mortgages upon the Condominium property shall join in the execution of the amendment. In addition, no amendment may be adopted which alters any matters set forth

in Chapter 718.403, Florida Statutes, without 100% approval of all record owners of units in the Condominium.

D. Paragraph 17 of this Declaration (dealing with termination of the Condominium) may not be amended except upon written approval of all record owners of units in the Condominium and all record owners of liens or mortgages on the Condominium property.

E. A copy of each amendment adopted as hereinbefore provided shall be attached to a certificate certifying that said amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. Said copy and certificate shall be recorded by the Association in the Public Records of Escambia County, Florida, and an amendment shall be effective when said documents are so recorded.

15. INSURANCE. The casualty and liability insurance which shall be carried upon the Condominium property and the property of the Association and the unit owners shall be governed by the following provisions:

A. All insurance policies covering the Condominium property and any property in which the Association owns an interest shall be purchased by the Association for the benefit of the Association, the unit owners, the Santa Rosa Island Authority, the Sub-Lessor and their mortgagees as their respective interests may appear, and provisions shall be made for the issuance of mortgagee endorsements to the mortgagees of the unit owners and to the Santa Rosa Island Authority. Unit owners may obtain insurance coverage at their own expense upon their real and personal property and for their personal liability.

B. Coverage.

(1) All buildings and improvements upon the Condominium property and any property in which the Association owns an interest, and all personal property included in the common elements or owned

by the Association, shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use as the buildings and improvements on the land, including but not limited to, vandalism and malicious mischief, and flood insurance to the extent available. It shall be the duty of the Board of Directors of the Association to examine insurance coverage annually to insure that maximum coverage is maintained on all dwelling units. If a dwelling unit is destroyed and insurance proceeds are insufficient to rebuild it, the additional cost of rebuilding shall be paid by the Association even if a special assessment is required.

For purposes of this paragraph the word "buildings" wherever used in the hazard policy shall include, but shall not necessarily be limited to, fixtures, installations, or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed, or replacements thereof of like kind or quality, in accordance with the original plans and specifications. With respect to the coverage provided for by this paragraph, the unit owners shall be considered additional insureds under the policy.

OWNERS SHALL BE RESPONSIBLE FOR INSURANCE COVERAGE FOR ALL WALL, CEILING AND FLOOR COVERINGS WITHIN THEIR UNITS.

(2) Public liability insurance shall be purchased in such amounts and with such coverage as shall, from time to time, be required by the Board of Directors of the Association, including but not limited to, hired automobile and non-owned automobile coverage, and cross liability endorsements to cover liability of the unit owners as a group to a single unit owner.

(3) Such workmen's compensation coverage as may be required by law.

(4) Such other insurance as the Board of Directors may from time to time deem to be necessary.

C. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

D. All insurance policies purchased by the Association shall provide that all proceeds paid as a result

of property loss or damage shall be paid to the Association in trust, nevertheless, for the purposes and parties as set forth herein. Proceeds paid on account of damage or loss to the common elements or limited common elements or to property or improvements in which the Association owns an interest shall be held by the Association for the benefit of the unit owners, the Santa Rosa Island Authority, the Sub-Lessor and mortgagees, with each unit owner having an undivided share therein, such share being the same as the undivided share in the common elements appurtenant to his unit. Proceeds paid on account of damage or loss to all or a portion of the common elements or limited common elements surrounding a given unit or units shall be held for the benefit of the owners of units, the surrounding or abutting common elements of which were so damaged, their respective mortgagees, the Santa Rosa Island Authority and the Sub-Lessor as their interest may appear, in proportion to the cost of repairing or reconstructing such damaged common elements as they relate to the particular units or unit affected by such damage. Proceeds paid on account of total destruction of all buildings containing condominium units in LA BAHIA, A CONDOMINIUM, shall be held for the benefit of each unit owner, his mortgagee and the Santa Rosa Island Authority and the Sub-Lessor as their respective interest may appear, in the proportion of the undivided share in the common elements appurtenant to his unit. In the event that a mortgagee endorsement has been issued with respect to a unit, the share of the unit owner shall be held by the Association in trust for the Santa Rosa Island Authority, mortgagee, Sub-Lessor and the unit owner as their respective interests may appear.

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

(1) If the loss or damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost of such repair or reconstruction. Any proceeds remaining after the cost of such work has been defrayed shall be distributed to all unit owners and their mortgagees as their respective interests may appear, in the proportion of the undivided share in the common elements appurtenant to their respective units, remittances to each of such unit owners and their respective mortgagees being payable jointly to them. This paragraph constitutes a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(2) If it is determined in the manner hereinafter provided that the damage for which the proceeds are paid shall not be repaired or reconstructed, the proceeds shall be distributed to the unit owners, their mortgagees, the Santa Rosa Island Authority, and the Sub-Lessor as their respective interests may appear in the proportion of the undivided share in the common elements appurtenant to their respective units, remittances to each of such unit owners and their respective mortgagees being payable to them jointly with the Santa Rosa Island Authority and the Sub-Lessor. This paragraph constitutes a covenant for the benefit of any mortgagee of a unit, the Sub-Lessor and the Santa Rosa Island Authority, and may be enforced by such mortgagee or the Authority or Sub-Lessor.

F. The Association is irrevocably appointed agent for each unit owner and for each owner of a mortgage or other lien upon any unit and for each owner of any other interest in the Condominium property or any property in which the Association owns an interest, to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of such claim.

G. The Santa Rosa Island Authority shall have all rights accorded to said Authority in the Ground Lease and all amendments thereto attached hereto as Exhibit "C" as they pertain to insurance proceeds due to the Association, any unit owner, Sub-Lessor or the mortgagee of any unit or common element for the loss or damage to any unit or common element.

16. RECONSTRUCTION OF LOSS OR CASUALTY DAMAGE. If any part of the Condominium property or any property in which the Association owns an interest shall suffer loss or damage by

casualty whether or not it shall be repaired or reconstructed, shall be determined in the following manner:

A. If the damaged property is a part of the common elements or any property in which the Association owns an interest, it shall be repaired or reconstructed, unless it is determined in the manner hereinafter provided that the Condominium shall be terminated.

B. If the damaged properties are buildings containing condominium units, the damage shall be repaired or reconstructed if units to which twenty (20%) percent or more of the common elements or limited common elements of LA BAHIA, A CONDOMINIUM, are appurtenant are found by the Board of Directors of the Association to be tenantable, unless within sixty (60) days after the loss or damage it is determined in the manner hereinafter provided that the Condominium shall be terminated. The damaged property will not be repaired or reconstructed if units to which more than eighty (80%) percent of the common elements or limited common elements of LA BAHIA, A CONDOMINIUM, are appurtenant are found by the Board of Directors to be not tenantable, and in such case the Condominium will be terminated without agreement as hereinafter provided unless within sixty (60) days after the loss or damage the owners of eighty (80%) percent of the mortgagees of record, agree, in writing, to such repair or reconstruction.

C. Any repair or reconstruction must be substantially in accordance with the plans and specifications for the original improvement; 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 all units and mortgagees of record, the surrounding or abutting common

elements of which were so damaged, which approval shall not be unreasonably withheld.

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

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

F. If the insurance proceeds received by the Association are sufficient to defray the estimated cost of repair of the common elements or limited common elements or any property in which the Association owns an interest, or if at any time during repair or reconstruction, the funds for payment of the costs of repair or reconstruction are insufficient, assessments shall be made against all unit owners in the proportion of the undivided share in the common elements appurtenant to their respective units, in sufficient amounts to provide the necessary funds.

17. TERMINATION. The Condominium may be terminated in the following manner:

A. If it is determined in the manner hereinbefore provided that a building or buildings containing Condominium units shall not be repaired or reconstructed because of damage or destruction, the Condominium will be terminated without agreement.

B. The Condominium may be terminated at any time upon written approval of all record owners of units in the Condominium, the Santa Rosa Island Authority, the Sub-Lessor and all record owners of liens or mortgages on the Condominium property. Said approval shall be delivered to the Secretary of the Association by the Santa Rosa Island Authority, the Sub-Lessor and each such owner, lienor or mortgagee, and the Association shall then prepare, execute with formalities required for a deed, and cause to be recorded in the Public Records of Escambia County, Florida, a document terminating the Condominium, together with certificate executed by the officers of the Association certifying that unanimous consent of all such owners, Sub-Lessor, lienors and mortgagees has been received by it in accordance with the terms of this Declaration. The termination shall become effective when said documents and certificate have been so recorded.

C. After termination of the Condominium, the unit owners shall own the Condominium property (which is a portion of a 99-year leasehold) and all assets and funds of the Association as tenants in common in undivided shares that shall be the same as the undivided share in the common elements appurtenant to each owner's unit prior to termination, and their mortgagees and lienors shall have mortgages and liens upon the respective undivided share of the unit owners.

18. COMMENCEMENT OF DEVELOPER'S OBLIGATIONS.

Developer's obligation to pay maintenance for monthly common expenses may be deferred and excused as follows:

1. The Developer as the owner of any condominium unit shall not be required to pay any of the common expenses of the Condominium or any regular, monthly, or special assessments as would be the obligation of the condominium

units owned by the Developer except for this paragraph, which assessments become due and payable in whole or in part at any time prior to the first day of the fourth calendar month subsequent to the month in which the first condominium unit is sold and closed; providing, however, that the Developer shall be obligated to pay that portion of the common expense incurred during that period which exceed the funds assessed against other unit owners.

19. NOTICE. Whenever notice is required under the terms of this Declaration of Condominium such notice shall be given in writing to the Secretary of the Association or to the unit owner, as the case may be, by personal delivery to the Secretary or unit owner or by depositing such notice with postage prepaid in the United States mails, registered or certified with return receipt requested, addressed to the Association or to a unit owner as follows:

Association:

LA BAHIA CONDOMINIUM ASSOCIATION, INC. at the address established therefor by the Association.

Unit Owner:

As the unit owner's address appears on the books of the Association.

Mortgagee:

As the address of the mortgagee appears on the books of the Association.

Authority:

Santa Rosa Island Authority, Post Office Box 9008, Pensacola Beach, FL 32561.

Notice served on the Secretary in the aforesaid manner shall constitute notice to the Association.

20. CONSTRUCTION OF TERMS. All the provisions of this Declaration and the Exhibits thereto shall be construed as covenants running with the land and with every part thereof and every interest therein, and every unit owner and every claimant of the land or any part thereof or interest therein and their heirs, executors, administrators, successors and

assigns shall be bound by all of the provisions of said documents.

21. SEVERABILITY. The invalidity in whole or in part of any covenant or restriction, or any paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration or any Exhibit thereto shall not affect the validity of the remaining portions of said documents.

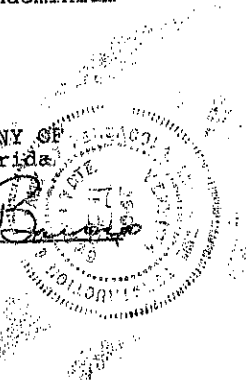
IN WITNESS WHEREOF, THE CONSTRUCTION COMPANY OF PENSACOLA, INC. has executed this Declaration of Condominium this 23rd day of October, 1987.

WITNESSES:

Ernest P. Badden
James A. Marucci

THE CONSTRUCTION COMPANY OF PENSACOLA, INC., a Florida corporation

By *Ronald A. Baroco*
Ronald A. Baroco
President



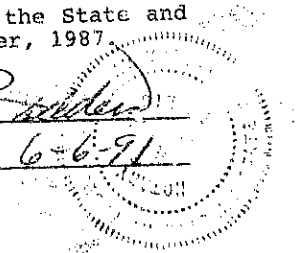
(Corporate Seal)

STATE OF FLORIDA
COUNTY OF ESCAMBIA

BEFORE ME, the undersigned authority, on this day personally appeared RONALD A. BAROCO, known to me to be the President of THE CONSTRUCTION COMPANY OF PENSACOLA, INC., described in and who executed the foregoing Declaration of Condominium, and he acknowledged that he executed the same freely and voluntarily for the uses and purposes therein expressed, and that he executed the foregoing instrument as the act and deed of the corporation.

WITNESS my signature and official seal in the State and County last aforesaid, this 23rd day of October, 1987.

Ernest P. Badden
Notary Public
My commission expires: 6-6-91



JOINER BY SANTA ROSA ISLAND AUTHORITY

STATE OF FLORIDA

COUNTY OF ESCAMBIA

KNOW ALL MEN BY THESE PRESENTS, that the SANTA ROSA ISLAND AUTHORITY, an agency of Escambia County, Florida, the holder of the fee simple title to the land on which Phases 1 and 2 of La Bahia, a Condominium, are to be constructed, and as lessor under that certain Lease between Santa Rosa Island Authority, as Lessor, and Irving Melroe, as Lessee, dated March 16, 1977, and recorded in Official Records Book 1089, at Page 25 of the public records of Escambia County, Florida, as amended by Amendment to Lease dated May 9, 1980, and recorded in Official Records Book 1437, at Page 477 of said public records, as further amended by Amended Lease Agreement between Santa Rosa Island Authority, as Lessor, and Johnnie Sue Harper Allen and Allen R. Levin, as trustees, as Lessees, dated February 25, 1982, and recorded in Official Records Book 1624, at Page 410 of the public records of Escambia County, Florida, herein collectively called the "Lease", and pursuant to the provisions of Chapter 718, Florida Statutes, 1985, which requires that all persons having record title to an interest in the land being submitted to condominium ownership join in the execution of the Declaration of Condominium, does hereby join in the Declaration of Condominium of La Bahia, Phase 1, a Condominium, dated Oct. 23, 1987, for that purpose only, and assumes no liability of any kind or nature arising from any cause whatsoever, but joins in the Declaration for the sole purpose of subjecting the leasehold estate in the land described in said Declaration to the condominium form of leasehold ownership for and during the remainder of the 99 years as provided for in the Lease. Nothing herein shall affect or alter or in anyway change any provision of the Lease or Santa Rosa Island Authority's right to receive rent, and the Condominium will automatically terminate upon the termination of the Lease (or the last renewal term thereof, if renewable), and the Santa Rosa Island Authority retains its rights pursuant to the Lease, to treat the failure to repair or rebuild in event of damage or destruction as a breach of the Lease and retains its insurance rights pursuant to the terms of said Lease.

KNOW ALL MEN BY THESE PRESENTS FURTHER, that the Santa Rosa Island Authority approved the development on the basis of a 35 unit project, and that unless its position is modified or amended by appropriate and binding action in the future, in the event that the Developer of La Bahia Condominium, or its successor, does not proceed with the development of the Phase 2 property and has not completed construction of 13 units on the Phase 2 property by March 26, 1990, then the Santa Rosa Island Authority will claim entitlement to the receipt of an annual lease fee of \$14,000.00 on account of and from the owners of the 22 units that comprise Phase 1 of La Bahia, a Condominium, and said annual lease fee will continue annually thereafter unless or until Developer, or its successor, proceeds with the development of the Phase 2 property with 13 residential units.

IN WITNESS WHEREOF, Santa Rosa Island Authority has hereunto set its hand and seal this 14th day of October, 1987.

Signed, sealed and delivered in the presence of

Mary B. Cochran
James M. Shaffer

SANTA ROSA ISLAND AUTHORITY

By: [Signature]
Its Chairman

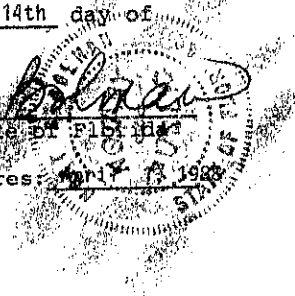
ATTEST:
[Signature]
Its Secretary

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned authority, personally appeared W. McGuire Martin and Edward B. Jones, known to me and known to me to be the Chairman and Secretary, respectively, of the Santa Rosa Island Authority, and acknowledged that they executed the foregoing instrument for and in the name of Santa Rosa Island Authority, as its Chairman and Secretary, respectively, and caused its seal to be affixed hereto, pursuant to due and legal action of said Authority.

WITNESS my hand and official seal this 14th day of October, 1987.

Mary B. [Signature]
Notary Public, State of Florida
at Large
My Commission Expires: April 13, 1988



EXHIBITS
"A" AND "B"

LEGAL DESCRIPTION FOR
LA BAHIA
A CONDOMINIUM
PHASES I AND II, RESPECTIVELY

LEGAL DESCRIPTION

PHASE I

A 99-year leasehold estate, commencing March 16, 1977, in the following described property, lying and being in Escambia County, Florida, to-wit:

Commencing at the Southwest corner of Block A, VILLA SABINE SUBDIVISION, a subdivision as recorded in Plat Book 5, Page 63 of the Public Records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3250.00 feet to a concrete monument; thence continue along said North right-of-way line North 83°41'00" West a distance of 287.25 feet to a point of curvature; thence along the curve an arc distance of 414.66 feet to the point of tangency, said curve having a radius of 5623.32 feet, a tangent of 207.43 feet, and a delta of 4°13'30" and curving to the South; thence run North 87°54'30" West along said North right-of-way line a distance of 953.37 feet; thence leaving said North right-of-way line North 2°05'30" East a distance of 500.00 feet to a capped iron rod; thence continue North 2°05'30" East a distance of 6 feet more or less to the mean high water line of Santa Rosa Sound for the Point of Beginning; thence along line last traversed, run South 2°05'30" West 6 feet more or less to said capped iron rod; thence continue South 2°05'30" West a distance of 500.00 feet to a point on said North right-of-way line; thence run North 87°54'30" West along said North right-of-way line a distance of 22.00 feet; thence leaving said North right-of-way line, run North 2°05'30" East a distance of 105.92 feet; thence run North 87°54'30" West a distance of 100.00 feet; thence run North 2°05'30" East a distance of 122.53 feet; thence run North 14°39'27" West a distance of 31.36 feet; thence run South 75°20'33" West a distance of 18.00 feet; thence run North 14°39'27" West a distance of 20.00 feet; thence run South 75°20'33" West a distance of 48.00 feet; thence run North 2°05'30" East a distance of 180.15 feet to a capped iron rod; thence continue North 2°05'30" East a distance of 4 feet more or less to the mean high water line of Santa Rosa Sound; thence meander Easterly along said mean high water line a distance of 210 feet more or less to the Point of Beginning. All lying and being in Escambia County, Florida and containing 1.47 acres, more or less. SUBJECT TO a 10.0' perpetual non-exclusive easement described as follows: Begin at the P.O.B. described above as the Point of Beginning of a 10.0' perpetual non-exclusive easement; thence S 02°05'30" W for a distance of 180.15' to a capped iron rod; thence N 75°20'33" E for 10.43'; thence N 02°05'30" E for 184.00' more or less to the mean high water line of Santa Rosa Sound; thence meander Westerly along said mean high water line a distance of 10.0' more or less to the Point of Beginning.

EXHIBIT "A"

LEGAL DESCRIPTION

PHASE II

A 99-year leasehold estate, commencing March 16, 1977, in the following described property, lying and being in Escambia County, Florida, to-wit:

Commencing at the Southwest corner of Block A, VILLA SABINE SUBDIVISION, a subdivision as recorded in Plat Book 5, Page 63 of the Public Records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3250.00 feet to a concrete monument; thence continue along said North right-of-way line North 83°41'00" West a distance of 287.25 feet to a point of curvature; thence along the curve an arc distance of 414.66 feet to the point of tangency, said curve having a radius of 5623.32 feet, a tangent of 207.43 feet, and a delta of 4°13'30" and curving to the South; thence run North 87°54'30" West along said North right-of-way line a distance of 975.37 feet to the Point of Beginning; thence leaving said North right-of-way run North 2°05'30" East a distance of 105.92 feet; thence run North 87°54'30" West a distance of 100.00 feet; thence run North 2°05'30" East a distance of 123.58 feet; thence run North 14°39'27" West a distance of 31.36 feet; thence run South 75°20'33" West a distance of 18.00 feet; thence run North 14°39'27" West a distance of 20.00 feet; thence run South 75°20'33" West a distance of 48.00 feet; thence run South 2°05'30" West a distance of 259.66 feet; thence run South 87°54'30" East for 178.00 feet to the Point of Beginning. All lying and being in Escambia County, Florida, and containing 0.712 acres more or less. AND a 10.0' perpetual non-exclusive easement described as follows: Begin at the P.O.B. described above as the Point of Beginning of a 10.0' perpetual non-exclusive easement; thence S 02°05'30" W for a distance of 180.15' to a capped iron rod; thence N 75°20'33" E for 10.43'; thence N 02°05'30" E for 184.00' more or less to the mean high water line of Santa Rosa Sound; thence meander Westerly along said mean high water line a distance of 10.0' more or less to the Point of Beginning.

EXHIBIT "B"

0100X24697 829

EXHIBIT "C"
GROUND LEASE AND AMENDMENTS THERETO

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LEASE FOR RECREATIONAL VEHICLE PARK

THIS LEASE AGREEMENT entered into by and between SANTA ROSA ISLAND AUTHORITY, herein called "Authority", as an agency of Escambia County, Florida, and IRVING MELROE, herein called "Lessee".

WITNESSETH:

(1) The Authority does hereby grant, demise and lease to the Lessee for the full period of ninety-nine (99) years from the date hereof, or until this lease is sooner terminated as herein provided, the following described property on Santa Rosa Island in Escambia County, Florida, to-wit:

Approximately 45 acres of real estate on Santa Rosa Island, Escambia County, Florida, having 2800 feet fronting on Escambia Bay and the same frontage along the North right-of-way of Fort Pickens Road, also known as State Road No. 399, said property lying immediately adjacent to and to the east of the parking lot, which parking lot lies immediately adjacent and to the East of the Fort Pickens Gate.

As part of the consideration for this lease the Lessee, as successor in interest to Gulf Florida Development Corporation, which corporation is the successor in interest to Vista De Luna Condominiums, Inc. has this date executed a reassignment and release and relinquishment of any and all interest he has or holds in the following described real property, to-wit:

From the Southwest corner of Villa Sabine Subdivision go westward along the North right-of-way of Fort Pickens Road, also known as State Road No. 399, 850 feet, thence South 0° 0' West 120 feet, plus or minus, to the South right-of-way, thence go 501 feet westward along the South right-of-way of State Road No. 399 to POINT-OF-BEGINNING; thence South 0° 0' West 350 feet, more or less, to the mean high water of the Gulf of Mexico; thence westward along said high water 1,299 feet, more or less; thence North 0° 0' East 300 feet, more or less, to the South right-of-way of State Road No. 399; thence eastward 1,299 feet along said South right-of-way, more or less, to the POINT OF BEGINNING.

(2) Lessee covenants and agrees to pay the Authority an annual rental as follows:

- A. A minimum of \$70,800 payable annually on January 1st plus; 8% of the first \$500,000 of gross receipts over minimum from rental of recreational vehicle and/or camping units; plus 3% of gross receipts in excess of \$500,000.

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- B. 2% of gross receipts from sale of grocery items;
- 2% of gross receipts from laundry facilities;
- 5% of gross receipts from all other sources connected with the management and operation of the recreational vehicle park.

The term "gross receipts" shall mean the aggregate of all charges or rentals for the actual use, occupancy or enjoyment of any of said units, facilities or accommodations, whether such rental or charges are payable to the Lessee, to a sublessee or any other party, and shall also mean the price or consideration received for all merchandise of every kind sold or rented, and the charges or rentals for all services or facilities performed or furnished on or from the demised premises, whether by the lessee, any sublessee or any other person, firm or corporation, whether for cash or credit, but gross receipts shall exclude all returned merchandise accepted by the seller, all allowances made by the seller to the customer, and the amounts received for Florida sales tax.

(3) Said property is leased to Lessee as a multi-family recreational vehicle park and campground property and for the purpose of constructing, maintaining, leasing, or renting recreation vehicle and campground units and attendant or related recreational and campground facilities. Lessee covenants and agrees to erect and complete on the demised premises, according to and in conformity with plans to be approved by the Authority, and to be located on said property in a manner mutually agreeable to the Authority and the Lessee, recreational vehicle and campground facilities, and their attendant or related recreational and campground facilities consisting of not less than 200 total recreational vehicle and/or camping units, comprised of trailer pads and parking facilities. Sewage, electrical and water facilities will be available according to accepted recreation and campground facility standards. Construction thereof shall commence not later than January 2, 1979 to consist of a first phase of a minimum of 100 units; three successive phases of a minimum of 33 units each shall follow, said second phase to commence on or before January 2, 1981, said third phase to commence on or before January 2, 1983, and said fourth phase to commence on or before January 2, 1985, unless the times so fixed are extended for good cause by the Authority.

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(4) The Authority will, upon request, grant to Lessee the right to sell and serve meals, beverages, tobacco, candy and the like, to operate service type businesses such as laundry, beauty shops, barber shops and the like; to operate recreational type businesses and facilities such as carpet golf course, swimming pools, tennis courts, and the like; and to sell or rent beach and bathing equipment such as umbrellas, cabanas, games or other contrivances or devices, to guests and others on the demised premises, upon the same terms and on the same percentage agreement or other consideration as the Authority is then charging or requiring for similar rights and concessions on the Island; provided, the request, if granted, will not conflict with any existing exclusive agreement or special concessions with others. No such businesses or services, or any other business or service, may be operated on the demised premises without the prior written consent of the Authority pursuant to this paragraph.

(5) Title to any building or other improvements of a permanent character that shall be erected or placed upon the demised premises by the Lessee shall forthwith vest in said Escambia County, subject, however, to the terms of years on this lease. In event Lessee shall not commence the camping or recreational facilities herein required to be constructed within the times provided, and if the Authority shall give Lessee written notice to commence the same by a date specified in such notice, which shall be at least sixty (60) days from the date of the giving of such notice, and if the Lessee shall fail to commence said camping or recreational units on or prior to the date so specified, then and thereupon the term of this lease shall cease on the date specified in said notice, in the same manner and with the same effect as if that were the expiration of the original term of this lease.

(6) In event of damage to or destruction of any building or improvement herein required to be constructed on the demised premises by fire, wind-storm, water or any other cause whatsoever Lessee shall at its own cost within a reasonable time repair or rebuild such building or improvement so as to place the same in as good and tenable condition as it was before the event causing such damage or destruction, and failure to do so shall constitute a breach of this lease. Subject to priority in favor of any mortgagee under a mortgage clause, all insurance proceeds for loss or damage to any improvements on the demised premises shall be payable to the Authority and Lessee jointly to assure the repair or replacement of such improvements and/or leveling and cleaning of the demised premises. The Authority shall have a lien on all such

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insurance proceeds, regardless of whether it is named in the insurance policy, subordinate only to the claim of any mortgagee under a mortgage clause, to enforce the intent of the foregoing provision.

(7) It is recognized that one of the major purposes of this lease is to provide accommodations and services of high quality and attractiveness. To this end the Authority may from time to time prescribe special requirements relating to landscaping, terraces and patios, walls, fences, shrubbery, and similar improvements designed and intended to enhance and improve the general appearance and attractiveness of the demised premises. Such requirements and provisions may not operate retroactively as to any improvements previously constructed or authorized but may apply to landscaping around such improvements and elsewhere on the demised premises.

(8) In event the lessee wishes to sell or assign this lease he shall apprise the Authority of the new lessee, giving the Authority the new lessee's name and address. Lessee may mortgage this lease without the written approval of the Authority. So long as a mortgage keeps on file with the Authority a proper address, notice of any default by the lessee will be sent to the mortgagee at said address at the same time notice of default is sent to the lessee, and this lease may not be terminated for such default until sixty (60) days after notice thereof has been received by such mortgagee, during which period either the mortgagor or mortgagee may make good the default.

(9) This lease and the demised premises are expressly subject to and bound by the covenants and restrictions applicable to property on said Island, dated February 10, 1949, and recorded in Deed Book 294, at page 303, of the records of said county; and the said covenants and restrictions are made a part hereof, as if fully set forth herein.

(10) The lessee, if required by the Authority, shall exclusively use, at such reasonable rates or charges as may be fixed or approved by the Authority from time to time, such public utilities and public services relating to health and sanitation as shall be made available from time to time by the Authority or by others under agreement with or license or permit from the Authority, including without limitation the following: electricity, gas, water, telephone and telegraph, sewerage and garbage collection or disposal. The reasonableness of rates fixed by the Authority shall always be subject to judicial review. By mutual agreement, separate utility services may be provided to individual units.

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(11) Lessee further covenants and agrees as follows:

(a) To pay on behalf of the Authority, or to reimburse the Authority for all sums which the Authority shall become legally obligated to pay by valid judgment of a court having jurisdiction as damages arising from or growing out of any act or neglect of the lessee or its contractors, agents or servants in connection with any and all covenants, agreements, operations, undertakings, and duties on the demised premises or under this lease or any other agreement between the Lessee and the Authority, and to reimburse the Authority for all expenses that may ^{be} incurred in investigating or resisting any claim that the Authority becomes legally obligated to pay as the result of such a judgment. The Authority shall promptly notify Lessee of the institution of any suit that the Authority deems to be covered by the provision and shall permit Lessee at its option to participate in the defense thereof; and Lessee agrees to cooperate in the investigation and defense of any such suits.

(b) Not to use or occupy the demised premises for any purpose other than herein specified, nor permit the same or any part thereof to be used or occupied for any purpose or business other than herein specified, without the prior written consent of the Authority.

(c) Not to knowingly permit or suffer any nuisances or illegal operations or course of conduct of any kind on the demised premises.

(d) To record all charges or receipts in such form and manner, and to submit such reports, as the Authority may reasonably prescribe or require from time to time, and to furnish such other information appropriately requested by the Authority from time to time in connection with this lease. Lessee shall in addition require such record keeping, reporting and information in like manner from subsidiaries or

1089 1961 30

tenants and any other person, firm or corporation selling merchandise, performing services or furnishing facilities or accommodations in, upon or from any part of the demised premises, and shall submit all such reports, accountings and information to the Authority at such times and in such manner as may be prescribed by the Authority.

(e) To maintain accurate and adequate records and books of account which shall be open to inspection and audit by the Authority at reasonable times and places.

(f) To permit representatives of the Authority to enter the demised premises at reasonable hours to examine the same and to inspect all operations of Lessee in order to ascertain whether the terms of this lease are being complied with by the Lessee.

(g) To charge and receive for merchandise and rentals and for other sales, services and accommodations prices comparable to the charges at other Gulf beach resorts in Florida west of the Apalachicola River and elsewhere on the Island. The reasonableness of Lessee's charges shall be subject to review by the Authority and Lessee shall adjust its charges from time to time as may be required by the Authority, provided any changes ordered by the Authority are consistent with like charges for similar accommodations and services at such other resorts and elsewhere on the Island.

(h) To operate and conduct all businesses on the demised premises in a first class manner consistent with the public purpose to be served by Santa Rosa Island Authority and in the best interest of the public.

(i) The Authority may immediately terminate and cancel this lease if the Lessee shall become insolvent or bankrupt, or shall make an assignment for the benefit of creditors.

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(12) The Authority further covenants and agrees that if the Lessee shall pay the rent as herein provided and shall keep, observe and perform all of the other covenants of this lease to be kept, observed and performed by the Lessee, the Lessee shall peacefully and quietly have, hold and enjoy the said premises, for the term aforesaid.

(13) In case any portion of the rental is not paid on or before the time of payment herein fixed, or in case the Lessee shall default in the performance or breach any of the other covenants, conditions, terms and provisions of this lease and shall continue in such non-payment, default or breach after thirty (30) days notice in writing from the Authority, the Authority, in any such event, may declare this lease terminated and may take possession of the demised premises and all the improvements thereon, and this lease shall be at an end in the same manner and with the same effect as if the original term of the lease had expired. All rentals shall bear interest at the rate of 6% per annum from their due date. In event the Authority gives the above mentioned thirty (30) day written notice of non-payment of rent the Lessee shall be required to pay a late penalty of 5% of and in addition to, the rentals and interest otherwise due, and if the delinquent rentals and interest be accepted by the Authority after the expiration of said thirty (30) days and before the termination of the lease the Lessee shall pay a penalty of 10% of the amount due. If suit is filed by the Authority to enforce any of the provisions of this lease, or to terminate it, Lessee shall be required to pay a reasonable attorney's fee to the Authority's attorney and all costs of suit as a consideration to the continuance or reinstatement of this lease. In consideration of the substantial investment to be made by Lessee in improvements on the demised premises the Authority agrees that Lessee shall not be liable for any rent for the unexpired portion of the original term of ninety-nine (99) years of this lease in event of any default by Lessee or Lessee's voluntary surrender of the demised premises to the Authority.

(14) Upon the expiration or sooner termination of this lease, Lessee shall be allowed a period of fifteen (15) days in which to remove all of its personal property, including furnishings, and Lessee shall surrender possession of the land and improvements in as good state and condition as reasonable use and wear will permit.

(7)

REV. 1080 PAGE 32

(15) No failure, or successive failures, on the part of the Authority to enforce any covenant or agreement, or no waiver, or successive waivers on its part of any condition, agreement, covenant or provision herein shall operate as a discharge thereof or render the same invalid, or impair the right of the Authority to enforce the same in event of any subsequent breach or breaches. The acceptance of rent by the Authority shall not be deemed a waiver by it of any earlier breach by the Lessee, except as to such covenants and conditions as may relate to the rent so accepted.

(16) Each and all of the provisions, agreements, covenants and conditions of this lease shall extend to, and shall bind and be obligatory upon, or inure to the benefit of, the successors, sub-lessees, under-lessees and assigns of the parties.

(17) Anything herein contained notwithstanding, lessee shall comply with all rules and regulations now in existence or to be promulgated in the future, necessary for the protection of the environment or the ecology of Santa Rosa Island.

(18) The present address of the lessee to which the Authority may mail any and all notices which it may give under the terms of this lease is:
100 South 4th Street, Suite 110, Fargo, N. D., 58102

Lessee assumes sole responsibility for filing with the Authority any change of address from that set forth immediately above, said change of address not being effective for the purposes of rendering notices as provided by this lease until the Authority gives the lessee evidence in writing of its receipt of lessee's address change.

(19) Lessee may sell, assign, or mortgage this lease and may let or underlet the demised premises and portions thereof for the purposes stated in this lease without the necessity of the prior written consent of the Authority, anything to the contrary in paragraph 8 above notwithstanding.

BY 1080 PAGE 33

IN WITNESS WHEREOF, this agreement is executed in duplicate this 16 day of March, 1977.

SANTA ROSA ISLAND AUTHORITY

by: Joseph J. Blacs
Chairman



Joseph Blacs
Secretary

Signed, sealed and delivered in the presence of as Santa Rosa Island Authority:

Nicholas J. Steele
Irving Melroe

Irving Melroe
IRVING MELROE

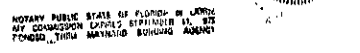
As to Lessee:

Orville A. Shurt
Paul S. ...

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned notary public, personally appeared Joseph J. Blacs and Joseph Blacs, well known to me and known to me to be the Chairman and Secretary, respectively of the Santa Rosa Island Authority, and acknowledged that they executed the foregoing instrument for and in the name of said Authority, as its Chairman and Secretary respectively, and caused its seal to be hereto affixed, pursuant to due and legal action of said Authority authorizing them so to do.

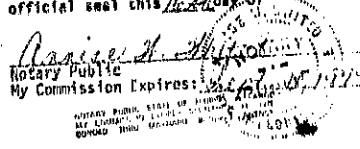
WITNESS my hand and official seal this 16th day of March, 1977
Orville A. Shurt
Notary Public
My Commission Expires: Sept. 18, 1979



STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned notary public, personally appeared Irving Melroe, known to me and known to me to be the individual described by said name who executed the foregoing agreement and acknowledged that he executed the same for the uses and purposes therein set forth.

Given under my hand and official seal this 16th day of March, 1977
Orville A. Shurt
Notary Public
My Commission Expires: Sept. 18, 1979



State Tax \$10.00
Rec'd \$10.00

THIS INSTRUMENT PREPARED BY
SAM A. VIVIANO
LEVIN, WARFIELD, ETAL
226 S. PALAFOX STREET
PENSACOLA, FLORIDA 32501

AMENDMENT TO LEASE

1437 PAGE 477

STATE OF FLORIDA
COUNTY OF ESCAMBIA

WHEREAS, the SANTA ROSA ISLAND AUTHORITY, herein called "Authority" did lease certain premises to IRVING MELROE, herein called "Lessee", by that certain written lease for a recreational vehicle park dated March 16, 1977, recorded in Official Record Book 1089, page 28 of the public records of Escambia County, Florida, herein called "Lease Agreement", and

WHEREAS, the Authority and Lessee now desire to more fully, more completely and more accurately describe the real property leased to the Lessee in said Lease Agreement,

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the Authority and Lessee agree that the real property described on the attached Exhibit "A", consisting of one (1) page, and made a part hereof by reference, together with all appurtenant riparian rights, shall be deemed and considered a description of the premises leased in said Lease Agreement in complete substitution for the following described parcel, to-wit:

Approximately 45 acres of real estate on Santa Rosa Island, Escambia County, Florida, having 2800 feet fronting on Escambia Bay and the same frontage along the North right-of-way of Fort Pickens Road, also known as State Road No. 399, said property lying immediately adjacent to and to the East of the parking lot, which parking lot lies immediately adjacent and to the East of the Fort Pickens Gate.

Except as herein modified, the Lease Agreement shall remain in full force and effect according to its terms and is hereby affirmed as the Lease Agreement between said Authority and Lessee provided, however, that the affirmation of said Lease Agreement shall not be construed as extending the term of the Lease beyond the Lease term set forth in said Lease Agreement.

DATED this 9 day of May, 1980.

SANTA ROSA ISLAND AUTHORITY, "Authority"

BY: Joseph B. Jones
Chairman

ATTEST:

Edward B. Jones
Secretary (SEAL)

WITNESSES AS TO "AUTHORITY":

James M. Sullivan
James M. Sullivan

WITNESSES AS TO LESSEE:

Irving Melroe
Irving Melroe

Irving Melroe
IRVING MELROE, LESSEE



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Page Two
Amendment to Lease

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned Notary Public, personally appeared Irving Melroe and [Signature] well known to me and known to me to be the Chairman and Secretary respectively of the Santa Rosa Island Authority and acknowledged that they executed the foregoing instrument for and in the name of said Authority, as its Chairman and Secretary respectively, and caused its seal to be hereto affixed, pursuant to due and legal action of said Authority authorizing them so to do.

Witness my hand and official seal this 2 day of March 1980.

[Signature]
Notary Public
My commission expires: SEP 17 1981
NOTARY PUBLIC STATE OF FLORIDA
EXPIRES SEP 17 1981
ISSUED BY GENERAL REG. UNDERWRITER



STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 9 day of May, 1980 by Irving Melroe, Lessee.

[Signature]
Notary Public
My commission expires: ///

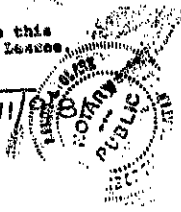


EXHIBIT A

LEGAL DESCRIPTION:

Commencing at the Southwest corner of Block A, Villa Sabine Subdivision, a subdivision as recorded in Plat Book 5, page 53 of the public records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3,250.00 feet to a concrete monument for the Point of Beginning; thence continue along said North right-of-way line North 83°41'00" West a distance of 287.25 feet to a point of curvature; thence along the curve an arc distance of 4.4.66 feet to the point of tangency, said curve having a radius of 5,623.32 feet, tangent of 207.43 feet and delta of 4°13' 30" and curving to the South; thence North 87°54'30" West along said North right-of-way line 2,098.09 feet to a concrete monument; thence North 4°06'15" East 209.45 feet to a concrete monument (hereafter called Point A); thence continue North 4°06'15" East 85 feet more or less to the ordinary high water line of Santa Rosa Sound; thence meander Easterly along said ordinary high water line 2,876 feet, more or less, to a point of intersection with a line bearing North 00°00' East from the Point of Beginning; thence South 00°00' East 457.5 feet, more or less, to the point of beginning.

All being in Escambia County, Florida on Santa Rosa Island.

On the date of survey (May 5, 1980) the ordinary high water line of the above described parcel was approximately parallel to the following described lines. From the concrete monument designated above as point A, proceed North 77°23'45" East 1,524.75 feet to a pipe which is 30 feet more or less South of the ordinary high water line, thence South 84°34'30" East 962.7 feet to a pipe which is 20 feet more or less south of said ordinary high water line, thence South 58°52'18" East 388.90 feet to a concrete monument which is 70 feet more or less south of said ordinary high water line.

LESS AND EXCEPT that portion of the above described property lying Westerly of the following described line: Commencing at the concrete monument at the Southwest corner of the above described parcel; thence Easterly along the North right-of-way line of Fort Pickens Road a distance of 18' to the Point of Beginning of said line; thence North 4°06'15" E to the ordinary high water mark of Santa Rosa Sound for the point of termination of said line.

RECORDS SECTION
 COUNTY OF ESCAMBIA
 FLORIDA
 MAY 9 9 21 AM 1980
 018008

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THIS INSTRUMENT FILED BY
SANTA ROSA ISLAND AUTHORITY
LEVIN AND ALLEN
226 S PALM BLVD
PENSACOLA, FLORIDA 32501

AMENDED LEASE AGREEMENT

STATE OF FLORIDA
COUNTY OF ESCAMBIA

This amended Lease Agreement, hereinafter called the "Amended Lease", is made this 21st day of ~~August~~ 1982, between the SANTA ROSA ISLAND AUTHORITY, as an agency of Escambia County, Florida, hereinafter called the "Lessor", or "Authority", and JOHNNIE SUE HARPER ALLEN and ALLEN R. LEVIN, as trustees under the provisions of a certain lease assignment dated May 9, 1980, and recorded in O. R. Book 1437, at page 460, of the public records of Escambia County, and as Lessees of the below-described property, by assignment, hereinafter called "Lessee".

SECTION I

STATEMENT OF PURPOSE

Lessee has acquired by assignment and now holds that certain lease between Lessor and Irving Melros, dated March 16, 1977, and recorded in Official Record Book 1889, page 25 of the public records of Escambia County, Florida, as amended by that certain lease amendment dated May 9, 1980 and recorded in Official Record Book 1437, Page 477 of the public records of Escambia County, Florida, covering a portion of the property described in Section II hereof.

The property was originally leased to Irving Melros as a multi-family recreational vehicle park and campground. As a result of the approved alteration in use of the property by the Lessee and the resulting adjustment in the lease payments to be made to Lessor, the parties hereby enter into this amended lease agreement which shall be considered a complete substitution for the aforementioned lease, as previously amended, between Lessor and Irving Melros.

SECTION II

PREMISES LEASED

Lessor leases to Lessee the following property located on Santa Rosa Island, Escambia County, Florida, to-wit:

Commencing at the Southwest corner of Block "A", Villa Sabine Subdivision, a subdivision as recorded in Plat Book 5, page 63 of the public records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3,250.00 feet to a concrete monument for the Point of Beginning; thence continue along said North right-of-way line North 83°41'00" West a distance of 287.25 feet to a point of curvature; thence along the curve an arc distance of 414.66 feet to the point of tangency, said curve having a radius of 5,623.32 feet, tangent of 207.43 feet and delta of 4°13'30" and curving to the South; thence North 87°54'30" West along the North right-of-way line 2,098.09 feet to a concrete monument; thence North 4°06'15" East 209.47 feet to a concrete monument (hereafter called Point A); thence continue North 4°06'15" East 85 feet more or less to the ordinary high water line of Santa Rosa Sound; thence meander Easterly along said ordinary high water line 2,876 feet, more or less, to a point of intersection with a line bearing North 00°40' East from the Point of Beginning; thence South 25°00' East 457.5 feet, more or less, to the Point of Beginning. All being in Escambia County, Florida on Santa Rosa Island.



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SITE

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LESS AND EXCEPT that portion of the above described property lying Westerly of the following described line: Commencing at the concrete monument at the Southwest corner of the above described parcel; thence easterly along the North right-of-way line of Fort Pickens Road a distance of 18' to the Point of Beginning of said line; thence North 4°08'15" East to the ordinary high water mark of Santa Rosa Sound for the point of termination of said line.

LESS AND EXCEPT the following described parcel: Commencing at the Southwest corner of Block "A", Villa Sabine Subdivision, a subdivision as recorded in Plat Book 5, page 63 of the public records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3,300.00 feet for the Point of Beginning; thence continue along said North right-of-way line North 83°41'00" West, 217.25 feet to a Point of Curvature, thence along the arc of said curve an arc distance of 155.94 feet, said curve having a radius of 5623.32 feet and a Delta of 1°35'20"; thence run North 4°53'19" West, 553.16 feet; thence continue North 4°53'19" West 21 feet more or less to a Point on the ordinary high water line of Santa Rosa Sound, said point hereinafter known as Point B, thence beginning again at the Point of Beginning run North 0°00" East, 50.00 feet; thence run South 83°41'00" East parallel to the North line of Fort Pickens Road 50.00 feet; thence run North 0°00" East, 428 feet, more or less to the ordinary high water line of Santa Rosa Sound, thence meander Westerly along said high water line 515.0 feet, more or less to Point "B", containing 5.645 acres more or less.

The property leased to Lessee is herein called the "Leased Property", the "Demised Premises" or the "Leased Premises".

SECTION III

TERM OF AMENDED LEASE

The term of this Amended Lease shall be for a period of 99 years commencing on March 16, 1977, which is the date of the original lease, heretofore described.

SECTION IV

OPTION TO RENEW

Lessee shall have the option to renew this lease for an additional 99 years. In order to exercise said option, the Lessee shall give written notice of its intention to exercise its option to renew at least thirty (30) days prior to the expiration date of this lease.

SECTION V

USE OF LEASED PREMISES

The Leased Premises shall be utilized and developed by Lessee as mixed high, medium or low density residential property and/or commercial usage, as defined in the current Land Use Plan of the Santa Rosa Island Authority provided, however, that prior approval of the Authority must be obtained before any low density residential or commercial use. Lessee covenants and agrees to erect and complete on

PA 1624 Oct 41

the demised premises, residential and/or commercial buildings and related facilities, according to and in conformity with plans to be approved by the Lessor, and located on said property in a manner agreeable to the Lessor. Construction thereof shall commence not later than 180 days after the lifting of the current moratorium placed on sewage connections. The entire complex shall be completed within five (5) years of the date of commencement, unless times so fixed are extended for good cause by the Lessor.

SECTION VI

RENT

Lessee covenants and agrees to pay lease fees to the Lessor in accordance with the following schedule:

A. An annual, minimum lease fee of \$17,046.00 shall be due and payable in advance on January 1 of each year for the entire Demised Premises. If any portion of the Demised Premises are assigned or otherwise sold or transferred or development of a portion of the property is approved by the Lessor pursuant to Section V above, the annual, minimum lease fee attributable to the portion so transferred or developed shall be in the same proportion as the acreage transferred or developed bears to the total acreage of the Demised Premises. For purposes of computing the lease fees attributable to any portion of the Demised Premises, the Demised premises shall be deemed to contain 25,629 acres. When any development is approved on any portion of the Demised Premises, the annual, minimum lease fee for the portion to be developed shall be the total, annual minimum lease for the acreage being developed until the "Rental Adjustment Date" which shall be the date on which a unit is sold (title transferred) or a date six (6) months after a certificate of occupancy is issued by the Authority, whichever first occurs. Effective on the Rental Adjustment Date, the annual, minimum lease fee for each unit shall be \$400.00 (new lease fee) provided, however, that the Lessee, at its option, may allocate the minimum, annual lease fee among the total units being developed so long as the annual, average minimum lease fee per unit is \$400.00. The new lease fee for each unit shall likewise be due and payable to the Authority in advance on January 1 of each year provided, however, that the first payment of the new lease fee per unit shall be due and payable on the Rental Adjustment Date and shall be that portion of \$400.00 prorated for the period beginning with the Rental Adjustment Date and ending on December 31 next following. The total per unit new lease fees shall be set off against the annual minimum lease fee attributable to the portion developed until such time as the total of the per unit new lease fees exceed such minimum, at which time the minimum shall no longer be payable. Notwithstanding anything in this lease expressed or implied to the contrary, the "Rental Adjustment Date" for any single family residential unit utilized as a time-share or interval ownership unit shall be a date six (6) months after a certificate of occupancy is issued by the Authority.

B. Commercial enterprises shall pay to the Authority an amount equal to said prorata share of the minimum annual payment or 5% of the gross receipts from the rental or sale of merchandise or facilities, whichever is greater. The "gross receipts" shall mean the aggregate of all charges or rentals for the actual use, occupancy or enjoyment of any of said units, facilities or accommodations; whether such rentals or charges are payable to the Lessee, to a sublessee or any other party, and shall also mean the price or consideration received for all merchandise of every kind sold or rented, and the charges or rentals for all services or facilities performed or furnished on or from the Demised Premises, whether by the Lessee, any sublessee or any other person, firm or corporation, whether for cash or credit, but gross receipts shall exclude all returned merchandise accepted by the seller, all

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allowances made by the seller to the customer, and the amounts received for Florida sales taxes.

C. All of the aforementioned lease and percentage payments are subject to adjustment to reflect changes in the cost of living, if any, in accordance with the Consumer Price Index (CPI "All urban consumers", 1967, equals 100, published by the Bureau of Labor Statistics and presently reported in the "News", United States Department of Labor Monthly Report"), such adjustments to be made every five (5) years and each calendar year that is divisible by five (5), beginning with the year 1985. It is intended that rentals, payable hereunder, will be increased or decreased in proportion to the changes reflected in such index over the figures reflected in the index last published prior to the date of this lease or the date of the last prior adjustment.

SECTION VII

TITLE TO IMPROVEMENTS

Title to any building or other improvement of a permanent character that shall be erected or placed upon the Demised Premises shall forthwith vest in said Escambia County, subject, however, to the terms of years of this lease.

SECTION VIII

DESTRUCTION OF PREMISES

In the event of damage to or destruction of any building or improvement herein required to be constructed on the Demised Premises by fire, windstorm, water or any other cause whatsoever, Lessee shall at its own cost, within a reasonable time, repair or rebuild such building or improvement so as to place the same in as good and tenable condition as it was before the event causing such damage or destruction, and failure to do so shall constitute a breach of this lease. Subject to priority in favor of any mortgagee under a mortgage clause, all insurance proceeds for loss or damage to any improvements on the Demised Premises shall be payable to the Authority and Lessee jointly to assure the repair or replacement of such improvements and/or leveling and cleaning of the Demised Premises. Lessor shall have a lien on all such insurance proceeds, regardless of whether it is named in the insurance policy, subordinate only to the claim of any mortgagee under a mortgage clause, to enforce the intent of the foregoing provision.

SECTION IX

INDEMNITY

All property of every kind which may be on the Demised Premises during the term of this Amended Lease shall be at the sole risk of Lessee, or those claiming under Lessee, and Lessor shall not be liable to Lessee, or any other person whomsoever, for any injury, loss or damage to any person or property in or upon the Demised Premises, Lessee hereby covenanting and agreeing to assume all liability for or on account of any injury, loss or damage herein described, and to hold Lessor harmless from such injury, loss or damage. Furthermore, Lessor shall not be liable to Lessee or to Lessee's employees, patrons, licensees, permittees, visitors, successors or assigns, for any damage to property or injury to person caused by the act or negligence of any user of Lessee's facilities. Lessee accepts the Leased Property as wholly suitable for the purpose for which it is leased, and agrees to hold Lessor harmless from all claims for any such damage.

Additionally, Lessee hereby agrees to indemnify and save harmless Lessor for and from any and all claims, demands, suits, judgments, costs, liabilities or expenses on account of any loss or injury occurring on the Leased Property, and if suit is brought against Lessor upon any

claim pursuant to this paragraph. Lessee will, upon notice of such suit, assume the defense of the suit at Lessee's expense.

SECTION X

UTILITIES

Lessee shall pay for all its requirements for utilities, including, but not limited to, gas, steam, water, electricity and sewer charges. Lessee further agrees to use exclusively, if provided by Lessor, such public utilities and public services relating to health and sanitation as may from time to time be made available by Lessor, or by others pursuant to agreements, licenses or permits with Lessor. Nothing in this paragraph shall obligate Lessor to provide any services.

SECTION XI

APPLICATION OF COVENANTS AND RESTRICTIONS AND COMPLIANCE WITH LAWS

This Amended Lease and the Demised Premises are expressly subject to and bound by the covenants and restrictions applicable to property on said island, dated February 10, 1949, and recorded in Deed Book 294, at page 203, of the public records of said County; and the said covenants and restrictions are made a part hereof, as if fully set forth herein. Furthermore, this Amended Lease and the Demised Premises shall always be subject to applicable covenants, restrictions and building codes adopted from time to time by the Lessor and any other governmental agency having authority over the leased property.

Lessee agrees to comply with all laws, ordinances, rules and regulations now in effect or hereafter enacted by any governmental body having jurisdiction over the Demised Premises, including, but not limited to those necessary for the protection of the environment or the ecology of Santa Rosa Island, and Lessee shall not make or allow to be made any unlawful, improper or offensive use of the Demised Premises. Lessee further agrees to maintain the Demised Premises in a clean, attractive and safe condition. Lessee further agrees to exercise all reasonable safety measures in the operation of its businesses for the protection of the public.

SECTION XII

MAINTENANCE OF REQUIRED LICENSES

Lessee shall obtain all licenses required by all governmental authorities having jurisdiction over the Leased Property for the type of business operated by Lessee, and shall maintain all required licenses during the term of this Amended Lease.

SECTION XIII

REPAIRS AND MAINTENANCE

Lessee shall, at its own cost and expense, repair, replace and maintain the Leased Property in a good, safe and substantial condition and shall use all reasonable precaution to prevent waste, damage or injury to the Leased Property.

SECTION XIV

TAXES AND ASSESSMENTS

Lessee shall pay and discharge all existing and future taxes, sales taxes, use taxes, assessments, duties, impositions and burdens assessed, charged or imposed upon the Leased Property.

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SECTION XVASSIGNMENTS, SUBLEASES AND TRANSFERS

Except as provided below, Lessee may sell, assign, sublease or mortgage this Lease, or any portion of the Leased Property, without Lessor's prior written consent.

Lessee may mortgage this Lease without the written approval of the Authority. So long as the Mortgagee keeps on file with the Authority a proper address, notice of default will be sent to the Mortgagee at said address at the same time notice of default is sent to the Lessee, and this Lease may not be terminated for such default until thirty (30) days after notice thereof has been received by such Mortgagee, during which period either the Mortgagor or Mortgagee may remedy the default.

The Authority, in order to encourage and facilitate lending institutions to lend funds to Lessee and qualified sub-lessees and assignees, and for sub-lessees and partial assignments contemplated for funds for the construction of the various improvements contemplated for by the use of the demised, does hereby agree as follows: With the exception of sub-leases or partial assignments of individual units in multi-residential properties, the execution of a sub-lease, partial assignment, or the extension of credit to be secured by the Demised Premises or a portion thereof either under this lease or sub-lease or partial assignment hereof, if the said lending institution or sub-lessee or partial assignee shall give written notice addressed to the Authority of their interest, the terms of the Lease, including their mailing address, and if the area is of sufficient size and character to be the subject of a separate Lease in the sound discretion of the Authority, the Authority will act as follows: in the event Lessee defaults under the terms of this Lease, and the Authority terminates said Lease it will give said institution and/or sub-lessees or assignees written notice of termination addressed by certified mail to the address so furnished and the parties so notified shall then have ninety (90) days in which to complete a direct Lease with the Authority. Such new Lease shall be considered as being an extension of this Lease and the remaining years to run thereunder will be the remainder of the term thereof. The terms and conditions herein shall apply to the new Lease.

It is hereby agreed and understood that no direct Leases will be granted by the Authority or individual multi-residential properties. The holders of said sub-leases or partial assignments from the Lessee to said multi-residential properties, shall have forty five (45) days after termination of this lease in which to organize and establish an association authorized to complete on behalf of the members of the association a direct Lease with the Authority. Said association will then have an additional forty five (45) days after organization in which to complete a direct Lease with the Authority on behalf of each sub-lessee or assignee. Such direct Lease shall be an extension of this Lease and the remaining years to run thereunder will be the remainder of the term of this Lease. The terms and conditions herein shall apply to the new Lease. Said association will be totally responsible for collection and payment to the Authority of all lease rentals applicable to the individual multi-residential units.

Except as otherwise provided herein, upon the written request of the Lessee, or any sub-lessee or assignee, the Authority, in its sole discretion, may determine to enter into a direct Lease with such Lessee, sub-lessee or assignee.

Any direct Lease entered to herein shall be subject to the terms and conditions of this Lease as the same are applicable to the property covered by such direct Lease and shall relieve the Lessee herein from any further responsibility for the property covered by the direct Lease as well as relieve the new Lessee, sub-lessee or assignee under the direct Lease from any responsibility or liability for any property not covered by the direct Lease.

It is further understood and agreed that unless the Authority agrees to a direct Lease with any sub-lessee or assignee, the Lessee herein shall be totally responsible for collection of the rental and lease payments under any such sub-lease or partial assignment and shall be responsible for payment of said sums to the Authority.

Nothing contained herein is to imply the subordination of the rights of the Authority under the terms of this Lease or to constitute assumption by the Authority of maintenance responsibility for any of the improvements constructed upon the Demised Premises.

SECTION XVI

LESSOR'S ACCESS

Lessor and Lessor's agent shall at all reasonable times have access to the Leased Property for the purpose of inspecting and determining whether Lessee has complied with its obligations pursuant to this Amended Lease.

SECTION XVII

SPECIAL REQUIREMENTS

It is recognized that one of the major purposes of this Lease is to provide accommodations and services of high quality and attractiveness. To this end the Lessor may from time to time prescribe special requirements relating to landscaping, terraces and patios, walls, fences, shrubbery and similar improvements designed and intended to enhance and improve the general appearance and attractiveness of the Demised Premises. Such requirements and provisions may not operate retroactively as to any improvements previously constructed or authorized but may apply to landscaping around such improvements and elsewhere on the Demised Premises.

SECTION XVIII

MAINTENANCE AND AVAILABILITY OF BUSINESS RECORDS

Lessee covenants and agrees to record all charges or receipts in such form and manner, and to submit such reports, as the Authority may reasonably prescribe or require from time to time, and to furnish such other information appropriately requested by the Authority from time to time in connection with this Lease. Lessee shall in addition require such record keeping, reporting and information in like manner from sublessees or tenants and any other person, firm or corporation selling merchandise, performing services or furnishing facilities or accommodations in, upon or from any part of the Demised Premises, and shall submit all such reports, accountings and information to the Authority at such times and in such manner as may be prescribed by the Authority.

Lessee further agrees to maintain accurate and adequate records and books of account which shall be open to inspection and audit by the Authority at reasonable times and places.

SECTION XIX

PROHIBITED USES

Lessee covenants and agrees not to use or occupy the Demised Premises for any purpose other than herein specified, or permit the same or any part thereof to be used or occupied for any purpose or business other than herein specified, without the prior written consent of the Authority.

PK 1624 PAGE 417

SECTION XXCHARGES

Lessee covenants and agrees to charge and receive for merchandise, rentals, and for other sales, services and accommodations, prices comparable to the charges at other Gulf beach resorts in Florida west of the Apalachicola River and elsewhere on the Island. The reasonableness of Lessee's charges shall be subject to review by the Authority and Lessee shall adjust its charges from time to time as may be required by the Authority are consistent with like charges for similar accommodations and services at such other resorts and elsewhere on the Island.

SECTION XXIOPERATION AND CONDUCT OF BUSINESS

Lessee covenants and agrees to operate and conduct all business on the Demised Premises in a first class manner consistent with the public purpose to be served by Santa Rosa Island Authority and in the best interest of the public.

SECTION XXIIENFORCEMENT OF LEASE; FORFEITURE; DEFAULT; REMEDIES; NONWAIVER; ATTORNEY'S FEE

Lessor may enforce the performance of this Amended Lease in any manner provided by law. The following actions or failures on the part of Lessee shall constitute a default under the terms of this Amended Lease.

1. If Lessee shall desert or vacate the Leased Property;
2. If default shall be made by Lessee in the payment of the rent as specified in this Amended Lease;
3. If Lessee fails to develop the property in the manner and within the time frame specified herein;
4. If default shall be made by Lessee in the performance of any of the terms or conditions of this Amended Lease that Lessee is to perform;
5. If Lessee shall fail to comply with any of the statutes, ordinances, rules or regulations of any governmental body governing or regulating the Lessee's business;
6. If Lessee shall file a petition in bankruptcy, or make an assignment for the benefit of creditors, or be adjudicated as bankrupt, or take advantage of any insolvency act.

In the event any portion of the rental is not paid on or before the time of payment herein fixed, or in the event the Lessee shall default in the performance or breach of any of the other covenants, conditions, terms and provisions of this Lease and shall continue in such non-payment default, or breach, after thirty (30) days in notice in writing from the Lessor, and unless Lessee shall have completely removed or cured the default within thirty (30) days from the date of Lessor's notice of intention to declare the lease forfeited, this Amended Lease shall come to an end as if the date established by notice of forfeiture were the date originally fixed herein for the expiration of the term of this Amended Lease, without any further notice from Lessor to Lessee. Lessor's agent or attorney shall have the right, without further notice or demand, to re-enter and remove all personal property and Lessee's property from the Leased Property without being deemed guilty of any trespassing.

SECTION XXVI

PARAGRAPH HEADINGS

The paragraph headings in this Amended Lease are intended for convenience only and shall not be taken into consideration in any construction or interpretation of this Amended Lease or any of its provisions.

SECTION XXVII

ENTIRE AGREEMENT

Except as provided below, this instrument constitutes the entire agreement between Lessor and Lessee on the subject of this Amended Lease, and all prior or contemporaneous oral or written agreements or representations of any nature with reference to the subject matter of this Amended Lease are cancelled and superseded by the provisions of this Amended Lease.

All of the provisions of the aforesaid lease or amendments thereto not in conflict herewith are hereby ratified, confirmed and kept in full force and effect.

SECTION XXVIII

WAIVER

Failure on the part of Lessor to complain of any action or nonaction on the part of Lessee, no matter how long it may continue, shall never be deemed to be a waiver by Lessor of any of its rights under this Amended Lease. Further, it is covenanted and agreed that no waiver at any time of any of the provisions of this Amended Lease by Lessor shall be construed as a waiver at any subsequent time of the same provisions. The consent or approval by Lessor to or of any action by Lessee requiring Lessor's consent to approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar act by Lessee.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 10th day of March 1982.

SANTA ROSA ISLAND AUTHORITY,

LESSOR

BY [Signature]
Chairman

ATTEST:

[Signature]
Secretary

Witnesses as to both trustees:

[Signature]
[Signature]

(CORPORATE SEAL)

[Signature]
ALLEN R. LEVIN, as Trustee
under a certain Land Trust
Agreement dated May 9, 1980
AND NOT INDIVIDUALLY

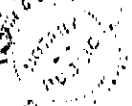
[Signature]
JOHNNIE SUE HARPER ALLEN, as Trustee
under a certain Land Trust
Agreement dated May 9, 1980
AND NOT INDIVIDUALLY

No. 1624 VOL 420

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 10 day
of March, 1982 by Thomas F. [unclear] and
[unclear], Chairman and Secretary respectively of the
Santa Rosa Island Authority, for and on behalf of the Authority.

[Signature]
NOTARY PUBLIC
MY COMMISSION EXPIRES:



STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 27th
day of March, 1982 by Allen R. Lavin and [unclear]
[unclear] as Trustees under the provisions of a certain Trust
Agreement dated May 9, 1980 for and on behalf of said Trust.

[Signature]
Notary Public
My commission expires: 11/9/83



THE ESCAMBIA COUNTY
CLERK'S OFFICE
COUNTY CLERK
131400
MAY 10 1 38 PM '82
MAY 10 1 38 PM '82
MAY 10 1 38 PM '82

267657 No 2032 PAGE 150

2/10
267657
02/11/80

PARTIAL ASSIGNMENT OF LEASE

STATE OF FLORIDA
COUNTY OF ESCAMBIA

WHEREAS, Allen R. Levin and Johnnie Sue Harper Allen, as Trustees and NOT INDIVIDUALLY under the provisions of a certain Land Trust dated May 9, 1980, (in which Land Trust Allen R. Levin and Grace S. Futch were the original Trustees and Johnnie Sue Harper Allen is a successor Trustee) the current Trustees being hereinafter referred to as "Trustees", and Sound Venture, Ltd., a Florida Limited Partnership, which together with Trustees are collectively referred to herein as "Assignors", and

WHEREAS, Assignors are the current owners of a leasehold interest under a certain Amended Lease Agreement dated February 25, 1982, recorded in Official Record Book 1624 at page 410 and further amended in Official Record Book 1736 at page 416, both of the public records of Escambia County, Florida, leasing certain premises therein described, and

WHEREAS, "hda" Investment Group, a Louisiana Limited Partnership, hereinafter referred to as "Assignee", desires to purchase the following described premises.

NOW, THEREFORE, the undersigned Assignors, for and in consideration of \$10.00 and other good and valuable considerations, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell, convey and assign to "hda" Investment Group, a Louisiana Limited Partnership, all right, title and interest in and to the leasehold estate to the real property hereinafter described, situate in Escambia County, Florida, to-wit:

FOR LEGAL DESCRIPTION SEE THE ATTACHED EXHIBIT "A" CONSISTING OF ONE PAGE AND MADE A PART HEREOF BY REFERENCE.

TO HAVE AND TO HOLD the above described leasehold estate, including all riparian rights, in fee simple, together with all other and singular tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, free from all exemptions and rights of homestead.

And the Assignors covenant that they are seized of an indefeasible leasehold estate in fee simple in the leasehold estate hereby conveyed and have a good right to convey the same; that the premises hereby conveyed are free from all encumbrances and that the Trustees, as Trustees and NOT INDIVIDUALLY, and Sound Venture, Ltd., a Florida Limited Partnership, collectively will forever warrant and defend "hda" Investment Group, a Louisiana Limited Partnership, its successors and assigns, in the quiet and peaceable possession and enjoyment of the property hereby conveyed against all persons lawfully claiming the same.

This conveyance is subject only to real property taxes and/or intangible taxes accruing from and after March 8, 1985, and further subject only to the following matters and things, to-wit:

1. General restrictive covenants dated February 10, 1949, recorded in Deed Book 294 at page 303 of the public records of Escambia County, Florida.
2. Gulf Power Easement dated August 24, 1935, recorded in Deed Book 426 at page 368 of the public records of Escambia County, Florida.

THIS INSTRUMENT PREPARED BY:
JOHN W. MCNEEL, JR.
LEVEL WASHINGTON, et al
225 S. PALMWAY ST.
PENSACOLA, FLORIDA 32501

2032 1151

3. That certain Lease Agreement between the Santa Rosa Island Authority and the undersigned Trustees dated February 25, 1982, recorded in Official Record Book 1624 at page 410 of the public records of Escambia County, Florida.

4. Mineral reservations and other limitations as are set forth in that certain Deed dated November 2, 1948, recorded in Deed Book 308 at page 12 and that certain Deed dated January 15, 1947, recorded in Deed Book 240 at page 161, all in the public records of Escambia County, Florida.

Assignee agrees to abide by the terms and provisions of the Amended Lease Agreement described above in Official Record Book 1624 at page 410 as further amended in Official Record Book 1763 at page 416, both of the public records of Escambia County, Florida, as the same pertain to the property hereby conveyed and partially assigned. Assignors, their successors and assigns, agree to hold the Assignee harmless from and against any loss or damage resulting from any default or breach of that certain Amended Lease Agreement referred to above, as subsequently amended, as it pertains to the remaining property retained by Assignors.

IN WITNESS WHEREOF, Assignors have hereunto set their hands and seals this 21 day of March, 1985.

Witnesses:

[Handwritten signatures of witnesses]

ASSIGNORS:

[Signature]
ALLAN R. LEVIN, as trustee and NOT INDIVIDUALLY under that certain Land Trust Agreement dated May 9, 1980

[Signature]
JOHNNIE SUE HARPER STAMPS, formerly known as Johnnie Sue Harper Allen, as trustee and NOT INDIVIDUALLY under that certain Land Trust agreement dated May 9, 1980

ROUND VENTURE, LTD, by ROUND ENTERPRISES, INC., General Partner

[Signature]
F. A. BAIRD, JR., President

DESIGNEE:

"hdc" INVESTMENT GROUP, a Louisiana Limited Partnership

By *[Signature]*
JOHN E. ANGLIN, General Partner

By *[Signature]*
JAMES D. DOBBS, General Partner

10-2032 MAR 152

[Handwritten signature]

By Shannon W. Harris
SHANNON W. HARRIS, General
Partner
Mailing address for said group
being P. O. Box 46323, Baton
Rouge, LA 70896

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this
day of March, 1985, by Allan R. Levin, as Trustee and NOT
INDIVIDUALLY under that certain Land Trust Agreement dated May 5,
1980.

[Handwritten signature]
NOTARY PUBLIC

My Commission expires: 11-12-85



STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this
day of March, 1985, by Johnnie Sue Harper Stempa, formerly
known as Johnnie Sue Harper Allen, as Trustee and NOT
INDIVIDUALLY Under that certain Land Trust Agreement dated May 5,
1980.

[Handwritten signature]
NOTARY PUBLIC

My Commission expires: 11-12-85



STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this
day of March, 1985, by F. A. Baird, Jr., President of Sound
Enterprises, Inc., General Partner of Sound Venture, Ltd., a
Florida Limited Partnership, on behalf of the corporation.

[Handwritten signature]
NOTARY PUBLIC

My Commission expires: 11-12-85



STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this
day of March, 1985, by John E. Archer, General Partner of
Investment Group, a Louisiana General Partnership.

[Handwritten signature]
NOTARY PUBLIC

My Commission expires: 11-12-85



85-2032 PAGE 153

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this
day of March, 1985, by James D. Deida, General Partner of
"Hda" Investment Group, a Louisiana General Partnership.

[Signature]
NOTARY PUBLIC

My Commission expires: *[Date]*



STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this
day of March, 1985, by Shannon W. Harris, General Partner
of "Hda" Investment Group, a Louisiana General Partnership.

[Signature]
NOTARY PUBLIC

My Commission expires: *[Date]*



THIS EXHIBIT "A" IS ATTACHED TO THAT CERTAIN PARTIAL ASSIGNMENT OF LEASE BETWEEN ALLEN R. LEVIN AND JOHNNIE SUE HARPER ALLEN, AS TRUSTEES, AND SOUND VENTURE, LTD., AS ASSIGNORE, AND "hda" INVESTMENT GROUP, AS ASSIGNEE.

Commencing at the Southwest corner of Block A, Villa Sabine Subdivision, a subdivision as recorded in Plat Book 5, Page 62 of the Public Records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3850.00 feet to a concrete monument; thence continue along said North right-of-way line North 83°41'00" West a distance of 287.23 feet to a point of curvature; thence along the curve an arc distance of 414.66 feet to the point of tangency, said curve having a radius of 3623.32 feet, a tangent of 207.43 feet, and a delta of 4°13'30" and curving to the South; thence run North 87°54'30" West along said North right-of-way line a distance of 933.37 feet; thence leaving said North right-of-way run North 2°05'30" East a distance of 500.00 feet to a capped iron rod; thence continue North 2°05'30" East a distance of 6 feet more or less to the mean high water line of Santa Rosa Sound for the Point of Beginning; thence along line last traversed, run South 2°05'30" West 6 feet more or less to said capped iron rod; thence continue South 2°05'30" West a distance of 300.00 feet to a point on said North right-of-way line; thence run North 87°54'30" West along said North right-of-way line a distance of 200.00 feet; thence leaving said North right-of-way line, run North 2°05'30" East a distance of 439.81 feet to a capped iron rod; thence continue North 2°05'30" East a distance of 4 feet more or less to the mean high water line of Santa Rosa Sound; thence meander Easterly along said mean high water line a distance of 210 feet more or less to the Point of Beginning. All lying and being, in Escambia County, Florida and containing 2.16 acres, more or less.

STATE OF FLORIDA
DOCUMENTARY STAMP TAX
DEPT. OF REVENUE
MAY 17 1985
900.00

STATE OF FLORIDA
DOCUMENTARY STAMP TAX
DEPT. OF REVENUE
MAY 17 1985
900.00

STATE OF FLORIDA
DOCUMENTARY STAMP TAX
DEPT. OF REVENUE
MAY 17 1985
900.00

STATE OF FLORIDA
DOCUMENTARY STAMP TAX
DEPT. OF REVENUE
MAY 17 1985
976.50

FILED AND RECORDED IN
THE PUBLIC RECORDS OF
ESCAMBIA COUNTY, FLORIDA
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COUNTY CLERK'S OFFICE
TALLAHASSEE, FLORIDA

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STATE OF FLORIDA
COUNTY OF ESCAMBIA

PARTIAL ASSIGNMENT OF LEASE

WHEREAS, "hda" INVESTMENT GROUP, a Louisiana Limited Partnership, hereinafter referred to as "Assignor", is the current owner of a leasehold under a certain Amended Lease Agreement dated February 25, 1982, recorded in Official Record Book 1624 at Page 410 and further amended in Official Record Book 1736 at Page 416; and under a Partial Assignment of Lease dated March 8, 1985, recorded in Official Record Book 2032 at Page 150, all of the public records of Escambia County, Florida, leasing certain premises therein described; and

WHEREAS, LA BAHIA DEVELOPMENT GROUP, INC., a Florida corporation, hereinafter referred to as "Assignee", desires to purchase the following described premises.

NOW, THEREFORE, the undersigned Assignor, for and in consideration of \$10.00 and other good and valuable considerations, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell, convey and assign to LA BAHIA DEVELOPMENT GROUP, INC., a Florida corporation, all right, title and interest in and to the leasehold estate to the real property hereinafter described, situate in Escambia County, Florida, to-wit:

Commencing at the Southwest corner of Block A, VILLA SABINE SUBDIVISION, a subdivision as recorded in Plat Book 5, Page 63 of the Public Records of Escambia County, Florida (said Southwest corner being on the North right-of-way line of Fort Pickens Road); thence Westerly along the North right-of-way line of said Fort Pickens Road a distance of 3250.00 feet to a concrete monument; thence continue along said North right-of-way line North 83°41'00" West a distance of 287.25 feet to a point of curvature; thence along the curve an arc distance of 414.66 feet to the point of tangency, said curve having a radius of 5625.32 feet, a tangent of 207.43 feet, and a delta of 4°13'30" and curving to the South; thence run North 87°54'30" West along said North right-of-way line a distance of 953.37 feet; thence leaving said North right-of-way run North 2°05'30" East a distance of 500.00 feet to a capped iron rod; thence continue North 2°05'30" East a distance of 5 feet more or less to the mean high water line of Santa Rosa Sound for the Point of Beginning; thence along line last traversed, run South 2°05'30" West 6 feet more or less to said capped iron rod; thence continue South 2°05'30" West a distance of 500.00 feet to a point on said North right-of-way line; thence run North 87°54'30" West along said North right-of-way line a distance of 200.00 feet; thence leaving said North right-of-way line, run North 2°05'30" East a distance of 439.81 feet to a capped iron rod; thence continue North 2°05'30" East a distance of 4 feet more or less to the mean high water line of Santa Rosa Sound; thence meander Easterly along said mean high water line a distance of 210 feet more or less to the Point of Beginning. All lying and being in Escambia County, Florida and containing 2.18 acres, more or less;

TO HAVE AND TO HOLD the above described leasehold estate, including all riparian rights, in fee simple, together with all other and singular tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, free from all exemptions and rights of homestead.

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INDEXED BY
NOV 20 2038 PM 125
200.45

BOOK 2038 PAGE 126

And the Assignor covenants that it is seized of an indefeasible leasehold estate in fee simple in the leasehold estate hereby conveyed and has a good right to convey the same; that the premises hereby conveyed are free from all encumbrances and that "hda" INVESTMENT GROUP, a Louisiana Limited Partnership, will forever warrant and defend LA BAHIA DEVELOPMENT GROUP, INC., a Florida corporation, its successors and assigns, in the quiet and peaceable possession and enjoyment of the property hereby conveyed against all persons lawfully claiming the same.

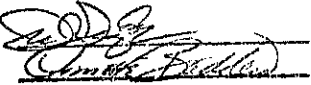
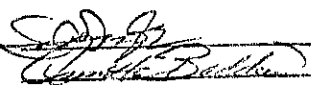
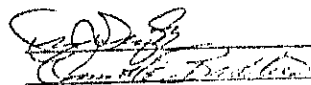
This conveyance is subject only to real property taxes and/or intangible taxes accruing from and after March 31, 1985, and further subject only to the following matters and things, to-wit:

1. General restrictive covenants dated February 10, 1949, recorded in Deed Book 294 at Page 303 of the public records of Escambia County, Florida.
2. Gulf Power Easement dated August 24, 1955, recorded in Deed Book 426 at Page 588 of the public records of Escambia County, Florida.
3. That certain Lease Agreement dated February 25, 1982, recorded in Official Record Book 1624 at Page 410 of the public records of Escambia County, Florida.
4. Mineral reservations and other limitations as are set forth in that certain Deed dated November 2, 1949, recorded in Deed Book 308 at Page 12 and that certain Deed dated January 15, 1947, recorded in Deed Book 248 at Page 161, all in the public records of Escambia County, Florida.

Assignee agrees to abide by the terms and provisions of the Amended Lease Agreement described above in Official Record Book 1624 at Page 410 as further amended in Official Record Book 1763 at Page 416, both of the public records of Escambia County, Florida, as the same pertain to the property hereby conveyed and partially assigned.

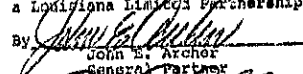
IN WITNESS WHEREOF, Assignor has hereunto set its hand and seal this 21st day of March, 1985.

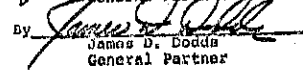
Witnesses:

ASSIGNOR

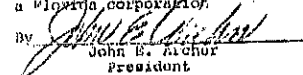
"hda" INVESTMENT GROUP,
 a Louisiana Limited Partnership

By 
 John E. Archer
 General Partner

By 
 James D. Dodd
 General Partner

ASSIGNEE

LA BAHIA DEVELOPMENT GROUP, INC.
 a Florida corporation

By 
 John E. Archer
 President

Mar 20 1985 12 7

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 21st day of March, 1985, by JOHN E. ARCHER and JAMES D. DODDS, as General Partners of "nda" INVESTMENT GROUP, a Louisiana Limited Partnership, on behalf of said Partnership.

[Signature]
Notary Public
My commission expires 12/28/88

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 21st day of March, 1985, by JOHN E. ARCHER as President of LA BAHIA DEVELOPMENT GROUP, INC., a Florida corporation, on behalf of said corporation.

[Signature]
Notary Public
My commission expires 12/28/88

Prepared by:
✓ JAMES C. TAYLOR, of
Taylor & Van Matre, P.A.
4300 Bayou Boulevard, Suite 16
Pensacola, Florida 32503
(904) 474-1030

356472
FILED AND RECORDED IN
THE PUBLIC RECORDS OF
ESCAMBIA COUNTY, FLORIDA
MAR 22 9 32 AM '85
M. K. HAYES, CLERK
200 W. BAYVIEW BLVD.
PENSACOLA, FLORIDA

ORBOOK 2469PC 860

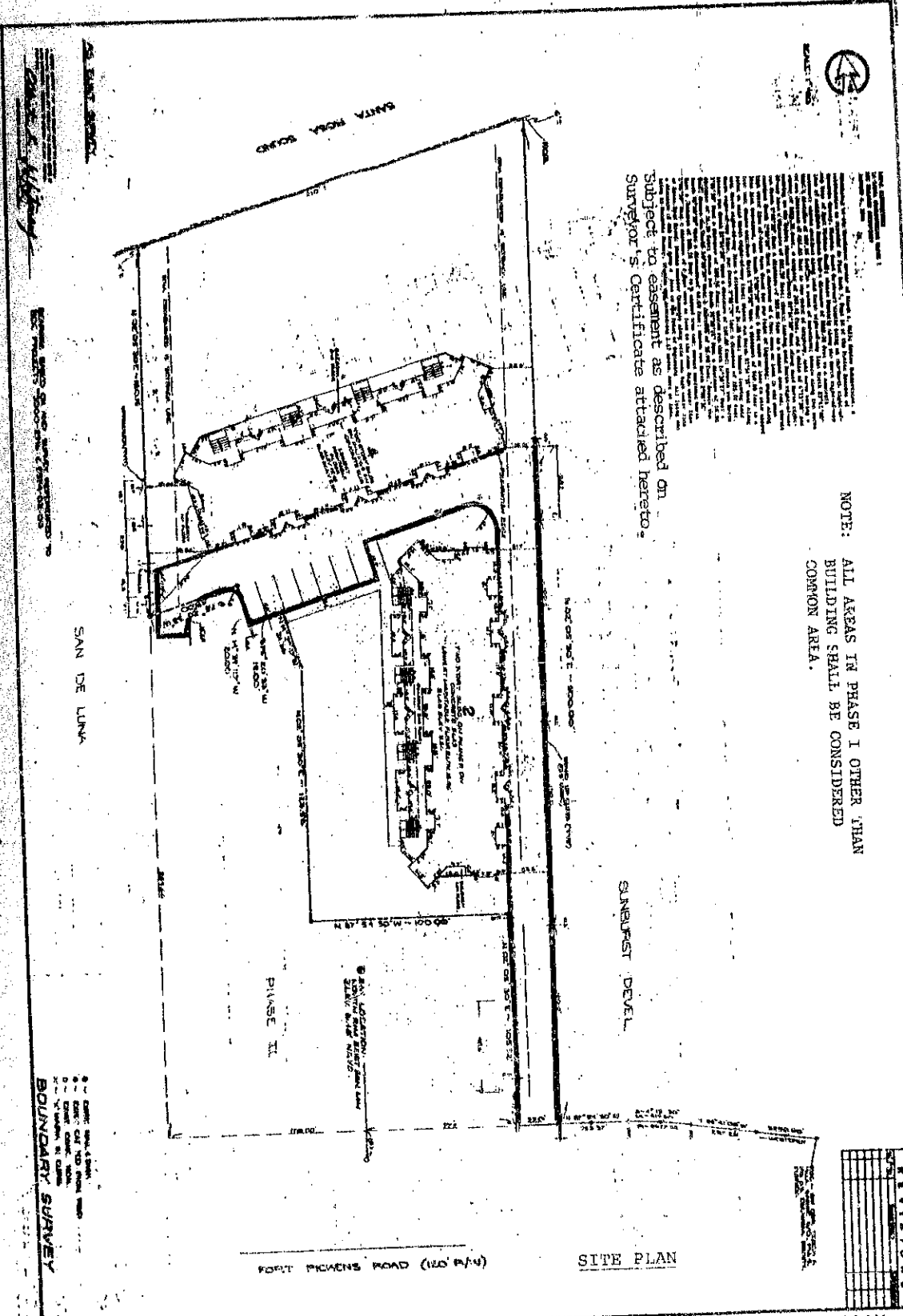
EXHIBIT "D"

PLOT PLAN, SURVEY, UNIT DESCRIPTION AND SURVEYOR'S
CERTIFICATE UPON COMPLETION
AS TO
PHASE I



Subject to easement as described on Surveyor's Certificate attached hereto.

NOTE: ALL AREAS IN PHASE I OTHER THAN BUILDING SHALL BE CONSIDERED COMMON AREA.



BOUNDARY SURVEY

NO.	DATE	REVISIONS

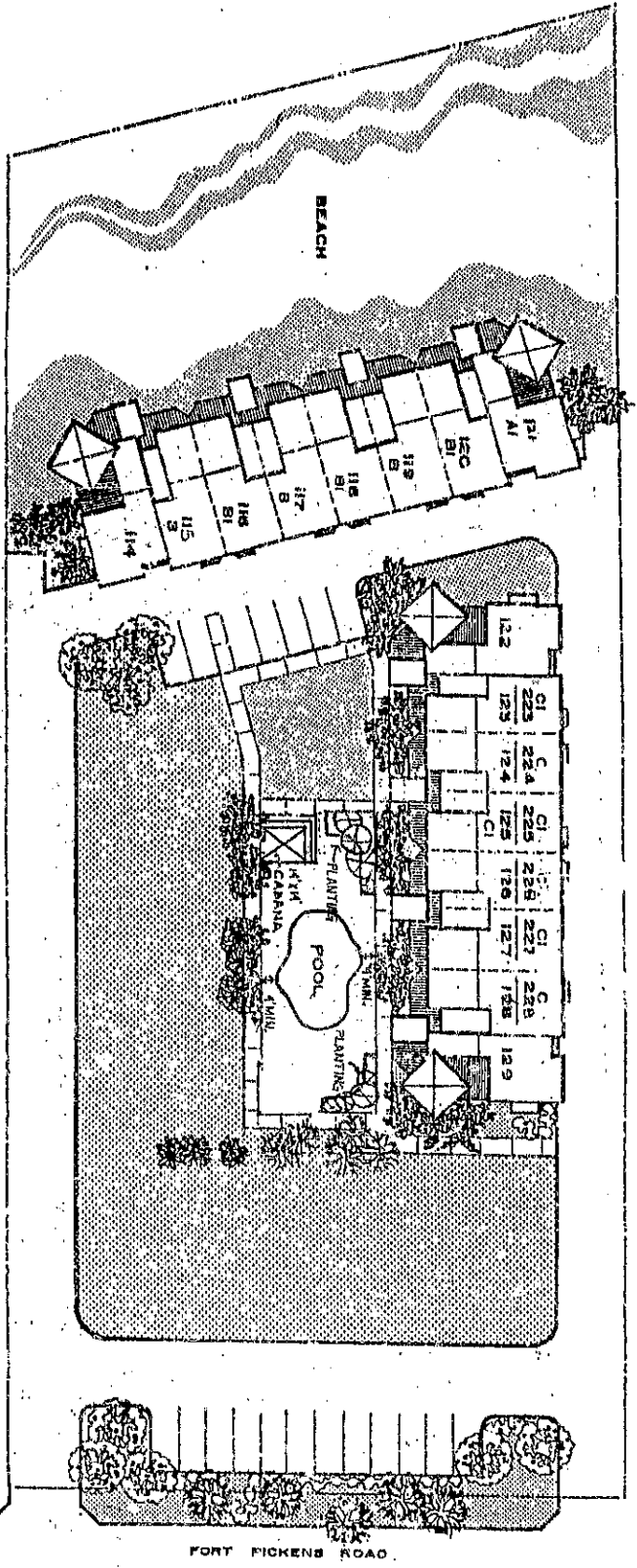
SITE PLAN

**PHASE 1
LA BAHIA
CONDOMINIUMS**

BARRETT DAFFIN AND CARLAN INC.
ARCHITECTS ENGINEERS PLANNERS SURVEYORS
POST OFFICE DRAWER 12337 TALLAHASSEE, FLORIDA 32317-2337
POST OFFICE DRAWER 12526 PENSACOLA, FLORIDA 32571-2526
POST OFFICE DRAWER 3607 MONTGOMERY, ALABAMA 36107-0607

SEE PAGE 2 OF SITE PLAN FOR LOCATION AND IDENTIFICATION OF EACH UNIT IN PHASE I

NUMBER OF UNITS:
 UNITS A OR A1 - 4
 UNITS B OR B1 - 6
 UNITS C OR C1 - 12



SITE PLAN
PHASE ONE
 NOTE: UNITS A1, B1 AND C1 SIMILAR TO UNITS A, B AND C RESPECTIVELY, BUT OPPOSITE HAND.

REV. 5-24-87 POOL AREA
 PROFESSIONAL ENGR. ASSOC. INC.
 ALL AREA OUTSIDE OF UNITS IS
 COMMON AREA EXCEPT FOR PARKING
 UNDER UNITS AND DECKS OUTSIDE
 OF EACH UNIT, WHICH IS LIMITED
 COMMON AREA.
 ALL IMPROVEMENTS SHOWN ARE
 PROPOSED.

NOTE: THIS PAGE SHOWN FOR SOLE
 PURPOSE OF IDENTIFYING THE
 UNITS IN PHASE I

REC-24694 862

James D. Dodds, AIA
 ARCHITECT
 Barbours Landing
 JUN 1984

LA BAHIA CONDOMINIUMS
 FORT PICKENS ROAD
 PENSACOLA BEACH, FLORIDA

EXHIBIT "D"

LA BAHIA, A CONDOMINIUM, PHASE I

There are two (2) buildings as shown on the Plot Plan. The building facing the water contains eight (8) units and the other one contains fourteen (14) units, for a total of twenty-two (22) units in Phase I. The following is a breakdown of unit types and square footage:

Unit #	Type	Bedrooms	Baths	Square Footage
114	A	3	2-1/2	Each A or A-1 unit contains:
115	B	3	3	
116	B-1	3	3	Living Area 1672.88 sq. ft.
117	B	3	3	Deck 658.03 sq. ft.
118	B-1	3	3	Storage 54.00 sq. ft.
119	B	3	3	Total 2384.91 sq. ft.
120	B-1	3	3	
121	B-1	3	3	
122	A-1	3	3	Each B or B-1 unit contains:
123	C-1	1	2	Living Area 1383.59 sq. ft.
124	C	1	2	Deck 323.53 sq. ft.
125	C-1	1	2	Storage 37.00 sq. ft.
126	C	1	2	Total 1754.18 sq. ft.
127	C-1	1	2	
128	C	1	2	
129	A	3	2-1/2	Each C or C-1 unit contains:
223	C-1	1	2	Living Area 717.54 sq. ft.
224	C	1	2	Deck 235.27 sq. ft.
225	C-1	1	2	Storage 19.00 sq. ft.
226	C	1	2	Total 971.81 sq. ft.
227	C-1	1	2	
228	C	1	2	

Floor plans are attached hereto as Pages 7 through 15 to this Exhibit.

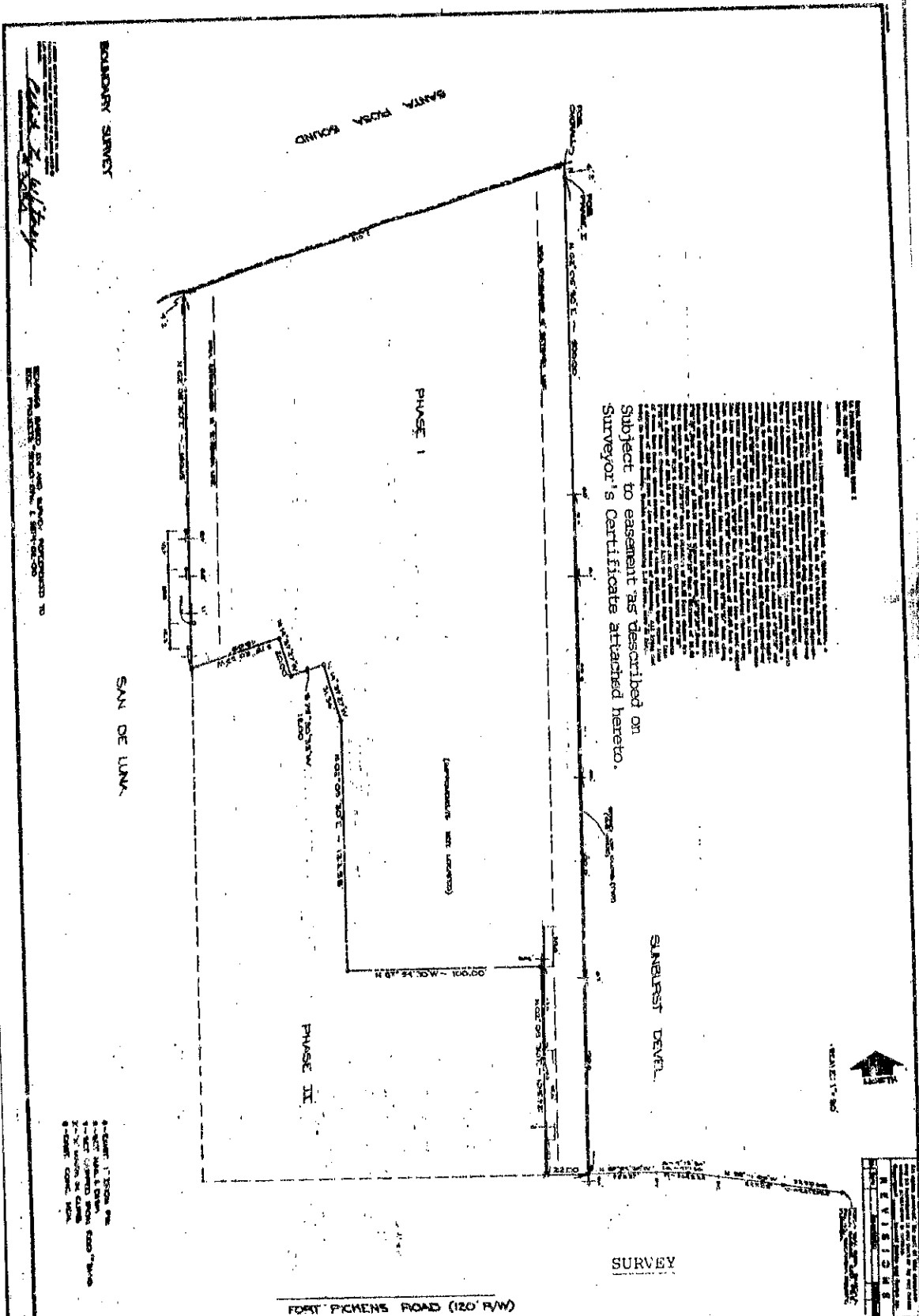
The common areas in Phase I include all leasehold interest in lands described in Exhibit "A" to the Declaration of Condominium and all improvements thereon which are not units or included in units. They include, but are not limited to:

- A. One irregular shaped, non-heated swimming pool ranging in depth from 3 feet to 7 feet, with dimensions of approximately 20' X 40', and a cabana with dimensions of approximately 14' X 14', all of which will be situated on and/or surrounded by a concrete deck with approximate dimensions of 93' X 35'. See Page 6 of this Exhibit "D" for complete detail.

- B. A parking area of 7 uncovered asphalt paved parking spaces. Note: Covered parking is provided under each unit as a Limited Common Area, with Type A, A-1, B and B-1 units having two (2) each, and C and C-1 units having one (1) each.

At such time as the improvements in Phase I are substantially completed, a foundation or "as built" survey and surveyor's certificate shall be attached to this Exhibit in accordance with Florida Statutes 718.104(4)(e).

A survey of the land described in this Declaration of Condominium as Phase I is attached hereto.



David J. Wilkey

CONVEYED BY AND UNDER POWERS TO THE PROCEEDING SURVEYOR'S CERTIFICATE

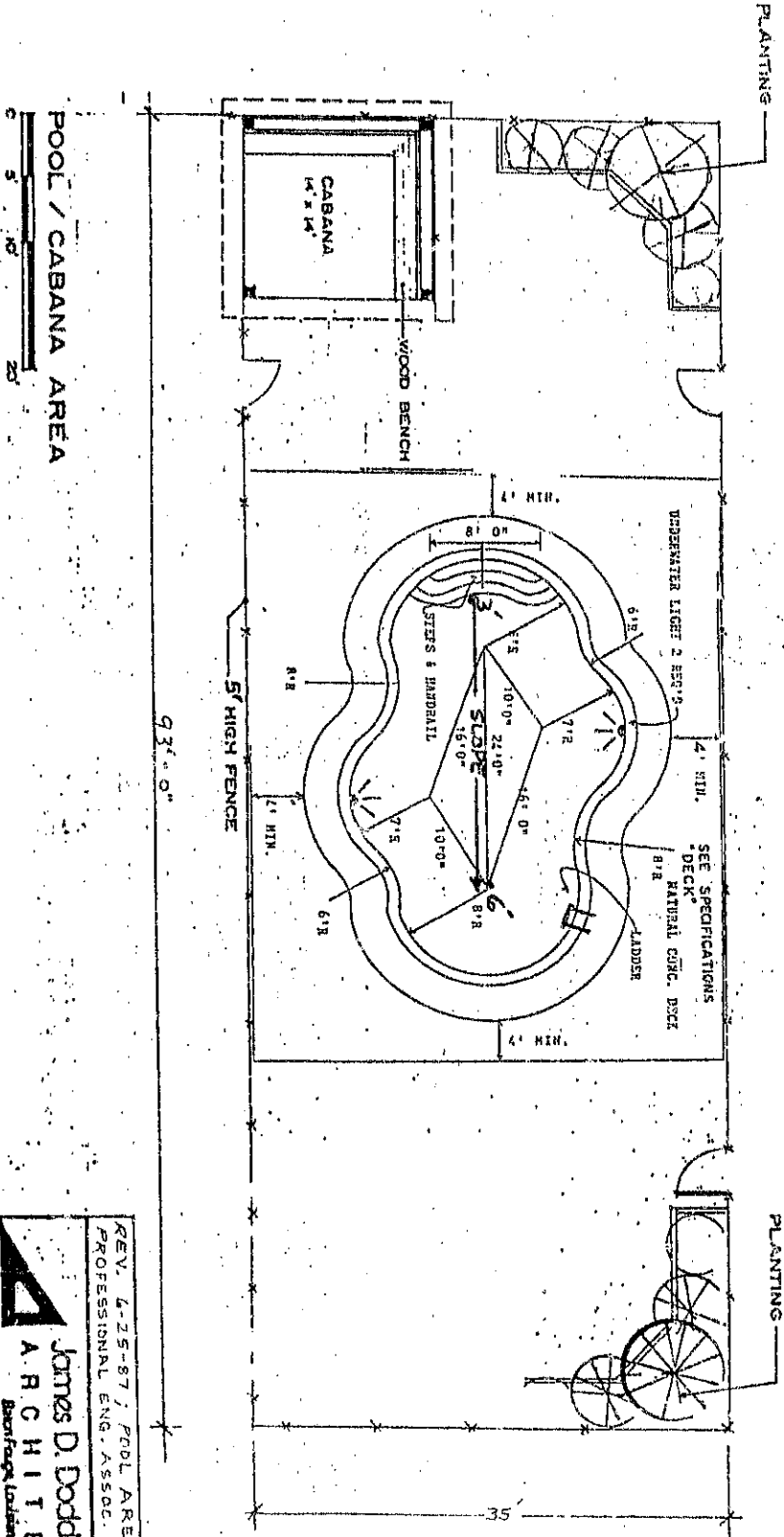
ALL DISTANCES AS SHOWN ON THIS PLAN ARE TO BE CONSIDERED AS THE TRUE DISTANCES UNLESS OTHERWISE SPECIFIED



ALL DISTANCES AS SHOWN ON THIS PLAN ARE TO BE CONSIDERED AS THE TRUE DISTANCES UNLESS OTHERWISE SPECIFIED

**PHASE 1
LA BAHIA
CONDOMINIUM**

BARRETT DAFFIN AND CARLAN, INC.
 ARCHITECTS ENGINEERS PLANNERS SURVEYORS
 POST OFFICE DRAWER 12337 TALLAHASSEE, FLORIDA 32317-2337
 POST OFFICE DRAWER 12326 PENSACOLA, FLORIDA 32513-2326
 POST OFFICE DRAWER 3467 MONTGOMERY, ALABAMA 36104-3467

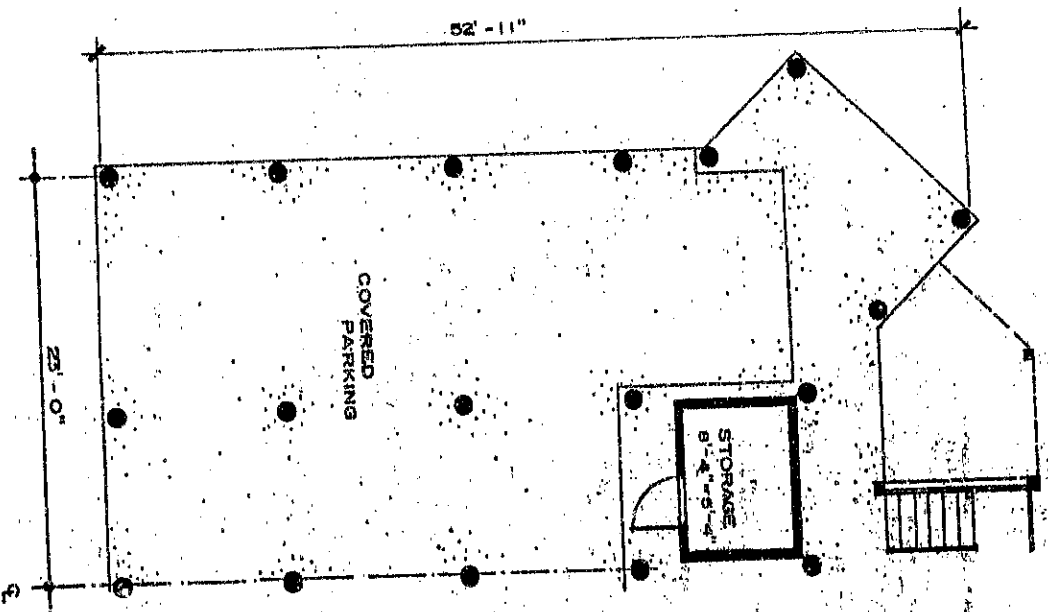


REV. 4-25-87 / POOL AREA
 PROFESSIONAL ENG. ASSOC. INC.

James D. Dodds, AIA
 ARCHITECT

Baton Rouge, Louisiana

LA BAHIA CONDOMINIUMS
 FORT PICKENS ROAD
 PENSACOLA BEACH, FLORIDA



UNIT "A"
GENERAL INFORMATION

BEDROOMS 3
BATHROOMS 2-1/2

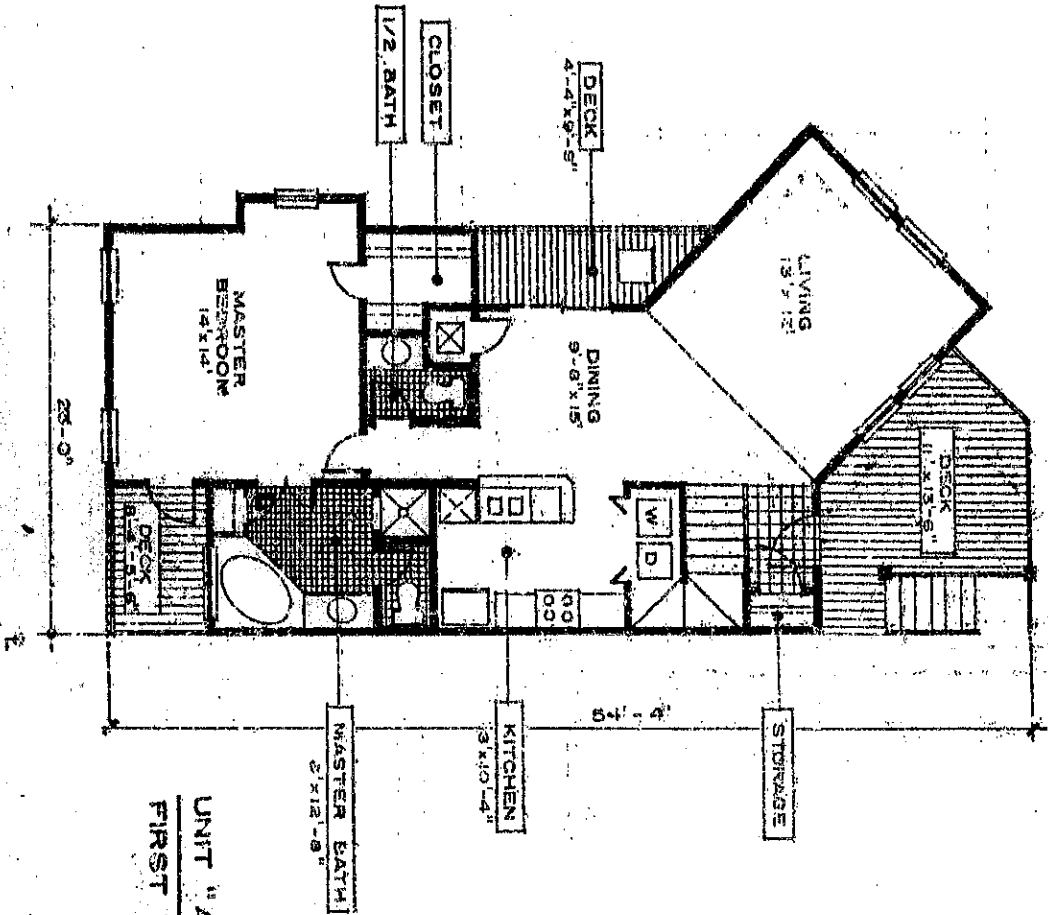
SQUARE FOOTAGES

LIVING	1672.89
DECK	658.03
STORAGE	84.0
TOTAL	2384.91

UNIT "A"
GROUND FLOOR PLAN

James D. Dodds, AIA
ARCHITECT
Senior Principal Architect

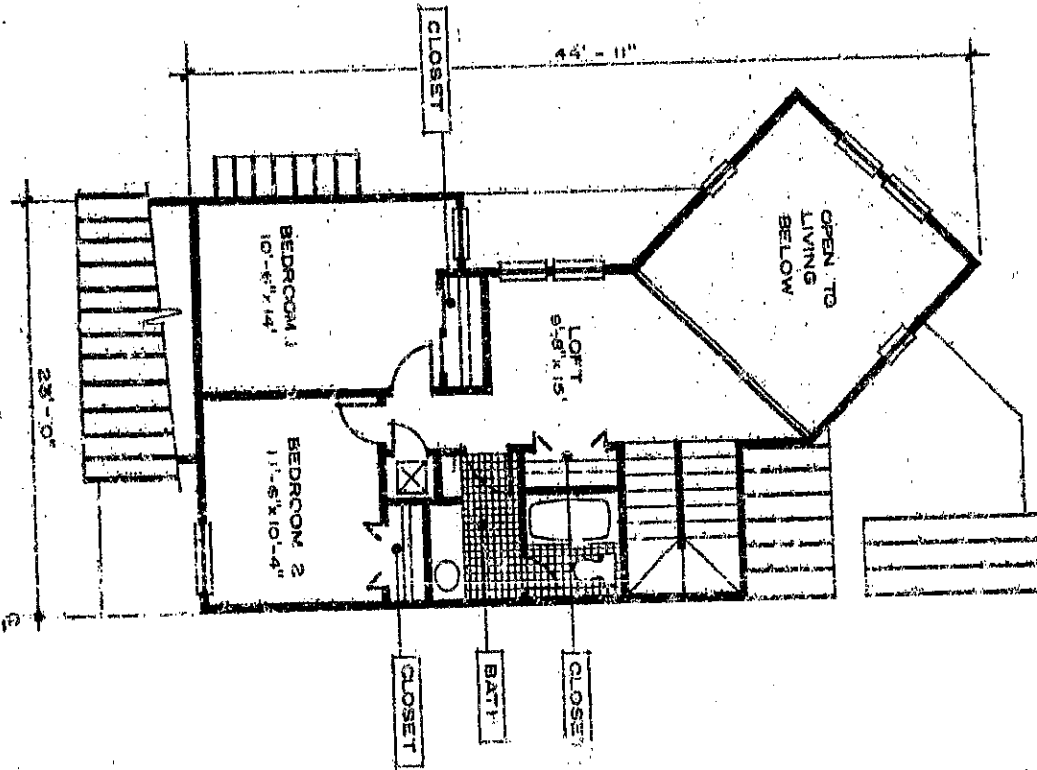
LA BAHIA CONDOMINIUMS
FORT PICKENS ROAD FLORIDA
PENSACOLA BEACH



UNIT "A"
FIRST FLOOR PLAN

James D. Dodds, AIA
ARCHITECT
 (Owner/Architect)

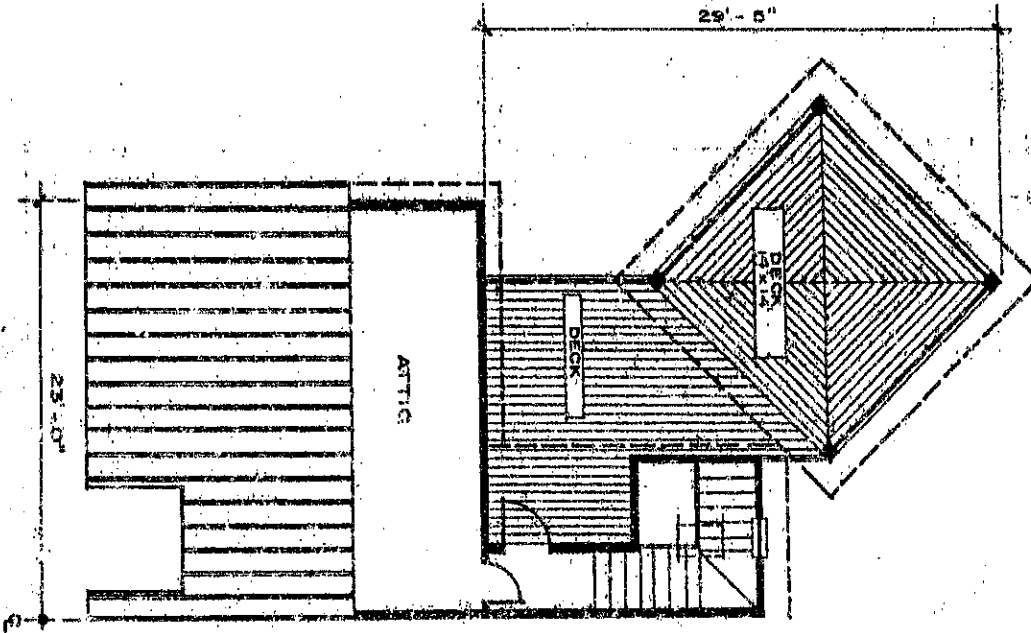
L.A. BAHIA CONDOMINIUMS
 FORT PICKENS ROAD
 PENSACOLA BEACH, FLORIDA




UNIT "A"
SECOND FLOOR PLAN

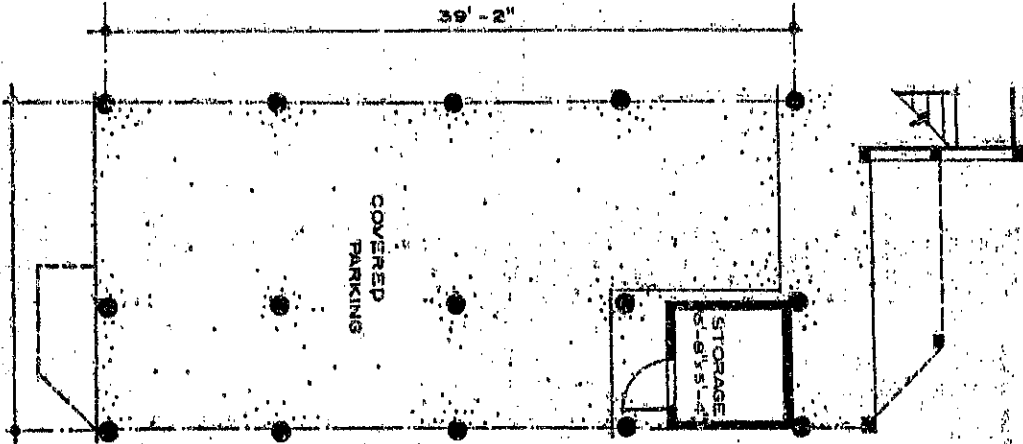
James D. Doods, AIA
ARCHITECT
Member, Florida Architects Association

LA BAHIA CONDOMINIUMS
FORT PICKENS BEACH, FLORIDA
PENSACOLA BEACH, FLORIDA



UNIT "A"
ROOF DECK

	James D. Dodds, AIA ARCHITECT Miami Beach, Florida
L.A. BAHIA CONDOMINIUMS UNIT PICKENS ROAD MIAMI BEACH, FLORIDA	



UNIT "B"
GENERAL INFORMATION

BEDROOMS 3
BATHROOMS 3

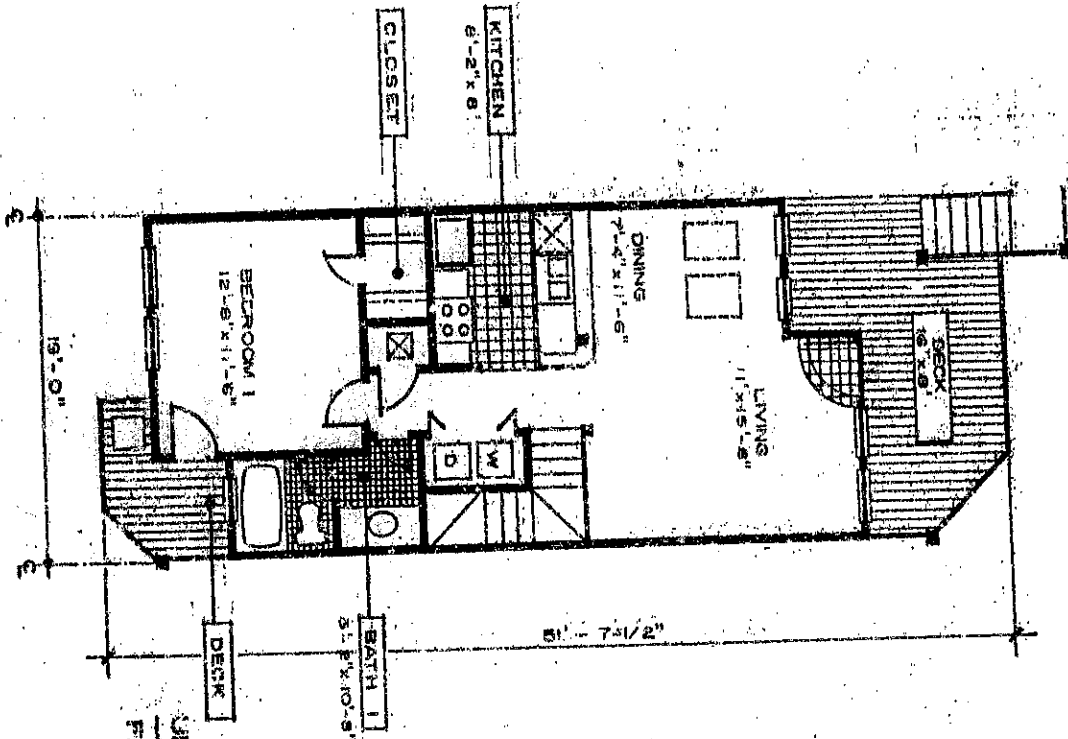
SQUARE FOOTAGES

LIVING	1393.59
DECK	323.52
STORAGE	37.00
TOTAL	1754.12

UNIT "B"
GROUND FLOOR PLAN

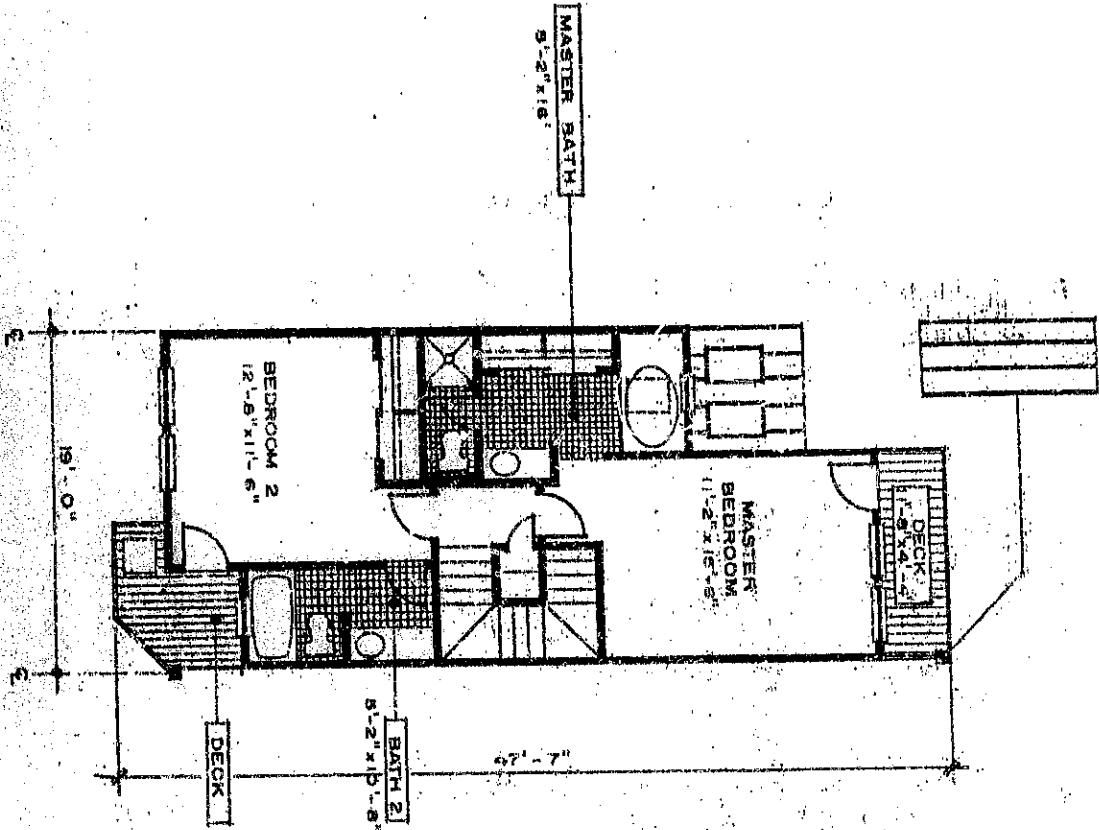
James D. Dodds, AIA
ARCHITECT
Pensacola, Florida

LA BAHIA CONDOMINIUMS
10001 PINEHURST ROAD
PENSACOLA BEACH, FLORIDA



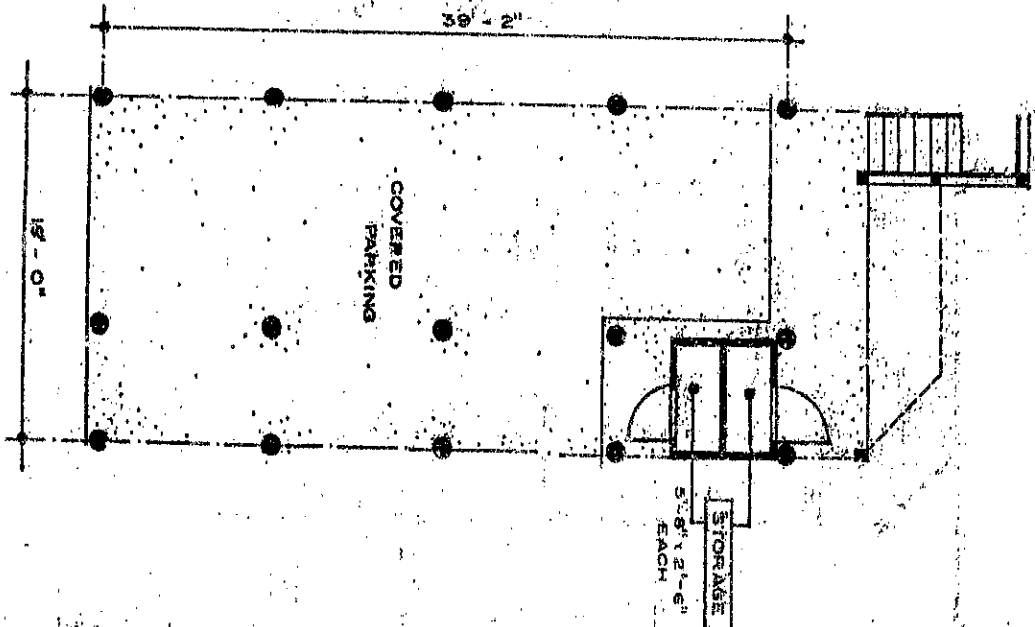
UNIT "B"
FIRST FLOOR PLAN

James D. Dodds, AIA
A R C H I T E C T
 Architect
 1 A BAHIA CONDOMINIUMS
 1011 PISCINE ROAD
 FORT MYERS, FLORIDA 33901



UNIT "B"
 SECOND FLOOR PLAN

James D. Dods, AIA
 ARCHITECT
 L.A. BAYVIEW CONDOMINIUM
 FORT PINNACLES ROAD, FORT LAUDERDALE, FLORIDA



UNIT "C"
GENERAL INFORMATION

BEDROOMS 1
BATHROOMS 2

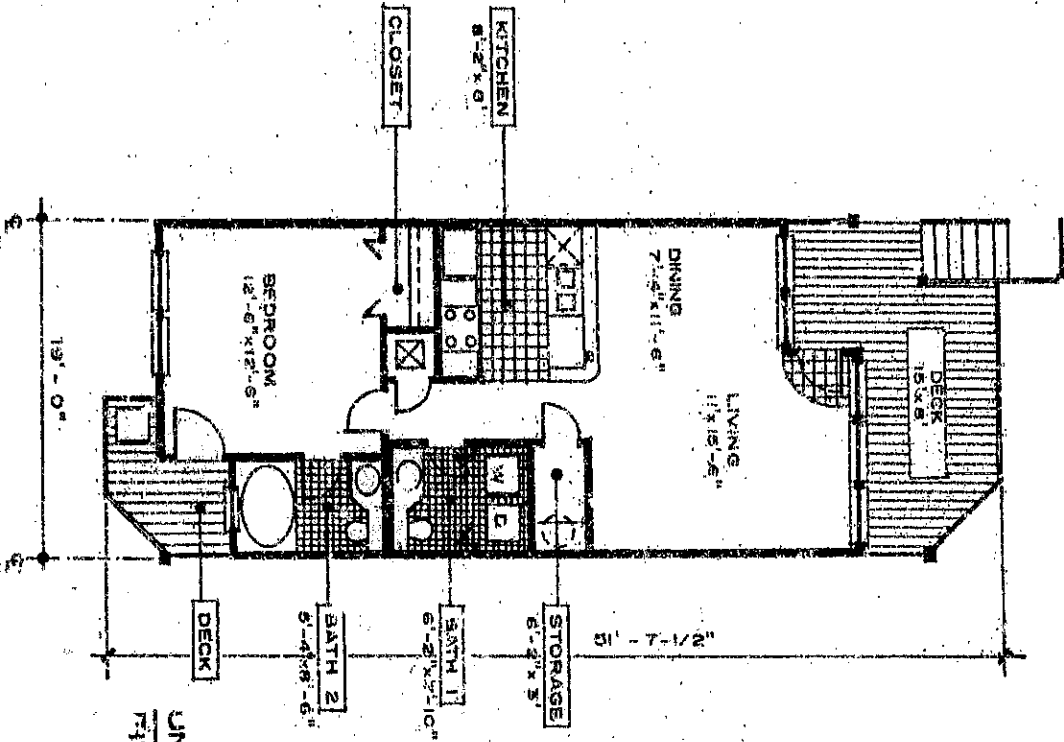
SQUARE FOOTAGES

LIVING	717.54	sq ft
DECK	235.27	sq ft
STORAGE	19.00	sq ft
TOTAL	971.81	sq ft

UNIT "C"
GROUND FLOOR PLAN

James D. Dodds, AIA
ARCHITECT
Architect License No. 12000

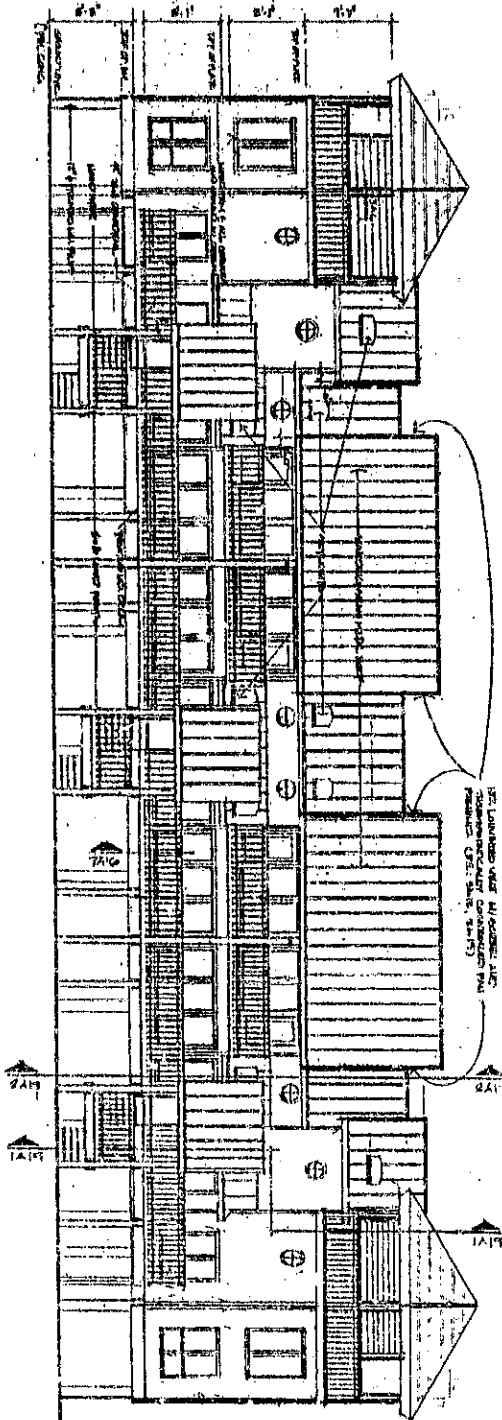
BAHIA CONDOMINIUMS
FORT STICKENS ROAD, FORT MIAMI, FLORIDA
PENSACOLA BEACH, FLORIDA



UNIT "C"
FIRST/SECOND FLOOR

James D. Dodds, AIA
A R C H I T E C T
 2000 Bay Plaza, Fort Myers, Florida

LA BAHIA CONDOMINIUMS
 FORT MYERS ROAD
 FORT MYERS BEACH, FLORIDA

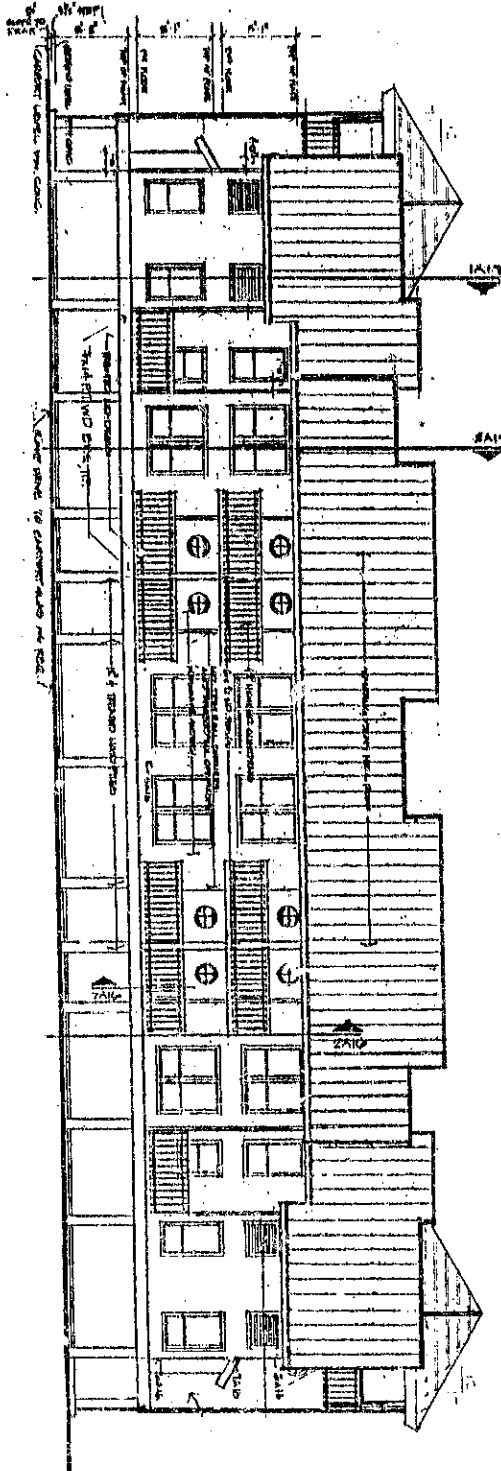


FRONT ELEVATION
BUILDING 3 (BLDG. 1 & 4 SIMILAR)

LA BAHIA CONDOMINIUMS
 FORT PICKENS ROAD, FORT MYERS
 PENSACOLA BEACH, FLORIDA

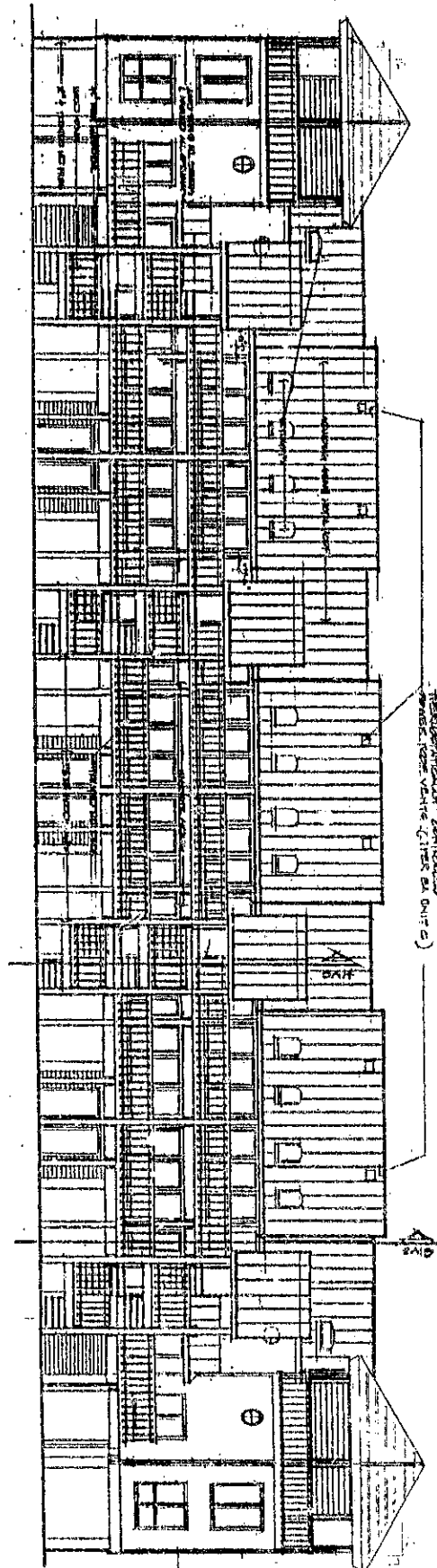
James D. Dodds, AIA
ARCHITECT
 Cambridge, London


REAR ELEVATION
BUILDING 3 (BLDG. 1 & 4 SIMILAR)



James D. Dodds, AIA
ARCHITECT
 1400 BAHIA CONDOMINIUMS
 FORT PICKENS ROAD
 FORT MONROE, VIRGINIA

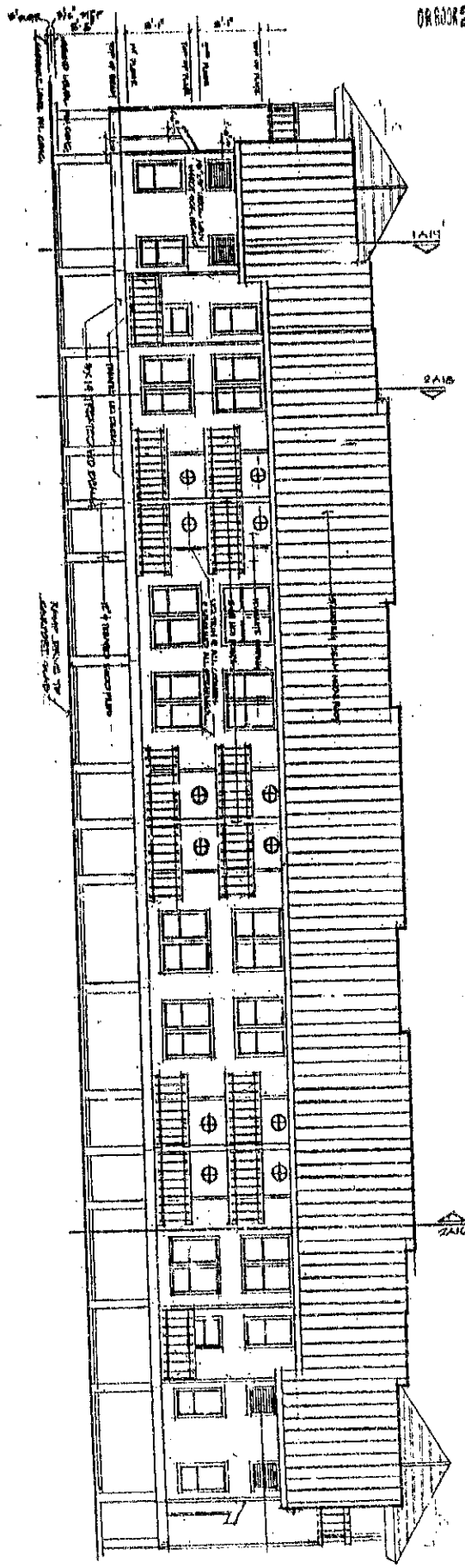
FRONT ELEVATION
BUILDING 2




JAMES D. DODDS, AIA
ARCHITECT
 1000 Bay Street, Suite 100
 Fort Myers, Florida 33901
 Phone: 813/938-1111

LA BAHIA CONDOMINIUMS
 FORT PICKENS ROAD
 PENSACOLA BEACH, FLORIDA

REAR ELEVATION
BUILDING 2



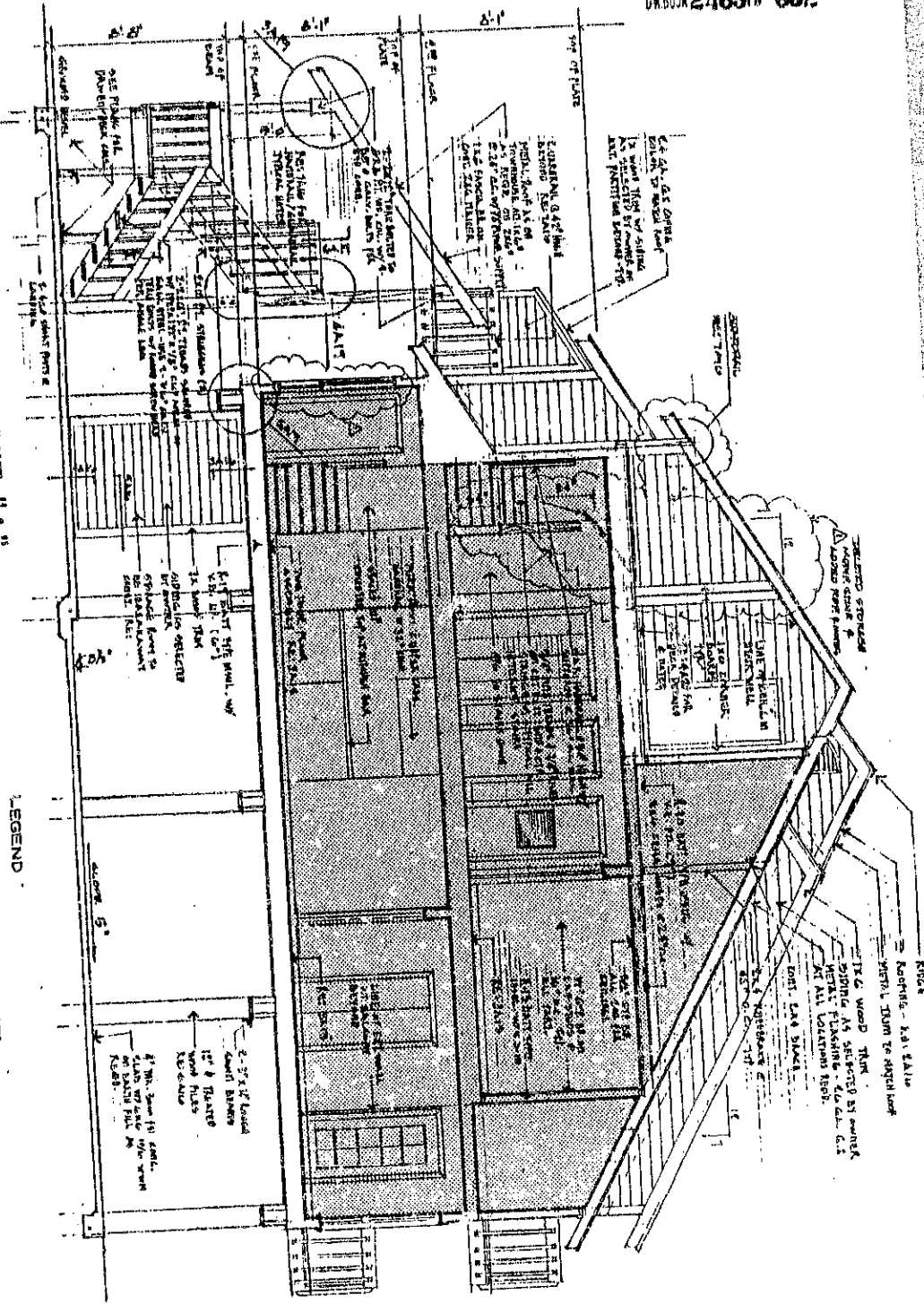
LA BAHIA CONDOMINIUMS
 FORT PICKENS ROAD FLORIDA
 PENSACOLA BEACH

JAMES D. DODDS, AIA
ARCHITECT
 Ocean Ridge, Louisiana

TYPICAL SECTION THRU UNIT "A"



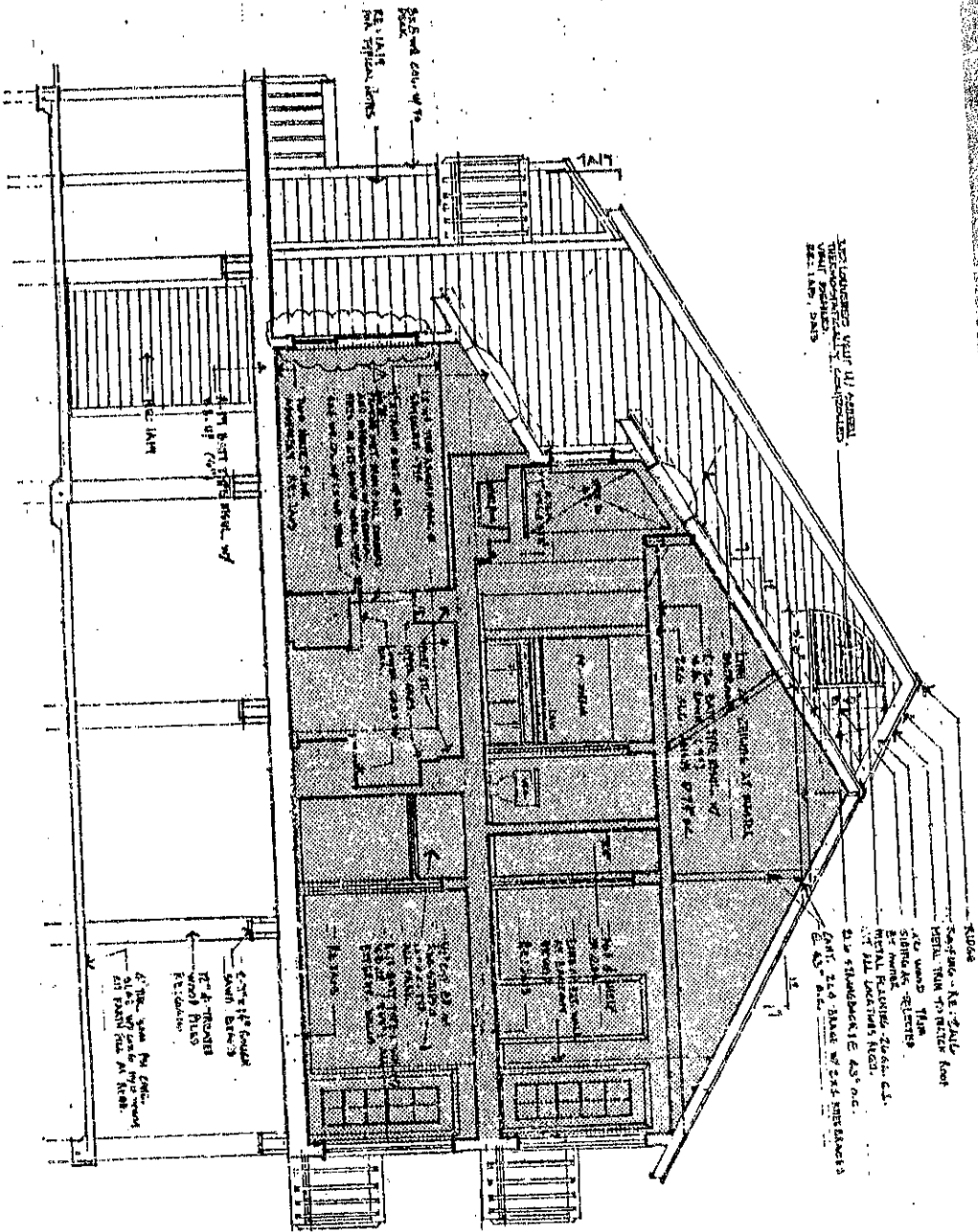
LEGEND
INDIVIDUAL UNIT
COMMON ELEMENT



James D. Dodds, AIA
ARCHITECT
 Esplanade Lakeside

LA BAYLA CONDOMINIUMS
 FORT PICKENS ROAD
 PENSACOLA BEACH, FLORIDA

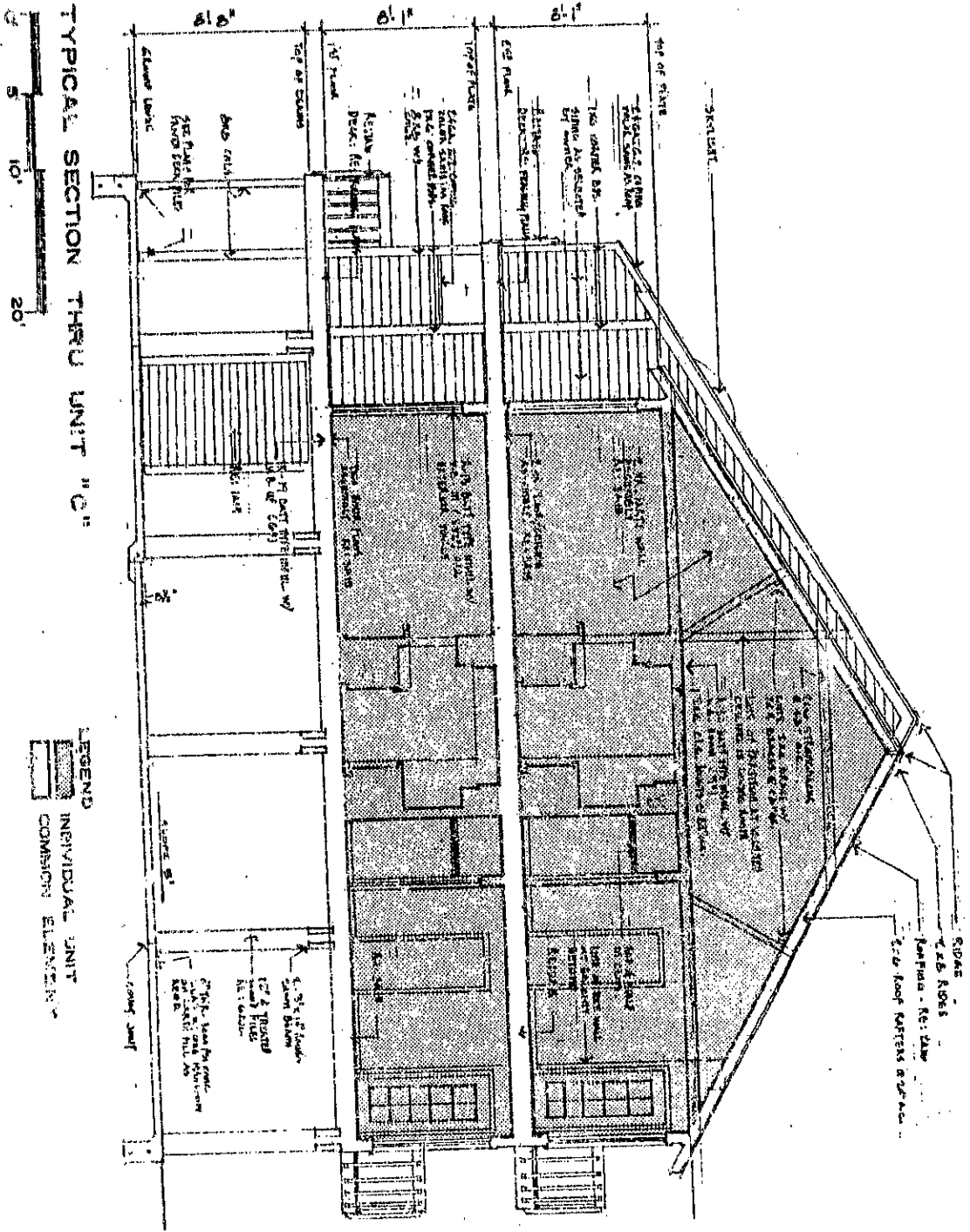
TYPICAL SECTION THRU UNIT "B"



LEGEND
 [Hatched Box] INDIVIDUAL UNIT
 [White Box] COMMON ELEMENT

James D. Dodd, AIA
ARCHITECT
 Beachfront, Leathers

LA BAHIA CONDOMINIUMS
 FORT RICKERS ROAD
 PENSACOLA BEACH, FLORIDA



TYPICAL SECTION THRU UNIT "C"



LEGEND
 INDIVIDUAL UNIT
 COMMON ELEMENT

JAMES D. DODDS, AIA
ARCHITECT
 1.A. BAHIA CONDOMINIUMS
 UNIT 1000, 1000 S. BEACH ROAD
 BEACH, FLORIDA

OR BOOK 2489M 885



PROFESSIONAL ENGINEERING ASSOCIATES, INC.

25 EAST NINE MILE ROAD/POST OFFICE BOX 7117
PENSACOLA, FLORIDA 32514
TELEPHONE 476-1704

SURVEY, PLOT PLAN AND GRAPHIC DESCRIPTION LA BAHIA, A CONDOMINIUM SURVEYOR CERTIFICATE

The undersigned hereby certifies that this is a true and accurate survey of the boundaries of the condominium property, as shown on Exhibit 'D' sheets 1 - 8; and that the construction of the improvements is substantially complete so that the material, together with the provisions of the declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements and so that the identification, location, and dimensions of the common elements and of each unit can be determined from these materials.

Dated this 30th day of July, 1987, Pensacola, Escambia County, Florida.

PROFESSIONAL ENGINEERING ASSOCIATES, INC.

By: Harold W. Pridden

Harold W. Pridden

Professional Land Surveyor #3758
State of Florida

NORTH

UNIT
129-A

F.FLOOR EL. = 16.10

UNIT
128-C

F.FLOOR EL. = 16.12

UNIT
127-C1

F.FLOOR EL. = 16.10

UNIT
126-C

F.FLOOR EL. = 16.11

UNIT
125-C1

F.FLOOR EL. = 16.09

UNIT
124-C

F.FLOOR EL. = 16.0

UNIT
123-C1

F.FLOOR EL. = 16.13

UNIT
122-A

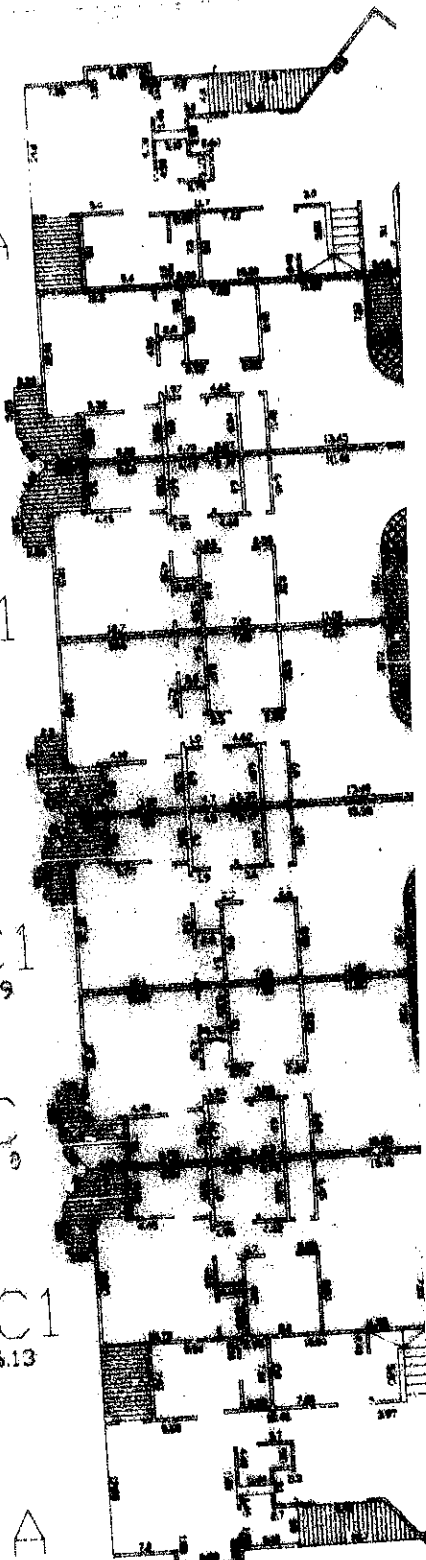
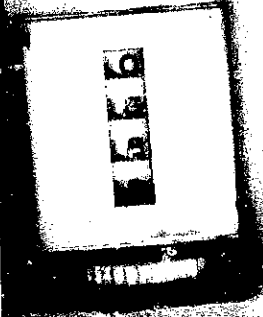
F.FLOOR EL. = 16.17

THE ONLY COMMON ELEMENTS IN
LA BAHIA CONDOMINIUM, DESIGNATED AS LIMITED
ELEMENTS ARE PARKING AND STORAGE UNDER E.

PROFESSIONAL ENGINEERING 'A'
25 EAST NINE MILE RD. / PENS
P.O. BOX 7117 *** PHONE 4

LA BAHIA CONDO

50317 MS-31



NORTH

UNIT

129-A

F.FLOOR EL.= 25.18

UNIT

228-C

F.FLOOR EL.= 25.15

UNIT

227-C1

F.FLOOR EL.= 25.20

UNIT

226-C

F.FLOOR EL.= 25.19

UNIT

225-C1

F.FLOOR EL.= 25.18

UNIT

224-C

F.FLOOR EL.= 25.19

UNIT

223-C1

F.FLOOR EL.= 25.15

UNIT

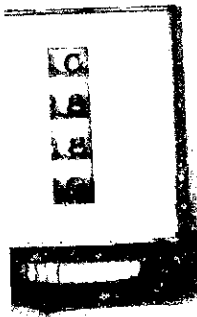
122-A1

F.FLOOR EL.= 25.20

THE ONLY COMMON ELEMENTS IN
LA BAHIA CONDOMINIUM, DESIGNATED AS LIMITED
ELEMENTS ARE PARKING AND STORAGE UNDER EA

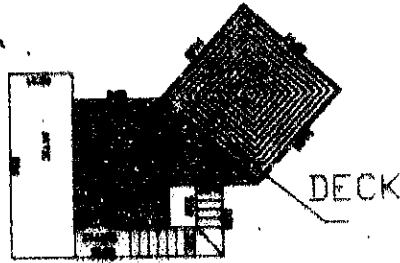
PROFESSIONAL ENGINEERING A:
25 EAST NINE MILE RD./PENS/
P.O. BOX 7117 *** PHONE 4'

LA BAHIA CONDC



F.FLOOR EL. = 34.30

UNIT
129-A



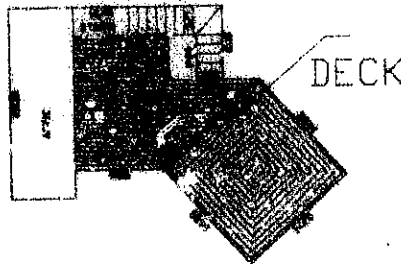
LIMITED COMMON ELEMENTS MEANS AND INCLUDES
THOSE COMMON ELEMENTS WHICH ARE RESERVED FOR THE
USE OF A CERTAIN UNIT TO THE EXCLUSION OF OTHER
UNITS. THE ONLY COMMON ELEMENTS IN LA BAHIA
A CONDOMINIUM DESIGNATED AS LIMITED COMMON
ELEMENTS ARE COVERED PARKING UNDER EACH UNIT,
STORAGE COMPARTMENTS ADJACENT TO THE COVERED
PARKING AND DECKS OUTSIDE OF EACH UNIT.

THIRD FLOOR
OF BLDG. #2

THIRD FLOOR BUILDING #2

UNIT
122-A1

F.FLOOR EL. = 34.39



THE ONLY COMMON ELEMENTS IN
LA BAHIA CONDOMINIUM, DESIGNATED AS LIMITED COMMON
ELEMENTS ARE PARKING AND STORAGE UNDER EACH UNIT AND DECKS.

PROFESSIONAL ENGINEERING ASSOCIATES, INC.
25 EAST NINE MILE RD./PENSACOLA, FL. 32514
P.O. BOX 7117 *** PHONE 476-1204

LA BAHIA CONDOMINIUMS

UNIT
114-A
F.FLOOR EL.=15.99

UNIT
115-B
F.FLOOR EL.=15.97

UNIT
116-B1
F.FLOOR EL.=15.98

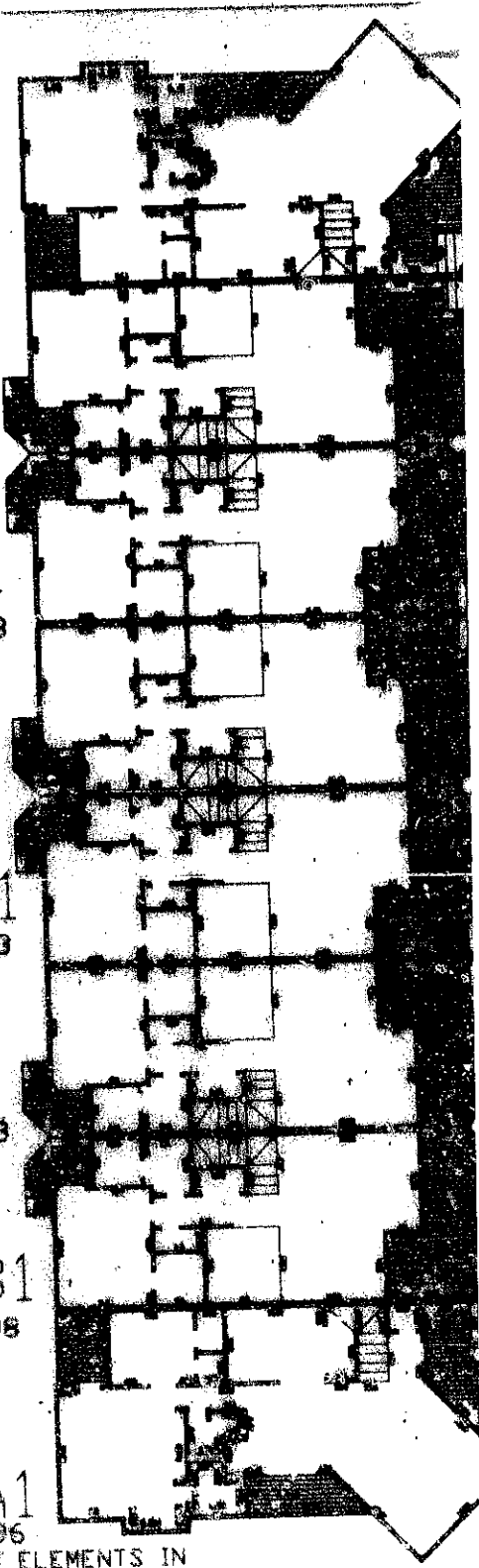
UNIT
117-B
F.FLOOR EL.=15.94

UNIT
118-B1
F.FLOOR EL.=15.93

UNIT
119-B
F.FLOOR EL.=15.93

UNIT
120-B1
F.FLOOR EL.=15.98

UNIT
121-A1
F.FLOOR EL.=15.96



THE ONLY COMMON ELEMENTS IN
LA BAHIA CONDOMINIUM, DESIGNATED AS LIMITED COMM
ELEMENTS ARE PARKING AND STORAGE UNDER EACH UN

PROFESSIONAL ENGINEERING ASSO
25 EAST NINE MILE RD./PENSACOLA
P.O. BOX 7117 *** PHONE 476-11

LA BAHIA CONDOMINIUM



NORTH

UNIT
114-A

F.FLOOR EL. = 25.02

UNIT
115-B

F.FLOOR EL. = 25.01

UNIT

116-B1

F.FLOOR EL. = 25.00

UNIT

117-B

F.FLOOR EL. = 24.95

UNIT

118-B1

F.FLOOR EL. = 24.99

UNIT

119-B

F.FLOOR EL. = 25.00

UNIT

120-B1

F.FLOOR EL. = 25.00

UNIT
121-A1

F.FLOOR EL. = 25.06

THE ONLY COMMON ELEMENTS IN
LA BAHIA CONDOMINIUM, DESIGNATED AS LIMITED COMMON
ELEMENTS ARE PARKING AND STORAGE UNDER EACH UNIT AND DECKS.

PROFESSIONAL ENGINEERING ASSOCIATES, INC.
25 EAST NINE MILE RD./PENSACOLA, FL. 32514
P.O. BOX 7117 *** PHONE 476-1204

LA BAHIA CONDOMINIUMS

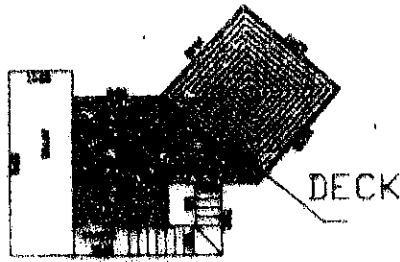
SECOND FLOOR BUILDING #4

50317 EV-3



F.FLOOR EL.= 34.24

UNIT
114-A



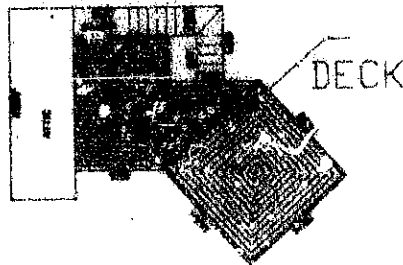
LIMITED COMMON ELEMENTS MEANS AND INCLUDES
THOSE COMMON ELEMENTS WHICH ARE RESERVED FOR THE
USE OF A CERTAIN UNIT TO THE EXCLUSION OF OTHER
UNITS. THE ONLY COMMON ELEMENTS IN LA BAHIA
A CONDOMINIUM DESIGNATED AS LIMITED COMMON
ELEMENTS ARE COVERED PARKING UNDER EACH UNIT,
STORAGE COMPARTMENTS ADJACENT TO THE COVERED
PARKING AND DECKS OUTSIDE OF EACH UNIT.

THIRD FLOOR
OF BLDG. #4

THIRD FLOOR BUILDING #4

UNIT
121-A1

F.FLOOR EL.= 34.27



THE ONLY COMMON ELEMENTS IN
LA BAHIA CONDOMINIUM, DESIGNATED AS LIMITED COMMON
ELEMENTS ARE PARKING AND STORAGE UNDER EACH UNIT AND DECKS.

PROFESSIONAL ENGINEERING ASSOCIATES, INC.
25. EAST NINE MILE RD./PENSACOLA, FL. 32514
P.O. BOX 7117 *** PHONE 476 1204

LA BAHIA CONDOMINIUMS

293

Certificate of Occupancy

LaBAHIA CONDO'S.
22 UNITS

Department of Building Inspection

This Certificate issued pursuant to the requirements of Section 109 of the Standard Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances of the Jurisdiction regulating building construction or use. For the following:

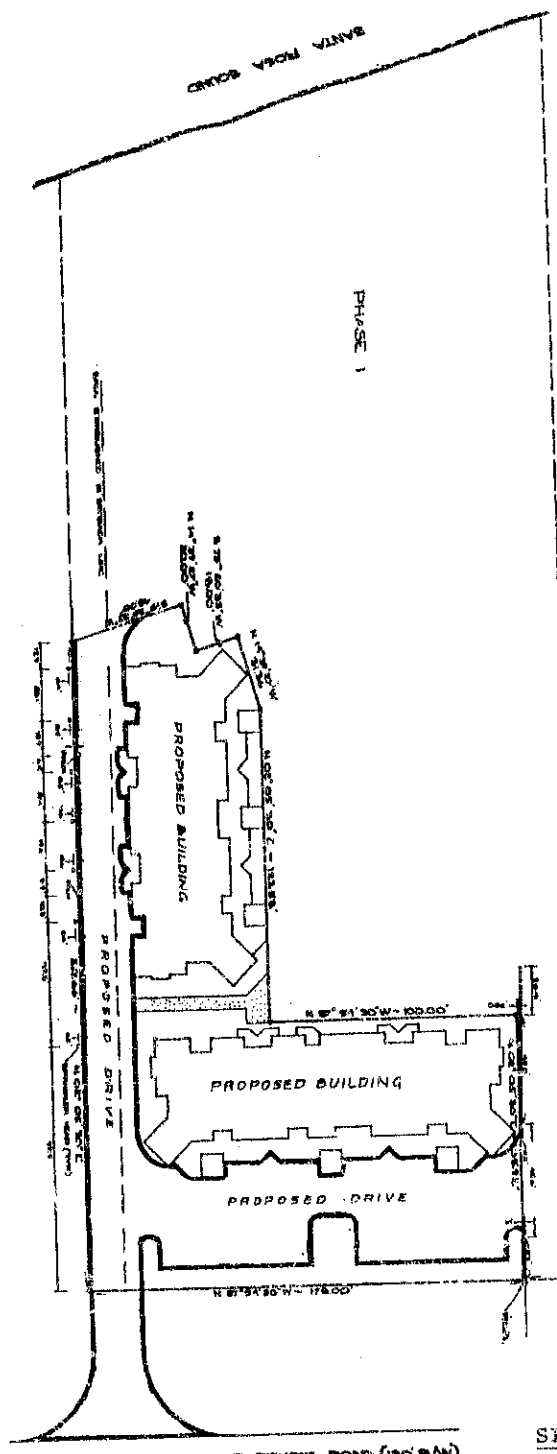
Use Classification MULTIPLE DWELLING Bldg. Permit No. 3241
 Group R Type Construction VI Fire District N/A
 Owner of Building WEST FLORIDA BANK Address P. O. Box 17860, Pensacola, FL
 Building Address 1300 Ft. Pickens Rd. Locality Pensacola Beach, FL 32561
 By: James H. Sheffer
 Building Official James H. Sheffer Date: June 22, 1987

POST IN A CONSPICUOUS PLACE

EXHIBIT "E"
PLOT PLAN AND UNIT DESCRIPTION
AS TO
PHASE II

Subject to easement as described on Surveyor's Certificate attached hereto.

NOTE: BUILDINGS DEPICTED IN PHASE II ARE PROPOSED ONLY. ALL AREAS IN PHASE I OTHER THAN BUILDING SHALL BE CONSIDERED COMMON AREA.



LA Baha

BOUNDARY SURVEY
BY: [Signature]

- 1. DATE: 1-24-90
- 2. DATE: 1-24-90
- 3. DATE: 1-24-90
- 4. DATE: 1-24-90
- 5. DATE: 1-24-90
- 6. DATE: 1-24-90
- 7. DATE: 1-24-90
- 8. DATE: 1-24-90
- 9. DATE: 1-24-90
- 10. DATE: 1-24-90

SITE PLAN

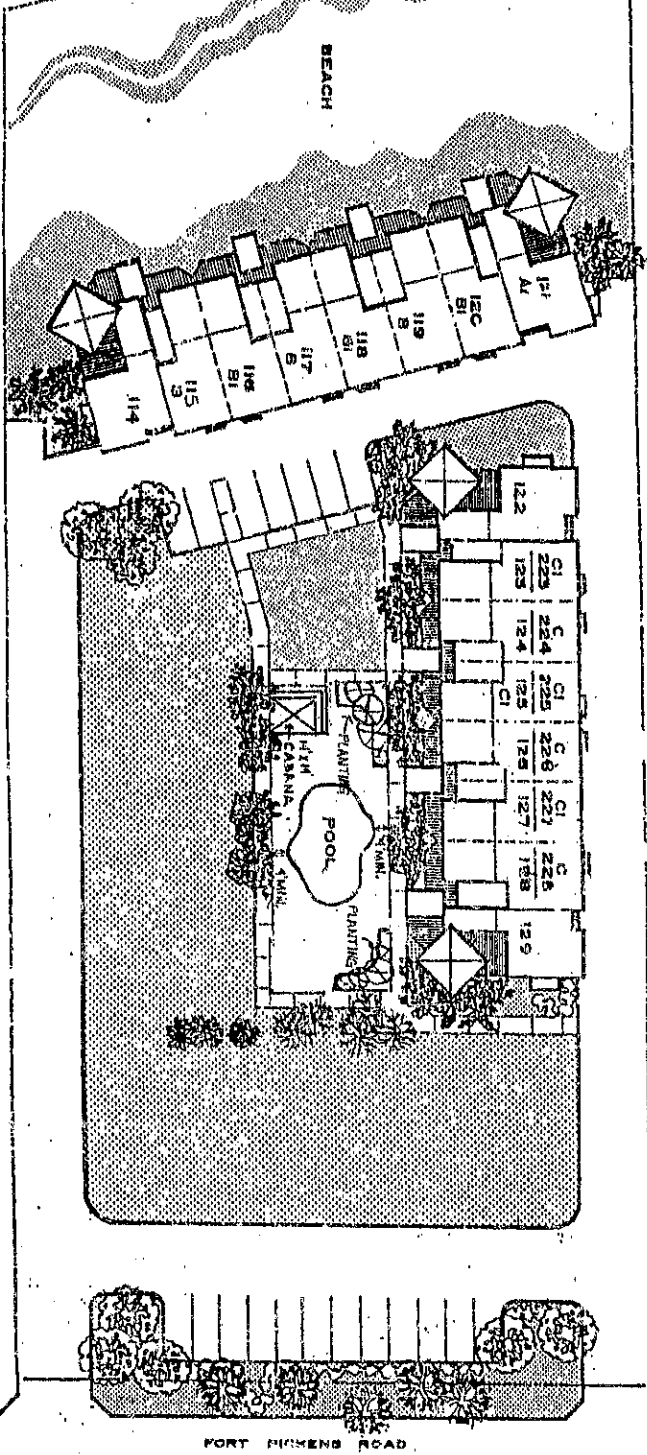
SEE PAGE 2 OF SITE PLAN FOR LOCATION AND IDENTIFICATION OF EACH UNIT IN PHASE II

**PHASE 2
LA Baha
CONDOMINIUMS**

BARRETT DAFFIN AND CARRAN, INC.
ARCHITECTS ENGINEERS PLANNERS
POST OFFICE DRAWER 1233 TALLAHASSEE, FLORIDA 32304
POST OFFICE DRAWER 1234 PANAMA CITY, FLORIDA 32404
POST OFFICE DRAWER 2447 MONTICELLO, FLORIDA 32185



NUMBER OF UNITS:
 UNITS A OR A1 - 4
 UNITS B OR B1 - 6
 UNITS C OR C1 - 12



SITE PLAN
 0 25 50
 FOOT FEET
PHASE ONE
 NOTE: UNITS A1, B1 AND C1 SIMILAR TO UNITS A, B AND C RESPECTIVELY, BUT OPPOSITE HAND.

REV. 6-29-87 Pool Area
 PROFESSIONAL ENG. ASSOC. I.L.C.
 ALL AREA OUTSIDE OF UNITS IS
 COMMON AREA EXCEPT FOR PARKING
 UNDER UNITS AND DECKS OUTSIDE
 OF EACH UNIT, WHICH IS LIMITED
 COMMON AREA.
 ALL IMPROVEMENTS SHOWN ARE
 PROPOSED.

NORTH

JUNE 1984

James D. Dodds, AIA
 ARCHITECT
 Baton Rouge, Louisiana

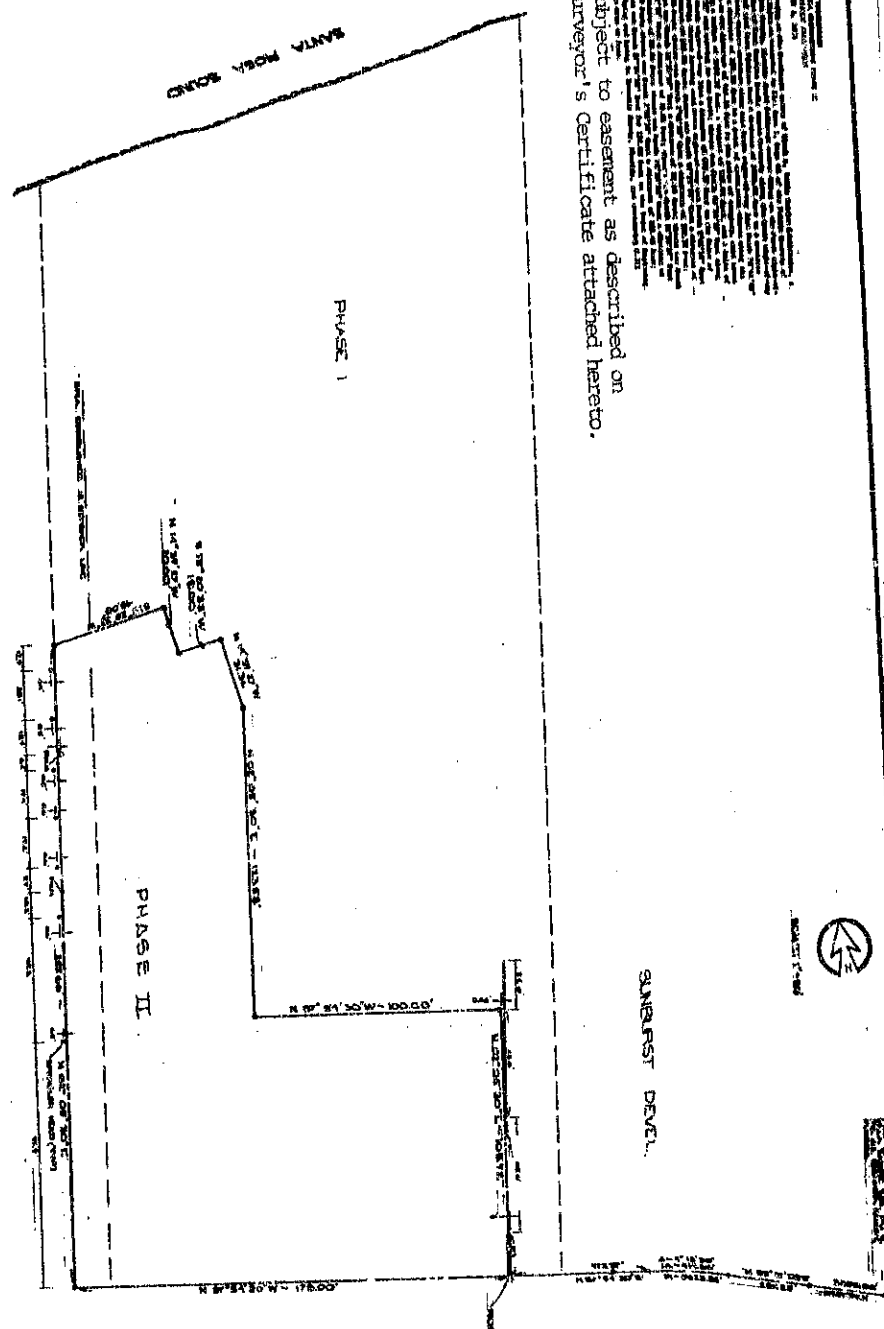
LA PAHIA CONDOMINIUMS
 FORT PICKENS ROAD
 PENSACOLA BEACH, FLORIDA

NOTE: THIS PAGE SHOWN FOR SOLE PURPOSE OF IDENTIFYING THE UNITS IN PHASE I

Subject to easement as described on Surveyor's Certificate attached hereto.

THIS SURVEY WAS MADE IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 119, F.S., AND THE RULES OF PRACTICE AND PROCEDURE OF THE BOARD OF SURVEYING AND MAPPING, STATE OF FLORIDA, AND THE SURVEYOR HAS BEEN QUALIFIED BY THE BOARD OF SURVEYING AND MAPPING, STATE OF FLORIDA, AS A LICENSED SURVEYOR.

Barrett Daffin and Carlan, Inc.
Surveyors
1111 Bay Street
Tallahassee, Florida 32301



RECORD THIS SURVEY IN THE PUBLIC RECORDS OF THE COUNTY OF TALLAHASSEE, FLORIDA.

- 1. DATE OF SURVEY: 11-24-94
- 2. NAME OF SURVEYOR: BARRETT DAFFIN AND CARLAN, INC.
- 3. NAME OF CLIENT: PHASE 2 LA BAHIA CONDOMINIUMS
- 4. NAME OF PROJECT: PHASE 2 LA BAHIA CONDOMINIUMS
- 5. NAME OF TRACT: PHASE 2 LA BAHIA CONDOMINIUMS
- 6. NAME OF TOWN: PHASE 2 LA BAHIA CONDOMINIUMS
- 7. NAME OF COUNTY: TALLAHASSEE COUNTY, FLORIDA
- 8. NAME OF STATE: FLORIDA
- 9. NAME OF DISTRICT: TALLAHASSEE DISTRICT
- 10. NAME OF ZONE: TALLAHASSEE ZONE

PORT PICHERS ROAD (120' R/W)

SURVEY

REVISIONS
NO. DATE DESCRIPTION
1 11-24-94
2 11-24-94
3 11-24-94
4 11-24-94
5 11-24-94
6 11-24-94
7 11-24-94
8 11-24-94
9 11-24-94
10 11-24-94



11-24-94
BARRETT DAFFIN AND CARLAN, INC.
TALLAHASSEE, FLORIDA 32301
TEL: 904-833-1111
FAX: 904-833-1112

**PHASE 2
LA BAHIA
CONDOMINIUMS**

BARRETT DAFFIN AND CARLAN, INC.
ARCHITECTS ENGINEERS PLANNERS SURVEYORS
POST OFFICE DRAWER 12329 TALLAHASSEE, FLORIDA 32317-2329
POST OFFICE DRAWER 12526 PENSACOLA, FLORIDA 32573-2526
POST OFFICE DRAWER 3667 MONTGOMERY, ALABAMA 36105-0667

EXHIBIT "E"

LA BAHIA, A CONDOMINIUM, PHASE II

Phase II of LA BAHIA, A CONDOMINIUM, is not submitted to condominium ownership by this Declaration. If it is submitted at a later date by Developer, at its sole option, it will consist of the 99-year leasehold interest in the land described in Exhibit "B" to the Declaration of Condominium and the improvements thereon as shown by the Plot Plan.

Phase II will consist of two (2) buildings as shown on the Plot Plan, and will contain a total of thirteen (13) units. In addition, there will be automobile parking as shown on the Plot Plan.

FOR FLOOR PLANS OF EACH UNIT TYPE IN PHASE II
AND ELEVATION OF BUILDINGS
SEE PAGES 7 THROUGH 24 OF EXHIBIT "D"

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of LA BAHIA CONDOMINIUM ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on April 25, 1986, as shown by the records of this office.

The document number of this corporation is N14580.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
30th day of April, 1986.



George Firestone
Secretary of State

N14580

OR BOOK 246976 903

FILED

1958 APR 25 11 09 AM

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
LA BAHIA CONDOMINIUM ASSOCIATION, INC.

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

ARTICLE I.

Name

The name of the corporation shall be LA BAHIA CONDOMINIUM ASSOCIATION, INC., and for convenience, the corporation shall be referred to in this instrument as the Association.

ARTICLE II.

Purpose

II.I The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, for the operation of LA BAHIA, A CONDOMINIUM, Phase I, to be located upon the property described in Exhibit "A" to the Declaration of Condominium, and LA BAHIA, A CONDOMINIUM, Phase II, to be constructed at a later date on the lands described in Exhibit "B" to the Declaration of Condominium.

II.2 The Association shall make no distributions of income to its members, directors or officers.

ARTICLE III.

Powers

The powers of the Association shall include and be governed by the following provisions:

III.1 The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles or the Florida Condominium Act as it exists at the time of incorporation.

III.2 The Association shall have all of the powers and duties set forth in the Condominium Act and all of the powers and duties reasonably necessary to operate the condominium pursuant to the Declaration as presently drafted and as it may be amended from time to time, including but not limited to the following:

- a. To make and collect assessments against members as unit owners to defray the costs, expenses and losses of the condominium.
- b. To use the proceeds of assessments in the exercising of its powers and duties.
- c. To maintain, repair, replace and operate the condominium property.

d. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members as unit owners.

e. To reconstruct improvements after casualty and the future improvement of the property.

f. To make and amend reasonable regulations respecting the use of the property in the condominium.

g. To approve or disapprove the transfer, mortgage and ownership of units as provided by the Declaration of Condominium and the By-Laws of the Association.

h. To enforce by legal means the provisions of the Condominium Act; the Declaration of Condominium for LA BAHIA, A CONDOMINIUM, these Articles; the By-Laws of the Association and the Regulations for use of the property in the Condominium.

i. To contract for the management of the Condominium and to delegate to such contractor and manager all powers and duties of the Association, except such as are specifically required by the Declaration of Condominium to have approval of the Board of Directors or the membership of the Association.

j. To contract for the management or operation of portions of the common elements susceptible to separate management or operation, and to lease such portions.

k. To employ personnel to perform the services required for proper operation of the Condominium.

l. To act for the Association and for all unit owners and members of the Association in all transactions with the Santa Rosa Island Authority, and to collect all rental and lease payments due to the Authority from unit owners and to pay said amounts to the Authority.

m. To represent all unit owners and the Association in negotiating or renegotiating new leases, lease amendments or extensions with the Santa Rosa Island Authority.

III.3 The Association shall have the power to purchase a unit or units in the Condominium and to hold, lease, mortgage and convey the same.

III.4 All funds and the titles to all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation, and the By-Laws.

ARTICLE IV.

Members

IV.1 The members of the Association shall consist of all of the record owners of units in LA BAHIA, A CONDOMINIUM, as it may exist from time to time, and in the event of termination of the Condominium shall consist of those who are

members at the time of such termination and their successors and assigns.

IV.2 After receiving approval of the Association as required by the Declaration of Condominium, change of membership in the Association shall be established by recording in the Public Records of Escambia County, Florida, a deed or other instrument establishing a record title to a unit in LA BAHIA, A CONDOMINIUM, and the delivery of a certified copy of such instrument to the Association. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owners is terminated.

IV.3 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.

IV.4 The owner of each unit shall be entitled to one vote as a member of the Association. The manner of exercising voting rights shall be determined by the By-Laws of the Association.

ARTICLE V.

Directors

V.1 The affairs of the Association will be managed by a Board consisting of the number of directors fixed in the

By-Laws, but not less than three directors. Directors need not be members of the Association.

V.2 The directors of the Association shall be elected at the annual meeting of the members in the manner specified in the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided in the By-Laws.

V.3 The names and addresses of the members of the first Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

John E. Archer	1270 Ashland Drive Baton Rouge, LA 70806
Shanon W. Harris	816 Shady Lake Parkway Baton Rouge, LA 70808
James D. Dodds	5849 Vicksburg Baton Rouge, LA 70817

ARTICLE VI.

Officers

The affairs of the Association shall be administered by a president, one or more vice-presidents, a secretary, a treasurer, and by an assistant secretary. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board of Directors. The names and addresses of the officers

who shall serve until their successors are designated by the Board of Directors are as follows:

President	John E. Archer	1270 Ashland Drive Baton Rouge, LA 70806
Vice-President and Assistant Secretary	Shanon W. Harris	816 Shady Lake Parkway Baton Rouge, LA 70808
Secretary- Treasurer	James D. Dodds	5849 Vicksburg Baton Rouge, LA 70817

ARTICLE VII.

Indemnification

Every director and every 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, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; 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.

ARTICLE VIII.

By-Laws

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded by the Board of Directors or the membership in the manner provided by the By-Laws.

ARTICLE IX.

Amendments

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

IX.1 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.

IX.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as hereinafter provided, approval of the proposed amendment must be either by:

a. Not less than sixty percent (60%) of the entire membership of the Board of Directors and not less than

sixty percent (60%) of the members of the Association voting at the particular meeting; or

b. Not less than seventy-five percent (75%) of the votes of the entire membership of the Association; or

c. Until the first election of the Board of Directors, only by all of the Directors of the Association.

IX.3 No amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section III.3 of Article III hereof, without approval in writing by all members and the joinder of all record owners of mortgages upon the Condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

IX.4 A copy of each amendment shall be certified by the Secretary of State, State of Florida, and be recorded in the Public Records of Escambia County, Florida.

ARTICLE X.

Term

The term of the Association shall be perpetual.

ARTICLE XI.

Voluntary Binding Arbitration of Disputes

Pursuant to Florida Statute 718.112(2)(1), there shall be voluntary binding arbitration of internal disputes arising from the operation of the condominium among unit owners, associations, their agents and assigns, which shall be

conducted and enforced in such manner as may be provided in said statute and in the rules promulgated pursuant thereto. The department shall promulgate rules of procedure to govern such binding arbitration hearings, and the decision of the arbitrator shall be final; however, such decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose the parties from proceeding in a trial de novo, and if such official proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence. Any party may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

ARTICLE XII.

Registered Office and Registered Agent

JAMES C. TAYLOR is hereby appointed as the initial Registered Agent of this Association, whose registered office shall be located at 4300 Bayou Boulevard, Suite 16, Pensacola, Florida 32503.

ARTICLE XIII.

Subscribers

John E. Archer	1270 Ashland Drive Baton Rouge, LA 70806
Shanon W. Harris	816 Shady Lake Parkway Baton Rouge, LA 70808
James D. Dodds	5849 Vicksburg Baton Rouge, LA 70817

IN WITNESS WHEREOF, the subscribers have hereunto
affixed their signatures this 11th day of April,
A.D., 1986.

John E. Archer
John E. Archer

Shanon W. Harris
Shanon W. Harris

James D. Dodds
James D. Dodds

STATE OF FLORIDA
COUNTY OF ESCAMBIA

BEFORE ME, the undersigned authority, a notary public in
and for Escambia County and State aforesaid, on this day
personally appeared JOHN E. ARCHER, SHANON W. HARRIS and
JAMES D. DODDS, known to me and known to be the persons who
made and subscribed the foregoing Articles of Incorporation
and they acknowledged before me that they made, subscribed
and executed said Articles of Incorporation for the uses and
purposes therein expressed.

WITNESS my signature and official seal this 11th day
of April, A.D., 1986.

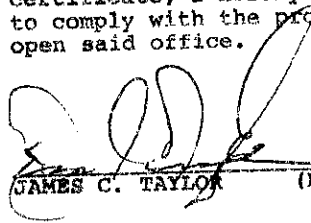
Constance L. Redden
Notary Public
My commission expires: 6-6-87

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMED AGENT UPON WHOM PROCESS MAY BE SERVED.

In pursuance to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

First: That LA BAHIA CONDOMINIUM ASSOCIATION, INC., desiring to organize under the laws of the State of Florida, with its principal office, as indicated in the Articles of Incorporation, at the City of Pensacola, County of Escambia, State of Florida, has named JAMES C. TAYLOR, 4300 Bayou Boulevard, Suite 16, City of Pensacola, County of Escambia, State of Florida, as its agent to accept service of process within this State.

Having been named to accept service of process for the above-named corporation at the place designated in this certificate, I hereby agree to act in this capacity and agree to comply with the provisions of said Act relative to keeping open said office.


JAMES C. TAYLOR (Resident Agent)

FILED
APR 25 PM 9:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

BY-LAWS
OF
LA BAHIA CONDOMINIUM ASSOCIATION, INC.

1. Identity. These are the By-Laws of LA BAHIA CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the Association, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation having been filed in the office of the Secretary of State, State of Florida, on April 25, 1986. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, hereinafter referred to as the Condominium Act.

1.1 The office of the Association shall be at 1300 Ft. Pickens Road, Pensacola Beach, Florida 32561.

1.2 The fiscal year of the Association shall be the calendar year.

1.3 The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

2. Members and Members' Meetings.

2.1 Those persons, partnerships, joint ventures, corporations or other legal entities who presently own or hereafter acquire title to units in LA BAHIA, A CONDOMINIUM, Phases I and II, shall be members of LA BAHIA CONDOMINIUM ASSOCIATION, INC. Each unit shall be entitled to only one vote which, in the event of joint ownership of a unit, shall be cast as provided in Section 2.6(b) of these By-Laws.

2.2 The annual meeting of the members shall be held at the office of the Association at 2:00 o'clock p.m. Central Standard Time or Central Standard Daylight Savings Time, whichever is in effect, on the fourth Tuesday in October of each year for the purpose of electing directors and the transaction of any other business authorized to be transacted by the members; provided, however, that if said date is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

2.3 Special meetings of the members shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from one-half of the entire membership, except that a special meeting to remove a member of the Board of Directors, or to enact a budget if an adopted budget requires assessments against unit owners in any year exceeding 115% of assessments for the

preceding year may be called by 10% of the unit owners giving notice of the meeting as required in Chapter 718.112(2)(d), Florida Statutes.

2.4 Notice of all meetings of the members, stating the time and place and the objects for which the meeting is called, and if assessments are to be considered, the fact that assessments are to be considered and the specific nature of any assessments to be considered, shall be given by the President or Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting and shall be posted in a conspicuous place on the condominium property. Proof of such mailing shall be given by certificate of mailing, which must be retained as a part of the records of the Association. Notice of specific meetings may be waived before or after the meeting by any unit owner in writing.

2.5 A quorum at the meetings of members shall consist of a majority of the entire membership of the Association. The acts approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number

of members is required by the Declaration of Condominium, the Articles of Incorporation or these By-Laws.

2.6 Voting

- a. At any meeting of the members the owner of each unit shall be entitled to cast one vote for each unit he owns.
- b. If a unit is owned by one person, his right to vote shall be established by his record title to his unit. If a unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner of the unit. If such certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other person.

2.7 Proxies. Votes may be cast in person or by proxy.

A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meetings thereof. Proxies must be filed with the Secretary of the Association before any adjournment of the meeting and in no event shall any

proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given.

2.8 Adjourned meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.9 The order of business at the annual meetings of the members and as far as practical at the other meetings of the members shall be as follows:

- a. Election of chairman of the meeting.
- b. Calling of the roll and certifying proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Reports of Officers.
- f. Reports of Committees.
- g. Election of inspectors of election.
- h. Election of Directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

3. Directors.

3.1 Membership. The affairs of the Association shall be managed by a board of not less than three nor more than eleven directors; the exact number of directors to be determined by the members of the Association at the time of election of directors.

3.2 Election of directors shall be conducted in the following manner:

- a. Election of directors shall be held at the annual meeting of the members, or at a special meeting called for that purpose.
- b. A nominating committee of five (5) members shall be appointed by the Board of Directors not less than ten (10) days prior to the annual meeting of the members. The committee shall nominate one person for each director then serving. Nominations for additional directors created at the meeting shall be made from the floor, and other nominations may be made from the floor.
- c. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting to be entitled to cast his vote for as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- d. Except as to vacancies created by the removal of directors by the members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors.
- e. Subject to the provisions of Chapter 718.301, Florida Statutes, any director may be removed with or without cause by the vote or agreement in writing of a majority of all units owners at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.
- f. Provided, however, that until the Developer has closed the sale of all of the condominium units, the turnover of the Association shall be in accordance with Section 718.301, Florida Statutes unless Developer elects to terminate any right or control over the Association.

3.3 The term of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4 The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

3.5 Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the date stated for such meeting.

3.6 Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-third of the directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

3.7 Waiver of notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.8 A quorum at meetings of the directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the

Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these By-Laws.

3.9 Open meetings. All meetings of the Board of Directors shall be open to all unit owners. Notice of all meetings shall be posted in a conspicuous place on the condominium property at least 48 hours in advance of the meeting, except in an emergency, and shall include all information required by Paragraph 2.4 to be included in a notice of meeting of members.

3.10 Adjourned meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meetings any business that might have been transacted at the meeting as originally called may be transacted without further notice if a quorum is obtained.

3.11 Joinder in meeting by approval of minutes. The joinder of a director in the action taken at a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of each director for all purposes except that of determining a quorum.

3.12 The presiding officer at meetings of the directors shall be the Chairman of the Board, if such an officer has been elected; and, if no Chairman of the Board

has been elected, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

3.13 The order of business at meetings of the directors shall be as follows:

- a. Calling of the roll.
- b. Proof of due notice or waiver of notice of the meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Election of Officers.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

3.14 Fees of Directors, if any, shall be determined by the members.

3.15 The minutes of all meetings of the Board of Directors and/or the owners shall be kept in a book available for inspection by unit owners or board members, or their authorized representatives. Said minutes shall be retained for a period of seven (7) years.

4. Powers and duties of the Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by unit owners when such is specifically required.

5. Officers.

5.1 The executive officers of the Association shall be a President, Vice-President, Treasurer, Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors, and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors, from time to time, shall elect such other officers and designate their powers and duties as the board shall find to be required in the management of the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the power and duties usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the members from time to time as he in his discretion may determine appropriate to assist in the conduct of the affairs of the Association.

5.3 The Vice-President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. He shall also assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

5.4 The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

5.5 The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer as prescribed by the Board of Directors.

5.6 The compensation of all officers and employees of the Association shall be fixed by the directors. The provision that fees of directors shall be determined by the members shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominium.

6. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

6.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

- a. Current expenses, which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, or to additional improvements. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.
- b. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually. A minimum of one dollar (\$1.00) per month shall be assessed to and collected from each unit owner for addition to this reserve.
- c. Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.
- d. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

6.2 Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expenses and to

provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

- a. Current expenses, the amount for which shall not exceed One Hundred Fifteen percent (115%) of the budget account for the prior year.
- b. Reserve for deferred maintenance, which shall be computed by a formula based upon estimated life and estimated replacement cost of each reserve item.
- c. Reserve for replacement, the amount for which shall not exceed One Hundred Fifteen percent (115%) for this account for the prior year.
- d. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements, the amount for which shall not exceed Twenty-five Hundred Dollars (\$2,500.00); provided, however, that in the expenditure of this fund no sum in excess of Five Hundred Dollars (\$500.00) shall be expended for a single item or purpose without approval of the members of the Association.
- e. Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by not less than seventy-five (75%) percent of the entire membership of the Association; and further provided that budget allocations for capital expenditures and deferred maintenance shall not be deleted from the budget except upon a majority vote of the members of the Association present, in person, by proxy, or otherwise, at a duly called meeting of the Association, vote to waive, in whole or in part, said statutory reserve requirements. Any such waiver shall be effective for only one annual budget and the vote must be taken annually to continue to waive the statutory requirements.
- f. Notice of the meeting in which a proposed budget or budget proposal will be considered or adopted shall be given to all unit owners by mail in advance as provided in Chapter 718.112(2)(f), Florida Statutes, so that they may have the opportunity to attend said meeting.

- g. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1, preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

6.3 Assessments. Assessments against the unit owners for their share of the items of the budget shall be made for the calendar year annually in advance on or before the 10th day of December, preceding the year for which the assessments are made. Such assessments shall be due and payable in twelve (12) equal installments on the first day of each and every month during the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior annual assessment, and monthly installments on such assessment shall be due upon each installment date until changed by amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors, if the accounts of the amended budget do not exceed the limitations set forth above for that year. Any account that does exceed such limitation shall be subject to the approval of the membership of the Association as previously required in these By-Laws. The unpaid assessment for the remaining portion of the calendar year for which an amended assessment is made shall be due and payable in equal

monthly installments on the first day of each and every month during the remaining portion of said calendar year. The first assessment shall be determined by the Board of Directors of the Association.

6.4 Acceleration of assessment installments upon default. If the owner of a unit shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the owner of the unit, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the mailing of such notice to the owner of the unit by registered or certified mail, whichever shall occur first. However, acceleration of assessments are subject to the limitations contained in Chapter 718.112(2)(g) and 718.116, Florida Statutes.

6.5 Assessments for emergencies. Assessments for common expenses in emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such is given to the owners of units concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half ($\frac{1}{2}$) of the votes of the owners of the units concerned, the assessment shall become effective, and it shall be due after

30 days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

6.6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors, and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.

6.7 An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than April 1 of the year following the year for which the audit is made.

6.8 The Association shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for assessments, insurance proceeds or any other funds relating to the condominium. The premiums on such bonds shall constitute a common expense.

7. Regulations. The Board of Directors of the Association may from time to time make, adopt, amend and endorse reasonable regulations respecting the use of the respective condominium properties, and any property in which the Association owns an interest.

7.1 An owner of a unit shall pay all ad valorem taxes on his particular unit, whether assessed directly or assessed

against the condominium as a whole, and prorated by the Board of Directors of the Association.

7.2 An owner of a unit shall maintain his unit so that the unit or any or unit owner will not be damaged by his neglect.

7.3 An owner of a unit shall maintain all of the interior installations of the unit, including the maintenance of the water, light, gas, power, sewage, telephone, air-conditioning, sanitary installations, doors, windows, lamps and other accessories belonging to the particular unit and not owned by the Association or covered by the insurance maintained by the Association.

8. Access to units.

8.1 No object shall be placed in or on the common area by a unit owner which will interfere in any manner with the use of said area, or render said area unsightly.

8.2 A person or persons designated by the Board of Directors of the Association shall be granted permission by an owner to enter his unit in any case of emergency or to make repairs which are immediately necessary. The cost of said repairs if they incur inside the unit, shall be borne by the unit owner.

9. Amendments. Amendments to the By-Laws shall be proposed as provided in Chapter 718.112(2)(h), 1, 2 and 3, Florida Statutes, and adopted in the following manner:

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

9.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as hereinafter provided, approval of a proposed amendment must be either by:

a. Not less than sixty percent (60%) of the entire membership of the Board of Directors and not less than sixty (60%) percent of the votes of the members of the Association voting at the particular meeting; or

b. Not less than seventy-five (75%) percent of the votes of the entire membership of the Association; or

c. Until the first election of the Board of Directors, only by all of the Directors of the Association.

9.3 No amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section III.3 of Article III of the Articles of Incorporation of LA BAHIA CONDOMINIUM ASSOCIATION, INC., without approval in writing by all members and the joinder of all record owners of mortgages upon the

condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

10. Voluntary Binding Arbitration of Disputes.

Pursuant to Florida Statute 718.112(2)(1), there shall be voluntary binding arbitration of internal disputes arising from the operation of the Condominium among unit owners, associations, their agents and assigns, which shall be conducted and enforced in such manner as may be provided in said statute and in the rules promulgated pursuant thereto. The department shall promulgate rules of procedure to govern such binding arbitration hearings, and the decision of the arbitrator shall be final; however, such decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose the parties from proceeding in a trial de novo, and if such official proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence. Any party may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

The foregoing were adopted as the By-Laws of LA BAHIA CONDOMINIUM ASSOCIATION, INC., a corporation not for profit

under the laws of the State of Florida, at the first meeting
of the Board of Directors on April 30, 1986 .

(Signed) *John E. Archer* (SEAL)
John E. Archer

(Signed) *Shanon W. Harris* (SEAL)
Shanon W. Harris

(Signed) *James D. Dodds* (SEAL)
James D. Dodds

OCT 23 3 21 PM '87
IN BOOK & PAGE NOTED ABOVE
JOE M. FLORES, COUNTY CLERK
TALLAHASSEE, FLORIDA

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THE PUBLIC RECORDS OF
FLORIDA

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