

SUNSET HARBOUR VILLAS, A CONDOMINIUM

FILE# 9820696
RCD: JUN 2 1998 @ 2:40 PM



"DECLARATION OF CONDOMINIUM"

THIS 29 day of May, 1998, Sunset Villas Development Company, a Florida general partnership, hereinafter referred to as "Developer", does hereby make, declare and establish the Declaration of Condominium for Sunset Harbour Villas, a condominium, pursuant to Chapter 718, Florida Statutes, for the purpose of submitting the land herein described and improvements constructed thereon to condominium ownership.

ARTICLE I. DEFINITION OF TERMS.

The terms used herein and within the Articles of Incorporation, By-Laws and Rules and Regulations of Sunset Harbour Villas Owners' Association, Inc., shall have the meaning stated in the Condominium Act and as follows, unless the context otherwise requires.

1. Condominium: Condominium is that form of ownership of condominium property under which units are subject to ownership by one or more owners, and there is appurtenant to each unit as part thereof an undivided share in the common property.
2. Condominium Documents: Condominium documents are comprised of the Declaration of Condominium establishing Sunset Harbour Villas and all exhibits thereto.
3. Declaration of Condominium: Declaration of Condominium means this instrument as it may, from time to time, be amended.
4. Condominium Property: Condominium property, as the term is used in these condominium documents, is comprised of the land dedicated to condominium ownership and all improvements located thereon intended for use in connection with the condominium.
5. Condominium Parcel: Condominium parcel, as the term is used in these condominium documents, means a unit together with an undivided share in the common property which is appurtenant to the unit.
6. Condominium Unit: Condominium unit or "unit", as the term is used in these condominium documents, refers to that part of the condominium property which is subject to private ownership. Excluded, however, from condominium units are all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors and above the undecorated and/or unfinished inner surfaces of all interior and exterior bearing walls and/or bearing partitions, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior or exterior wall or partition of balcony for the furnishing of utility services to units and common property. All air conditioning equipment serving a unit is considered to be a part of that unit; any such equipment outside the boundaries of the unit shall be a limited common element reserved for the use of said unit to the exclusion of the other units. The balcony or patio adjacent to each unit, shall be a limited common element reserved for the use of said unit to the exclusion of the other units.
7. Unit Owner: Unit owner, or owner of a unit, or parcel owner, or private dwelling owner, means the owner of a condominium parcel.
8. Common Property: Common property is that which Florida Statutes define as "common elements" and shall mean and comprise all the real property, improvements and facilities to the Sunset Harbour Villas including all parts of the buildings other than the units as same are herein defined and shall include easements through units for conduits, pipes, ducts,

plumbing, wiring and other facilities for the furnishing of utility service to units and easements of support in every portion of the unit which contribute to the support of the improvements and shall further include all personal property held and maintained for the joint use and enjoyment of all of the owners of all such units.

9. Common Expenses: Common expenses, as the term is used in these condominium documents, means the expense for which the unit owners are liable to the Association and shall include, but not be limited to, expenses of administration of Sunset Harbour Villas, expense of maintenance, operation and repair or replacement of the common property, any valid charge against the condominium as a whole; taxes imposed upon the common property by governmental bodies having jurisdiction over Sunset Harbour Villas, and the expenses declared to be common expenses by the provisions of the condominium documents, as same may be amended, from time to time, in accordance with the provisions thereof.

10. Common Surplus: Common surplus, as the term is used in these condominium documents, means the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the common expense.

11. Association: Association, as the term is used in these condominium documents, refers to Sunset Harbour Villas Owners' Association, Inc., a Florida corporation not for profit, and its successors and assigns, as provided in the Condominium Act.

12. By-Laws: By-Laws means the By-laws of the Association specified above, as they exist from time to time.

13. Developer: As used in the condominium documents, developer means Sunset Villas Development Company, a Florida general partnership.

14. Institutional Mortgagee: Institutional mortgagee or mortgagee means a bank, savings and loan association, insurance company, an agency of the United States Government, a real estate investment trust, or a lender generally recognized in a community as an institutional lender. Such term shall also include the developer in the event developer shall accept a purchase money mortgage in connection with the sale of a unit or units.

15. Associated Commercial Parcel: Means the parcel identified and described in Exhibit A-1 to this Declaration of Condominium for Sunset Harbour Villas. Said Associated Commercial Parcel is excepted from the land upon which the condominium is located and is not a part of the condominium.

16. Limited Common Element: Limited common element means those common elements which are reserved for the use of a certain condominium unit or units to the exclusion of other units, as specified in the Declaration of Condominium.

17. Associated Commercial Parcel Easement and Reservation: Means the instrument attached as Exhibit 11 which provides for easements and shared use of the common elements in favor of the Associated Commercial Parcel.

18. Singular/Plural, Genders: Whenever the context of the condominium documents so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

ARTICLE II. SUBMISSION OF PROPERTY AND IMPROVEMENTS TO CONDOMINIUM OWNERSHIP.

1. Sunset Villas Development Company, a Florida general partnership, owns the balance of a 99 year leasehold estate, which estate commenced January 1, 1970, in certain property located in Santa Rosa County. Evidence of said ownership is provided in this booklet. The real property with the improvements thereon, which developer intends to submit to condominium ownership in accordance with Chapter 718, Florida Statutes, is described in Exhibit A

On said real property there will be constructed a project comprised of twenty (20) units in two (2) buildings. Developer does hereby submit the above-referenced real property and improvements to condominium ownership to be

known and identified as Sunset Harbour Villas which shall consist of units and common property, as said terms have been herein defined and described, which units are further identified and designated in the plat of this condominium, a reduced copy of which is attached hereto and marked Exhibit A.

Developer reserves the right to develop the subsequent phases of this condominium in any sequence notwithstanding the numerical designations which may have been given to a particular proposed phase of this condominium.

Additional real property and improvements thereto may be later submitted to condominium ownership by developer and become a part of this condominium. The additional land which developer may elect to submit to condominium ownership as part of this condominium is more particularly described in Exhibit B hereto.

In Phase II, the additional units to be constructed will be ten (10) in number and will be contained in one (1) additional building. The additional units in Phase II will be of similar size but not necessarily duplication of those in Phase I in size and appearance, and individual units within such buildings will be of similar size but not necessarily duplication as those contained in the buildings in Phase I. The square footage of the units will be the same as in Phase I. In Phase III, the additional units to be constructed will be ten (10) in number and will be contained in one (1) additional building. The additional units in Phase III will be of similar size but not necessarily duplication of those in Phases I and II in size and appearance, and individual units within such buildings will be of similar size but not necessarily duplication as those contained in the buildings in Phases I and II. The square footage of the units will be the same as in Phases I and II.

The maximum number of buildings containing units in the condominium is four (4). The minimum and maximum number of units in each building is ten (10). The minimum and maximum number of units that may be contained in each phase of the condominium is: Phase I - 20, Phase II - 10, Phase III - 10. The minimum square footage of the units to be included in each phase is 738 square feet of heated space, and 54 square feet of balcony. The maximum square footage of units to be included in each phase is 1186 square feet of heated space, and 182 square feet of balcony.

Time share estates may not be created with respect to units in any phase.

All buildings, common property and recreational facilities of Phase I, will be completed, recorded, and ready for occupancy by August 1, 1997. All buildings, common property and recreational facilities of Phase II will be completed, recorded, and ready for occupancy by August 1, 2004. All buildings, common property and recreational facilities of Phase III will be completed, recorded, and ready for occupancy by August 1, 2004.

ARTICLE III. OWNERSHIP OF CONDOMINIUM UNITS AND UNDIVIDED SHARES IN COMMON PROPERTY. PROHIBITION AGAINST SEPARATE CONVEYANCE OF SAME.

Each unit shall be conveyed and treated as individual property capable of independent use and ownership, subject to the restrictions, rules, regulations and conditions contained in these condominium documents, and the owner of each said unit shall own, as an appurtenance to the ownership of said unit, an undivided interest appurtenant to each said unit being that which is hereafter specifically assigned thereto in Exhibit C attached hereto. The percentage of undivided interest in common property assigned to each unit shall not be changed except with the unanimous consent of all of the owners of all of the units.

The undivided interest in the common property declared to be appurtenant to each unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said unit, and the undivided interest in common property appurtenant to each unit shall be deemed conveyed, devised, encumbered or otherwise included with the unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such unit. Any instrument which purports to affect the conveyance, devise or encumbrance or which purports to grant any right, interest, or lien into or upon a unit shall be null and void and of no effect insofar as the same purports to affect any interest in any unit and its appurtenant undivided interest in common properties, unless the same purports to convey, devise and encumber or otherwise trade or deal with the entire unit. Any instrument conveying, devising, encumbering or otherwise dealing with any unit which describes said unit by the unit identification assigned thereto in Exhibit A, without limitation or exception, shall be deemed and construed to affect the entire unit and its appurtenant

undivided interest in the common property. Nothing herein contained shall be construed as limiting or preventing ownership of any unit and its appurtenant undivided interest in the common property by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

ARTICLE IV. COMMON EXPENSES; COMMON SURPLUS.

Common expenses shall be shared and common surplus shall be owned by the owners of all units in the same proportion that the undivided interest in common property appurtenant to each owner's unit bears to the total of all undivided interest in common property appurtenant to all units as stated in Exhibit C. Any common surplus which exists at the end of a fiscal year shall automatically be reapportioned to the budget of the next fiscal year.

ARTICLE V. SUNSET HARBOUR VILLAS OWNERS' ASSOCIATION, INC.

Sunset Harbour Villas Owners' Association, Inc., a Florida corporation not for profit, hereinafter called "Association", shall maintain, manage and operate the condominium property.

All unit owners shall automatically become members of the Association after completion of closing of the purchase of a unit in Sunset Harbour Villas.

The officers and directors of the Association shall have the powers set forth in this declaration and the Association by-laws, and shall, at all times, have a fiduciary relationship to the members of the Association and shall operate and manage the Association in the best interest of its members.

No person except in a capacity as an officer or a duly appointed agent of the Association shall have the authority to act for the Association.

The Association shall have the irrevocable right to have access to every unit in Sunset Harbour Villas, from time to time, during reasonable hours, as may be necessary for the maintenance, repair, or replacement of any common property therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common property or to another unit or units.

The Association shall have the power to make and collect assessments, and to maintain, repair and replace the common property.

The Association shall maintain records as required by Chapter 718, Florida Statutes.

The Association shall have the power to purchase units in the condominium and to acquire and hold, lease, mortgage and convey the same.

In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the unit owners, the Association shall give notice of the exposure within a reasonable time to all unit owners who may be exposed to the liability and they shall have the right to intervene and defend.

A copy of each insurance policy obtained by the Association shall be made available for inspection by unit owners at reasonable times.

The Association shall have all powers granted by Chapters 718 and 617, Florida Statutes.

ARTICLE VI. MEMBERSHIP IN THE ASSOCIATION; VOTING RIGHTS.

Membership in the Association shall be restricted to all of the record owners of the units in Sunset Harbour Villas. Purchasers shall become members of the Association automatically upon the completion of closing of the purchase of a condominium in Sunset Harbour Villas.

On all matters upon which the membership shall be entitled to vote, each member shall be entitled to one vote for each unit owned by Sunset Harbour Villas which vote may be exercised or cast by the owner of each unit in the manner provided in the By-Laws (Exhibit E) adopted by the Association and as amended, from time to time, and in accordance with applicable provisions of the Florida Statutes.

ARTICLE VII. METHOD OF AMENDMENT OF DECLARATION OF CONDOMINIUM

Except as elsewhere provided herein and in Section 718.403, Florida Statutes, this Declaration of Condominium and the Articles of Incorporation and By-Laws of the Association may be amended in the following manner:

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 to be considered.

2. A resolution for the adoption of a proposed amendment may be proposed by either the board of directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

A. If an amendment is proposed by the board, it must be approved by not less than sixty-six and two-thirds percent (66 - 2/3%) of the entire membership of the board of directors and by not less than sixty-six and two-thirds (66-2/3%) of the votes of the entire membership of the Association, or

B. If an amendment is proposed solely by the membership, it must be approved by not less than sixty-six and two-thirds percent (66 - 2/3%) of the votes of the entire membership of the Association

In the alternative, an amendment may be made by an agreement signed and acknowledged by all unit owners in the manner required by law, for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Santa Rosa County, Florida, provided, however:

(1) That no amendment shall be made or be valid which will in any manner impair the security of any institutional lender having a mortgage or other lien against any condominium parcel.

(2) That no amendment shall be made increasing or decreasing a unit owner's percentage of ownership in the common property as hereinabove stated, unless the unit owner or unit owners so affected and all record owners of liens thereon shall join the execution of the amendment.

(3) Notwithstanding anything to the contrary contained in this Declaration, the developer expressly reserves the right to amend this Declaration so as to correct any legal descriptions as contained herein, authorized correction of mistakes or alteration of unit plans by developer, or the developer may amend this Declaration as aforesaid by filing an amendment to the Declaration among the Public Records of Santa Rosa County, Florida, which amendment or amendments shall expressly describe that amendment which is being corrected or amended (by reference to the exhibit containing said legal description or otherwise). Such amendments need to be executed and acknowledged only by the developer and need not be approved by the Association, unit owners, lienor, or mortgagees of units of the condominium, whether or not elsewhere required for amendments. However, as part and parcel of any such amendment as provided for in this subparagraph, there shall be attached thereto an affidavit of the individual or individuals responsible for the original incorrect legal description, whether he be scrivener or surveyor, which affidavit shall set forth (i) that said individual made an error in the legal description; (ii) that the error is corrected by the description contained in the amendment, and (iii) that it was

the intent at the time of the incorrect legal description to make that description such as is contained in the new amendment. Developer reserves the right to correct any other defects or mistakes in this Declaration by amendment to this Declaration, properly executed and acknowledged, without approval of the Association, unit owners, lienor or mortgagees of units provided such amendment does not materially affect the property rights of the above-named persons.

(4) A copy of each amendment shall be certified by the president or a vice president and secretary or assistant secretary of the Association as having been duly adopted, and shall be effective when recorded in the Public Records of Santa Rosa County, Florida.

(5) Notwithstanding the provisions of this Article and the provisions of F.S. § 718.110, amendments adding phases to this condominium in accordance with the provisions of Article II of this Declaration shall not require the execution of such amendments or consents thereto by Unit owners other than the Developer.

ARTICLE VIII. BY-LAWS, ARTICLES OF INCORPORATION, AND RULES AND REGULATIONS OF CONDOMINIUM PROPERTY.

The Sunset Harbour Villas Owners' Association, Inc., has been incorporated as a Florida corporation not for profit, and its Articles of Incorporation, By-Laws, and Rules and Regulations are included within these condominium documents and attached hereto as Exhibits D, E, and F, respectively.

ARTICLE IX. MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS OF CONDOMINIUM PROPERTY.

The responsibility for the maintenance of the condominium property and restrictions upon its alterations and improvements shall be as follows:

1. By the Association: The Association shall maintain, repair and replace at the Association's own expense:
 - A. All common property.
 - B. All air conditioning and heating systems and equipment other than items providing service to an individual condominium unit.
 - C. All portions of the units (except interior wall surfaces) contributing to the support of the building, which portions shall include, but not be limited to, the outside walls of the building and load-bearing columns, but excluding interior non-bearing walls.
 - D. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of the unit contributing to the support of the building or within interior boundary walls, and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.
 - E. All incidental damage caused to a unit by such work shall be promptly repaired at the expense of the Association.
2. By the condominium parcel owner: The responsibility of the condominium parcel owner shall be as follows:
 - A. To maintain, repair and replace at his expense, all portions of the unit except the portions to be maintained, repaired and replaced by the Association. Included within this responsibility of the unit owner shall be windows, screens and doors opening into or onto his unit, sliding glass doors and plate glass. All such maintenance, repairs and replacements shall be done without disturbing the rights of other unit owners.
 - B. Within the unit, to maintain, repair and replace at his expense, all fans and air conditioning and heating equipment, stove, refrigerator, or other appliances or equipment, electrical fixtures, water heaters, or built-in cabinets, including any fixtures and/or their connections required to provide water, light, power, telephone, sewerage and sanitary service to his condominium unit. The unit floors and interior walls and the floor and interior wall of any balcony attached to condominium units shall be maintained by the condominium unit owner thereof at his own expense.

C. Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

D. To promptly report to the Association any defects or need for repairs, the responsibility for the remedy of which is that of the Association.

E. No condominium unit owner other than the developer shall make any alterations in the portions of the building which are to be maintained by the Association or remove any portion thereof or make any addition thereto or do any work which would jeopardize the safety or soundness of the building or impair any easement without first obtaining approval from the board of directors of the Association.

3. Alteration and Improvement: There shall be no material alterations or substantial additions to common property, except as the same are authorized by the board of directors and ratified by the affirmative vote of voting members casting not less than 75% of the total votes of the members of the Association present at any regular or special meeting of the unit owners called for that purpose and approved by the institutional mortgagee holding the greatest dollar volume of mortgages on the condominium. The cost of the foregoing shall be assessed as common expenses of this condominium. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the unit owner(s) requesting same, then, the cost of such alterations or additions shall be charged against and collected solely from the unit owners exclusively or substantially exclusively benefitting, and the charge shall be levied in such proportion as may be determined as fair and equitable by the board of directors of the Association. Where such alterations or additions exclusively or substantially benefit unit owners requesting same, said alterations or additions shall be made only when authorized by the board of directors and ratified by not less than seventy-five percent (75%) of the total votes of the unit owners exclusively or substantially exclusively benefitting therefrom and where said unit owners are ten or less, the approval of all but one shall be required. Alterations and improvements or repairs of an emergency nature may be made upon authorization by a vote of a majority of the directors available for consultation, if same is necessitated, and in the best interests of the unit owners.

ARTICLE X. ENFORCEMENT OF MAINTENANCE.

In the event the owner of a unit fails to maintain such unit as required above, the Association, developer, or any other unit owners shall have the right to seek compliance with the foregoing provisions and any and all remedies available by law.

ARTICLE XI. PURCHASER'S CONDOMINIUM FUND.

At the time the developer sells and closes a condominium unit to a purchaser, purchaser thereby becoming a unit owner to this condominium, such purchaser shall deposit the equivalent of two (2) months assessments to the purchasers' condominium fund to pay advance utility deposits, insurance trustee fees, advance premiums on casualty, workmen's compensation and liability policies and for the purpose of defraying such capital expenses as may arise during the initial period of condominium ownership. This deposit is not a regular contribution of, nor is it in lieu of, the quarterly maintenance fee. The balance of such funds shall be used by the condominium Association for future operating expenses.

ARTICLE XII. RESIDENTIAL USE RESTRICTIONS APPLICABLE TO CONDOMINIUM UNITS.

In order to provide for a congenial and compatible occupancy of the condominium building and to provide for the protection of the value of the units, the use of the condominium property shall be restricted to and be in accordance with the following provisions, so long as the condominium exists and any condominium unit and useful condition exists on the land:

1. Each unit is hereby restricted to residential or rental use by only the owner thereof, his immediate family, guests, invitees or lessees. Such rental may be daily or for a longer term. Except as reserved to developer, no condominium unit may be divided or subdivided into smaller units nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the condominium unit to be affected. However, while the developer is still selling units, unsold units may be used in the developer's sales program as model units, sales offices or for any purpose deemed appropriate by the developer in his sales promotion efforts.

2. The use of common property by the owners or lessees of all units and all other parties authorized to use same shall be at all times subject to such rules and regulations as may be prescribed and established in the condominium

documents governing such use or which may be hereafter prescribed and established in the condominium documents by the Association. The Association shall have the specific authority to assign use of parking spaces to individual unit owners.

3. No immoral, improper, offensive or unlawful use shall be made of any unit or of the common property or of any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over Sunset Harbour Villas shall be observed.

4. Nothing shall be done or kept in any unit or in the common property which will increase the cost of insurance paid by the Association, without the prior written consent of the Association. No unit owner shall permit anything to be done or kept in his unit or in the common property which will result in the cancellation of insurance in the condominium property or contents thereof, or which would be in violation of any law. No wasting of condominium property will be permitted.

5. No nuisance shall be allowed upon the condominium property, nor shall any use or practice be allowed which is an unreasonable source of annoyance to unit owners or which interferes with the peaceful and proper use of the condominium property by any unit owner, including but not limited to, repairs made within a unit before 9:00 AM or after 5:00 PM.

6. Unit owners shall have full right to keep pets in their units; however, said pets shall always be controlled and properly attended by owners in accordance with the rules and regulations promulgated by the Association so as not to be a nuisance to other owners or their guests.

7. In order to preserve the residential character of the condominium, except as reserved to the developer and the developer retained space, no business, trade, or profession of any type whatsoever shall be conducted from within any unit in the condominium without the prior written consent of the Association. The Association shall possess the additional authority to promulgate reasonable rules and regulations governing the manner, method and to what degree said uses may be permitted, and further, shall have the power to revoke the granting of such permitted uses, when in the Association's sole discretion, the use in question has become excessive and/or violates the original character of the condominium.

8. In order to preserve the aesthetic qualities of the condominium, all fabric and materials used as draperies or other window treatment located within the interior of any unit which can be viewed from the exterior of the unit through the windows thereof from any heights or location must be lined, finished or otherwise covered with white or off-white drapery linings.

9. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common property or any portion of a unit to be maintained by the association pursuant to the declaration or as necessary to prevent damage to the common property or to a unit or units.

10. Whenever it shall be necessary to enter any unit for the purpose of performing any maintenance, alteration, or repair to any portion of the common property, the owner of each unit shall permit the duly constituted and authorized agent of the Association, to enter such unit for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

11. No owner of a unit shall permit any structural modification or alterations to be made within such unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the board of directors of said Association determines, in its sole discretion, that such structural modifications or alterations would affect or in any manner endanger the condominium in part or in its entirety. If the modification or alteration desired by the owner of any unit involves the removal of any permanent interior partition, the Association shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition and so long as the removal thereof would be in no manner an interference with the providing of utility services constituting common property located therein.

12. The Association shall not have the right to make or cause to be made such alterations or improvements to the common property which prejudice the rights of the owner of any unit in the use and enjoyment of his unit, unless, in each instance, such owner's written consent has been obtained. The making of such alterations and improvements must be approved by the board of directors of the Association, and the cost of such alterations or improvements shall be assessed as common expense to be assessed and collected from all of the owners of units. However, where any alterations and improvements are exclusively or substantially exclusively for the benefit of the owner of a unit requesting the same, then the cost of such alterations and improvements shall be charged against and collected from the owner of the unit exclusively or substantially benefitted. Such charge is to be levied in such proportion as may be determined by the board of directors.

13. The common property shall be used only for the purposes for which they are intended in the furnishing of said services and facilities for the enjoyment of the condominium units. However, while the developer is still selling units, the common property may be used by the developer's marketing program in the manner developer sees appropriate to use such common property.

14. The condominium units may be rented or leased only pursuant to this Declaration, the Articles of Incorporation and By-Laws of the Association, providing the occupancy is only by the lessee, his family, servants or guests. No rooms may be rented except as part of the condominium unit.

ARTICLE XIII. INSURANCE.

1. Personal Liability and Risk of Loss of Owners of Condominium Units and Separate Insurance Coverage, etc. The owner of each unit may, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner, and may, at his expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's unit or upon the common property. All such insurance obtained by the owner of each unit shall, whenever such provisions be available, provide that the insurer waives its right of subrogation as to any claims against other owners of units, the Association or developer, and their respective servants, agents and guests. Risk of loss or of damage to any furniture, furnishings and personal property (constituting a portion of the common property) belonging to or carried on the person of the owner of each unit, or which may be stored in any unit, or in, to, or upon common property, shall be borne by the owner of each unit. All furniture, furnishings and personal property constituting a portion of the common property and held for the joint use and benefit of all owners of units shall be covered by such insurance as shall be maintained in force and effect by the Association as hereafter provided. The owner of a unit shall be liable for injuries or damage resulting from an accident within his own unit, to the same extent as for an accident occurring within his residence. Any and all insurance or reinsurance placed or contracted for by any owners having an interest in any unit must be so placed with an insurer licensed and authorized to do business in the State of Florida and maintaining a licensed agent in the State of Florida.

2. Insurance Coverage to be Maintained by the Association: Insurance Trustee; Appointment and Duties, Use and Distribution of Insurance Proceeds, etc. The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the condominium:

A. Casualty insurance covering all of the units and common property in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carriers; or, if approved by the board of directors of the Association, said casualty insurance may be carried on not less than 80% co-insurance basis; such coverage to afford protection against (I) loss of damage by fire or other hazards, including windstorm, covered by the standard extended coverage or other perils endorsements, subject to such deductible provision as the board of directors of the Association may approve from time to time; and (ii) such other risks of a similar or dissimilar nature as are, or shall be, customarily covered with respect to buildings similar in construction, location and use to the condominium, including, but not limited to, vandalism, malicious mischief, windstorm, flood water damage and war risk insurance if available.

B. Public liability and property damage insurance in such amount and in such form as shall be required by the Association to protect said Association and the owners of all units, including but not limited to, water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage.

C. Worker's compensation to meet the requirements of the law.

D. Such other insurance coverage the board of directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and each unit owner individually.

All liability insurance maintained by the Association shall contain cross liability endorsements to cover liability by all owners of units as a group and each unit owner individually.

All insurance coverage authorized to be purchased shall be purchased by the Association for itself and for the benefit of all owners of all units. The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are any other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

All policies of fire and casualty insurance covering the condominium shall provide for the insurance proceeds covering any loss to be payable to the insurance trustee hereinafter named, or to its successor, and the insurance proceeds from any fire and casualty loss shall be held for the use and benefit of the Association and all owners of all units and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. The Association is hereby declared to be and is appointed as authorized agent for all owners of all units for the purpose of filing such proof of loss as may be required under the policy of fire and casualty insurance and negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy of casualty insurance and resulting in loss of or damage to insured property.

The board of directors shall have the right to select the insurance company or companies with whom insurance coverage may be placed and shall have the right to designate the insurance trustee, and all parties beneficially interested in such insurance coverage shall be bound by the selection so made from time to time, but the foregoing shall not be to the exclusion of the rights reserved unto institutional lenders herein.

The insurance trustee shall be a banking institution having trust powers and doing business in the State of Florida. The insurance trustee shall not be liable for the payment of premiums nor for the renewal of any policy of fire insurance and casualty insurance, nor for the sufficiency of coverage, nor for the form or content of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the insurance trustee shall be to receive such proceeds of fire and casualty insurance as are paid and to hold the same in trust for the purposes herein stated for the benefit of the Association and the owners of all units and their respective mortgagees. Such insurance proceeds are to be disbursed and paid by the insurance trustee as herein provided. The Association, as a common expense, shall pay a reasonable fee to said insurance trustee for its services rendered hereunder, and shall pay such costs and expenses as said insurance trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said insurance trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said insurance trustee. Whenever the insurance trustee may be required to make distribution of insurance proceeds to owners of units and their mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the insurance trustee may rely upon a certificate of the president and secretary of the Association, executed under oath, which certificate will be provided to said insurance trustee upon request of said insurance trustee made to the Association. Such certificate is to certify unto said insurance trustee the name of the owner of each unit, the name of the mortgagee who may hold a mortgage encumbering each unit, and the respective percentages of any distribution which may be required to be made to the owner of any unit, and his respective mortgagee, as their respective interest may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of property. In the event any insurance proceeds are paid to the insurance trustee for any fire or casualty loss, the holder of any mortgage encumbering a unit shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage, unless such insurance proceeds represent a distribution to the owner of any unit and his respective mortgagee, by reason of loss of or damage to personal property constituting a part of the common property and as to which a determination is made not to repair, replace or restore such personal property.

In the event of the loss or damage to only common property, real or personal, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the insurance trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such common property, then such excess insurance proceeds paid to the owner of each unit and his mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in common property appurtenant to each unit bears to the total undivided interest in common property appurtenant to all units. If it

appears that the insurance proceeds covering the fire and casualty loss or damage payable to the insurance trustee are not sufficient to pay for the repair, replacement, or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall deposit with the insurance trustee a sum which, together with the insurance proceeds received or to be received, will enable said insurance trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be deposited by the Association with the insurance trustee, in said latter event, may be paid by the Association from its reserve for replacement fund, and if the amount in such reserve for replacement fund is not sufficient, or if the board of directors determines not to use such fund for said purpose, then the Association shall levy and collect an assessment against the owners of all units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of the loss of or damage to common property and any unit, which loss or damage is covered by the fire and casualty insurance, the proceeds paid to the insurance trustee to cover such loss or damage shall be first applied to the repair, replacement or reconstruction of common property, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any unit which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the common property and the units sustaining any loss or damage, then such excess insurance proceeds shall be paid and distributed by the insurance trustee to the owners of all units, and to their mortgagees, as their respective interest may appear. Such distributions are to be made in the manner and in the proportions as are provided herein.

If it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the insurance trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the board of directors of the Association shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the common property and the units sustaining any loss or damage. If the proceeds of said fire and casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the common property, but not be sufficient to repair, replace or reconstruct any loss of or damage to any units, then the Association shall be entitled to charge and collect such amount from the owner of the unit sustaining any loss or damage, and the amount so collected from said owner shall be deposited with said insurance trustee so that the sum on deposit with said insurance trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all common property and units. In said latter event, the amount to be charged and collected from the owner of each unit sustaining loss or damage shall be apportioned between such owners in such a manner that the charge levied to each owner of a unit and his unit shall bear the same proportion to the total charges levied against all of the said owners of units sustaining loss or damages as does the cost of repair, replacement, or reconstruction of each owner's unit bears to the cost applicable to all of said units sustaining loss or damage.

If the fire and casualty insurance proceeds payable to the insurance trustee in the event of the loss of or damage to common property and units are not in an amount which will pay for the complete repair, replacement or reconstruction of the common property, it being recognized that such insurance proceeds are to be first applied to payment for repair, replacement or reconstruction of common property before being applied to the repair, replacement or reconstruction of a unit, then the cost to repair, replace or reconstruct said common property in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from all of the owners of all units in the same manner as would be levied and collected had the loss or damage sustained been solely to common property and the fire and casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction. The cost of repair, replacement or reconstruction of each unit sustaining loss or damage shall be charged and collected from the owners of units sustaining the loss or damage in the same manner as is above provided for the apportionment of such charges between the owners of units sustaining the loss or damage.

In the event of loss of or damage to property covered by such fire and casualty insurance, the Association shall, within 60 days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. Such estimates shall contain and include the cost of any professional fees and premiums for such bonds as the board of directors of the Association may deem to be in the best interests of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, whether to be paid by all of the owners of units or only by the owners of units sustaining loss or damage, or both, shall be deposited with said

insurance trustee not later than 30 days from the date on which said insurance trustee shall receive monies payable under the policies of fire and casualty insurance.

In the event of the loss of or damage to personal property belonging to the Association, the insurance proceeds, when received by the insurance trustee, shall be paid to the Association. Should the board of directors of the Association determine not to replace lost or damaged property constituting a portion of the common property, the insurance proceeds received by the insurance trustee shall be paid to owners of units and their respective mortgagees, as their interest may appear, in the manner and in the proportions herein provided for the distribution of excess insurance proceeds.

Contracts for repair, replacement or reconstruction of loss or damage shall be let by the board of directors in the name of the Association and said board of directors shall authorize payments to be made thereunder by the insurance trustee. The board of directors may enter into such agreements with the insurance trustee as it may deem in the best interest of the Association for the purpose of effectuating the intent hereof.

Any and all of the above stated or any other insurance including re-insurance placed or contracted for by the Association must be placed with an insurer licensed and authorized to do business in the State of Florida, which maintains a licensed agent in the State of Florida.

ARTICLE XIV. EASEMENTS

1. The units and common property shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established in the condominium documents governing the use of said units and common property and setting forth the obligations and responsibilities incident to ownership of each unit and its appurtenant undivided interest in the common property. Said units and common property are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the real property and improvements of the condominium.

2. Utility easements are reserved throughout the whole of the condominium property, including units, as may be required for utility services in order to adequately serve the condominium; provided, however, such easements through a unit shall be only in accordance with the plans and specifications of the condominium property, or as the building is constructed, unless changes thereto are approved in writing by the unit owner.

3. The common property shall be, and the same is hereby declared to be, subject to the perpetual non-exclusive easements of way over all roads and walkways in favor of all unit owners, for all property and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said unit owners, subject to all restrictions in the condominium documents.

4. In the event that any unit shall encroach upon any common property for any reason not caused by the purposeful or negligent act of the unit owner, or agents of such owner, then an easement appurtenant to such unit shall exist for the continuance of such encroachment upon the common property, for so long as such encroachment shall naturally exist; and in the event that any portion of the common property shall encroach upon any unit then an easement shall exist for the continuance of such encroachment of the common property upon any unit for so long as such encroachment shall naturally exist.

5. All easements reserved and granted in this Article are granted and reserved unto and for the developer, its agents, guests, employees, invitees, successors and assigns, incident to the construction of Phases I, II and III, and incident to the use and ownership of the Associated Commercial Parcel, and incident to the use and ownership of parcels of property described as Phases II and III in the event either Phase II or Phase III or both are not submitted to condominium ownership as set out elsewhere in this Declaration.

6. Developer, its successors, assigns, agents, invitees and guests shall have in addition to all easements granted to unit owners, a perpetual easement throughout the condominium property and any office thereon for the purpose of engaging in resort operations and administration, real estate sales, rental management, and all similar and related activities, and for such other activities that do not unreasonably interfere with the use of the condominium property by the owners. While such activities are anticipated to be generally related to the benefit of the unit owners and their guests, there is no requirement that they be so related. Specifically, and to avoid dispute, Developer and its successors, assigns, invitees and

guests have a perpetual easement and right, for the purpose of maid service, laundry service (including the use of chutes, if any), food preparation and service, retailing and utility and telephone service and any other purpose reasonably related to its permitted activities throughout the condominium property, whether or not the provision of said services utilizes any of the common property, or whether such services, or any portion thereof, are partially or completely assessed as a common expense.

ARTICLE XV. TERMINATION.

Notwithstanding anything to the contrary contained in this Declaration, in the event of fire or other casualty or disaster which shall totally demolish the condominium, or which shall destroy the condominium so as to require more than two-thirds (2/3) of said buildings and improvements, as determined by the Board of Directors of the Association, to be reconstructed, then this Declaration of Condominium and the plan of condominium ownership established herein shall terminate, unless 70% of all owners of units agree that said condominium be reconstructed, or unless any policy of casualty insurance which may cover the damage or destruction of said buildings requires the reconstruction thereof as a condition precedent to the payment of insurance proceeds under such policy, notwithstanding the fact that the owners of 70% of all units agree not to reconstruct the building. If such policy of casualty insurance requires the same to be reconstructed, this Declaration of Condominium and the plan of condominium ownership established herein shall be terminated if there exists any regulation or order of any governmental authority having jurisdiction of the property which may then prevent the reconstruction of said condominium, although nothing herein contained shall be construed as releasing or in any manner changing any obligation which may be owed to the Association, for itself and for the benefit of the owners of all units, under any insurance policy then existing.

If, as above provided, this Declaration of Condominium and the plan of condominium ownership established herein is to be terminated, then a certificate of resolution of the board of directors of the Association to said effect, and notice of the cancellation and termination hereof, shall be executed by the president and secretary of the Association in recordable form and such instrument shall be recorded in the Public Records of Santa Rosa County, Florida. Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, all of the owners of units shall be and become tenants in common as to ownership of the real property herein described, and any then remaining improvements thereon. The undivided interest in such unit shall be the same as the undivided interest in common property which was formerly appurtenant to such unit, and the lien of any mortgage or other encumbrance upon each unit shall attach to the percentage of undivided interest of the owner of a unit in the property and then remaining improvements as above provided. Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, the owners of all units still inhabitable shall, within 60 days from the date of recording of said certificate of resolution, deliver possession of their respective units to the Association. Upon such delivery of possession, the owners of habitable units and their respective mortgagees as their interests may appear, shall become entitled to participate proportionately together with all owners of uninhabitable units in the distribution of the proceeds in the possession of the insurance trustee. Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, the insurance trustee shall distribute any insurance indemnity which may be due under any policy of casualty insurance to the owners of the units and their mortgagees, as their respective interests may appear, such distribution to be made to the owner of each unit in accordance with his then undivided interest in the real property and remaining improvements as herein provided. The assets of the Association upon termination of the plan of condominium ownership created hereby shall then be distributed to the owner of each unit and his mortgagee, as their respective interests may appear, in the same manner as was provided for the distribution of any final insurance indemnity.

Except in the event of this Declaration of Condominium and the plan of condominium ownership being terminated as herein provided, this Declaration of Condominium and said plan of condominium ownership may only be otherwise terminated by the unanimous consent of all owners of all units and all parties holding mortgages, liens, or other encumbrances against any of said units, in which event, the termination of the condominium shall be by such plans as may be then adopted by said owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Declaration of Condominium and the plans of condominium ownership established herein shall be executed in writing by all of the forenamed parties, and such instrument shall be recorded in the Public Records of Santa Rosa County, Florida.

ARTICLE XVI. PROHIBITION AGAINST SUBDIVIDING OF APARTMENTS; PROHIBITION AGAINST PARTITION OF COMMON PROPERTY.

1. No unit may be divided or subdivided into a smaller unit, nor shall any unit or portion thereof be added to or incorporated into any other unit except by the express written consent of a majority of the voting interest.

2. Recognizing the proper use of a unit by an owner is dependent upon the use and enjoyment of the common property in common with others of all other units, and that it is in the interest of all owners of the units that the ownership of the common property be retained in common by the owners of units, it is declared that the percentage of the undivided interest in the common property appurtenant to each unit shall remain undivided and no owner of any unit shall bring or have any right to bring any action for partition or division thereof.

ARTICLE XVII. ASSESSMENTS.

1. Liability, Lien and Enforcement: The Association is given the authority to administer the operation and management of the condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all units. To properly administer the operation and management of the condominium, the Association will incur costs and expenses for the mutual benefit of all of the owners of units, which will be continuing and/or recurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "common expenses." To provide the funds necessary for such proper operation, the Association has heretofore been granted the right to make, levy and collect assessments against the owners of all units and said units. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the condominium and the lease and rental, the following provisions shall be effective and binding upon the owners of all units.

A. All assessments levied against the owners of all units and said units shall be uniform and unless specifically otherwise provided for in this Declaration of Condominium, the assessments made by the Association shall be in proportion so that the amount of assessment levied against each owner of a unit and his unit shall bear the same ratio to the total assessment made against all owners of units and their units as does the undivided interest in common property appurtenant to all units.

B. The assessment levied against the owner of each unit and his unit shall be payable in quarterly installments, or in such other installments and at such times as may be determined by the board of directors of the Association.

C. The board of directors of the Association shall establish an annual budget, in advance, for each fiscal year which shall correspond to the calendar year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium, including a reasonable allowance for contingencies, reserves, insurance, etc. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The board of directors shall mail a meeting notice and copy of the proposed annual budget of common expenses to the unit owners not less than 14 days prior to the meeting at which the budget will be considered. Upon adoption of such annual budget by the board of directors of the Association, copies of said budget shall be delivered to each unit owner and the assessment for said year shall be established based upon such budget, although the failure to deliver a copy of said budget to each unit owner shall not affect the liability of any unit owner for such assessment. Should the board of directors at any time determine in the sole discretion of said board of directors that assessments levied are or may prove to be insufficient to pay the costs of operation and management of the condominium or in the event of emergencies, the board of directors shall have the authority to levy such additional assessments as it shall deem necessary in accordance with the applicable condominium document provisions.

D. All monies collected by the Association shall be treated as the separate property of said Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the condominium by virtue of this Declaration of Condominium and exhibits attached hereto, and as monies for any assessments that are paid to the Association by the owner of a unit, the same may be commingled with monies paid to said Association by the other owners of units. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom, shall be held for the benefit of members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his unit. When the owner of a unit shall cease to be a member of the Association by reason

of the divestment or loss of his ownership of such unit, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association, or which may have been paid to said Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of said Association which may be used in the operation and management of the condominium.

E. The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due to the Association shall bear interest at the maximum legal rate until such delinquent assessment or installment and all interest due thereon, has been paid in full. In addition, the Association shall charge an administrative late fee, in an amount of \$25.00 or 5% of the assessment, whichever is greater, for each delinquent installment that the payment is late.

F. The owner of each unit shall be personally liable to the Association, jointly and severally, as the case may be, for the payment of all assessments, regular and special, which may be levied by the Association against such party or parties as owners of a unit in this condominium. In the event that any owner is in default in the payment of any assessment or installment owed to the Association, such owner shall be personally liable, jointly and severally, for interest and late fees on such delinquent assessment or installment as above provided, and for all costs of collecting such assessment or installment and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

G. No owner of a unit may exempt himself from liability for any assessment levied against such owner and his unit by waiver of the use of enjoyment of any of the common property, or by abandonment of the unit, or in any other way.

H. Recognizing the necessity for providing proper operation and management of the condominium entails the continuing payment of costs and expenses therefor, which results in benefits to all the owners of units, and that the payment of such common expenses by the Association is necessary in order to preserve and protect the investment of the owner and his appurtenant undivided interest in the common property, the Association shall be entitled to a lien against units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing the Association. Said lien shall also secure all costs and expenses, including a reasonable attorney's fee incurred by the Association in enforcing this lien upon said unit and its appurtenant undivided interest in the common property. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Florida. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given or acquired a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any unit expressly subject to lien.

I. The lien herein granted to the Association shall be effective from and after the time of recording in the Public Records of Santa Rosa County, Florida, a claim of lien stating the description of the unit encumbered thereby, the name of the record owner, the name and address of the Association, the amount due, and the date when due. Such claims of lien shall include only assessments, interest, costs and attorney's fees, which are due, and which may accrue after the claim of lien has been recorded. Such claims of lien shall be signed by an officer or agent of the Association. No lien shall continue for a longer period than one year after recording, unless an action to enforce the lien is commenced. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the unit owner's cost. The claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the recording of the Association's claim of lien. The Association's claim of lien for collection of such portion of any tax or special assessment shall specifically designate that the same secures an assessment levied pursuant to Article XVII of this Declaration of Condominium.

J. The liability of a first mortgagee who acquires title to the unit by foreclosure or by deed in lieu of foreclosure for the share of common expenses or assessments attributable to the condominium parcel or chargeable to the former unit owner shall be only as specified in Florida Statutes 718.116.

Whenever any purchaser of a condominium unit (other than a first mortgagee as set forth above) obtains title to the condominium unit, such acquirer of title and his successors and assigns shall be liable for unpaid assessments on the unit that became due prior to receipt of title.

K. Whenever any unit may be sold or mortgaged by the owner thereof, which shall be concluded only upon compliance with other provisions of this Declaration of Condominium, the Association upon written request of the owner of such unit shall furnish to the property purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the owner of such unit. Such statement shall be executed by an officer of the Association. Any purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement.

In any voluntary conveyance of a unit, the grantor shall be jointly and severally liable with grantee for all unpaid assessments against grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of grantee to recover from the grantor the amount paid by grantee therefor.

Institution of a suit at law to attempt to effect collection of payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of a suit at law to attempt to effect collection of any sum then remaining owing to it.

L. The initial projected estimated annual maintenance budget for Sunset Harbour Villas is attached to this Declaration as Exhibit G.

2. APPORTIONMENT OF SANTA ROSA COUNTY BEACH ADMINISTRATION RENTAL ASSESSED AGAINST SUNSET HARBOUR VILLAS AS A WHOLE

1. Santa Rosa County Beach Administration generally assesses and collects the lease rental. The said lease rental is calculated upon the purchase price of each unit and its undivided interest in the common property. The amount of lease rental designated by said Board shall be and constitutes a lien prior to all mortgages, and encumbrances upon any Unit and its appurtenant undivided interest in the common property regardless of the date of the attachment and/or recording of such mortgage or encumbrances, to the same extent as though such lease rental had been separately reserved by said Board upon each unit and its appurtenant undivided interest in the common property.

2. The Association shall not collect the lease rental chargeable to any unit and its undivided interest in the common property as a common expense nor as a budget item, unless Santa Rosa County Beach Administrative Board assesses the lease rental upon the entire condominium; in which event the Association then will include each unit owner's share of same in the common expenses to be assessed against each Unit.

3. All personal property taxes levied or assessed against personal property owned by the Association shall be paid by such Association and shall be included as a common expense in the annual budget of the Association.

ARTICLE XVIII. REMEDIES IN EVENT OF DEFAULT.

The owner of each condominium unit shall be governed by and shall comply with the provisions of the condominium documents as any of the same are now constituted or as they may be amended from time to time. A default by the owner of any condominium unit shall entitle the Association or the owners of other condominium units to the following relief:

1. Failure to comply with any of the terms of the condominium documents as they may be amended shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of a lien, fine, disapproval of a proposed lease of a unit, or, if appropriate, suit by an aggrieved owner of a condominium unit. The procedure for fines is set forth in the Rules and Regulations (Exhibit F).

2. Presently, termination of utility and similar services by the Association is not permitted under Florida law; however, if such action is permitted by Florida law in the future, failure of a unit owner to comply with any of the terms of this Declaration or its exhibits, as they may be amended shall permit the Association to terminate utility and similar services to the unit(s) owned.

3. The owner of each condominium unit shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expenses are not met by the proceeds of insurance carried by the Association. However, nothing herein contained shall be construed to modify any waiver by insurance companies or rights of subrogation.

4. In any proceeding arising because of an alleged default by the owner of any condominium unit, the Association, if successful, shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court. In no event shall the owner of any condominium unit be entitled to recover similar attorney's fees.

5. The failure of the Association or of the owner of a condominium unit to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or other above-mentioned documents shall not constitute a waiver of the right of the Association or of the owner of a condominium unit to enforce such right, provisions, covenant or condition in the future.

6. All rights, remedies and privileges granted to the Association or the owner of a condominium unit pursuant to any terms, provisions, covenants, or conditions of these condominium documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

7. The failure of the developer and/or the Association to enforce any right, privilege, covenant or condition which may be granted to it by these condominium documents shall not constitute a waiver of this right to thereafter enforce such right, provisions, covenant or condition in the future.

8. The failure of an institutional lender, as said term is defined herein, to enforce any right, provision, privilege, covenant or condition which may be granted or reserved to it by these condominium documents shall not constitute a waiver of the right of said party to thereafter enforce such right, privilege, covenant or condition in the future.

ARTICLE XIX. NOTICE TO THIRD PARTIES.

All natural persons, corporations and other business Associations who shall acquire, by whatever means, any interest in the ownership of any condominium unit, or who may be given or acquire a mortgage, lien or other encumbrance thereof, are hereby placed on notice of all rights granted and/or reserved unto the Association and/or Sunset Harbour Villas and other rights and restrictions contained under the provisions of the condominium documents, and shall acquire such interest in any condominium unit expressly subject thereto.

ARTICLE XX. RIGHT OF UNIT OWNERS OTHER THAN DEVELOPER TO REPRESENTATION ON THE BOARD OF DIRECTORS OF THE ASSOCIATION.

1. When unit owners other than the developer own 15% or more of the units within the condominium that will operated ultimately by the Association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of directors of the Association. Unit owners other than the developer shall be entitled to elect not less than a majority of the members of the board of directors of the Association:

- (a) three years after 50% of the units that will be operated ultimately by the Association have been conveyed to purchasers;
- (b) three months after 90% of the units that will be operated ultimately by the Association have been conveyed to purchasers;
- (c) when all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business;

- (d) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or
- (e) seven years after recordation of the declaration of condominium;

whichever occurs first. The developer shall be entitled to elect at least one member of the board of directors of the Association as long as the developer holds for sale in the ordinary course of business at least 5% of the units within the condominium operated by the Association. Following the time the developer relinquishes control of the Association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the Association or selecting the majority members of the board of directors.

2. Within seventy-five (75) days after the owners other than the developer are entitled to elect a member or members of the board of directors of the Association, the Association shall call and give not less than sixty (60) days' notice of an election for this purpose. The notice may be given by any owner if the Association fails to do so.

3. If the developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the developer:

- A. Assessment of the developer as a unit owner for capital improvements.
- B. Any action taken by the Association that would be detrimental to the sales or units by the developer; however, an increase in assessments for common expenses without discrimination against the developer shall not be deemed detrimental to the sales of units.

4. Whenever the developer shall be entitled to designate and select any person to serve on any board of directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and the developer shall have the right to remove any person selected by it to act and serve on said board of directors and to replace such person with another person to act and serve in the place of any director so removed for the remainder of the unexpired term of any director so removed. Any director designated and selected by the developer need not be a resident of Sunset Harbour Villas. The election of a board of directors by the unit owners may be accelerated by developer, in its discretion, upon giving twenty (20) days' written notice of the same to all unit owners.

ARTICLE XXI. SIGNS, SALES OFFICE, MODEL UNITS.

With the exception of the sign originally constructed to designate this condominium and the activities to be conducted within such condominium, and any sign required by Florida law to be displayed by real estate brokers, no "sold" or "for sale" or "for rent" signs or other advertising shall be maintained or permitted on units in the condominium, except as specified herein. The developer, its successors and assigns, may make such use of the unsold units and common elements as may facilitate the completion of the project, the sale of unsold units, rental of sold and unsold units, all including but not limited to the maintenance of a sales office, rental office and rental desk, model units and the display of signs on the common elements, units listed for sale, and to further advertise, or otherwise deal with any unit owned or controlled by the Developer, all without the necessity of approval of the board of directors or members of the Association.

ARTICLE XXII. SPECIAL AMENDMENT.

In addition to any other method of amending this Declaration provided for elsewhere herein, the Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering unit ownerships, (iii) to bring this Declaration into compliance with the Florida Condominium Act, or (iv) to correct clerical or typographical errors in this Declaration or any exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust

deed, other evidence of obligation, or other instrument affecting a unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer to make, execute and record Special Amendments. The reserved rights of the Developer under this Article shall terminate three (3) years from the date of recording of the Declaration.

ARTICLE XXIII. ACQUISITION OF TITLE TO REAL PROPERTY.

The Association may acquire title to real property, either in fee or as lessee upon the approval of the acquisition by not less than 66-2/3% of the votes of the entire membership of the Association.

IN WITNESS WHEREOF, the Developer has executed this Declaration the day and year first above written.

Signed, scaled and delivered
in the presence of:

Stevan K. Hall
Type name: Stevan K. Hall

Rod Parish
Type name: Rod Parish

Kathryn M. Lynch
Type name: Kathryn M. Lynch

Stevan K. Hall
Type name: Stevan K. Hall

SUNSET VILLAS DEVELOPMENT COMPANY,
a Florida general partnership

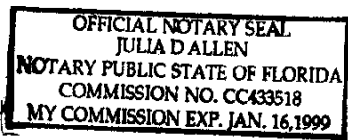
By: *Larry L. Morris*
Larry L. Morris, general partner

By: *Max Matthews*
Max Matthews, general partner

STATE OF FLORIDA)

COUNTY OF OKALOOSA)

The foregoing instrument was acknowledged before me this 30th day of May, 1998, by Larry L. Morris, a general partner of Sunset Villas Development Company, a Florida general partnership, on behalf of the partnership. He is personally known to me and did not take an oath.



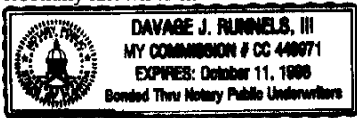
Julia D. Allen
Notary Public
My Commission Expires:

STATE OF FLORIDA)

**** OFFICIAL RECORDS ****
BK 1692 PG 2040

COUNTY OF OKALOOSA)

The foregoing instrument was acknowledged before me this 29 day of May, 1998, by Max Mathews, a general partner of Sunset Villas Development Company, a Florida general partnership, on behalf of the partnership. He is personally known to me and did not take an oath.



[Signature]
Notary Public
My Commission Expires:

THIS INSTRUMENT PREPARED BY
Davage J. Runnels, III
Steven K. Hall
Hall & Runnels, P.A.
36468 Emerald Coast Parkway, Suite 2201
Destin, Florida 32541

SUNSET HARBOUR VILLAS, a Condominium

Exhibit "A"

** OFFICIAL RECORDS **

PHASE 1

to Declaration of Condominium

BK 1692 PG 2041

DESCRIPTION: PHASE I (AS PREPARED BY SOUTHERN SURVEYING, INC.)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF HAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120 FOOT RIGHT OF WAY); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.00 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.00 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF WHITE SANDS BOULEVARD (80 FOOT RIGHT OF WAY) ALSO KNOWN AS SANTA ROSA BOULEVARD; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 939.75 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST, A DISTANCE OF 114.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 95.26 FEET; THENCE GO SOUTH 78 DEGREES 11 MINUTES 30 SECONDS WEST A DISTANCE OF 70.00 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST A DISTANCE OF 210.00 FEET; THENCE GO SOUTH 78 DEGREES 11 MINUTES 30 SECONDS WEST A DISTANCE OF 80.00 FEET; THENCE GO NORTH 81 DEGREES 18 MINUTES 30 SECONDS WEST A DISTANCE OF 170.27 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST A DISTANCE OF 245.20 FEET TO A POINT HERINAFTER CALLED POINT "A"; THENCE CONTINUE NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST A DISTANCE OF 29 FEET, MORE OR LESS TO THE APPROXIMATE SHORELINE OF SANTA ROSA SOUND; THENCE MEASURED SOUTHWESTERLY ALONG SAID SHORELINE A DISTANCE OF 5 FEET MORE OR LESS TO A POINT; THENCE GO SOUTH 11 DEGREES 48 MINUTES 30 SECONDS EAST A DISTANCE OF 23 FEET, MORE OR LESS TO A POINT HERINAFTER CALLED POINT "B", BEING SOUTH 86 DEGREES 24 MINUTES 27 SECONDS WEST, A DISTANCE OF 4.23 FEET FROM SAID POINT "A"; THENCE CONTINUE SOUTH 11 DEGREES 48 MINUTES 30 SECONDS EAST A DISTANCE OF 583.19 FEET; THENCE GO SOUTH 82 DEGREES 17 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 123.77 FEET; THENCE GO NORTH 10 DEGREES 19 MINUTES 13 SECONDS EAST FOR A DISTANCE OF 58.98 FEET; THENCE GO SOUTH 80 DEGREES 37 MINUTES 42 SECONDS EAST FOR A DISTANCE OF 189.87 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL CONTAINS 1.92 ACRES, MORE OR LESS.

LESS THE FOLLOWING DESCRIBED PARCELS OF LAND:

DESCRIPTION: PHASE I (PARCEL "B") (AS FURNISHED)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF HAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120' R/W); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.00 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.00 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE FOR AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78°11'30" EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11°48'30" WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF SANTA ROSA BOULEVARD (80' R/W); THENCE GO NORTH 78°11'30" EAST ALONG THE SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 939.75 FEET; THENCE GO NORTH 11°48'30" WEST, A DISTANCE OF 210.00 FEET; THENCE GO SOUTH 78°11'30" WEST, A DISTANCE OF 220.00 FEET; THENCE GO NORTH 81°48'30" WEST, A DISTANCE OF 218.98 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 81°48'30" WEST, A DISTANCE OF 55.00 FEET; THENCE GO NORTH 08°11'30" EAST, A DISTANCE OF 120.00 FEET; THENCE GO SOUTH 81°48'30" EAST, A DISTANCE OF 55.00 FEET; THENCE GO SOUTH 08°11'30" WEST, A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 0.1515 ACRES.

LESS THE FOLLOWING DESCRIBED PARCELS OF LAND:

DESCRIPTION: PHASE I (PARCEL "B") (AS FURNISHED)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF HAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120' R/W); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.00 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.00 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE FOR AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78°11'30" EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11°48'30" WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF SANTA ROSA BOULEVARD (80' R/W); THENCE GO NORTH 78°11'30" EAST ALONG SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 939.75 FEET; THENCE GO NORTH 11°48'30" WEST, A DISTANCE OF 210.00 FEET; THENCE GO SOUTH 78°11'30" WEST, A DISTANCE OF 220.00 FEET TO THE POINT OF BEGINNING; THENCE GO NORTH 81°48'30" WEST, A DISTANCE OF 218.98 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 81°48'30" WEST, A DISTANCE OF 55.00 FEET; THENCE GO NORTH 08°11'30" EAST, A DISTANCE OF 120.00 FEET; THENCE GO SOUTH 81°48'30" EAST, A DISTANCE OF 55.00 FEET; THENCE GO SOUTH 08°11'30" WEST, A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 0.0796 ACRES.

LESS THE FOLLOWING DESCRIBED PARCELS OF LAND:

DESCRIPTION: PHASE II (PARCEL "C") (AS FURNISHED)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF HAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120' R/W); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.00 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.00 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE FOR AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78°11'30" EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11°48'30" WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF SANTA ROSA BOULEVARD (80' R/W); THENCE GO NORTH 78°11'30" EAST ALONG SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 939.75 FEET; THENCE GO NORTH 11°48'30" WEST, A DISTANCE OF 210.00 FEET; THENCE GO SOUTH 78°11'30" WEST, A DISTANCE OF 220.00 FEET; THENCE GO NORTH 81°48'30" WEST, A DISTANCE OF 218.98 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 81°48'30" WEST, A DISTANCE OF 55.00 FEET; THENCE GO NORTH 11°48'30" WEST, A DISTANCE OF 120.00 FEET; THENCE GO SOUTH 81°48'30" EAST, A DISTANCE OF 55.00 FEET; THENCE GO SOUTH 11°30" WEST, A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 0.0927 ACRES.

AND SUBJECT TO THE FOLLOWING DESCRIBED PARCELS OF LAND:

DESCRIPTION: (AS FURNISHED) 22 FOOT ACCESS EASEMENT

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF HAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120' R/W); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.00 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.00 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE, FOR AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78°11'30" EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11°48'30" WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF SANTA ROSA BOULEVARD (80' R/W); THENCE GO NORTH 78°11'30" EAST ALONG THE SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 904.25 FEET TO THE POINT OF BEGINNING OF A STRIP OF LAND LYING 11.00 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE; THENCE GO NORTHERLY ALONG A CURVE BEING CONCAVE WESTERLY AND HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 65.45 FEET (CH. = 64.93', CHORD = 24°18'30") TO A POINT OF REVERSE CURVATURE; THENCE GO NORTHERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 45.21 FEET, AN ARC DISTANCE OF 30.45 FEET (CH. = 30.21', CH. ANG. = 101°18'30") TO A POINT OF REVERSE CURVATURE; THENCE GO NORTHERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 65.45 FEET (CH. = 64.93', CHORD. = 101°18'30") TO THE POINT OF TANGENCY; THENCE GO NORTH 11°48'30" WEST, A DISTANCE OF 45.00 FEET TO THE POINT OF BEGINNING.

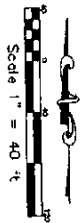
DESCRIPTION: 5.00 FOOT ACCESS EASEMENT (EXISTING WOOD WALKWAY)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF HAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120 FOOT RIGHT OF WAY); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.00 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.00 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE FOR AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF SANTA ROSA BOULEVARD (80 FOOT RIGHT OF WAY); THENCE GO NORTH 78 DEGREES 11 DEGREES 30 SECONDS EAST ALONG THE SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 939.75 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 10 SECONDS WEST, A DISTANCE OF 210.00 FEET; THENCE GO SOUTH 78 DEGREES 11 MINUTES 30 SECONDS WEST, A DISTANCE OF 220.00 FEET; THENCE GO NORTH 86 DEGREES 30 MINUTES 13 SECONDS WEST, A DISTANCE OF 62.22 FEET TO THE POINT OF BEGINNING OF A STRIP OF LAND LYING 2.50 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE; THENCE GO NORTH 01 DEGREES 20 MINUTES 34 SECONDS EAST, A DISTANCE OF 97.32 FEET; THENCE GO NORTH 41 DEGREES 32 MINUTES 53 SECONDS WEST, A DISTANCE OF 80.37 FEET TO A POINT; THENCE RETRACING THE LINE LAST RUN, GO SOUTH 41 DEGREES 32 MINUTES 53 SECONDS EAST, A DISTANCE OF 80.37 FEET; THENCE GO NORTH 34 DEGREES 10 MINUTES 05 SECONDS EAST, A DISTANCE OF 79.86 FEET TO THE POINT OF BEGINNING.

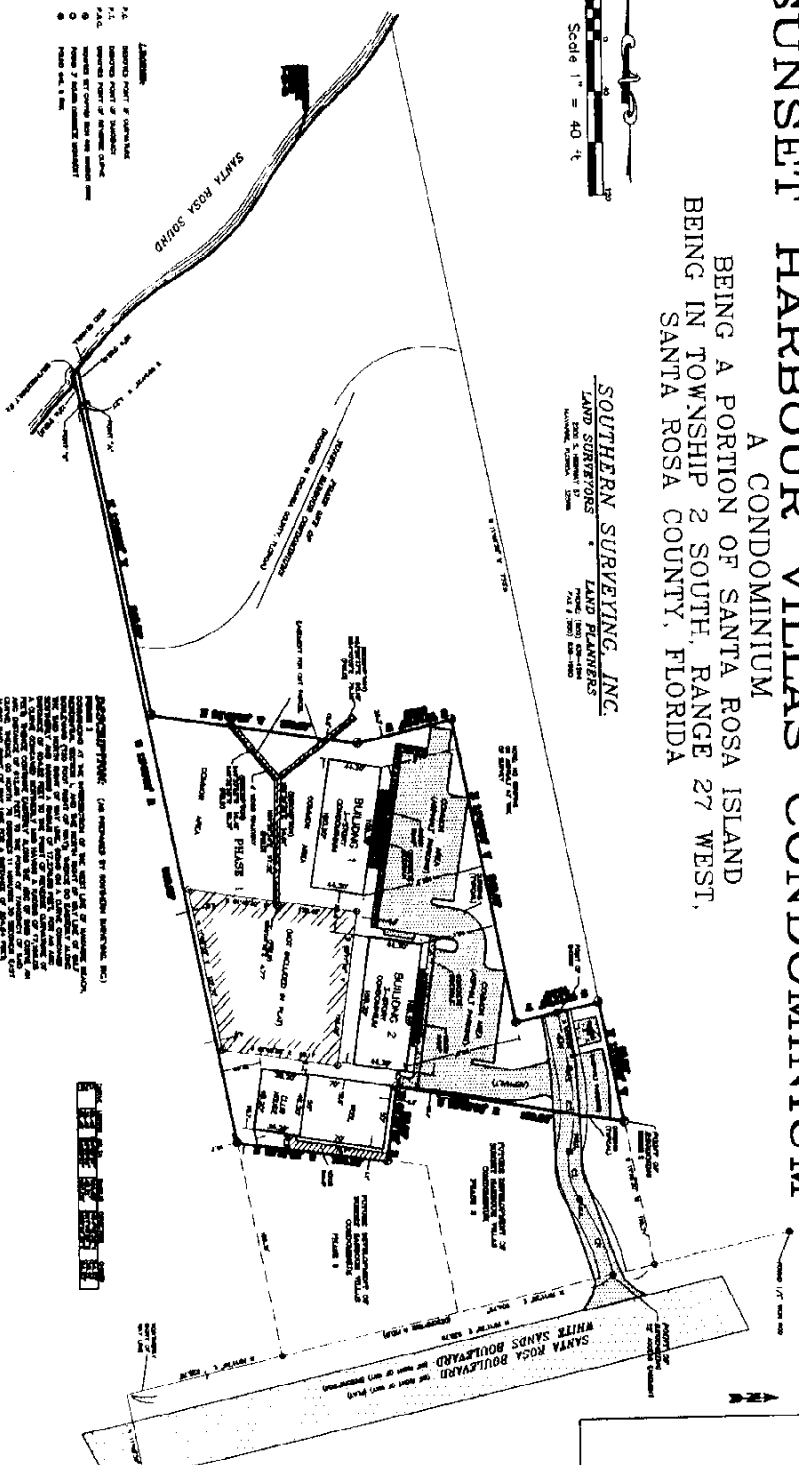
Poor quality original Clerk's office not responsible for quality of image.

SUNSET HARBOUR VILLAS CONDOMINIUM

PHASE ONE
BEING A PORTION OF SANTA ROSA ISLAND
BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST,
SANTA ROSA COUNTY, FLORIDA



SOUTHERN SURVEYING, INC.
LAND SURVEYORS
LAND PLANNERS
10150 W. BAYVIEW BLVD.
DADE COUNTY, FLORIDA 33154
TEL: 305-552-1111



GENERAL NOTES:

- 1) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 2) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 3) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 4) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 5) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 6) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
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- 8) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 9) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.
- 10) THE SUBMITTER HAS BEEN ADVISED BY THE COUNTY ENGINEER THAT THE SUBMITTER MUST OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.

CONDOMINIUM: (AS REQUIRED BY STATUTE SECTION 718.10)

SECTION 718.10, F.S. REQUIRES THAT THE SUBMITTER OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.

CONDOMINIUM: (AS REQUIRED BY STATUTE SECTION 718.10)

SECTION 718.10, F.S. REQUIRES THAT THE SUBMITTER OBTAIN A PERMIT FROM THE COUNTY ENGINEER TO CONDUCT SURVEYING WORK ON ANY PUBLIC ROAD OR HIGHWAY.

Signature: J. J. Smith

DATE: 10/15/88

POINT OF COMMENCEMENT

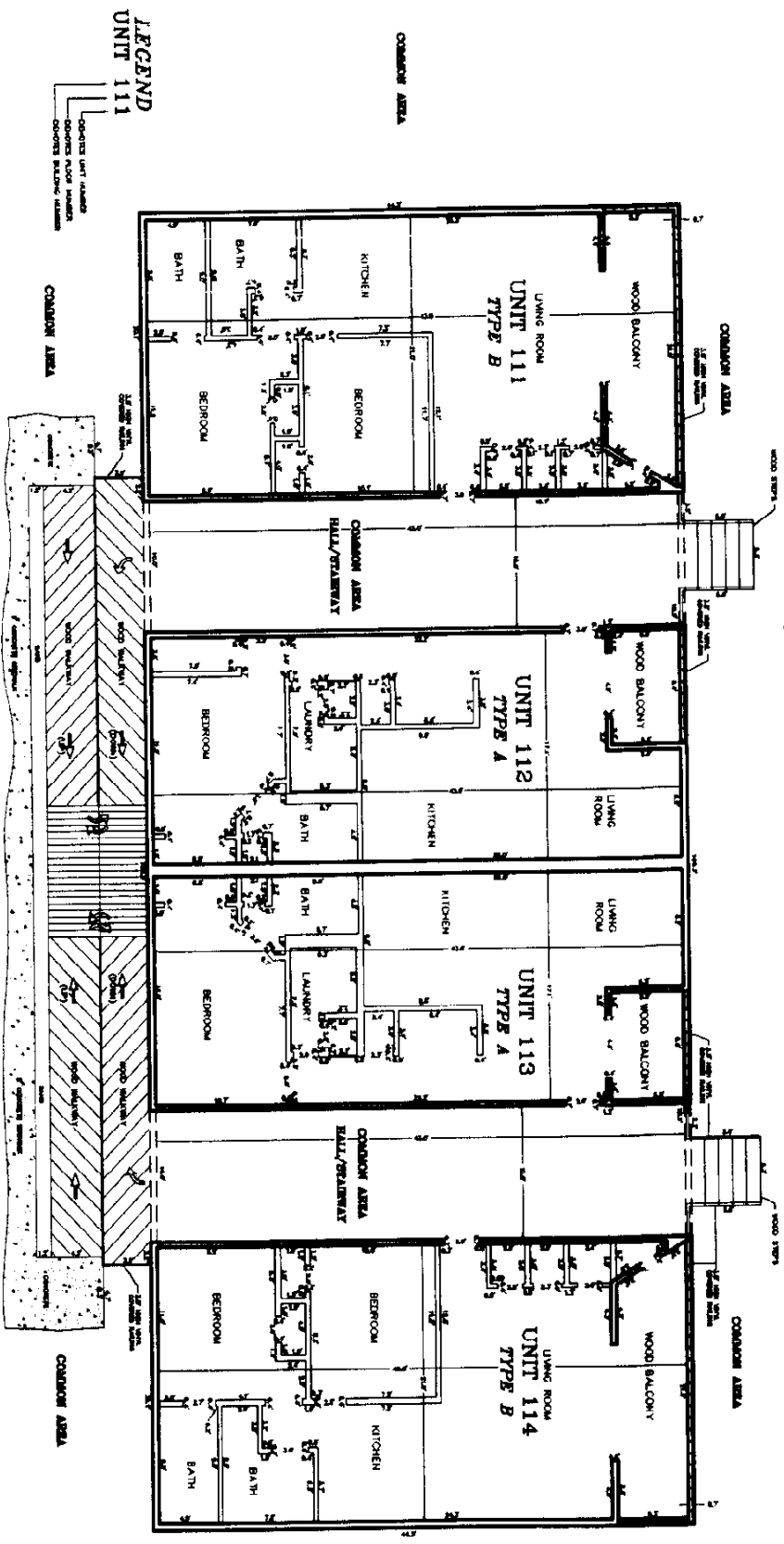
SHEET 1 OF 8

Additional notes:

1. All common elements and limited common elements are located outside of the units.
2. The foregoing plat is inclusive of the Associated Commercial Parcel which is not being submitted to the condominium and is exclusive therefrom. Said parcel is described in Exhibit A-1 to the Declaration.

PHASE ONE
SUNSET HARBOUR VILLAS CONDOMINIUMS
 A CONDOMINIUM
 BEING A PORTION OF SANTA ROSA ISLAND
 BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST,
 SANTA ROSA COUNTY, FLORIDA

** OFFICIAL RECORDS **
 BK 1692 PG 2044



TYPE A UNIT PLAN
 BUILDING 1 - 112, 113
 BUILDING 2 - 221, 223, 231, 233

TYPE B UNIT PLAN
 BUILDING 1 - 111, 114
 BUILDING 2 - 211, 214

TYPE C UNIT PLAN
 BUILDING 1 - 121, 123, 131, 133
 BUILDING 2 - 221, 223, 231, 233

TYPE D UNIT PLAN
 BUILDING 1 - 122, 132
 BUILDING 2 - 222, 232

BUILDING 1
FIRST FLOOR
 SCALE 1" = 4'
 FINISH FLOOR ELEVATION = 11.34'

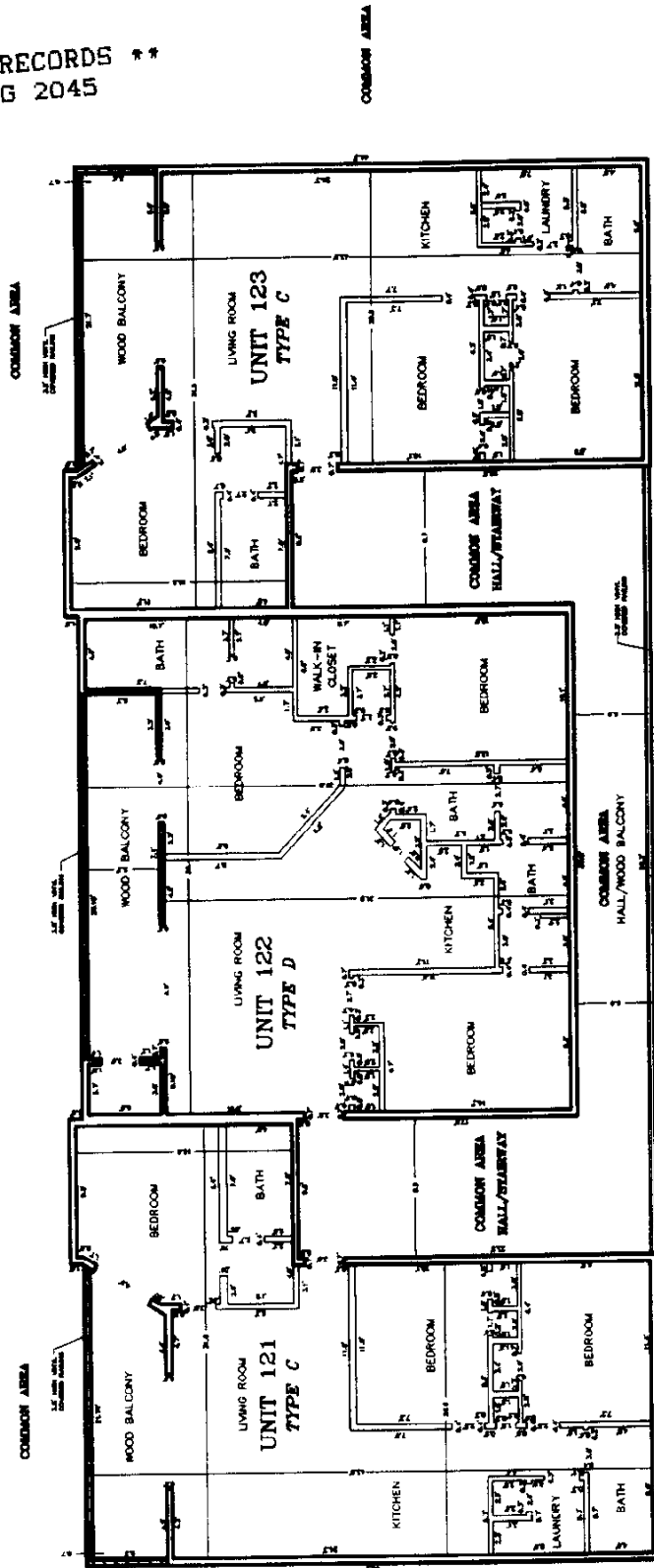


NOTE: UNIT DIMENSIONS MAY VARY BY 0.10'

SHEET 2 OF 8

** OFFICIAL RECORDS **
BK 1692 PG 2045

PHASE ONE SUNSET HARBOUR VILLAS CONDOMINIUMS A CONDOMINIUM BEING A PORTION OF SANTA ROSA ISLAND BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST, SANTA ROSA COUNTY, FLORIDA



LEGEND
UNIT 121

- REMOVES UNIT NUMBER
- REMOVES FLOOR NUMBER
- REMOVES BALCONY NUMBER

TYPE A UNIT PLAN
BUILDING 1 - 121, 123
BUILDING 2 - 212, 213

TYPE C UNIT PLAN
BUILDING 1 - 121, 123, 131, 133
BUILDING 2 - 221, 223, 231, 233

TYPE D UNIT PLAN
BUILDING 1 - 122, 132
BUILDING 2 - 222, 232

BUILDING 1
SECOND FLOOR

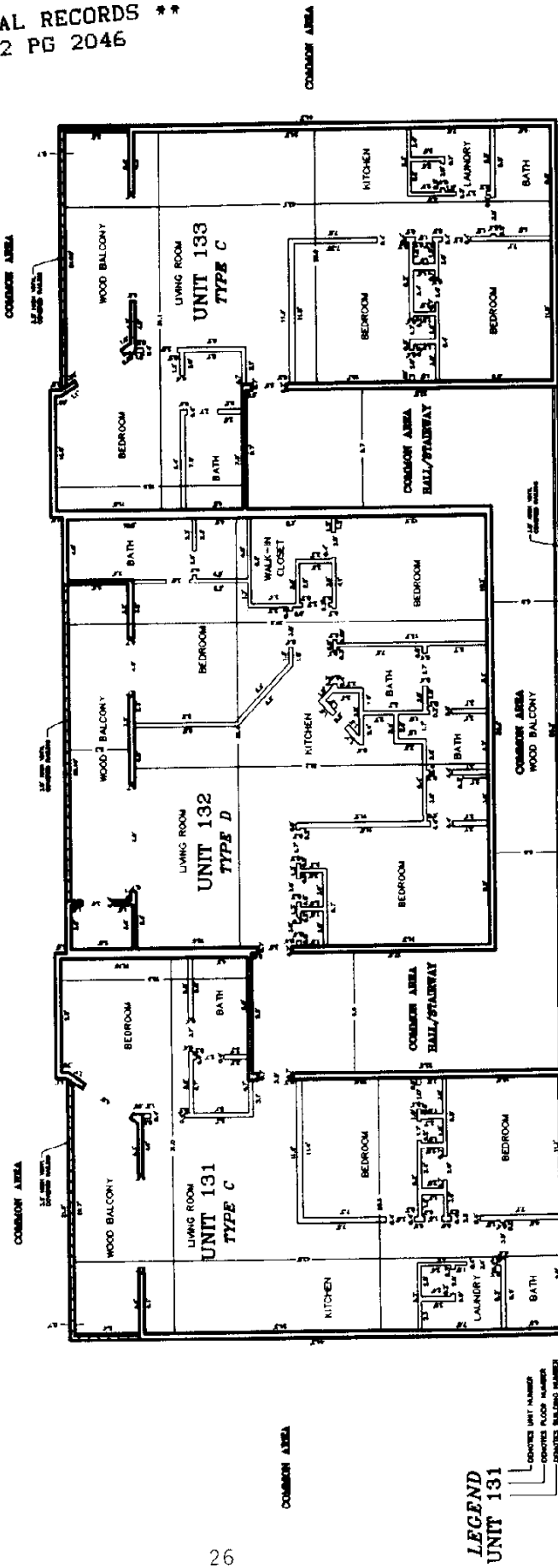
SCALE 1" = 4'
FINISH FLOOR ELEVATION - 20.04'



NOTE: UNIT DIMENSIONS MAY VARY BY 0.10'

** OFFICIAL RECORDS **
BK 1692 PG 2046

PHASE ONE
SUNSET HARBOUR VILLAS CONDOMINIUMS
A CONDOMINIUM
BEING A PORTION OF SANTA ROSA ISLAND
BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST,
SANTA ROSA COUNTY, FLORIDA



LEGEND
UNIT 131

— (L) CHECKED UNIT NUMBER
— (D) CHECKED FLOOR NUMBER
— (B) CHECKED BUILDING NUMBER

TYPE A UNIT PLAN
BUILDING 1 - 112, 113
BUILDING 2 - 212, 213

TYPE C UNIT PLAN
BUILDING 1 - 121, 123, 131, 133
BUILDING 2 - 221, 223, 231, 233

TYPE B UNIT PLAN
BUILDING 1 - 111, 114
BUILDING 2 - 211, 214

TYPE D UNIT PLAN
BUILDING 1 - 122, 124
BUILDING 2 - 222, 224

BUILDING 1
THIRD FLOOR

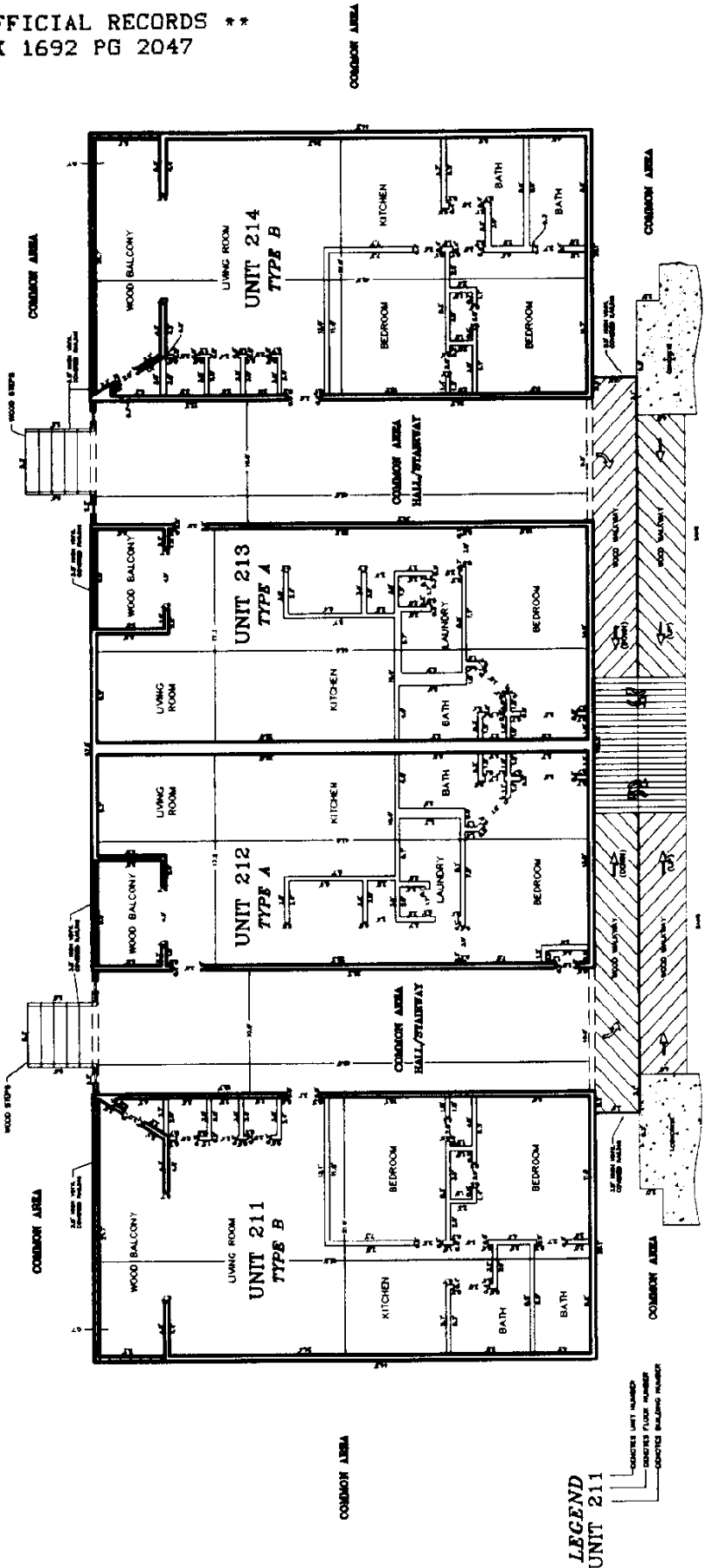
SCALE 1" = 4'
FINISH FLOOR ELEVATION - 30.14'



NOTE: UNIT DIMENSIONS MAY VARY BY 0.10'

** OFFICIAL RECORDS **
BK 1692 PG 2047

PHASE ONE SUNSET HARBOUR VILLAS CONDOMINIUMS A CONDOMINIUM BEING A PORTION OF SANTA ROSA ISLAND BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST, SANTA ROSA COUNTY, FLORIDA



LEGEND
UNIT 211

TYPE A UNIT PLAN
BUILDING 1 - 112, 113
BUILDING 2 - 212, 213

TYPE B UNIT PLAN
BUILDING 1 - 111, 114
BUILDING 2 - 211, 214

TYPE C UNIT PLAN
BUILDING 1 - 121, 123, 131, 133
BUILDING 2 - 221, 223, 231, 233

TYPE D UNIT PLAN
BUILDING 1 - 122, 132
BUILDING 2 - 222, 232

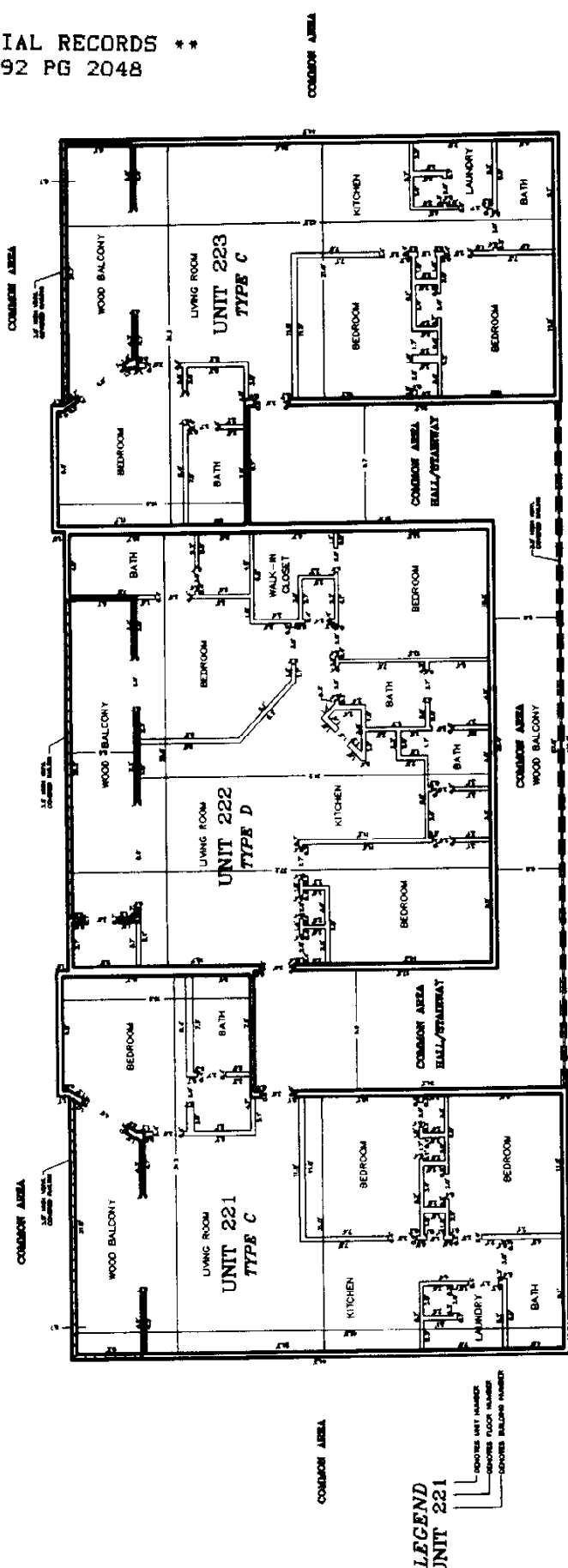
**BUILDING 2
FIRST FLOOR**
SCALE: 1" = 4'
FINISH FLOOR ELEVATION - 112.7



NOTE: UNIT DIMENSIONS MAY VARY BY 0.10'

SHEET 5 OF 8

PHASE ONE SUNSET HARBOUR VILLAS CONDOMINIUMS A CONDOMINIUM BEING A PORTION OF SANTA ROSA ISLAND BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST, SANTA ROSA COUNTY, FLORIDA



LEGEND
UNIT 221
--- UNIT NUMBER
--- FLOOR NUMBER
--- BUILDING NUMBER

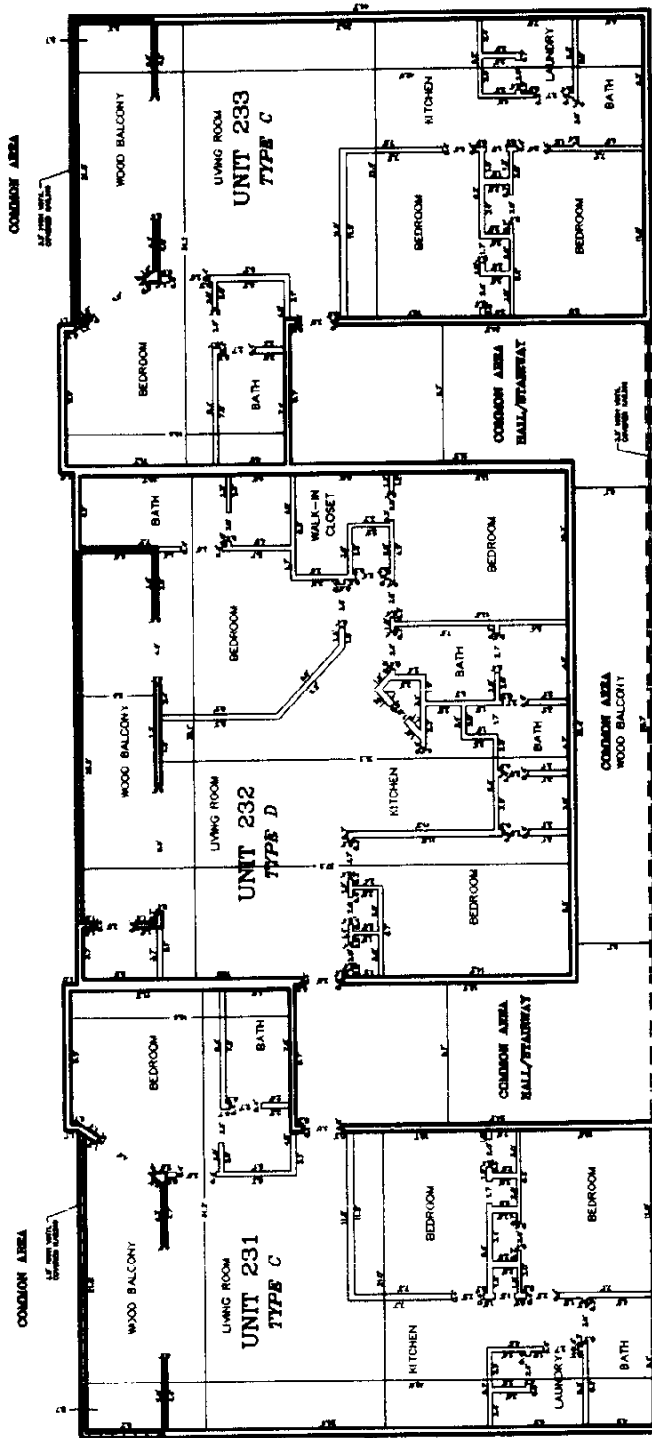
- TYPE A UNIT PLAN**
BUILDING 1 - 112, 113
BUILDING 2 - 212, 213
- TYPE B UNIT PLAN**
BUILDING 1 - 114, 115
BUILDING 2 - 214, 215
- TYPE C UNIT PLAN**
BUILDING 1 - 121, 123, 131, 133
BUILDING 2 - 221, 223, 231, 233
- TYPE D UNIT PLAN**
BUILDING 1 - 122, 132
BUILDING 2 - 222, 232

BUILDING 2
SECOND FLOOR
SCALE: 1" = 4'
FRESH FLOOR ELEVATION - 20.17



NOTE: UNIT DIMENSIONS MAY VARY BY 0.10'

PHASE ONE SUNSET HARBOUR VILLAS CONDOMINIUMS A CONDOMINIUM BEING A PORTION OF SANTA ROSA ISLAND BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST, SANTA ROSA COUNTY, FLORIDA



LEGEND
UNIT 231

- UNIT NUMBER
- FLOOR NUMBER
- BALCONY NUMBER

TYPE A UNIT PLAN
BUILDING 1 - 112, 113
BUILDING 2 - 212, 213

TYPE B UNIT PLAN
BUILDING 1 - 114, 115
BUILDING 2 - 214, 215

TYPE C UNIT PLAN
BUILDING 1 - 121, 122, 131, 132
BUILDING 2 - 221, 222, 231, 232

TYPE D UNIT PLAN
BUILDING 1 - 123, 133
BUILDING 2 - 223, 233

BUILDING 2
THIRD FLOOR

SCALE: 1" = 4'
FIRST FLOOR ELEVATION = 30.17

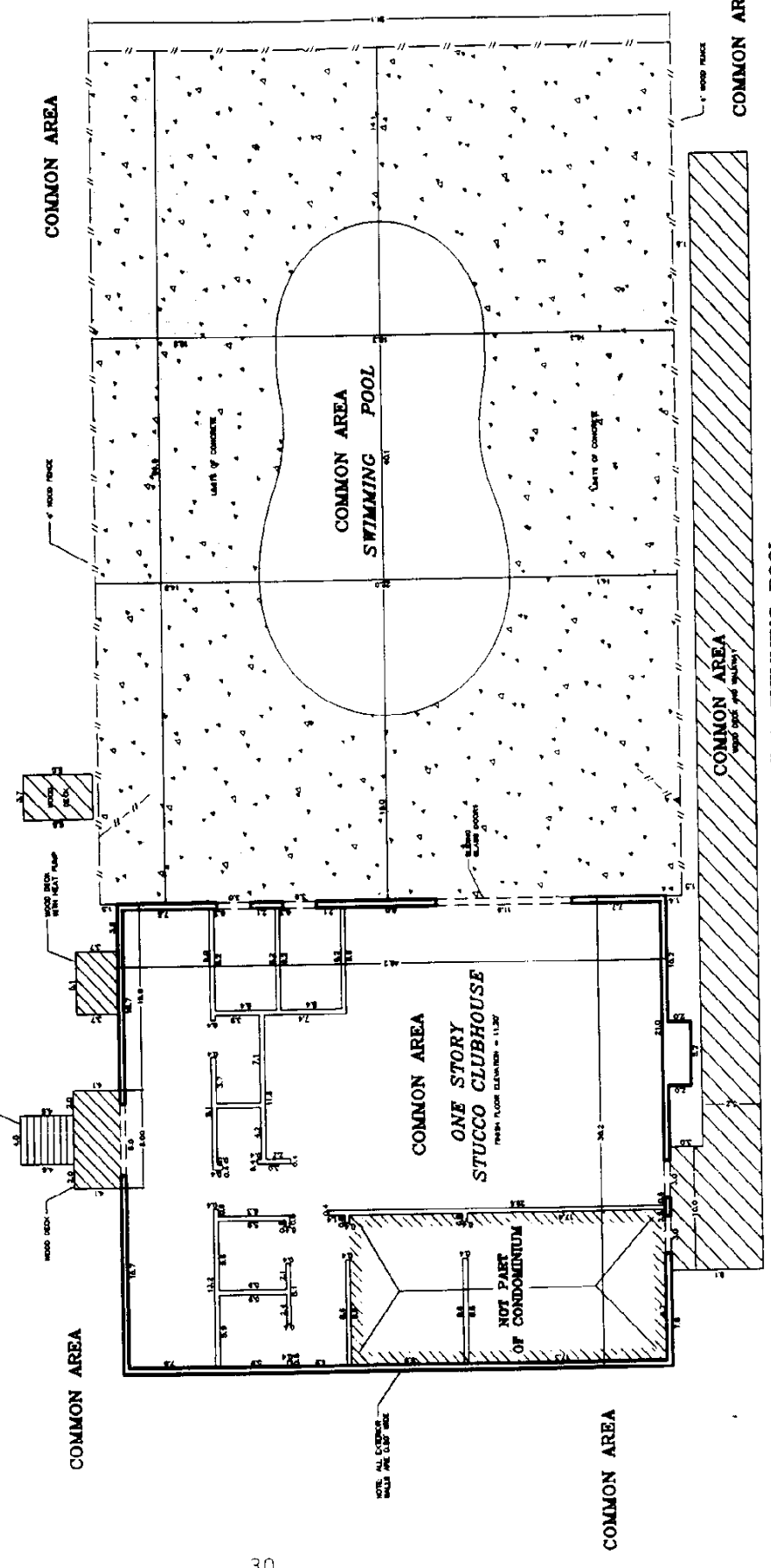


NOTE: UNIT DIMENSIONS MAY VARY BY 0.10'

** OFFICIAL RECORDS **
BK 1692 PG 2050

**PHASE ONE
SUNSET HARBOUR VILLAS CONDOMINIUMS**

**A CONDOMINIUM
BEING A PORTION OF SANTA ROSA ISLAND
BEING IN TOWNSHIP 2 SOUTH, RANGE 27 WEST,
SANTA ROSA COUNTY, FLORIDA**



CLUBHOUSE & SWIMMING POOL

SCALE: 1" = 4'
FRESH FLOOR ELEVATION = 11.20'

SCALE: 1" = 4'

SHEET 8 OF 8

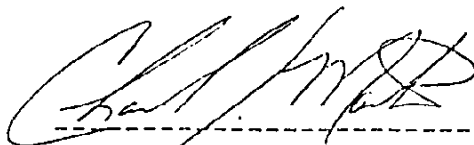
SUNSET HARBOUR VILLAS, a Condominium
 Exhibit "A-1" to Declaration of Condominium
 Associated Commercial Parcel

DESCRIPTION: (AS PREPARED BY SOUTHERN SURVEYING, INC.)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF NAVARRE BEACH, RESIDENTIAL SECTION 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120 FOOT RIGHT OF WAY); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.80 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.80 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF WHITE SANDS BOULEVARD (66 FOOT RIGHT OF WAY) ALSO KNOWN AS SANTA ROSA BOULEVARD; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 625.75 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 176.50 FEET; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 15.00 FEET TO THE POINT OF BEGINNING; THENCE GO SOUTH 81 DEGREES 04 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 12.83 FEET; THENCE GO NORTH 08 DEGREES 55 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 28.33 FEET; THENCE GO NORTH 81 DEGREES 04 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 12.83 FEET; THENCE GO SOUTH 08 DEGREES 55 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 28.33 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 0.008 ACRES, MORE OR LESS.

SURVEYOR'S CERTIFICATE:

I HEREBY CERTIFY THE SKETCH SHOWN HEREON TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND COMPLIES WITH THE MINIMUM TECHNICAL STANDARDS ACCORDING TO STATE OF FLORIDA RULE 61G17-6 AS ADOPTED BY THE BOARD OF LAND SURVEYORS AND MAPPERS.



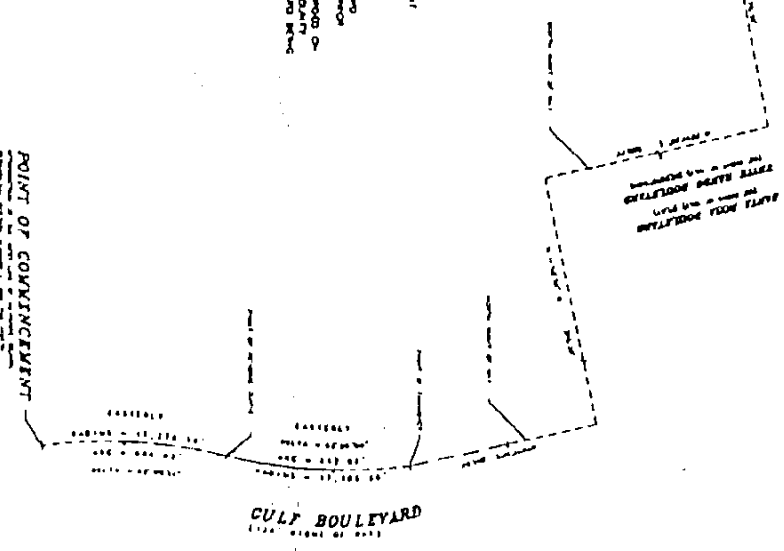
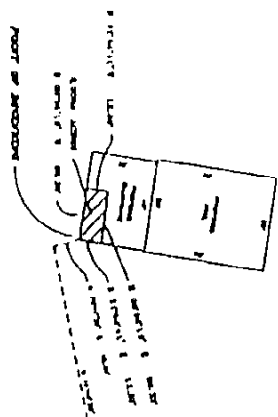
NOT VALID
 WITHOUT
 EMBOSSED
 SURVEYOR'S
 SEAL

CHARLES E. MARTIN
 PROFESSIONAL LAND SURVEYORS
 AND MAPPERS NUMBER 3463

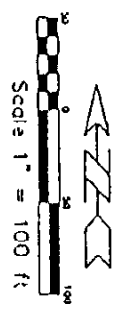
CORP. NO. 8802

OFFICIAL RECORDS BK 1692 PG 2052

A DESCRIPTION SKETCH BEING A PORTION OF SANTA ROSA ISLAND TOWNSHIP 2 SOUTH, RANGE 27 WEST, SANTA ROSA COUNTY, FLORIDA (NOT A BOUNDARY SURVEY)



- GENERAL NOTES: 1) Boundary shown by this sketch is not a boundary... 2) This sketch is not a boundary survey... 3) This sketch is not a boundary survey...



SOUTHERN SURVEYING, INC. 1205 JEFFERSON LANS HAVEN

SURVEYOR'S CERTIFICATE: I, the undersigned, being a duly licensed Surveyor of the State of Florida, do hereby certify that the foregoing is a true and correct copy of the original survey as shown to me by the client.

PREPARED BY: MR. LARRY MORRIS

Table with columns for 'DATE', 'BY', 'CHECKED BY', 'DATE', 'SCALE', 'SHEET', 'JOB NO.', 'JOB NAME', 'JOB DATE', 'JOB TIME', 'JOB COST', 'JOB PROFIT', 'JOB TOTAL'.

SHEET 1 OF 2

SUNSET HARBOUR VILLAS, a Condominium
Exhibit "B"
to Declaration of Condominium

** OFFICIAL RECORDS **
BK 1692 PG 2053

PHASE 2

DESCRIPTION: PHASE 2 (AS PREPARED BY SOUTHERN SURVEYING, INC.)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF NAVARRE BEACH, RESIDENTIAL SECTION 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120 FOOT RIGHT OF WAY); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.80 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.80 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF WHITE SANDS BOULEVARD (80 FOOT RIGHT OF WAY) ALSO KNOWN AS SANTA ROSA BOULEVARD; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 733.83 FEET TO THE POINT OF BEGINNING; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 116.85 FEET; THENCE GO NORTH 87 DEGREES 17 MINUTES 56 SECONDS WEST FOR A DISTANCE OF 33.33 FEET; THENCE GO NORTH 08 DEGREES 19 MINUTES 13 SECONDS EAST FOR A DISTANCE OF 58.96 FEET; THENCE GO SOUTH 80 DEGREES 37 MINUTES 42 SECONDS EAST FOR A DISTANCE OF 189.87 FEET; THENCE GO SOUTH 11 DEGREES 48 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 114.74 FEET TO THE NORTH RIGHT OF WAY OF WHITE SANDS BOULEVARD; THENCE GO SOUTH 78 DEGREES 11 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 165.97 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 0.59 ACRES, MORE OR LESS.

SUBJECT TO THE FOLLOWING 72 FOOT ACCESS EASEMENT:

DESCRIPTION: (AS FURNISHED) 72 FOOT ACCESS EASEMENT

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF NAVARRE BEACH, RESIDENTIAL SECTION NUMBER 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120' R/W); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.80 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.80 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE, FOR AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78°11'30" EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11°48'30" WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF SANTA ROSA BOULEVARD (80' R/W); THENCE GO NORTH 78°11'30" EAST ALONG THE SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 904.75 FEET TO THE POINT OF BEGINNING OF A STRIP OF LAND LYING 11.00 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE; THENCE GO NORTHERLY ALONG A CURVE BEING CONCAVE WESTERLY AND HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 65.45 FEET (C/L = 64.93', C/L BRC = N74°18'30"W) TO A POINT OF REVERSE CURVATURE; THENCE GO NORTHERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 45.21 FEET, AN ARC DISTANCE OF 39.45 FEET (C/L = 38.71', C/L BRC = N11°48'30"W) TO A POINT OF REVERSE CURVATURE; THENCE GO NORTHERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 65.45 FEET (C/L = 64.93', C/L BRC = N04°30"E) TO THE POINT OF TANGENCY; THENCE GO NORTH 11°48'32" WEST, A DISTANCE OF 45.00 FEET TO THE POINT OF ENDING.

PHASE 3

DESCRIPTION: PHASE 3 (AS PREPARED BY SOUTHERN SURVEYING, INC.)

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF NAVARRE BEACH, RESIDENTIAL SECTION 1, AND THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD (120 FOOT RIGHT OF WAY); THENCE GO EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, BEING ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 17,270.80 FEET, FOR AN ARC DISTANCE OF 604.02 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 17,106.80 FEET; THENCE CONTINUE EASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 612.06 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 204.54 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST, LEAVING THE NORTH RIGHT OF WAY LINE OF GULF BOULEVARD, FOR A DISTANCE OF 316.00 FEET TO THE NORTH RIGHT OF WAY LINE OF WHITE SANDS BOULEVARD (80 FOOT RIGHT OF WAY) ALSO KNOWN AS SANTA ROSA BOULEVARD; THENCE GO NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST ALONG SAID NORTH RIGHT OF WAY LINE FOR A DISTANCE OF 625.75 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 78 DEGREES 11 MINUTES 30 SECONDS EAST, A DISTANCE OF 148.00 FEET; THENCE GO NORTH 11 DEGREES 48 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 116.85 FEET; THENCE GO NORTH 87 DEGREES 17 MINUTES 56 SECONDS WEST FOR A DISTANCE OF 157.10 FEET; THENCE GO SOUTH 11 DEGREES 48 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 169.31 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 0.49 ACRES, MORE OR LESS.

SUNSET HARBOUR VILLAS, A CONDOMINIUM

EXHIBIT C TO DECLARATION OF CONDOMINIUM

PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS, SHARE IN COMMON EXPENSES AND SHARE OF COMMON SURPLUS

SUNSET HARBOUR VILLAS, A CONDOMINIUM, is a phase development in which the developer has reserved the right to expand the condominium to include a maximum of three phases. During the period in which the right to expand the condominium is reserved but not yet exercised by the developer as to Phase II, the undivided share of the common elements and surplus appurtenant to each condominium unit, and the sharing of liability for common expenses, shall be as set forth below in the section entitled "Phase I".

As the condominium is expanded to include subsequent Phase II, then the undivided share of the common elements and common surplus, and the sharing of liability for common expenses, among the larger number of condominium units shall be as set forth below in the respective section entitled "Phases I and II".

As the condominium is expanded to include the subsequent Phase III, then the undivided share of the common elements and common surplus, and the sharing of liability for common expenses, among the larger number of condominium units shall be as set forth below in the respective section entitled "Phases I, II and III".

Shares are based upon the total square footage of each other residential unit.

<u>Unit No.</u>	<u>Phase I</u>	<u>Phase I and Phase II</u>	<u>Phase I, Phase II, and Phase III</u>
111	4.33970%	2.89313%	2.16985%
112	3.83098%	2.55399%	1.91549%
113	3.83098%	2.55399%	1.91549%
114	4.33970%	2.89313%	2.16985%
121	5.33638%	3.55759%	2.66819%
122	6.15656%	4.10437%	3.07828%
123	5.33638%	3.55759%	2.66819%
131	5.33638%	3.55759%	2.66819%
132	6.15656%	4.10437%	3.07828%
133	5.33638%	3.55759%	2.66819%
211	4.33970%	2.89313%	2.16985%
212	3.83098%	2.55399%	1.91549%
213	3.83098%	2.55399%	1.91549%
214	4.33970%	2.89313%	2.16985%
221	5.33638%	3.55759%	2.66819%
222	6.15656%	4.10437%	3.07828%
223	5.33638%	3.55759%	2.66819%
231	5.33638%	3.55759%	2.66819%
232	6.15656%	4.10437%	3.07828%
233	<u>5.33638%</u>	3.55759%	2.66819%
	100.00%		

**** OFFICIAL RECORDS ****
BK 1692 PG 2055

311	2.89313%	2.16985%
312	2.55398%	1.91549%
313	2.55398%	1.91549%
314	2.89313%	2.16985%
321	3.55759%	2.66819%
322	4.10437%	3.07828%
323	3.55759%	2.66819%
331	3.55759%	2.66819%
332	4.10437%	3.07828%
333	<u>3.55759%</u>	2.66819%
	100.00%	

411		2.16985%
412		1.91549%
413		1.91549%
414		2.16985%
421		2.66819%
422		3.07828%
423		2.66819%
431		2.66819%
432		3.07828%
433		<u>2.66819%</u>
		100.00%

SUNSET HARBOUR VILLAS, A CONDOMINIUM
EXHIBIT D TO DECLARATION OF CONDOMINIUM

ARTICLES OF INCORPORATION

OF

SUNSET HARBOUR VILLAS OWNERS' 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 and Location. The name of the corporation shall be "Sunset Harbour Villas Owners' Association, Inc.," hereinafter referred to as the "Association," and shall be located at 7453 White Sands Boulevard, Navarre Beach, Florida 32566.

ARTICLE II

Purpose. This corporation is organized for the purpose of providing an entity pursuant to Section 718.111, Florida Statutes, for the operation of Sunset Harbour Villas, a condominium located in Santa Rosa County, Florida.

ARTICLE III

Submission to Jurisdiction. A condominium shall be deemed to be submitted to the jurisdiction of the Association if the Declaration of Condominium of the condominium provides that the operation of the condominium shall be by the Association.

ARTICLE IV

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

(A) The Association shall have all the common law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles or the Declaration of Condominium of any condominium operated by the Association.

(B) The Association shall have all the powers and duties set forth in these Articles and the Declaration of Condominium of any condominium operated by the Association and in the Condominium Act except where the Act allows limitations by these Articles or the Declaration of Condominium of any condominium operated by the Association and all of the powers and duties reasonably necessary to operate condominiums pursuant to the Declaration of any condominium operated by the Association and as it may be amended from time to time, including but not limited to the following:

(1) To acquire and hold title to and own fee simple or other lesser interest in real, personal or mixed property, wherever situated, including units in any condominium operated by the Association, and to lease, mortgage and convey same for the use and benefit of its members.

(2) To make and collect assessments against the members as unit owners to defray the costs, expenses and losses of any condominium operated by the Association and to defray the costs, expenses of any other business, enterprise, venture or property interest of the Association.

- (3) To use the proceeds of the assessments in the exercise of these powers and duties.
 - (4) To maintain, repair, replace and operate the property of any condominium operated by the Association or any other property of the Association.
 - (5) To purchase insurance upon the property of any condominium operated or other property of the Association and insurance for the protection of the Association and its members.
 - (6) To reconstruct improvements after casualty and to further improve the property of any condominium operated by the Association, or any other property of the Association.
 - (7) To make and amend reasonable regulations respecting the use of the property of any condominium operated by the Association, or the other property of the Association.
 - (8) To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium of any condominium operated by the Association, these Articles, the By-Laws of the Association, and regulations for the use of the property of any condominium operated by the Association, or the other property of the Association.
 - (9) To contract for the management of the Association, any condominium operated by the Association or any portion thereof, and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Declaration of Condominium of any condominium operated by the Association to have approval of the Board of Directors or the membership of the Association.
 - (10) To contract with the Developer, its successors and assigns, and any of the partners of the Developer, their officers, directors or shareholders.
 - (11) To acquire fee simple title to, to lease, acquire memberships or acquire other possessory or use interest in and to operate lands and facilities intended to provide for the enjoyment, recreation or other use or benefit of the members, or a substantial number of the members, of the Association.
 - (12) To employ personnel to perform the services required for the proper operation, management, maintenance or control of the Association, any condominium operated by the Association or any other property of the Association.
 - (13) To hire attorneys or other professionals for the purpose of bringing legal action or enforcing rights in the name of and on behalf of the members of the Association where such actions or rights are common to all of the members or a substantial number of the members; and to bring such action in the name of and on behalf of the members.
 - (14) To do any and all things necessary and proper for the Association to carry out its duties and responsibilities as set forth in any Declaration of Covenants, Conditions and Restrictions affecting the condominium property of any condominium operated by the Association including, but not limited to, duties and responsibilities with respect to Shared Use Areas and Shared Use Expenses.
- (C) All funds and the title of 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 of any condominium operated by the Association and by the By-Laws of the Association.

ARTICLE V

**** OFFICIAL RECORDS ****
BK 1692 PG 2058

Members.

(A) The members of the Association shall consist of all of the record owners of units in such condominiums as may, from time to time, be submitted to the jurisdiction of the Association and after termination of any such condominium, shall consist of those who are members at the time of such termination and their successors and assigns.

(B) A change of membership in the Association shall be established by recording in the Public Records of Santa Rosa County, Florida, a deed, lease, sublease or other instrument establishing a record title to all of the interest in a unit other than that held by the primary lessor of the ground lease of the fee title to a unit in any of the condominiums operated by the Association and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

(D) The owner of each unit in a condominium operated by the Association shall be entitled to at least one (1) vote as a member of the Association. The exact number of votes to be cast and the manner of exercising voting rights shall be determined by the By-Laws of the Association.

ARTICLE VI

Directors.

(A) The affairs of the Association will be managed by a Board consisting of not less than three (3) directors nor more than five (5) directors who shall be designated or elected as hereinafter set forth, with the exact number of directors being determined at the time of their designation or election. Directors need not be members of the Association.

(B) The names and addresses of the members of such first Board of Directors who have been designated as such by the Developer and who shall hold office until their successors are designated or elected as herein provided and have qualified or until removed as herein provided are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Larry L. Morris	P.O. Box 1297 Destin, FL 32541
Max Mathews	3320 W. Hwy 30A Santa Rosa Beach, FL 32459
Jean Daughtry	7453 White Sands Blvd., Unit 1307 Navarre Beach, FL 32566

Until unit owners other than the Developer are entitled to elect members of the Board of Directors, the members of the Board of Directors shall be designated by the Developer and may be changed from time to time as the Developer, in its sole discretion, may determine.

(C) The Developer shall have the right to appoint all the members of the Board of Directors until unit owners other than the Developer own fifteen (15%) percent or more of the units that will be operated ultimately by the Association. When unit owners other than the Developer own fifteen (15%) percent or more of the units that will be operated ultimately by the Association, the owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors upon the earlier of: (a) Three (3) years after fifty (50%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three (3) months after ninety (90%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all the units that will be operated ultimately by the Association have been completed, some of them having been conveyed to

purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven years after recordation of the declaration of condominium, or in the case of an association which may ultimately operate more than one condominium, seven (7) years after recordation of the declaration for the first condominium it operates. The Developer is entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units operated by the Association. The Developer may, in its sole discretion, turn over control of the Association to unit owners other than the Developer prior to such dates by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of unit owners other than the Developer to elect directors and assume control of the Association. Provided at least thirty (30) days' notice of Developer's decision to cause its appointees to resign is given to unit owners, neither the Developer nor such appointees shall be liable in any manner in connection with such resignations even if the unit owners other than the Developer refuse or fail to assume control. Within seventy-five (75) days after the unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board of Directors. The election shall proceed as provided in §718.112(2)(d) Florida Statutes. The notice may be given by any unit owner if the association fails to do so. Upon election of the first unit owner other than the Developer to the Board of Directors, the Developer shall forward to the Division the name and mailing address of the unit owner board member. Directors appointed by the Developer need not be unit owners.

ARTICLE VII

Officers. The affairs of the Association shall be administered by the officers designated in the By-Laws. 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 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:

<u>NAME</u>	<u>ADDRESS</u>	<u>TITLE</u>
Larry L. Morris	P.O. Box 1297 Destin, FL 32541	President
Jean Daughtry	7453 White Sands Blvd., Unit 1307 Navarre Beach, FL 32566	Vice-President
Max Mathews	3320 W. Hwy 30-A Santa Rosa Beach, FL 32459	Secretary-Treasurer

ARTICLE VIII

Indemnification. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's 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 in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors' and officers' liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE IX

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

ARTICLE X

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

(A) 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.

(B) 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 considering the amendment may express their approval in writing provided such approval is delivered to the secretary or assistant secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than two-thirds (2/3) of the vote of the entire membership of the Association;

(C) Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium operated by the Association.

(D) Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to Sunset Harbour Villas, a condominium, or its developer, Sunset Villas Development Company, a Florida general partnership, its successors or assigns, or any successor developer, by these Articles or By-Laws without the prior written consent of Sunset Harbour Villas, a condominium, or its developer, Sunset Villas Development Company, a Florida general partnership, its successors or assigns, or a successor developer.

(E) A copy of each amendment shall be certified by the Secretary of State and recorded in the Public Records of Santa Rosa County, Florida.

ARTICLE XI

Term. The term of the Association shall be perpetual.

ARTICLE XII

Subscribers. The names and addresses of the subscribers to these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Larry L. Morris	P.O. Box 1297 Destin, FL 32541
Max Mathews	3320 W. Hwy 30A Santa Rosa Beach, FL 32459
Jean Daughtry	7453 White Sands Blvd., Unit 1307 Navarre Beach, FL 32566

IN WITNESS WHEREOF, the subscribers have affixed their signatures this _____ day of _____, 1998.

LARRY L. MORRIS

MAX MATHEWS

JEAN DAUGHTRY

**** OFFICIAL RECORDS ****
BK 1692 PG 2061

STATE OF FLORIDA)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by LARRY L. MORRIS, who is personally known to me and who did not take an oath.

NotaryPublic _____
My Commission Expires: _____

STATE OF FLORIDA)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by MAX MATHEWS, who is personally known to me and who did not take an oath.

NotaryPublic _____
My Commission Expires: _____

STATE OF FLORIDA)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by JEAN DAUGHTRY, who is personally known to me and who did not take an oath.

NotaryPublic _____
My Commission Expires: _____

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

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

First, that Sunset Harbour Villas Condominium Owners' Association, Inc., desiring to organize under the laws of the State of Florida with its principal office, as indicated in Article I hereof at 1234 Airport Road, Suite 119, Destin, Florida 32541, has named Davage J. Runnels III, at 1234 Airport Road, Suite 205, Destin, Florida 32541, as its agent to accept service of process within this state.

ACKNOWLEDGMENT:

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

DAVAGE J. RUNNELS III

SUNSET HARBOUR VILLAS, A CONDOMINIUM
EXHIBIT E TO DECLARATION OF CONDOMINIUM

BYLAWS

OF

SUNSET HARBOUR VILLAS OWNERS' ASSOCIATION, INC.

(a corporation not for profit under the laws of the State of Florida)

ARTICLE I.

Identity

Section 1. These are the By-Laws of the above-named corporation. Said corporation is called "Association" in these By-Laws. The corporation is a non-profit corporation under the laws of the State of Florida, the original Articles of Incorporation of which have been filed in the Office of the Secretary of State. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718 Florida Statutes, which is located upon leased land described in the Association's Articles of Incorporation and the Declaration of Condominium.

Section 2. The Association shall operate on a calendar year basis, beginning the first day of January and ending on the 31st day of December of each year. The Board of Directors is expressly authorized to change from a calendar year basis to that of a fiscal year basis whenever deemed expedient and for the best interests of the Association.

Section 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.

ARTICLE II.

Definitions

Section 1. Florida Statutes 718, as is in effect as of the date of recording of the Declaration of Condominium (hereinafter defined) shall be referred to as the "Condominium Act". All words, phrases, names and/or terms used in these Bylaws shall have the same meaning and be used and defined the same as they are in the Condominium Act and the Declaration of Condominium unless the context otherwise requires. "Articles" shall refer to the Articles of Incorporation for the Association. "Declaration" shall refer to the Declaration of Condominium for the condominium mentioned in the Articles as recorded in the public records of the county in which the condominium is located. "Developer" shall have the same meaning as in the Declaration, and shall, in every instance, include any party appointed in writing by the original Developer as a substitute Developer.

ARTICLE III.

The Association

Section 1. Members. The members of the Association shall be those parties as set forth in the Articles. A member's share or interest in the assets of the Association cannot be transferred or hypothecated except as an appurtenance to his unit.

Section 2. Place of Meeting. Meetings of the membership shall be held at the principal office or place of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 3. Annual Meetings. The annual meetings of the Association shall be held between January 1st and March 1st of each succeeding year. At the annual meeting the members shall elect Directors and may transact such business of the Association as may properly come before them. The time of day of all meetings shall be set by the Directors. The Directors by majority vote may change the date of the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called by the President and must be called by the President at the request in writing of a majority of the Board of Directors or at the request in writing of one-third of the members. Such requests shall state the purpose or purposes of the proposed meeting. A special meeting of the unit owners to recall a member or members of the Board may be called by 10% of the voting interests giving notice and stating the purpose of the meeting. A special meeting may be called by 10% of the unit owners if an adopted budget requires assessments against the unit owners which exceed 115% of the assessments for the preceding year.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to give notice of each meeting of the members, stating the purpose thereof as well as the time and place where it is to be held. The notice shall be provided to each member of record, at his address as it appears in the membership book of the Association, or if no such address appears, at his last known place of address, at least fourteen (14), but not more than thirty (30) days prior to such meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice may be given by personal delivery or by regular first-class United States mail, except that in the case of annual meetings notices shall be mailed in the manner required by the Condominium Act unless waived in writing by the unit owner. The mailing of a notice in the manner provided in this Section shall be considered notice served. Copies of notices of annual meetings shall be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days preceding the annual meeting.

Section 6. Waiver of Notice. Before or after any meeting any member may waive notice of the meeting in writing and such waiver shall be deemed to be the equivalent of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of persons entitled to vote a majority of votes of all members shall constitute a quorum at a members' meeting.

Section 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 to a time not later than ten (10) days from the date the original meeting was called, and hold the meeting so adjourned; provided, however, the rescheduled meeting must be properly noticed.

Section 9. Voting. At every meeting of the members, the owner or owners of each unit, either in person or by proxy, shall have the right to cast one vote, as set forth in the Declaration. The vote of the majority of those votes present, in person or by proxy, shall decide any question brought before a meeting at which a quorum is present, unless the question is one upon which, by express provisions of statute, or of the Declaration, or of the Articles, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. If an owner owns more than one unit, that owner shall be entitled to one vote for every unit owned. If a unit is owned by more than one person or entity, only one vote may be cast for that unit and shall be cast by one of the owners of the unit appointed by a written certificate signed by the other owners of the unit.

Section 10. Proxies. Unit owners may not vote by general proxy but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may be used for any matter for which Chapter 718, F.S., requires or permits a vote of the unit owners; provided, however, that no proxy, limited or general, shall be used in the election of board members. General proxies may be used for other matters for which limited

proxies are not required and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. A member may appoint any other member as a proxy. All proxies must be filed with the Secretary at any meeting or meetings for which the proxy was given before the proxy may vote. All proxies and the maximum number which a member may vote shall be in conformity with the Condominium Act.

Section 11. Conduct of Meetings. The order of business at all annual or special meetings of the members shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of the minutes of preceding meetings
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of directors (if election to be held)
- (g) Unfinished business
- (h) New business

Robert's Rules of Order (latest edition) shall govern members' meetings when not in conflict with the Condominium Act, the Declaration, or the Articles and these By-Laws of the Association.

ARTICLE IV.

Administration

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The number of Directors which shall constitute the Board shall be not less than three (3) nor more than five (5). The exact number of Directors shall be determined by vote of the members; provided, however, it must be an odd number. Directors need not be members of the Association.

Section 2. Directors - Election. Directors to be elected by unit owners other than Developer shall be elected by ballot at the annual meeting and by a plurality of the votes cast at the meeting of the Association. Each member shall be entitled to vote for as many nominees as there are vacancies to be filled.

Section 3. Proviso. Notwithstanding anything to the contrary contained in this Section 3, the Board shall consist of three (3) directors during the period that the Developer is entitled to appoint a majority of the directors, as hereinafter provided. The first Board as appointed by the Developer shall hold office and serve until their successors have been elected and qualified as hereinafter provided, and the first Board shall consist of those persons set forth in the Articles of Incorporation. The Developer shall have the right to appoint all the members of the Board of Directors until unit owners other than the Developer own fifteen (15%) percent or more of the units that will be operated ultimately by the Association. When unit owners other than the Developer own fifteen (15%) percent or more of the units that will be operated ultimately by the Association, the owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors upon the earlier of: (a) Three (3) years after fifty (50%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three (3) months after ninety (90%) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all the units that will be operated ultimately by the Association have been completed, some of them having been conveyed to

purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven (7) years after recordation of the declaration of condominium, or in the case of an association which may ultimately operate more than one condominium, seven years after recordation of the declaration for the first condominium it operates. The Developer is entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units operated by the Association. The Developer may, in its sole discretion, turn over control of the Association to unit owners other than the Developer prior to such dates by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of unit owners other than the Developer to elect directors and assume control of the Association. Provided at least thirty (30) days' notice of Developer's decision to cause its appointees to resign is given to unit owners, neither the Developer nor such appointees shall be liable in any manner in connection with such resignations even if the unit owners other than the Developer refuse or fail to assume control. Within seventy-five (75) days after the unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board of Directors. The election shall proceed as provided in §718.112(2)(d) Florida Statutes. The notice may be given by any unit owner if the association fails to do so. Upon election of the first unit owner other than the developer to the Board of Directors, the Developer shall forward to the Division the name and mailing address of the unit owner board member. Directors appointed by the Developer need not be unit owners.

Section 4. Removal of Directors. The initial Directors named in the Articles or any Director elected by the Developer may be removed only by the Developer. If so removed the vacancy so created shall be filled by Developer. Except the initial Directors named in the Articles and except any Director elected by Developer, Directors may be removed with or without cause by vote or agreement in writing by a majority of the members of the Association. At a special meeting of the members by notice stating the purpose and the vacancy in the Board of Directors so created the vacancy shall be filled by the members of the Association at the same meeting.

Section 5. Filling of Vacancies. Except as to vacancies provided by removal of Directors by members or the Developer, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

Section 6. Term of Directors. The term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

Section 7. Powers and Duties. All of the powers and duties of the Association under the Condominium Act, Declaration, and Articles and By-Laws of the Association shall be exercised exclusively by the Board of Directors and its agents, contractors and employees subject only to approval of the members when specifically required. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by the Declaration, the Articles, the Condominium Act, or these By-Laws directed to be exercised and done by the members. The power of the Board shall include, but not be limited to, the following:

- (a) To prepare a detailed report of the acts, accounts, and statements of income and expenses for the previous year, and present same at the annual meeting of members
- (b) To make and amend reasonable rules and regulations as provided in the Declaration
- (c) To pay taxes or assessments or other charges against the condominium as a whole
- (d) To determine the depository for the funds of the Association
- (e) To acquire the necessary personnel needed for the maintenance, care and upkeep of the common elements, and set the salaries of said personnel

- (f) Assess and collect all assessments pursuant to the Condominium Act to defray expenses of operating and maintaining the condominium

Section 8. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board of Directors to assist the Association in carrying out the powers and duties of the Association as set forth in the Articles.

Section 9. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 10. Organizational Meeting. The first meeting of the Board of Directors shall be held within ten (10) days after the annual members' meeting, at such place as shall be fixed by the Board, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing all of the Board of Directors shall be present in person or by proxy.

Section 11. Regular Meeting. Regular meetings of the Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two meetings shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 12. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors must be called by the President, in like manner and on like notice, on the written request of at least two Directors.

Section 13. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof unless he objects at the beginning of the meeting as to lack of notice.

Section 14. Posting of Notice. Notice of meetings of the Board of Directors shall be posted on the condominium property as required by the Condominium Act.

Section 15. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors except where a greater number is expressly required by the Condominium Act, the Declaration, the Articles or these By-Laws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn and reschedule the meeting. The rescheduled meeting must be again noticed in conformity with the provisions of this Article. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted.

Section 16. Designation of Officers. The principal officers of the Association shall be a President who shall be a Director, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as in their judgment may be necessary. Any person may hold two or more offices except the President shall not also be the Secretary. Officers shall not be entitled to compensation for performing their duties as officers unless the Board of Directors expressly authorizes it.

Section 17. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board.

Section 18. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 19. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.

Section 20. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint a member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 21. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct. He shall, in general, perform all duties incident to the office of Secretary.

Section 22. Treasurer. The Treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 23. 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 settlement of any proceeding to which he may be a part 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 gross negligence or willful misconduct 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 interest 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.

Section 24. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium and the Articles of Incorporation of the Association shall be supplemented by the following provisions:

24.1 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, to additional improvements or to operations. The balance in this fund at the end of each year may be distributed to the membership, as the Board of Directors shall determine.

(b) Reserve for deferred maintenance which shall include funds for maintenance items that occur less frequently than annually.

(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.

(e) Operations which shall include gross revenues from the use of Common Elements and from other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation shall be used to reduce the assessments for current expense for the year during which the surplus is realized, or, at the discretion of the Board of Directors, in the year following the year in which the surplus is realized. Losses from operations shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

24.2 Budget

(a) The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the Common Expense and to provide and maintain funds for reserves. A copy of the proposed budget shall be mailed to each Unit Owner not less than thirty (30) days prior to the meeting at which it is to be considered, together with a notice of that meeting.

(b) In the event that an adopted budget requires assessments against the Unit Owners in any calendar or fiscal year exceeding one hundred fifteen (115) percent of the assessments against the Unit Owners for the preceding year, then in that event, the Board of Directors shall, upon the written application of ten percent (10%) of the Unit Owners, call a special meeting of the Unit Owners. Said meeting shall be held within thirty (30) days from the date the Board of Directors receives the Unit Owners' application. At said special meeting, the Unit Owners shall consider and adopt a budget. Adoption of a budget by the Unit Owners shall require the approval of a majority of all Unit Owners. In determining whether assessments against Unit Owners for the preceding year, any authorized provisions for: reasonable reserves for repair or replacement of the Condominium Property; anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual bases; or assessments for betterments to the Condominium Property shall be excluded from the computation.

24.3 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made not less frequently than quarterly. Such assessments shall be due and payable in installments as determined by the Board of Directors. If an assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and payments on such assessment shall be due and payable in the same manner as the prior assessment. In the event the assessment proves to be insufficient, the budget and assessment may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable as determined by the Board of Directors.

24.4 Special Assessments. Special assessments, which shall be any assessment levied against unit owners other than the assessment required by a budget adopted annually, may be imposed by the Board of Directors in case of any immediate need or emergency. The specific purpose or purposes of any special assessments so approved shall be set forth in a written notice of such assessment, sent or delivered to each unit owner. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. Upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board of Directors, either be returned to the unit owners or applied as a credit toward future assessments.

24.5 Acceleration of Assessment Installments upon Default. If a Unit Owner shall be in default in the payment of an assessment or an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to Unit Owner, and the then unpaid remaining installments of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

24.6 Depository. The depository of the Association shall be such bank or savings and loan association as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the directors, provided that a management agreement may include in its provisions authority in a designated agent to sign checks on behalf of the Association for payment of the obligations of the Association.

24.7 Bonding. Fidelity bonds shall be required by the Board of Directors for all persons who control or disburse funds for the Association. As used in this section, the term "persons who control or disburse funds of the Association" means those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. If the Association's annual gross receipts do not exceed \$100,000.00, the bond shall be in the principal sum of not less than \$10,000.00 for each such person. If an Association's annual gross receipts exceed \$100,000.00 but do not exceed \$300,000.00, the bond shall be in the principal sum of \$30,000.00 for each such person. If the Association's annual gross receipts exceed \$300,000.00, the bond shall be in the principal sum of not less than \$50,000.00 for each person. Subject to the minimums herein established, the actual amounts of such bonds shall be determined by the Board of Directors. The Association shall bear the cost of bonding.

24.8 Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors. A copy of any audit report received as a result of an audit shall be furnished to each member of the Association not later than thirty (30) days after its receipt by the Board of Directors. The audit, as used herein, is not intended to be a certified audit, but need only be a summation of the year's transactions.

Section 25. Amendment to By-Laws. These By-Laws may be amended in the same manner as is provided in the Articles for the amendment to said Articles. No amendment shall be made which will conflict with the Declaration. No amendment shall be effective until a copy certified by the Association as having been properly adopted has been recorded in the public records of the county in which the condominium is located.

Section 26. Rules and Regulations. The Association shall promulgate rules and regulations for the conduct of Unit Owners and use of the Common Elements. Rules and regulations so promulgated shall be the rules and regulations of the Association.

Section 27. Arbitration. In the event of internal dispute arising from the operation of the Condominium, Unit Owners, Associations, and their agents and assigns, such dispute shall, in accordance with the requirement of Florida Statutes §718.112(2)(i), be arbitrated in accordance with the provisions of Florida Statutes §718.1255.

Section 28. Fines. In the event the Association shall at any time decide to impose a fine against the owner of a unit, or its occupant, licensee or invitee, from failure to abide by any provision of the Declaration, these By-Laws, or rules of the Association, the following shall be applicable:

- (a) No fine will become a lien against a unit.
- (b) No fine may exceed \$100.00 per violation, however, a fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00.
- (c) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:
 - (1) A statement of the date, time and place of the hearing;
 - (2) A statement of the provisions of the Declaration, Association By-Laws, or Association rules which have allegedly been violated; and
 - (3) A short and plain statement of the matters asserted by the Association.
- (d) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

(e) The hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

(f) The provisions of this section do not apply to unoccupied units.

The foregoing was adopted as the By-Laws at the first meeting of the Board of Directors on the _____ day _____, 1998.

SUNSET HARBOUR VILLAS OWNERS'
ASSOCIATION, INC.

By: _____

Approved:

**** OFFICIAL RECORDS ****
BK 1692 PG 2072

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SUNSET HARBOUR VILLAS, A CONDOMINIUM**EXHIBIT F TO DECLARATION****RULES AND REGULATIONS**

1. Automobiles may be parked only in the areas provided or assigned for that purpose; Unit owners shall be entitled to use a maximum of two spaces per unit.
2. Use of recreational facilities of the general common elements will be in such manner as to respect the rights of other unit owners. Use of particular recreational facilities will be controlled by regulations to be issued from time to time, but in general, such use will be prohibited between the hours of 11:00 p.m. and 7:00 a.m.
3. No radio or television antenna or any wiring for any purpose shall be installed on the exterior of a building without the written consent of the association.
4. Any owner may identify his unit with a name plate of a type and size approved by the Association and mounted in a place and manner approved by the Association. No other signs may be displayed except signs of the developer pending construction and sale of the condominium units, and signs required by Florida law, the design of which shall be approved by the association.
5. The balconies, patios and exterior stairways shall be used only for the purpose intended and shall not be used for hanging garments or other objects, or for cleaning of rugs and other household items, or for the cooking of food by any method.
6. Unit owners are reminded that alteration and repair of unit buildings is the responsibility of the Association except for the interior of units. No work of any kind is to be done upon exterior building walls or upon interior boundary walls without first obtaining the approval required by the Declaration of Condominium.
7. Pets shall be the responsibility of their owners and shall be kept on leash at all times and no pet may be kept which causes any annoyances of any kind to neighboring unit owners.
8. No owner may make or permit any disturbing noises in the building whether made by himself, his family, friends or servants, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other tenants. No owner may play or suffer to be played any musical instrument, phonograph, radio or television set in his unit between the hours of 11:00 p.m. and the following 7:00 a.m. if the same shall disturb or annoy other occupants of the condominium.
9. Each unit is restricted to residential use by only the owner thereof, his immediate family, guests, invitees or lessees. Such unit may be rented on a daily or longer basis.

RULES FOR THE POOL

10. The pool opens at 7:00 a.m. to 11:00 p.m., so long as conduct permits the 11:00 p.m. hour.
11. SUNSET HARBOUR VILLAS does not have a life guard on duty, and residents must realize that they swim at their own risk.
12. No bottles, glasses or cans will be permitted in the pool area. All beverages must be in paper or plastic containers.
13. Children must be accompanied by a responsible person if under the age of twelve (12).
14. Place all trash inside containers and clear all tables upon leaving.

15. Proper conduct is expected of all of our residents at all times. Rough play or poor behavior at the pool will not be tolerated.

16. The pool is restricted to residents and their guests, please exercise good judgment in the number of guests you have and be considerate of your neighbors. Residents are responsible for the conduct of their children and guests while in the pool area and while going to and from the pool.

17. Pool ropes, preservers, and hooks and other safety equipment are not to be removed from the pool area or played with.

The pool is yours, please treat it as such. It is for the enjoyment of all. Parents, please discuss the rules with your children, so that they understand them. If you have any suggestions that will aid us in the operation of the pool, please contact the management. Your suggestions and criticisms are always welcome, not only with reference to the pool, but to the operation of SUNSET HARBOUR VILLAS

RULES OF PARKING

18. Passenger cars, vans, and pick up trucks only may utilize the parking facilities.

19. Large trucks, recreational vehicles or motor homes which require more than one parking space, or any other vehicles other than those cited in Paragraph 18, may not use parking facilities.

20. Recreational vehicles or motor homes which require more than one parking space are not permitted to use the parking area, and such vehicles may not be occupied or used for living quarters when parked on the association's property.

FINES

21. In the event the association shall at any time decide to impose a fine against the owner of a unit, or its occupant, licensee or invitee for failure to abide by any provision of the Declaration, By-Laws or rules of the Association, the following shall be applicable:

(a) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

(b) A statement of the date, time and place of hearing;

(c) A statement of the provisions of the Declaration, By-Laws, or rules which have allegedly been violated;
and

(d) A short and plain statement of the matters asserted by the Association.

(e) The hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

(f) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association.

22. The association reserves the right to change, amend, delete and/or waive any of the rules set forth herein.

PHASE I
 ESTIMATED OPERATING BUDGET FOR
 SUNSET HARBOUR VILLAS, A CONDOMINIUM
 FOR THE PERIOD BEGINNING 1 JANUARY 1997 AND ENDING 31 DECEMBER 1997
 EXHIBIT G TO DECLARATION

MONTHLY QUARTERLY YEARLY

1. Expenses for the Association and Condominium:

ADMINISTRATION:

Personnel	\$	N/A	\$	N/A	\$	N/A
Accounting		30.00		90.00		360.00
Professional Fees		50.00		150.00		600.00
Office Supplies		20.00		60.00		240.00
Taxes Upon Association Prop.		N/A		N/A		N/A
Licenses		N/A		N/A		N/A
Taxes Upon Leased Areas		N/A		N/A		N/A
MANAGEMENT FEES:		400.00		1,200.00		4,800.00

UTILITIES:

Cable Television	210.00	630.00	2,520.00
Electricity	250.00	750.00	3,000.00
Garbage Service	112.00	336.00	1,344.00
Telephone	N/A	N/A	N/A
Water/Sewer	600.00	1,800.00	7,200.00
Propane Gas	335.00	1,005.00	4,020.00

MAINTENANCE:

Building Maintenance	100.00	300.00	1,200.00
Grounds Maintenance	100.00	300.00	1,200.00
Irrigation Maintenance	N/A	N/A	N/A
Irrigation Surcharge	N/A	N/A	N/A
Recreational Lands/Accessways	N/A	N/A	N/A
Lawn Maintenance	300.00	900.00	3,600.00
Pest Control Maintenance	80.00	240.00	960.00
Pool Maintenance	200.00	600.00	2,400.00
Salaries	N/A	N/A	N/A
Supplies	100.00	300.00	1,200.00

INSURANCE:	1,085.00	3,255.00	13,020.00
SECURITY PROVISION:	N/A	N/A	N/A

RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES	N/A	N/A	N/A
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OTHER EXPENSES:			
Bank/Check Charges	10.00	30.00	120.00
Corporate Report Filing Fee	14.00	42.00	168.00
Operating Capital	N/A	N/A	N/A

FEES PAYABLE TO DIVISION:	6.67	20.00	80.00
TOTAL WITHOUT RESERVES	4,002.67	12,008.00	48,032.00
RESERVES:	360.00	1,080.00	4,320.00
TOTAL WITH RESERVES	4,362.67	13,088.00	52,352.00

2. Expenses for a Unit Owner

RENT FOR THE UNIT IF SUBJECT TO A LEASE - Lease rental payable to Santa Rosa County Beach Administration is payable annually at .4 of 1% of the sales price of the unit estimated at:

Type A Units:	\$360.00
Type B Units:	\$400.00
Type C Units:	\$540.00
Type D Units:	\$560.00

RENT PAYABLE BY UNIT OWNER TO LESSOR OR AGENT UNDER ANY RECREATIONAL LEASE OR LEASE FOR USE OF COMMONLY USED FACILITIES

N/A	N/A	N/A
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ASSESSMENTS PER UNIT:

PHASE I
Buildings 1 and 2

(4) Type "A" Units	738 square feet - numbers 112, 113, 212, 213 Percentage of ownership - 3.83098% Assessment amount \$167.13/month - \$501.39/quarter - \$2005.56/year
(4) Type "B" Units	836 square feet - numbers 111, 114, 211, 214 Percentage of ownership - 4.33970% Assessment amount \$189.33/month - \$567.99/quarter - \$2,271.96/year
(8) Type "C" Units	1,028 square feet - numbers 121, 123, 131, 133, 221, 223, 231, 233 Percentage of ownership - 5.33638% Assessment amount \$232.81/month - \$698.43/quarter - \$2,793.72/year
(4) Type "D" Units	1,186 square feet - numbers 122, 132, 222, 232 Percentage of ownership - 6.15656% Assessment amount \$268.59/month - \$805.17/quarter - \$3,223.08/year

NOTES

1. Chapter 718, Florida Statutes (the "Condominium Act") and regulations promulgated pursuant thereto (the "Regulations") allows reserves to be waived or reduced in certain circumstances. Generally, reserves are not required in budgets in which members of an association by majority vote of members attending a duly called meeting of the association, determine for a fiscal year to provide no reserves or reserves less adequate than those set forth above provided that such reserves cannot be waived or reduced prior to the mailing to unit owners of a proposed annual budget which includes such reserves. More specific information is available by reference to the Condominium Act and the Regulations.

2. Unless waived or reduced pursuant to the Condominium Act and the Regulations, reserves are required for roof replacement, building painting or surface cleaning, pavement resurfacing and all other capital expenditures and deferred maintenance. The estimated life and the estimated replacement cost for each item for which reserves are maintained and the current balance in each such reserve account are as follows:

RESERVES

	<u>Estimated Useful Life</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Remaining Useful Life</u>	<u>Amount Reserved Annually</u>	<u>Current Balance</u>
Roof	20 years	12,000	20 years	600	0.00*
Pool	10 years	10,000	10 years	1,000	0.00*
Exterior Painting	5 years	10,000	5 years	2,000	0.00*
Paving	10 years	3,000	10 years	300	0.00*
Clubhouse A/C	5 years	2,100	5 years	420	0.00*

*No account balance as at the time of the preparation of this Estimated Operating Budget the condominium has not yet been submitted and no assessments have been paid.

3. This budget does not include items of expense that are personal to unit owners or which are not uniformly incurred by all unit owners or which are not provided for nor contemplated by the condominium documents, including but not limited to private telephone costs, cost of maintenance of the interior of the condominium units to the extent that such maintenance is not the obligation of the Condominium or Association, the cost of maid or janitorial services privately contracted for by the unit owners, cost of utility bills billed directly to each unit owner for utility service or supplied to this unit, including insurance premiums other than those incurred in respect of policies obtained by the Condominium or Association and applicable to the Condominium or Association property in general, debt servicing upon any mortgage encumbering the individual unit but not encumbering the Condominium or Association property as a whole, real estate taxes assessed directly to a condominium unit, and like personal expenses of the unit owner.

4. The By-Laws of the Association provide that the assessments will be determined annually in advance and will be due and payable in quarterly installments on the first day of each quarter of the year for which the assessments are made.

5. At closing, each unit owner will pay a one-time operating capital contribution to the Association equal to two months association fees as follows:

Phase I	Monthly Fee	Total
"A" Unit	\$167.13	\$334.26
"B" Unit	189.33	378.66
"C" Unit	232.81	465.62
"D" Unit	268.59	537.18

PHASES I and II
ESTIMATED OPERATING BUDGET FOR
SUNSET HARBOUR VILLAS, A CONDOMINIUM
FOR THE PERIOD BEGINNING 1 JANUARY 1997 AND ENDING 31 DECEMBER 1997
EXHIBIT G TO DECLARATION

MONTHLY QUARTERLY YEARLY

I. Expenses for the Association and Condominium:

ADMINISTRATION:

Personnel	\$	N/A	\$	N/A	\$	N/A
Accounting		30.00		90.00		360.00
Professional Fees		50.00		150.00		600.00
Office Supplies		20.00		60.00		240.00
Taxes Upon Association Prop.		N/A		N/A		N/A
Licenses		N/A		N/A		N/A
Taxes Upon Leased Areas		N/A		N/A		N/A
MANAGEMENT FEES:		600.00		1,800.00		7,200.00

UTILITIES:

Cable Television		310.00		930.00		3,720.00
Electricity		300.00		900.00		3,600.00
Garbage Service		188.00		564.00		2,256.00
Telephone		N/A		N/A		N/A
Water/Sewer		900.00		2,700.00		1,080.00
Propane Gas		335.00		1,005.00		4,020.00

MAINTENANCE:

Building Maintenance		125.00		375.00		1,500.00
Grounds Maintenance		150.00		450.00		1,800.00
Irrigation Maintenance		N/A		N/A		N/A
Irrigation Surcharge		N/A		N/A		N/A
Recreational Lands/Accessways		N/A		N/A		N/A
Lawn Maintenance		400.00		1,200.00		4,800.00
Pest Control Maintenance		120.00		360.00		1,440.00
Pool Maintenance		200.00		600.00		2,400.00
Salaries		N/A		N/A		N/A
Supplies		125.00		375.00		1,500.00

INSURANCE:		1,545.00		4,635.00		18,540.00
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SECURITY PROVISION:		N/A		N/A		N/A
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RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES		N/A		N/A		N/A
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OTHER EXPENSES:

Bank/Check Charges		10.00		30.00		120.00
Corporate Report Filing Fee		14.00		42.00		168.00

Operating Capital	N/A	N/A	N/A
FEES PAYABLE TO DIVISION:	10.00	30.00	120.00
TOTAL WITHOUT RESERVES	5,432.00	16,296.00	65,184.00
RESERVES:	485.00	1,455.00	5,820.00
TOTAL WITH RESERVES	5,917.00	17,751.00	71,004.00

2. Expenses for a Unit Owner

RENT FOR THE UNIT IF SUBJECT TO A LEASE Lease rental payable to Santa Rosa County Beach Administration is payable annually at 4 of 1% of the sales price of the unit estimated at:

Type A Units:	\$360.00
Type B Units:	\$400.00
Type C Units:	\$540.00
Type D Units:	\$560.00

RENT PAYABLE BY UNIT OWNER TO LESSOR OR AGENT UNDER ANY RECREATIONAL LEASE OR LEASE FOR USE OF COMMONLY USED FACILITIES

N/A	N/A	N/A
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ASSESSMENTS PER UNIT:

PHASES I and II
 Buildings 1, 2 and 3

(6) Type "A" Units 738 square feet - numbers 112, 113, 212, 213, 312, 313
 Percentage of ownership - 2.55399%
 Assessment amount \$151.12/month - \$453.36/quarter - \$1,813.44/yr.

(6) Type "B" Units 836 square feet - numbers 111, 114, 211, 214, 311, 314
 Percentage of ownership - 2.89313%
 Assessment amount \$171.19/month - \$513.57/quarter - \$2,054.28/year

(12) Type "C" Units 1,028 square feet - numbers 121, 123, 131, 133, 221, 223, 231, 233, 321, 323, 331, 333
 Percentage of ownership - 3.55759%
 Assessment amount \$210.50/month - \$631.50/quarter - \$2,526.00/year

(6) Type "D" Units 1,186 square feet - numbers 122, 132, 222, 232, 322, 332
 Percentage of ownership - 4.10437%
 Assessment amount \$242.86/month - \$728.58/quarter - \$2,914.32/year

NOTES

1. Chapter 718, Florida Statutes (the "Condominium Act") and regulations promulgated pursuant thereto (the "Regulations") allows reserves to be waived or reduced in certain circumstances. Generally, reserves are not required in budgets in which members of an association by majority vote of members attending a duly called meeting of the association, determine for a fiscal year to provide no reserves or reserves less

adequate than those set forth above provided that such reserves cannot be waived or reduced prior to the mailing to unit owners of a proposed annual budget which includes such reserves. More specific information is available by reference to the Condominium Act and the Regulations.

2. Unless waived or reduced pursuant to the Condominium Act and the Regulations, reserves are required for roof replacement, building painting or surface cleaning, pavement resurfacing and all other capital expenditures and deferred maintenance. The estimated life and the estimated replacement cost for each item for which reserves are maintained and the current balance in each such reserve account are as follows:

RESERVES

	<u>Estimated Useful Life</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Remaining Useful Life</u>	<u>Amount Reserved Annually</u>	<u>Current Balance</u>
Roof	20 years	18,000	20 years	900	0.00*
Pool	10 years	10,000	10 years	1,000	0.00*
Exterior Painting	5 years	15,000	5 years	3,000	0.00*
Paving	10 years	5,000	10 years	500	0.00*
Clubhouse A/C	5 years	2,100	5 years	420	0.00*

*No account balance as at the time of the preparation of this Estimated Operating Budget the condominium has not yet been submitted and no assessments have been paid.

3. This budget does not include items of expense that are personal to unit owners or which are not uniformly incurred by all unit owners or which are not provided for nor contemplated by the condominium documents, including but not limited to private telephone costs, cost of maintenance of the interior of the condominium units to the extent that such maintenance is not the obligation of the Condominium or Association, the cost of maid or janitorial services privately contracted for by the unit owners, cost of utility bills billed directly to each unit owner for utility service or supplied to this unit, including insurance premiums other than those incurred in respect of policies obtained by the Condominium or Association and applicable to the Condominium or Association property in general, debt servicing upon any mortgage encumbering the individual unit but not encumbering the Condominium or Association property as a whole, real estate taxes assessed directly to a condominium unit, and like personal expenses of the unit owner.

4. The By-Laws of the Association provide that the assessments will be determined annually in advance and will be due and payable in quarterly installments on the first day of each quarter of the year for which the assessments are made.

5. At closing, each unit owner will pay a one-time operating capital contribution to the Association equal to two months association fees as follows:

Phase I	Monthly Fee	Total
"A" Unit	\$151.12	\$302.24
"B" Unit	171.19	342.38
"C" Unit	210.50	421.00
"D" Unit	242.86	485.72

PHASES I, II and III
ESTIMATED OPERATING BUDGET FOR
SUNSET HARBOUR VILLAS, A CONDOMINIUM
FOR THE PERIOD BEGINNING 1 JANUARY 1997 AND ENDING 31 DECEMBER 1997
EXHIBIT G TO DECLARATION

	<u>MONTHLY</u>	<u>QUARTERLY</u>	<u>YEARLY</u>
I. <u>Expenses for the Association and Condominium:</u>			
ADMINISTRATION:			
Personnel	\$ N/A	\$ N/A	\$ N/A
Accounting	30.00	90.00	360.00
Professional Fees	50.00	150.00	600.00
Office Supplies	20.00	60.00	240.00
Taxes Upon Association Prop.	N/A	N/A	N/A
Licenses	N/A	N/A	N/A
Taxes Upon Leased Areas	N/A	N/A	N/A
MANAGEMENT FEES:	800.00	2,400.00	9,600.00
UTILITIES:			
Cable Television	410.00	1,230.00	4,920.00
Electricity	400.00	1,200.00	4,800.00
Garbage Service	188.00	564.00	2,256.00
Telephone	N/A	N/A	N/A
Water/Sewer	1,200.00	3,600.00	14,400.00
Propane Gas	335.00	1,005.00	4,020.00
MAINTENANCE:			
Building Maintenance	150.00	450.00	1,800.00
Grounds Maintenance	200.00	600.00	2,400.00
Irrigation Maintenance	N/A	N/A	N/A
Irrigation Surcharge	N/A	N/A	N/A
Recreational Lands/Accessways	N/A	N/A	N/A
Lawn Maintenance	500.00	1,500.00	6,000.00
Pest Control Maintenance	160.00	480.00	1,920.00
Pool Maintenance	200.00	600.00	2,400.00
Salaries	N/A	N/A	N/A
Supplies	150.00	450.00	1,800.00
INSURANCE:	2,005.00	6,015.00	24,060.00
SECURITY PROVISION:	N/A	N/A	N/A
RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES	N/A	N/A	N/A
OTHER EXPENSES:			
Bank/Check Charges	10.00	30.00	120.00
Corporate Report Filing Fee	14.00	42.00	168.00
Operating Capital	N/A	N/A	N/A

FEE PAYABLE TO DIVISION:	13.34	40.00	160.00
TOTAL WITHOUT RESERVES	6,835.34	20,506.00	82,024.00
RESERVES:	618.34	1,855.00	7,420.00
TOTAL WITH RESERVES	7,453.68	22,361.00	89,444.00

2. Expenses for a Unit Owner

RENT FOR THE UNIT IF SUBJECT

TO A LEASE Lease rental payable to Santa Rosa County Beach Administration is payable annually at 4 of 1% of the sales price of the unit estimated at:

Type A Units:	\$360.00
Type B Units:	\$400.00
Type C Units:	\$540.00
Type D Units:	\$560.00

RENT PAYABLE BY UNIT OWNER
TO LESSOR OR AGENT UNDER ANY
RECREATIONAL LEASE OR LEASE
FOR USE OF COMMONLY USED
FACILITIES

N/A N/A N/A

ASSESSMENTS PER UNIT: PHASES I, II and III
 Buildings 1, 2, 3 4

(8) Type "A" Units 738 square feet - numbers 112, 113, 212, 213, 312, 313, 412, 413
Percentage of ownership - 1.91549%
Assessment amount \$142.77/month - \$428.31/quarter - \$1,713.24/year

(8) Type "B" Units 836 square feet - numbers 111, 114, 211, 214, 311, 314, 411, 414
Percentage of ownership - 2.16985%
Assessment amount \$161.73/month - \$485.19/quarter - \$1,940.76/year

(16) Type "C" Units 1,028 square feet - numbers 121, 123, 131, 133, 221, 223, 231, 233, 321, 323, 331, 333, 421, 423, 431, 433
Percentage of ownership - 2.66819%
Assessment amount \$198.88/month - \$596.64/quarter - \$2,386.56/year

(8) Type "D" Units 1,186 square feet - numbers 122, 132, 222, 232, 322, 332, 422, 432
Percentage of ownership - 3.07828%
Assessment amount \$229.45/month - \$688.35/quarter - \$2,753.40/year

NOTES

1. Chapter 718, Florida Statutes (the "Condominium Act") and regulations promulgated pursuant thereto (the "Regulations") allows reserves to be waived or reduced in certain circumstances. Generally, reserves are not required in budgets in which members of an association by majority vote of members attending a duly called meeting of the association, determine for a fiscal year to provide no reserves or reserves less adequate than those set forth above provided that such reserves cannot be waived or reduced prior to the mailing to unit owners of a proposed annual budget which includes such reserves. More specific information is available by reference to the Condominium Act and the Regulations.

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2. Unless waived or reduced pursuant to the Condominium Act and the Regulations, reserves are required for roof replacement, building painting or surface cleaning, pavement resurfacing and all other capital expenditures and deferred maintenance. The estimated life and the estimated replacement cost for each item for which reserves are maintained and the current balance in each such reserve account are as follows:

RESERVES

	<u>Estimated Useful Life</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Remaining Useful Life</u>	<u>Amount Reserved Annually</u>	<u>Current Balance</u>
Roof	20 years	24,000	20 years	1,200	0.00*
Pool	10 years	10,000	10 years	1,000	0.00*
Exterior Painting	5 years	20,000	5 years	4,000	0.00*
Paving	10 years	8,000	10 years	800	0.00*
Clubhouse A/C	5 years	2,100	5 years	420	0.00*

*No account balance as at the time of the preparation of this Estimated Operating Budget the condominium has not yet been submitted and no assessments have been paid.

3. This budget does not include items of expense that are personal to unit owners or which are not uniformly incurred by all unit owners or which are not provided for nor contemplated by the condominium documents, including but not limited to private telephone costs, cost of maintenance of the interior of the condominium units to the extent that such maintenance is not the obligation of the Condominium or Association, the cost of maid or janitorial services privately contracted for by the unit owners, cost of utility bills billed directly to each unit owner for utility service or supplied to this unit, including insurance premiums other than those incurred in respect of policies obtained by the Condominium or Association and applicable to the Condominium or Association property in general, debt servicing upon any mortgage encumbering the individual unit but not encumbering the Condominium or Association property as a whole, real estate taxes assessed directly to a condominium unit, and like personal expenses of the unit owner.

4. The By-Laws of the Association provide that the assessments will be determined annually in advance and will be due and payable in quarterly installments on the first day of each quarter of the year for which the assessments are made.

5. At closing, each unit owner will pay a one-time operating capital contribution to the Association equal to two months association fees as follows:

Phase I	Monthly Fee	Total
"A" Unit	\$142.77	\$285.54
"B" Unit	161.73	323.46
"C" Unit	198.88	397.76
"D" Unit	229.45	458.90

SANTA ROSA COUNTY, FLORIDA
MARY M JOHNSON, CLERK