

DECLARATION OF CONDOMINIUM

OF

EMERALD TOWERS, A CONDOMINIUM

Destin, Florida

321.00
MADE THIS 26th day of April, 1983, by Emerald Towers Developers, a Joint Venture Partnership consisting of Marion Properties, Inc. and Emerald Towers, Inc. herein called 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, 1981, hereinafter called the "Condominium Act".

A. Name and Address. The name by which this condominium is to be identified is "Emerald Towers, a Condominium", hereinafter called "the condominium", and the condominium's address is 1044 E. Highway 98, Destin, Florida 32541.

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 Okaloosa County, Florida more particularly described on Exhibit A hereto.

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. Apartment means unit as defined by the Condominium Act.

B. Apartment Owner means the unit owner as defined by the Condominium Act.

C. Association means Emerald Towers Owners Association, Inc., a non-profit Florida corporation, and its successors.

D. Common Elements shall include the tangible personal property required for the maintenance and operation of the condominium, and any land or other property acquired by the Association for the condominium, even though owned by the Association, as well as the items stated in the Condominium Act.

E. Common Expenses shall include expenses of administration; expenses of insurance; expenses of maintenance; operation, repair and replacement and betterment of the common elements and the portions of the apartment to be maintained by the Association; expenditures or amounts of assessments by the Association for payment of cost that are the responsibility of an apartment owner, including but not limited to costs of repair of damage to an apartment in excess of insurance proceeds, and the costs of insurance upon an apartment; expenses declared common by provisions of this Declaration and the Association's By-Laws and any valid charge against the condominium as a whole.

F. Condominium means all the condominium property as a whole when the context so permits as well as the meaning stated in the Condominium Act.

G. 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 and Federal Home Loan Mortgage Corporation or other like business entity holding a mortgage on an apartment.

H. 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.

I. 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.

3. EMERALD TOWERS, A CONDOMINIUM, DEVELOPMENT PLAN.

The subject condominium is described and established as follows:

A. Survey. The survey of the land showing the improvements on it is attached as Exhibit "B".

B. Plans. Improvements upon the land are constructed substantially in accordance with the graphic description of the improvements attached hereto as composite Exhibit "C".

C. Amendment of Plans.

(1) Alteration of Plans. Developer reserves the right to correct mistakes in this declaration and the change the interior design and arrangement of all apartments, and to alter the boundaries between the apartments, as long as Developer owns the apartments so altered. No such change shall increase the number of apartments nor alter the boundaries of the common elements without amendment of this Declaration by approval of the Association, apartment owners and owners of mortgages in the manner elsewhere provided. If Developer shall make any changes in apartments so authorized, such changes shall be reflected by amendment of this Declaration. If more than one apartment is concerned, the Developer shall apportion between the apartments, the shares of the common elements appurtenant to the apartments concerned.

(2) Amendment of Declaration. An amendment of this Declaration reflecting such authorized correction of mistakes or alteration of apartment plans by Developer needs to be signed and acknowledged only by the Developer and need not be approved by the Association, apartment owners or lienors or mortgagors of apartments or of the condominium, whether or not elsewhere required for an amendment.

D. Easements.

(1) Utility Easements. Easements are reserved through the condominium property as may be required for utility service to serve the condominium adequately; provided, however, such easements to an apartment shall be only according to the plans and specifications for the apartment building, or as the building is constructed, unless approved in writing by the apartment owner.

(2) Easements for Encroachments. All the condominium property shall be subject to the 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.

(3) Ingress and Egress Easement. Each apartment owner of the condominium shall have a non-exclusive easement for ingress and egress between said apartment and the public 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.

(5) Easements as Appurtenances. The easements and other rights created herein for an apartment owner shall be appurtenant to the apartment of that owner and all conveyances of title to the apartment 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.

E. Apartment Boundaries. Each apartment shall include that part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

(1) Upper and Lower Boundaries. The upper and lower boundaries of the apartment 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 apartment shall be the vertical planes of the undecorated finished interior of the walls bounding the apartment extended to intersections with each other and with the upper and lower boundaries. When there is attached to the building a balcony, deck, patio, canopy, stairway or other portion of the building serving only the apartment being bounded, the perimetrical boundaries shall be extended to include the intersecting vertical plans adjacent to and which include all of such structures and fixtures thereon.

F. Common Elements. The common elements include the land and all of the parts of the condominium not within the apartment.

G. Time Sharing. Creation of time share estates, time share units and time share periods, is not permitted in this condominium; however, the conveyance of an apartment to multiple owners, a partnership corporation or trustee shall not constitute creation or conveyance of a time share estate, time sharing unit or time share period.

4. THE APARTMENT. The apartments of the condominium are described more particularly and the rights and obligations of their owners established as follows:

A. Typical Apartment Plans. There are five (5) apartment floor plans which are generally described below and which are described in more detail on the graphic description of the improvements attached as Exhibit "C":

APARTMENT
Two Bedroom

DESCRIPTION
Apartment located on Floors
1-13 including living-room,

kitchen, two bathrooms, 2 bedrooms and a patio (1st floor or balcony (2-13 floors)

Three Bedroom

Apartment located on Floors 1-13 including living-dining room, kitchen, three bedrooms three bathrooms, and a patio (1st floor) or balcony (2-13 floors)

Penthouse (Middle Apartment)

Apartment located on Floors 14 and 15 including living and dining room, three and one/half baths, three bedrooms and two balconies

Penthouse (End Apartment)

Apartment located on Floors 14 and 15 including living and dining room, three and one/half baths, three bedrooms and two balconies.

Commercial Apartment

Apartment located on the ground floor.

B. Apartment Numbers. The apartments 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 Apartments. The owner of each apartment shall own a share and certain interest in the condominium property, which share and interest is appurtenant to the several apartments as:

(1) Common Elements and Common Surplus. An undivided share in the land and other common elements and the common surplus for each apartment as is set forth in Exhibit D

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

(3) Automobile Parking Spaces. Automobile parking spaces will be made available so that at least one automobile parking space will be available for use by each apartment owner according to such reasonable rules and regulations as may from time to time be promulgated by the Association; provided, that at all times each apartment owner shall be entitled to the use of at least one automobile parking space without charge.

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

D. Liability for Common Expense. Each apartment 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 apartment.

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) Apartments.

(a) By the Association. The Association shall maintain, repair and replace as a common expense of this condominium:

(1) All portions of an apartment except interior surfaces, contributing to the support of the apartment building, which portion shall include but not be limited to the outside walls of the apartment building and all fixtures on its exterior, boundary walls or apartments, floor and ceiling decking, load bearing columns and load bearing walls and all balconies, porches, patios, or similar facilities serving the apartment;

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of an apartment maintained by the Association; and all such facilities contained within an apartment that service part or parts of the condominium other than the apartment within which contained; and

(3) All portions of an apartment which are damaged as a result of a casualty for which the Association has secured insurance coverage;

(4) All incidental damage caused to an apartment by such work shall be repaired promptly at the expense of the Association provided that the Association shall have authority to require apartment owners at their expense to maintain, repair and replace screens and glass for windows and doors within their

respective apartments except in case of damage for which insurance proceeds are paid under policies purchased by the Association.

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

(1) To maintain, repair and replace at his expense all portions of his apartment except the portion to be maintained, repaired and replaced by the Association, or, in the event damage resulting from casualty, that portion for which the Association has secured insurance coverage. Such shall be done without disturbing the rights of other apartment owners.

(2) Except in the event of damage resulting from casualty for which the Association has secured insurance coverage, the portions of an apartment to be maintained, repaired and replaced by an apartment owner at his expense shall include but not be limited to the following: compressor and air handling equipment for space cooling and heating; service equipment such as dishwasher, refrigerator, compactor, disposal, oven and stove and hot water heater, whether or not built-in; interior fixtures such as electrical and plumbing fixtures; floor coverings except the floor slab; and inside paint and other inside wall finishes.

(3) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building, including any balcony, porch, patio or similar facility whether a part of the apartment or not, in any manner whatsoever without the prior written consent of the Board of Directors of the Association, including installation of television antennas.

(4) 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 apartment owner nor the Association shall make any alteration in the portions of

any apartment 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 the apartment building, or impair any easement, without first obtaining approval in writing of owners of all apartments 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.

(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, there shall be no substantial alteration nor further substantial improvement of the real property constituting the common elements without prior approval in writing by the owners of not less than two-thirds (2/3) of the common elements except as provided by the By-Laws. Any such alteration or improvement shall not interfere with the rights of any apartment owner without their consent. The costs of such work shall not be assessed against an institutional mortgagee that acquires its title as a result of owning a mortgage upon the apartment owned, unless such owner shall approve the alteration or improvement, and this shall be so whether title is acquired by deed from mortgagor or through foreclosure proceedings. The share of any cost not so assessed shall be assessed to the other apartment owners in the share that their shares in the common elements bear to each other. There shall be no change in the shares and rights of an apartment owner in the common elements altered or further improved, whether or not the apartment owner contributes to the cost of such alteration or improvements.

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

A. Share of Common Expenses. Each apartment 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 apartment.

B. Interest; Application of Payment. Assessments and installments on such assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the maximum legal rate from the date when due until paid. All payments upon accounts shall be first applied to interest and then to the assessment payment first due.

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 any apartment owned by the Developer during the period beginning with the closing of the purchase of any apartment in the condominium and terminating not later than one (1) calendar year thereafter or upon the transfer of control of the Association to apartment owners other than the Developer, whichever occurs first. During this period, the Developer guarantees that the assessment for common expenses of the condominium imposed on the apartment owners other than the Developer shall not increase over the dollar amount stated of \$119.99 per month for two bedroom apartments, \$179.21 for three bedroom apartments, \$239.78 per month for Penthouse (Middle) apartments, \$299.72 per month for Penthouse (End) apartments and \$22.25 per month for the commercial apartment and 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 apartment owners. Upon termination of this guarantee, the Developer shall pay assessments for common expenses for apartments owned by the Developer.

D. Lien for Assessments. Each apartment shall be subject to a lien in favor of the Association for unpaid assessments, which lien shall also secure reasonable attorney's fees, including but not limited to, fees for appellate court representation, incurred by the Association incident to the collection of such assessments or enforcement of such lien. All such liens shall be effective from and after recording a claim of lien in the public records of Okaloosa County, Florida stating the description of the condominium parcel, the name of the record owner, the amount due, and the due dates.

6. ASSOCIATION. The operation of the condominium shall be by Emerald Towers 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 E.

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 F.

C. Management. The effectuation of any decision by the Association to terminate professional management and assume self-management of the project is subject to the prior written approval of each institutional holder of a first mortgage on apartments in the project.

D. 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 apartment 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.

E. 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 apartment.

F. Approval or Disapproval of Matters. Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record 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 apartment 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 apartment 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 apartment 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 apartments, 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. Apartment 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 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:

(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 that the word "building" wherever used in the policy shall include, but shall not necessarily be limited to, fixtures, installations, or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual apartments initially installed or replacements thereof, in accordance with the original plans and specifications. With respect to the coverage provided for by this paragraph, the apartment owners shall be considered additional insureds under the policy. Further, such policies, when appropriate and possible, shall waive the insurer's right to (a) subrogation against the Association and against the apartment owners individually and as a group (b) benefit of the pro rata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance have issued coverage on the same risk and (c) 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 apartment 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) Workmen's Compensation. Workmen's compensation policy, if required to meet the requirements of law.

(4) 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; provided, however, that any apartment owner who shall use or maintain his apartment in such manner as to cause a greater insurance premium to be assessed than would have been assessed if he had used his apartment as other apartment owners, then said apartment owner shall be liable for and pay a special assessment in an amount equal to the increased premium cost caused by his maintenance or use of his apartment.

D. Insurance Trustees; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the apartment 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 apartment owners and their mortgagees in the following shares but which shares need not be set forth on the records of the insurance trustee:

(1) Apartment Owners. - An undivided share for such apartment owner; such share being the same as the undivided share in the common elements appurtenant to his apartment.

(2) Mortgages. In the event a mortgagee endorsement has been issued as to an apartment, the share of the apartment owner shall be held in trust for the mortgagee and the apartment 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 apartment 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 apartment owner and for each owner of a mortgage or other lien upon an apartment 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 an apartment 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) Apartment Building.

(a) Lesser Damage. If the damaged improvement is an apartment building and if at least fifteen (15) of the apartments 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 that the condominium shall be terminated.

(b) Major Damage. If the damaged improvement is an apartment building and if less than fifteen (15) of the apartments are found by the Board of Directors to be tenantable, then the damaged property will be reconstructed or repaired, unless within sixty (60) days after the casualty the owners of three-fourths (3/4) of the apartments and the mortgagee holding the greatest number of recorded mortgages on all apartments consents in writing to terminate 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, and if the damaged property is the apartment building, by the owners of the apartments, which approval shall not be unreasonably withheld.

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 apartment for which the responsibility of maintenance and repair is that of the apartment owner, then the apartment 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 apartment owners in sufficient amounts to provide funds for the payment of such costs. 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 apartment 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 \$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 apartment 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 \$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 \$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) Apartment Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an apartment owner shall be paid by the Association or the insurance trustee to the apartment owner, or if there is a mortgagee endorsement as to the apartment, then to the apartment owner and the mortgagee jointly, who may use such proceeds as they be advised.

(d) Surplus. It shall be presumed that the first monies disbursed in payment of costs or 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 apartment 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 an apartment 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 upon 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 apartment building in useful condition exists on the land.

A. Apartments. Each of the apartments, except the commercial apartment, shall be occupied only as a residence either permanent or transient and for no other purpose. The commercial apartment may be used for any purpose that other apartments may be used as well as commercial purposes. Except as reserved to the Developer, no apartment may be divided or subdivided into a smaller unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the apartment to be effective.

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 apartments.

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. No apartment owners shall permit clothes, towels, or any other items of personal property to be hung, draped or otherwise displayed on the apartment's balcony or patio for the purpose of drying or for any other purpose in a manner which would allow said clothing, towel or other personal property to be viewed by any other person occupying or using the condominium. No apartment owner shall permit any use of his apartment or make any use of the common elements that will increase the cost of insurance upon the condominium property unless provisions have been made for a special assessment pursuant to paragraph 7(C).

D. 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.

E. Leasing. Entire apartments may be rented or leased only pursuant to this Declaration, the Articles and By-Laws of the Association, and provided the occupancy is only by the lessee, his family, servants or guests provided further that the minimum term of the rental or lease is at least three (3) days.

Notwithstanding any other provision to the contrary, the minimum term of the lease or rental agreement as required by the preceding sentence may be shortened or lengthened upon approval of a majority of the apartment owners expressed either in writing or at a duly called meeting of the Association. No rooms may be rented except as part of an apartment or to another apartment owner.

F. 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 apartment owners and residents of the condominium upon request.

G. Proviso. Provided, however, that until Developer has completed all of the contemplated improvements and closed the sales of all the apartments of the condominium, neither the apartment owner nor the Association nor any use of the condominium shall interfere with the completion of the contemplated improvements and the sale of the apartments. Developer may make such use of the unsold apartments and common areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property and the display of signs. The sales office, the furniture and furnishings in all model apartments, 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 condominium apartments without regard to any restrictions or limitations.

10. COMPLIANCE AND DEFAULT. Each apartment 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 an apartment owner to comply with such documents and regulations shall entitle the Association or other apartment owners to the following relief in addition to the remedies provided by the Condominium Act:

A. Negligence. An apartment 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 guest, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. An apartment owner shall pay the Association the amount of increase in its insurance premiums occasioned by use, misuse, occupancy, or abandonment of an apartment or its appurtenances, or of the common elements, by the apartment owner.

B. Fines. The Board of Directors of the Association may upon notice and hearing before said Board, fine, assess and charge any offending member a sum not to exceed \$150.00 for each infraction of the provisions of this Declaration, the Articles, By-Laws or rules and regulations of the Association. Any such fines shall constitute a lien against the apartment owned or occupied by the violator unless paid within ten (10) days of the date assessed and may be foreclosed as provided by law.

C. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of an apartment 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 apartment 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.

11. SPECIFIC RIGHTS OF INSTITUTIONAL MORTGAGEES. In addition to the rights and privileges expressly granted to the mortgagees of condominium apartments in other Articles of this Declaration of Condominium, each and every institutional mortgagee shall have the following rights and entitlements:

A. To be furnished with at least one (1) copy of the annual financial statement and a report of the Association, prepared by certified public accountants designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such financial statement and report to be furnished within ninety (90) days following the end of each calendar year; and to inspect the books and records of the condominium during normal business hours.

B. To be given written notice by the Association of the call of a meeting of the membership and be permitted to designate a representative to attend all such meetings.

C. To be given notice of default by any member owning any apartment encumbered by a mortgage held by such institutional mortgagee, such notice to be given in writing and to be sent to the principal office of such institutional mortgagee or to the place which it or they may designate in writing to the Association.

D. To be given an endorsement to the policies covering the common elements requiring that such institutional mortgagee be given any notice of cancellation provided for in such policy.

E. Should the Association fail to pay such premiums when due, or should the Association fail to comply with

other insurance requirements of the mortgagee(s), said institutional mortgagee(s) shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said mortgagee shall be subrogated to the assessment and lien rights of the Association as against the individual apartment owners for the payment of such item of common expense.

F. An institutional first mortgagee shall always be entitled to receive, in reduction of its mortgage debt that portion of insurance proceeds apportioned to its mortgaged apartment in the same share as the share in the common elements appurtenant to such apartment, in the event: (a) Either insurance proceeds are not sufficient to complete restoration, reconstruction or repair and the Association has not made additional funds available for such purpose; or (b) It is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different from that existing prior to the casualty and such mortgagee has not consented in writing to such change or alteration.

G. The institutional mortgagee shall be entitled to a written notification from the Association thirty (30) days prior to the effective date of:

(1) Any change in the condominium documents;
and

(2) Any change of manager (not including change in employees of a corporate manager) of the condominium.

H. Such institutional mortgagee shall be entitled to written notification from the Association of any default by the mortgagor of such apartment in performance of the mortgagor's obligations under all condominium documents which is not cured within thirty (30) days.

I. Any institutional mortgagee which comes into possession of the apartment pursuant to the remedies provided in

the mortgage, foreclosure of the mortgage or deed in lieu of foreclosure, shall take the property free of any claim for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such institutional mortgagee comes into possession of the apartment (except for claims for a pro rata share of any tax or special assessment as provided for in this Declaration of Condominium).

J. In the event of substantial damage to or destruction of any apartment or any part of the common elements, the institutional holder of any first mortgage on an apartment will be entitled to timely written notice of any such damage or destruction.

K. No apartment in the project may be partitioned or subdivided without the prior written approval of at least the holder of any first mortgage lien on such apartment.

12. 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 in writing, provided such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approval must be either by:

(1) Approval by the owners of 2/3rds of the apartments; or

(2) Until the first election of Directors, only by all of the Directors, provided the amendment does not

increase the number of apartments nor alter the boundaries of the common elements.

C. Proviso. Provided, however, that no amendment shall discriminate against any apartment owner nor against any apartment or class or group of apartments, unless the apartments so affected shall consent; and no amendment shall change any apartment nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the apartment concerned and all record owners of mortgages on such apartment shall join in the execution of the amendment. Neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair After Casualty" unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment.

D. 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 Okaloosa County, Florida.

13. TERMINATION. In addition to the manner provided by the Condominium Act, the condominium will be terminated without agreement if it is determined in the manner elsewhere provided in this Declaration that the apartment building shall not be reconstructed because of major damage.

14. 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.

EMERALD TOWERS DEVELOPERS, a Joint Venture Partnership composed of MARION PROPERTIES, INC., a corporation organized and existing under the laws of the state of Nevada, and EMERALD TOWERS, INC., a corporation organized and existing under the laws of the state of Florida

Vic Deal
Witness

Levi P. Brewer
Witness

Vic Deal
Witness

Levi P. Brewer
Witness

By: MARION PROPERTIES, INC.
By: *Edmund R. O'Malley*
President
(Corporate Seal)

By: EMERALD TOWERS, INC., Partner
By: *Vic Deal*
President
(Corporate Seal)

STATE OF FLORIDA
COUNTY OF BAY

This day before the undersigned, personally appeared Vic Deal as President of Emerald Towers, Inc., a Joint Venture Partner of Emerald Towers Developers, Inc., a Florida Joint Venture Partnership composed of Marion Properties, Inc. and Emerald Towers, Inc., who executed the foregoing easement, and acknowledged before me that he executed the same for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this 26th day of April, 1983.

Levi P. Brewer
NOTARY PUBLIC
My Commission Expires: ~~MY~~ COMMISSION EXPIRES OCT. 25, 1985

STATE OF Florida
COUNTY OF Okaloosa

This day before the undersigned, personally appeared *Edwards McMurphy* as President of Marion Properties, Inc., a Joint Venture Partner of Emerald Towers Developers, Inc., a Florida Joint Venture Partnership composed of Marion Properties, Inc. and Emerald Towers, Inc., who executed the foregoing easement, and acknowledged before me that he executed the same for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal this 26th day of April, 1983.

Eri P. Brewer
NOTARY PUBLIC

My Commission Expires:

MY COMMISSION EXPIRES OCT. 25, 1985



THIS INSTRUMENT PREPARED BY:

LES W. BURKE
Attorney At Law
P. O. Box 70
Panama City, Florida 32402

EXHIBIT A TO DECLARATION OF CONDOMINIUM OF
EMERALD TOWERS, A CONDOMINIUM

** OFFICIAL RECORDS **
BK 1188 PG 1370

LEGAL DESCRIPTION

The East 200 feet of the West 4200 feet of the land lying between Silver Beach, a subdivision in Okaloosa County, Florida and the Revised Second East Pass Addition to Destin, Florida and lying South of U.S. Highway 98, Okaloosa County, Florida, more particularly described as follows: Commence at the Northeast corner of Lot 6, Block "O", Revised Second East Pass Addition to Destin, Florida, also being the intersection of the centerline of Gulf Shore Drive (100' R/W) and the Southerly right-of-way line of State Road #30 (U.S. Hwy.98, 100' R/W); thence go South $75^{\circ} 13' 45''$ East along the aforesaid Southerly right-of-way line a distance of 4119.19 feet to the Point of Beginning; thence continue South $75^{\circ} 13' 45''$ East a distance of 205.92 Feet; thence go South $0^{\circ} 59' 57''$ West a distance of 780 feet, more or less to the mean high water line of the Gulf of Mexico; thence meander Westerly along the mean high water line a distance of 200 feet, more or less, to the point of intersection with a line passed through the Point of Beginning and having a bearing of South $00^{\circ} 59' 57''$ West; thence go North $00^{\circ} 59' 57''$ East a distance of 820 feet, more or less, to the Point of Beginning.

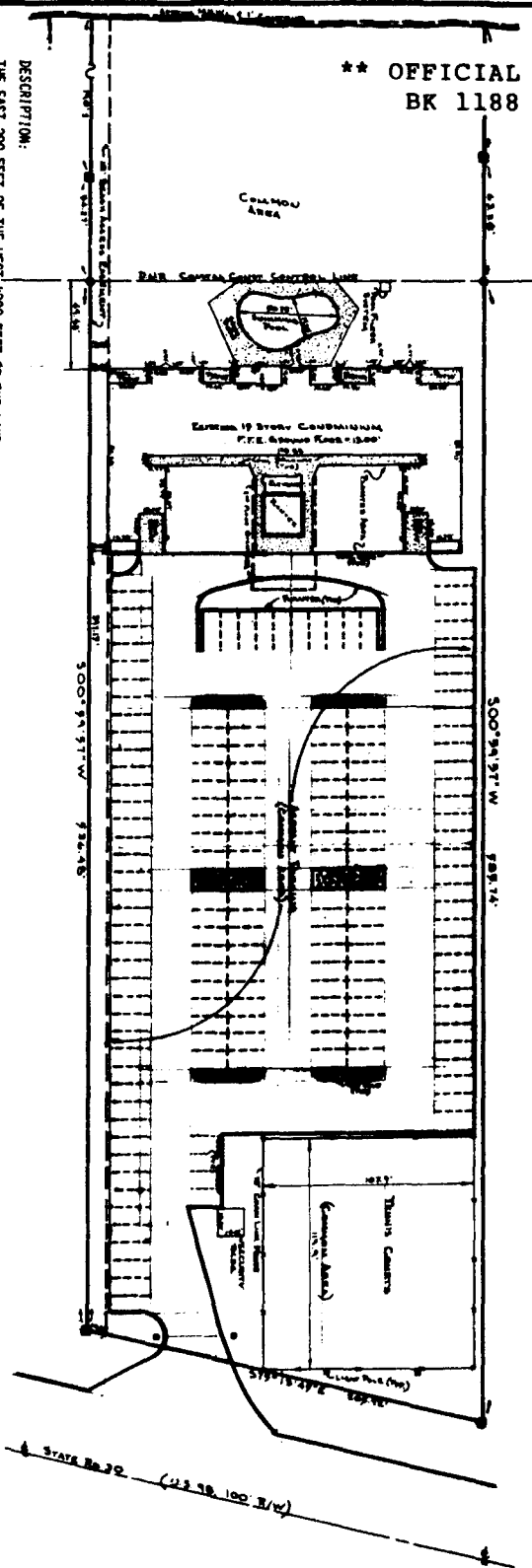
Subject to an easement along the eastermost side of the above described property having a width of not less than ten (10) feet by Emerald Towers Developers, a Florida Joint Venture Partnership composed of Marion Properties, Inc., a Corporation organized and existing under the laws of the State of Alabama, and Emerald Towers, Inc., a Corporation organized and existing under the laws of the State of Florida to Sea Dome Motor Inn, Inc., as recorded in O.R. Book 1136, Page 9, records of Okaloosa County, Florida, and re-recorded in O.R. Book 1136, Page 1170, records of Okaloosa County, Florida, said property being more particularly described as follows: Commence at the Northeast corner of Lot 6, Block "O", Revised Second East Pass Addition to Destin, Florida, also being the intersection of the centerline of Gulf Shore Drive (100' R/W) and the Southerly right-of-way line of State Road #30 (U.S. Hwy 98 100' R/W); thence go South $75^{\circ} 13' 45''$ East along the aforesaid Southerly right-of-way line a distance of 4314.81 feet to the Point of Beginning; thence continue South $75^{\circ} 13' 45''$ East a distance of 10.30 feet; thence go South $0^{\circ} 59' 57''$ West a distance of 780 feet, more or less, to the mean high water line of the Gulf of Mexico; thence meander Westerly along the mean high water line a distance of 10.00 feet, more or less to the point of intersection with a line passed through the Point of Beginning and having a bearing of South $00^{\circ} 59' 57''$ West; thence go North $00^{\circ} 59' 57''$ East a distance of 780 feet, more or less, to the Point of Beginning.

EXHIBIT B TO DECLARATION
1 OF 2 PAGES

GULF OF MEXICO

** OFFICIAL RECORDS **
BK 1188 PG 1371

EMERALD TOWERS
A CONDOMINIUM
IN DESTIN, TOWNSHIP
2 SOUTH, RANGE 22 WEST
OKALOOSA COUNTY, FLORIDA



DESCRIPTION:
THE EAST 200 FEET OF THE WEST 4200 FEET OF THE LAND LYING BETWEEN SILVER BEACH SUBDIVISION IN OKALOOSA COUNTY, FLORIDA, AND THE REVISED SECOND EAST PASS ADDITION TO DESTIN, FLORIDA AND LYING SOUTH OF U.S. HIGHWAY 90, OKALOOSA COUNTY, FLORIDA.

- SURVEYOR'S NOTES:
- DENOTES CONCRETE MONUMENT
 - DENOTES CAPPED ROD
 - P.O.C. DENOTES POINT OF COMMENCEMENT
 - F.P.F. DENOTES POINT OF BEGINNING
 - F.F.E. DENOTES UNDECORATED FINISHED FLOOR ELEVATION.
 - F.C.E. DENOTES UNDECORATED FINISHED CEILING ELEVATION.

- GENERAL NOTES:
1. THE LOWER BOUNDARY OF THE UNITS SHALL BE THE HORIZONTAL PLANE OF THE UNDECORATED FINISHED FLOOR. THE UPPER BOUNDARY OF THE UNITS SHALL BE THE HORIZONTAL PLANE OF THE UNDECORATED FINISHED CEILING.
 2. FINISHED FLOOR AND CEILING ELEVATIONS SHOWN HEREON ARE NATIONAL GEODETIC VERTICAL DATUM FROM U.S.C. AND G.S. BENCHMARK.
 3. THE BUILDING IS LOCATED IN FLOOD ZONES "B" AND "V-10," ELEVATION 9.00 FEET M.S.L. FROM H.U.D. MAP NO. 120173 0010 B, OKALOOSA COUNTY, FLORIDA DATED JULY 1, 1977.
 4. UNIT DIMENSIONS MAY VARY 0.10 FEET, MORE OR LESS.

SURVEYOR'S CERTIFICATE:
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT SURVEY OF THE PROPERTY DESCRIBED HEREON AND THAT THE CONSTRUCTION OF THE IMPROVEMENTS DESCRIBED BY THE SURVEY AND THE GRAPHIC DESCRIPTION OF THE IMPROVEMENTS ATTACHED TO THE DECLARATION OF CONDOMINIUM OF EMERALD TOWERS, A CONDOMINIUM, IS SUBSTANTIALLY COMPLETE SO THAT SUCH MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

Raymond E. Richardson 17 Nov 1988
RAYMOND E. RICHARDSON, FLORIDA REGISTRATION NO. 2535
RAYMOND RICHARDSON & ASSOCIATES, INC.
P.O. BOX 812
DESTIN, FLORIDA 32541
DRAWN BY: J. KELLY

CONDOMINIUM
PLAT BOOK PAGE

** OFFICIAL RECORDS **
BK 1188 PG 1372

SURVEYOR'S CERTIFICATE:

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT SURVEY OF THE PROPERTY DESCRIBED HEREON AND THAT THE CONSTRUCTION OF THE IMPROVEMENTS DESCRIBED BY THE SURVEY AND THE GRAPHIC DESCRIPTION OF THE IMPROVEMENTS ATTACHED TO THE DECLARATION OF CONDOMINIUM OF EMERALD TOWERS, A CONDOMINIUM, IS SUBSTANTIALLY COMPLETE SO THAT SUCH MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

Raymond E. Richardson 17 April 1983

RAYMOND E. RICHARDSON, FLORIDA REGISTRATION NO. 2535
RAYMOND RICHARDSON & ASSOCIATES, INC.
P.O. BOX 812
DESTIN, FLORIDA 32541
DRAWN BY: J. KELLY

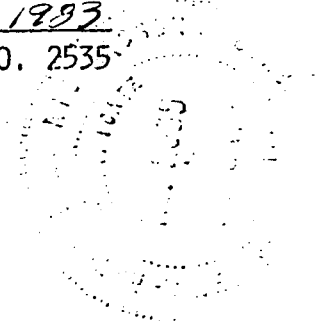
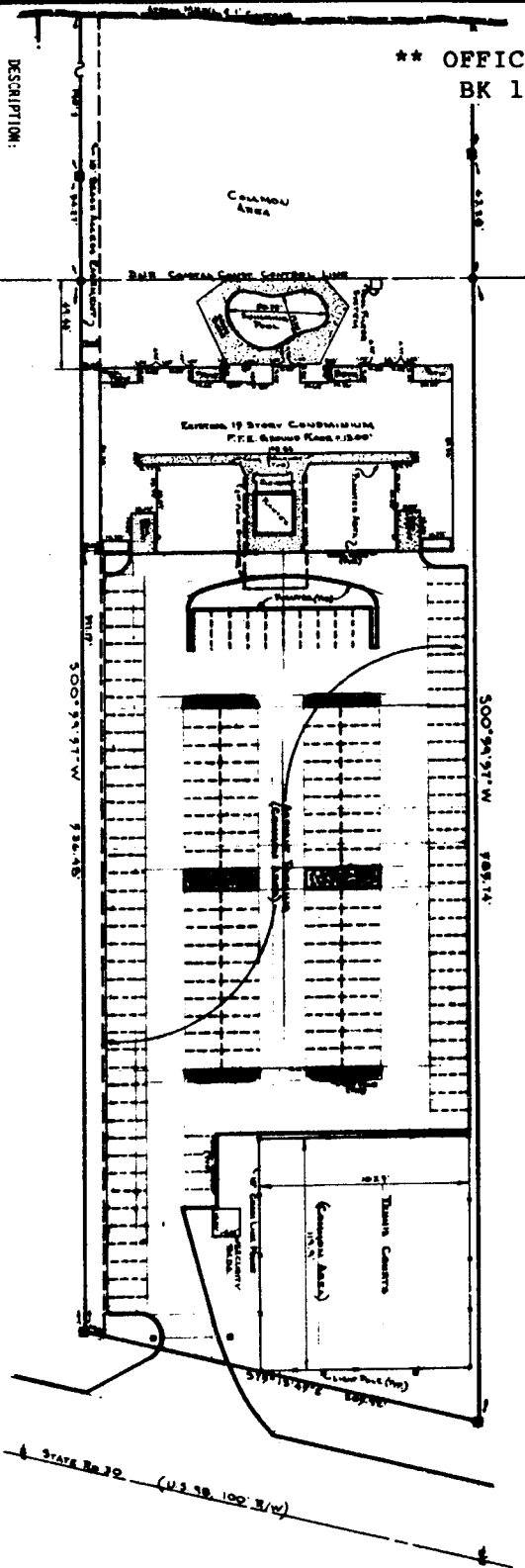


EXHIBIT C TO DECLARATION
1 OF 21 PAGES

GULF OF MEXICO

** OFFICIAL RECORDS **
BK 1188 PG 1373

EMERALD TOWERS
A CONDOMINIUM
IN DESTIN, TOWNSHIP
2 SOUTH, RANGE 22 WEST
OKALOOSA COUNTY, FLORIDA



DESCRIPTION:
THE EAST 200 FEET OF THE WEST 4200 FEET OF THE LAND LYING BETWEEN SILVER BEACH SUBDIVISION IN OKALOOSA COUNTY, FLORIDA, AND THE REVISED SECOND EAST PASS ADDITION TO DESTIN, FLORIDA AND LYING SOUTH OF U.S. HIGHWAY 98, OKALOOSA COUNTY, FLORIDA.

- SURVEYOR'S NOTES:
- DENOTES CONCRETE MONUMENT
 - DENOTES CAPPED ROD
 - P.O.C. DENOTES POINT OF COMMENCEMENT
 - P.O.B. DENOTES POINT OF BEGINNING
 - F.F.E. DENOTES UNDECORATED FINISHED FLOOR ELEVATION.
 - F.C.E. DENOTES UNDECORATED FINISHED CEILING ELEVATION.

- GENERAL NOTES:
1. THE LOWER BOUNDARY OF THE UNITS SHALL BE THE HORIZONTAL PLANE OF THE UNDECORATED FINISHED FLOOR. THE UPPER BOUNDARY OF THE UNITS SHALL BE THE HORIZONTAL PLANE OF THE UNDECORATED FINISHED CEILING.
 2. FINISHED FLOOR AND CEILING ELEVATIONS SHOWN HEREON ARE NATIONAL GEODETIC VERTICAL DATUM FROM U.S.C. AND G.S. BENCHMARK.
 3. THE BUILDING IS LOCATED IN FLOOD ZONES "B" AND "V-10," ELEVATION 9.00 FEET M.S.L. FROM H.U.D. MAP NO. 120173 0010 B, OKALOOSA COUNTY, FLORIDA DATED JULY 1, 1977.
 4. UNIT DIMENSIONS MAY VARY 0.10 FEET, MORE OR LESS.

SURVEYOR'S CERTIFICATE:

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT SURVEY OF THE PROPERTY DESCRIBED HEREON AND THAT THE CONSTRUCTION OF THE IMPROVEMENTS DESCRIBED BY THE SURVEY AND THE GRAPHIC DESCRIPTION OF THE IMPROVEMENTS ATTACHED TO THE DECLARATION OF CONDOMINIUM OF EMERALD TOWERS, A CONDOMINIUM, IS SUBSTANTIALLY COMPLETE SO THAT SUCH MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS.

Raymond E. Richardson 17 Nov 1982

RAYMOND E. RICHARDSON, FLORIDA REGISTRATION NO. 2535

RAYMOND RICHARDSON & ASSOCIATES, INC.

P.O. BOX 812

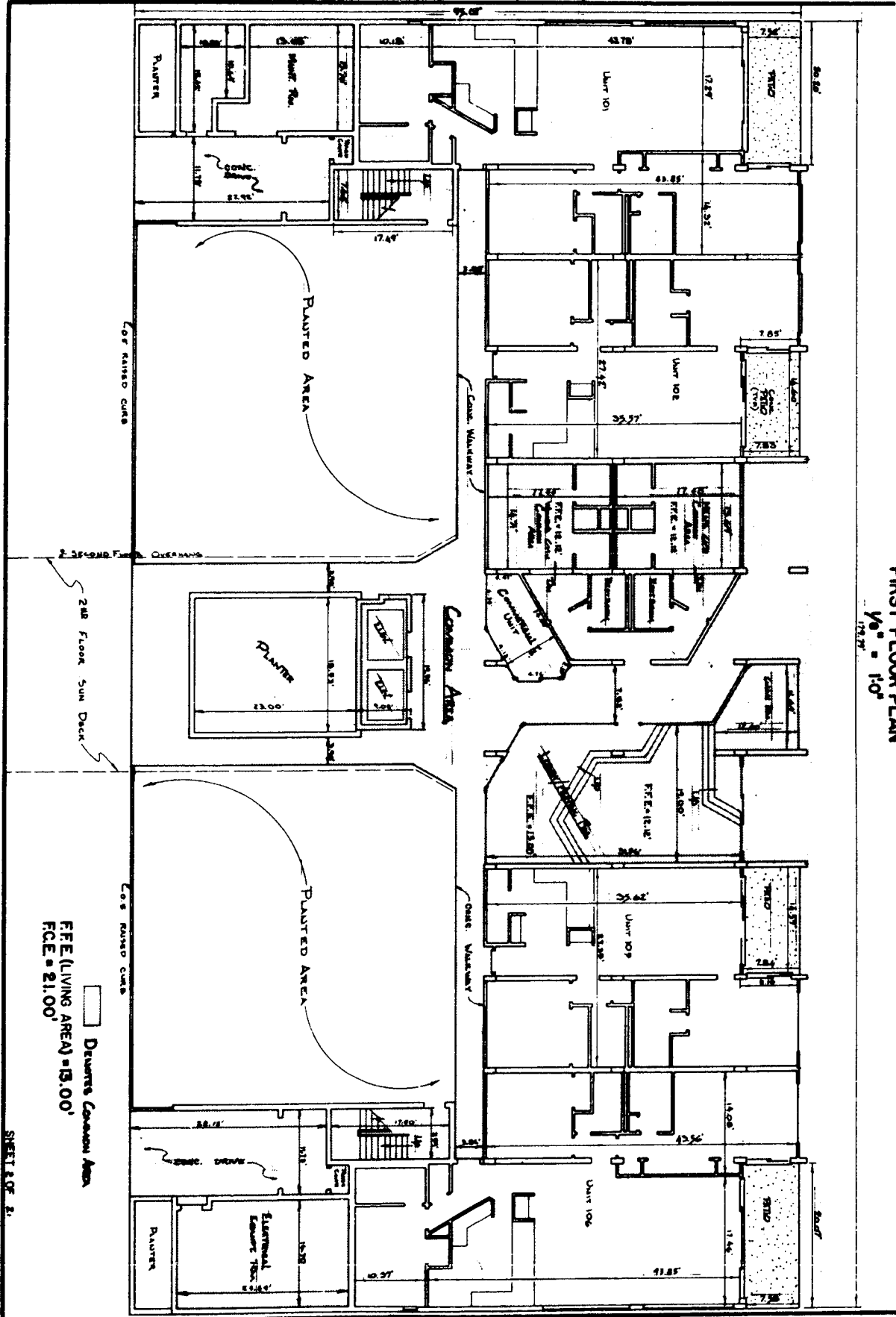
DESTIN, FLORIDA 32541

DRAWN BY: J. KELLY

CONDOMINIUM
PLAT BOOK PAGE

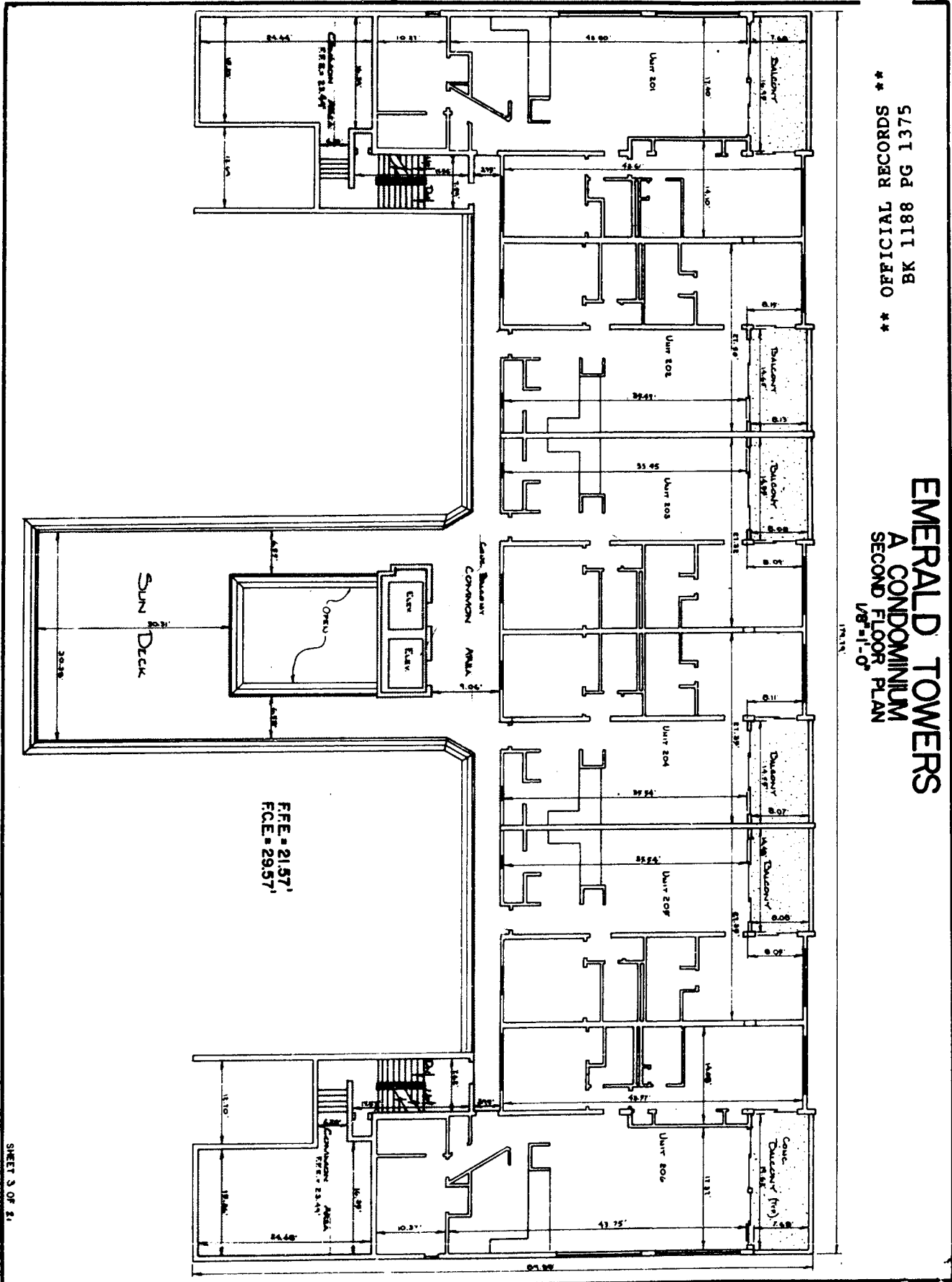
** OFFICIAL RECORDS **
BK 1188 PG 1374

EMERALD TOWERS
A CONDOMINIUM
FIRST FLOOR PLAN
1/8" = 1'-0"

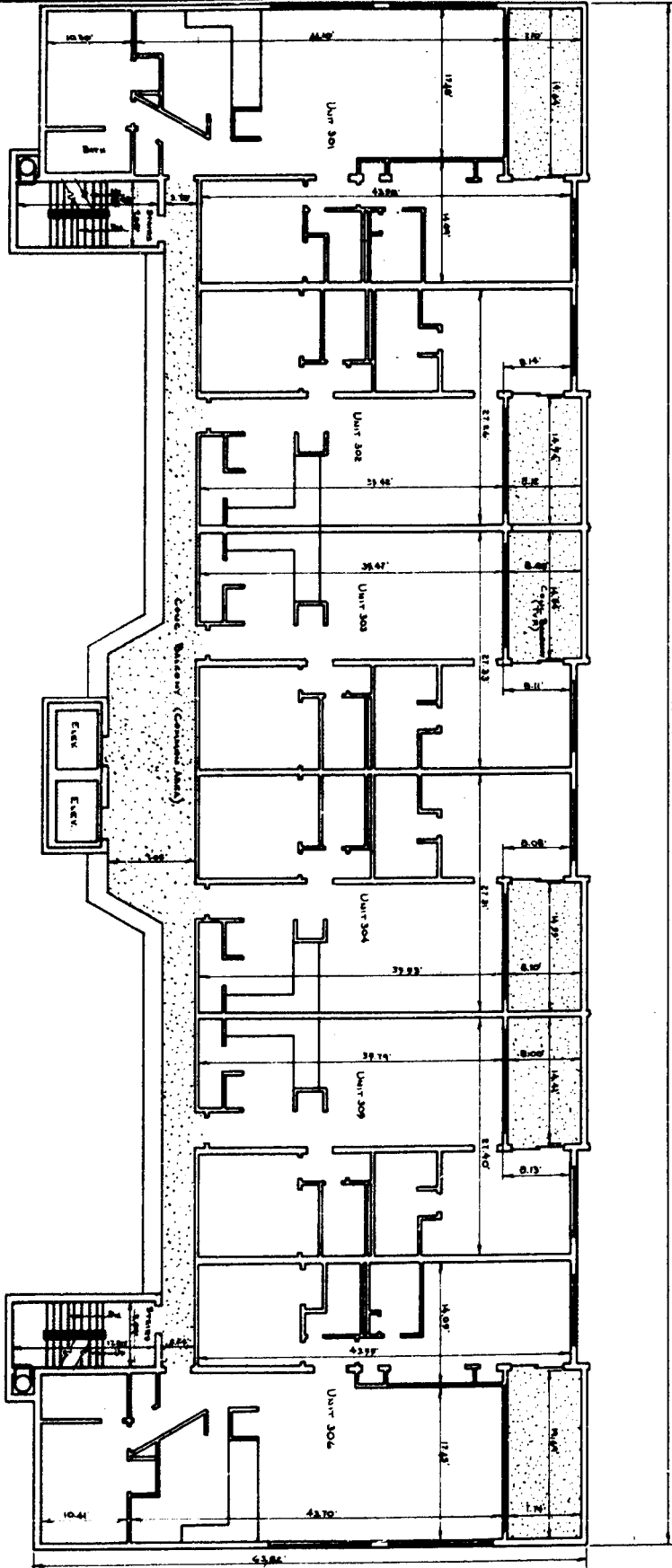


** OFFICIAL RECORDS **
BK 1188 PG 1375

EMERALD TOWERS
A CONDOMINIUM
SECOND FLOOR PLAN
1/8"=1'-0"



F.F.E. = 21.57'
F.C.E. = 29.57'

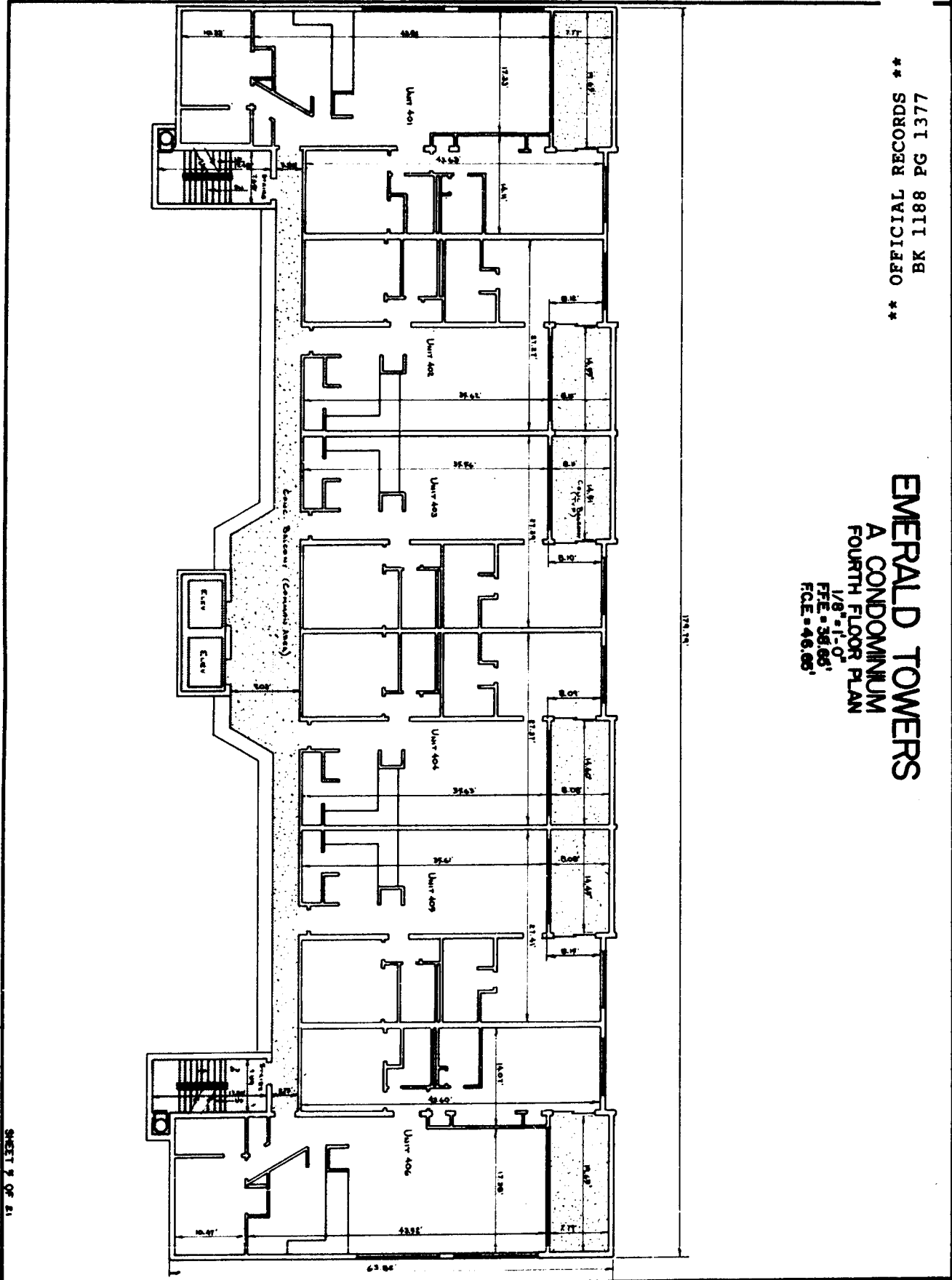


** OFFICIAL RECORDS **
 BK 1188 PG 1376

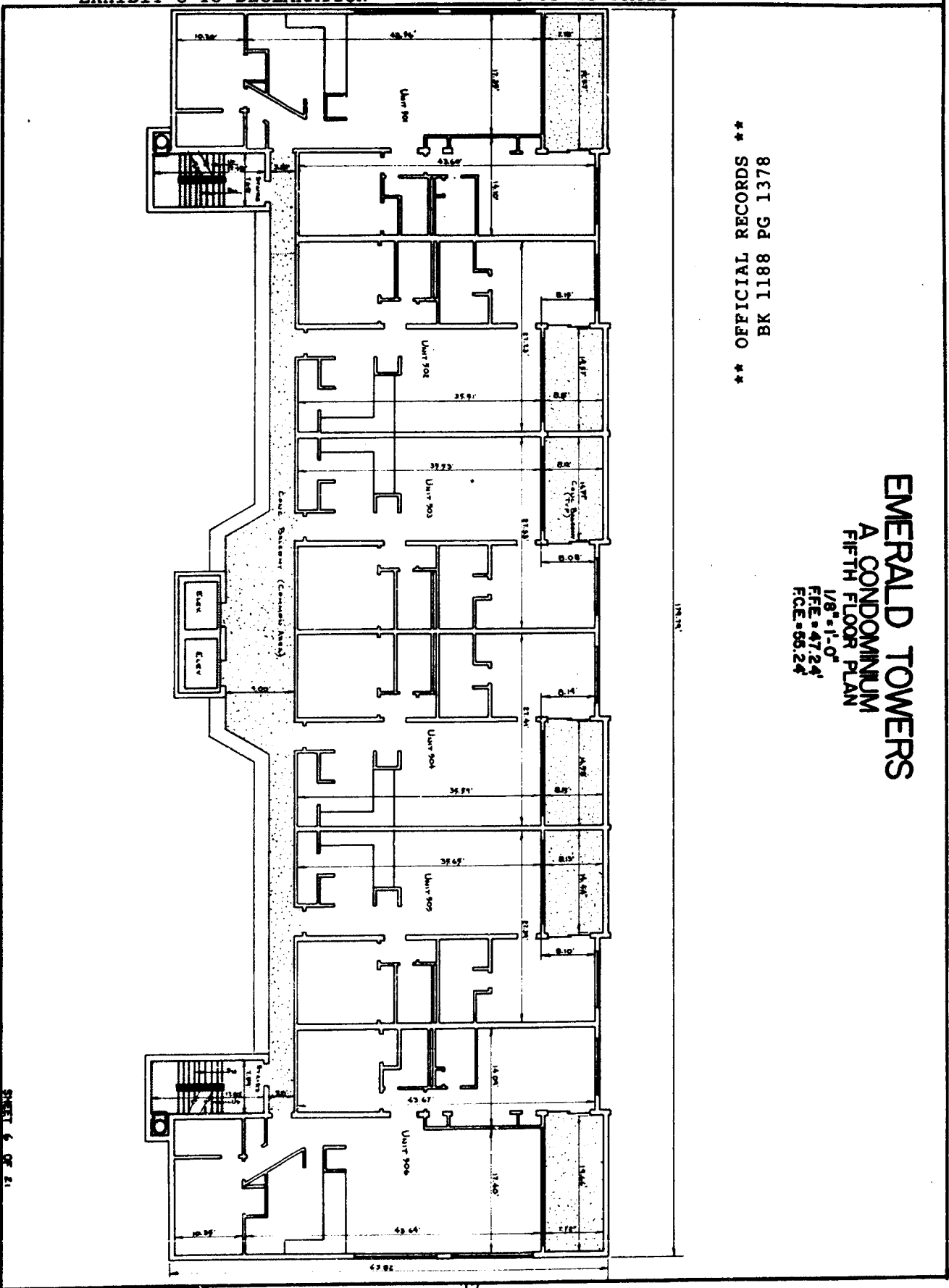
EMERALD TOWERS
A CONDOMINIUM
THIRD FLOOR PLAN
 1/8" = 1'-0"
 FRIE = 30.17'
 FCE = 39.17'

** OFFICIAL RECORDS **
BK 1188 PG 1377

EMERALD TOWERS
A CONDOMINIUM
FOURTH FLOOR PLAN
1/8" = 1'-0"
FFE = 36.06'
FCE = 46.06'



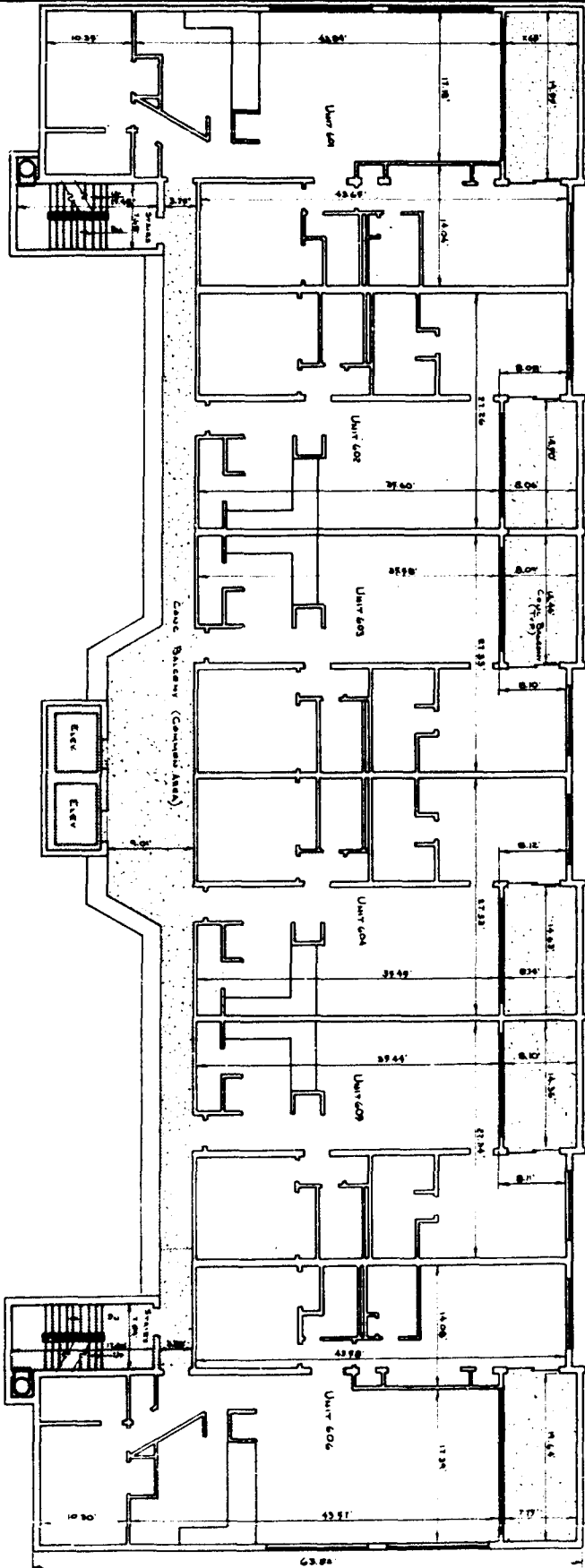
SHEET 9 OF 21



** OFFICIAL RECORDS **
 BK 1188 PG 1378

EMERALD TOWERS
A CONDOMINIUM
FIFTH FLOOR PLAN
 1/8" = 1'-0"
 FFE = 47.24'
 FCE = 55.24'

SHEET 6 OF 21



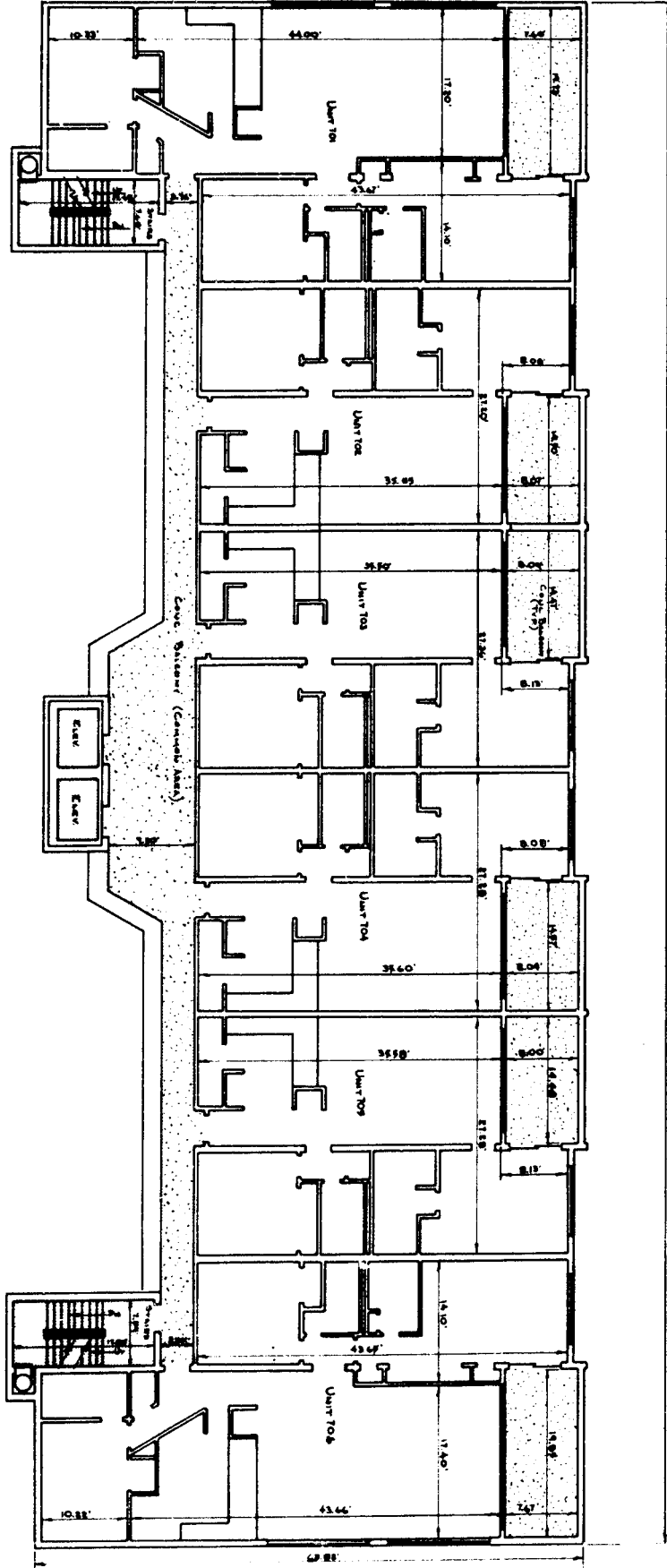
** OFFICIAL RECORDS **
 BK 1188 PG 1379

EMERALD TOWERS
A CONDOMINIUM
SIXTH FLOOR PLAN
 1/8" = 1'-0"
 FPE = 95.74'
 FCE = 63.74'

SHEET 7 OF 21

** OFFICIAL RECORDS **
BK 1188 PG 1380

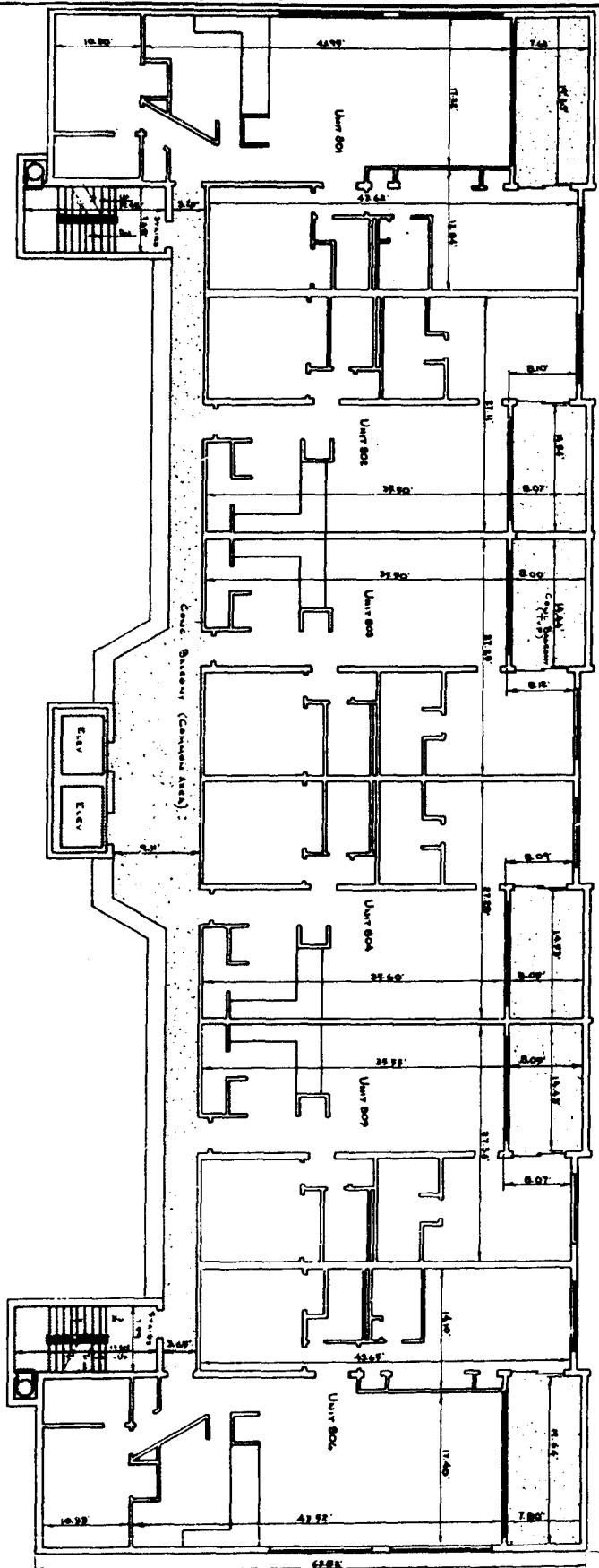
EMERALD TOWERS
A CONDOMINIUM
SEVENTH FLOOR PLAN
1/8" = 1'-0"
F.F.E. = 64.36'
F.C.E. = 72.36'



SHEET 8 OF 21

** OFFICIAL RECORDS **
BK 1188 PG 1381

EMERALD TOWERS
A CONDOMINIUM
EIGHTH FLOOR PLAN
1/8" = 1'-0"
FFE-7294
FCE-8094

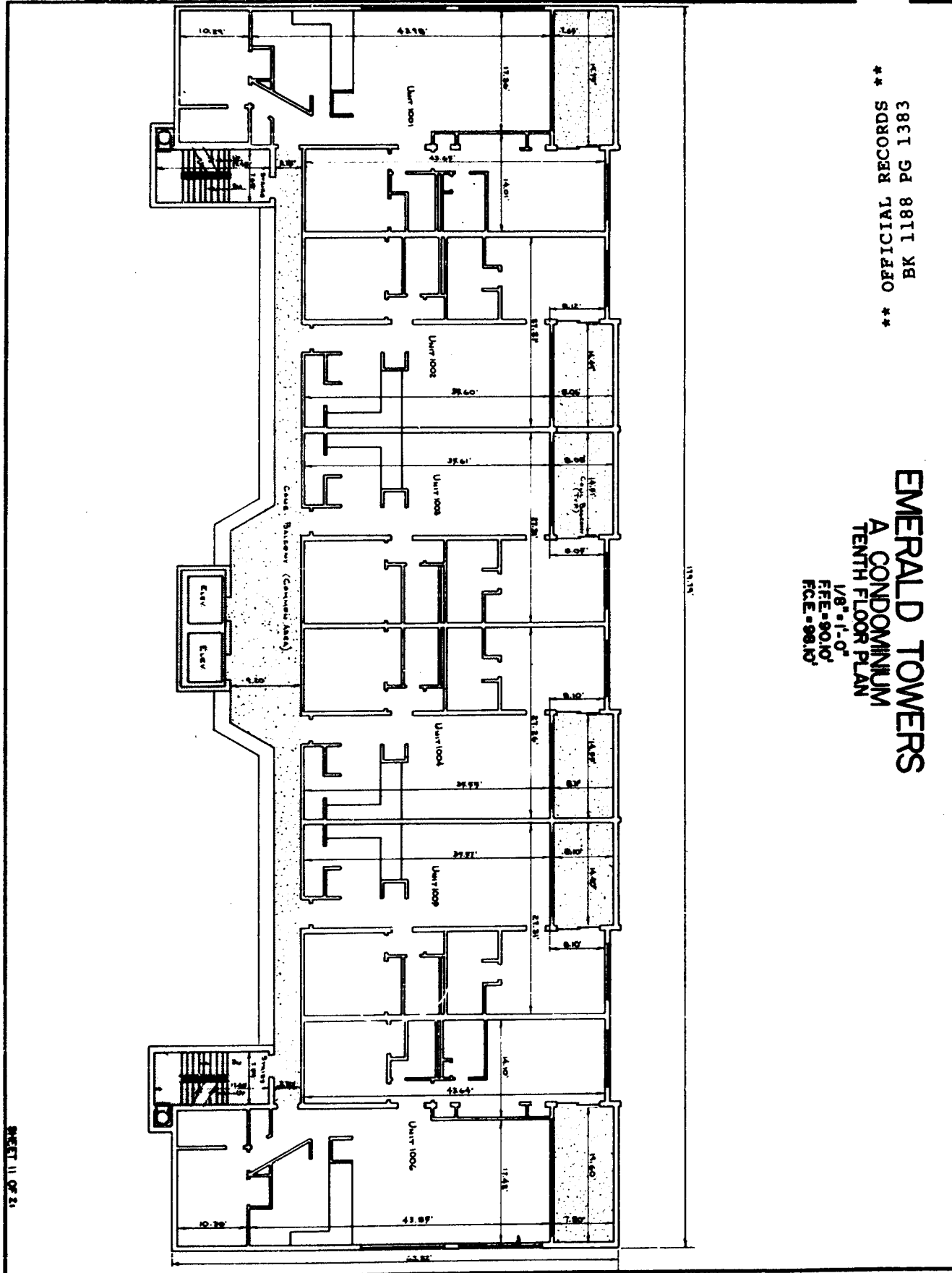


SHEET 9 OF 11

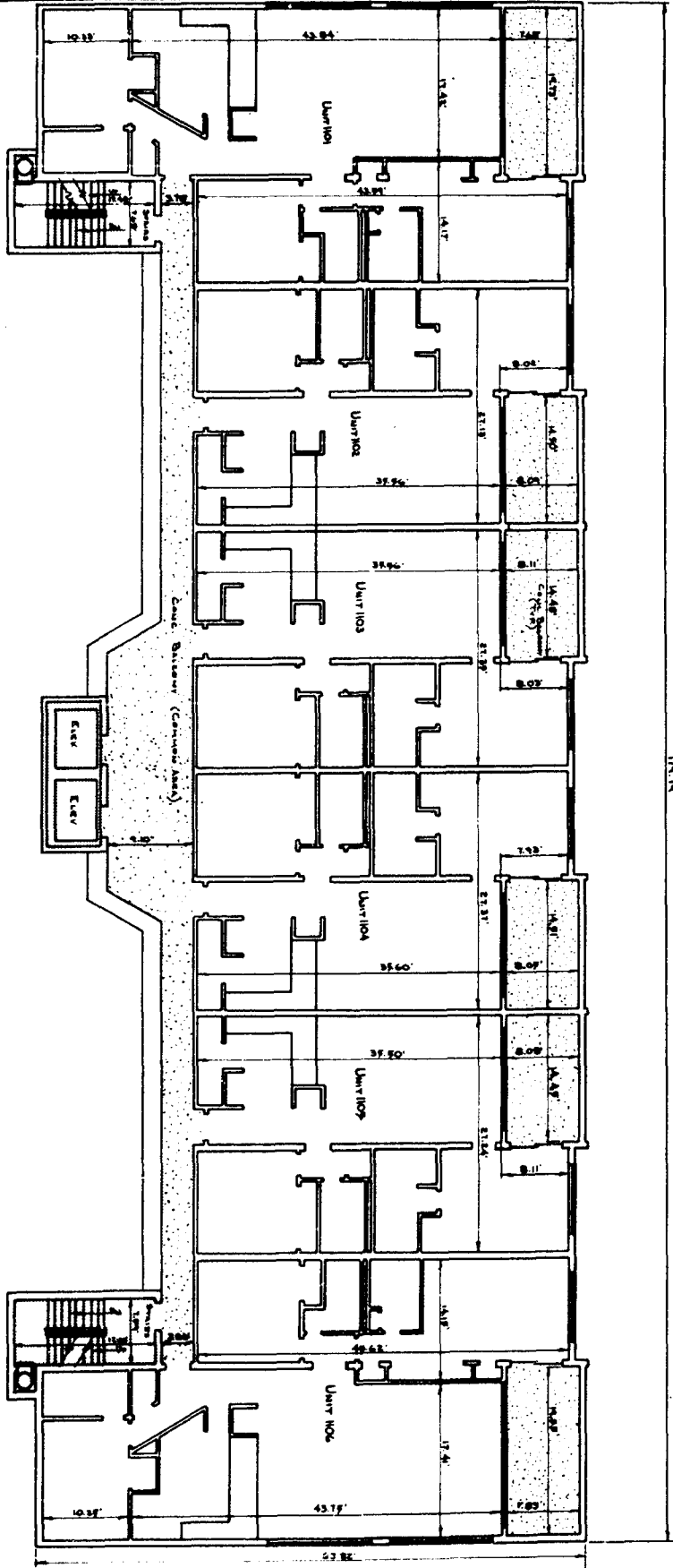
** OFFICIAL RECORDS **
BK 1188 PG 1383

EMERALD TOWERS
A CONDOMINIUM
TENTH FLOOR PLAN

1/8"=1'-0"
FEE-9010'
FCE-9810'



SHEET 11 OF 21



** OFFICIAL RECORDS **
BK 1188 PG 1384

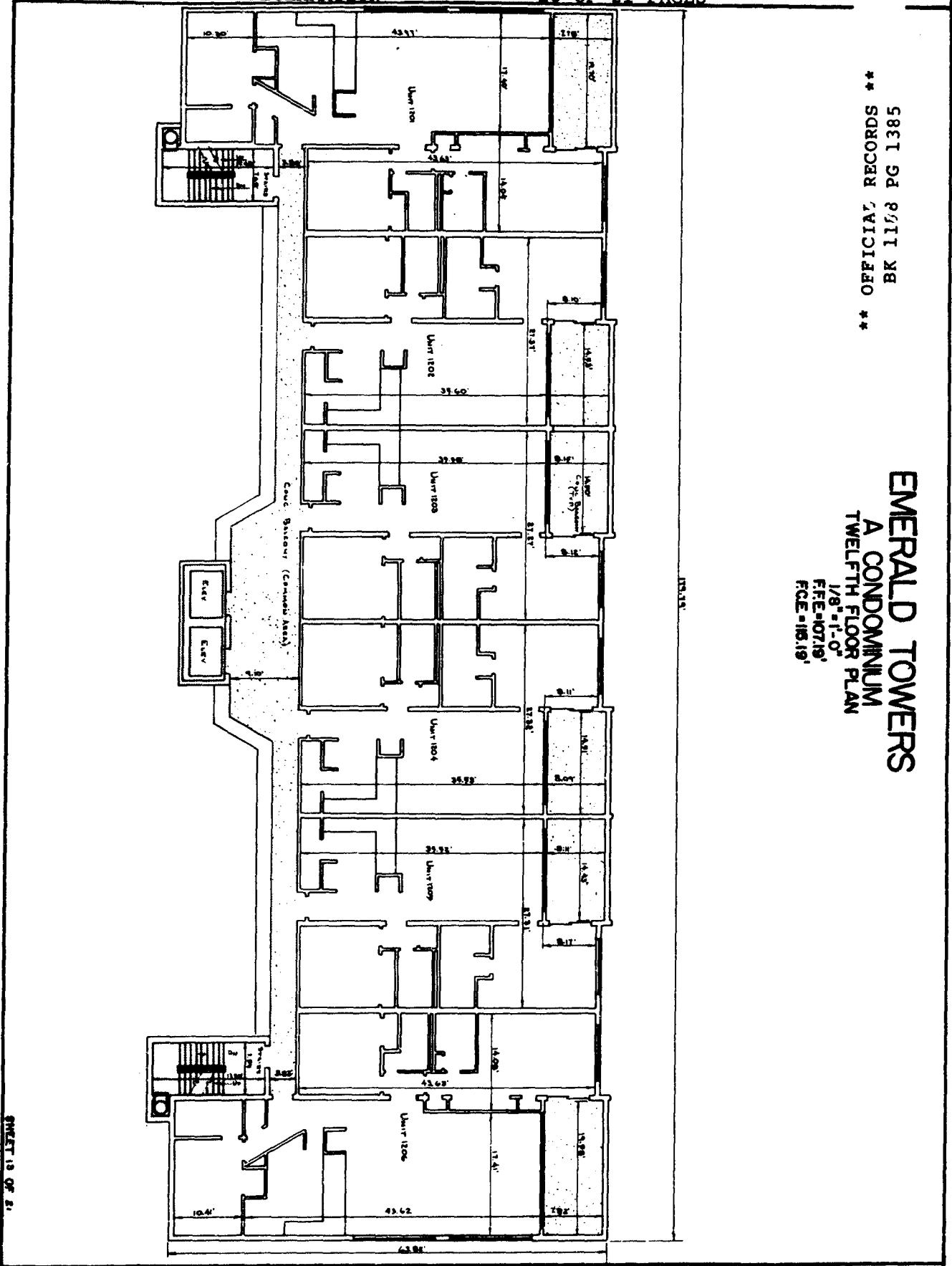
EMERALD TOWERS
A CONDOMINIUM
ELEVENTH FLOOR PLAN
 1/8" = 1'-0"
 FEE-98.63'
 FCE-106.63'

SHEET 12 OF 21

** OFFICIAL RECORDS **
BK 1108 PG 1385

EMERALD TOWERS
A CONDOMINIUM
TWELFTH FLOOR PLAN

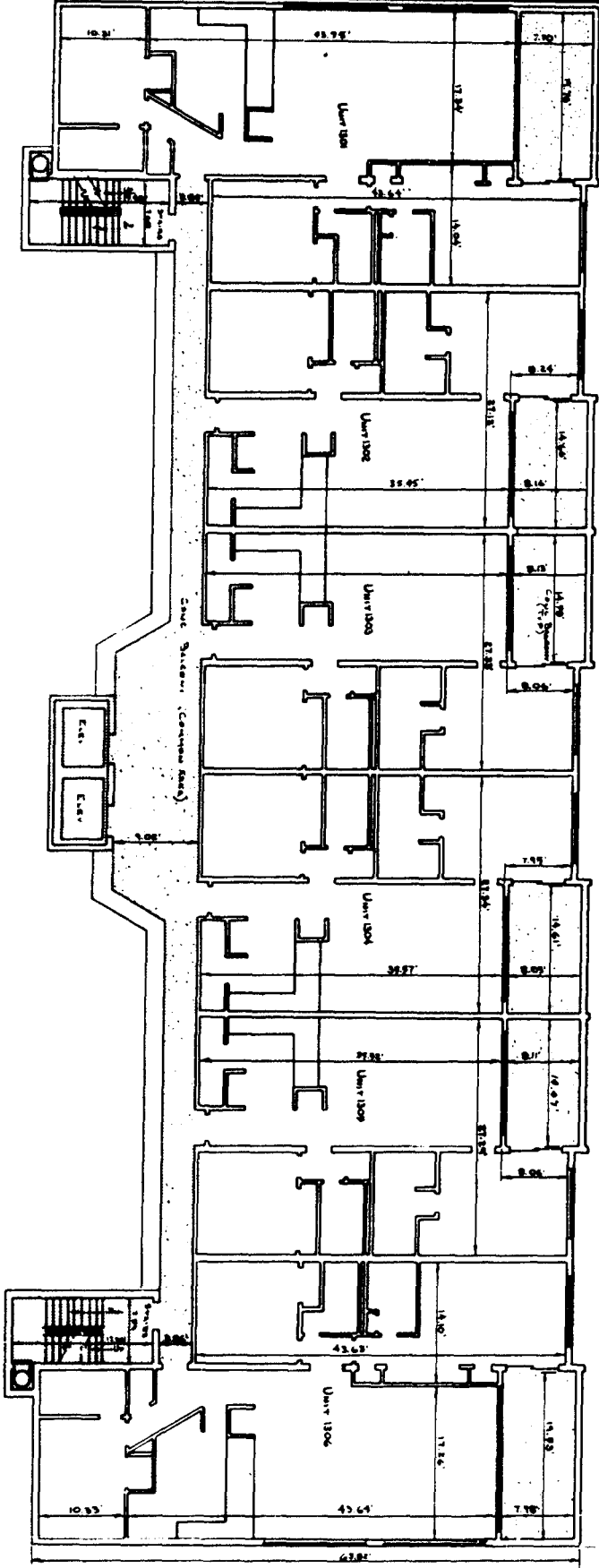
1/8" = 1'-0"
F.I.E.-10719'
F.C.E.-10519'

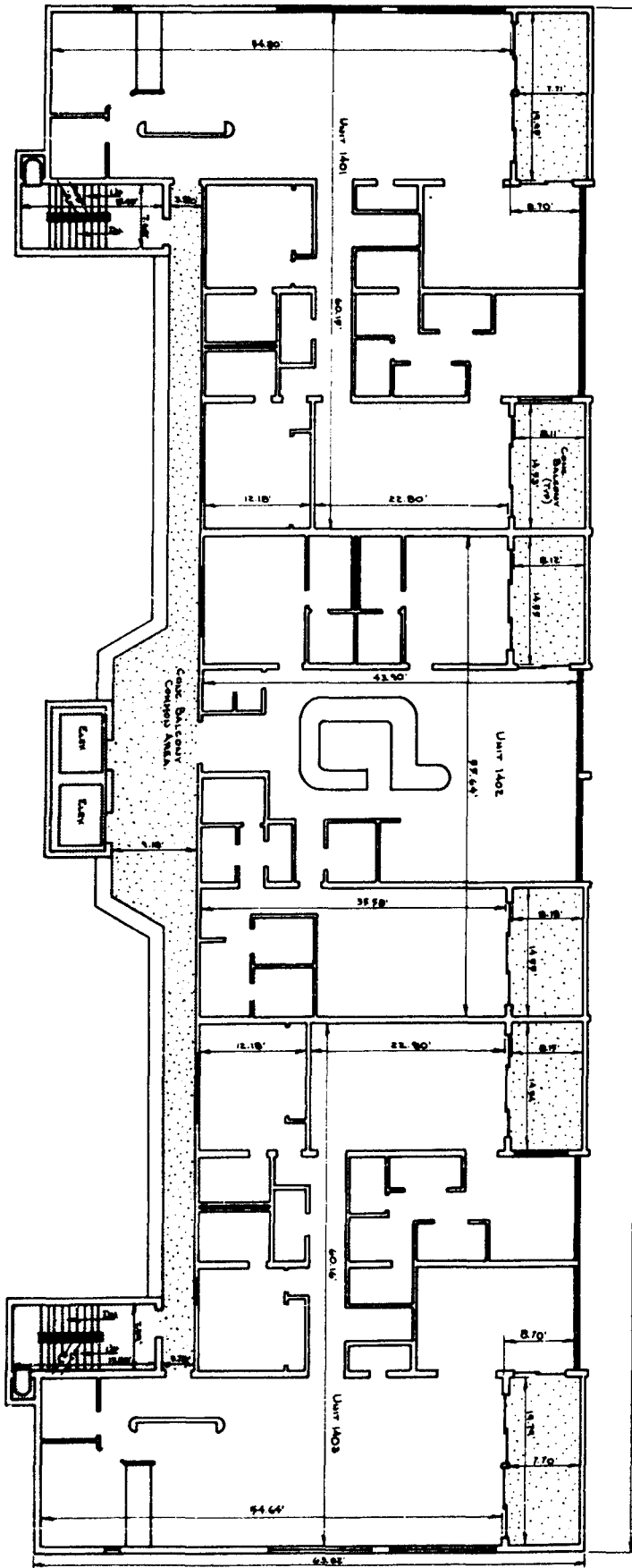


SHEET 13 OF 21

** OFFICIAL RECORDS **
BK 1188 PG 1386

EMERALD TOWERS
A CONDOMINIUM
THIRTEENTH FLOOR PLAN
1/8" = 1'-0"
FEE = \$175'
FCE = \$2475'





** OFFICIAL RECORDS **
BK 1188 PG 1387

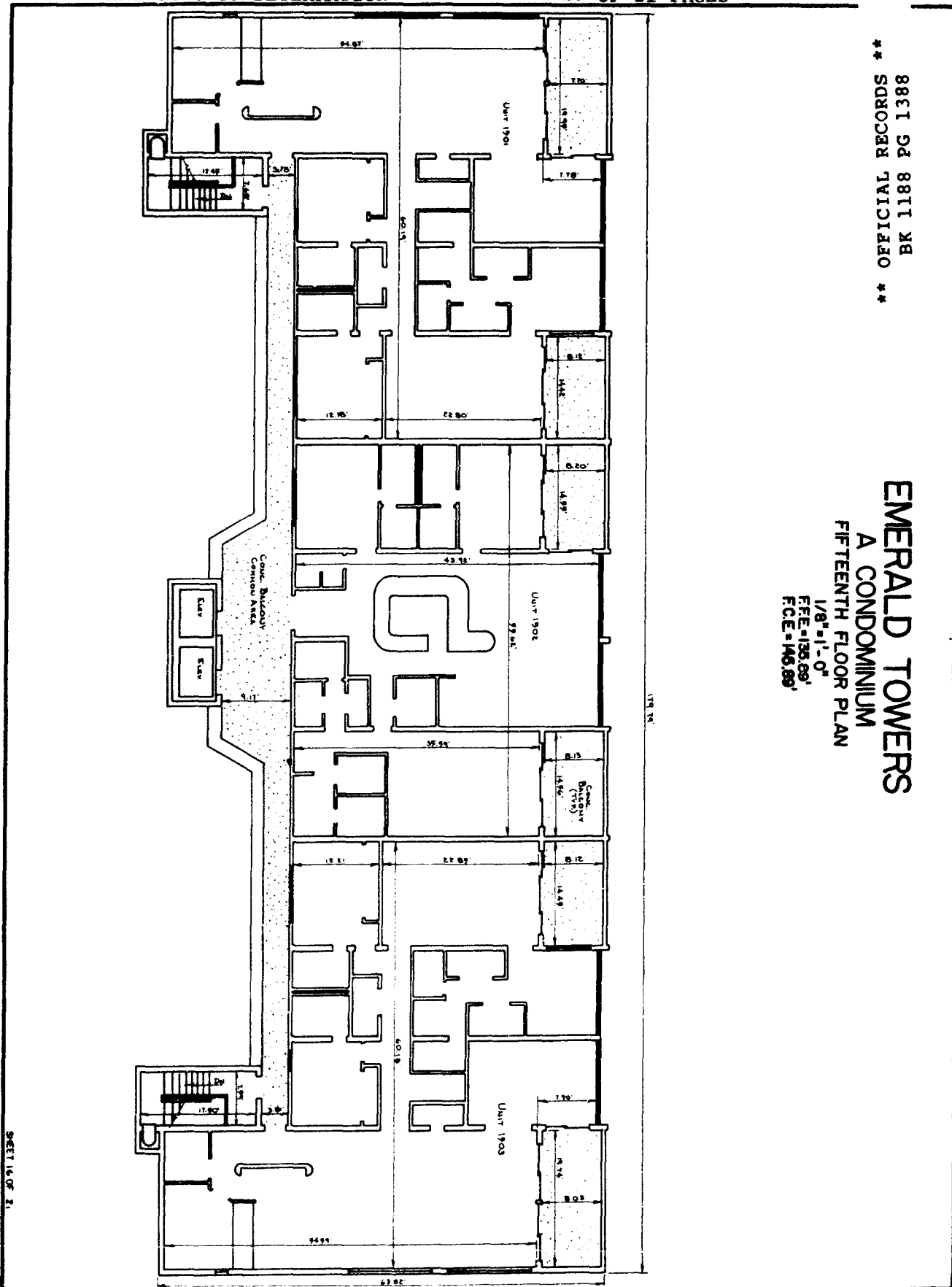
EMERALD TOWERS
A CONDOMINIUM
FOURTEENTH FLOOR PLAN
1/8" = 1'-0"
FFE # 126.36'
FCE # 138.36'

SHEET 19 OF 21

** OFFICIAL RECORDS **
BK 1188 PG 1388

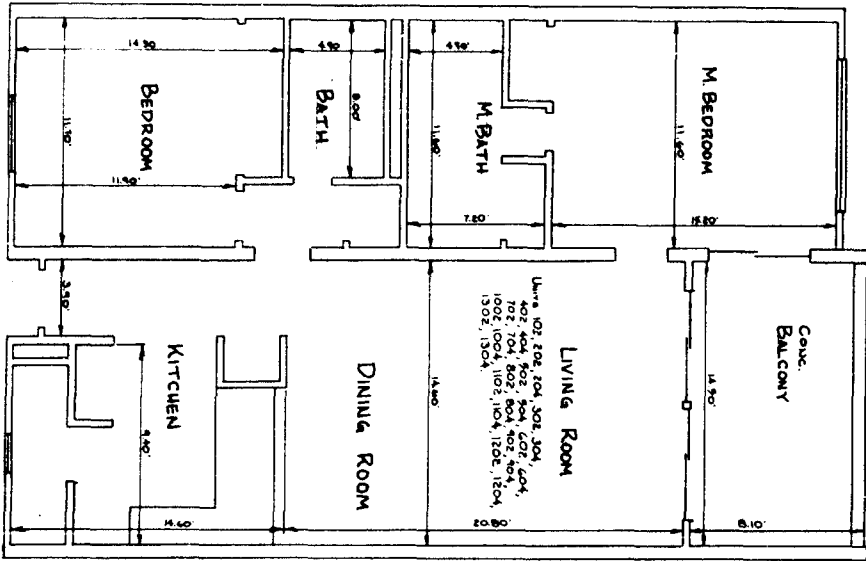
EMERALD TOWERS
A CONDOMINIUM
FIFTEENTH FLOOR PLAN

1/8" = 1'-0"
FFE = 135.89'
FCE = 146.89'



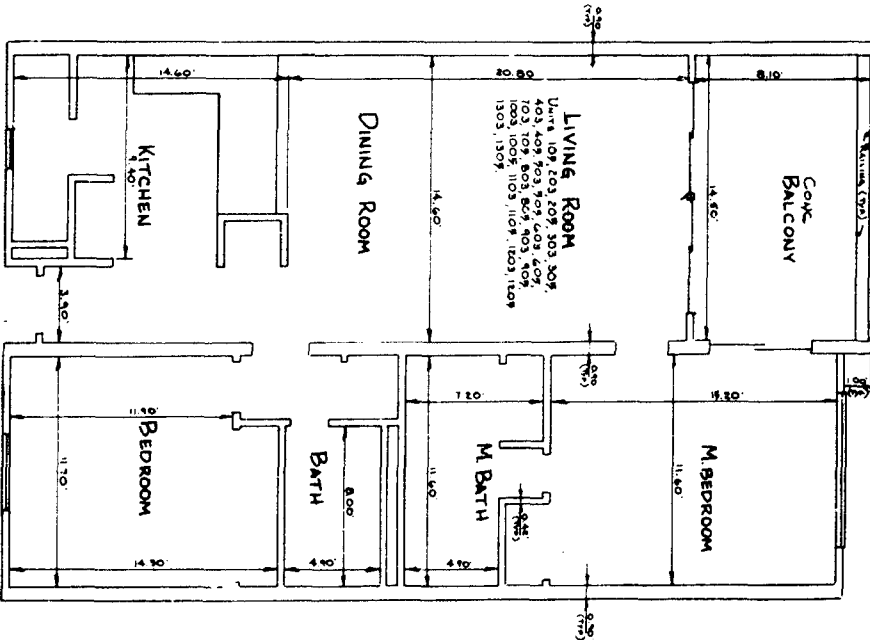
** OFFICIAL RECORDS **
BK 1188 PG 1389

EMERALD TOWERS
A CONDOMINIUM
TYPICAL UNIT PLAN
1/4"=1'-0"



Conc. Walkway
(Compare to Sheet)

NOTE:
DIMENSIONS MAY VARY 0/1"

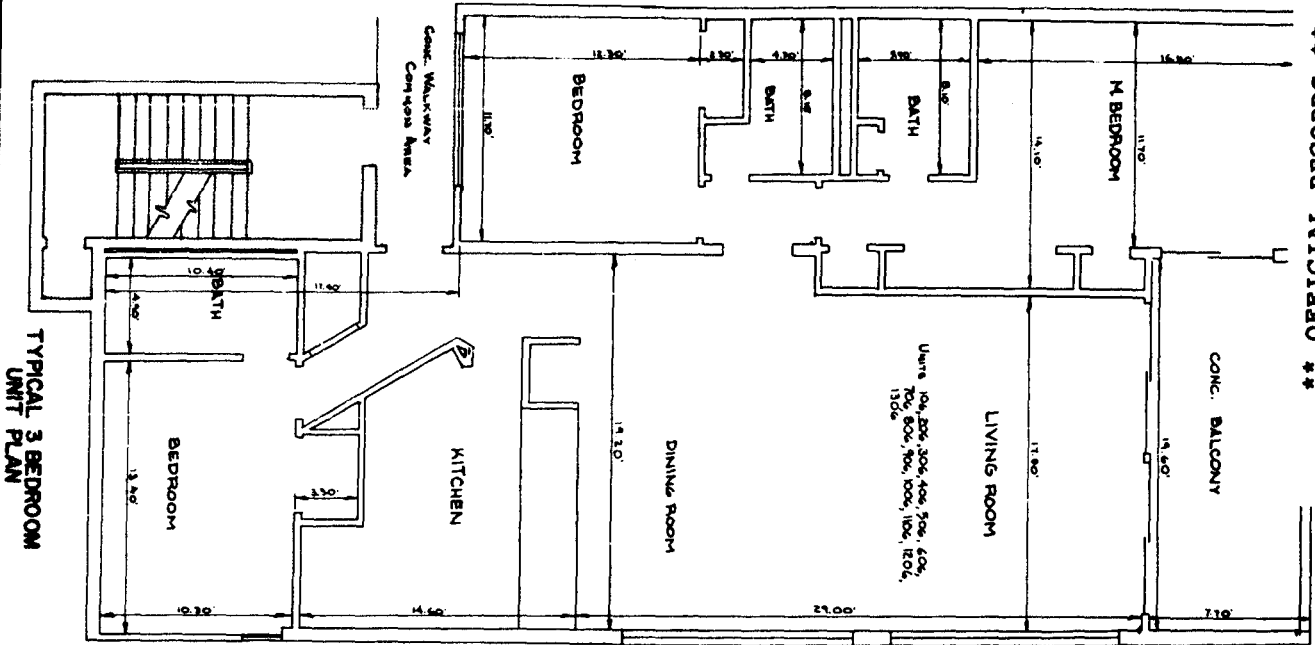


Conc. Walkway
(Compare to Sheet)

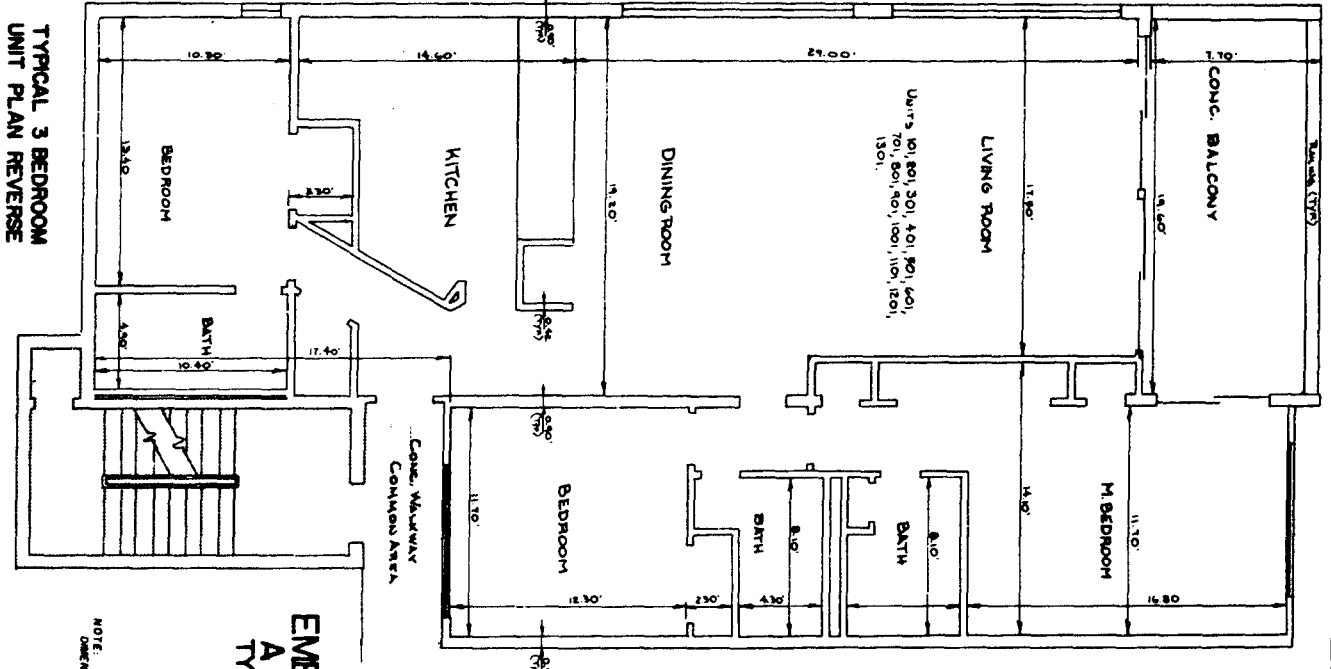
TYPICAL 2 BEDROOM UNIT PLAN

TYPICAL 2 BEDROOM UNIT PLAN REVERSE

OFFICIAL RECORDS BK 1188 PG 1390



TYPICAL 3 BEDROOM UNIT PLAN

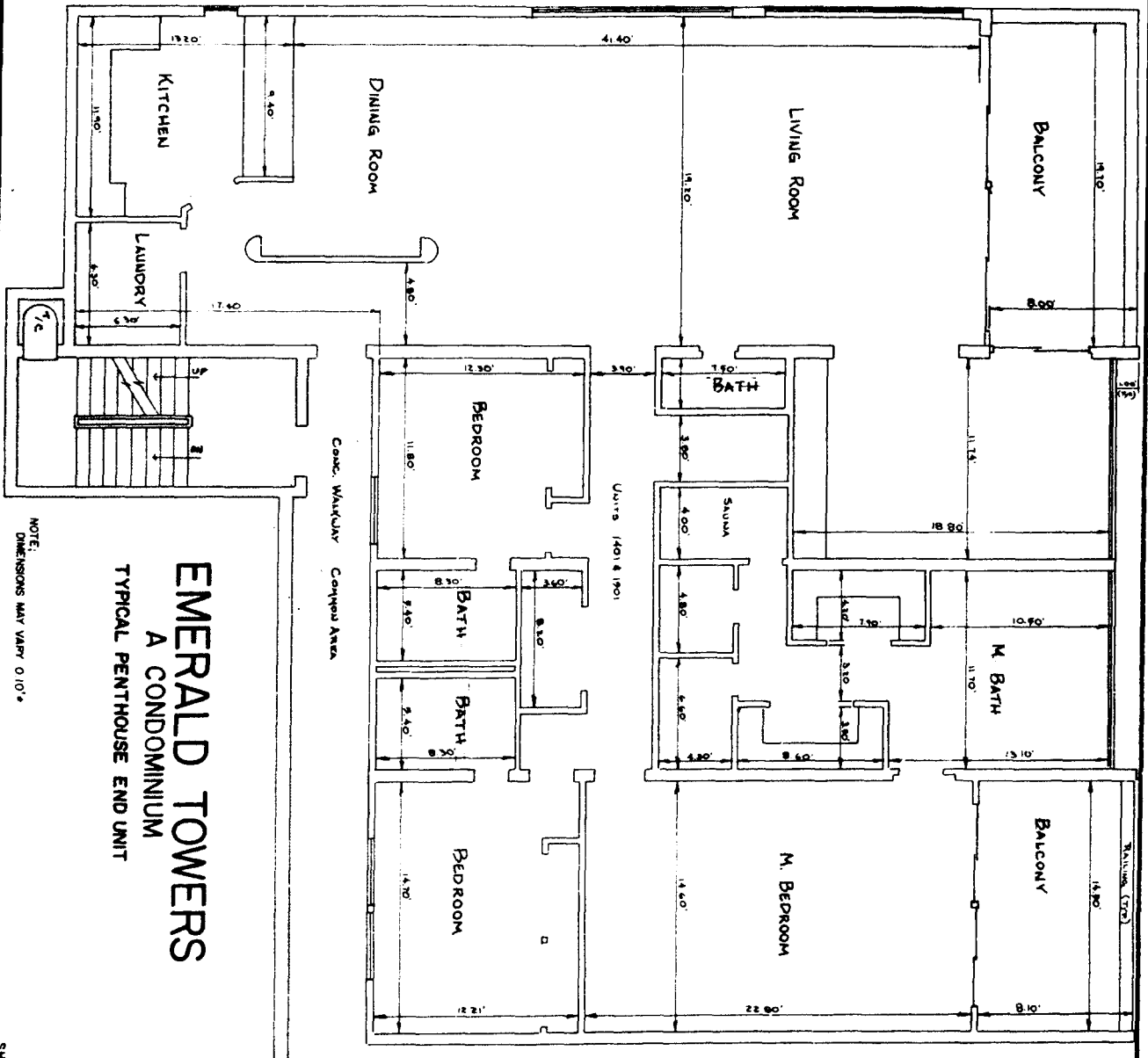


TYPICAL 3 BEDROOM UNIT PLAN REVERSE

NOTE: DIMENSIONS MAY VARY 0.10"

EMERALD TOWERS A CONDOMINIUM TYPICAL UNIT PLAN 1/4" = 1'-0"

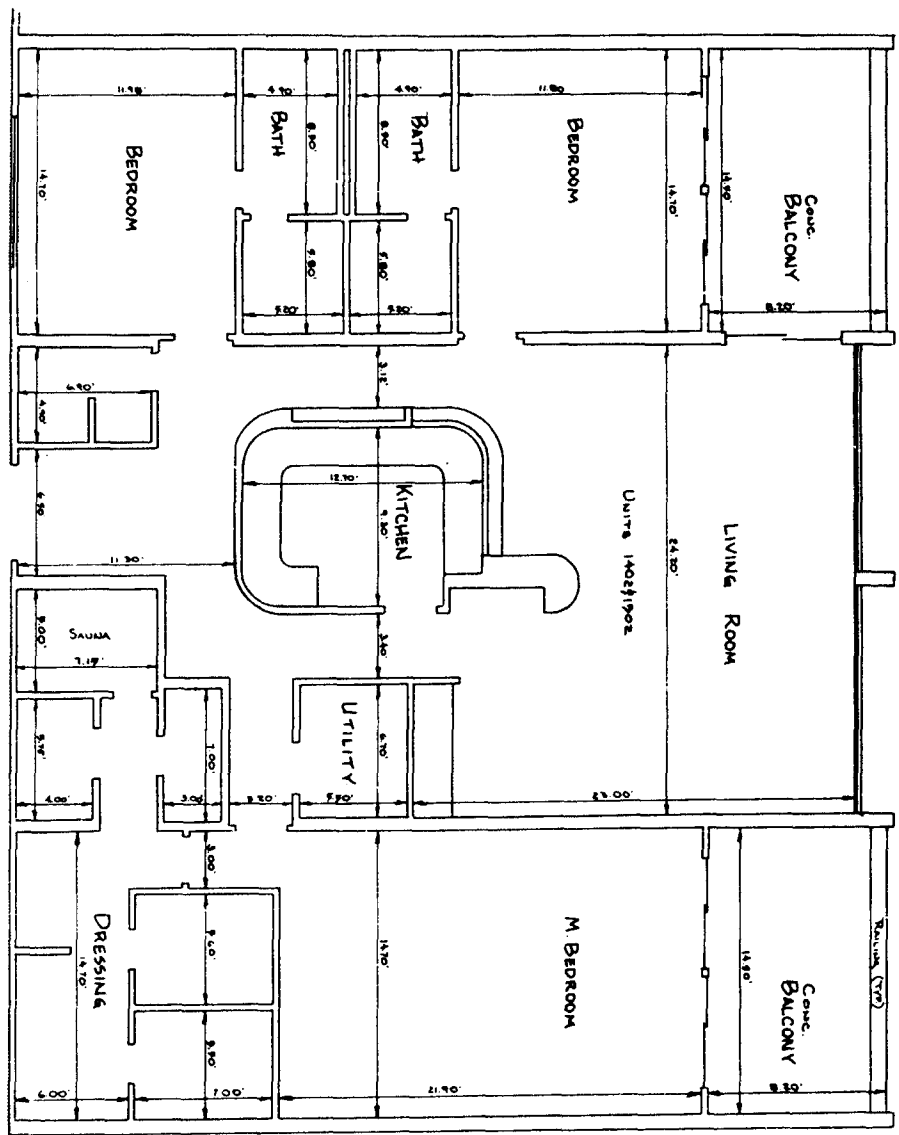
** OFFICIAL RECORDS **
BK 1188 PG 1391



EMERALD TOWERS
A CONDOMINIUM
TYPICAL PENTHOUSE END UNIT

NOTE:
 DIMENSIONS MAY VARY 0.10"

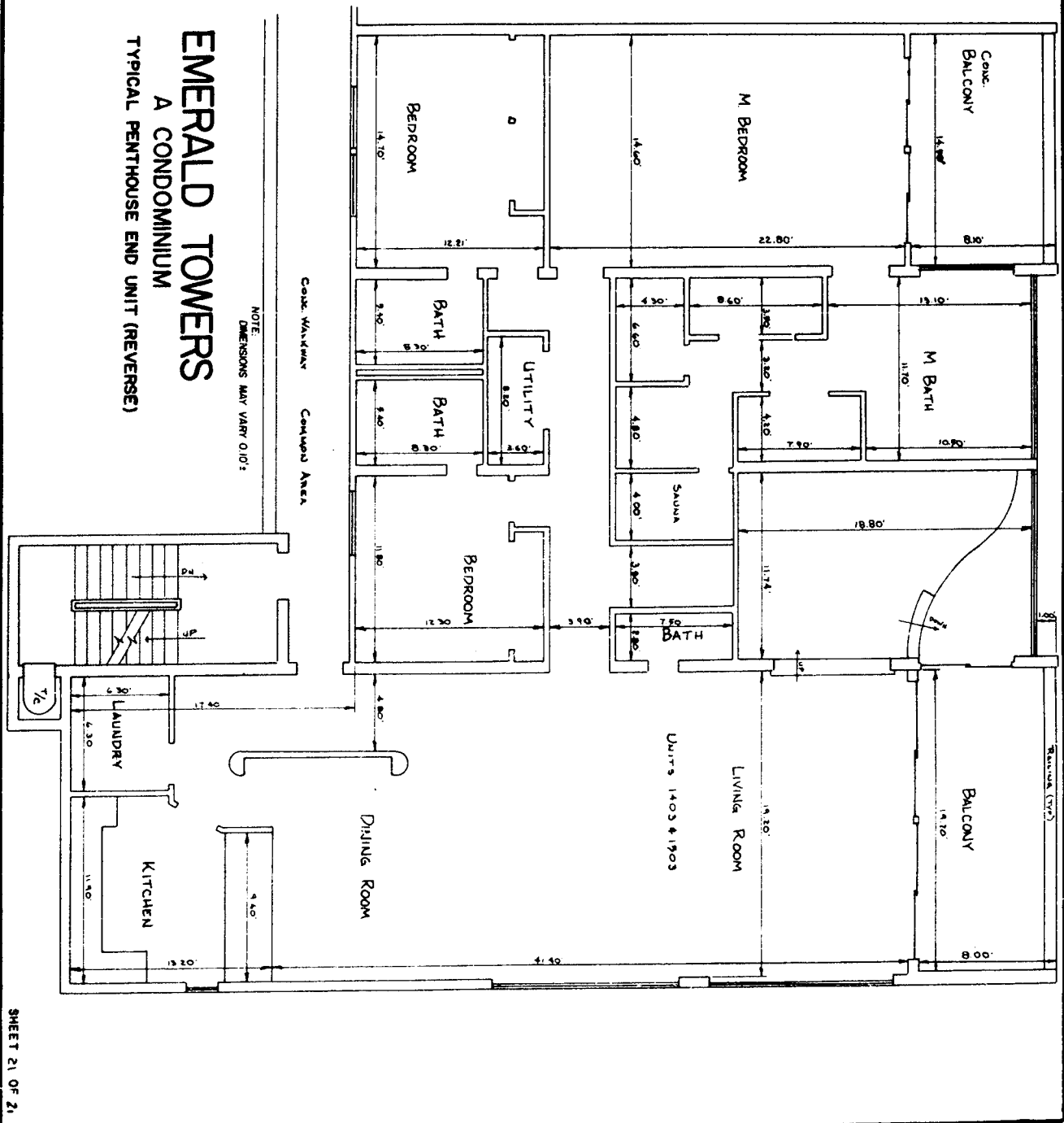
** OFFICIAL RECORDS **
BK 1188 PG 1392



EMERALD TOWERS
A CONDOMINIUM
TYPICAL PENTHOUSE, MIDDLE UNIT

NOTE:
DIMENSIONS MAY VARY 0.10'

** OFFICIAL RECORDS **
BK 1188 PG 1393



EMERALD TOWERS
A CONDOMINIUM
TYPICAL PENTHOUSE END UNIT (REVERSE)

NOTE:
DIMENSIONS MAY VARY 0.10'

EXHIBIT D TO DECLARATION

"FRACTIONAL SHARE OF COMMON ELEMENTS AND SURPLUS APPURTENANT
TO EACH APARTMENT BY APARTMENT TYPE"

<u>APARTMENT TYPE</u>	<u>FRACTIONAL SHARE OF COMMON ELEMENTS AND SURPLUS</u>
2 Bedroom Apartment	.009708
3 Bedroom Apartment	.014500
Penthouse Middle Apartment	.024250
Penthouse End Apartment	.019400
Commercial Apartment	.001800

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of EMERALD TOWERS OWNERS ASSOCIATION, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on February 1, 1982, as shown by the records of this office.

The charter number for this corporation is 761682.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
3rd day of February, 1982.



CER 101 Rev. 12-80

George Firestone
Secretary of State

ARTICLES OF INCORPORATION
OF
EMERALD TOWERS OWNERS ASSOCIATION, INC.

**** OFFICIAL RECORDS ****
BK 1188 PG 1396

FILED
Feb 1 4 22 PM '82
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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

ARTICLE I

NAME. The name of the corporation shall be "Emerald Towers Owners Association, Inc.", hereinafter referred to as the "Association".

ARTICLE II

PURPOSE. The purpose for which the Association is organized is to provide an entity pursuant to the Condominium Act, which is Chapter 718, Florida Statutes, 1981 for the operation, management, maintenance and control of Emerald Towers, A Condominium, hereinafter referred to as the "condominium". The Association shall make no distributions of income to its members, directors or officers.

ARTICLE III

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

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

(B) The Association shall have all of the powers and duties set forth in the Declaration and these Articles and in the Condominium Act except where the Act allows limitations by these Articles or the Declaration and all of the powers and

EXHIBIT E TO DECLARATION
3 OF 10 PAGES

duties reasonably necessary to operate a condominium pursuant to the Declaration and as it may be amended from time to time, including but not limited to the following:

(1) To hold title to and own fee simple or other lesser interest in real, personal or mixed property, wherever situated, including apartments in the condominium, and to lease, mortgage and convey same.

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

(3) To use the proceeds of the assessments in the exercise of these powers and duties.

(4) To maintain, repair, replace and operate the property of the condominium or the property of the Association.

(5) To purchase insurance upon the property of the condominium or the property of the Association and insurance for the protection of the Association and its members as apartment owners.

(6) To reconstruct improvements after casualty and to further improve the property of the condominium operated by the Association or the property of the Association.

(7) To make and amend reasonable regulations respecting the use of the property in the condominium or the property of the Association.

(8) To approve or disapprove the transfer, mortgage and ownership of the apartments as may be provided by the Declaration and by the By-Laws of the Association, hereinafter referred to as the "By-Laws".

(9) To enforce by legal means the provisions

** OFFICIAL RECORDS **
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of the Condominium Act, the Declaration, these Articles, the By Laws, and the regulations for the use of the property of the condominium or the property owned by the Association.

(10) To contract for the management of the condominium and to delegate such contractor all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.

(11) To contract with Emerald Towers, Inc., a Joint Venture Partnership consisting of Marion Properties and Emerald Towers, Inc. its successors and assigns, and any of their officers, directors or stockholders.

(12) To contract for the management or operation of portions of common elements of the condominium property of the Association which may be susceptible to separate management or operation, and to lease such portions.

(13) To employ personnel to perform the services required for proper operation of the Association or the condominium.

(14) To hire attorneys or other professionals for the purposes of bringing legal action or enforcing rights in the name of and on behalf of the individual condominium apartment owners where such actions or rights are common to all of the condominium apartment owners; and to bring such action in the name of and on behalf of said condominium owners.

(C) All funds and the title of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration and of the By-Laws.

(D) The powers of the Association shall be subject to and be exercised in accordance with the provisions of the Declaration and the By-Laws.

EXHIBIT E TO DECLARATION
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ARTICLE IV

** OFFICIAL RECORDS **
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MEMBERS.

(A) The members of the Association shall consist of all of the record owners of apartments in the condominium and after termination of the condominium, shall consist of those who are members at the time of such termination and their successors and assigns.

(B) After receiving approval of the Association required by the Declaration, change of membership in the Association shall be established by recording in the public records of Okaloosa County, Florida a deed or other instrument establishing a record title to an apartment in the condominium and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

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

ARTICLE V

DIRECTORS.

(A) The affairs of the Association will be managed by a Board consisting of not less than three (3) directors nor more than seven (7) directors, the exact number to be determined at the time of the election. Directors need not be members of the Association.

EXHIBIT E TO DECLARATION
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(B) Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in a manner provided by the By-Laws.

(C) The first election of Directors shall not be held until required by the Condominium Act, including Section 718.301 thereof, or until the Developer elects to terminate its control of the Association and the condominium operated by it, whichever occurs first. The directors named in these Articles shall serve until the first election of directors, and any vacancies in their number occurring before the first election shall be filled by the remaining directors and, if there are no remaining directors, such vacancies shall be filled by the Developer.

(D) The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified or until removed are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Vic Deal	401 Lee Lane Destin, Florida 32541
Ed McMurphy	1 Marion Avenue Daphne, Alabama 36526
Kerry J. O'Conner	1 Marion Avenue Daphene, Alabama 36526

ARTICLE VI

OFFICERS. The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of

** OFFICIAL RECORDS **
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EXHIBIT E TO DECLARATION
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Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

**** OFFICIAL RECORDS ****
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NAME

ADDRESS:

Vic Deal
President

401 Lee Lane
Destin, Florida 32541

Ed McMurphy
Vice-President

1 Marion Avenue
Daphne, Alabama 36526

Kerry J. O'Conner
Secretary and Treasurer

1 Marion Avenue
Daphne, Alabama 36526

ARTICLE VII

INDEMNIFICATION. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors and officers liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE VIII

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

ARTICLE IX

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

EXHIBIT E TO DECLARATION
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(A) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

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(B) A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing provided such approval is delivered to the secretary or assistant secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than two-thirds (2/3) of the vote of the entire membership of the Association;

(C) Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium operated by the Association. No amendment shall be made that is in conflict with the Condominium Act or the Declaration or any other applicable law or regulation.

(D) Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to Emerald Towers Developers, a joint venture Partnership consisting of Marion Properties and Emerald Towers, Inc. assigns, or any successor developer, by these Articles, the Declaration or by the By-Laws without the prior written consent of Emerald Towers Developers, a joint Partnership consisting of Marion Properties and Emerald Towers, Inc. its successors or assigns, or a successor developer.

(E) A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Okaloosa County, Florida.

ARTICLE X

TERM. The term of the Association shall be perpetual.

ARTICLE XI

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

<u>NAME</u>	<u>ADDRESS</u>
Vic Deal	401 Lee Lane Destin, Florida 32545
Rob Blue, Jr.	303 Magnolia Avenue Panama City, FL 32401
Les W. Burke	303 Magnolia Avenue Panama City, FL 32401

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 4th day of November, 1981.

Vic Deal
Vic Deal

Rob Blue, Jr.
Rob Blue, Jr.

Les W. Burke
Les W. Burke

STATE OF FLORIDA
COUNTY OF BAY

BEFORE ME, the undersigned officer, duly authorized to take acknowledgments and administer oaths, personally appeared Vic Deal, Rob Blue, Jr. and Les W. Burke who being by me first duly cautioned and sworn upon their oath, depose and say that they signed the above Articles of Incorporation for the conditions and purposes therein stated.

SWORN TO AND SUBSCRIBED before me this 4th day of November, 1981.

Donna S. Nator
Notary Public
My commission expires:

Notary Public, State of Florida
My Commission Expires Jan 7 1982
Bonds by American Fidelity Insurance Company

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

FILED

FEB 1 4 22 PM '82


SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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

FIRST, that Emerald Towers Owners Association, Inc. , desiring to organize under the laws of the State of Florida, with its principal office as indicated in the Articles of Incorporation at City of Destin, County of Okalossa, State of Florida, has named Rob Blue, Jr., located at 303 Magnolia Avenue, City of Panama City, County of Bay, State of Florida, as its agent to accept service of process within this State.

ACKNOWLEDGEMENT:

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



ROB BLUE, JR.
(Resident Agent)

BY-LAWS

OF

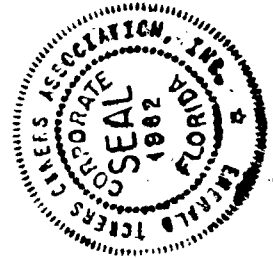
EMERALD TOWERS OWNERS ASSOCIATION, INC.
a corporation not for profit under the
laws of the State of Florida

1. Purpose. These are the By-Laws of Emerald Towers Owners Association, Inc., called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Florida. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of Emerald Towers, a Condominium, and is with regard to such condominium, the legal entity created pursuant to Chapter 718, Florida Statutes, 1980, called the "Condominium Act" in these By-Laws.

2. Offices. The office of the Association shall be at 1044 Highway 98, East, Destin, Florida 32541

3. Fiscal Year. The fiscal year of the Association shall be the calendar year.

4. Seal. The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not for profit", and the year of incorporation, "1981", an impression of which is as follows:



5. Members Meetings. The annual members meeting shall be held each year at the office of the corporation on a date during the month of September as from time to time determined by the Board of Directors for the purpose of electing directors and

transacting any other business authorized to be transacted by the members.

6. Special Meetings. Special meetings shall be held whenever allowed by the Condominium Act or called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-half (1/2) of the votes of the entire membership.

7. Notice. Notice of all members meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice-President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place on the condominium property at least fourteen (14) days prior to the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. The post office receipt of mailing shall be retained as proof of such mailing. Notice of meeting may be waived before or after the meetings.

8. Quorum. A quorum of members meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of members is required by the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as persons present.

9. Members Vote. At any meeting of the members, the owner of each apartment shall be entitled to cast one (1) vote for each apartment he owns, which shall not be cumulative.

10. Multiple Ownership. If an apartment is owned by one (1) person, his right to vote shall be established by the

EXHIBIT F TO DECLARATION
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** OFFICIAL RECORDS **
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record title to his apartment. If an apartment is owned by more than one (1) person, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by the President or Vice--President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the apartment concerned. A certificate designating a person entitled to cast the vote of an apartment may be revoked by any owner of an apartment. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

11. Proxies. Votes may be cast in person or by proxy. A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

12. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

13. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be:

- a. Election of chairman at meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.

EXHIBIT F TO DECLARATION
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** OFFICIAL RECORDS **
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- d. Reading and disposal of any unapproved minutes.
- e. Report of officers.
- f. Report of committees.
- g. Election of inspectors of an election.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

14. Reservation of Control by Developer. Until required by the Condominium Act including Section 718.301 thereof, or until Emerald Towers Developers, a Joint Venture Partnership consisting of Marion Properties, Inc. and Emerald Towers, Inc., its successors or assigns or any subsequent developer, herein called the "Developer", elects to terminate their control of the Association and the condominium operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors.

15. Number of Directors. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) directors, the exact number to be determined at the time of the election.

16. Election of Directors. Election of directors shall be conducted in the following manner:

a. Election of directors shall be held at the annual members meeting.

b. A nominating committee of three (3) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual meeting. The committee shall nominate one (1) person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

EXHIBIT F TO DECLARATION
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** OFFICIAL RECORDS **
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c. The election shall be by secret ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast. The owner of each apartment shall be entitled to cast a vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

d. Except as vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors.

e. Subject to the provisions of §718.301 of the Condominium Act, any director may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all members. A special meeting of the members to recall a director or directors may be called by ten percent (10%) of the members giving notice of the meeting as required for a meeting of the members, and the notice shall state the purpose of the meeting. The vacancy on the Board of Directors so created shall be filled by members of the Association at the same meeting.

f. Provided, however, that notwithstanding the provision of paragraph 16(a) through (e) above and paragraph 17 below to the contrary, until required by the Condominium Act including Section 718.301 thereof, or until the Developer elects to terminate its control of the Association, whichever occurs first, the first directors of the Association shall serve, and in the event of vacancies the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer.

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

18. Director's Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held

within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

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

20. Special Meeting. Special meetings of the directors may be called by the President and must be called by the secretary at the written request of one-fourth (1/4) of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

21. Open Meetings and Records. Meetings of the Board of Directors shall be open to all apartment owners and notices of meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of apartment owners except in an emergency. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by apartment owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.

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

23. Quorum. A quorum at director's meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors

as required by the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws.

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

25. Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing or otherwise concurring in the minutes of that meeting shall constitute the presence of such director at such meeting; however, it shall not constitute the presence of such director for the purpose of determining a quorum.

26. Presiding Officer. The presiding officer of directors meetings shall be the chairman of the board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

27. Order of Business. The order of business at a directors meeting shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Report of officers and committees.
- e. Election of officers.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

28. Directors Compensation. Directors fees or other compensation, if any, shall be determined by the members.

29. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws shall be exercised

exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by apartment owners when such approval is specifically required.

30. Officers. The executive officers of the Association shall be a President, who shall be a director, a Vice-President, who shall be a director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by vote of the directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be necessary or convenient to manage the affairs of the Association.

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

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

33. Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members in a business-like manner and available for inspection by apartment owners and directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal

when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

34. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals; he shall make the treasurer's records available for inspection by directors or members at reasonable times; and he shall perform all other duties incident to the office of Treasurer.

35. Officer Compensation. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. The provision that directors fees shall be determined by members shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominium operated by the Association, the Association or any portions of the property thereof.

36. Fiscal Management. Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation and the Condominium Act shall be supplemented by the following provisions:

a. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following:

- (1) Administration of the Association

- (2) Management fee
- (3) Maintenance
- (4) Rent for recreational and other commonly used facilities
- (5) Taxes upon Association property
- (6) Taxes upon leased area
- (7) Insurance
- (8) Security provisions
- (9) Other expenses
- (10) Operating capital
- (11) Reserves (In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. The accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. This subsection shall not apply to budgets in which the members of the Association have, by a vote of the majority of the members of the Association have, by a vote of the majority of the members present at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection.)
- (12) Fees payable to Division
- (13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements of the condominium or the property of the Association.)
- (14) Operations (Operations shall include the gross revenues, if any, from the use of the common elements or other property owned by the Association and only the additional direct expense required by the revenue producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which the surplus is realized. Any losses from such operation shall be met by assessments in the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.)

b. Adoption of Budget. A copy of the proposed annual budget of common expenses shall be mailed to the apartment owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The apartment owner shall be given written notice of the time and place at which such meeting of the Board of

Directors to consider the budget shall be held, and such meeting shall be open to the apartment owners. If an adopted budget requires assessment against the apartment owners in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board, upon written application of 10% of the apartment owners to the Board, shall call a special meeting of the apartment owners within thirty (30) days, upon not less than ten (10) days written notice to each apartment owner. At the special meeting, apartment owners shall consider and enact a budget upon vote of 2/3rds of the apartment owners.

In any event, the Board of Directors may propose a budget to the apartment owners at a meeting of the members or in writing, and if the budget or proposed budget is approved by the apartment owners at the meeting or by a majority of all apartment owners in writing, the budget shall be adopted.

In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the apartment owners.

c. Assessments. The Board of Directors shall make assessments against the apartment owners for their shares of the items of the budget in an amount no less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessments shall be made for the fiscal year annually in advance and shall be due in equal, quarterly installments on the first day of each month of each quarter of the year for which the assessments are made. If an

annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and quarterly installments of such assessments shall be due on the first day of each month of each quarter of the year until changed by an amended assessment. In the event the annual assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend the budget and shall make amended assessments for the balance of the year in sufficient amounts to meet the expenses for the year; provided, however, that any account of the amended budget that exceeds the limit upon increases for that year shall be subject to approval of membership of the Association as previously required in these By-Laws.

37. Acceleration of Assessment Installments Upon Default. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessments upon notice to the apartment owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first.

38. Assessment of Emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the apartment owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half (1/2) of the votes of the apartment owners concerned, the assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

39. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies from such accounts

shall be withdrawn only by checks signed by such persons as are authorized by the directors.

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40. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these By-Laws.

41. Accounting Records. The Association shall maintain at the Association's offices accounting records for the condominium according to good accounting practices. The records shall be open to inspection by apartment owners or their authorized representatives at reasonable times, and written summaries of them shall be supplied at least annually to apartment owners or their authorized representatives. Failure to permit inspection of the Association's accounting records by apartment owners or their authorized representatives entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly, knowingly denies access to the books and records for inspection. The records shall include, but are not limited to:

(a) A record of all receipts and expenditures.

(b) An account for each apartment, designating the name and current mailing address of the apartment owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid upon the account, and the balance due.

42. Annual Financial Report. Within sixty (60) days following the end of the fiscal year of the Association, the Board of Directors shall mail or furnish by personal delivery to each apartment owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Costs for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreational facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves, and depreciation reserves.

43. Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all officers, directors or other persons who control or disburse funds of the Association. The amount of such bonds and the sureties of such bonds shall be determined from time to time by the Board of Directors but in any event shall provide coverage for each officer, director or other person as aforesaid in an amount not less than \$10,000.00. The Association shall bear the cost of bonding.

44. Fines. In addition to all remedies provided in the Declaration of Condominium of the condominium operated by the Association, the Articles or these By-Laws, the Board of Directors of the Association may, upon notice and hearing before said Board, fine, assess and charge any offending member a sum not to exceed \$150.00 for each infraction of the provisions of said Declaration, Articles, By-Laws or rules and regulations of the Association. Any such funds shall constitute a lien against the apartment or unit owned or occupied by the violator unless paid within ten (10) days of the date assessed and may be foreclosed in the manner provided by law for condominium assessment liens.

45. Transfer Fee. No fee shall be charged by the Association in connection with a transfer, lease, sale or sub-lease of an apartment which is subject to approval of the Association or its Board of Directors, in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed \$50.00. No charge shall be made in connection with an extension or renewal of a lease.

46. Amendments. These By-Laws may be amended in the following manner:

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

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

(1) Not less than two-thirds (2/3) of the votes of the entire membership of the Association.

(2) Until the first election of directors, by all of the directors.

(c) No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and the 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 underlying 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 By-Law. See By-Law
_____ for present text."

Non-material errors or omissions in the By-Law process shall not invalidate an otherwise promulgated amendment.

47. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by

EXHIBIT F TO DECLARATION
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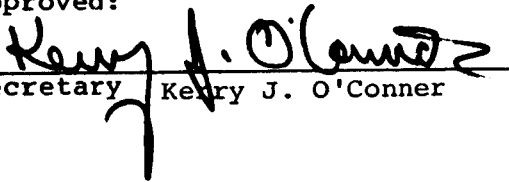
the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the public records of Bay County, Florida.

The foregoing was adopted as the By-Laws of Emerald Towers Owners Association, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 30th day of March, 1981.



President Vic Deal

Approved:



Secretary Kerry J. O'Conner

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JOINDER OF MORTGAGEE

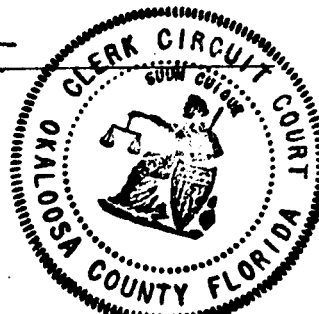
SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, formerly BIRMINGHAM TRUST NATIONAL BANK, a national banking association, hereinafter called "BANK", the owner and holder of a mortgage encumbering the property described in 1(B) of this Declaration of Condominium of Emerald Towers a condominium, which mortgage is that certain mortgage dated the 10th day of February, 1982, and recorded in Official Records Book 1141, Page 875, public records of Okaloosa County, Florida, to the extent that as mortgagee it is required to do so under the laws of the State of Florida, and only for such purpose, joins in the making of the foregoing Declaration of Condominium of Emerald Towers, a Condominium, and BANK agrees that the lien of said mortgage shall hereafter encumber each and every of the apartments (condominium parcels) as set forth in said Declaration including, but not limited to, all of the undivided shares of the common elements.

Signed, sealed and delivered in the presence of:

W. Richard Anthony
Andy Morris

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, formerly BIRMINGHAM TRUST NATIONAL BANK

BY: W. T. Keith
W. T. KEITH
Vice President



STATE OF ALABAMA
COUNTY OF JEFFERSON

BEFORE ME, the undersigned authority, personally appeared W. T. Keith, as Vice President, who acknowledged before me that he executed this Joinder of Mortgagee on behalf of SouthTrust Bank of Alabama, National Association, formerly Birmingham Trust National Bank, in his official capacity for the use and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Birmingham of said County and State, this 6th day of April, 1983.

My Commission Expires:

My Commission Expires August 28, 1985

Julia L. Harris
NOTARY PUBLIC

(Notary Seal)



THIS INSTRUMENT PREPARED BY:

DEBORAH M. OVERSTREET
Attorney At Law
P. O. Box 70
Panama City, Florida 32401

FILE# 702271
OKALOOSA COUNTY, FLORIDA

RCD: APR 27 1983 @ 10:44 AM
NEWMAN C BRACKIN, CLERK