

PROSPECTUS (OFFERING CIRCULAR)

FOR

TOPSAIL VILLAGE, A CONDOMINIUM

This Prospectus is submitted by Beach Place Development, LLC, a Florida limited liability company (the "Developer"), in accordance with the disclosure requirements contained in Chapter 718, Florida Statutes, (the "Condominium Act")

1. DESCRIPTION OF OVERALL DEVELOPMENT COMPLEX. The term "TOPSAIL VILLAGE" (using all caps) is a planned development, a single complex, that will include TopSail Village, a condominium, and may include one or more developments which may be condominiums or other forms of multi-family or retail development. The Developer currently anticipates that there will be four (4) separate stages. Stage I will be TopSail Village, a multi-family condominium development. Stage II is currently planned as a hotel or lodge, to be known as TopSail Village Inn. Stage III is currently planned as commercial retail space for sale or lease, to be known as TopSail Village Business. Stage IV may be developed on certain adjoining land, and if so, will be known as TopSail Village II and will be another multi-family condominium development. No additional stages are currently anticipated to be included in TOPSAIL VILLAGE although the Developer reserves the right to develop additional or different stages in lieu of proceeding as described above and also reserves the right to change the order in which portions of TOPSAIL VILLAGE are developed.

The various stages and what they are currently projected to contain are as follows:

<u>STAGE</u>	<u>CONDOMINIUM NAME</u>	<u>NUMBER OF BUILDINGS</u>	<u>NUMBER OF UNITS</u>
I	TopSail Village	8	64
II	TopSail Village Inn	3	75
III	TopSail Village Business	5	30
IV	TopSail Village II	4	32

Simultaneously with the development of this condominium, certain green space, ingress and egress and other related amenities, herein called the "Community Property" will also be developed.

2. NAME AND LOCATION OF THIS CONDOMINIUM: The name of the condominium is "TopSail Village, a condominium," herein called "TopSail Village" and the condominium is located at Highway 30-A, Walton County, Destin, Florida 32459. Simultaneously with the development of this condominium, certain ingress and egress and other related amenities, herein called the "Community Property" will also be developed.

3. OPERATION OF TOPSAIL VILLAGE, A CONDOMINIUM.

(a) TopSail Village will be operated by TopSail Village Condominium Association, Inc., a Florida not-for-profit corporation (the "Association"). All Owners of this condominium will be members of this Association. The Articles of Incorporation of the Association are attached hereto as Exhibit C-1 and the By-

Laws of the Association are attached hereto as Exhibit D-1. TopSail Village property consists of land together with improvements located thereon. The legal description of the land is found in paragraph 1.B. of the Declaration of TopSail Village. The improvements included within TopSail Village are described in Exhibit C to the Declaration of TopSail Village. The survey of TopSail Village is found as Exhibit B to the Declaration of TopSail Village.

(a) Transfer of control of the Association is provided for in the Articles of Incorporation of the Association, in particular Article V, which is a reflection of 718.301 of the Florida Condominium Act, is set forth below:

"718.301 Transfer of association control.-

(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an 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 administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

- (a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- (b) Three months after 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 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; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to §718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a 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 administration."

(c) The overall TOPSAIL VILLAGE project will also have a master association (hereafter, the "Master Association"). It is called TopSail Village Master Association, Inc., which is a not-for-profit Florida corporation, which

will be comprised of all of the owners at TOPSAIL VILLAGE. The Master Association will operate and manage certain ingress and egress and other related amenities, herein called the "Community Property" that will also be developed as part of each stage of development at TOPSAIL VILLAGE. The Master Association will be managed by a Board consisting initially of three (3) directors. After transfer of control of the Master Association from the Developer to owners other than the Developer, there will be five (5) directors elected as follows: There shall be one (1) Director for TopSail Village elected solely by the owners within TopSail Village, one (1) Director for TopSail Village Inn elected solely by the owners of units within TopSail Village Inn, and three (3) Directors for TopSail Village Business that will be elected solely by the owners within TopSail Village Business. If TopSail Village II is developed, then the owners within TopSail Village II will elect one Director, and the owners within TopSail Village Business shall elect two (2) Directors.

(d) Transfer of control of the Master Association is provided for in the Articles of Incorporation of the Master Association, in particular, Article V, the relevant portions of which are set forth below:

"The first election of Directors shall not be held until three months after 90 percent of the units, collectively, in all developments that are planned for TOPSAIL VILLAGE, have been conveyed to members other than the Developer, or until the Developer elects to terminate its control of the (Master) Association, whichever occurs first. For purposes of this provision, the term "members other than the Developer" shall not include builders, contractors, or others who purchase a unit for the purpose of constructing improvements thereon for resale.

The Developer is entitled to elect at least one member of the Board of Directors of the (Master) Association as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the units, collectively, in all developments that are planned for TOPSAIL VILLAGE. After the Developer relinquishes control of the (Master) 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 (Master) Association or selecting the majority members of the Board of Directors."

4. COMMUNITY PROPERTY FACILITIES. Community Property facilities for TOPSAIL VILLAGE to be provided for the benefit of the owners at TOPSAIL VILLAGE are provided either in the form of common elements of the various condominiums or in the form of Community Property. The ingress and egress roadway, and related amenities are described in Exhibit B hereto entitled "Community Property Agreement". The Community Property will ultimately be owned by the Master Association and will be operated and managed by the Master Association for the benefit of all of the owners within TOPSAIL VILLAGE. The Community Property Agreement may be amended by the Developer from time to time without the consent of owners.

5. COMMON EXPENSES. Each owner in TOPSAIL VILLAGE will be responsible for a portion of the common expenses of the development in which the owner's unit is located and will also be responsible for a portion of the common expenses of

the Master Association which will operate and maintain the Community Property. The Board of Directors of the Master Association will establish the budget for the Community Property, and these budgeted expenses will then be allocated among the various condominiums or other developments then served by the Community Property according to the relative number of units in each condominium or development then included as a part of TOPSAIL VILLAGE.

6. DESCRIPTION OF TOPSAIL VILLAGE, A CONDOMINIUM.

TopSail Village consists eight (8) buildings, each one of which will contain eight (8) units as described below and on Exhibit F hereto:

<u>Unit Type</u>	<u>Number of Units</u>
Type A-1 - 2 bedroom, 2 bath Units 111, 211, 311 955 sq. feet	3
Type B-1 - 2 bedroom, 2 bath Units 112, 212, 312, 412, 512, 612, 712 933 sq. feet	7
Type C-1 - 2 bedroom, 2 bath Units 121, 221, 321 933 sq. feet	3
Type D-1 - 2 bedroom, 2 bath Units 114, 214, 314 955 sq. feet	3
Type E-1 - 2 bedroom, 2 bath Units 113, 213, 313, 413, 513, 613, 713 933 sq. feet	7
Type F-1 - 2 bedroom, 2 bath Units 124, 224, 324 956 sq. feet	3
Type A-2 - 2 bedroom, 2 bath Units 411, 511, 611, 711 955 sq. feet	4
Type B-2 - 2 bedroom, 2 bath Units 122, 222, 322 933 sq. feet	3
Type C-2 - 2 bedroom, 2 bath Units 421, 521, 621, 721 956 sq. feet	4
Type D-2 - 2 bedroom, 2 bath Units 414, 514, 614, 714 955 sq. foot	4
Type E-2 - 2 bedroom, 2 bath Units 423, 523, 623, 723 933 sq. feet	4
Type F-2 - 2 bedroom, 2 bath Units 424, 524, 624, 724 956 sq. feet	4
Type B-3 - 2 bedroom, 2 bath Units 422, 522, 622, 722 933 sq. foot	4
Type E-3 - 2 bedroom, 2 bath Units 123, 223, 323 933 sq. feet	3
Type G - 2 bedroom, 2 bath Units 821, 822, 823, 824 1357 sq. feet	4

Type H - 2 bedroom, 2 bath
Units 811,812,813,814
1443 sq. feet

4

Note: All stated square footages are approximate, subject to construction tolerances.

Buildings 100, 200, 300, 400, 500 and 600, along with a pool and deck are presently available. The estimated latest date of completion of construction, finishing and equipping of Buildings 700 and 800 of TopSail Village is, 2005. July 1, 2008.

7. MAXIMUM NUMBER OF UNITS. The maximum number of units that will use facilities in common is the maximum number that may ultimately be included within all of the stages of TOPSAIL VILLAGE as the project is presently conceived, namely 201. The minimum number of units that will use facilities in common is 64, consisting of TopSail Village.

8. TRANSFER OF OWNERSHIP.

THE CONDOMINIUM IS TO BE CREATED AND IS BEING SOLD AS FEE SIMPLE INTEREST.

9. COMMONLY USED FACILITIES. TOPSAIL VILLAGE is being developed in stages and it includes commonly used facilities that may be used only by unit owners of a particular stage and also includes commonly used facilities that are used by all of the owners of all of the stages of TOPSAIL VILLAGE. These two (2) types of commonly used facilities are described in more detail as follows:

(A) Stage I; TopSail Village Facilities. There will be a pool and pool deck that will be part of the common elements of TopSail Village that will be used only by the owners of Stage I, TopSail Village. Refer to Exhibit J hereto which includes a description of each room and its intended purposes, approximate floor area, capacity in numbers of people, the minimum amount of expenditure that will be made to purchase the personal property to be used in the room or facility and the estimated date when each room or facility will be available for use by the unit owners. The approximate location of the recreational and commonly used facilities is set forth on Exhibit C of the Declaration.

(B) Multi-Stage (Community Property) Facilities. A description of the ingress and egress and other commonly used facilities that will be used by all of the unit owners of all of the stages that may ultimately be a part of TOPSAIL VILLAGE are referred to as Community Property. Refer to Exhibit J hereto which includes a description of each room and its intended purposes, approximate floor area, capacity in numbers of people, the minimum amount of expenditure that will be made to purchase the personal property to be used in the room or facility

and the estimated date when each room or facility will be available for use by the unit owners. The approximate location of the Community Property commonly used facilities is set forth on the Master Plan, Exhibit B to the Community Property Agreement. The Community Property will ultimately be owned by the Master Association for the use and benefit of all of the unit owners of TOPSAIL VILLAGE.

10. COMMONLY USED SWIMMING POOL AND DECK.

(a) One swimming pool is presently available for TopSail Village. The pool is a part of the common elements of TopSail Village. The pool is located outdoors. The pool is located between buildings 400 and 500 and has an approximate size of 680 square feet and the approximate size of the deck that will serve the pool will be 2000 square feet. The depth of the pool will range from 3 to 5 feet. The pool has a capacity of serving approximately 10 persons and the pool deck has a capacity of serving approximately 20 persons. This swimming pool will not be heated.

(b) One additional pool is planned for TopSail Village. The pool will be a part of the common elements of TopSail Village. The pool will be located outdoors. The pool will be located in front of Building 800 and will have an approximate size of 400 square feet. The approximate size of the deck that will serve the pool will be 1000 square feet. The depth of the pool will range from 3 to 5 feet. The pool will have a capacity of serving approximately 7 persons and the pool deck will have a capacity of serving approximately 10 persons. This swimming pool will not be heated. The pool is planned to be available July 1, 2008, but its actual construction and availability are contingent on the Developer's ability to obtain the proper permits for it, considerations of cost, and also on the physical features of the planned location. The Developer reserves the right, in its sole, absolute discretion, not to construct and install this planned pool if the Developer determines that it is not feasible, all things considered.

11. OWNERSHIP OF COMMONLY USED FACILITIES. The commonly used recreational and other facilities described herein as common elements of TopSail Village will be owned in undivided interests by the owners of units within TopSail Village. The commonly used recreational and other facilities described herein as Community Property are not "common elements"; rather, they will be initially owned by the Developer subject to the use rights and privileges granted by the Community Property Agreement to the Master Association for the benefit of all owners at TOPSAIL VILLAGE and will ultimately be conveyed to the Master Association for the benefit of all owners at TOPSAIL VILLAGE and are described in more detail on Exhibit J hereto. For specific terms, conditions and other information, refer to the Community Property Agreement attached to this

Prospectus as Exhibit B. Upon expiration of the Community Property Agreement, the Developer is required to convey the ingress and egress and other commonly used facilities described therein as "Community Property" to the Master Association, and the Master Association is required to accept the deed to the Community Property. During the term of the Community Property Agreement, the Master Association covenants to pay the Developer the actual cost incurred by the Developer in operating, maintaining and insuring or improving the Community Property including any cost as may in the opinion of the Developer be reasonably related thereto, for the purposes for which said Community Property is intended. The cost paid by the Master Association to the Developer will be a common expense of each of the condominiums or other developments that are developed as a part of TOPSAIL VILLAGE and will ultimately be paid by each owner of TOPSAIL VILLAGE as a part of his quarterly Association maintenance assessment. Specific types of costs included are set forth in more detail in paragraph 2 of "COVENANTS" of the Community Property Agreement. Estimated costs included within the operating budget of the TopSail Village Condominium Association and Master Association are attached and made a part hereof as Exhibit E-1 and E-2, respectively.

12. DEVELOPER'S RIGHT TO INCREASE COMMUNITY PROPERTY FACILITIES.

COMMUNITY PROPERTY FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION OR MASTER ASSOCIATION.

Pursuant to the Community Property Agreement, the Developer has reserved the right to expand those commonly used facilities which are "Community Property" provided that such expansion does not result in more than a fifteen percent (15%) increase of an owner's assessment under the Master Association budget. Further, at any point during the development period of TOPSAIL VILLAGE, the amount expended by the Developer for Community Property shall be at least One Hundred Dollars (\$100) per unit then served by the Community Property.

13. COMMUNITY PROPERTY AGREEMENT. The recreational and other commonly used facilities of TOPSAIL VILLAGE are either "common elements" or "Community Property." Some of these commonly used facilities will be common elements of TopSail Village and as such will be owned in undivided interests by the unit owners of TopSail Village and are not subject to the Community Property Agreement. The ingress and egress and other commonly used facilities which will not be common elements of TopSail Village are referred to in Exhibit J as "Community Property" and will be owned initially by the Developer subject to the Community Property Agreement and will ultimately be conveyed by the Developer to the Master Association and will thereafter be owned and held by the Master Association for the use and benefit of the owners of TOPSAIL VILLAGE.

THE ASSOCIATION, AND ULTIMATELY UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COST AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP AND REPLACEMENT OF THE COMMUNITY PROPERTY TO THE MASTER ASSOCIATION. THERE IS A LIEN OR LIEN RIGHT AGAINST THE COMMUNITY PROPERTY AND EACH UNIT TO SECURE THE PAYMENT OF THE ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE COMMUNITY PROPERTY. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

See "COVENANTS" paragraph 3 of the Community Property Agreement.

14. NO RECREATION LEASE. The recreational and other commonly used facilities are not leased.

15. NO CLUB MEMBERSHIPS. There will be no recreational facilities lease or club memberships associated with the recreational or other commonly used facilities within TOPSAIL VILLAGE.

16. LEASE OF UNITS. The Developer's plan includes a limited program of leasing some Units pending their sale. The following units are currently being leased: Units 211, 212, 213, 311 and 312. The furnishings in these Units belong to the tenants involved and are not included in any sale of these Units. The terms of the leases vary from Unit to Unit. The tenants will be entitled to continue in possession of the Units involved until the end of the term of their respective leases as the leases DO NOT CONTAIN a provision which allows the landlord to terminate the lease upon conveyance of title to Purchaser. The Purchaser of any of the foregoing Units will be entitled to enjoy the benefits of these leases, but will also be required to bear the burdens of the landlord under these leases. Rent will be prorated through the date of closing of these units.

17. CONDOMINIUM AND MASTER ASSOCIATION MANAGEMENT. Management and operation of TopSail Village Condominium Association, Inc. and of TopSail Village Master Association, Inc. will be provided by the board or directors of the respective associations. A contract for management is not contemplated initially for either association, but may be added later as the project develops, in the sole discretion of the respective boards of directors of the associations.

18. CONDOMINIUM AND MASTER ASSOCIATION CONTROL.

THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE CONDOMINIUM ASSOCIATION AND MASTER ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

This right to control is described in detail in Article V of the Articles of Incorporation of the Condominium Association. The Articles of Incorporation of the Condominium Association are Exhibit D to the Declaration of Condominium and Exhibit C-1 to this Prospectus. The Developer also has the right to retain control of the Master Association after a majority of the units developed at TOPSAIL VILLAGE have been sold. This right to control is described in detail in Article V of the Articles of Incorporation of the Master Association, attached as Exhibit C-2 to this Prospectus.

19. NO RESTRICTIONS ON SALE, LEASE OR TRANSFER. The sale, lease or transfer of units is not restricted or controlled.

20. RESTRICTIONS ON USE OF CONDOMINIUM PROPERTY. The use of the TopSail Village Condominium Property shall be in accordance with the following provisions as long as the Condominium exists and the Common Elements in useful condition exist on the Land. Neither the Association nor any Unit Owner shall use any of the Condominium Property for commercial purposes, except as permitted below.

A. Units. Each of the Units may be used for residential purposes only; provided that home office use of Units shall not disqualify a Unit from being considered to be used for residential purposes so long as customers, clients or vendors do not come and go from the Unit. Only entire Units may be rented.

B. Common Elements. The Common Elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

C. Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

D. On-Site Sales & Rentals. No part of the Condominium Property shall be used as a location for conducting sales or rentals of condominium units or other real property. Sales and rental operations are permitted to be conducted in other parts of TOPSAIL VILLAGE, a planned development, that are outside the Condominium Property.

E. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part of it and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modifications or repair of the Condominium Property shall

be the same as the responsibility for the maintenance and repair of the property concerned.

F. Balconies and Patios. Private balconies and patios within a Unit or which are Limited Common Elements appurtenant thereto may be used only for recreational purposes and may not be improved except as permitted or required hereby. Such areas may not be used for hanging laundry and may not be enclosed, painted or the color or appearance otherwise altered by the owner except with the prior written consent of the Board of Directors of the Association, except for approved hurricane/storm shutter installations in accordance with Section 4(E) (1) (d) of the Declaration.

G. Floor Coverings. If ceramic tile flooring, hardwood flooring or other hard surface flooring is installed in any units on the second floor, it shall be applied over a resilient sound absorbing underlayment of material acceptable to the Association in order to buffer any noise that might be heard on the floor below. Any unit owner desiring to install such flooring shall make written application to the Association together with such supporting or justifying materials as the Association may request and the Association shall notify the unit owner within a reasonable time after the request has been made as to whether the material is acceptable to the Association. Unit owners will be held strictly liable for violations and for all damage resulting therefrom and the Association has the right to require immediate removal of violations. Each unit owner, by acceptance of a deed or other conveyance of their unit, hereby acknowledges and agrees that sound transmission in a building in the Condominium is very difficult to control, and that noises from adjoining or nearby units and/or mechanical equipment can often be heard in another unit. The Developer does not make any representation or warranty as to the level of sound transmission between and among the units and the other portions of the Condominium Property, and the Association hereby waives and expressly releases any such warranty and claim for loss or damages resulting from sound transmission.

H. Exterior Improvements. Except as elsewhere provided, no Unit Owner shall cause anything to be applied or attached to, hung, displayed or placed on the exterior walls, terraces, doors or windows of any building (including awnings, antennae, signs, screens, fixtures and equipment) without the prior written consent of the Board of directors of the Association. Any unit owner may display one portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represents the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration, rules or

requirements dealing with flags or decorations; provided, however, no penetrations of the exterior skin of the building are permitted in connection with the display of flags.

I. Barbecue Grills. No barbecue grills or other similar outdoor cooking facilities shall be allowed on balconies. Barbecue grills or similar outdoor cooking facilities as may be placed by the Association in designated areas, if any, are permissible and may be used on first floor patios, or elsewhere on ground level as may be permitted under regulations adopted by the Association.

J. Hurricane Shutters. Unit Owners may install approved hurricane/storm shutters that have been approved by the Association protecting the balcony and any similar area which are a part of their Unit or Limited Common Elements appurtenant to their Unit.

K. Parking; Towing. Parking and towing of vehicles may be the subject of regulations promulgated by the Board of Directors.

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

M. Proviso. Provided, however, that until Developer has completed all of the contemplated improvements and closed the sales of all developer-owned units included within the condominium, neither any unit owner nor the Association nor the use of the Condominium shall interfere with the completion of the contemplated improvements and the sale of the units. Further, until such time as the Developer completes and sells all of the Units in the Condominium the Developer reserves the right to prohibit access to any portion of the Common Elements or uncompleted Units, to any of the occupants of the Condominium, and to utilize various portions of the Common Elements or the Units in connection with such construction and development. Also, the Developer may make such use of unsold developer-owned units and Common Elements as may facilitate completion and sale of Units, including but not limited to the maintenance of a sales office, the showing of any units, and the lighting and display of signs and rental of unsold units, provided that the cost of such lighting is paid for by the Developer. The sales office, the furniture and furnishings in all model units, signs and all items pertaining to sales shall not be Common Elements and shall remain the property of the Developer. The Developer shall have the absolute right to rent or lease unsold developer-owned Condominium units subject to any duly adopted regulations imposed by the Association which are applicable to all other owners and units.

N. The Condominium Property and its use are subject to the Association regulations, a copy of which are attached as Exhibit I-1 hereto.

O. Except in hardship cases, for limited periods of time, the use of units by residents or tenants is limited to any four (4) persons, meaning any combination of adults or children who stay overnight. See Regulation Number 3.

P. Except as provided above, there are no restrictions on children other than those set forth in Regulation Number 3 and Regulation Number 4.

Q. There are no restrictions on pets other than those set forth in Regulation Number 6(i).

21. RESTRICTIONS ON USE OF COMMUNITY PROPERTY. The Community Property Agreement contains certain restrictions on the use of Community Property and in addition the Master Association has promulgated certain regulations that apply to the Community Property. A copy of the Master Association Regulations is attached hereto as Exhibit I-2, and they are summarized as follows:

A. CONDOMINIUM LIVING. Condominium living requires that each owner regulate the occupancy and use of his unit so as not to unreasonably or unnecessarily disturb any other owner in the occupancy and use of his unit. All owners are requested to use their units accordingly. Bear in mind that TOPSAIL VILLAGE is a planned development that will consist of both residential and business units. This juxtaposition can be expected to result in some conveniences, but also some inconveniences from time to time.

B. OWNERS AND GUESTS. The facilities of TOPSAIL VILLAGE are for the use and enjoyment of all owners of units in TOPSAIL VILLAGE, their guests and invitees.

C. USE OF TOPSAIL VILLAGE AMENITIES .

(a) Sidewalks and Walkways. Sidewalks and walkways are for ingress and egress to and from units and shall not be obscured or blocked. This precludes the leaving of any articles in these areas, including baby carriages, bicycles, garbage cans, supplies, ice and milk containers. This prohibition is for the protection and safety of owners.

(b) Roadways. The regulation of traffic and signage on, over and across the roadways within TOPSAIL VILLAGE is the exclusive province of the Association. The Association may adopt traffic measures, including speed limits, and may approve signage, all by majority vote of the Board of Directors of the Association.

D. CHILDREN'S ACTIVITIES. Children are welcome in TOPSAIL VILLAGE and there is no desire to restrict their normal activities. Nevertheless, they are required to observe the same restrictions that apply to

adults. This precludes the playful use of Association equipment, the use of any Community Property for play areas, or any other conduct that will interfere with the quiet and comfort of the owners. Adult owners with whom children are living will be held responsible for the observance of these rules and regulations by the children.

E. SECURITY. All occupants will be responsible for their own security. Management will not be providing security officers, or other special security measures on the Community Property. All occupants are expected to keep the doors to their Units locked at all times; to report solicitors on the Community Property to Management; and to report any suspicious appearing persons or incidents to Management.

F. USE OF COMMUNITY PROPERTY.

(a) Equipment Failure. Equipment shall be used only for the purposes intended. Failure of any equipment shall be reported immediately to the management regardless of the responsibility for maintenance in order that proper precautions may be taken to avoid damage of other equipment. Each unit owner shall be liable for all damage caused by misuse of equipment by the owners or guests of the owner's unit.

(b) Fire Hazards. No article shall be stored nor any use made of any part of the Community Property that will constitute a fire hazard.

(c) Hanging of Objects. The hanging of bathing suits, clothing, rugs, towels or other items upon balconies or railings or from windows is prohibited; except any unit owner may display one portable, removable United States flag in a respectful way and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represents the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.

(d) Noise. In order to assure the comfort of all owners, the playing of compact discs, radios, televisions, stereos and musical instruments must not exceed a reasonable volume at any time. This applies to all public areas as well as inside units. Between the hours of 10:00 P.M. and 10:00 A.M. the volume shall be kept at a level that cannot be heard outside the unit in which located. All owners, their guests, and invitees shall refrain from any activity that would disturb other owners.

(e) Pets.

(1) The keeping of a dog or other pet at TOPSAIL VILLAGE is not a right of an owner but is a conditional license. This conditional license is subject to termination at any time by the Board of Directors upon a finding that a dog or other pet is vicious, is annoying to other owners, or has in any way become a nuisance. The owner of a pet assumes liability for all damage to persons or property caused by the pet or resulting from its presence at TOPSAIL VILLAGE. Non-unit owners are not allowed to have pets of any kind.

(2) The conditional license for owners, is subject to the following conditions:

(i) A pet may not weigh over 30 pounds.

(ii) A dog must be on leash at all times when outside of the owner's unit.

(iii) A dog must not be curbed at any place on the property of the condominium except such places as are time to time designated for such purposes.

(iv) As a courtesy to other owners and as a safety precaution pets are never to be left unattended in any public areas.

(v) It is the pet owner's responsibility to clean up after their pet.

(vi) Any owner whose right to have a pet has been revoked or suspended by any other association operating a development within TOPSAIL VILLAGE shall also be automatically suspended without action of the Association or its Board of Directors.

(f) Use Restrictions. Owners are reminded of the restrictions upon the use of the condominium property that appear in the condominium documents for the particular development in which their unit is located. No nuisances shall be allowed nor any practice followed that is the source of annoyance to other owners or in violation of city, county, state or federal laws.

G. PARKING AREAS. Parking areas are for use by owners, their guests or invitees and will be a matter of regulation by the association in which the owner's unit is located. The Association may regulate parking if the authority to so regulate is delegated to the Association, as a matter of convenience and uniformity, by one or more associations which operate developments within TOPSAIL VILLAGE.

H. MEETING NOTICES. A bulletin board will be located in a convenient location on the Community Property. Official notices will be posted there in compliance with Florida Statutes.

22. UTILITY SERVICES. Utilities and other services are supplied to TopSail Village by the following entities or in the following manner:

- (A) Sanitary Sewage - Regional Utilities
- (B) Refuse Collection - Waste Management and/or Walton County
- (C) Water Supply - Regional Utilities
- (D) Storm Water Management System - There will be a storm water management system that complies with applicable law and regulation and that will be operated and maintained by the Association or Master Association.
- (E) Electricity - Chelco; Units will be separately metered
- (F) Telephone - Sprint or Corporate Package
- (G) Cable Television - Mediacom or Corporate Package
- (H) Internet - Mediacom or Corporate Package

23. APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP OF COMMON ELEMENTS. The common expenses and percentage of ownership of the common elements have been apportioned equally among the units of TopSail Village. See Exhibit L attached hereto. The common expenses of the Master Association will be apportioned among the various condominiums or other developments of TOPSAIL VILLAGE on the basis of the relative number of or units in each condominium or other development then included in TOPSAIL VILLAGE.

24. ESTIMATED OPERATING BUDGET. The estimated operating budget for TopSail Village and the Master Association, including the estimated monthly, quarterly and annual expenses for each condominium unit are attached hereto as Exhibits E-1 and E-2, respectively.

25. ESTIMATED CLOSING COST AND TITLE INSURANCE. A schedule of the estimated closing costs to be paid by a purchaser is attached hereto as Exhibit K. An owner's policy of title insurance will be available on or after the closing at Developer's expense.

26. EXISTING OR INTENDED EASEMENTS. There are no existing or intended easements located or to be located in the Condominium Property which are not described in the Declaration or in the Exhibits to the Declaration or Community Property Agreement, except for the Trail Easement (the "Trail Easement"). The Trail Easement lies generally along the east and north sides of TOPSAIL VILLAGE. It is approximately 10 feet in width and is intended to remain

a nature and/or walking trail. A copy of the Trail Easement is attached hereto as Exhibit M.

27. IDENTITY OF DEVELOPER. The Developer is Beach Place Development, LLC, a Florida limited liability company. The Developer has not had any prior experience in development of condominiums. The individual directing the operation and sale of units at TopSail Village is Tim Pauls. Mr. Pauls is a licensed real estate broker, owner of TopSail Realty. He has not had any prior experience in development of condominiums, but has developed apartment complexes and single family homes over the last 25 years.

28. SECURITY. The adequacy of security of persons and property is neither represented nor guaranteed. TopSail Village will not be a gated community.

29. HURRICANES. Hurricanes have occurred in Florida and, as near beach property, TopSail Village is exposed to the potential damages of hurricanes, including but not limited to damage from possible storm surges, wind, and rain. Windows and sliding doors used in the buildings, while meeting applicable code requirements, are not guaranteed against leaking in hurricane or other high wind or storm conditions. Water or other damages from these or other extraordinary causes shall not be the responsibility of the Developer.

30. COASTAL ENVIRONMENT; MOLD DISCLOSURE. Due to high salt and mineral content, coastal environments can be corrosive to metals. TopSail Village is in a near beach area of South Walton County. Consequently, certain elements of the condominium buildings and/or condominium units may exhibit corrosion as they age. Additionally, the coastal environment is typically an area of high humidity which is conducive to the growth of mold. Mold is a naturally occurring organism. A failure to properly maintain portions of the condominium property including a unit, where mold is likely to grow, will contribute to the growth and accumulation of mold.

31. EXHIBITS TO PROSPECTUS. The following exhibits are made a part of this Prospectus:

<u>Title</u>	<u>Exhibit</u>
Declaration of TopSail Village (Together with Amendments)	A
Community Property Agreement	B
Articles of Incorporation	
TopSail Village Condominium Association, Inc.	C-1
TopSail Village Master Association, Inc.	C-2
By-Laws	
TopSail Village Condominium Association, Inc.	D-1
TopSail Village Master Association, Inc.	D-2
Estimated Operating Budget	
TopSail Village Condominium Association, Inc.	E-1
TopSail Village Master Association, Inc.	E-2
Plot Plan and Floor Plans	F

Subscription and Purchase Agreement	G
Escrow Agreement	H
Regulations	
TopSail Village Condominium Associates, Inc.	I-1
TopSail Village Master Association, Inc.	I-2
Description of Commonly Used Facilities	J
Estimated Closing Costs	K
Undivided Share of Common Elements	L
Trail Easement	M
Developer's Ownership Interest	N