

CERTIFIED RESOLUTION AMENDING DECLARATION OF CONDOMINIUM
OF ONE SEAGROVE PLACE, A CONDOMINIUM

State of Florida:
County of Walton:

I, James L. Radtke, Secretary of One Seagrove Place Owners Association, Inc., a Florida Corporation, certify that at the Annual Meeting of the Association on October 26, 1996, upon proper notice, the members of the Association adopted the following resolution, amending various provisions of the Declaration of Condominium for One Seagrove Place, a Condominium, that said adoption was approved by:

o Not less than sixty-six and two-thirds percent (66-2/3%) of the entire membership of the board of directors and by not less than fifty-one percent (51%) of the votes of the entire membership of the association, or

o Not less than seventy-five percent (75%) of the votes of the entire membership of the association,
all in accordance with the law, the Declaration of Condominium, the articles of Incorporation, and the By-Laws of the Association.

Resolve that:

The provisions of the Declaration of Condominium for One Seagrove Place, a Condominium, originally recorded at Official Record Book 346, Page 97 of the records of Walton County, are revised as shown on the attached pages.

AND WITNESS WHEREOF, I have hereunto affixed my name as Secretary of the Association this 17th day of DECEMBER, 1996.

/s/ James L. Radtke
Secretary

Attest:
/s/ Robert R. Wood
President

FL 543975 B 1604 P 105
CO:WALTON ST:FL

DAN BODIFORD CLERK
CO:WALTON ST:FL

FILED AND RECORDED
DATE 02/20/97 TIME 10:41

DECLARATION OF CONDOMINIUM
FOR ONE SEAGROVE PLACE,
A CONDOMINIUM

ARTICLE I. DEFINITION OF TERMS

The terms used herein and with the Articles of Incorporation, By-Laws and Rules and Regulations of ONE SEAGROVE PLACE OWNER'S ASSOCIATION, INC., shall have the meanings stated in the Condominium Act, and as follows unless the context otherwise requires:

1. Condominium: Condominium is that form of ownership of condominium property under which units are subject to ownership by one or more owners, and there is appurtenant to each unit as part hereof an undivided share in the common elements.

2. Condominium Documents: Condominium documents are comprised of the Declaration of Condominium establishing ONE SEAGROVE PLACE, a condominium, and all exhibits thereto.

3. Declaration of Condominium: Declaration of Condominium means this instrument as it may, from time to time, be amended.

4. Condominium Property: Condominium property, as the term is used in these condominium documents, is comprised of the land dedicated to condominium ownership and all improvements located thereon intended for use in connection with the condominium.

5. Condominium Parcel: Condominium parcel, as the term is used in these condominium documents, means a unit together with an undivided share in the common elements which are appurtenant to the unit.

6. Condominium Unit: Condominium unit or "unit" and condominium apartment or "apartment" are the terms that we use in these condominium documents, that refer to that part of the condominium property which is subject to private ownership and said terms are used interchangeably. Excluded, however, from condominium units are all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors and above the undecorated and/or unfinished inner surfaces of the ceilings of each unit, and further, excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior and exterior bearing walls and/or bearing partitions, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior or exterior wall or partition or balcony for the furnishing of utility services to units, club and common elements. All air conditioning and heating equipment and overhead sprinkler system, serving a unit is considered to be a part of that unit even though such equipment may be outside of the boundaries of the unit as shown on the condominium plat and as described therein. (The balcony adjacent to each unit is also a part of the condominium unit.)

7. Unit Owner: Unit owner, or owner of a unit, or apartment owner, or owner of an apartment, or parcel owner, or private dwelling owner, means the owner of a condominium parcel.

8. Common Elements: Common elements shall mean and comprise all the real property improvements and facilities to the ONE SEAGROVE PLACE, a condominium, including all parts of the unit buildings other than the units as same are herein defined and shall include easements through units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility service to units, and easements of support in every portion of the units which contributes to the support of the improvements and shall further include all personal property held and maintained for

the joint use and enjoyment of all of the owners of all such units and shall include all the units.

9. Common Expenses: Common expenses, as the term is used in these condominium documents, means the expense for which the unit owners are liable to the association and shall include, but not be limited to, expenses of administration of ONE SEAGROVE PLACE, a condominium; expense of maintenance, operation and repair or replacement of the common elements; any valid charge against the condominium as a whole; taxes imposed upon the common elements by governmental bodies having jurisdiction over ONE SEAGROVE PLACE, a condominium, and expenses declared to be common expenses by the provisions the condominium documents, as same may be amended, from time to time, in accordance with the provisions thereof. The net of expenses incurred over income generated from any rental or sales program operated by the Association shall be a common expense of the Association.

10. Common Surplus: Common surplus, as the term is used in these condominium documents, means the excess of all the receipts of the association including, but not limited to, assessments, rents, profits and revenues on account of the common elements, or any other source of income, over the amount of the common expense.

11. Association: Association, as the term is used in these condominium documents, refers to ONE SEAGROVE PLACE OWNER'S ASSOCIATION, INC., a Florida corporation not for profit, and its successors and assigns as provided for in the Condominium Act.

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

13. Institutional Mortgagee: Institutional mortgagee or mortgagee means a bank, savings and loan association, insurance company, an agency of the United States Government, a real estate investment trust, or a lender generally recognized in a community as an institutional lender.

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

ARTICLE II: SUBMISSION OF PROPERTY AND IMPROVEMENTS TO CONDOMINIUM OWNERSHIP

SURF SIDE DEVELOPMENT COMPANY, INC., as the owner of that certain property located in Walton County, Florida, commonly referred to as ONE SEAGROVE PLACE, a condominium, and more particularly described in Exhibit "A," attached to the original condominium documents at ORB 346 PG 122, but not rerecorded here, submitted the property described in Exhibit "A" and the improvements thereto to condominium ownership in accordance with Chapter 718, Florida Statutes, pursuant to the original Declaration of Condominium recorded at ORB 346, PG 97.

On said real property was constructed a project comprised of one building containing 130 units. The above described real property and improvements was submitted to condominium ownership and became the condominium known and identified as ONE SEAGROVE PLACE, a condominium, consisting of units and common elements, as said terms have been herein defined and described, which units are further identified and designated in the plat of this condominium, which plat is recorded in the Public Records of Walton County, Florida, a reduced copy of which was attached to the original condominium documents as Exhibit "B," at ORB 346 PG 123, et seq., but is not rerecorded here.

ARTICLE III. ONE SEAGROVE PLACE,
A CONDOMINIUM, DEVELOPMENT PLAN

The subject condominium was described and established as follows:

(a) Plot Plan. The plot plan of the land showing the improvements on it was attached to the original condominium documents as Exhibit "B," at ORB 346 PG 123, et seq., but is not rerecorded here.

(b) Survey. The survey of the land showing the boundaries of the property was attached to the original condominium documents as Exhibit "B," at ORB 346 PG 123, et seq., but is not rerecorded here.

(c) Floor Plans. Improvements upon the land are constructed substantially in accordance with graphic description of the improvements attached to the original condominium documents as Exhibit "B," at ORB 346 PG 123, et seq., but not rerecorded here.

ARTICLE IV. OWNERSHIP OF CONDOMINIUM UNITS AND
UNDIVIDED SHARES IN COMMON ELEMENTS: PROHIBITION
AGAINST SEPARATE CONVEYANCE OF SAME

Each unit shall be conveyed and treated as individual property capable of independent use and ownership, subject to the restrictions, rules, regulations and conditions contained in these condominium documents, and the owner of each said unit shall own, as an appurtenance to the ownership of said unit, an undivided interest in the common elements, the undivided interest appurtenant to each said unit being that which is hereinafter specifically assigned thereto in Exhibit "C," attached to the original condominium documents at ORB 346 PG 144, but not rerecorded here. The percentage of undivided interest in the common elements assigned to each unit shall not be changed except with the unanimous consent of all of the owners of all of the units.

The undivided interest in the common elements declared to be appurtenant to each unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said unit, and the undivided interest in common elements, appurtenant to each unit shall be deemed conveyed, devised, encumbered or otherwise included with the unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such unit. Any instrument which purports to grant any right, interest, or lien into or upon a unit shall be null, void and of no effect insofar as the same purports to affect any interest in a unit and its appurtenant undivided interest in common properties, unless the same purports to convey, devise and encumber or otherwise trade or deal with the entire unit. Any instrument conveying, devising, encumbering or otherwise dealing with any unit which describes said unit by the unit number assigned thereto in Exhibit "B", without limitation or exception, shall be deemed and construed to affect the entire unit and its appurtenant undivided interest in the common elements. Nothing herein contained shall be construed as limiting or preventing ownership of any unit and its appurtenant undivided interest in the common elements by more than one person or entity as tenants in common, joint tenants or as tenants by entirety.

ARTICLE V. COMMON EXPENSES: COMMON SURPLUS

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

The payment of common expenses by all unit owners shall commence upon the recording of this Declaration of Condominium in the Public Records of Walton County, Florida.

Common expenses include the expenses of the operation, maintenance, repair, or replacement of the common elements, costs of carrying out the powers and duties of the association, and any other expense designated as common expense by this chapter, the declaration, the documents creating the condominium, or the bylaws.

Funds for the payment of common expenses shall be collected by assessments against unit owners in the proportions or percentages provided for in this Declaration of condominium. All unit owners' share of common expenses shall be in the same proportion as their ownership interest in the common elements.

Common surplus is owned by unit owners in the same shares as their ownership in the common elements.

ARTICLE VI. ONE SEAGROVE PLACE
OWNER'S ASSOCIATION, INC.

ONE SEAGROVE PLACE OWNER'S ASSOCIATION, INC., a corporation not-for-profit, hereinafter called "Association," shall maintain, manage and operate the condominium property.

All unit owners shall automatically become members of the association after completion of closing of the purchase of a unit in ONE SEAGROVE PLACE, a condominium.

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

No person, except in a capacity as an officer of the association or its designated agent, shall have authority to act for the association.

The association shall have the irrevocable right to have access to every unit in ONE SEAGROVE PLACE, a condominium, from time to time, during reasonable hours as may be necessary for the maintenance, repair or replacement of any common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common elements or to another unit or units.

The association shall have the power to make and collect assessments, and to lease, maintain, repair and replace the common elements.

The association shall maintain accounting records according to good accounting practices which shall be open to inspection by unit owners or their authorized representatives at reasonable times and written summaries of which shall be supplied at least annually to unit owners or their authorized representatives. Failure of the association to permit inspection of its accounting records by unit owners or their authorized representatives shall entitle any person prevailing in an action for enforcement to recover reasonable attorney's fees from the association. Such records shall include:

(a) A record of all receipts and expenditures.

(b) An account for each unit which shall designate the name and address of the unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

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

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

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

The association shall have all powers granted by Chapters 718.111 and 617, Florida Statutes, including operation of a rental or sales program related to the maintenance, management, or operation of the condominium property.

ARTICLE VII. MEMBERSHIP IN THE ASSOCIATION: VOTING RIGHTS

Membership in the association shall be restricted to all of the record owners of the units in ONE SEAGROVE PLACE, a condominium. Purchaser shall become a member of the association automatically upon the completion of closing of the purchase of a unit in ONE SEAGROVE PLACE, a condominium.

On all matters upon which the membership shall be entitled to vote, each member shall be entitled to one vote for each unit owned in ONE SEAGROVE PLACE, a condominium, which vote may be exercised or cast by the owner of each unit in the manner provided in the By-Laws adopted by the association under applicable provisions of the Florida Statutes. The original By-Laws were attached as Exhibit E to the Declaration of Condominium at ORB 346 PG 151, but are not rerecorded here.

ARTICLE VIII. METHOD OF AMENDMENT OF
DECLARATION OF CONDOMINIUM

Except as elsewhere provided, however, this Declaration of Condominium and the Articles of Incorporation and By-Laws of the association may be amended in the following manner:

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

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

(a) Not less than sixty-six and two-thirds percent (66-2/3%) of the entire membership of the board of directors and by not less than fifty-one percent (51%) of the votes of the entire membership of the association, or

(b) Not less than seventy-five percent (75%) of the votes of the entire membership of the association, or

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

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

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

C. In addition to any other method of amending this Declaration provided for elsewhere herein, the Board of Directors shall have 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 non-material change in this Declaration or any Exhibit hereto or any amendment thereto.

D. A copy of each amendment shall be certified by the president or a vice president and secretary or assistant secretary of the association as having duly adopted, and shall be effective when recorded in the Public Records of Walton County, Florida.

ARTICLE IX. BY-LAWS, ARTICLES OF INCORPORATION, AND RULES AND REGULATIONS OF CONDOMINIUM ASSOCIATION

ONE SEAGROVE PLACE OWNER'S ASSOCIATION, INC., has been incorporated as a Florida corporation, not-for-profit, known as ONE SEAGROVE PLACE OWNER'S ASSOCIATION, INC., and its original Articles of Incorporation, By-Laws and Rules and Regulations were attached to the original Declaration of Condominium as Exhibits "D", "E" and "F", respectively, at ORB 346 PG 145, ORB 346 PG 151 and ORB 346 PG 159, respectively, but are not rerecorded here.

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

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

A. By the association: The association shall maintain, repair and replace at the association's own expense:

- (1) All common elements.
- (2) All air-conditioning and heating systems and equipment other than items providing service to an individual condominium unit.
- (3) All portions of the units (except interior wall surfaces) contributing to the support of the building, which portions shall include, but not be limited to, the outside walls of the building, and load-bearing columns, but excluding interior non-bearing walls.

(4) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services or fire protection which are contained in the portions of the unit contributing to the support of the building or within interior boundary walls, and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.

(5) All incidental damage caused to a unit by such work shall be promptly repaired at the expense of the association.

B. By the condominium parcel owner: The responsibility of the condominium parcel owner shall be as follows:

(1) To maintain, repair and replace at his expense, all portions of the unit except the portions to be maintained, repaired and replaced by the association. Included within the responsibility of the unit owner shall be windows, screens and doors opening into or onto his unit, sliding glass doors and plate glass. All such maintenance, repairs and replacement shall be done without disturbing the rights of other unit owners.

(2) Within the unit, to maintain, repair and replace at his expense, all fans and air-conditioning and heating equipment, overhead sprinkler system, refrigerator, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage, and sanitary service to his condominium unit. The unit floors and interior walls and the floor and interior wall of any balcony attached to condominium units shall be maintained by the condominium unit owner thereof at his own expense.

(3) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

(4) To promptly report to the association any defects or need for repairs, the responsibility for the remedy of which is that of the association.

(5) No condominium parcel owner shall make any alterations in the portions of the building which are to be maintained by the association or remove any portion thereof or make any addition thereto or do any work which would jeopardize the safety or soundness of the building or impair any easement without first obtaining approval from the board of directors of the association.

C. Alteration and Improvement: There shall be no material alterations or substantial additions to common elements, except as the same are authorized by the board of directors and ratified by the affirmative vote of voting members casting not less than seventy-five percent (75%) of the total votes of the members of the association present at any regular or special meeting of the unit owners called for that purpose. The cost of the foregoing shall be assessed as common expenses of this condominium. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the unit owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from the unit owners exclusively or substantially exclusively benefitting, and the assessment shall be levied in such proportion as may be determined as fair and equitable by the board of directors of the association. Where such alterations or additions exclusively or substantially exclusively benefit unit owners requesting same, said alterations or additions shall be made only when authorized by the board of directors and ratified by not less than seventy-five percent (75%) of the total votes of the unit owners exclusively or substantially exclusively benefitting therefrom and where said unit owners are ten or less, the approval of all but one shall be required. Alterations and improvements or repairs of an emergency nature may

be made upon authorization by a vote of a majority of the directors available for consultation if same is necessitated and in the best interests of the unit owners.

ARTICLE XI. ENFORCEMENT OF MAINTENANCE

In the event the owner of a unit fails to maintain it as required above, the association or any other unit owner shall have the right to proceed in a court of equity to seek compliance with the foregoing provisions, or the association shall have the right to charge the unit owner and the unit for the necessary sums to maintain the improvements within the unit in good condition. The unit owner shall have the obligation to pay the association for such costs as it has occurred on account of the unit owner's failure to maintain his unit as required above.

ARTICLE XII. [RESERVED]

ARTICLE XIII. RESIDENTIAL USE RESTRICTIONS
APPLICABLE TO CONDOMINIUM UNITS

In order to provide for a congenial and compatible occupancy of the condominium building and to provide for the protection of the value of the units, the use of the condominium property shall be restricted to and be in accordance with the following provisions:

1. Each unit is hereby restricted to residential use by only the owner thereof, his immediate family, guests, invitees, lessees, or renters, whether the unit be leased or rented on a temporary or permanent basis, daily or for a longer period.

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

3. No immoral, improper, offensive or unlawful use shall be made of any unit or of the common elements or of any part hereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over ONE SEAGROVE PLACE, a condominium, shall be observed.

4. No unit owner shall permit anything to be done or kept in his unit or in the common elements which will result in the cancellation of insurance on the condominium property or contents thereof, or which would be in violation of any law. No wasting of condominium property will be permitted.

5. No nuisance shall be allowed upon the condominium property, nor shall any use or practice be allowed which is an unreasonable source of annoyance to unit owners or which interferes with the peaceful and proper use of the condominium property by any unit owner, including but not limited to repairs made within a unit before 9:00 A.M. or after 6:00 P.M., except when of an emergency nature.

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

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

8. In case of an emergency originating or threatening any unit, regardless of whether the owner is present at the time of such emergency, the board of directors of the association, or any other person authorized by it, or the building superintendent or managing agent, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate and to facilitate entry in the event of any such emergency, the owner of each unit, as required by the association, shall deposit a key with the association.

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

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

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

ARTICLE XIV. INSURANCE

1. Personal Liability and Risk of Loss of Owners of Condominium Units and Separate Insurance Coverage, etc. The owner of each unit may, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner, and may, at his expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's unit or upon the common elements. All such insurance obtained by the owner of each unit shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other owners of units,

association or developer, and their respective servants, agents and guests. Risk of loss of or damage to any furniture, furnishings and personal property constituting a portion of the common elements belonging to or carried on the person of the owner of each unit, or which may be stored in any unit, or in, to, or upon common elements, shall be borne by the owner of each unit. All furniture, furnishings and personal property constituting a portion of the common elements and held for the joint use and benefit of all owners of unit shall be covered by such insurance as shall be maintained in force and effect by the association as hereafter provided. The owner of a unit shall have no personal liability for any damage caused by the association or its agents, in connection with the use of the common elements. The owner of a unit shall be liable for injuries or damage resulting from an accident within his own unit, to the same extent and degree that the owner of any residence would be liable for an accident occurring within his residence. Any and all insurance and re-insurance placed or contracted for by any owner having an interest in any unit must be so placed with an insurer licensed and authorized to do business in the State of Florida and maintaining a license agent in the State of Florida.

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

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

B. Public liability and property damage insurance in such amount and in such form as shall be required by the board of directors of the association to protect said association and the owners of all units.

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

D. Such other insurance coverage the board of directors of the association, in its sole discretion, may determine from time to time to be in the best interests of the association and the owners of all units.

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

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

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

The board of directors shall have the right to select the insurance company or companies with whom insurance coverage may be placed and shall have the right to designate the insurance trustee, when needed, and all parties beneficially interested in such insurance coverage shall be bound by the selection so made from time to time.

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

In the event of the loss of or damage to only common elements, real or personal, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the insurance trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of repair, replacement or reconstruction of such common elements, then such excess insurance proceeds shall be paid by the insurance trustee to the owners of all units, the distribution to be separately made to the owner of each unit and his respective mortgagee as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the owner of each unit and his said mortgagee shall bear the same ratio to the total excess insurance proceeds as does the undivided interest in common elements appurtenant to each unit bears to the total undivided interest in common elements appurtenant to all units. If it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the insurance trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the association shall deposit with the insurance trustee, a sum which, together with the insurance proceeds received or to be received, will enable said insurance trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be deposited by the association with the insurance trustee, in said latter event, may be paid by the association out of its reserve for replacement fund, and if the amount in such reserve for replacement fund is not sufficient, or if the board of directors determines not to use such funds for said purpose, then the association shall levy and collect an assessment against the owners of all units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of loss of or damage to common elements and any unit, which loss or damage is covered by the fire and casualty insurance, the proceeds paid to the insurance trustee to cover such loss or damage shall be first applied to the repair, replacement or reconstruction of common elements, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any unit which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of repair, replacement or reconstruction of the common elements and the units sustained any loss or damage, then such excess insurance proceeds shall be paid and distributed by the insurance trustee to the owners of all units, and to their mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided herein. If it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the insurance trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the board of directors of the association shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the common elements and the units sustaining any loss or damage. If the proceeds of said fire and casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss or damage to the common elements, but not be sufficient to repair, replace or reconstruct any loss of or damage to any units, then the association shall levy and collect any assessment from the owner of the unit sustaining any loss or damage, and the assessment so collected from said owner shall be deposited with said insurance trustee so that the sum on deposit with said insurance trustee shall be sufficient to completely pay for the repair, replacement, or reconstruction of all common elements and units. In said latter event, the assessment to be levied and collected from the owner of each unit sustaining loss or damage shall be apportioned between such owners in such manner that

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

In the event of loss of or damage to property covered by such fire and casualty insurance, the association shall, within ninety (90) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the board of directors of the association may deem to be in the best interests of the membership of said association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacements or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, whether to be paid by all of the owners of units or only by the owners of units sustaining loss or damage, or both, shall be deposited with said insurance trustee not later than thirty (30) days from the date on which said insurance trustee shall receive the monies payable under the policies of fire and casualty insurance.

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

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

Any and all of the above stated or any other insurance including re-insurance placed or contracted for by the association

must be placed with an insurer licensed and authorized to do business in the State of Florida, which maintains a licensed agent in the State of Florida.

ARTICLE XV. EASEMENTS

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

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

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

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

ARTICLE XVI. TERMINATION

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

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

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

ARTICLE XVII. PROHIBITION AGAINST SUBDIVIDING OF UNITS
PROHIBITION AGAINST PARTITION OF COMMON ELEMENTS

1. No unit may be divided or subdivided into a smaller unit than is shown on Exhibit "B", nor shall any unit, or portion thereof, be added to or incorporated into any other unit, except by the express written consent of the board of directors of the association.

2. Recognizing the proper use of a unit by an owner is dependent upon the use and enjoyment of the common elements in common with owners of all other units, and that it is in the interest of all owners of the units that the ownership of the common elements be retained in common by the owners of units, it is declared that the percentage of the undivided interest in the

common elements appurtenant to each unit shall remain undivided and no owner of any unit shall bring or have any right to bring any action for partition or division thereof.

ARTICLE XVIII. ASSESSMENTS

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

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

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

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

D. All monies collected by the association shall be treated as the separate property of said association, and such monies may be applied by the association to the payment of any expense of operating and managing the condominium or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration of Condominium and exhibits attached hereto, and as monies for any assessments that are paid to the association by the owner of a unit, the same may be co-mingled with monies paid to said association by the other owners of units. Although all funds

and common surplus, including other assets of the association, and any increments thereto or profits derived therefrom, shall be held for the benefit of members of the association, no member of the association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his unit. When the owner of a unit shall cease to be a member of the association by reason of the divestment or loss of his ownership of such unit, by whatever means, the association shall not be required to account to such owner for any share of the funds or assets of the association, or which may have been paid to said association by such owner, as all monies which any owner has paid to the association shall be and constitute an asset of said association which may be used in the operation and management of the condominium.

E. The payment of any assessment or installment thereof due the association shall be in default if such assessment or any installment thereof is not paid to the association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due to the association shall bear interest at the maximum legal rate until such delinquent assessment or installment and all interest due thereon, has been paid in full.

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

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

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

I. The lien herein granted to the association shall be effective from and after the time of recording in the public records of Walton County, Florida, a claim of lien stating the description of the unit encumbered thereby, the name of the record owner, the amount due, the date when due, and the lien shall continue in effect until all sums secured by said lien, as herein provided, shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the unit owner's cost. The claim of lien filed by the association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the association's claim of lien. The association's claim of lien for collection of such portion of any tax or special assessment shall specifically designate that the same secures an assessment levied pursuant to Article XVIII of this Declaration of Condominium.

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

In the event that a unit is to be voluntarily conveyed or mortgaged when payment of any assessment against the owner of said unit and such payment due the association is in default, whether or not a claim of lien has been recorded by the association, the rent, proceeds of purchase or mortgage proceeds shall first be applied by the purchaser or mortgagee to payment of any delinquent assessment or installments due the association before application to the payment of any rent, proceeds of purchase or mortgage proceeds. A mortgagee, including a first mortgagee, who acquires title to a 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 certificate of title or deed, as the case may be. However, the mortgagee's liability is limited to a period not exceeding 6 months, but in no event, does the first mortgagee's liability exceed one percent (1%) of the original mortgage debt. The first mortgagee's liability for such expense or assessments does not commence until 30 days after the date the first mortgagee received the last payment of principal or interest. In no event shall the mortgagee be liable for more than 6 months of the unit's unpaid Common Expenses or Assessments accrued before the acquisition of the title to the unit by the mortgagee or 1 percent of the original mortgage debt, whichever amount is less. 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.

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

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

K. The initial projected estimated annual maintenance budget for ONE SEAGROVE PLACE, a condominium, was attached to the original recorded condominium documents as Exhibit "H," recorded at ORB 346 PG 165, but not rerecorded here.

2. Apportionment of Tax or Special Assessment if Levied and Assessed Against ONE SEAGROVE PLACE, a condominium, as a Whole: In the event that any taxing authority having jurisdiction over the condominium shall levy or assess any tax or special assessment against the condominium, as a whole, as opposed to levying and assessing such tax or special assessment against a unit and its appurtenant undivided interest in the common elements, as now provided by law, then such tax or special assessment levied shall be paid as a common expense by the association, and any tax or special assessment which is to be levied shall be included, wherever possible, in the estimated annual budget of the association, or shall be separately levied and collected as an assessment by the association against all of the owners of all units and said units if not included in the annual budget. The amount of any tax or special assessment paid or to be paid by the association in the event that such tax or special assessment is levied against the condominium, as a whole, instead of against each unit and its appurtenant undivided interest in the common elements, shall be apportioned among the owners of all units so that the amount of such tax or special assessment so paid or to be paid by the association and attributable to and to be paid by the owners of said unit shall be that portion of such total tax or special assessment which bears the same ratio to said tax or special assessment as the undivided interest in common elements appurtenant to all units. In the event that any tax or special assessment shall be levied against the condominium in its entirety, without apportionment by the taxing authority to the unit and its appurtenant undivided interest in the common elements, the assessment by the association, which shall include the proportionate share of such tax or special assessment attributable to each unit and its appurtenant undivided interest in the common elements, shall separately specify and identify the amount of such assessment attributable to such tax or special assessment. The amount of such lien prior to all mortgages, other than institutional first and second mortgages, and encumbrances upon any unit and its appurtenant undivided interest in the common elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrances, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each unit and its appurtenant undivided interest in the common elements.

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

ARTICLE XIX. REMEDIES IN EVENT OF DEFAULT

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

1. Failure to comply with any of the terms of the condominium documents as they may be amended, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, fine, or any combination thereof. Such relief may be sought by the association or, if appropriate, by an aggrieved owner of a condominium unit.

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

3. In any proceeding arising because of an alleged default by the owner of any condominium unit, the association, if successful, shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court.

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

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

6. The failure of the association to enforce any right, privilege, covenant or condition which may be granted to it by these condominium documents shall not constitute a waiver of its right to thereafter enforce such right, provisions, covenant or condition in the future.

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

ARTICLE XX. NOTICE TO THIRD PARTIES

All natural persons, corporations and other business associations who shall acquire, by whatever means, any interest in the ownership of any condominium unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of all rights granted and/or reserved unto the association and/or ONE SEAGROVE PLACE OWNER'S ASSOCIATION, INC., and other rights and restrictions contained under the provisions of the condominium documents, and shall acquire such interest in any condominium unit expressly subject thereto.

ARTICLE XXI. [RESERVED]

ARTICLE XXII. REGISTRATION AND RIGHTS OF MORTGAGEES

1. The Association is to Maintain Registry of Owners and Mortgagees. The association shall at all times maintain a registry setting forth the name of the owners of all the units, and, in the event of the sale, transfer or encumbrance by mortgage of any unit to a third party, the purchaser, transferee or mortgagee shall notify the association in writing of his interest in such unit together with such recording information as shall be pertinent to identify the deed, other instrument of conveyance or mortgage lien. The holder of any mortgage lien upon any unit may notify the association of the existence of any mortgage lien held by such party on any unit and upon receipt of such notice, the association shall register in its records all pertinent information pertaining to the same.

2. Rights Reserved unto Institutional Lenders. In addition to the rights and privileges expressly granted to the mortgagees of 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. An Institutional Mortgagee that is also a first mortgagee shall be entitled to the protections afforded other first mortgagees as elsewhere provided in this Declaration.

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.

ARTICLE XXIII. SIGNS, SALES OFFICE, MODEL UNITS

No "Sold" or "For Sale" or "For Rent" signs or other advertising shall be maintained or permitted on units in the condominium.

ONE SEAGROVE PLACE
EXHIBITS TO DECLARATION OF CONDOMINIUM

[Exhibits A - H of the original Declaration of Condominium have not been rerecorded here, but are described below along with their original ORB and PG. THE DESCRIPTIONS OF THE ATTACHMENTS BELOW ARE PROVIDED FOR CONVENIENCE ONLY AND SHALL NOT BE USED TO INTERPRET OR CONSTRUE THE PROVISIONS OF THE ACTUAL RECORDED DOCUMENTS.]

Exhibit A - ORB 346 PG 122 - Legal description.

Exhibit B - ORB 346 PG 123--143 - Plot plan, survey and floor plan.

Exhibit C - ORB 346 PG 144 - Ownership interest in common elements.

Exhibit D - ORB 346 PG 145--150 - Original Articles of Incorporation of One Seagrove Place Owner's Association, Inc.

Exhibit E - ORB 346 PG 151--158 - Original By-Laws of One Seagrove Place Owner's Association, Inc.

Exhibit F - ORB 346 PG 159--163 - Original Rules and Regulations of One Seagrove Place Owner's Association, Inc.

Exhibit G - [Reserved]

Exhibit I - ORB 346 PG 164 - Consent of Mortgagee to Declaration of Condominium

Exhibit H - ORB 346 PG 165--166 - Original Estimated Operating Budget of One Seagrove Place Owner's Association, Inc. [The current budget is adopted annually. A copy may be obtained from the Association.]