

EXHIBIT A TO PROSPECTUS
Declaration of Condominium

DECLARATION OF CONDOMINIUM

OF

TOPSAIL VILLAGE, A CONDOMINIUM

Walton County, Florida

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OR BK 2670 Pages 16 - 128
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MARTHA INGLE, WALTON
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MADE THIS 16th day of May, 2005, by Beach Place Development, LLC, a Florida limited liability company (the "Developer"), for itself, its successors, grantees and assigns.

WHEREIN, the Developer makes the following declarations:

1. PURPOSE. The purpose of this Declaration is to submit the lands described in this instrument and the improvements on such lands to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes (the "Condominium Act"), 2003.

A. Name. The name by which this condominium is to be identified is "TopSail Village, a condominium," (the "Condominium").

B. The Land. The lands owned by the Developer, which by this instrument are submitted to the Condominium form of ownership, are the lands lying in Walton County, Florida, described as follows:

DESCRIPTION: STAGE I CONDOMINIUM PROPERTY (ECA 5-9-05)

A PARCEL OF LAND IN SECTION 32, TOWNSHIP 2 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA. BEING MORE EXPLICITLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 32, THENCE ON THE EAST LINE THEREOF NORTH 02 DEGREES 22 MINUTES 13 SECONDS WEST, A DISTANCE OF 853.40 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID EAST LINE, SOUTH 87 DEGREES 37 MINUTES 26 SECONDS WEST, A DISTANCE OF 45.56 FEET; THENCE SOUTH 41 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 34.41 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 24.00 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 15.00 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 20.95 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 54.00 FEET; THENCE NORTH 48 DEGREES 35 MINUTES 43 SECONDS EAST, A DISTANCE OF 20.95 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 28.00 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 20.95 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 78.95 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 145.00 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 232.25 FEET; THENCE NORTH 48 DEGREES 35 MINUTES 43 SECONDS EAST, A DISTANCE OF 107.08 FEET; THENCE NORTH 58 DEGREES 27 MINUTES 10 SECONDS EAST, A DISTANCE OF 53.69 FEET; THENCE NORTH 43 DEGREES 35 MINUTES 29 SECONDS EAST, A DISTANCE OF 35.68 FEET; THENCE NORTH 01 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 120.93 FEET; THENCE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 22.00 FEET; THENCE NORTH 01 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 63.00 FEET; THENCE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 248.05 FEET; THENCE SOUTH 02 DEGREES 22 MINUTES 13 SECONDS EAST, A DISTANCE OF 468.94 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 3.34 ACRES.

LESS AND EXCEPT: STAGE I COMMUNITY PROPERTY ROADWAY

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA, AND RUN THENCE NORTH 02 DEGREES 22 MINUTES 13 SECONDS

WEST, ON THE EAST LINE OF SECTION 32, A DISTANCE OF 281.24 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF WALTON COUNTY ROAD C-30A (100' RIGHT OF WAY); THENCE LEAVING SAID EAST LINE OF SECTION 32, PROCEED NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, ON SAID NORTHERLY RIGHT OF WAY, A DISTANCE OF 1074.25 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 25.13 FEET TO A POINT ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 49.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 27 DEGREES 44 MINUTES 32 SECONDS, AN ARC DISTANCE OF 23.73 FEET, (CHORD BEARING AND DISTANCE = NORTH 74 DEGREES 37 MINUTES 44 SECONDS EAST, A DISTANCE OF 23.49 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 194.57 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 25 DEGREES 50 MINUTES 30 SECONDS, AN ARC DISTANCE OF 45.10 FEET, (CHORD BEARING AND DISTANCE = SOUTH 78 DEGREES 34 MINUTES 45 SECONDS EAST, A DISTANCE OF 44.72 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 25 DEGREES 50 MINUTES 30 SECONDS, AN ARC DISTANCE OF 45.10 FEET, (CHORD BEARING AND DISTANCE = SOUTH 78 DEGREES 34 MINUTES 45 SECONDS EAST, A DISTANCE OF 44.72 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 47.45 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 50 DEGREES 05 MINUTES 43 SECONDS, AN ARC DISTANCE OF 8.74 FEET, (CHORD BEARING AND DISTANCE = NORTH 63 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 8.47 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 38 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 48.17 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 39 DEGREES 54 MINUTES 17 SECONDS, AN ARC DISTANCE OF 17.41 FEET, (CHORD BEARING AND DISTANCE = NORTH 18 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 17.06 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 01 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 86.42 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 5.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC DISTANCE OF 7.85 FEET, (CHORD BEARING AND DISTANCE = NORTH 46 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 7.07 FEET); THENCE NORTH 01 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 24.00 FEET; THENCE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 154.80 FEET; THENCE SOUTH 15 DEGREES 40 MINUTES 31 SECONDS EAST, A DISTANCE OF 70.23 FEET; THENCE SOUTH 01 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 107.84 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 75.31 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = SOUTH 20 DEGREES 45 MINUTES 55 SECONDS WEST, A DISTANCE OF 9.34 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 29.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 21 DEGREES 19 MINUTES 12 SECONDS, AN ARC DISTANCE OF 10.79 FEET, (CHORD BEARING AND DISTANCE = SOUTH 03 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 10.73 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = SOUTH 13 DEGREES 34 MINUTES 29 SECONDS EAST, A DISTANCE OF 9.34 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 41 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 124.50 FEET; THENCE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 67.77 FEET; THENCE SOUTH 01 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 81.04 FEET; THENCE SOUTH 41 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 28.70 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 24.00 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 258.85 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = NORTH 69 DEGREES 14 MINUTES 05 SECONDS WEST, A DISTANCE OF 9.34 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 29.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 21 DEGREES 19 MINUTES 12 SECONDS, AN ARC DISTANCE OF 10.79 FEET, (CHORD BEARING AND DISTANCE = NORTH 86 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 10.73 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = SOUTH 76 DEGREES 25 MINUTES 31 SECONDS WEST, A DISTANCE OF 9.34 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 135.75 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 24.00 FEET; THENCE NORTH 48 DEGREES 35 MINUTES 43 SECONDS EAST, A DISTANCE OF 135.75 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE

ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = NORTH 20 DEGREES 45 MINUTES 55 SECONDS EAST, A DISTANCE OF 9.34 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 29.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 21 DEGREES 19 MINUTES 12 SECONDS, AN ARC DISTANCE OF 10.79 FEET, (CHORD BEARING AND DISTANCE = NORTH 03 DEGREES 35 MINUTES 43 SECONDS EAST, A DISTANCE OF 10.73 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = NORTH 13 DEGREES 34 MINUTES 29 SECONDS WEST, A DISTANCE OF 9.34 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 17.89 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 50 DEGREES 05 MINUTES 43 SECONDS, AN ARC DISTANCE OF 21.86 FEET, (CHORD BEARING AND DISTANCE = NORTH 66 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 21.17 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 88 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 14.05 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 5.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 129 DEGREES 54 MINUTES 17 SECONDS, AN ARC DISTANCE OF 11.34 FEET, (CHORD BEARING AND DISTANCE = SOUTH 23 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 9.06 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 41 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 40.98 FEET; THENCE SOUTH 48 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 24.00 FEET; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 67.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 50 DEGREES 05 MINUTES 43 SECONDS, AN ARC DISTANCE OF 8.74 FEET, (CHORD BEARING AND DISTANCE = NORTH 66 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 8.47 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 88 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 47.45 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 124.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 25 DEGREES 58 MINUTES 27 SECONDS, AN ARC DISTANCE OF 56.21 FEET, (CHORD BEARING AND DISTANCE = NORTH 78 DEGREES 30 MINUTES 46 SECONDS WEST, A DISTANCE OF 55.73 FEET), TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 74.04 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 26 DEGREES 18 MINUTES 59 SECONDS, AN ARC DISTANCE OF 34.01 FEET, (CHORD BEARING AND DISTANCE = NORTH 78 DEGREES 41 MINUTES 19 SECONDS WEST, A DISTANCE OF 33.71 FEET) TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 88 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 194.57 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE ON THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 30 MINUTES 53 SECONDS, AN ARC DISTANCE OF 6.77 FEET (CHORD BEARING AND DISTANCE = SOUTH 80 DEGREES 44 MINUTES 34 SECONDS WEST, A DISTANCE OF 6.75 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 1.40 ACRES, MORE OR LESS. [60777 SQUARE FEET]

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL THAT IS NOT A PART OF THE STAGE I ROADWAY

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA, AND RUN THENCE NORTH 02 DEGREES 22 MINUTES 13 SECONDS WEST, ON THE EAST LINE OF SECTION 32, A DISTANCE OF 281.24 FEET TO A POINT ON THE NORTHERLY RIGHT WAY LINE OF WALTON COUNTY ROAD C-30A (100' RIGHT OF WAY); THENCE LEAVING SAID EAST LINE OF SECTION 32, PROCEED NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, ON SAID NORTHERLY RIGHT OF WAY, A DISTANCE OF 1269.21 FEET TO A POINT ON A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 25.00 FEET; THENCE LEAVING SAID NORTHERLY RIGHT OF WAY, PROCEED ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30 DEGREES 02 MINUTES 06 SECONDS, AN ARC DISTANCE OF 13.11 FEET, (CHORD BEARING AND DISTANCE = SOUTH 73 DEGREES 28 MINUTES 57 SECONDS WEST, A DISTANCE OF 12.96 FEET); THENCE PROCEED NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 521.84 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 91.99 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 13.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 75 DEGREES 49 MINUTES 29 SECONDS, AN ARC DISTANCE OF 17.20 FEET, (CHORD BEARING AND DISTANCE = SOUTH 53 DEGREES 35 MINUTES 16 SECONDS EAST, A DISTANCE OF 15.98 FEET); THENCE SOUTH 15 DEGREES 43 MINUTES 45 SECONDS EAST, A DISTANCE OF 38.28 FEET; THENCE SOUTH 01 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 82.10 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 50 DEGREES 05 MINUTES 43 SECONDS, AN ARC DISTANCE OF 21.86 FEET, (CHORD BEARING AND DISTANCE = SOUTH 23 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 21.17 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 48

DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 52.41 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE = SOUTH 76 DEGREES 25 MINUTES 31 SECONDS WEST, A DISTANCE OF 9.34 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 29.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 21 DEGREES 19 MINUTES 12 SECONDS, AN ARC DISTANCE OF 10.79 FEET, (CHORD BEARING AND DISTANCE = NORTH 86 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 10.73 FEET POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 10.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 55 DEGREES 39 MINUTES 36 SECONDS, AN ARC DISTANCE OF 9.71 FEET, (CHORD BEARING AND DISTANCE NORTH 69 DEGREES 14 MINUTES 05 SECONDS WEST, A DISTANCE OF 9.34 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 41 DEGREES 24 MINUTES 17 SECONDS WEST, A DISTANCE OF 17.89 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 49.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 50 DEGREES 05 MINUTES 43 SECONDS, AN ARC DISTANCE OF 42.84 FEET, (CHORD BEARING AND DISTANCE = NORTH 66 DEGREES 27 MINUTES 09 SECONDS WEST, A DISTANCE OF 41.49 FEET), TO OF TANGENCY OF SAID CURVE; THENCE SOUTH 88 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 14.05 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 5.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE 129 DEGREES 54 MINUTES 17 SECONDS, AN ARC DISTANCE OF 11.34 FEET, (CHORD BEARING AND DISTANCE = NORTH 26 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 9.06 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 38 DEGREES 24 MINUTES 17 SECONDS WEST DISTANCE OF 22.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 49.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 39 DEGREES 54 MINUTES 17 SECONDS, AN ARC DISTANCE OF 34.13 FEET, (CHORD BEARING AND DISTANCE = NORTH 18 DEGREES 27 MINUTES 09 SECONDS EAST, A DISTANCE OF 33.44 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 01 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 86.42 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEAST AND HAVING A RADIUS OF 5.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC DISTANCE OF 7.85 FEET, (CHORD BEARING AND DISTANCE = NORTH 43 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 7.07 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 0.46 ACRES, MORE OR LESS. [20054.11 SQUARE FEET]

(The above legal descriptions are as planned; the "as built" legal descriptions may vary slightly due to construction and other tolerances.)

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

A. Assessment means a share of funds required for payment of common expenses, including those incurred pursuant to the Community Property Agreement, which are from time to time assessed against the unit owner.

B. Association means TopSail Village Owners Association, Inc., a non-profit Florida corporation, and its successors (the corporate entity responsible for the operation of the Condominium).

C. Association Property includes that property, real and personal, in which title or ownership is vested in the Association for the use and benefit of its members.

D. Board of Directors means the board of administration responsible for the administration of the Association.

E. By-Laws means the By-Laws of the Association existing from time to time.

F. Common Elements means the portions of the Condominium property that is not included in the units.

G. Common Expenses shall include expenses of administration; expenses of insurance; expenses of maintenance, operation, repair and replacement and betterment of the Common Elements; and portions of the Limited Common Elements that are to be maintained by the Association; expenses declared common by provisions of this Declaration and the Association's By-Laws and the Community Property Agreement, as the same may be amended from time to time in accordance with the provisions hereof, and any valid charge against the Condominium as a whole. Common Expenses also include: any contract for cable and other services that may be bundled with cable services for Unit Owners in the Condominium.

H. Common Surplus means the excess of all receipts of the Association including, but not limited to, Assessments, rents, profits, revenues on account of the Common Elements, or any other source of income, over the Common Expenses.

I. Community Property means that property described in and being the subject of the Community Property Agreement.

J. Community Property Agreement means the instrument referred to in Exhibit A which is to be recorded in the public records of Walton County Florida. The Community Property Agreement is an agreement between the Master Association (as hereafter defined) and the Developer, pursuant to the Condominium Act, specifically including but not necessarily limited to Section 718.114 thereof. This agreement is intended to provide for the enjoyment, recreation and other use or benefit of the unit owners and the expenses of operation, replacements and other undertakings in connection therewith, as set forth in more detail therein, and are hereby declared to be Common Expenses of the Condominium. Additionally this agreement includes covenants and restrictions concerning use by unit owners as well as other provisions, all of which are set forth in more detail therein.

K. Condominium means that form of ownership of real property which is created pursuant to the Condominium Act and which is comprised of Units that may be owned by one (1) or more persons and having, as an appurtenance to each Unit, an undivided share in the Common Elements. Condominium also is used to refer to this condominium, i.e., the particular condominium that is created by the recording of this Declaration and to all of the TopSail Condominium Property as a whole when the context so permits.

L. Condominium Parcel means a unit, together with the undivided

share in the Common Elements appurtenant to the unit.

M. Condominium Property means the lands, leaseholds and personal property that are subject to Condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

N. Declaration or Declaration of Condominium means the instrument or instruments by which the Condominium is created as they may be from time to time amended.

O. Institutional Mortgagee means a bank, savings and loan association, an insurance company, a pension fund, a real estate investment trust, a mortgage banker, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal or State agencies, or other like business entities holding a mortgage on a Condominium Parcel.

P. Limited Common Elements means those common elements which are reserved for the use of a certain unit or units to the exclusion of other units, as specified in this Declaration.

Q. Number and Gender are used herein so that, when the context so permits, the use of the plural shall include the singular, the singular shall include the plural and the use of any gender shall be deemed to include all genders.

R. Special Assessment means any Assessment levied against Unit owners other than the Assessment required by a budget adopted annually. An amendment to an annual budget is not considered a special assessment.

S. Stormwater Management System means the stormwater management system as permitted for the Condominium by the Florida Department of Environmental Protection including all retention areas, filters, culverts and related appurtenances.

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

U. Voting Certificate means a document which designates one of the record title owners, or the corporate, partnership, or entity representative who is authorized to vote on behalf of a Unit owned by more than one owner or by any entity.

V. Voting Interest means the voting rights distributed to the

Association members. Each unit shall be entitled to one vote, subject to and in accordance with provisions of the Bylaws.

W. Unit Owner or unit owners, means the record title holder(s) of a Condominium Parcel.

X. Director means the members of the Board of Directors of the Association. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership. The validity of an action by the Board of Directors is not affected if it is later determined that a member of the Board of Directors is ineligible for Board membership due to having been convicted of a felony.

Y. Master Association refers to TopSail Village Master Association, Inc., a Florida not-for-profit corporation, which association has certain obligations with regard to the amenities that will serve all of the developments within the overall development of TOPSAIL VILLAGE, a planned development, by virtue of the Master Articles, Master Bylaws and regulations, if any.

Z. Master Articles means the Articles of Incorporation of the Master Association existing from time to time.

AA. Master Bylaws means the Bylaws of the Master Association existing from time to time.

3. TOPSAIL VILLAGE, A CONDOMINIUM, DEVELOPMENT PLAN. TopSail Village, a condominium, is part of an overall development that is sometimes referred to as TOPSAIL VILLAGE. TOPSAIL VILLAGE 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. TopSail Village, a condominium, is described and established as follows:

A. Survey. The survey of the Land showing the improvements on it is attached as Exhibit B. TopSail Village is a single Condominium which consists of eight (8) separate buildings. Construction of the eight (8) buildings commenced at different times. Pursuant to Section 718.104(4)(e) Florida Statutes, completed units within each substantially completed building may be conveyed by the Developer to purchasers notwithstanding that the other buildings in this Condominium are not substantially completed; provided that all planned improvements of the Condominium, including but not limited to

landscaping, Utility Services, and access to the units and Common Element facilities serving such building, as set forth in this Declaration are first completed and that this Declaration of Condominium has been recorded in the Public Records of Walton County, Florida. With respect to the units being conveyed, a certificate of surveyor shall be recorded with the original of this Declaration or as an amendment thereto and shall include, in addition to all statutory requirements, a certification that all planned improvements of the Condominium, including but not limited to landscaping, Utility Services and access to the unit and Common Element facilities serving the building in which the units to be conveyed are located have been substantially completed. When each remaining building is substantially complete, a further survey shall be recorded in the Public Records of Walton County, Florida, as an amendment to the original Declaration of this Condominium and notwithstanding any other provision herein to the contrary such amendment need be executed by the Developer only.

B. Plans. Improvements upon the land are constructed substantially in accordance with the graphic description of the improvements attached hereto as composite Exhibit C. Except as elsewhere provided, the plans attached hereto as composite Exhibit C may be amended only by a majority or more of the total voting interest, provided, however, the Developer reserves the right to amend said plans if such is required by a governmental entity, or is recommended in the interest of sound engineering or architectural practices.

C. Easements.

(1) Utility Easements. Developer hereby reserves unto itself and its successors and its assigns, and grants to the Association, the power to grant or assign, perpetual, non-exclusive easements over, across, under and through the Condominium Property for the construction, maintenance and operation of electric, gas or other utilities, cable television, security systems, communications service or other easements pertaining to the construction, maintenance and operation of other equipment, conduits, pipes, lines and similar installations servicing the Condominium Property with the power to relocate any such existing easements in any portion of the Condominium Property and/or Association Property, provided that such easements or the relocation of easements will not prevent or unreasonably interfere with the reasonable use of the Units for their intended purposes.

(2) Cross Easements. Easements are hereby created in favor of all unit owners in any condominium which may from time to time grant reciprocal easements to the unit owners of this Condominium, for pedestrian and vehicular ingress and egress, for use of recreational facilities, if any, and for ingress and egress to provide power, electric, telephone, sewer, water and other Utility Services and lighting facilities, irrigation, television transmission facilities, security service and facilities in connection therewith and other similar purposes; or any one or all of the foregoing. Developer, for itself, its nominee, its assigns and the Association, reserves an easement upon the Common Elements henceforth for any of the foregoing purposes.

(3) Easements for Encroachments. The Common Elements of TopSail Village, a condominium, may be joined or connected with or may encroach or be encroached upon by the Community Property or portions thereof. In the event of the foregoing, the same is deemed authorized and an easement appurtenant to the extent of any such encroachment and such easement shall exist so long as such encroachment shall exist. All the Condominium Property shall be subject to easements for encroachments which now exist or hereafter exist, caused by settlement or movement of a building, or caused by minor inaccuracies in building or rebuilding, which encroachments shall be permitted to remain undisturbed and such shall continue until such encroachments no longer exist. Reconstruction following casualty damage may continue any previously existing encroachment.

(4) Ingress and Egress Easement. Each unit owner of the Condominium shall have a nonexclusive easement for ingress and egress between said unit and the roads and streets serving the Condominium, over the halls, corridors, stairs, walks, driveways, parking areas, exterior access and other portions of the Common Elements of the Condominium and over the Community Property.

(5) Easement to Make Repairs. The Association has an easement for an irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Element or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit.

(6) Warranty. For as long as Developer remains liable under any warranty, whether statutory, express or implied, for any act or omission

of Developer in the development, construction, sale and marketing of the Condominium, then Developer and its contractors, agents and designees shall have the right, in Developers sole discretion and from time to time, to enter the Condominium Property for the purpose of making any necessary inspections, tests, repairs, improvements and/or replacements required for the Developer to fulfill any of its warranty obligations. Failure of the Association or any Unit Owner to grant such access shall be grounds for the Developer to declare the appropriate warranty nullified and of no further force or effect. Nothing herein shall be deemed or construed as the Developer making or offering any warranty, all of which are disclaimed (except to the extent same may not be) as set forth in Section 16 below.

(7) Easements as Appurtenances. The easements and other rights created herein for a unit owner shall be appurtenant to the unit of that owner and all conveyances of title to the unit shall include a conveyance of the easements and rights as are herein provided, even though no specific reference to such easements and rights appears in any such instrument.

(8) Easements Reserved for Developer. The Developer, for itself and its successors and assigns, hereby declares and reserves for itself non-exclusive easements, over, under, across, in and through the Condominium Property to permit the Developer and its successors and assigns to act upon and carry out its rights and duties, expressed or implied, pursuant to this Declaration and its exhibits, and to facilitate such other actions by the Developer for the development and sale of units within the Condominium. This easement shall expire 7 years after transfer of control of the Association from the Developer to Unit Owners other than the Developer.

(9) Right to Grant Easements. The Developer hereby reserves the right to grant easements to others over, under, across, in and through the Condominium Property, but this reserved right shall expire upon the sale and closing of the last of Developers Units.

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

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

(a) Upper Boundary. The horizontal plane of the

undecorated finished ceiling.

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

(2) Perimetrical Boundaries. The perimetrical boundaries of the unit shall be the vertical planes of the undecorated finished interior of the walls bounding the unit, to the backside of the drywall wall, where drywall is installed, extended to intersections with each other and with the upper and lower boundaries. The Declarant reserves the right to combine two or more Units into one Unit by modifying or eliminating the walls between Units (for example, connecting two units by securely locked doors). However, any Units which have been so combined shall continue to be treated as separate Units for purposes of allocating assessments and votes of Unit Owners.

E. Common Elements. The Common Elements include the land and all of the parts of the Condominium not within the unit.

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

A. Types Of Units. There are a variety of unit floor plans as shown on Exhibit C attached hereto.

B. Unit Numbers. The units of the Condominium are identified by the numbers set forth on the graphic description of the improvements attached hereto as composite Exhibit C.

C. Appurtenances to Units. The owner of each unit shall own a share and certain interest in the Condominium Property, which share and interest is appurtenant to the several units as:

(1) Common Elements and Common Surplus. An undivided share in the land and other Common Elements and the Common Surplus for each unit is set forth in Exhibit F.

(2) Association Membership. The membership of each unit owner in the Association and the interest of each unit owner in the funds and assets held by the Association.

(3) Automobile Parking Spaces. Automobile parking spaces are a part of the Common Elements of the Condominium. At least one automobile parking space will be available for use by each unit owner. Availability of parking spaces will be subject to such reasonable rules and regulations as may from time to time be promulgated by the Developer or the Association.

(4) Vote. Each unit shall be entitled to one (1) vote, said vote to be cast by the unit owner in the manner prescribed by the By-Laws of the Association.

(5) Limited Common Elements. Each unit has either a balcony or a patio adjacent to it that is a Limited Common Element appurtenant to such unit. Additionally, some Units in buildings 400-800 will have a garden area that is also a Limited Common Element appurtenant to said units. Additionally, units 123, 223, and 323, as well as units 422, 522, 622 and 722 will each have a private stairway entrance that will be a Limited Common Element appurtenant to each such unit.

D. Liability for Common Expense. Each unit shall be liable for a proportionate share of the Common Expenses such share being the same undivided share in the Common Elements appurtenant to his Unit.

E. Maintenance, Alteration and Improvement. Responsibility for the maintenance for the Condominium Property, and restrictions upon its alterations and improvements shall be as follows:

(1) Units & Limited Common Elements.

(a) By the Association. The Association shall maintain, repair and replace as a Common Expense of this Condominium:

(i) All portions of a unit, except interior surfaces, which contribute to the support of the condominium building, which portion shall include but not be limited to the outside walls of the condominium building, including the exterior building finish, and all fixtures on its exterior, boundary walls of units, floor and ceiling decking, load bearing columns and load bearing walls;

(ii) The balconies that are Limited Common Elements appurtenant to a unit, consisting of the structural portions of the floor, walls or railings that are part of the balconies, but excluding interior surfaces of the balcony flooring, shall be repaired, maintained and replaced at the expense of the Association;

(iii) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services contained in the portion of a unit maintained by the Association; and all such facilities contained within a unit that service part or parts of the Condominium other than the unit within which contained;

(iv) All portions of a unit which are damaged as

a result of a casualty for which the Association has secured insurance coverage;

(v) All incidental damage caused to a Unit in the course of such work as is described above or caused to a Unit in the course of the Association's maintenance and operation of the Common Elements or Limited Common Elements that are maintained by the Association shall be repaired promptly at the expense of the Association;

(vi) In the event of doubt or question as to whether the Association or a Unit Owner is responsible for the repair of the item or items involved, and where damage to the Common Elements, Limited Common Elements or to another Unit is occurring or is likely to occur in the absence of repair, the Association shall undertake repair of the item or items involved and determine responsibility for payment for same as soon as reasonably practicable thereafter;

(vii) Notwithstanding the foregoing, the Association's undertaking of repair, as provided above, shall not be considered evidence of or acceptance of responsibility for the ultimate cost of such repair and shall not be admitted in evidence on the question of responsibility in any proceeding thereon, whether judicial, administrative, formal or informal. Such ultimate responsibility for the cost of repair shall be determined based on applicable principles of law, including the terms and provisions of this Declaration.

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

(i) To maintain, repair and replace at his expense all portions of his unit, including Limited Common Elements appurtenant thereto, except the portions to be maintained, repaired and replaced by the Association, as provided above, or in the event of damage resulting from casualty, that portion for which the Association has secured insurance coverage; the interior surfaces of Limited Common Element balconies and all of the patios shall be maintained, repaired, and replaced by the Unit Owner; consistent with and subject to the foregoing, the Unit Owner shall repair and replace the following: all floor, wall and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment (including pipes, wiring, ducts, fixtures serving only one Unit), water heaters, water filters, built-in cabinets and countertops, and windows, window

glass, fogged window glass, glass sliding doors and screens, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a unit and serve only one unit and all air conditioning compressors that service only an individual unit, whether or not located within the unit boundaries, and any items installed by the Unit Owner on balconies or patios. Such shall be done without disturbing the rights of other unit owners.

(ii) Except as otherwise provided herein, not to paint or otherwise decorate or change the appearance of any portion of the exterior of a condominium building, including any balcony, porch, patio or similar facility whether a part of the unit or not, in any manner whatsoever without the prior written consent of the Board of Directors of the Association, including installation of television antennae or dishes; 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 4½ 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.

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

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

(d) Hurricane/Storm Shutters. Unit owners may

install hurricane/storm shutters protecting the balcony and similar areas which are a part of their Unit or Limited Common Elements appurtenant to their Unit as provided herein. For purposes of uniformity and exterior appearance of the Condominium Units and buildings, the Board of Directors of the Association shall adopt and approve a model, style and color of storm shutter as a standard storm shutter for use in the Condominium, which may be installed on the exterior of the terraces in compliance with applicable building codes. No storm shutter except of the models, colors and styles adopted by the Board of Directors shall be used in or upon the Condominium Property.

(2) Common Elements.

(a) By the Association. The maintenance and operation of the Common Elements shall be the responsibility of the Association and a Common Expense of this Condominium.

(b) Alteration and Improvement. After the completion of the improvements included in the Common Elements contemplated by this Declaration, except as elsewhere provided, there shall be no substantial alteration nor further substantial improvement of the real property constituting the Common Elements without prior approval by the owners of not less than a majority of the units. The terms substantial alterations or substantial improvements are defined to mean those alterations or improvements that are estimated to cost more than \$50,000.00. No such alteration or improvement shall materially interfere with the rights of any unit owner without his consent.

(c) Enlargement. Land or other property interests acquired by the Association may be added to the land or other property interests submitted to Condominium ownership hereby. This may be done by an amendment to this Declaration that includes the description of the interests in the property being added to the Common Elements; submission of same to the Declaration shall vest title to the property added to the Common Elements in the unit owners as a part of the Common Elements, without naming the unit owners and without further conveyance, in the same proportion as the undivided shares in the Common Elements that are appurtenant to the units owned by the unit owners. Such enlargement of the Common Elements shall be effective upon the recording in the public records of Walton County, Florida, of an Amendment

to the Declaration together with a certificate of the Association certifying that the amendment was adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed.

(d) Land Not Incorporated. Any land acquired by the Association that is not incorporated as a part of the Common Elements by amendment of this Declaration, may be sold, mortgaged or otherwise disposed of by the Association with the prior approval by owners of not less than a majority of the units. This approval shall be evidenced by a certificate stating that the approval was duly given, which certificate shall be executed by the officers of the Association with the formalities of a deed and delivered to a purchaser or mortgagee of such land.

(e) Personal Property. Any personal property acquired by the Association may be sold, mortgaged or otherwise disposed of by appropriate vote of the Board of Directors of the Association without approval of the unit owners.

(3) Limited Common Elements. The unit owners shall not alter or improve the balconies or patios appurtenant to their units as Limited Common Elements, except that each unit owner may alter at such owners expense the floor covering to be installed over his balcony or patio floor, provided that the installation proposed, and the material to be used in the installation has first been approved by the Association Board of Directors.

5. ASSESSMENTS. The making and collection of Assessments against unit owners for Common Expenses shall be pursuant to the By-Laws and subject to the following provisions:

A. Share of Common Expenses. Each unit owner shall be liable for a proportionate share of the Common Expenses and shall share in the Common Surplus, such share being the same as the undivided share in the Common Elements appurtenant to his unit. A unit owner, regardless of how title is acquired, including, without limitation, a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the owner of a unit. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for his share of the Common Expenses up to time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. A first mortgagee who acquires title to the unit by

foreclosure or by deed in lieu of foreclosure is liable for the unpaid Assessments that became due prior to the mortgagee's receipt of the deed. In no event shall the mortgagee be liable for more than six (6) months of the unit's unpaid Common Expenses or Assessments accrued before the acquisition of the title to the unit by the mortgage or one percent (1%) of the original mortgage debt, whichever amount is less.

B. Non Waiver. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by abandonment of the unit for which the Assessment is made.

C. Liability of Developer. The Developer shall not be liable for and shall be excused from the payment of any Assessments for Common Expenses assessed against substantially completed Units owned by the Developer during the period beginning with the recording of this Declaration. The period of guarantee, unless extended as hereafter provided, shall terminate not later than one (1) calendar year thereafter or upon the transfer of control of the Association to Unit Owners other than the Developer, whichever occurs first. During this period, the Developer guarantees that the Assessments for Common Expenses imposed on the Unit Owners other than the Developer shall not increase over the following dollar amount per quarter per Unit: \$830.18. The Developer shall pay any amount of Common Expenses incurred during the period and not produced by the Assessments at the guaranteed level receivable from other Unit Owners. Upon termination of this guarantee, the Developer shall pay Assessments for Common Expenses for Units owned by the Developer. Notwithstanding anything to the contrary herein provided regarding the expiration of the guarantee period, the Developer may extend the initial one year guarantee period (or subsequent guarantee periods) to provide one or more additional one year guarantee periods upon like terms and conditions as herein provided. To effect such extension, Developer shall file written notice thereof with the Secretary of the Association who shall file or cause said notice to be filed with the minutes of the Association's Board of Directors.

D. Operating Capital. Each purchaser of a unit from the Developer will pay to the Association a sum equal to one quarter's maintenance fee on his unit as a contribution towards operating capital of the Association. The Association may use its accumulated operating capital or other sources of funds to reimburse the Developer for repayment of loan(s) or advances, if any, used by the Association to pay deposits on utilities.

E. Interest; Application of Payment. Assessments and installments on such Assessments paid on or before ten (10) days after the date when due (as hereafter clarified) shall not bear interest but all sums not paid on or before ten (10) days after the date when due shall bear interest at ten percent per annum, simple interest, from the date when due until paid. All payments upon accounts shall be first applied to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorneys fees, and then to the delinquent assessment first due. For clarification purposes, the date when due shall not be earlier than the date the survey required by 718.104(4)(e), Florida Statutes, has been recorded reflecting substantial completion of the units in a given building.

F. Lien for Assessments. The Association shall have a lien on each Condominium Parcel for any unpaid Assessments together with interest thereon, against the owner of such Condominium Parcel. Reasonable attorney's fees incurred by the Association incident to the collection of such Assessment or the enforcement of such lien, shall be payable by the unit owner and secured by such lien. The Association's lien shall also include other use charges and operation costs designated by this Declaration as Common Expenses.

The Association's lien shall be effective from and after the time of recording in the public records of Walton County, Florida, of a claim of lien stating the description of the Condominium Parcel, the name of the record owner, the name and address of the Association, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien have been fully paid. The claim of lien shall be signed and acknowledged by an officer or agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of the lien. All liens of the Association shall be subordinate to the lien of an Institutional Mortgagee recorded prior to the time of recording of the claim of lien.

G. Collection and Foreclosure. The Board of Directors may take such action as they deem necessary to collect Assessments of the Association by personal action or by enforcing and foreclosing the Association's lien, and may settle and compromise same, if in the best interest of the Association. The Association's lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by the Act. In

the event that an installment of an assessment is delinquent, the balance due of such assessment shall be deemed accelerated upon recording of a claim of lien for such assessments in the public records of Walton County, Florida, unless the Board of Directors expressly approves otherwise as to a particular claim of lien that is recorded. Such accelerated assessments shall include all amounts due for the remainder of the budget year in which the claim of lien was filed together with interest, payment, costs and reasonable attorneys fees. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an Assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. In case of such foreclosure, the Court may require the Condominium Parcel owner to pay a reasonable rental for the Condominium Parcel if the Condominium Parcel owner is in possession of the unit during the period of foreclosure, and the Plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect same from the unit owner or occupant or both.

H. Liability of Mortgagee. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments that became due prior to the mortgagees acquisition of title is limited to the lesser of:

(1) The units unpaid Common Expenses and regular periodic Assessments which accrued or came due during the 6 months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

(2) One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

The person acquiring title shall pay the amount owed to the Association within 30 days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the parcel and proceed in the same manner as provided elsewhere for the collection of unpaid Assessments.

Any unpaid share of Common Expenses or Assessments shall be deemed to be

Common Expenses collectable from all of the unit owners, including such acquirer of title, whether as a result of foreclosure or by acceptance of a deed in lieu of foreclosure. The new owner by virtue of the acquiring of such title shall forthwith become liable for the payment of the Common Expenses and such other expenses as may be chargeable to the owner of a unit hereunder.

I. Certificate. Any unit owner shall have the right to require from the Association a certificate showing the amount of unpaid Assessments against him with respect to his Condominium Parcel. The holder of a mortgage or other lien shall have the same right as to any Condominium Parcel upon which he has a lien. Any person other than the owner who relies upon such certificate shall be protected thereby.

J. Liability for Assessments Prior to Substantial Completion Excused. Notwithstanding anything to the contrary above provided, all Unit Owners in a building that is not substantially complete are excused from paying assessments on Units within such building for the period of time beginning with the recording of this Declaration until the date of recording of an amendment to this Declaration containing a surveyors certificate required by 718.104 (4)(e), Florida Statutes, reflecting that such building and the units therein are substantially complete.

6. ASSOCIATION. The operation of the Condominium shall be by TopSail Village Owners Association, Inc. a corporation not for profit under the laws of Florida, which shall fulfill its functions pursuant to the following provisions:

A. Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached and made a part hereof as Exhibit D.

B. By-Laws. The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached and made a part hereof as Exhibit E.

C. Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to unit owners for injury or damage, other than the cost of maintenance and repair, caused by any latent conditions of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

D. Restraint Upon Assignment of Shares in Assets. The Shares of members in the funds, assets and property rights of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

E. Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by written agreement as well as by duly recorded vote and shall, in either event, be expressed by the same person who would cast the vote of the unit owner if in an Association meeting, unless the joinder of record of unit owners is specifically required by the Declaration.

7. INSURANCE. The insurance other than title insurance that shall be carried on the Condominium Property and the property of the unit owners shall be governed by the following provisions:

A. Authority to Purchase; Named Insured. All insurance policies upon the Condominium Property shall be purchased by the Association. The named insured shall be the Association individually and as agent for the unit owners, without naming them, and as agent for their mortgagees. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of unit owners. Such policies shall provide that payments by the insurer for losses shall be made to the Association, or if required by the holder of a first mortgage on one of the units, an insurance trustee designated by the Association, and all policies and their endorsements shall be deposited with the Association or, if applicable, the insurance trustee. Unit owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expense.

B. Coverage.

(1) Casualty. All buildings and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value except, in the case of flood insurance, the amount shall not be required to exceed the amounts available under the National Flood Insurance Program or its successor, and all personal property included in the Common Elements shall be insured for its value, all as determined annually by the Board of Directors of the Association with such deductible clauses required to obtain coverage at a reasonable cost. Such coverage shall afford protection against:

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(a) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement and

(b) Such other risks as from time to time shall be customarily covered with respect to buildings on the land, including but not limited to vandalism and malicious mischief, windstorm and flooding.

(c) Insurance policies providing casualty coverages pursuant to 7. B.(1)(a) and (b) above shall provide primary coverage for:

(i) All portions of the condominium property located outside the units;

(ii) The condominium property located inside the units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the unit was initially conveyed; and

(iii) all portions of the condominium property for which the declaration requires coverage by the Association.

(iv) notwithstanding anything to the contrary provided above which defines the scope of property or casualty insurance that the Association must obtain excludes all of the following: all floor, wall and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment (including pipes, wiring, ducts, fixtures serving only one Unit), water heaters, water filters, built-in cabinets and countertops, and windows, window glass, fogged window glass, glass sliding doors and screens, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a unit and serve only one unit and all air conditioning compressors that service only an individual unit, whether or not located within the unit boundaries, and any items installed by the Unit Owner on balconies. The items excluded from required Association insurance shall be insured by the Unit Owner; and each hazard insurance policy issued to a Unit Owner shall provide that the coverage afforded by such policy is excess over the amount recoverable under any other policy covering the same property; and each insurance policy issued to an individual Unit Owner providing such coverage shall be without rights of subrogation against the Association.

(v) Further, such Association policies, when appropriate and possible, shall waive the insurer's right to (1) subrogation against the Association and against the unit owners individually and as a group (2) benefit of the pro rata clause that reserves to the insurers the right to pay only a fraction of any loss if other insurers have issued coverage on the same risk and (3) avoid liability for a loss that is caused by an act of the Board of Directors of the Association or a director or one or more unit owners.

(2) Liability. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association.

(3) Workmens Compensation. Worker's compensation policy, if required to meet the requirements of law.

(4) Fidelity Bonding. Fidelity bond insurance of all persons who control or disburse funds of the Association.

(5) Other. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

C. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense of this Condominium.

D. Insurance Trustees; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or to such bank located in the State of Florida with trust powers as may be designated as insurance trustee by the Board of Directors of the Association, which trustee is referred to in this instrument as the "insurance trustee." The insurance trustee shall not be liable for payment of premiums, nor the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the insurance trustee, or the Association if no insurance trustee is designated, shall be to receive such proceeds as are paid and to hold the proceeds in trust for the purpose elsewhere stated in this instrument and for the benefit of the unit owners and their mortgagees in the following shares but which shares need not be set forth on the records of the insurance trustee:

(1) Unit Owners. An undivided share for such unit owner;

such share being the same as the undivided share in the Common Elements appurtenant to his unit.

(2) Mortgagees. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interest may appear; provided, however, except as otherwise provided, no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the unit owner and mortgagee pursuant to the provisions of this Declaration.

E. Distribution of Proceeds. Proceeds of insurance policies received by the Association or the insurance trustee shall be distributed to or for the beneficial owners in the manner herein provided in "8. RECONSTRUCTION OR REPAIR AFTER CASUALTY."

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

8. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

A. Determination to Reconstruct or Repair. If any part of the Condominium Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(1) Common Element. If the damaged improvement is a Common Element, other than a unit building, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(2) Unit Building.

(a) Lesser Damage. If the damaged improvement is one or more unit buildings and if at least one-third of the units that have been previously substantially completed are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided herein that the Condominium

shall be terminated.

(b) Major Damage. If the damaged improvement is a unit building and if less than one-third of the previously substantially completed units are found by the Board of Directors to be tenantable, then the damaged property will not be reconstructed or repaired and the Condominium will be terminated without agreement, unless within sixty (60) days after the casualty seventy-five percent (75%) of the Voting Interests and the mortgagee holding the greatest number of first priority recorded mortgages on the units making up the seventy-five (75%) Voting Interests consents in writing to reconstruction or repair of the Condominium.

(3) Certificate. The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

B. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association.

C. Responsibility. If the damage is not the result of a casualty for which the Association has secured insurance coverage and is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

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

E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair by the Association, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessment shall be made against all unit owners in sufficient amounts to

provide funds for the payment of such costs. This Special Assessment, when limited in purpose to the payment of costs of reconstruction and repair, may be made by the Board of Directors, without approval of the unit owners or their mortgagees, upon a 2/3's vote of the directors, a quorum being present. Such Assessments shall be in proportion to the owner's share in the Common Elements.

F. Construction Funds. The funds for payment of the costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Association or the insurance trustee and funds collected by the Association from Assessments against unit owners shall be disbursed in payment of the costs in the following manner:

(1) Association. If the total Assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair that is the responsibility of the Association is more than Ten Thousand Dollars (\$10,000.00), then the sums paid upon such Assessments shall be deposited by the Association with the insurance trustee if one has been designated. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse them in payment of the costs of reconstruction and repair.

(2) Construction Fund. The proceeds of insurance collected on account of a casualty, and the proceeds from collections of Assessments against unit owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(a) Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request of a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such funds shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(b) Association Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs in the manner

required by the Board of Directors of the Association upon approval by an architect qualified to practice in Florida and employed by the Association to supervise the work.

(c) Unit Owner. Notwithstanding whether the construction fund remains in the possession of an insurance trustee or the Association Board of Directors, no unit owner shall be entitled to possession of said funds, or any part thereof, for the purpose of effecting his or her own unit repairs so long as the insurance trustee or Association Board of Directors undertakes to effect said repairs and replace the damaged Condominium Property, including Common Elements and Units, with property of like kind and quality to that which existed prior to the casualty for which said proceeds were received. Neither the Association nor the insurance trustee shall be under any obligation to expend any part of the construction funds received for casualty claims arising under insurance policies purchased by the Association as designated in any adjustment report for said claim or casualty, so long as the Association undertakes to effect repairs to provide the unit owners with Condominium Property, including Common Elements and Units, of like kind and quality to that which existed prior to the casualty for which said proceeds were received.

(d) Surplus. It shall be presumed that the first monies disbursed in payment of costs for reconstruction and repair shall be from insurance proceeds. If there is a balance in construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial owner that is not in excess of Assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

(e) Certificate. Notwithstanding the provisions of this instrument, the insurance trustee shall not be required to determine whether or not sums paid by the unit owners upon Assessments shall be deposited by the Association with the insurance trustee, nor to determine whether the disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the insurance trustee may rely upon a certificate of the Association made by its president and secretary as to any or all, of such matters and stating that the sums to be

paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the insurance trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a unit owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be obtained prior to disbursements in payment of costs of reconstruction and repair.

9. USE RESTRICTIONS. The use of the 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) herein.

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 included 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 1/2 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 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 1/2 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.

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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 requirements imposed by the Association and which are applicable to all other owners and units.

10. NOTIFICATION OF TRANSFER OF INTEREST. The transfer of fee ownership or other interest in units in the Condominium by sale, lease, gift, devise, inheritance, foreclosure or other method, shall not be subject to the prior approval of the Association, except for such approval as may be necessary to assure that assessments are to be paid through the date of the proposed transfer; both the transferor and the transferee shall notify the Association of the transfer unless same is a lease or rental for a term of less than one (1) month, within ten (10) days of the date of the transfer, together with such other information concerning the transferee as the Association may reasonably require. The Association may charge an administrative fee for such review, approval and administrative work associated with processing such transfer information, such fee not to exceed \$100.00 per applicant. A husband/wife or parent/dependent child shall be considered one applicant. The payment of the fee shall be the joint and several responsibility of the existing owner and the proposed transferee.

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

by law, to the following relief:

A. Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

B. Fines. The Association may levy fines in the manner provided in the Bylaws.

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

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

12. SPECIFIC RIGHTS OF INSTITUTIONAL MORTGAGEES. In addition to the rights and privileges expressly granted to the mortgagees of Condominium units in other Articles of this Declaration of Condominium, each and every Institutional Mortgagee shall have the following rights and entitlements:

A. Upon written request to the Association, the Association shall make available to Institutional Mortgagees current copies of the Declaration of Condominium and its Exhibits including but not necessarily limited to the By-Laws and rules of the Association, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

B. An Institutional Mortgagee shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year of the Association.

C. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of

foreclosure for the unpaid assessments that became due prior to the mortgagees acquisition of title is limited to the lesser of:

(1) The units unpaid common expenses and regular periodic assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

(2) One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

D. Upon written request to the Association identifying the name and address of the Institutional Mortgagee, such Institutional Mortgagee will be entitled to timely written notice of the following:

(1) Any condemnation, loss or other casualty loss which affects a material portion of the Condominium or any unit which is encumbered by a mortgage held by the Institutional Mortgagee;

(2) Any delinquency in the payment of Assessments or Common Expenses owed by an owner of a unit subject to a mortgage held by an Institutional Mortgagee, which remains uncured for a period of sixty (60) days;

(3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(4) Any proposed action which would require the consent of a specified percentage of mortgage holders.

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

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

B. Adoption. 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, at a meeting called for this purpose. Directors and members not present in person or by proxy at the meeting

considering the amendment may express their approval or disapproval in writing, but the approval or disapproval may not be used as a vote for or against the action taken and may not be used for purposes of creating a quorum. Except as elsewhere provided, such approval must be either by:

(1) Approval by the owners of two-thirds (2/3) of the Units who are present at the meeting or have submitted a proxy; or

(2) Until the first election of Directors, only by 2/3's of the Directors, provided the amendment does not increase the number of Units nor alter the boundaries of the Common Elements.

(3) If there is an omission or error in this Declaration of Condominium, or in other documents required by law to establish the Condominium, the Association may correct the error or omission by an amendment to the Declaration, or the other documents required to create a condominium, and such Amendment need only be approved by a majority of Directors when proposed by directors or a majority of the Voting Interests when proposed by members of the Association. This procedure for amendment cannot be used if such an amendment would materially or adversely affect property rights of Unit owners, unless the affected Unit owners consent in writing. This subsection does not restrict the powers of the Association to otherwise amend the Declaration, or other documentation, but authorizes a simple process of amendment requiring a lesser vote for the purpose of curing defects, errors, or omissions when the property rights of Unit owners are not materially or adversely affected.

(4) In addition to any other method of amending this Declaration provided for elsewhere herein, 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, (iv) to correct

clerical or typographical errors in this Declaration or any Exhibit hereto or any amendment thereto; or (v) to make any other change in this Declaration or any Exhibit hereto or any amendment thereto, except as may be precluded by the provisions of 718.110(4) and (8), Florida Statutes. In furtherance of the foregoing, an irrevocable 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, mortgagee or other lienholder. 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 of the Developer to make, execute and record Special Amendments. The reserved rights of the Developer under this Article shall expire when all obligations or liabilities of the Developer in any way arising in connection with the Condominium have been satisfied, terminated, settled or have expired. The Special Amendment reflecting such changes need only be executed by the Developer.

C. Form of Amendment. No provision to the Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of the Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Declaration. See provision . . . for present text." Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

D. Proviso. Provided, however, no amendment shall change any unit nor the share in the Common elements appurtenant to it, nor increase the owners share of the Common expenses, unless the record owner of the unit concerned and all record owners of mortgages on such unit shall join in the execution of the amendment and unless at least a majority of the record owners of all other units approve the amendment. Notwithstanding anything hereinabove provided with respect to amendments, no timeshare estates shall be allowed in this Condominium unless an amendment so providing has been approved

by all unit owners and all record owners of liens on each unit join in the execution of such amendment.

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

14. TERMINATION. In addition to the manner provided by the Condominium Act, the Condominium

A. will be terminated without agreement if it is determined in the manner elsewhere provided in this Declaration that the condominium building shall not be reconstructed or repaired because of major damage; such termination will be effective upon the recording in the public records where the Condominium is located a resolution of the Board of Directors reciting that the Condominium is terminated because of major damage, as provided herein; and

B. may be terminated for any reason by agreement of seventy-five percent (75%) of all Voting Interests in the condominium and the consent of the mortgagee holding the greatest number of first priority recorded mortgages on the units making up such 75% Voting Interests; such termination shall become effective when an instrument executed or joined in by the 75% Voting Interests and the consenting mortgagee in the manner required for the conveyance of land in Florida evidencing the termination has been recorded in the public records of the county where the Condominium is located.

C. Upon termination becoming effective by reason of either (a) or (b) above, unit owners shall be tenants in common as to ownership of the real property herein described and any improvements thereon. The Association shall endeavor to sell the Condominium Property, and any Association Property it then holds and wind up its affairs, and shall have authority to enter into a contract for sale of same, upon the condition that it hold the proceeds of sale in trust for the benefit of the unit owners and mortgagees, as their interests may appear. In furtherance of the foregoing, all unit owners and their mortgagees, their successors and assigns, by accepting the deed or mortgage affecting their unit, are deemed to have appointed the Association its attorney-in-fact for the purpose of entering into such contracts, executing deeds as to all units in conformance with the terms and provisions

of such contract for sale and executing any and all other closing documents necessary and useful in the closing of such transaction, including but not limited to bills of sale, curative instruments, affidavits and closing statements. This power is coupled with an interest and is irrevocable. After providing for all necessary costs and expenses, including court costs and reasonable attorneys fees in the event of litigation necessary to complete the termination and sale, the unit owners and their mortgagees shall have an undivided interest in the accumulated proceeds of sale and in any common surplus of the Condominium in accordance with the percentages of ownership in the Common Elements set forth in this Declaration. The Association shall continue its existence and operation until its assets are liquidated and affairs are wound up. Thereupon, membership in the Association by each unit owner shall terminate.

D. The termination of the Condominium does not bar the creation of another condominium affecting all or any portion of the property described herein.

E. Prior to the Board of Directors taking any action looking towards termination of the Condominium, the Board shall comply with the notice provisions contained in 718.117 (1), Florida Statutes, as same may be amended from time to time, and after such termination shall also comply with the notice provisions regarding providing notice of the recording of the document evidencing such termination.

15. CONDEMNATION. The Association shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of any part of the Common Elements. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the unit owners and their mortgagees as their interest may appear.

16. DISCLAIMER OF WARRANTIES. Developer hereby disclaims any and all express or implied warranties as to continuance of any particular view (it being understood and agreed that construction on any adjacent properties may obstruct such view), design, construction, sound transmission, furnishing and equipping of the Condominium Property, except only those set forth in section 718.203 of the Act, to the extent applicable and to the extent that same have not expired by their terms. As to such warranties which cannot be disclaimed, and to other claims, if any, which can be made as to the aforesaid matters,

all incidental and consequential damages arising therefrom are hereby disclaimed. All unit owners, by virtue of acceptance of title to their respective units (whether from the Developer or any other party) shall be deemed to have automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages.

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

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

Signed, Sealed and Delivered in the presence of:

Cori E. Ogles
Signature of Witness
CORI E. OGLES
Print Name of Witness
Rob Blue Jr
Signature of Witness
Rob Blue Jr
Print Name of Witness

Beach Place Development, LLC

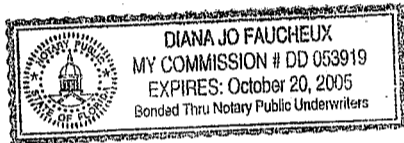
Timothy G Pauls
By: Timothy G. Pauls
Its: Authorized Member
Alice Pauls
By: Alice Pauls
Its: Authorized Member

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 21ST day March, 2005, by Timothy G. Pauls and Alice Pauls, authorized members on behalf of Beach Place Development, LLC, a Florida limited liability company, who is personally known to me.

(Notary Seal)

Diana J Fauchaux
Notary Public



THIS INSTRUMENT PREPARED BY:
ROB BLUE, ESQ.
BURKE, BLUE & HUTCHISON, P.A.
P. O. Box 70
Panama City, Florida 32402