

**MEDITERRANEA OF DESTIN,
A CONDOMINIUM**

Prepared By:

**Clark, Partington, Hart,
Larry, Bond & Stackhouse
151 Regions Way, Suite 6-A
Destin, Florida 32541**

DECLARATION OF CONDOMINIUM

FOR

MEDITERRANEA OF DESTIN, A CONDOMINIUM

MADE, this 15th day of May, 2003, by **Apollo Development Enterprises, L.L.C.**, a Florida Limited Liability Company, as owner of a fee simple interest in the real property hereinafter described, and developer of the improvements thereon (hereinafter called the "Developer"), for itself, its successors, grantees, assignees and/or their transferees.

WHEREAS, said Developer, as owner, makes the following declaration:

1. PURPOSE

The purpose of this Declaration is to submit the lands described in Exhibit "A" of this instrument and improvements on such lands to the condominium form of ownership and use in the manner provided by *Chapter 718, Florida Statutes* (hereinafter referred to as the "Condominium Act"), and the Developer does hereby submit the lands described in this instrument and improvements on such lands to the condominium form of ownership and use.

- 1.1 The name by which this condominium is to be identified is MEDITERRANEA OF DESTIN, A CONDOMINIUM.
- 1.2 The address of this condominium is 50 Surf Song Lane, Destin, Florida 32550.
- 1.3 The lands owned by the Developer, which by this instrument are submitted to the condominium form of ownership, are those certain lands lying in Walton County, Florida, as described in Exhibit "A", attached hereto and made a part hereof, which shall hereinafter be referred to as "the Land." The Land shall be subject to the conditions, restrictions, limitations, easements, and reservations of record.
- 1.4 All provisions of the Declaration shall be construed to be perpetual covenants running with the Land, and with every part thereof and interest therein, and every condominium parcel owner and claimant of the Land or any part thereof or interest therein, and his heirs, executors and administrators, successors and assigns, shall be bound by all of the provisions of the Declaration, unless this Declaration shall be terminated pursuant to the Condominium Act and/or as provided herein. Both the burdens imposed and the benefits shall run with each condominium parcel as herein defined.

2. DEFINITIONS

The terms used in this Declaration and in the Articles of Incorporation and the Bylaws shall have a meaning stated in the Condominium Act, unless the context otherwise requires. Further, whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of the plural shall include the singular and the singular shall include the plural.

3. DEVELOPMENT PLANS

3.1 Improvements

A survey and legal description of the Land, together with a narrative and graphic description of the improvements in which units are located and a site plan thereof, in sufficient detail to identify the common elements, limited common elements, and each unit in their relative location and approximate dimensions is set forth in Exhibit "A" to this Declaration of Condominium.

3.2 Unit Identification

The legal description of each unit shall consist of the identifying number of such unit as shown in Exhibit "A" attached hereto. Every deed, lease, mortgage, or other instrument may legally

describe a unit, apartment and/or condominium parcel by its identifying number as provided for on the attached Exhibit "A" and each and every description shall be deemed good and sufficient for all purposes.

3.3 No Time-Share Estates

Time-share estates will not be created with respect to units in this condominium.

4. UNIT BOUNDARIES, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Each unit shall include that part of the unit, which boundaries are as follows:

4.1 Upper and Lower Boundaries

The upper and lower boundaries of the unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

4.1.1 Upper Boundary shall be the horizontal plane of the undecorated, finished ceiling.

4.1.2 Lower Boundary shall be the horizontal plane of the undecorated, finished floor.

4.2 Perimetrical Boundaries

The perimetrical boundaries of the unit shall be the vertical plane of the undecorated and/or unfinished inner surfaces of the walls bounding the unit, extended to intersection with each other and with the upper and lower boundaries, and the planes of the interior surfaces of the unit's windows, doors, and other openings that abut the exterior of the building or common elements, including limited common elements.

4.3 Boundaries — Further Defined

The boundaries of the unit shall not include all of those spaces and improvements lying within the undecorated and/or unfinished inner surfaces of the perimeter walls and those surfaces above the undecorated finished ceilings of each unit, and those surfaces below the undecorated finished floor of each unit, and further, shall not include those spaces and improvements lying within the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions, and further, shall exclude all pipes, ducts, wires, conduits and other utilities running through any interior wall or partition for the furnishing of utility services to other units and/or for the common elements.

4.4 Common Elements

The common elements shall include the following:

4.4.1 All condominium property which is not included within the units and not defined as limited common elements;

4.4.2 Easements through units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to units and the common elements.

4.4.3 An easement of support in every portion of a unit which contributes to the support of the building.

4.4.4 The property and installations required for the furnishing of utilities and other services to more than one (1) unit or to the common elements.

4.4.5 The storm water management system.

4.4.6 Seventy-eight (78) covered parking spaces located under the condominium buildings may be Limited Common Elements as set forth in Paragraph 4.5.4 below. All other parking spaces shall be Common Elements and shall not be assignable as an appurtenance to a unit.

4.5 Limited Common Elements

Limited common elements, as the term is used herein, shall mean the common elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain unit to the exclusion of other units, and shall include:

4.5.1 To each unit containing a porch, patio, or balcony, the porch, balcony and/or patio area contiguous to and serving only that unit;

4.5.2 To each unit in the condominium, the heating and air-conditioning equipment serving only that unit; and

4.5.3 All items set forth in Paragraph 9 that are exterior to the unit and are expressly required to be maintained by the unit owner.

4.5.4 Each unit shall be assigned the exclusive right to use one of the covered parking spaces under the building in which that unit is located. During the time when Developer shall own any units in the condominium, the Developer shall make all designations of parking spaces in writing. Neither the Developer nor the Association shall thereafter reassign or change the parking space appurtenant to the unit without the owner's written consent. A unit owner may exchange its designated space for another space with another unit owner; provided, however, that said unit owner shall deliver written notice of any such assignments to the Association. A conveyance of a unit shall also transfer, as an appurtenance to said unit, the designated parking space. When the Developer either voluntarily relinquishes the right to designate parking spaces or no longer owns a unit, the Association shall exercise the right to designate any parking spaces not previously assigned by the Developer. Anything to the contrary in this Declaration notwithstanding, in the event a unit owner mortgages his unit, the parking space appurtenant thereto shall not be assignable apart from the unit unless it is first released from the lien of such mortgage.

4.5.5 There are three (3) elevators in the Condominium that are considered common elements and are, therefore, available for use by all Unit Owners. However, a private elevator will be constructed as part of Building E (the East Building), which will be for the exclusive use of the Owner of the Penthouse Unit in Building E (Unit E-514), his renters and guests, for access to that Penthouse Unit. In addition, the purchaser of the customized Penthouse Unit in Building C (Unit C-507) will have the option of having a private elevator constructed, at his sole cost and expense, for the exclusive use by him, his renters and guests, for access to that Penthouse Unit. The private elevator in Building E and, if constructed, the private elevator in Building C, will be limited common elements of the respective units which said elevators service, and the owners of the unit(s) having the exclusive right to use the private elevator(s) shall be responsible for all costs associated with operation and maintenance of said elevator(s).

4.5.6 There are a total of 50 storage spaces located under the condominium buildings. To each unit in the Condominium that may be conveyed or assigned the exclusive right to use a storage space pursuant to the terms of this paragraph, the space occupied by that storage space. The Developer reserves the right to sell (for additional consideration paid by unit purchasers) or assign (for no consideration other than the stated unit purchase price) the exclusive right to use the storage spaces identified in Exhibit "A" to this Declaration. During the time when the Developer shall own any units in the Condominium, the Developer shall make all designations of storage spaces in writing. Neither the Developer nor the Association shall thereafter reassign or change the storage space appurtenant to the unit without the owner's written consent. A unit owner may exchange its designated storage space for another space with another unit owner; provided,

however, that said unit owner shall deliver written notice of any such assignment to the Association. A conveyance of a unit shall also transfer, as an appurtenance to that unit, the designated storage space. When the Developer either voluntarily relinquishes the right to designate storage spaces or no longer owns a unit in the Condominium, the Association shall exercise the right to designate any storage spaces not previously assigned by the Developer. Anything to the contrary in this Declaration notwithstanding, in the event a unit owner mortgages his unit, the storage space appurtenant thereto shall not be assignable apart from the unit unless it is first released from the lien of such mortgage.

5. OWNERSHIP

5.1 Type of Ownership

Ownership of each condominium parcel may be in fee simple or in any other estate in real property recognized by law and subject to this Declaration.

5.2 Association Membership

The owners of record of the units shall be members of the *Mediterranea of Destin Condominium Owners Association, Inc.*, hereinafter the "Association." There shall be one (1) membership for each unit and if there is more than one (1) record owner per unit, then such membership shall be divided among such owners in the same manner and proportion as is their ownership in the unit.

5.3 Unit Owner's Rights

The owner of the unit is entitled to the exclusive possession of his unit. He shall be entitled to use the common elements in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of owners of other units. There shall be a joint use of the common elements and a joint mutual easement for that purpose is hereby created.

6. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

The fee simple title of each condominium parcel shall include both the condominium unit and an undivided interest in the common elements; said undivided interest in the common elements is deemed to be conveyed or encumbered with its respective condominium unit, even though the description in the instrument of conveyance may refer only to the fee simple interest to the condominium unit. The share in the common elements appurtenant to a unit cannot be conveyed or encumbered except together with the unit. Any attempt to separate and/or any action to partition the fee simple title to a condominium unit from the undivided interest in the common elements appurtenant to each unit shall be null and void.

7. PERCENTAGE OF OWNERSHIP OF COMMON ELEMENTS

Each of the unit owners of the condominium shall own an undivided interest in the common elements according to the "Schedule of Shares" attached hereto as Exhibit "B."

8. COMMON EXPENSE AND COMMON SURPLUS

The common expenses to be borne by each unit owner shall be a proportionate share of the total expenses and costs of the Association. Each unit owner shall be responsible for a portion of the common expenses and costs, and such share shall be based on the square footage of each unit (exclusive of porches and measured to the outside surface of the perimeter walls and the centerline of the common walls) in uniform relationship to the total square footage of all units in the condominium (exclusive of porches), as set forth in Exhibit "B" of this Declaration. The method of computing square footage for each unit's share does not alter the boundaries of the units as set forth in Paragraph 4 of this Declaration.

Any common surplus of the Association shall be owned by each of the unit owners in the same proportion as their fractional share of liability for common expenses.

9. MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

The responsibility for protection, maintenance, repair, and replacement of the Condominium property, and restrictions on its alteration and improvement, shall be as follows:

9.1 ASSOCIATION MAINTENANCE. The Association is responsible for the protection, maintenance, repair, and replacement of all common elements and Association property (other than the limited common elements that are required elsewhere herein to be maintained by the unit owners). The cost is a common expense. The Association's responsibilities include, without limitation:

- 9.1.1 Electrical wiring up to the circuit breaker panel in each unit.
- 9.1.2 Water pipes, up to the individual unit cut-off valve within the unit.
- 9.1.3 Cable television lines up to the wall outlets in the units.
- 9.1.4 Air conditioning condensation drain lines, up to the point where they enter each unit.
- 9.1.5 Sewer lines, up to the point where they enter the unit.
- 9.1.6 All installations, fixtures, and equipment located within one unit but serving another unit, or located outside the unit, for the furnishing of utilities to more than one unit or the common elements.
- 9.1.7 The exterior surface of the main entrance doors to the units.
- 9.1.8 All exterior building walls, including painting, waterproofing, and caulking.
- 9.1.9 All air conditioning and heating equipment not located within a unit.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing, or mechanical installations located within a unit and serving only that unit. All incidental damage caused to a unit or limited common elements by work performed or ordered to be performed by the Association shall be repaired promptly by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition to the common elements made by a unit owner or his or her predecessor in title or for damage to paint, wallpaper, paneling, flooring, or carpet which, of necessity, must be cut or removed to gain access to work areas located behind it.

9.2 UNIT OWNER MAINTENANCE. Each unit owner is responsible, at the owner's expense, for all maintenance, repairs, and replacements of the owner's unit and certain limited common elements. The owner's responsibilities include, without limitation:

- 9.2.1 Maintenance, repair, and replacement of screens, windows, and window glass.
- 9.2.2 The main entrance door to the unit and its interior surfaces.
- 9.2.3 All other doors within or affording access to the unit.
- 9.2.4 The electrical, mechanical, and plumbing lines, pipes, fixtures, switches, valves, drains, and outlets (including connections) located partially or entirely within the unit or serving only the unit.
- 9.2.5 The circuit breaker panel and all electrical wiring going into the unit from the panel.
- 9.2.6 Appliances, water heaters, smoke alarms, and vent fans.
- 9.2.7 All air conditioning and heating equipment, thermostats, ducts, and installations serving the unit exclusively and located within the unit, except as otherwise provided in Paragraph 9.4 below.

9.2.8 Carpeting and other floor coverings.

9.2.9 Door and window hardware and locks.

9.2.10 Shower pans.

9.2.11 The main water supply shut-off valve for the unit.

9.2.12 Other facilities or fixtures that are located or contained entirely within the unit and serve only that unit.

9.2.13 All interior partition walls that do not form part of the boundary of the unit.

9.3 OTHER UNIT OWNER RESPONSIBILITIES.

9.3.1 **PORCHES, BALCONIES, AND PATIOS.** Where a limited common element consists of a porch, balcony or patio, the unit owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor, and ceiling bounding said area, if any; and all fixed glass and sliding glass doors in portions of the entranceway to said area, if any; and the wiring, electrical outlet(s), and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the maintenance, repair, and replacement of all exterior walls of the building and the concrete slabs. The unit owner shall be responsible for day-to-day cleaning and care, but all painting and maintenance of the exterior surfaces and structures of the building shall be the responsibility of the Association and shall be a common expense.

9.3.2 **PRIVATE ELEVATOR(S).** Where a unit owner has the right of exclusive use of the private elevator that serves as a limited common element of that unit, the owner shall be responsible for the day-to-day cleaning and care of the walls, floor, and ceiling bounding said area, if any; the exterior portions of said elevator, including the entranceway to said elevator; and the wiring, electrical outlet(s), and fixture(s) thereon, if any, and the replacement of light bulbs.

9.3.3 **INTERIOR DECORATING.** Each unit owner is responsible for all decorating within the owner's unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

9.3.4 **FLOORING.** All units above the first living floor shall always have the floors covered with wall-to-wall carpeting installed over high quality padding, except carpeting is not required in kitchens, bathrooms, laundry rooms, or the entry. An owner who desires to install in place of carpeting any hard-surface floor covering (e.g. marble, slate, ceramic tile, parquet) also shall install a sound absorbent underlayment of such kind and quality equivalent or superior to one fourth inch of cork and perimeter sound isolation material installed in accordance with the rules and regulations as amended from time to time to substantially reduce the transmission of noise to adjoining units, and must obtain written approval of the Board of Directors prior to any such installation. If the installation is made without prior approval, the Board may, in addition to exercising all the other remedies provided in this Declaration, require the unit owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending unit owner. The structural integrity of porches and patios constructed of steel reinforced concrete is affected adversely by water intrusion and rusting aggravated by the water retention qualities of indoor-outdoor carpet, river rock, and unglazed ceramic tile and its grout. For this reason, no indoor-outdoor carpet or river rock may be used on balconies and terraces, and all tile and its bedding and grout must be of such materials and so applied as to be waterproof. Any flooring installed on the balconies or terraces of a unit shall be installed so as to ensure proper drainage.

9.3.5 **WINDOW COVERINGS.** The covering and appearance of the windows and doors, whether by draperies, shades, reflective film, or other items, whether installed within or outside of the unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.

9.3.6 **MODIFICATIONS AND ALTERATIONS OR NEGLIGENCE.** If a unit owner makes any modifications, installations, or additions to the unit or the common elements or neglects to maintain, repair, and replace as required by this Section 9, the unit owner, and the owner's successors in title, shall be financially responsible for:

9.3.6.1 Insurance, maintenance, repair, and replacement of the modifications, installations or additions;

9.3.6.2 The costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations, or additions; and

9.3.6.3 The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium property for which the Association is responsible.

9.3.7 USE OF LICENSED AND INSURED CONTRACTORS. Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition, or improvement of any portion of the unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that owner's contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

9.4 APPLIANCE MAINTENANCE CONTRACTS. If there shall become available to the Association a program of contract maintenance for water heaters serving individual units, and/or air conditioning compressors and/or air handlers and related equipment and fixtures serving individual units, which the Association determines is to the benefit of the owners to consider, then on agreement by a majority of the voting interests of the Condominium, in person or by proxy and voting at a meeting called for the purpose, or on agreement by a majority of the total voting interests of the Condominium in writing, the Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be common expenses. All maintenance, repairs, and replacements not covered by the contracts shall be the responsibility of the unit owner.

9.5 PEST CONTROL. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that service is necessary for the protection of the balance of the Condominium, in which event the owner thereof either must permit the Association's pest control company to enter the unit or must employ a licensed pest control company to enter the owner's unit on a regular basis to perform pest control services, and must furnish written evidence thereof to the Association. The cost of pest control provided by the Association is a common expense, so the election of an owner not to use the services will not reduce the owner's assessments.

9.6 TINTED EXTERIOR GLASS, LIGHTS, SEA TURTLE PROTECTION. The Florida Department of Environmental Protection (DEP) has established requirements for limiting transmission of light from within buildings for the protection of sea turtles on beaches. For this reason, special shaded or tinted glass has been used in constructing this Condominium. Any replacement glass installed by the Association or by unit owners must be of the same shaded or tinted type that meets the requirements of the Department of Environmental Protection. Light bulbs in fixtures on balconies and terraces facing or visible from the beach must be yellow "bug light" bulbs not to exceed 60 watts.

9.7 OWNER ALTERATION OF COMMON ELEMENTS RESTRICTED. No unit owner may make any alterations, add to, or remove any part of the portions of the improvements that are to be maintained by the Association without the prior written approval of the Board of Directors. The Board has the authority to approve, disapprove, or require modifications to the proposed work. The Board's decision will be final. The owner must obtain all necessary approvals and permits from applicable government entities. The Association may require approval from engineers or other professionals as a prerequisite. The entire expense must be borne by the owner, including any subsequent maintenance and restoration. No owner will do any work that would jeopardize the safety or soundness of the building or impair any easements. If approved by the Board, two units owned by the same owner that are adjacent, either horizontally or vertically, may be connected by doorways or stairways through common element walls or floors. Such Board-approved work is declared not to constitute material alterations or substantial additions to the common elements.

9.8 ENFORCEMENT OF MAINTENANCE.

In the event the owner of a unit fails to maintain a unit as required above, the Association, Developer or any other unit owner shall have the right to proceed to any appropriate court to seek compliance with the foregoing provisions; or the Association shall have the right to charge the unit owner and the unit for the necessary sums to put the improvements within the unit in good condition, or to take such other lawful steps as may be necessary to remedy the violation.

In addition, the Association may levy reasonable fines against a unit for the failure of the owner of the unit to comply with the maintenance provisions set forth above. No fine may exceed \$100 per day. However, in the case of a continuing violation, the Association may levy a fine each day of the violation. Such fine in no event shall exceed the aggregate of \$1,000. No fine shall be levied absent notice to and an opportunity to be heard by the unit owner, and no fine will become a lien against a unit.

The Association shall be entitled to reasonable costs and attorneys fees for any collection efforts under this section, whether or not a suit is filed.

9.9 UNIT OWNER MAINTENANCE OF ITEMS OUTSIDE OF THE UNIT--INSURANCE

The unit owner's obligations for maintenance, repair, and replacement of items outside of the unit, including, but not limited to, screens, windows, window glass, the entrance door to the unit and its interior surfaces, all doors affording access to the unit, fixed glass and sliding glass doors, and wiring, electrical outlets, and fixtures or porches and/or patios, shall not remove said items from the casualty insurance coverage provided by the Association.

10. USE RESTRICTIONS

The use of the property of the condominium shall be in accordance with the following provisions:

10.1 Residential and Rental Use of Units.

Each unit is hereby restricted to residential or residential-rental use.

10.2 Rules and Regulations

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

10.3 Lawful Use

No immoral, improper, offensive or unlawful use shall be made of any unit, the Common Elements, or of any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over Mediterranean of Destin, A Condominium shall be observed.

10.4 Insurance

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

10.5 Nuisances

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

10.6 No business

In order to preserve the residential character of the Condominium, no business, trade or profession of any type whatsoever shall be conducted from within any unit in the Condominium without the prior written consent of the Association. The Association shall possess the additional authority to promulgate reasonable rules and regulations governing the manner, method and to what

degree said uses may be permitted, and further, shall have the power to revoke the granting of such permitted uses, when in the Association's sole discretion, the use in question has become excessive and/or violates the original character of the Condominium. This use restriction shall not be construed in such a manner as to prohibit a unit owner from maintaining a personal professional library, keeping personal business and professional records or accounts, or handling personal, business or professional telephone calls or correspondence in and from owner's unit. Such uses are expressly declared customarily incident to the principal residential use.

10.7 Window Treatment

In order to preserve the aesthetic qualities of the Condominium, all fabric and materials used as draperies or other window treatments located within the interior of any unit, including, but not limited to blinds, plantation shutters, curtains, shades, or the like, which can be viewed from the exterior of the unit through the windows thereof from any heights or location must be lined or finished in white, unless otherwise approved in writing by a majority vote of the Board of Directors of the Association prior to the installation of same.

10.8 Unit Keys

In case of an emergency originating or threatening any unit, regardless of whether the owner is present at the time of such emergency, the Association shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate and to facilitate entry in the event of any such emergency, the owner of each unit, as required by the Association, shall deposit a key with the Association.

10.9 Emergency Entry

Whenever it shall be necessary to enter any unit for the purpose of performing any maintenance, alteration, or repair to any portion of the Common Elements, the owner of each unit shall permit the Association to enter such unit for such purposes, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

10.10 Structural Modifications

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

10.11 Alterations or Improvements to Common Property

The Association shall not have the right to make or cause to be made such alterations or improvements to the Common Elements which prejudice the rights of the owner of any unit in the use and enjoyment of his unit, unless, in each instance, such owner's written consent has been obtained. The making of such alterations and improvements must be approved by the Board of Directors of the Association, and the cost of such alterations or improvement shall be assessed as common expense to be charged to all of the owners of units.

10.12 Animals

No livestock, animals, chickens, or fowl of any kind shall be permitted except dogs, cats, and birds owned as personal pets. Dogs, cats, and birds shall not be kept in such number as to be an annoyance to other unit owners. In addition, no dogs or cats shall be permitted on the condominium property, except inside a unit, without being on a hand leash and under the immediate control of a responsible individual. All such pets must be walked in appropriate areas and owners of such pets must clean up after their pets. If any such pet owner fails to properly clean up after his pet then the Association shall perform such service and shall bill the pet owner accordingly. The

Association shall have the right to adopt and enforce such additional pet regulations as are reasonably necessary to ensure that such pets are not and do not become a nuisance.

10.13 Vehicle Restrictions.

No commercial vehicle or truck (as hereinafter defined), boat, camper, motor home, trailer, mobile home or other similar vehicle, except service vehicles during the time they are actually serving the condominium, shall be parked on the condominium property. The word "commercial vehicle or truck" shall be deemed to exclude any pickup or similar vehicle used for family transportation purposes and not exhibiting any commercial equipment or cargo. All vehicles parked on the condominium parking must be in operating condition and no designated parking space shall be used as a site to store, repair and/or overhaul any vehicle.

10.14 Proviso

Provided, however, that until the Developer has completed all of the contemplated improvements and closed the sales of all of the units of this condominium, neither the unit owners nor the Association nor the use of the condominium property shall interfere with the completion of all contemplated improvements and the sale of all units, and the Developer may make such use of the unsold units and common elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the property and the display of signs.

10.15 Relief by Association.

The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Section 10 for good cause shown.

10.16 Exterior Improvements.

Without limiting the generality of previous sections relating to restrictions on exterior improvements, no unit owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, porches, patios or windows of the building (including, but not limited to, awnings, signs, storm shutters, screens, window tinting, fixtures and equipment), without the prior written consent of the Association. Any floor covering other than as originally installed by the Developer on the porches and/or patios is prohibited without the prior written consent of the Association.

10.17 Hurricane Shutters.

The Board of Directors of the Association may, from time to time, establish hurricane shutters or laminated glass and/or window film specifications which apply with applicable building codes, and establish permitted colors/tints, styles and materials for hurricane shutters or such laminated glass and/or window film. The Association shall approve the installation and replacement of hurricane shutters or laminated glass and/or window film, as applicable, conforming with the Board's specifications. The Board may, with the approval of a majority of voting interest, install hurricane shutters or laminated glass and/or window film and may (without requiring approval of the membership) maintain, repair or replace such approved shutters or glass, whether on or within common elements, limited common elements, units or Association property.

11. NOTICE OF LIEN OR SUIT

11.1 Notice of Lien

A unit owner shall give notice to the Association of every lien upon his unit other than for permitted mortgages, taxes, and special assessments within five (5) days after the attaching of the lien.

11.2 Notice of Suit

A unit owner shall give notice to the Association of every suit or other proceeding which may affect title to his unit, such notice to be given within five (5) days after the unit owner receives knowledge thereof.

Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

12. EASEMENTS

Each of the following easements is a covenant running with the Land of the condominium and notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended use and purpose, and shall survive the termination of the condominium and the exclusion of any lands of the condominium from the condominium.

12.1 Utilities

As may be required for utility services in order to adequately serve the condominium property; provided, however, easements through a unit shall be only according to the plans and specifications for the building or as the building is actually constructed, unless approved, in writing, by the unit owner.

12.2 Pedestrian and Vehicular Traffic

For pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist, upon the common elements; and for the vehicular traffic over, through and across such portions of the common elements as may be from time to time paved and intended for such purposes.

12.3 Support

Every portion of a unit contributing to the support of the condominium building or an adjacent unit shall be burdened with an easement of support for the benefit of all other units and common elements in the building.

12.4 Perpetual Non-Exclusive Easement in Common Elements

The common elements shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the owners of units in the condominium for their use and the use of their immediate families, guests, and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said owners.

12.5 Right of Entry into Private Dwelling in Emergencies

In case of an emergency originating in or threatening any unit, regardless of whether or not the owner is present at the time of such emergency, the Association shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate and to facilitate entry in the event of any such emergency, the owner of each unit, if required by the Association, shall deposit under the control of the Association, a key to such unit.

12.6 Easement for Unintentional and Non-Negligent Encroachment

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

12.7 Air Space

An exclusive easement for the use of the air space occupied by a condominium unit as it exists at any particular time and as the unit may lawfully be altered.

12.8 Easements or Encroachments

Easements or encroachments by the perimeter walls, ceilings, and floor surrounding each condominium unit.

12.9 Easement for Overhangs

Easement for overhanging troughs or gutters, downspout, and the discharge therefrom of rainwater and the subsequent flow thereof over condominium units or any of them.

12.10 Easement for Air Space of Common Elements

An exclusive easement for the use of the area and air space occupied by the air-conditioning compressor and the equipment and fixtures appurtenant thereof, situated in and/or on common elements of the condominium, but exclusively serving and individually owned by the owner of the unit as the same exist in and on the Land which exclusive easement shall be terminated automatically in any air space which is permanently vacated by such air-conditioning compressor, and the equipment and fixtures appurtenant thereto; provided, however, that the removal of same for repair and/or replacement shall not be construed to be a permanent vacation of the air space which it occupies.

12.11 Easements for Roadway and Public Utility Purposes

A 33' wide easement for roadway and public utility purposes along Surfson Lane located on the North side of Government Lot 112 (Lot 112 being more particularly described in Exhibit "A" attached hereto), and a 33' wide roadway and public utilities easement along Ellis Road located on the West side of Government Lot 112 as set forth in that certain Reservation by the United States of America recorded in Deed Book 142, Page 235, of the Public Records of Okaloosa County, Florida.

A 16.5' wide easement for roadway and public utilities along Surfson Lane located on the North side of Government Lot 110 (Lot 110 being more particularly described in Exhibit "A" attached hereto), as set forth in Deed Book 142, Page 237.

A 16.5' wide easement for roadway and public utilities along Surfson Lane located on the North side of Government Lot 111 (Lot 111 being more particularly described in Exhibit "A" attached hereto), as set forth in Deed Book 142, Page 231, of the Public Records of Okaloosa County, Florida.

A 16.5' wide roadway and public utilities easement along Surfson Lane located on the North side of Government Lot 98 (Lot 98 being more particularly described in Exhibit "A" attached hereto), as set forth in Official Records Book 386, Page 555, of the Public Records of Okaloosa County, Florida.

13. ASSOCIATION

In order to provide for the proficient and effective administration of this condominium, each unit owner shall become a member of a non-profit corporation known and designated as the MEDITERRANEA OF DESTIN CONDOMINIUM OWNERS ASSOCIATION, INC., organized under the laws of the State of Florida. Said corporation shall administer the operation and management of this condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions, and conditions of this Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, the Rules and Regulations promulgated by the Association from time to time, and the laws of Florida.

13.1 Articles of Incorporation

A copy of the Articles of Incorporation of the Association is attached hereto as Exhibit "C."

13.2 Bylaws

The Bylaws of the Association shall be the Bylaws of the condominium, a copy of which is attached hereto as Exhibit "D."

13.3 Limitation Upon Liability of Association

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

13.4 Restraint Upon Assignment of Shares in Assets

The shares of members in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to a unit.

13.5 Approval or Disapproval of Matters

Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed in accordance with the Bylaws of the Association.

13.6 Membership

The record owners of all units in this condominium shall be members of the Association and no other persons or entities shall be entitled to membership. Membership shall be established by acquisition of ownership of a fee simple interest in a condominium parcel in this condominium, whether by conveyance, devise, judicial decree or otherwise, subject to the provisions of this Declaration and by the recordation among the public records of Walton County, Florida, of the deed or other instrument establishing the acquisition and designating the parcel affected thereby and by the delivery to the Association of a true copy of such recorded deed or other instrument. The new owner designated in such deed or other instrument shall thereupon become a member of the Association and the membership of the prior owner, as to the parcel designated, shall be terminated.

13.7 Voting

On all matters as to which the membership shall be entitled to vote, there shall be only one (1) vote for each unit.

13.8 Information

The Association shall make available to unit owners and lenders, and to holders, insurers, or guarantors of any first mortgage, current copies of the Declaration, Bylaws, other rules concerning the project and the books, records, and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

13.9 Financial Statements

Any holder of a first mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

13.10 Association's Rights and Restrictions

The Board of Directors of the Association shall have the right to grant permits, licenses, and easements over the common elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

The Board of Directors of the Association may sell or mortgage or otherwise dispose of any personal property owned or acquired by the Association.

The Association, upon a 2/3rds affirmative vote of the membership, may purchase, sell or mortgage land and may submit land to condominium ownership under the terms of this Declaration.

13.11 Board of Directors - Eligibility. Other than those selected by the Developer, Directors must be either Unit Owners, tenants residing in the Condominium, officers of a corporate Unit Owner, or partners of a partnership Unit Owner. No Director (except those selected by the Developer) shall continue to serve on the Board after he ceases to be Unit Owner, a tenant residing in the Condominium, an officer of a corporate Unit Owner, or a partner of a partnership Unit Owner.

14. INSURANCE

The insurance, other than title insurance, which shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

14.1 Authority to Purchase

All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association and the unit owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates or mortgagee endorsements to the mortgagees of unit owners. Such policies and endorsements shall be held by the Association. Unit owners are strongly encouraged to obtain insurance coverage, at their own expense, upon the interior of their individual unit, to include floor coverings, wall coverings, ceiling coverings, electrical fixtures, appliances, air conditioning and heating equipment, water heaters, and built-in cabinets, their furniture and other personal property, and for their personal liability and living expense. All policies purchased by the Association must be written by insurance companies authorized to do business in the State of Florida, and with offices or agents in Florida.

14.2 Coverage

14.2.1 Casualty. All buildings and improvements upon the Land, including all fixtures, installations or additions comprising that part of the building or improvements within the boundaries of units and required by the Condominium Act to be insured under the Association's policies, all common element improvements located on the Land, and the Association Property from time to time, together with all fixtures, building service equipment, personal property and supplies constituting the Common Elements or Association Property (collectively the "Insured Property"), shall be insured in an amount not less than one hundred percent (100%) of the full insurable replacement value thereof, excluding foundation and excavation costs. Notwithstanding the foregoing, the Insured Property shall not include, and shall specifically exclude unit floor coverings, wall coverings and ceiling coverings, all furniture, furnishings and other personal property owned, supplied or installed by unit owners or tenants of unit owners, and all electrical fixtures, appliances, air conditioner and heating equipment, water heaters and built-in cabinets located within units. Such policies may contain reasonable deductible provisions as determined by the Board. Such coverage shall provide protection against:

14.2.1.1 Loss or damage by fire, wind, and other perils (including flood unless the Board of Directors elects not to obtain), covered by a Special Cause of Loss Form.

14.2.1.2 Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief.

14.2.2 Public Liability. In such amounts and with such coverage as shall be required by the Board of Directors of the Association with cross liability endorsements to cover liability of the unit owners as a group to a unit owner.

14.2.3 Workmen's Compensation. As shall be required to meet the requirements of law.

14.2.4 Fidelity Bonding. The Association, at its own expense, will obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the

Association or its management agent at any one time. As used in this paragraph, the term “persons who control or disburse funds of the Association” includes, but is not limited to, those individuals authorized to sign checks and the President, Secretary, and Treasurer of the Association.

14.2.5 Association Insurance. Such other insurance as the Board of Directors of the Association, in its discretion, may determine from time to time to be in the best interest of the Association and the unit owners, including Director's liability insurance, or other insurance that an institutional mortgagee may reasonably require so long as it is the owner of a mortgage on any condominium parcel.

14.3 Premiums

Premiums for insurance policies purchased by the Association shall be paid by the Association, and shall be assessed among all unit owners as a common expense of the Association.

14.4 Assured

All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees, as their interest may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association. All insurance policies shall require *written* notification to each institutional mortgagee not less than ten (10) days in advance of cancellation of any insurance policy insuring the condominium property.

The Association shall be liable for payments of premiums, for the renewal or sufficiency of the policies, and for the failure to collect any insurance proceeds. The Association shall receive such proceeds as are paid and hold same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees in the following shares.

14.4.1 Common Elements. Proceeds on account of common elements shall be held in as many undivided shares as there are units—the shares of each unit owner being the same as his share in the common elements as same are hereinabove stated.

14.4.2 Units. Proceeds on account of units shall be held in the following undivided shares:

14.4.2.1 Partial Destruction. When the building is to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner.

14.4.2.2 Mortgagee. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests appear. In no event shall any mortgagee have the right to demand the application of insurance proceeds to any mortgage or mortgages which it may hold against units and no mortgagee shall have any right to participate in the determination as to whether or not improvements will be restored after casualty.

14.5 Distribution of Proceeds

Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial owners in the following manner:

14.5.1 Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be retained by the Association.

14.5.2 Failure to Reconstruct or Repair. If it is determined, in the manner elsewhere provided, that the damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to all unit owners in proportion to their “termination share” as defined in Paragraph 20.4—remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

14.5.3 Certificate. In making distribution to unit owners and their mortgagees, the Association may rely upon a certificate of the Association made by the President and Secretary as to the names of the unit owners and their respective shares of the distribution.

14.5.4 Association as Agent. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association.

15. RECONSTRUCTION OR REPAIR AFTER CASUALTY

If any part of the Condominium property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as follows:

15.1 Damage to Units. Where loss or damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of the unit owner, any Association insurance proceeds in account of the damage, less the deductible, shall be distributed to such contractors, suppliers, and personnel for work done, materials supplied, or services required for reconstruction or repair. Payments shall be in such amounts and at such times as the unit owners may direct. The owners of damages units shall be responsible for reconstruction and repair and shall bear the cost thereof, if any, in excess of the insurance proceeds.

15.2 Damage to Common Elements - Less than "Very Substantial". Where loss or damage occurs to the common elements, but the loss is less than "very substantial," as hereinafter defined, it shall be mandatory for the Association to repair, restore, or rebuild the damage caused by the loss, and the following procedures shall apply:

15.2.1 Estimates. The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of reconstruction and repair, and shall negotiate and contract for the work.

15.2.2 Insurance Insufficient. If the net proceeds of insurance plus available reserves are insufficient to pay for the cost of reconstruction and repair of the common elements, the Association shall promptly, on determination of the deficiency, levy a special assessment against all unit owners. Such special assessments need not be approved by the unit owners. The special assessments shall be added to the proceeds available for reconstruction and repair of the property.

15.2.3 "Very Substantial" Damage. As used in this Declaration, the term "very substantial" damage shall mean loss or damage whereby three fourths or more of the total units are rendered uninhabitable. Should such "very substantial" damage occur, then:

15.2.3.1 Owners' Meeting. A meeting of the Association shall be called by the Board of Directors to be held within a reasonable time after the casualty. A determination by the Board of Directors as to what is a reasonable time shall be conclusive. The purpose of the meeting shall be to determine the wishes of the membership with reference to reconstruction or termination of the Condominium, subject to the following:

15.2.3.1.1 Insurance Sufficient. If the insurance proceeds and reserves available for reconstruction and repair are sufficient to cover the cost thereof, so that no special assessment is required, the Condominium property shall be reconstructed or repaired unless the then applicable zoning or other regulatory laws will not allow reconstruction of the same number and general type of units, in which case the Condominium shall be terminated pursuant to Paragraph 20

15.2.3.1.2 Insurance Insufficient. If the insurance proceeds and reserves available for reconstruction and repair are not sufficient to cover the cost thereof so that a special assessment will be required, then unless at least 2/3rds of the voting interests of the Association vote in favor of such special assessment and against termination of the Condominium, it shall be terminated pursuant to Paragraph 20. If 2/3rds of the voting interests of the Association approve the special assessment, the Association, through its Board, shall levy such assessment and shall proceed to negotiate and contract for such reconstruction and repairs. The special assessment shall be added to the proceeds of insurance and reserves available for reconstruction and repair of the property.

15.2.4 Disputes. If any dispute shall arise as to whether "very substantial" damage has occurred, a determination by the Board of Directors shall be binding on all unit owners.

15.3 Application of Insurance Proceeds. It shall be presumed that the first monies disbursed for reconstruction and repair shall be from the insurance proceeds and they shall first be applied to reconstruction of the common elements and Association property and then to the units; if there is a balance in the funds held by the Association after the payment of all costs of reconstruction and repair, such balance shall be retained by the Association. However, if special assessments were made pursuant to paragraph 15.2.3.1.2 hereof, then all or a part of the remaining money shall be returned to the unit owners paying said assessments pro rata, according to the amount each paid, up to the full amount each paid, and then to the Association.

15.4 Equitable Relief. In the event of substantial damage to the Condominium property, and if the property is not reconstructed or repaired within a reasonable period of time, any unit owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be conclusively presumed that reconstruction or repair has occurred within a reasonable period of time if substantial work is commenced within such time following the damage or destruction as is determined by the Board of Directors to be reasonable and the work proceeds without intentional and unwarranted delay to completion.

15.5 Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or in lieu thereof, according to plans and specifications approved by the Board of Directors.

16. ASSESSMENTS

The making and collecting of assessments against unit owners for common expenses shall be the obligation of the Board of Directors pursuant to the Bylaws and subject to the following provisions:

16.1 Share of the Common Expenses

Each unit owner shall be liable for a proportionate share of the common expenses and shall be entitled to an undivided share of the common surplus, such shares being set forth in Exhibit "B," a unit owner, regardless of how his title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments which come due while he is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

16.2 Non-Waiver

The liability for assessments may not be avoided by waiver of the use or enjoyment of any common elements or by abandonment of the unit for which the assessment is made.

16.3 Interest, Administrative Late Fees, and Application of Payments

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 highest rate allowed by the laws of the State of Florida from the date when due, until paid. In addition to interest, the Association may charge an administrative late fee in an amount not to exceed the greater of \$25.00 or 5% of the assessment for each delinquent installment that is late. All payments received by the Association upon account shall be first applied to interest, then to any administrative late fee, then to any costs and reasonable attorneys fees incurred in collection, and then to the delinquent assessment.

16.4 Lien for Assessments

The Association has a lien on each condominium parcel to secure the payment of assessments. Except as otherwise provided, the lien is effective from and shall relate back to the recording of the original Declaration of Condominium. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the condominium parcel is located. Nothing in this subsection shall be construed to bestow upon any lien, mortgage, or certified judgment of record on April 1, 1992, including the lien for unpaid

assessments created herein, a priority which, by law, the lien, mortgage, or judgment did not have before that date.

To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the Association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the Association. No such lien shall be effective longer than 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel.

Where a unit owner is delinquent in the payment of assessments, and the Association institutes collection procedures by pursuing a claim of lien, for the purposes of that action, the Association may include the assessments due for the remaining budget year. If accelerated, those assessments become due and payable on the date the claim of lien is filed, regardless of the fact they might not otherwise been billed or payable until a later date. Further, the claim of lien may secure interest owed on assessments and all reasonable costs and attorneys fees incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to satisfaction of the lien.

16.5 Collection and Foreclosure

The Association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The Association shall give notice to the unit owner of its intention to foreclose its lien at least thirty (30) days before the foreclosure action is filed. Said lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments.

16.6 Liability of Mortgagee, Lienor, or Judicial Sale Purchaser for Assessment

A unit owner, regardless of how his title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments which come due while he is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner. A first mortgagee acquiring title to a condominium parcel as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

16.7 Assignment of Claim of Lien Rights

Provided that the Association first complies with applicable statutory requirements, the Association, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessment to the Developer, or to any unit owner or group of unit owners, or to any third party.

16.8 Unpaid Assessments - Certificate

Any unit owner, mortgagee, or other lienholder shall have the right to require from the Association a certificate showing the amount of unpaid assessments against the condominium parcel to which he has an interest. Within fifteen (15) days after receiving a written request, the Association shall provide a certificate stating all assessments and other monies owed to the Association by the unit owner. Any person other than the owner who relies upon such certificate shall be protected thereby.

16.9 Priority of Lien

Any lien of the Association for common expenses, assessments or other charges becoming payable on or after the date of recordation of the first mortgage on any unit shall be subordinated to the lien of the first mortgage.

16.10 Operating Fund

An operating fund shall be established by the payment of each purchaser of two (2) months maintenance charges for each unit. Each unit's share of the operating fund will be collected and transferred to the Association at the time of closing of the sale of each unit and maintained in a segregated account for the use and benefit of the Association. The purpose of the fund is to provide funds to reimburse the Developer for and to pay advance utility deposits, advance premiums on casualty, workmen's compensation and liability policies and to provide an initial operating fund and to ensure that the Association board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the board. Amounts paid into the fund are not advance payments of regular assessments but a separate and distinct payment of two (2) months' maintenance charges into the operating fund. Other than as set forth above for reimbursement, the operating fund may not be used by the Developer.

16.11 Lenders' Notices

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

16.11.1 Any condemnation loss or any casualty loss which affects a material portion of the project or any unit estate on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable.

16.11.2 Any delinquency in the payment of assessments or charges owned by an owner of a unit estate subject to a first mortgage held insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days.

16.11.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

16.11.4 Any proposed action which would require the consent of a specified percentage of mortgage holders.

17. COMPLIANCE AND DEFAULT

Each unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Bylaws and Rules and Regulations adopted pursuant thereto, and said documents and rules and regulations as they may be amended from time to time. Failure of unit owners to comply therewith shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Condominium Act.

17.1 Negligence

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

17.2 Costs and Attorneys' Fees

In any proceeding arising because of an alleged failure of a unit owner to comply with the terms of the Declaration, the Bylaws, and the Rules and Regulations adopted pursuant thereto, and said documents and rules 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 attorneys' fees as may be awarded by the court.

17.3 No Waiver of Rights

The failure of the Association or any unit owner to enforce a covenant, restriction, or other provision of the Condominium Act, this Declaration, or any of the exhibits attached hereto, shall not constitute a waiver of the right to do so thereafter.

18. AMENDMENT OF DECLARATION

Unless otherwise required by this Declaration or by statute, this Declaration may be amended by a two-thirds (2/3) vote of the members of the Association, except for those amendments specifically reserved to the Developer by this Declaration or otherwise by statute to be made without a vote of the unit owners. In accordance with section 718.110(11), Florida Statutes, the consent or joinder of some or all of the mortgagees of units to or in amendments to this Declaration shall not be required; unless, however, such proposed amendment materially affects the rights or interest of the mortgagee as set forth in sections 718.110(4) and (8), Florida Statutes. And, except for amendments relating to the material alteration or configuration of a unit or units, amendments creating a time share estate in a unit or units, amendments that materially alter or modify the appurtenances to a unit or units, or amendments that change the proportion or percentage by which the owner of the parcel shares the common expenses and owns the common surplus, it shall be presumed that amendments to this Declaration do not materially affect the rights or interests of mortgagees.

19. DEVELOPER'S UNITS AND PRIVILEGES

19.1 Developer

The Developer, at the time of filing of this Declaration, is the owner of all of the real property, individual units, and appurtenances comprising this condominium. Therefore, the Developer, until all of the units have been sold and closed, shall be irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease, or rent units to any person approved by the Developer. Said Developer shall have the right to transact upon the condominium property any business necessary to consummate the sale of units, including, but not limited to, the right to maintain models, have signs, staff employees, maintain offices, use the common elements, entertain prospective purchasers and show units. Any sales office, signs, fixtures or furnishings, or other tangible personal property belonging to the Developer shall not be considered common elements and shall remain the property of the Developer.

19.2 Amendment of Plans

Developer reserves the right to change the interior design and arrangement of all units so long as Developer owns the units so changed and altered, provided such change shall be reflected by an amendment of this Declaration, and provided further that an amendment for such purpose need be signed and acknowledged only by the Developer and need not be approved by the Association or Condominium unit owners, whether or not elsewhere required for an amendment.

19.2.1 An amendment of this Declaration reflecting such alteration by the Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, Condominium unit owners or any other persons whomsoever.

19.2.2 Nothing herein set forth in this Declaration shall be constructed as prohibiting the Developer from removing, or authorizing the removal of, any party wall between any units, as long as Developer owns the unit affected thereby, in order that said units may be used together as a single

unit. In each event, all assessments, voting rights, and shares in the Common Elements shall be determined as if such units were as originally designated on the exhibits attached to this Declaration, notwithstanding the fact that several units are used as one, to the intent and purpose that the unit owner of such combined unit shall be treated as the unit owner of as many units as have been combined.

19.3 Developer's Share of the Common Expenses and Assessments

The Developer shall be excused from the payment of share of the common expenses and assessments related to all units owned by the Developer for a period of time terminating on the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first condominium unit occurs. The beginning date is the date of the closing of the purchase and sale of the first condominium unit. The Developer shall pay the portion of common expenses incurred during that period which exceed the amount assessed against other unit owners.

19.4 Amendment

Notwithstanding anything herein to the contrary, the provisions of this section shall not be subject to any amendment until the Developer has sold all of the units in MEDITERRANEA OF DESTIN, A CONDOMINIUM.

20. TERMINATION

The condominium may be terminated in the following manner in addition to the manner provided in the Condominium Act:

20.1 Destruction

In the event that it is determined in the manner elsewhere provided that the condominium building shall not be reconstructed because of major damage, the condominium plan of ownership will be thereby terminated without agreement.

20.2 Agreement

The condominium may be terminated by the approval, in writing, of all of the owners of the units therein and by all record owners of mortgages thereon. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of not less than seventy-five percent (75%) of the common elements, and of the record owners of all mortgages upon the units, are obtained, in writing, not later than thirty (30) days from the date of such meeting, then the approving owners shall have an option to buy all of the units of the other owners for the period ending on the sixtieth (60th) day from the day of such meeting. Such approvals shall be irrevocable until the expiration of the option and, if the option is exercised, the approval shall be irrevocable. Such option shall be upon the following terms:

20.2.1 Exercise of Option. The option shall be exercised by delivery or mailing by certified mail, to each of the record owners of the units to be purchased, of an agreement to purchase, signed by the record owners of units who will participate in the purchase. Such agreement shall indicate which unit will be purchased by each participating owner and shall provide for the purchase of all of the units owned by owners not approving the termination, and the effect of said agreement shall be to create a separate contract between each seller and his purchaser.

20.2.2 Price. The sale price for each unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement and, in the absence of agreement as to price, it shall be determined *by arbitration* in accordance with the *then existing* rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

20.2.3 Payment. The purchase price shall be paid in cash.

20.2.4 Closing. The sale shall be closed within thirty (30) days following the determination of the sale price.

20.3 Certificate

The termination of the condominium in either of the foregoing manners shall be evidenced by a certificate of the Association, executed by the President and secretary, certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Walton County, Florida.

20.4 Shares of Owners After Termination

After termination of the condominium, unit owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the unit owners. Such undivided shares of the unit owners shall be known as "termination shares" and shall be ascertained as follows:

20.4.1 The Board of directors, upon advisement by one or more independent appraisers, shall determine the value of each unit and appurtenances thereto prior to termination and of the total condominium property prior to termination. The total value of all units and appurtenances thereto shall equal the value of the condominium property.

20.4.2 The undivided share of each unit owner after termination shall equal the appraised value of his unit and appurtenance thereto divided by the appraised value of the total condominium property terminated.

20.4.3 The undivided share of each unit owner after termination shall be referred to as a "termination share". After termination, the words "termination share" shall be to the Secretary of the Association by each such owner, substituted for the words "share in the common elements" or similar phrases used in this Declaration in order to ascertain the rights and duties of the holders of termination shares.

20.5 Severability and Invalidity

The invalidity, in whole or in part, of any covenant or restriction or any section, subsection, sentence, clause, phrase or word, or the provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws, and the Rules and Regulations of the Association, shall not affect the validity of the remaining portions which shall remain in full force and effect.

In the event any court shall hereafter determine that any provisions of this Declaration of Condominium, as originally drafted or as amended, violates the rule against perpetuities or any other rules of law because of the duration of the period involved, the period specified in the Declaration shall not thereby become invalid but, instead, shall be reduced to the maximum period allowed under such rules of law and for such purpose measuring lives shall be those of the incorporators of the Association.

21. INTERPRETATION

The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purposes of creating a uniform plan for the operation of a condominium in accordance with the laws made and provided for same; i.e., *Chapter 718, Florida Statutes*, as amended.

22. ASSOCIATION CONTROL

When unit owners other than the Developer own 15 percent more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the Developer shall be entitled to elect no less than one-third of the members of the board of

administration of the association. Unit owners other than the Developer are entitled to elect not less than a majority of the members of the board of an association:

22.1 Three years after 50 percent of the units that will be operated ultimately by the Association have been conveyed to purchasers;

22.2 Three months after 90 percent of the units that will be operated ultimately by the Association have been conveyed to purchasers;

22.3 When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

22.4 When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or

22.5 Seven years after recordation of the Declaration, whichever occurs first.

Transfer of Association Control shall be in accordance with *Florida Statute 718.301*.



[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has caused the execution of this Declaration of Condominium, this 15th day May, 2003.

WITNESSES:

DEVELOPER:

APOLLO DEVELOPMENT ENTERPRISES, L.L.C.
a Florida Limited Liability Company

Melissa E. Johnson
Name: Melissa E. Johnson

By: **MAS VENTURES, INC.,**
a Florida corporation
"Member"

Mary Riddle
Name: Mary Riddle

By: Michael A. Sassano, III
Michael A. Sassano, III
President

[CORPORATE SEAL]

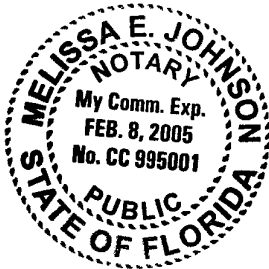
STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 15th day of May, 2003, by **Michael A. Sassano, III** as President and on behalf of MAS Ventures, Inc., a Florida corporation, which corporation is the Member of Apollo Development Enterprises, LLC. He is personally known to me.

NOTARY SEAL

Melissa E. Johnson
NOTARY PUBLIC
Melissa E. Johnson
[PRINT/TYPE NAME]

MY COMMISSION EXPIRES: 02-08-05
MY COMMISSION NUMBER: CC995001



IN WITNESS WHEREOF, the undersigned Contract Vendee under that certain Contract for Deed recorded in Official Records Book 2493, Page 742, Public Records of Walton County, Florida, covering Unit E-214 of Mediterranea of Destin, a Condominium, have executed this Declaration this 9th day of MAY, 2003.

WITNESSES:

UNIT OWNERS:

Terry Gartside Investments, Inc., an Oklahoma corporation

Joyce Evans
Name: Joyce Evans
[Print/Type Name]

Terry Gartside
By: TERRY GARTSIDE
Its President

Kimberly Rupert
Name: Kimberly Rupert
[Print/Type Name]

STATE OF Oklahoma
COUNTY OF Creek

The foregoing instrument was acknowledged before me this 9th day of May, 2003, by Terry Gartside as President and on behalf of Terry Gartside Investments, Inc., an Oklahoma corporation. He is personally known to me or has produced _____ as identification.

Sharon Brown
NOTARY PUBLIC
Name: Sharon Brown
Print/Type Name

My Commission Expires: 03/31/06

0200 3360

FORM OF
JOINDER OF MORTGAGEE
TO
DECLARATION OF CONDOMINIUM

**JOINDER OF MORTGAGEE
OF
DECLARATION OF CONDOMINIUM**

Vanguard Bank and Trust Company, the owner and holder of mortgages encumbering the land described in Exhibit A, attached to the Declaration of Condominium of Mediterranea of Destin, A Condominium, according to the Declaration thereof to which this Joinder is attached, hereby consents to and joins in the said Declaration thereof and agrees that the lien of its mortgage, to the extent of the encumbrance upon the land described in Exhibit A attached to the Declaration of Condominium shall be upon all of the condominium parcels of Mediterranea of Destin, A Condominium, according to the Declaration thereof, together with all of the appurtenances, including, but not limited to, any common elements appurtenant to the condominium parcels so encumbered and to the undivided shares of the common elements.

Nothing contained herein shall be deemed to or in any way limit or affect the mortgages held by Vanguard Bank & Trust Company or the priority of the lien created thereby and the sole purpose of this Joinder is to acknowledge the consent of said Mortgagee to the Declaration of Condominium as hereinabove provided.

This instrument is executed by the undersigned for the purpose of complying with and pursuant to Florida Statute 718.104(4)(m).

EXECUTED this 7th day of MAY, 2003.

**VANGUARD BANK AND TRUST COMPANY
Mortgagee**

WITNESSES:

Yvonne M. Hays
Name: YVONNE HAYS
Alice L. Dillie
Name: ALICE L. DILLIE

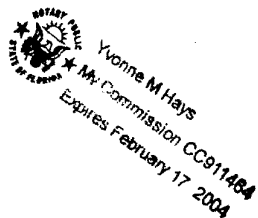
By: *J. Steve Burks*
Name: J. STEVE BURKS
Its: SENIOR VICE PRESIDENT

(BANK SEAL)

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing Joinder of Mortgage of Declaration of Condominium was acknowledged before me this 7th day of MAY, 2003, by J. STEVE BURKS, SR VICE PRESIDENT of Vanguard Bank and Trust Company, on behalf of said Bank. She/He is personally known to me.

Yvonne M. Hays
NOTARY PUBLIC YVONNE M. HAYS
My Commission Expires: 02-17-04



FORM OF SURVEYOR'S CERTIFICATE

MEDITERRANEA OF DESTIN, A CONDOMINIUM

I, Jon A. Prohaska, (Registered Land Surveyor No. 4450, State of Florida), a surveyor authorized to practice in the State of Florida, on behalf of Choctaw Eng., hereby certify that the construction of the improvements described in Exhibit "A" of the Declaration of Condominium of Mediterranea of Destin, A Condominium attached hereto, consisting of 43 pages, is substantially complete so that the material, together with the provisions of the Declaration relating to matters of survey describing the condominium property is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements, limited common elements, and of each unit can be determined from these materials and that improvements, including but not limited to, landscaping, utility services and access to the unit and common element facilities have been substantially completed.

By: Jon A. Prohaska
Print Name: Jon A. PROHASKA
Registered Land Surveyor No.: 4450
State of Florida

(SEAL)

Sworn to and subscribed before me this 30th day of May, 2003

Mary Riddle NOTARY
PUBLIC (NOTARY SEAL)

My Commission Expires:

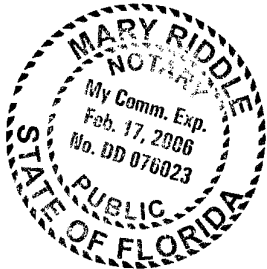


EXHIBIT "A"
TO
DECLARATION OF CONDOMINIUM

NARRATIVE DESCRIPTION, LEGAL DESCRIPTION
SITE PLAN, FLOOR PLANS,
AND ELEVATIONS

NARRATIVE DESCRIPTION

Mediterranea of Destin, A Condominium contains five (5) four-story buildings. Building A (West Building) will contain twelve (12) residential condominium units, with one parking level and four living floors. Building B (Northwest Building) will contain twelve (12) residential condominium units with one parking level and four living floors. Building C (North/Center Building) will contain the Clubhouse and Fitness Center, one (1) commercial condominium unit, and four (4) residential condominium units with one parking level and three living floors. Building D (Northeast Building) will contain eleven (11) residential units, with one parking level and four living floors. Building E (East Building) will contain sixteen (16) residential units, with one parking level and four living floors. Three (3) elevators will be constructed as part of the condominium and will be available for use by all unit owners. A fourth elevator will be constructed as part of Building E, however, that elevator will be considered a limited common element appurtenant to the penthouse unit on the top floor of Building E (Unit E-514) and will, therefore, be used exclusively by the owner of that Penthouse unit, his renters, guests and invitees. In addition, the purchaser of the customized Penthouse Unit in Building C (Unit C-507) will have the option of having an elevator constructed as part of Building C, at his sole cost and expense, which elevator, if constructed, will be considered a limited common element appurtenant to said Penthouse Unit and will, therefore, be used exclusively by the owner of that Penthouse Unit, his renters, guests and invitees.

The common elements in the Condominium include all lands and improvements thereon which are not included in the units and which are not designated as limited common elements.

Reference should be made to the site plan, floor plans, and building elevations set forth in this exhibit. The construction is not complete and upon completion this Declaration shall be amended to show the certificate of a surveyor authorized to practice in this state certifying that the construction of the improvements is substantially complete so that the material, together with the provisions of this Declaration describing the condominium property, constitute an accurate representation of the location and dimensions of the improvements and that the identification, location, and dimensions of the common elements, and limited common elements, appurtenant to each unit, can be determined from these materials.

The unit numbers, unit types, numbers of bathrooms and bedrooms in each unit and the living area square footage not including porches and/or patios are set forth in the following chart. Square footages are measured to the outside surface of perimeter walls and the centerline of common walls.

Building Number	Unit Number/ Type	Number of Bedrooms	Number of Baths	Square Footage (living area not including porches/patios)
A	A201	3	3	1977
A	A202	2	2-1/2	1471
A	A203	2	2-1/2	1471
A	A301	3	3	1977
A	A302	2	2-1/2	1471
A	A303	2	2-1/2	1471
A	A401	3	3	1977
A	A402	2	2-1/2	1471

Building Number	Unit Number/ Type	Number of Bedrooms	Number of Baths	Square Footage (living area not including porches/patios)
A	A403	2	2-1/2	1471
A	A501	3	3	1977
A	A502	2	2-1/2	1471
A	A503	2	2-1/2	1471
B	B204	2	2-1/2	1471
B	B205	2	2-1/2	1471
B	B206	2	2-1/2	1471
B	B304	2	2-1/2	1471
B	B305	2	2-1/2	1471
B	B306	2	2-1/2	1471
B	B404	2	2-1/2	1471
B	B405	2	2-1/2	1471
B	B406	2	2-1/2	1471
B	B504	2	2-1/2	1471
B	B505	2	2-1/2	1471
B	B506	2	2-1/2	1471
C	C207 Ground Level	Clubhouse	N/A	5173
C	C307	3	3	1937
C	C308 (Ground Level)	Commercial Unit (Rental / Management Office) N/A	N/A	1320
C	(3 rd Floor)	Fitness Center	N/A	665
C	C-407	3	3	1937
C	C408	3	3	1937
C	C507	Custom Penthouse	Custom	3283
D	D209	2	2-1/2	1471
D	D210	2	2-1/2	1471
D	D211	2	2-1/2	1471
D	D212	2	2-1/2	1471
D	D309	2	2-1/2	1471
D	D310	2	2-1/2	1471
D	D311	2	2-1/2	1471
D	D312	2	2-1/2	1471
D	D409	2	2-1/2	1471
D	D410	2	2-1/2	1471
D	D411	2	2-1/2	1471
D	D412	2	2-1/2	1471

Building Number	Unit Number/ Type	Number of Bedrooms	Number of Baths	Square Footage (living area not including porches/patios)
D	D509	2	2-1/2	1471
D	D510	2	2-1/2	1471
D	D511	2	2-1/2	1471
D	D512	2	2-1/2	1471
E	E213	2	2-1/2	1471
E	E214	2	2-1/2	1471
E	E215	3	3	1909
E	E313	2	2-1/2	1471
E	E314	2	2-1/2	1471
E	E315	3	3	1909
E	E413	2	2-1/2	1471
E	E414	2	2-1/2	1471
E	E415	3	3	1909
E	E513	2	2-1/2	1471
E	E514	Custom Penthouse	Custom	3788

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Government Lots 98, 110, 112, and 112, Section 30, Township 2 South, Range 21 West, Public Records of Walton County, Florida

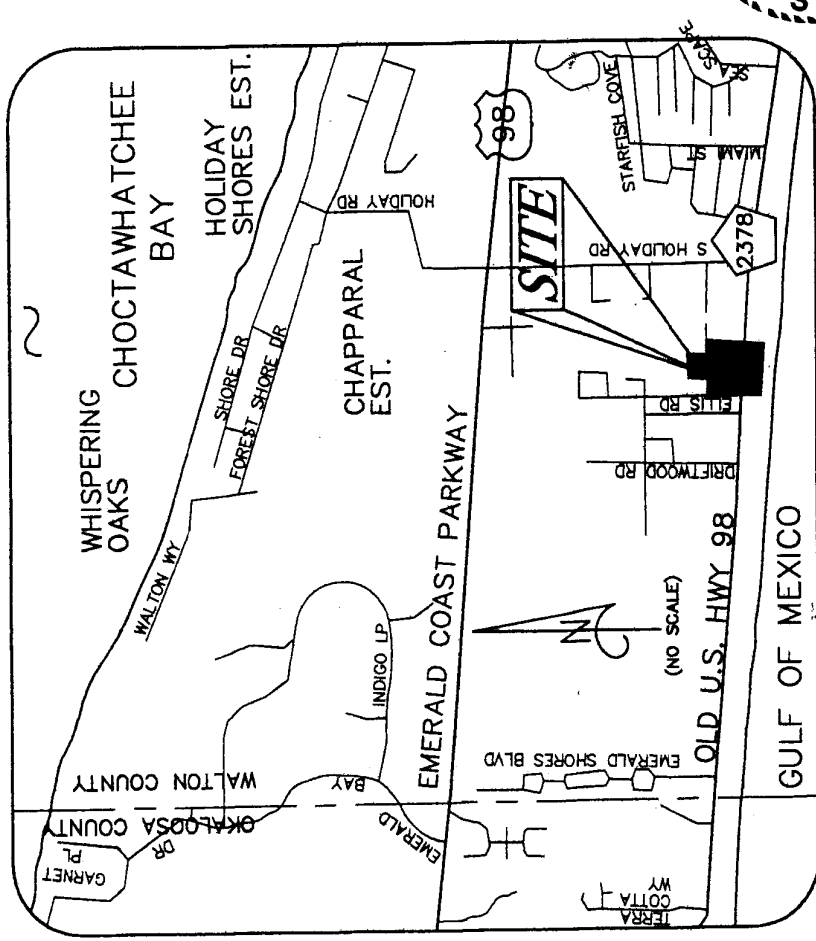
TOGETHER with that certain perpetual, non-exclusive *Use and Access Easement* dated October 23, 2002 from Ciboney Condominium Owners Association, Inc. to Apollo Development Enterprises, LLC recorded in OR Book 2447, Pages 1517-1519, Official Records of Walton County, over and across the following described property:

A parcel of land lying in Section 30 and 31, Township 2 South, Range 21 West, Walton County, Florida, being more particularly described as follows: commence at the intersection of the southerly right-of-way line of Walton County Road 2378 (100' right of way), and the east line of said Section 30, thence go north 81 degrees 25 minutes 49 seconds west, a distance of 822.69 feet along said southerly right-of-way line to the point of beginning of the parcel of land herein described: thence departing said southerly right of way line go south 02 degrees 11 minutes 56 seconds west, a distance of 94.29 feet; thence go south 08 degrees 34 minutes 11 seconds west, a distance of 53 feet, more or less, to the mean high water line of the Gulf of Mexico; thence meander northwesterly a distance of 1.00 feet more or less; thence go north 02 degrees 11 minutes 56 second east, a distance of 149 feet more or less to a point lying on the aforementioned southerly right of way line; thence go south 81 degrees 25 minutes 50 seconds east a distance of 6.04 feet to the point of the beginning.

FINAL AS-BUILT DRAWINGS

Mediterranea of Destin, A Condominium

In Government Lots 98, 110, 111, & 112,
Section 30, Township 2 South, Range 21 West, Walton County, Florida



LOCATION MAP

OVERALL LEGAL DESCRIPTION:

GOVERNMENT LOTS 98, 110, 111, 112, IN SECTION 30, TOWNSHIP 2 SOUTH, RANGE 21 WEST, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA.

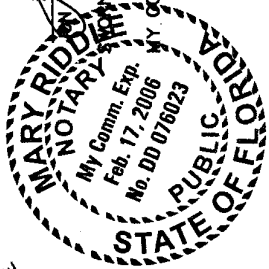
TOGETHER WITH THAT CERTAIN PERPETUAL NON-EXCLUSIVE USE AND ACCESS EASEMENT DATED OCTOBER 23, 2002 FROM CIBONEY CONDOMINIUM OWNERS ASSOCIATION, INC., TO APOLLO DEVELOPMENT ENTERPRISE, LLC RECORDED IN O.R. BOOK 2447, PAGES 1517-1519, OFFICIAL RECORDS OF WALTON COUNTY, OVER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY:

A PARCEL OF LAND LYING IN SECTION 30 AND 31, TOWNSHIP 2 SOUTH, RANGE 21 WEST, WALTON COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE SOUTHERLY RIGHT OF WAY LINE OF WALTON COUNTY ROAD 2378 (100' RIGHT OF WAY), AND THE EAST LINE OF SAID SECTION 30. THENCE GO NORTH 81 DEGREES 25 MINUTES 49 SECONDS WEST, A DISTANCE OF 822.69 FEET ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE GO SOUTH 02 DEGREES 11 MINUTES 56 SECONDS WEST, A DISTANCE OF 94.29 FEET; THENCE GO NORTH 08 DEGREES 34 MINUTES 11 SECONDS WEST, A DISTANCE OF 53 FEET, MORE OR LESS, TO THE MEAN HIGH WATER LINE OF THE GULF OF MEXICO; THENCE MEANDER NORTHWESTERLY A DISTANCE OF 1.00 FEET MORE OR LESS; THENCE GO NORTH 02 DEGREES 11 MINUTES 56 SECONDS EAST, A DISTANCE OF 148 FEET MORE OR LESS TO A POINT LYING ON THE AFOREMENTIONED SOUTHERLY RIGHT OF WAY LINE; THENCE GO SOUTH 81 DEGREES 25 MINUTES 50 SECONDS EAST A DISTANCE OF 6.04 FEET TO THE POINT OF BEGINNING.

SURVEYOR'S CERTIFICATE

I, JON A. PROHASKA, (REGISTERED LAND SURVEYOR NO. 4450, STATE OF FLORIDA), A SURVEYOR AUTHORIZED TO PRACTICE IN THE STATE OF FLORIDA, ON BEHALF OF CHOCTAW ENGINEERING, INC., HEREBY CERTIFY THAT THE CONSTRUCTION OF THE IMPROVEMENTS DESCRIBED IN EXHIBIT "A" OF THE DECLARATION OF CONDOMINIUM OF MEDITERRANEA OF DESTIN, A CONDOMINIUM ATTACHED HERETO, CONSISTING OF PAGES IS SUBSTANTIALLY COMPLETE SO THAT THE MATERIAL, TOGETHER WITH THE PROVISIONS OF THE DECLARATION RELATING TO MATTERS OF SURVEY DESCRIBING THE CONDOMINIUM PROPERTY IS AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF THE IMPROVEMENTS, AND THAT THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS, LIMITED COMMON ELEMENTS, AND OF EACH UNIT CAN BE DETERMINED FROM THESE MATERIALS AND THAT IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO, LANDSCAPING, UTILITY SERVICES AND ACCESS TO THE UNIT AND COMMON ELEMENT FACILITIES HAVE BEEN SUBSTANTIALLY COMPLETED.

FLORIDA REGISTERED SURVEYOR
 A. G. Prohaska
 A. PROHASKA, CERTIFICATE NO. 4450
 DATE 30 MAY, 2003
 PUBLIC
 CHOCTAW ENGINEERING, INC.
 112 TRUXTON AVENUE
 FORT WALTON BEACH, FLORIDA 32547



ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM
 Mediterranea of Destin, A Condominium - In Government
 Lots 98, 110, 111, & 112, Section 30, Township 2 South,
 Range 21 West, Walton County, Florida.

Prepared by: CHOCTAW ENGINEERING, INC.
 CIVIL ENGINEERING • ENVIRONMENTAL • SURVEYING
 112 TRUXTON AVENUE LB #1682 E-MAIL: ce1@choctaweng.com
 FORT WALTON BEACH, FL 32547 Tele.: 850/862-6611 Fax: 850/863-8059

MEDITERRANEA

A CONDOMINIUM DESTIN, FLORIDA -ROOF PLAN

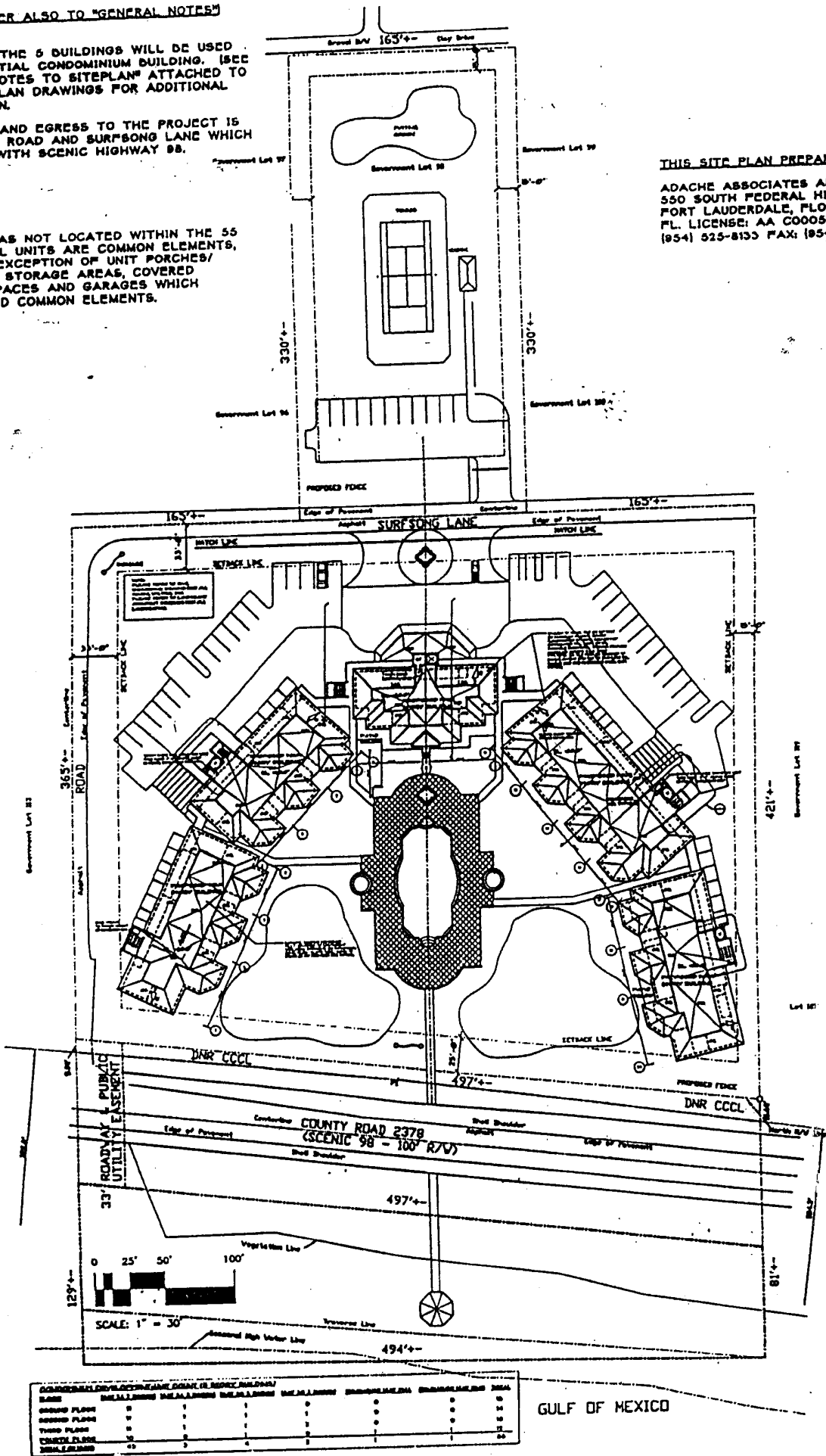
NOTES: REFER ALSO TO "GENERAL NOTES"

1. EACH OF THE 6 BUILDINGS WILL BE USED AS RESIDENTIAL CONDOMINIUM BUILDING. (SEE "GENERAL NOTES TO SITEPLAN" ATTACHED TO THE SITE PLAN DRAWINGS FOR ADDITIONAL INFORMATION.)

2. INGRESS AND EGRESS TO THE PROJECT IS FROM ELLIS ROAD AND SURFSONG LANE WHICH CONNECTS WITH SCENIC HIGHWAY 98.

3. ALL AREAS NOT LOCATED WITHIN THE 55 RESIDENTIAL UNITS ARE COMMON ELEMENTS, WITH THE EXCEPTION OF UNIT PORCHES/BALCONIES, STORAGE AREAS, COVERED PARKING SPACES AND GARAGES WHICH ARE LIMITED COMMON ELEMENTS.

THIS SITE PLAN PREPARED BY:
ADACHE ASSOCIATES ARCHITECTS P.A.
 550 SOUTH FEDERAL HIGHWAY
 FORT LAUDERDALE, FLORIDA 33301
 FL. LICENSE: AA 0000579
 (954) 525-8133 FAX: (954) 728-8159

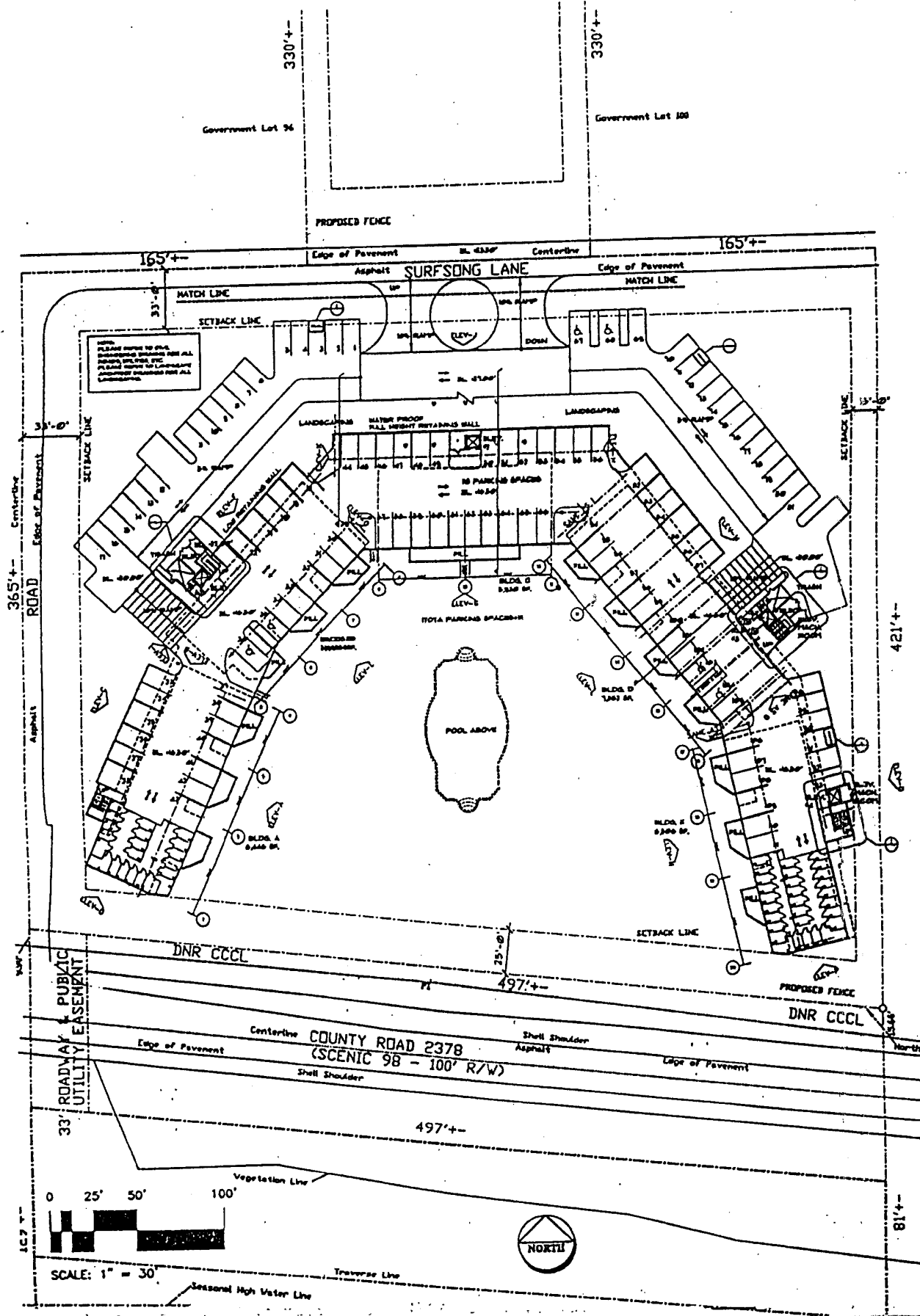




A CONDOMINIUM
DESTIN, FLORIDA

PARKING FLOOR PLAN

THIS SITE PLAN PREPARED BY:
ADACHE ASSOCIATES ARCHITECTS P.A.
550 SOUTH FEDERAL HIGHWAY
FORT LAUDERDALE, FLORIDA 33301
FL. LICENSE: AA C000579
(954) 525-8100 FAX: (954) 728-8150



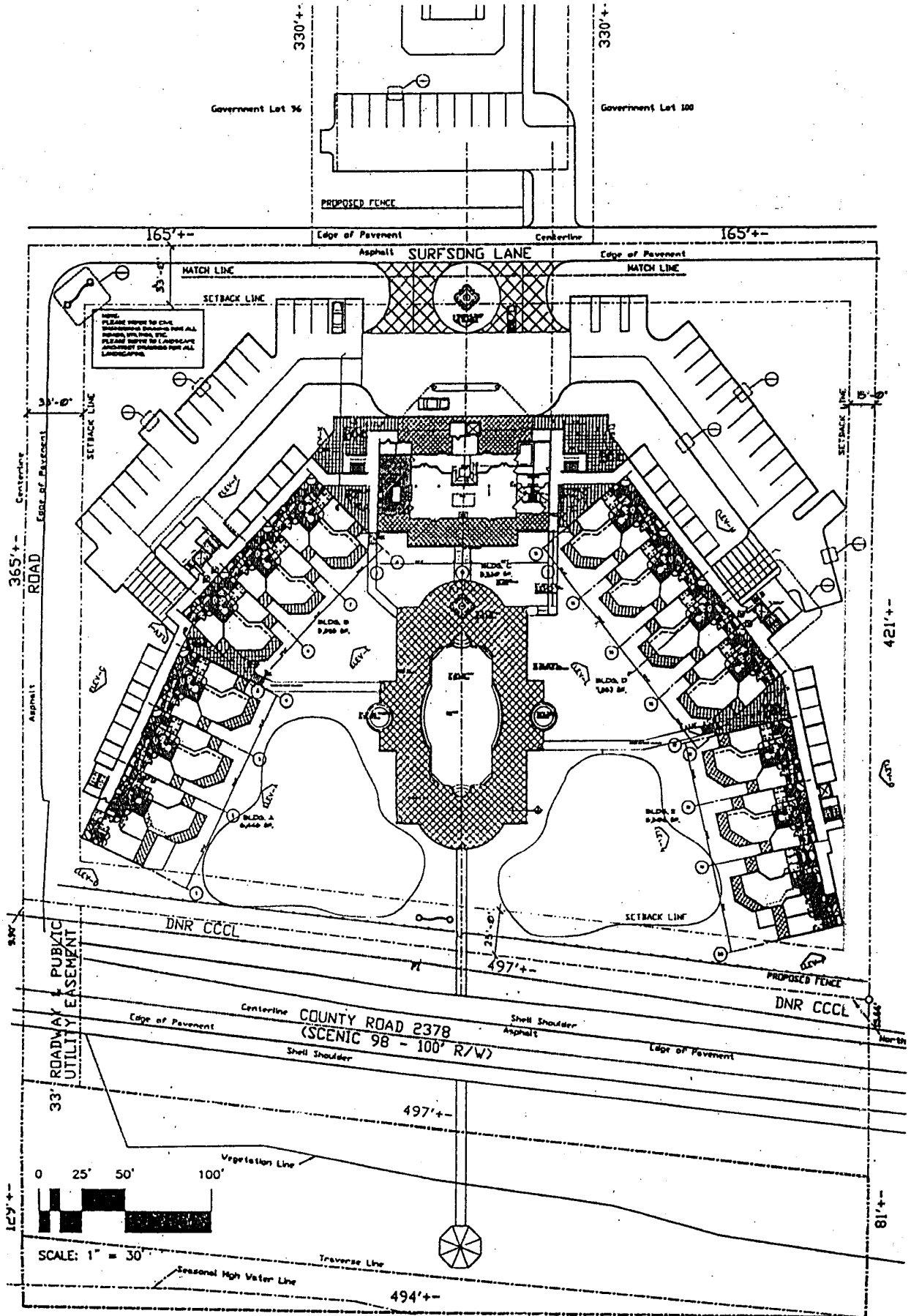
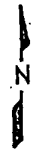


A CONDOMINIUM
DESTIN, FLORIDA

GROUND FLOOR PLAN

THIS SITE PLAN PREPARED BY:

ADACHE ASSOCIATES ARCHITECTS P.A.
550 SOUTH FEDERAL HIGHWAY
FORT LAUDERDALE, FLORIDA 33301
FL. LICENSE: AA C000579
(954) 525-8155 FAX: (954) 728-8159





A CONDOMINIUM
DESTIN, FLORIDA

GROUND FLOOR PLAN

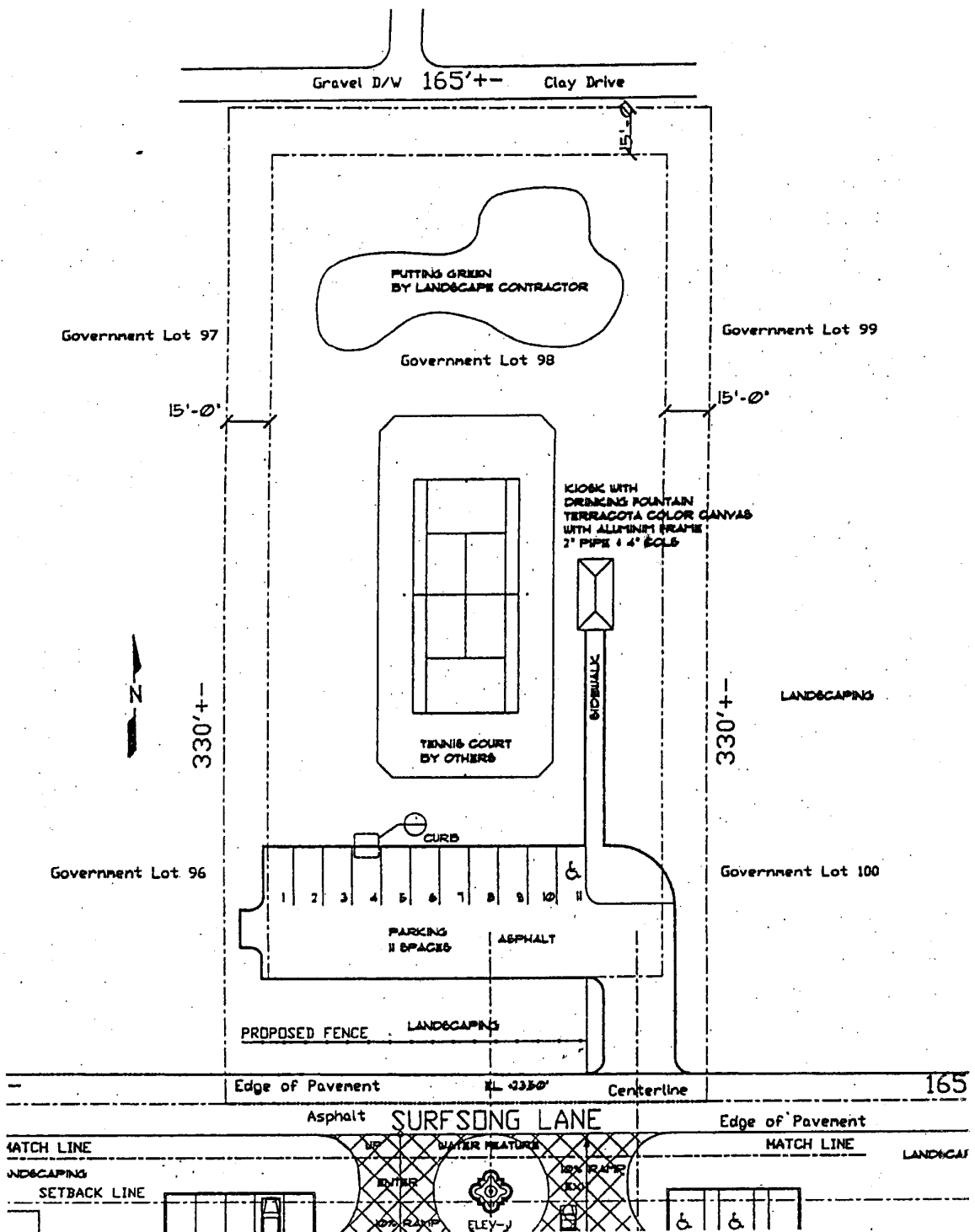
THIS SITE PLAN PREPARED BY:

ADACHE ASSOCIATES ARCHITECTS P.A.
550 SOUTH FEDERAL HIGHWAY
FORT LAUDERDALE, FLORIDA 33301
FL LICENSE: AA 000579
(954) 525-8133 FAX: (954) 728-8159

Government Lot 80

Government Lot 79

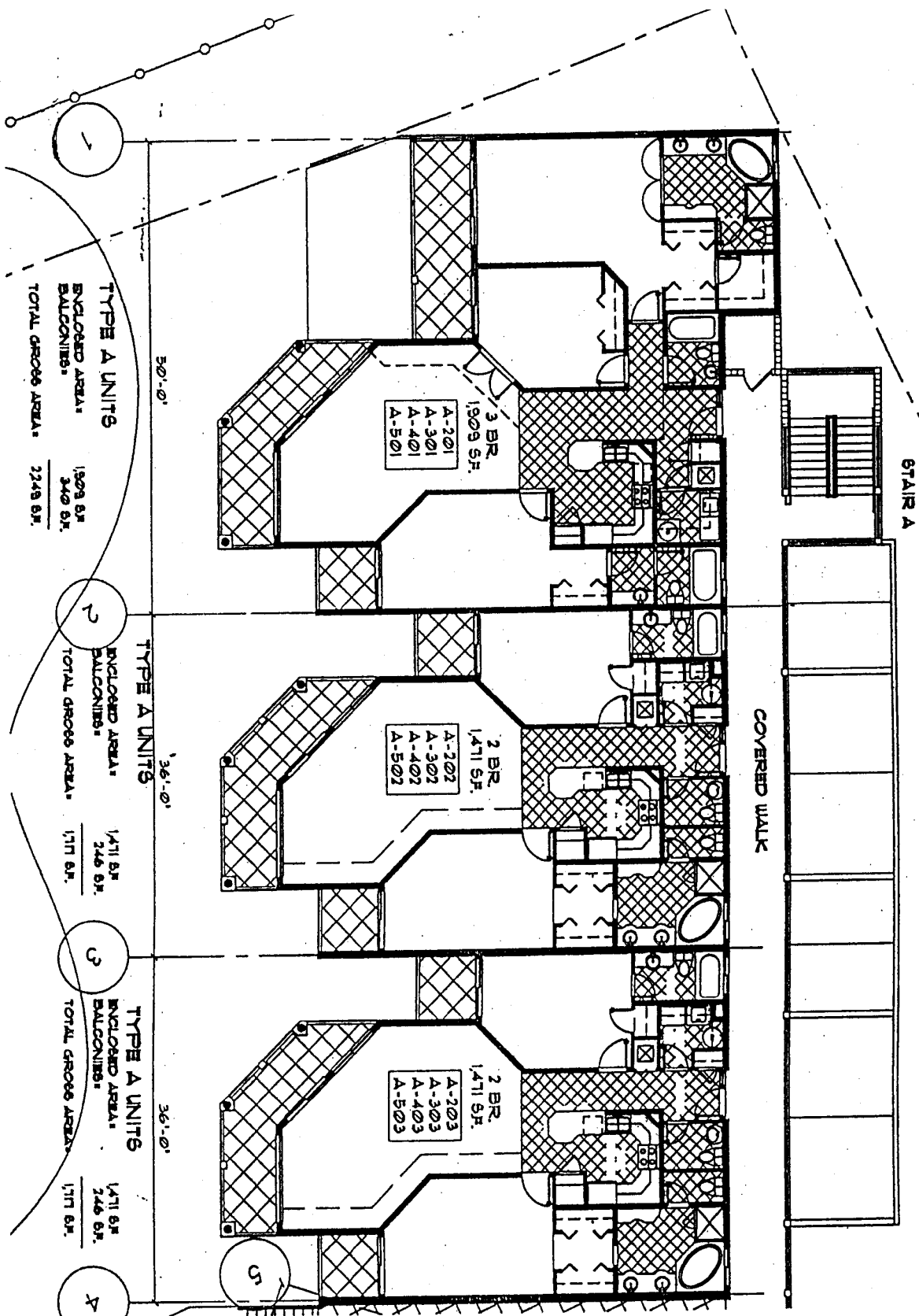
Government Lot 78



**GENERAL NOTES
FOR MEDITERRANEA OF DESTIN, A CONDOMINIUM**

1. An easement is retained over the entire parking lot, driveway entrance, buffer zone and the sidewalk for ingress and egress and for utility and drainage structures.
2. Ingress and egress is provided by entrance from Ellis Road and Surfsong Lane into the condominium parking area.
3. Common areas and elements: All areas not located within the 55 residential units are common elements with the exception of all unit balconies, private garages, covered parking spaces and the private elevator(s) which are all limited common elements reserved for the exclusive use of the unit owner to which said limited common element is assigned.
4. There are fifty-six (56) covered parking spaces located under the condominium buildings, twenty-three (23) canvas-covered parking spaces, thirty-two (32) free spaces on grade and eleven (11) additional free spaces located by the tennis courts.

FLOOR PLANS



TYPE A UNITS
ENCLOSED AREA: 1909 SF
BALCONIES: 340 SF
TOTAL GROSS AREA: 2249 SF.

TYPE A UNITS
ENCLOSED AREA: 1471 SF
BALCONIES: 246 SF
TOTAL GROSS AREA: 1717 SF.

TYPE A UNITS
ENCLOSED AREA: 1471 SF
BALCONIES: 246 SF
TOTAL GROSS AREA: 1717 SF.

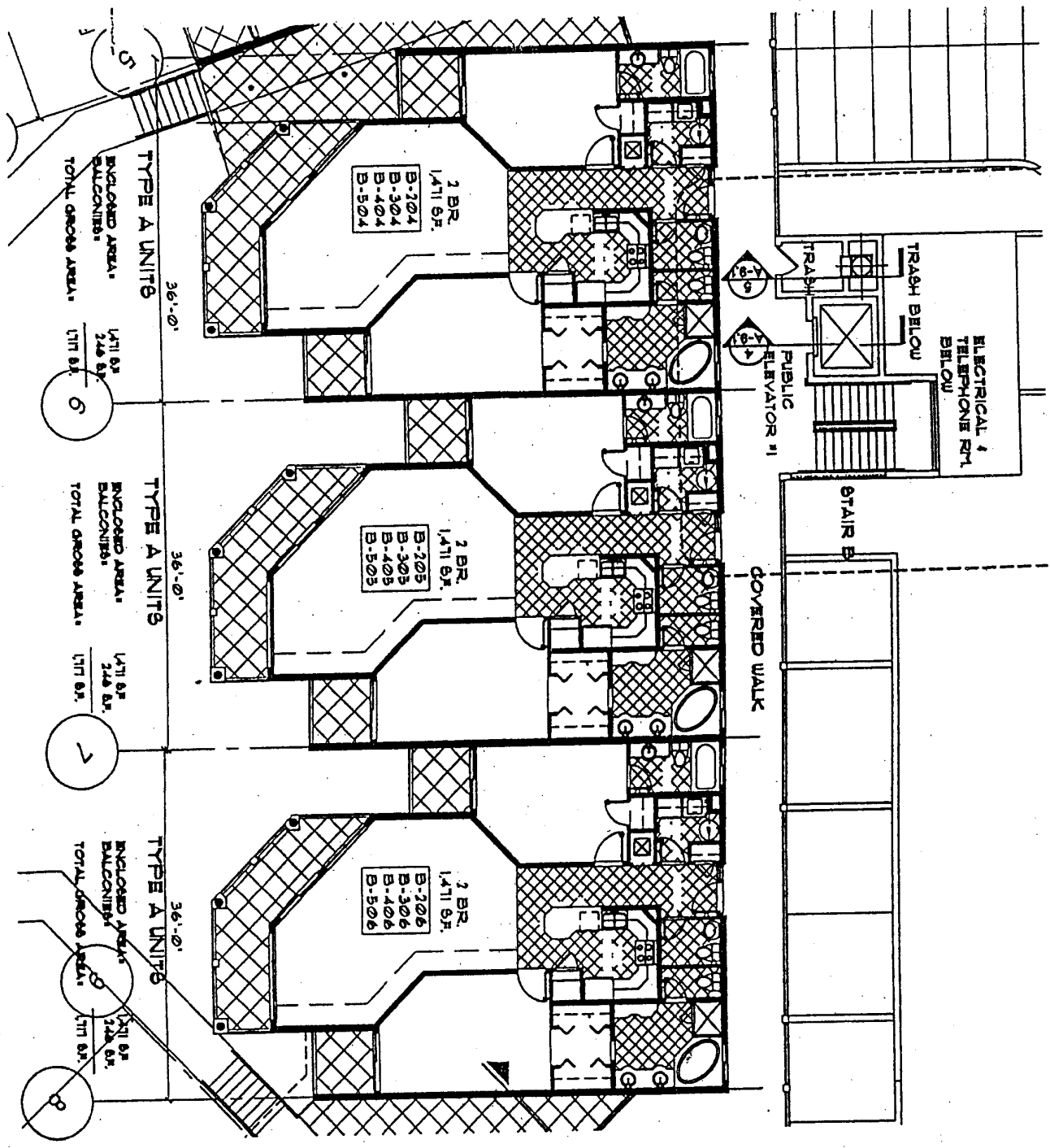
OVERALL FLOOR PLAN BUILDING A
TYPICAL FLOORS 2 THRU 5



UTILITY ROOM SCHEDULE
2ND FLOOR- ELECTRICAL/ TELEPHONE
& ADDITIONAL STORAGE
3rd, 4th & 5th FLOOR- ADDITIONAL STORAGE

THIS SITE PLAN PREPARED BY:
ADACHE ASSOCIATES ARCHITECTS P.A.
650 SOUTH FEDERAL HIGHWAY
FORT LAUDERDALE, FLORIDA 33301
FL LICENSE: AA C000578
(954) 525-8155 FAX: (954) 728-6158



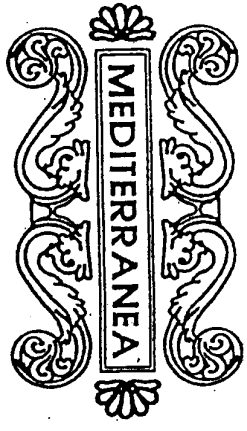


OVERALL FLOOR PLAN BUILDING B

TYPICAL FLOOR 2 THRU 8

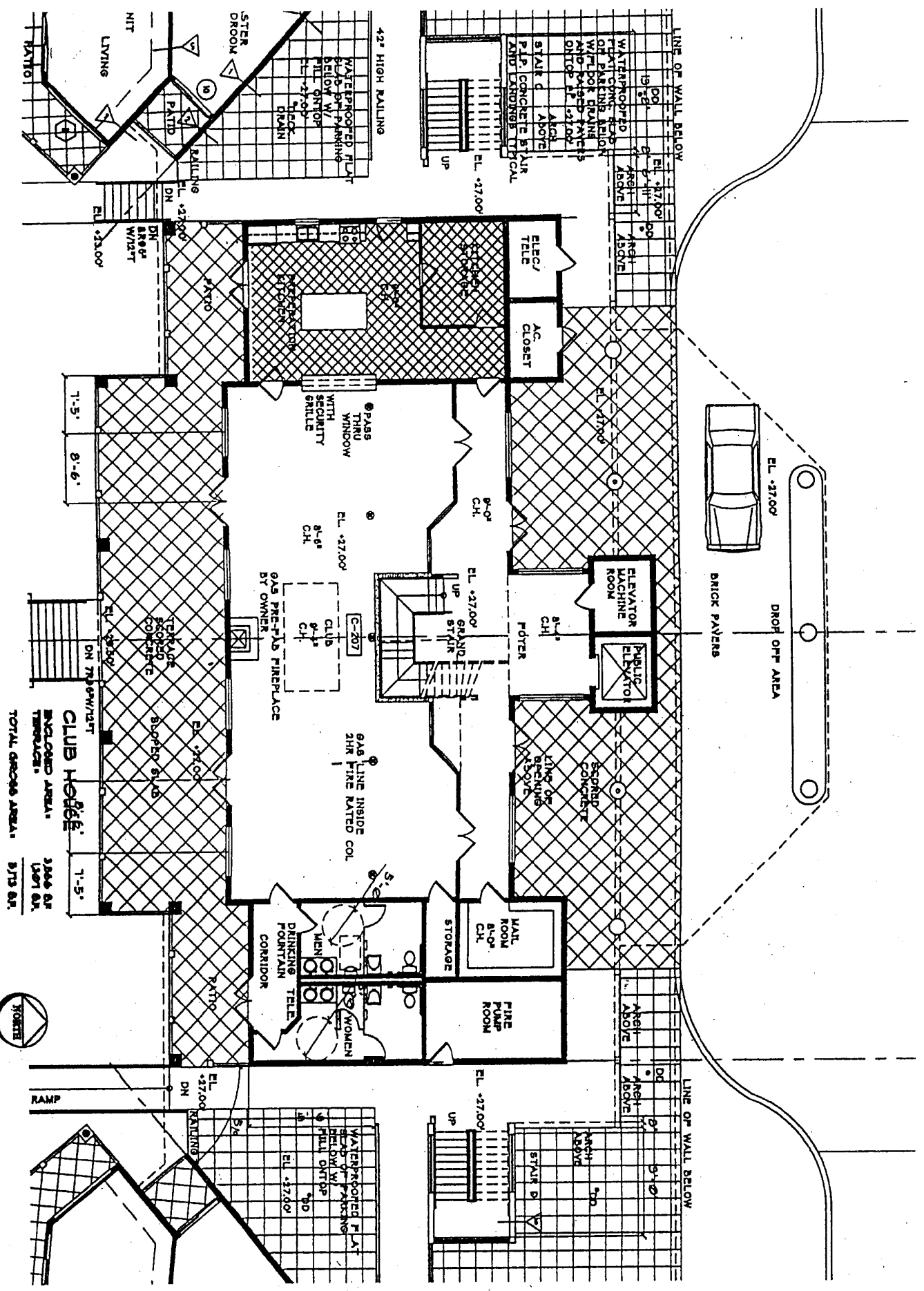


UTILITY ROOM SCHEDULE
2ND FLOOR-ELECTRICAL/TELEPHONE



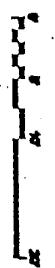
A CONDOMINIUM
DESTIN, FLORIDA

THIS SITE PLAN PREPARED BY:
 ADACHE ASSOCIATES ARCHITECTS P.A.
 550 SOUTH FEDERAL HIGHWAY
 FORT LAUDERDALE, FLORIDA 33301
 FL. LICENSE: AA 0000578
 (954) 935-8133 FAX: (954) 728-8159



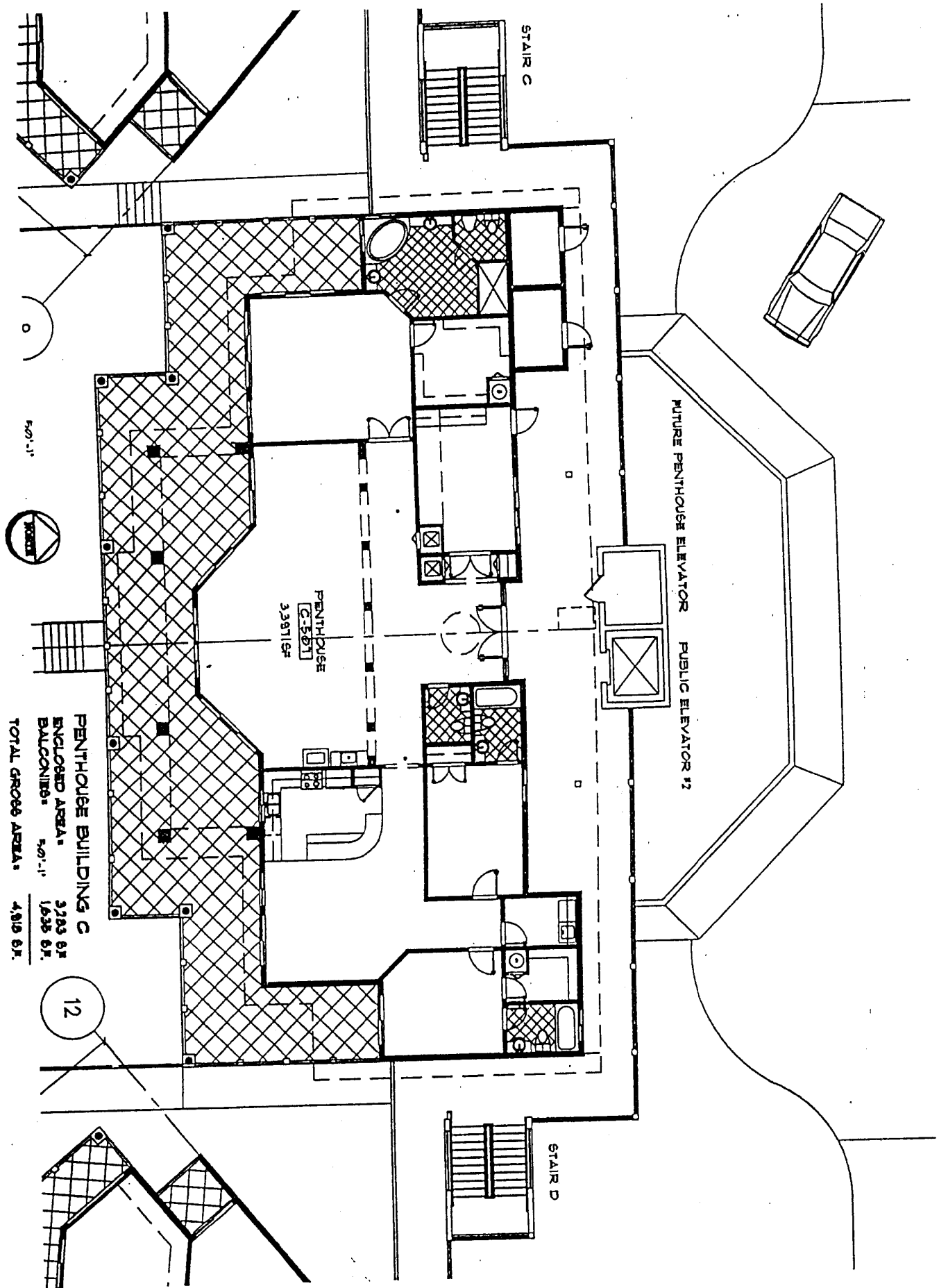
THIS SITE PLAN PREPARED BY:
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 686 SOUTH FEDERAL HIGHWAY
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 (954) 626-8155 FAX (954) 726-8156

OVERALL FLOOR PLAN BUILDING C
 FLOOR 2



UTILITY ROOM SCHEDULE
 GROUND FLOOR: MAIL/FIRE & PUMP ROOM
 2ND FLOOR: ELECTRICAL/TELEPHONE

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 DESTIN, FLORIDA



PENTHOUSE BUILDING C
 ENCLOSED AREA: 3,283 S.F.
 BALCONIES: 1,635 S.F.
 TOTAL GROSS AREA: 4,918 S.F.

PENTHOUSE
 C-5B01
 3,918 S.F.

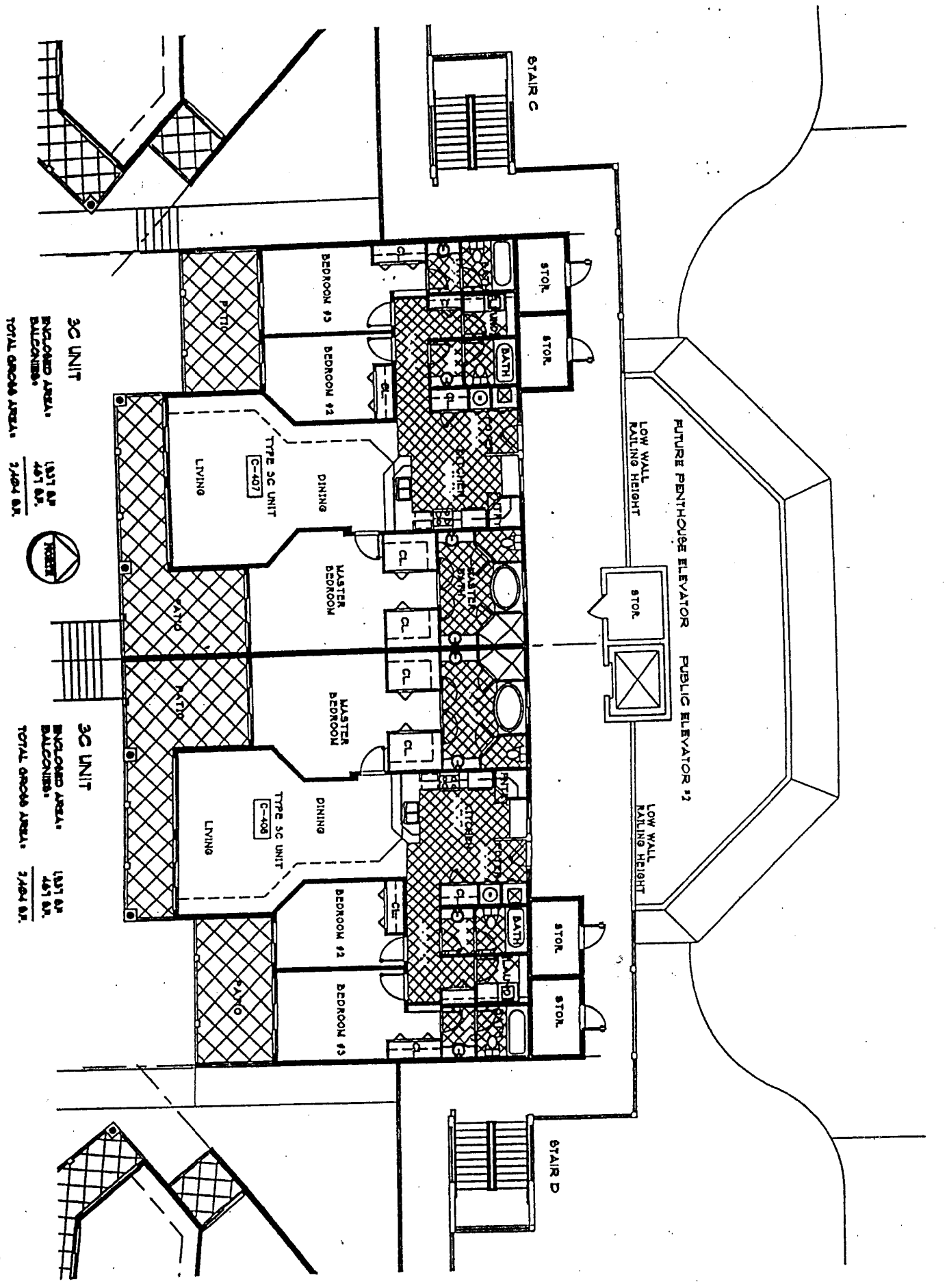
OVERALL FLOOR PLAN BUILDING C

FLOOR 6, PENTHOUSE BUILDING C

UTILITY ROOM SCHEDULE
 6th FLOOR- PENTHOUSE ADDITIONAL
 STORAGE



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 (954) 525-8133 FAX: (954) 728-8158



3C UNIT
 ENCLOSED AREA: 1,831 SQ. FT.
 BALCONIES: 481 SQ. FT.
 TOTAL GROSS AREA: 2,312 SQ. FT.

3C UNIT
 ENCLOSED AREA: 1,831 SQ. FT.
 BALCONIES: 481 SQ. FT.
 TOTAL GROSS AREA: 2,312 SQ. FT.

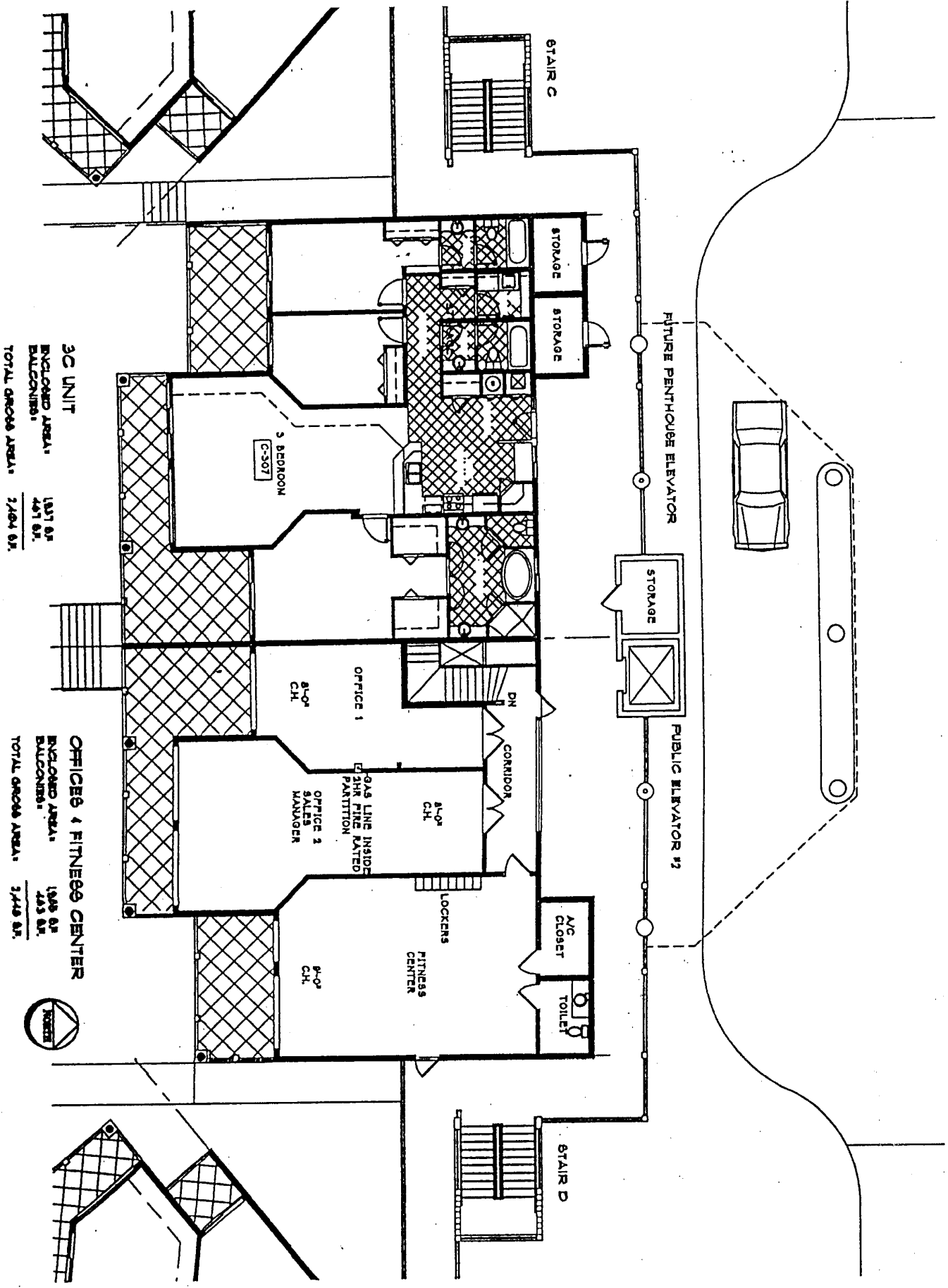
OVERALL FLOOR PLAN BUILDING C
 FLOOR 4, TWO APARTMENT - TYPE C



UTILITY ROOM SCHEDULE
 4TH FLOOR- ADDITIONAL STORAGE



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 (954) 928-8155 FAX (954) 728-8189



3C UNIT
 ENCLOSED AREA: 1,837 SQ. FT.
 BALCONIES: 467 SQ. FT.
 TOTAL GROSS AREA: 2,304 SQ. FT.

OFFICES & FITNESS CENTER
 ENCLOSED AREA: 1,848 SQ. FT.
 BALCONIES: 483 SQ. FT.
 TOTAL GROSS AREA: 2,331 SQ. FT.



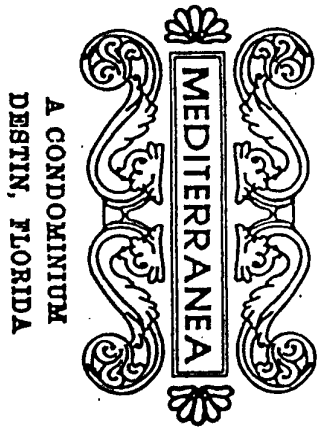
THIS SITE PLAN PREPARED BY:
 ADA CHE ASSOCIATES ARCHITECTS P.A.
 550 SOUTH FEDERAL HIGHWAY
 FORT LAUDERDALE, FLORIDA 33301
 FL LICENSE NO. C0000972
 (954) 826-8155 FAX (954) 728-8188

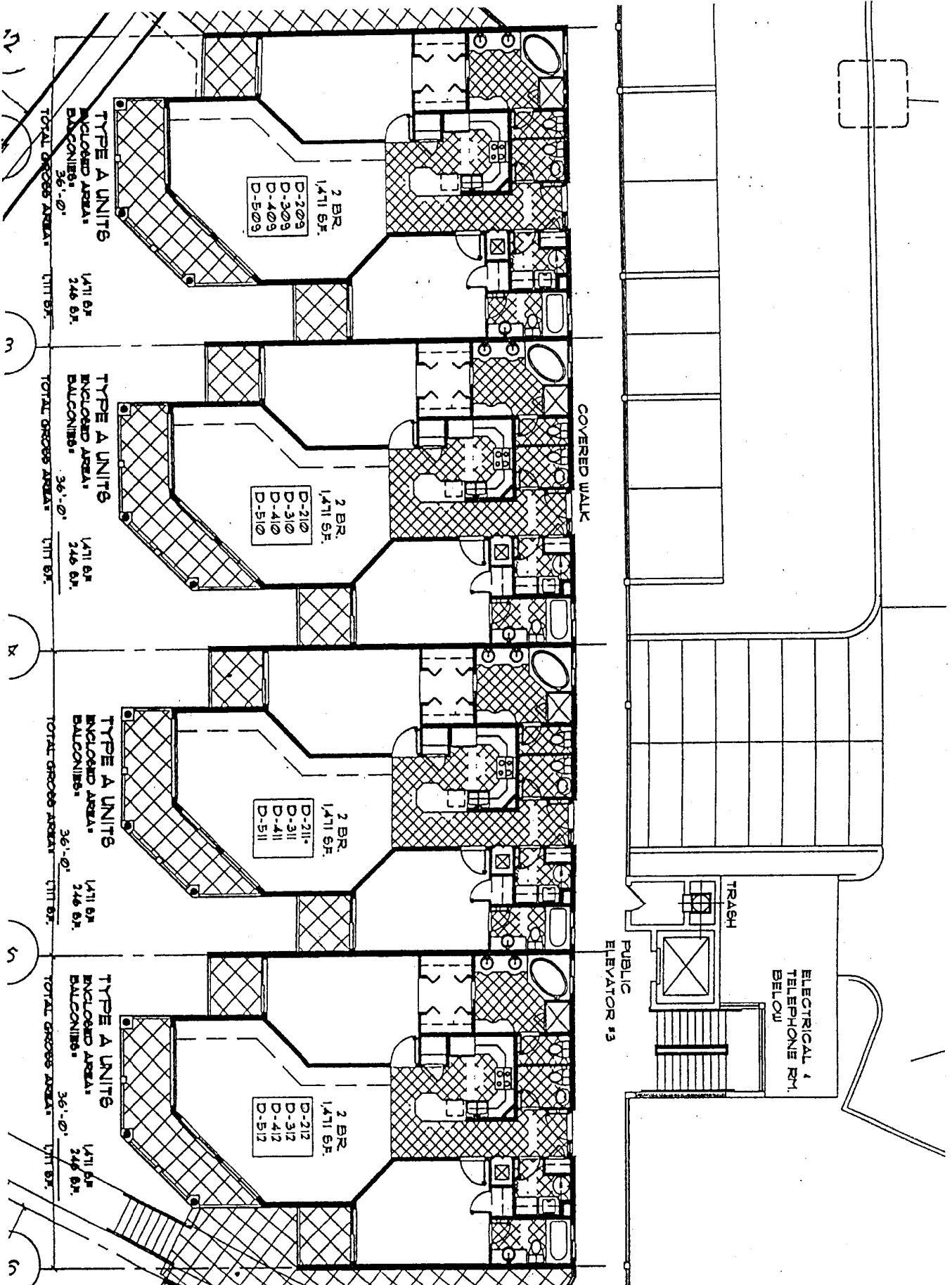
OVERALL FLOOR PLAN BUILDING C

FLOOR 3



UTILITY ROOM SCHEDULE
 3RD FLOOR- ADDITIONAL STORAGE





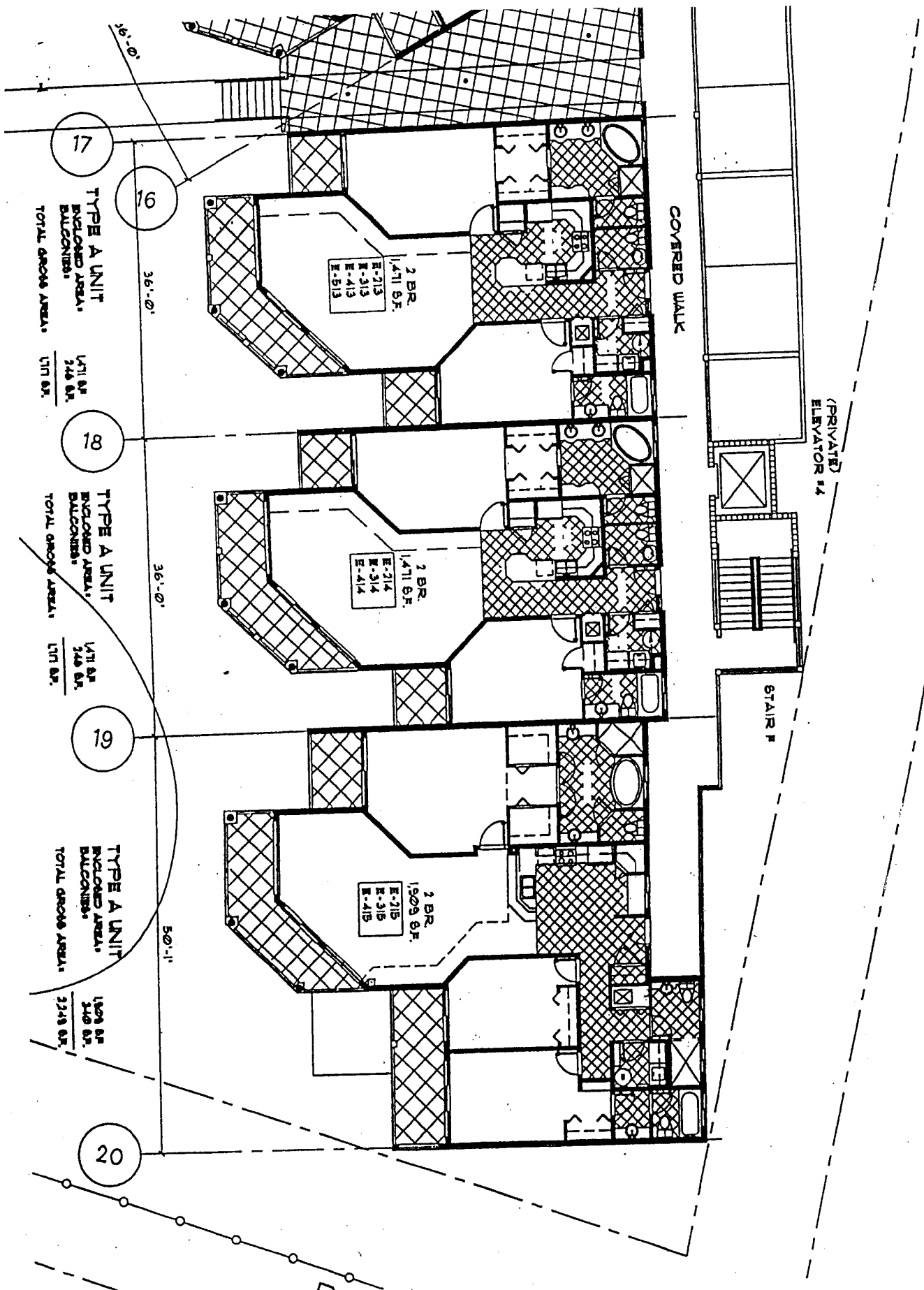
THIS SITE PLAN PREPARED BY
 ADACHE ASSOCIATES ARCHITECTS P.A.
 580 SOUTH FEDERAL HIGHWAY
 FORT LAUDERDALE, FLORIDA 33301
 FL LICENSE: AA-0000979
 (954) 628-8155 FAX: (954) 728-8158

OVERALL FLOOR PLAN BUILDING D
 TYPICAL FLOORS 2 THRU 5

UTILITY ROOM SCHEDULE
 2nd FLOOR - ELECTRICAL/TELEPHONE

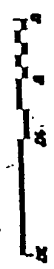
MEDITERRANEA

A CONDOMINIUM
 DESTIN, FLORIDA

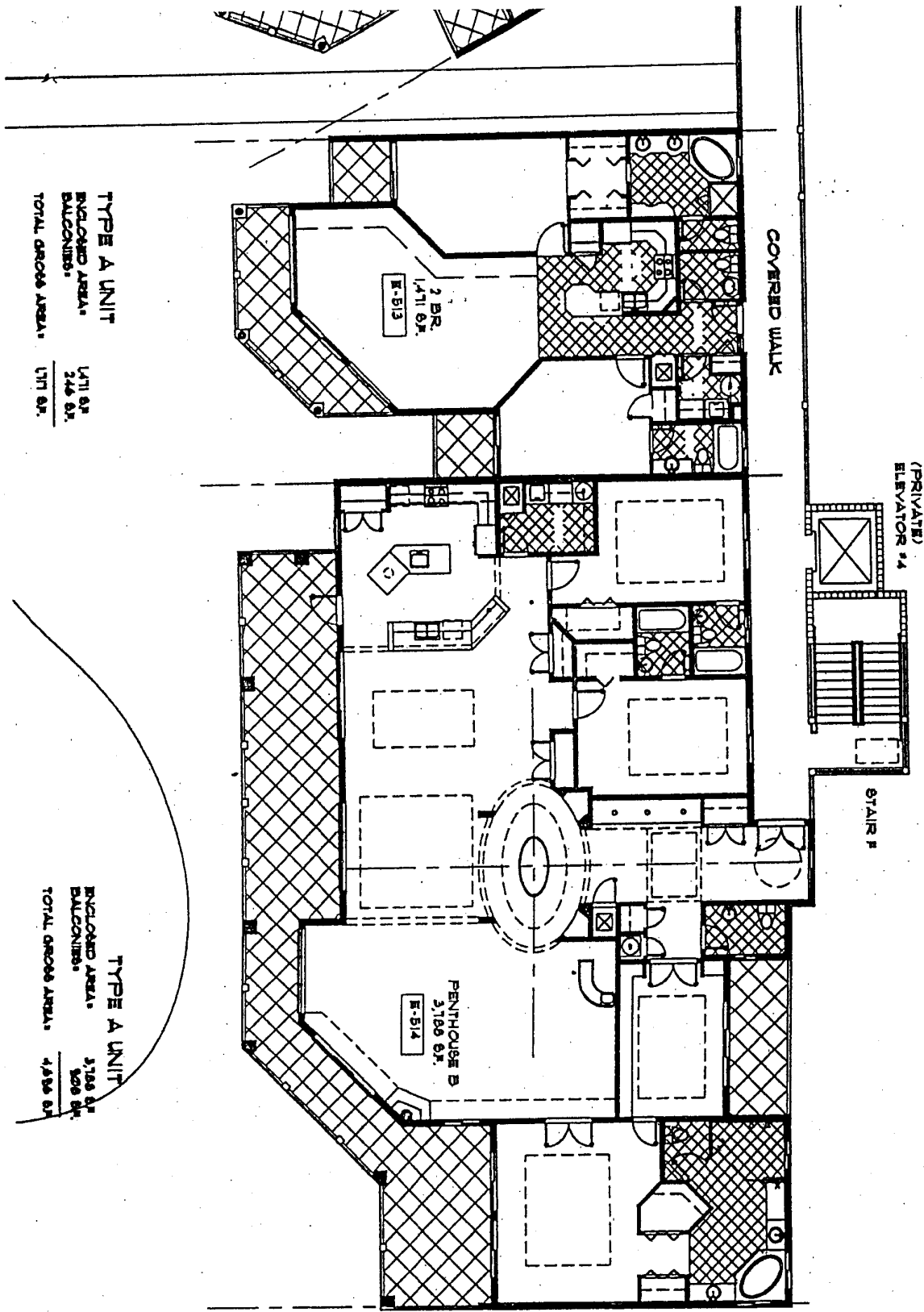


OVERALL FLOOR PLAN BUILDING B

TYPICAL FLOOR# 2 THRU 4



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FORT LAUDERDALE, FLORIDA 33301
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(954) 626-8155 FAX: (954) 726-8189



TYPE A UNIT
 ENCLOSED AREA: 1,471 SQ. FT.
 BALCONIES: 248 SQ. FT.
 TOTAL GROSS AREA: 1,719 SQ. FT.

TYPE A UNIT
 ENCLOSED AREA: 3,188 SQ. FT.
 BALCONIES: 808 SQ. FT.
 TOTAL GROSS AREA: 4,358 SQ. FT.

(PRIVATE)
 ELEVATOR #4

STAIR #

COVERED WALK

2 BR.
 1,471 SQ. FT.
 E-B13

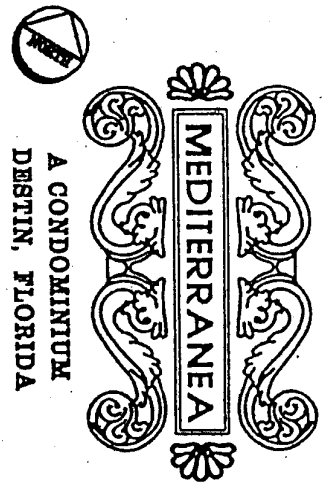
PENTHOUSE B
 3,188 SQ. FT.
 E-B14

OVERALL FLOOR PLAN BUILDING E

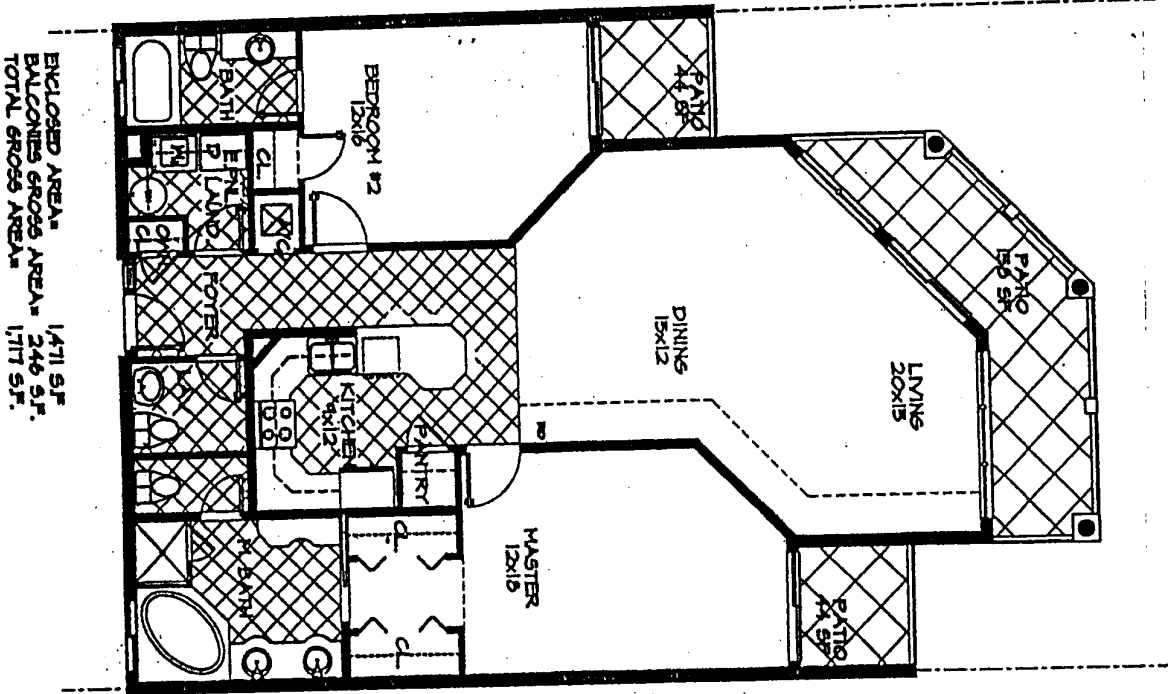
FLOOR B



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UNIT PLANS

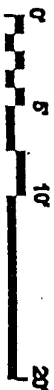


ENCLOSED AREA = 1,471 SF.
 BALCONIES GROSS AREA = 246 SF.
 TOTAL GROSS AREA = 1,717 SF.

THIS SITE PLAN PREPARED BY
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TYPICAL UNIT PLAN, TWO BEDROOM

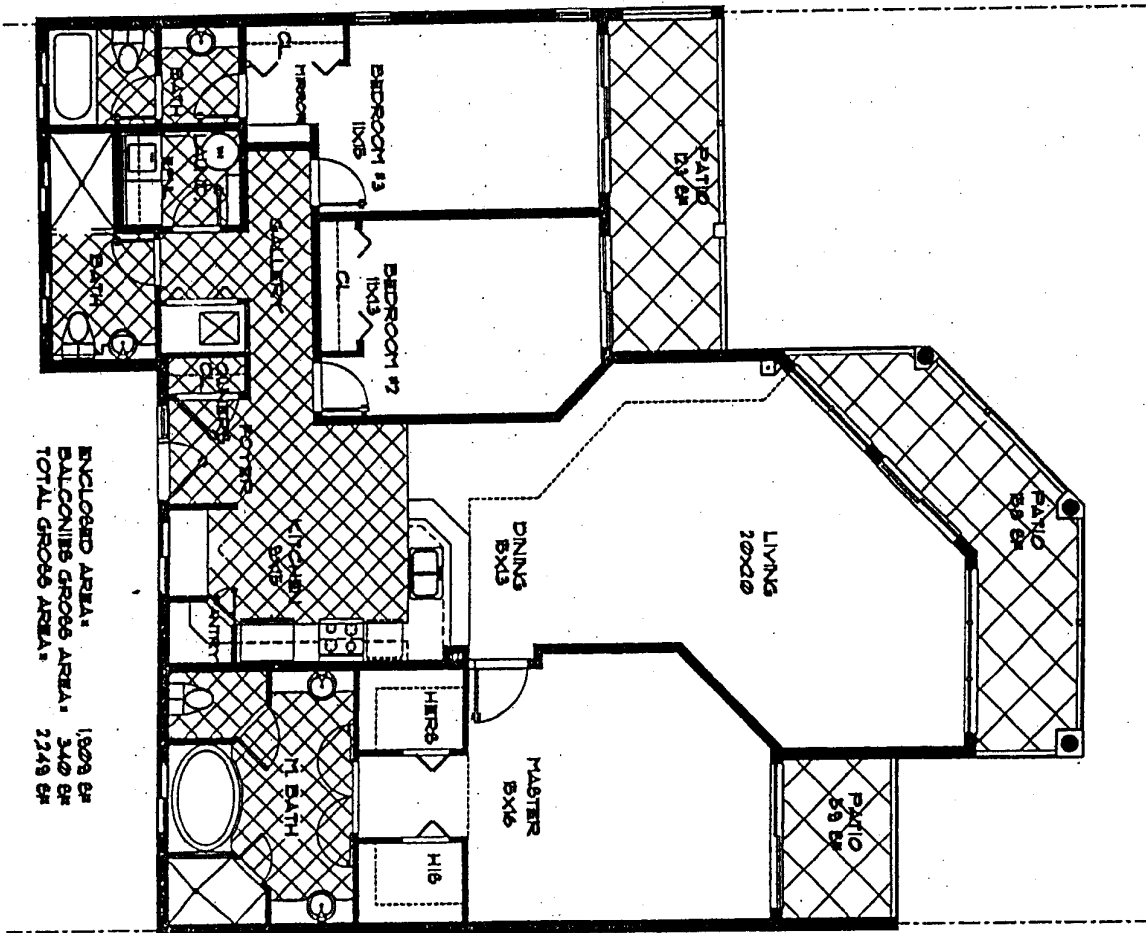
TYPE A



TYPE A UNITS	
A-202	A-302
A-402	A-502
B-204	B-208
B-404	B-408
D-209	D-211
D-409	D-411
E-213	E-313
A-203	A-303
A-403	A-503
B-205	B-304
B-405	B-504
D-210	D-212
D-410	D-412
E-214	E-314
B-305	B-308
B-505	B-508
D-309	D-310
D-509	D-510
E-413	E-414
D-311	D-314
D-511	D-514
E-513	



A CONDOMINIUM
 DESTIN, FLORIDA

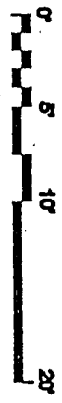


ENCLOSED AREA: 1809 SF
 BALCONIES GROSS AREA: 177 SF
 TOTAL GROSS AREA: 2006 SF

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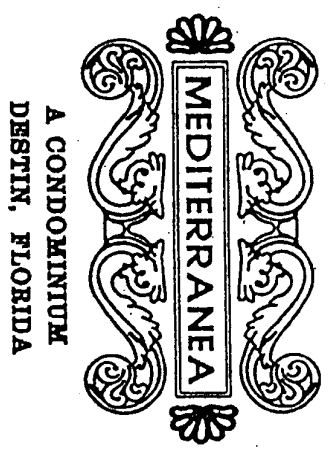
TYPICAL UNIT PLAN, THREE BEDROOM

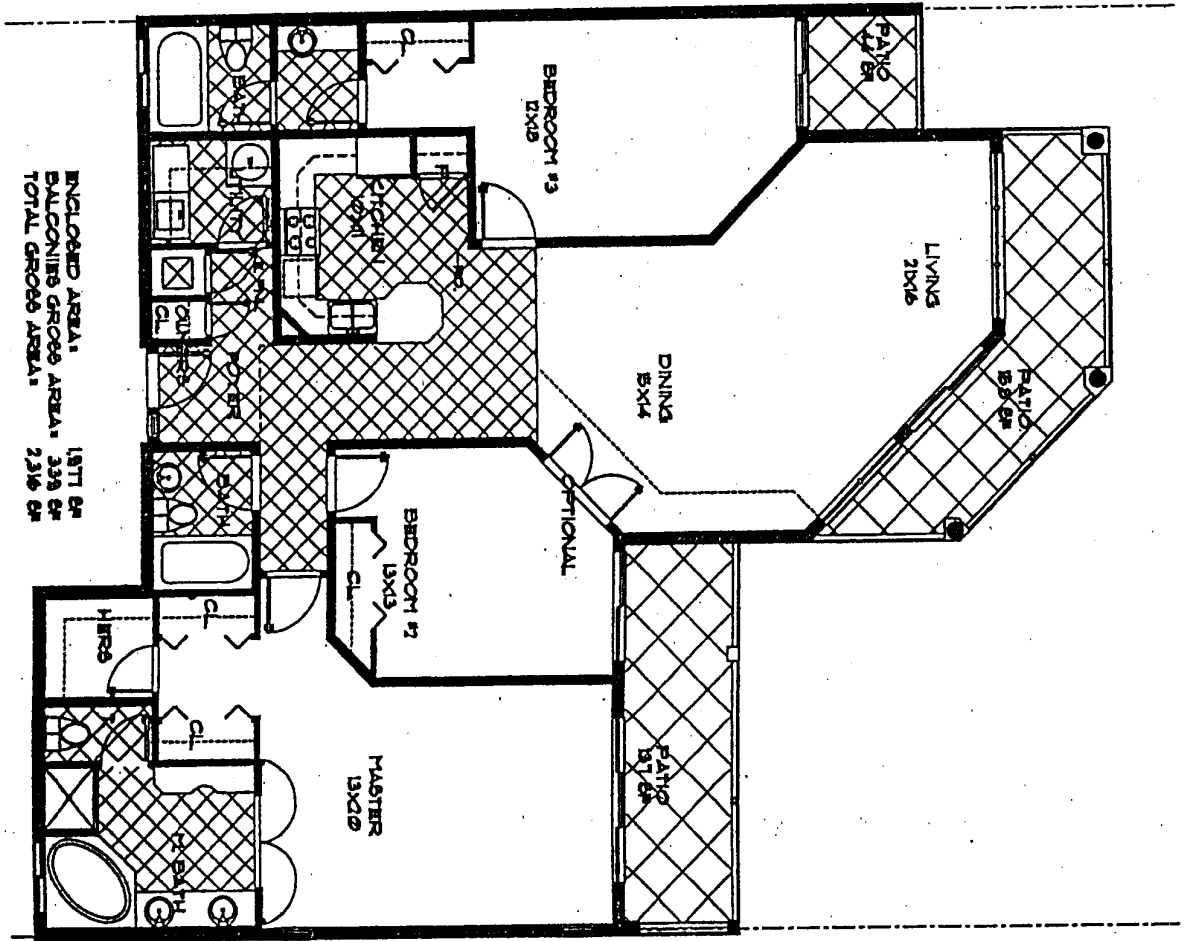
TYPE A



TYPE A UNITS

- E-215 E-315 E-415

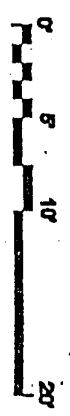




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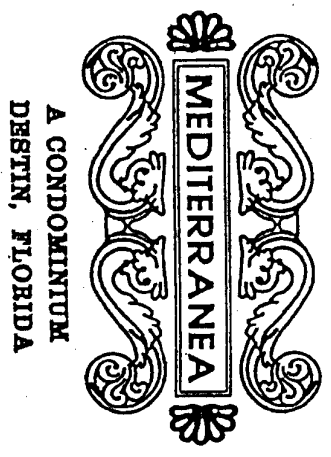
TYPICAL UNIT PLAN, THREE BEDROOM

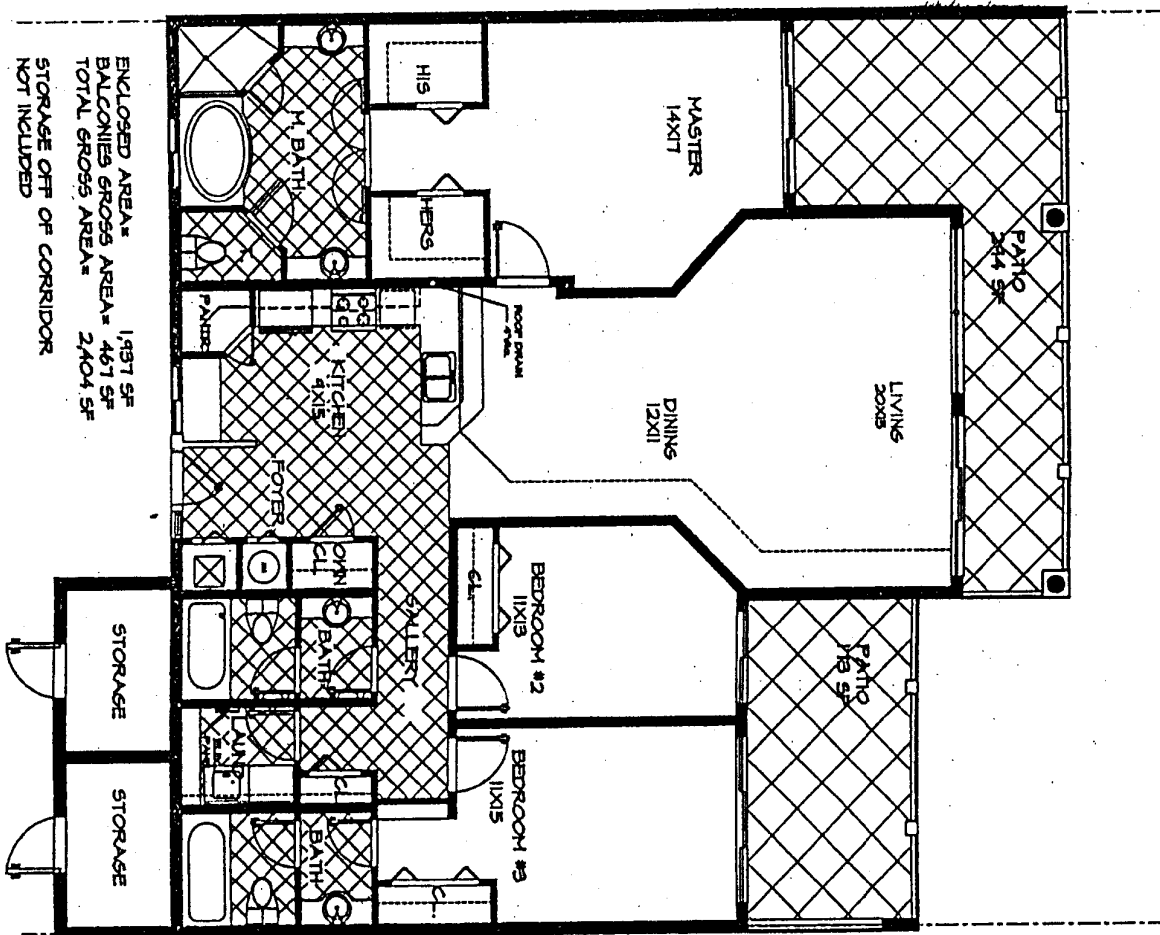
TYPE B



TYPE B UNITS

- A-201 A-301 A-401 A-501





ENCLOSED AREA: 1,937 SF
 BALCONIES GROSS AREA: 461 SF
 TOTAL GROSS AREA: 2,404 SF
 STORAGE OFF OF CORRIDOR
 NOT INCLUDED

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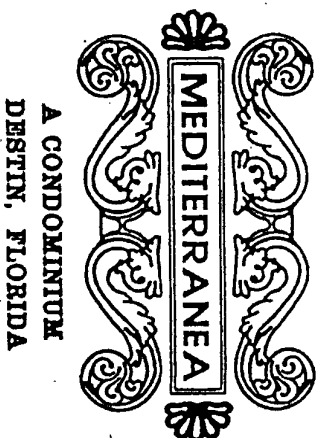
TYPICAL UNIT PLAN, THREE BEDROOM

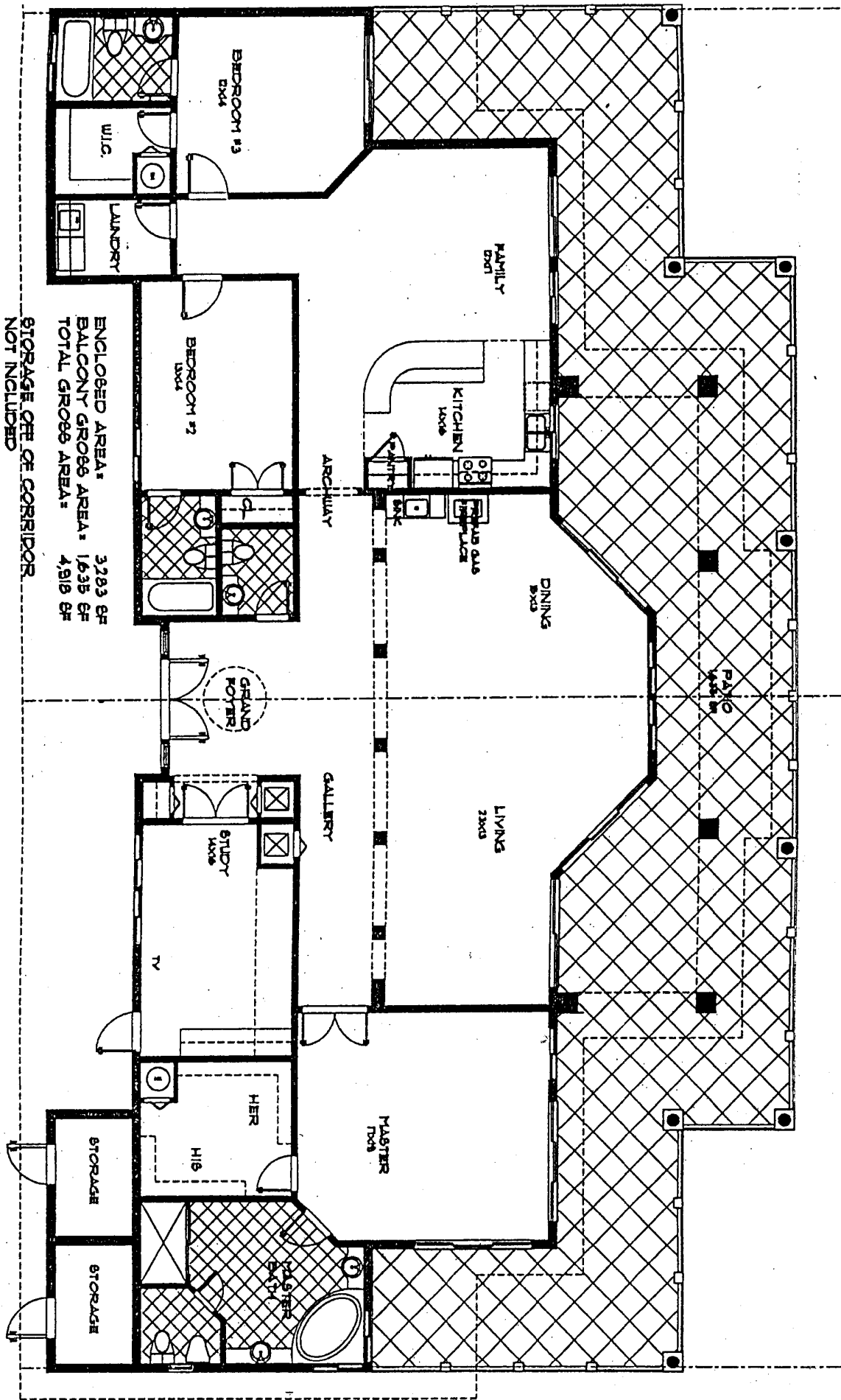
TYPE C



TYPE C UNITS

C-307 C-407 C-408





ENCLOSED AREA: 3283 SF
 BALCONY GROSS AREA: 1635 SF
 TOTAL GROSS AREA: 4918 SF
 STORAGE OUT OF CORRIDOR NOT INCLUDED

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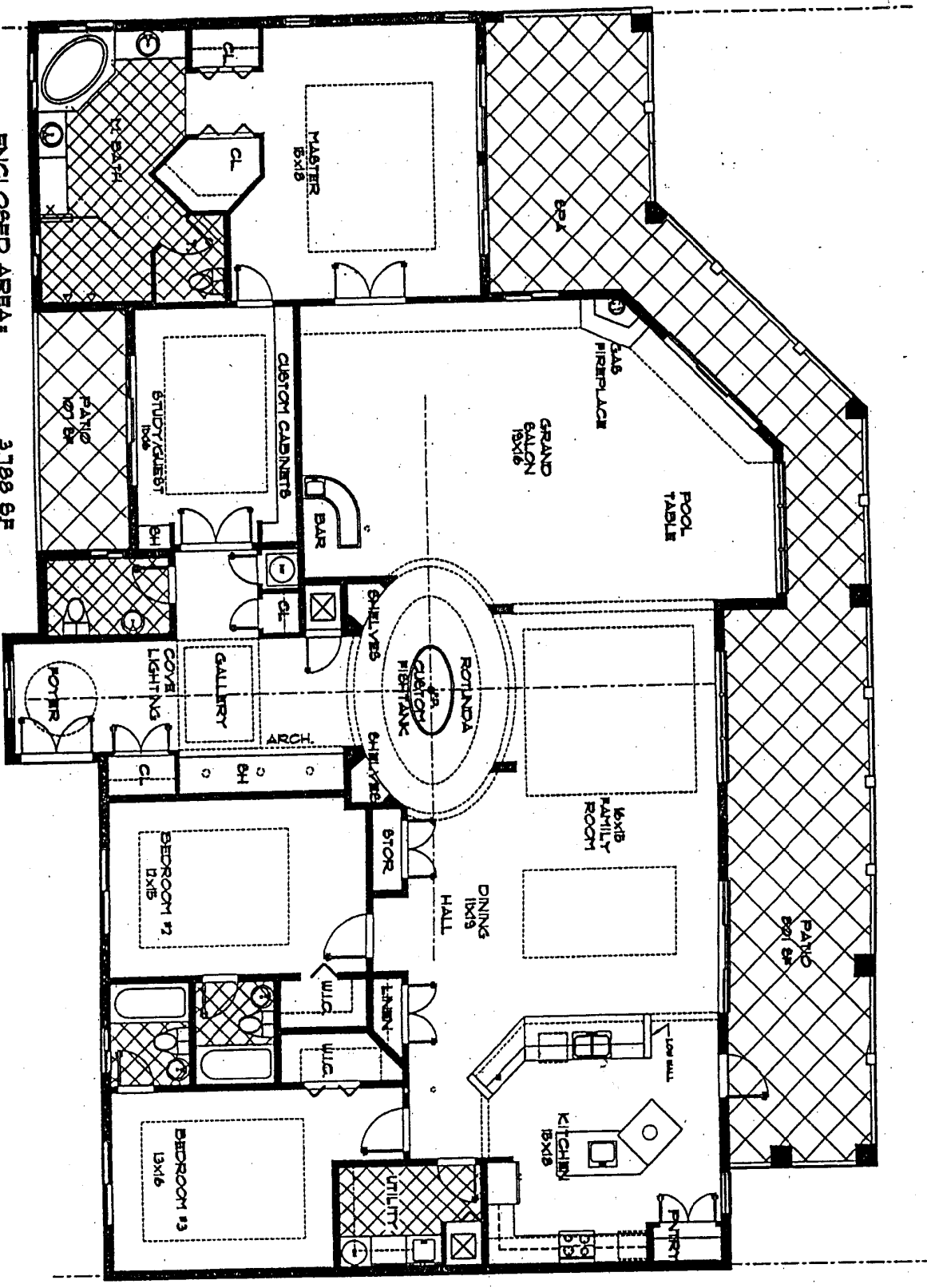
**UNIT PLAN, PENTHOUSE
 BUILDING 0**

FLOOR 8



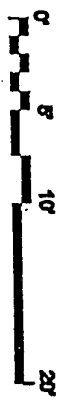
8-01-01

ENCLOSED AREA: 3,188 SF.
 BALCONIES GROSS AREA: 908 SF.
 TOTAL GROSS AREA: 4,696 SF.



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UNIT PLAN, PENTHOUSE
 BUILDING E



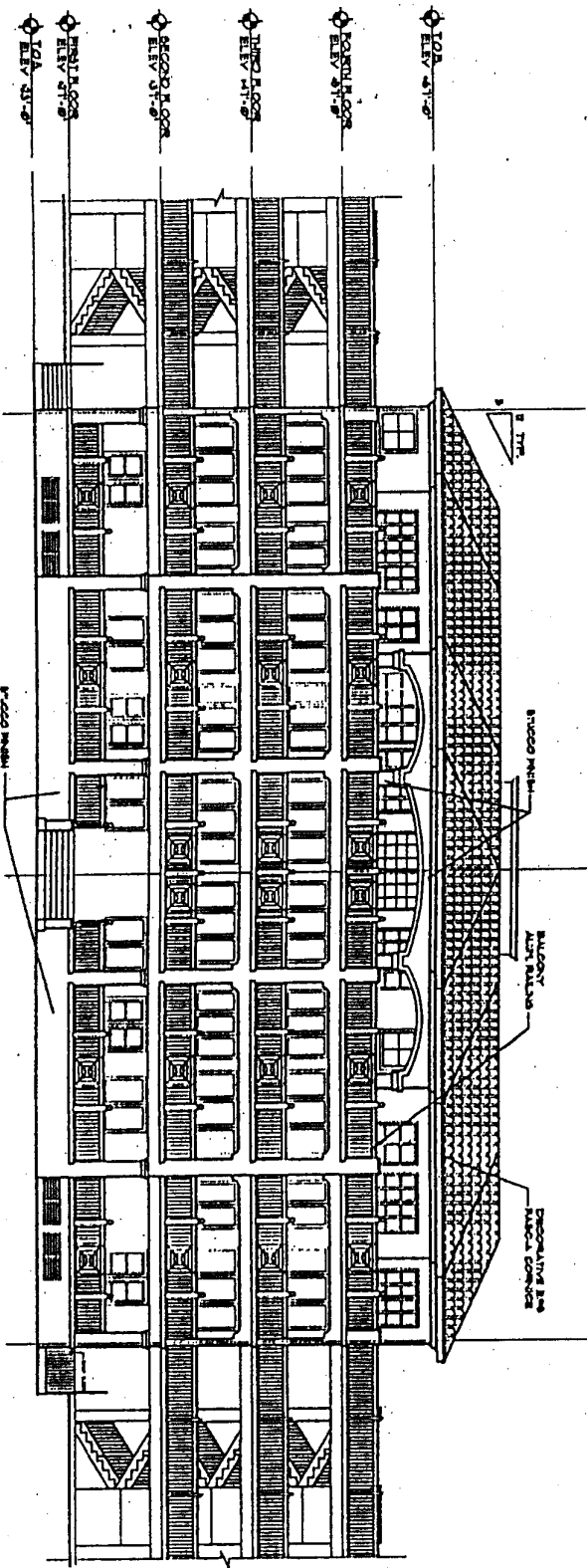
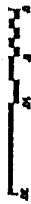
FLOORS



ELEVATIONS

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(954) 528-8133 FAX: (954) 728-8139

OVERALL ELEVATIONS-BUILDING C

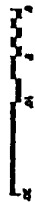


NORTHWEST ELEVATION - G

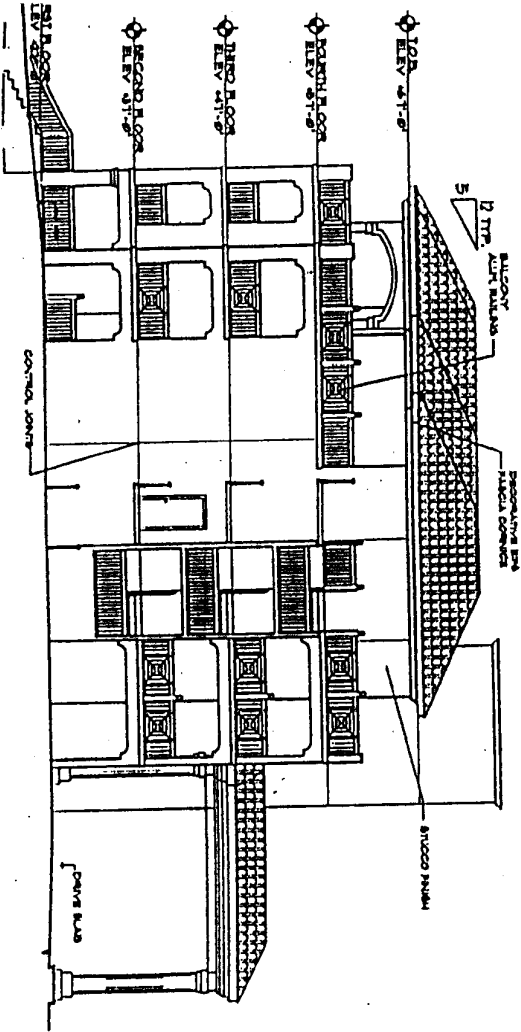


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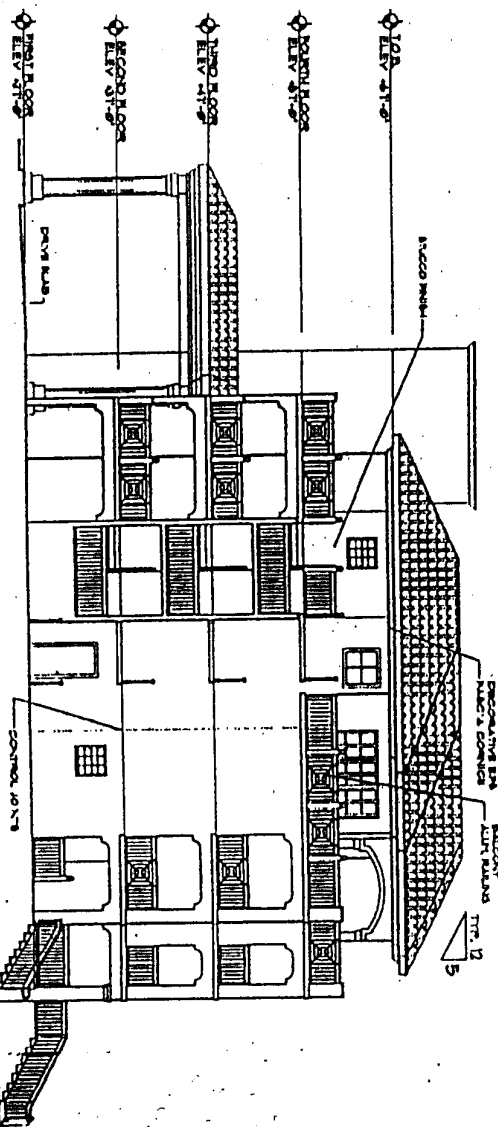
OVERALL ELEVATIONS-BUILDING C



MEDITERRANEA
 A CONDOMINIUM
 DESTIN, FLORIDA



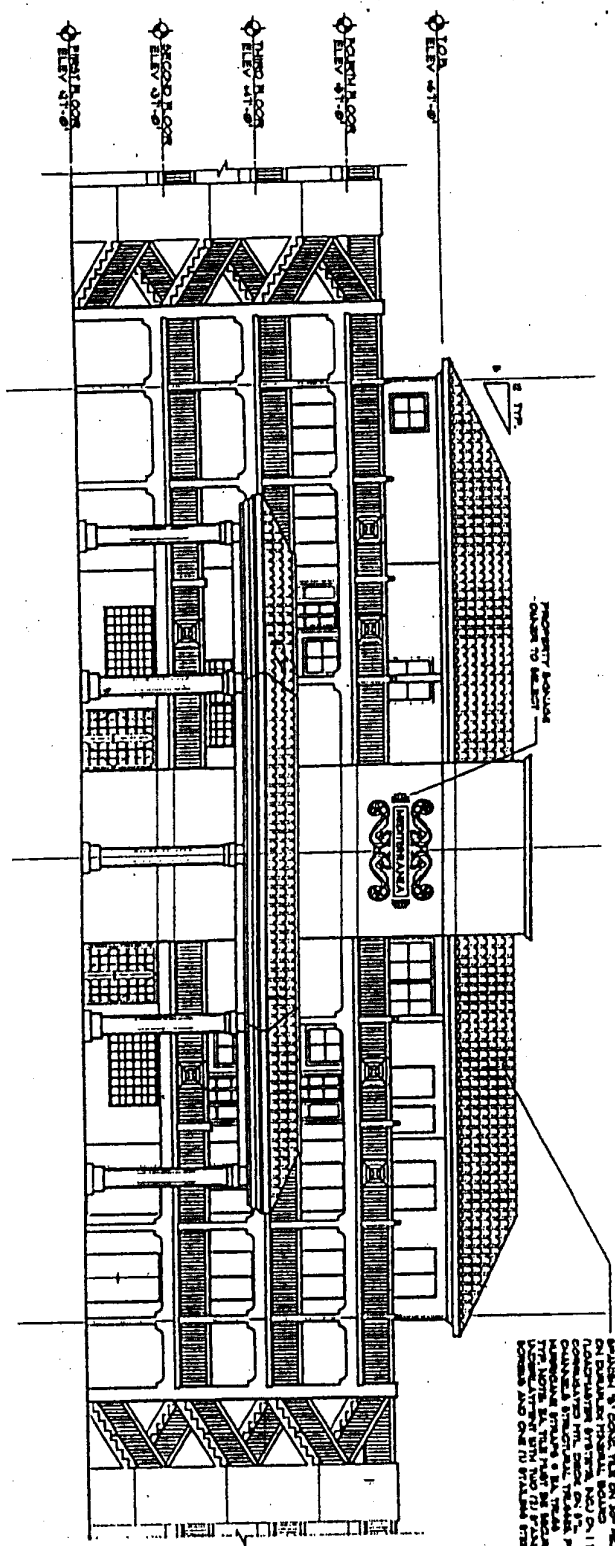
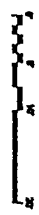
SOUTHWEST ELEVATION - H



NORTHEAST ELEVATION - K

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OVERALL ELEVATION-BUILDING C

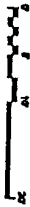


NORTHEAST ELEVATION - J

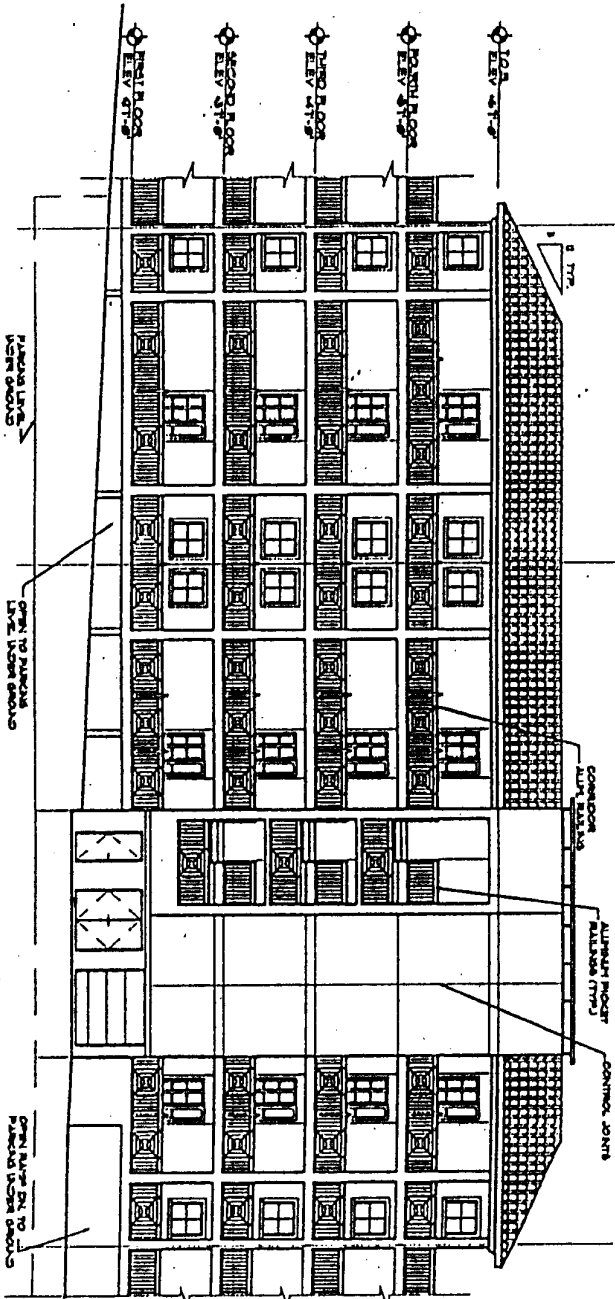

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 DESTIN, FLORIDA

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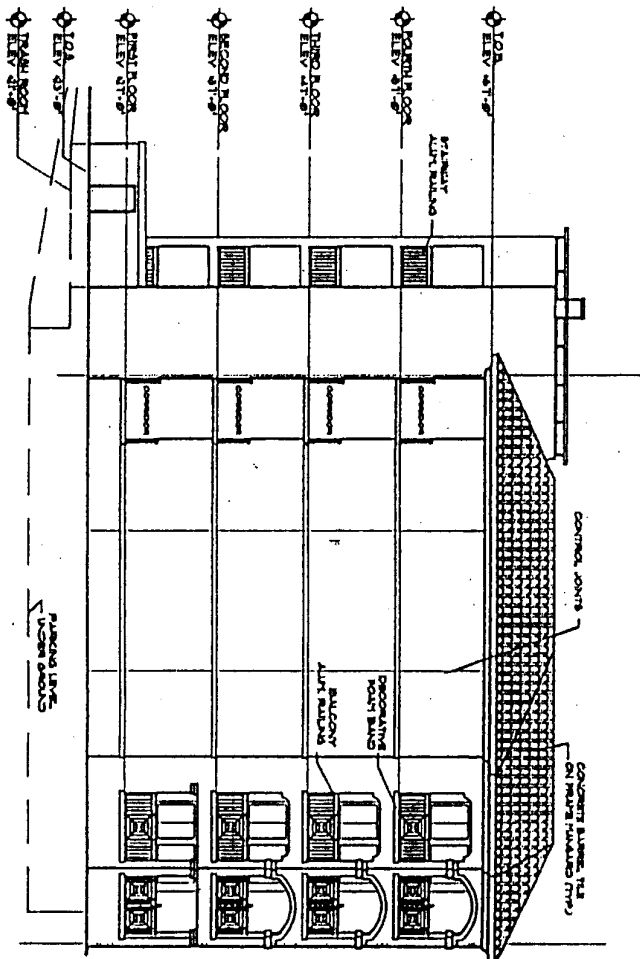
OVERALL ELEVATION-BUILDING B



SOUTHWEST ELEVATION - F

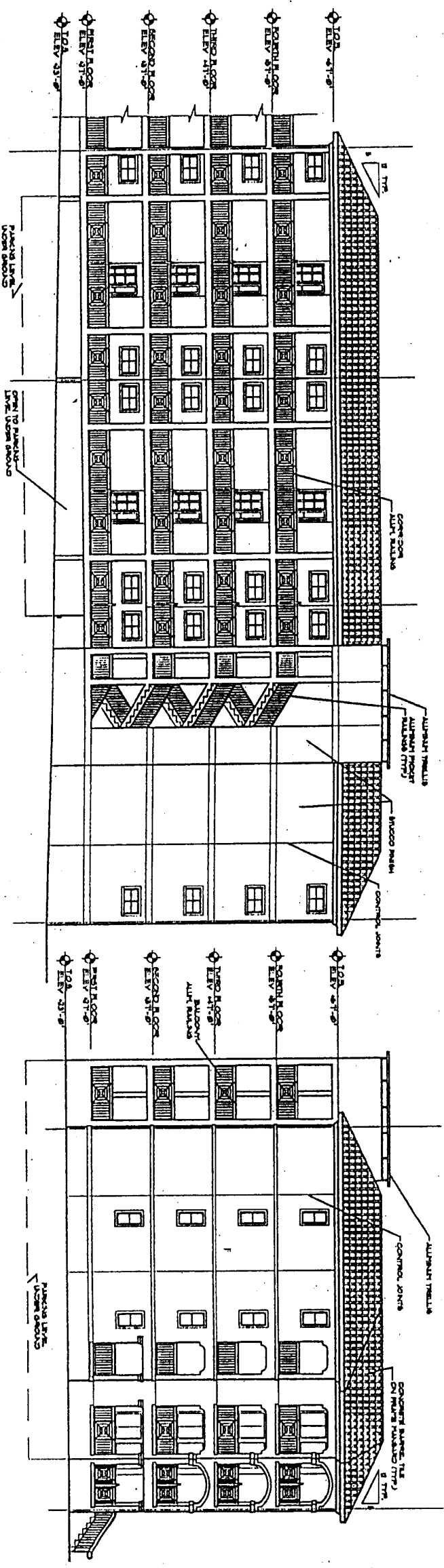


SOUTHWEST ELEVATION - I



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OVERALL ELEVATIONS-BUILDING A

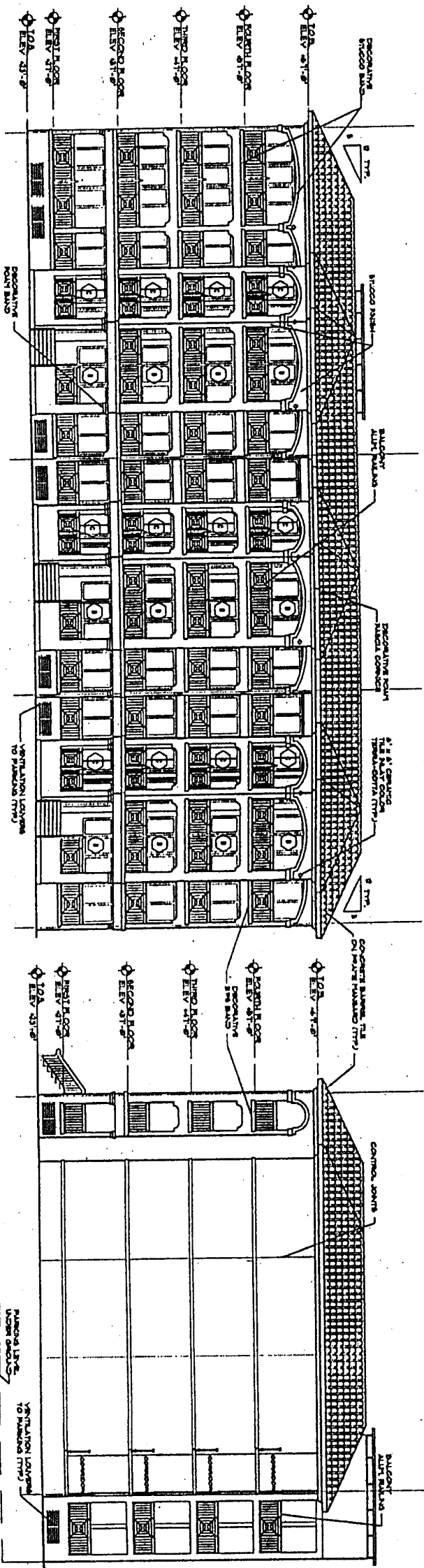
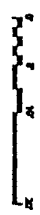


SOUTHEAST ELEVATION - C

NORTHEAST ELEVATION - D

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 (954) 525-8133 FAX: (954) 728-8159

OVERALL ELEVATIONS-BUILDING A

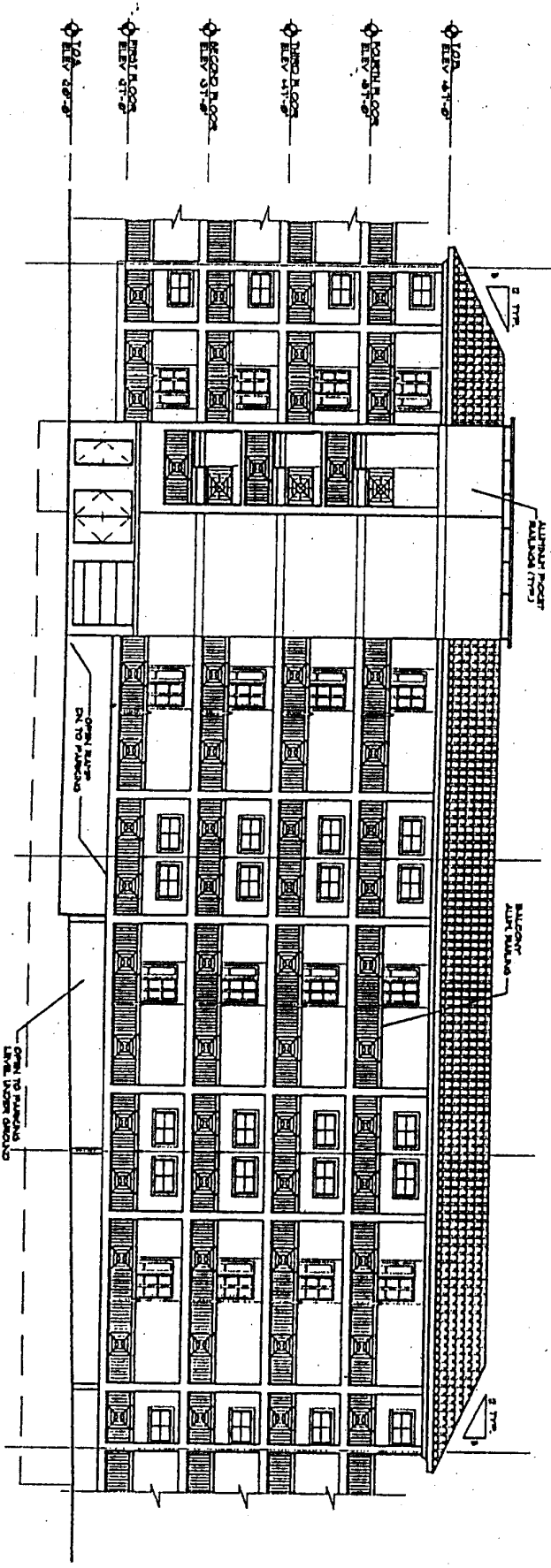
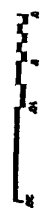


NORTHWEST ELEVATION - A

SOUTHWEST ELEVATION - B

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FORT LAUDERDALE, FLORIDA 33301
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(954) 525-8133 FAX: (954) 728-8159

OVERALL ELEVATION-BUILDING D

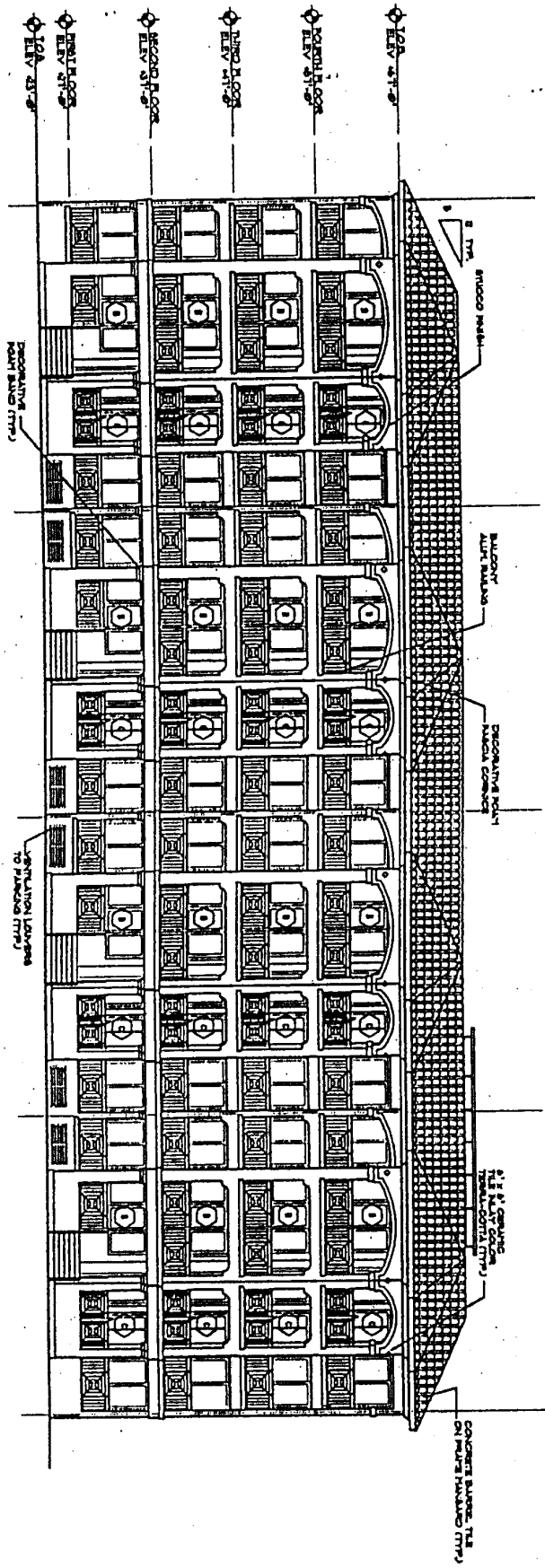
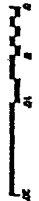


SOUTHWEST ELEVATION - M

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A CONDOMINIUM
DESTIN, FLORIDA

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FORT LAUDERDALE, FLORIDA 33301
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(954) 525-8133 FAX: (954) 728-8159

OVERALL ELEVATION-BUILDING D

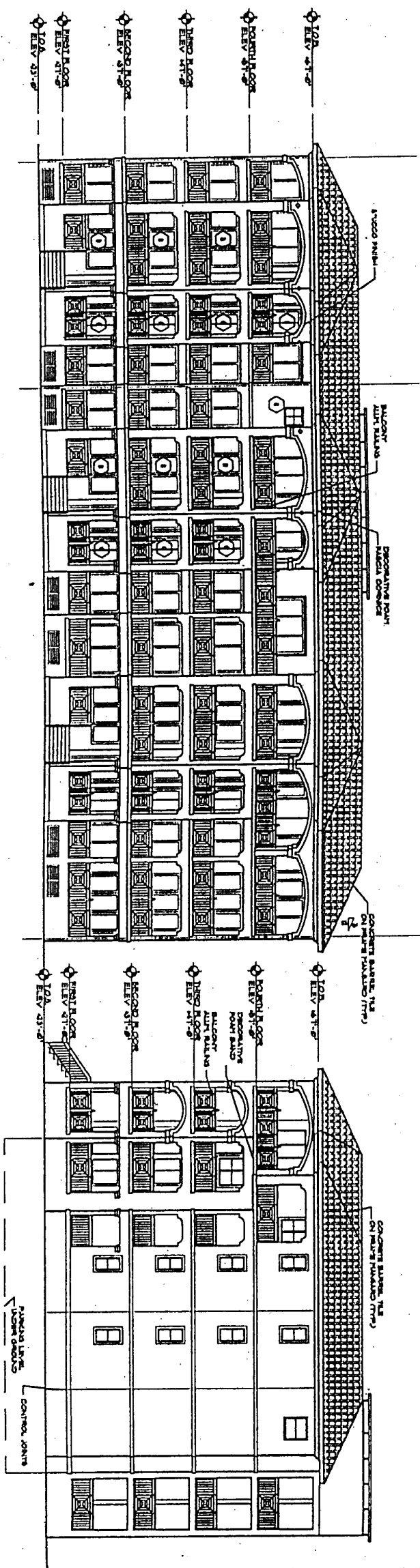
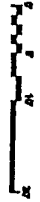


NORTHEAST ELEVATION - L

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A CONDOMINIUM
DESTIN, FLORIDA

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 FORT LAUDERDALE, FLORIDA 33301
 FL LICENSE: AA 0000578
 (954) 525-8133 FAX: (954) 728-8159

OVERALL ELEVATIONS-BUILDING E

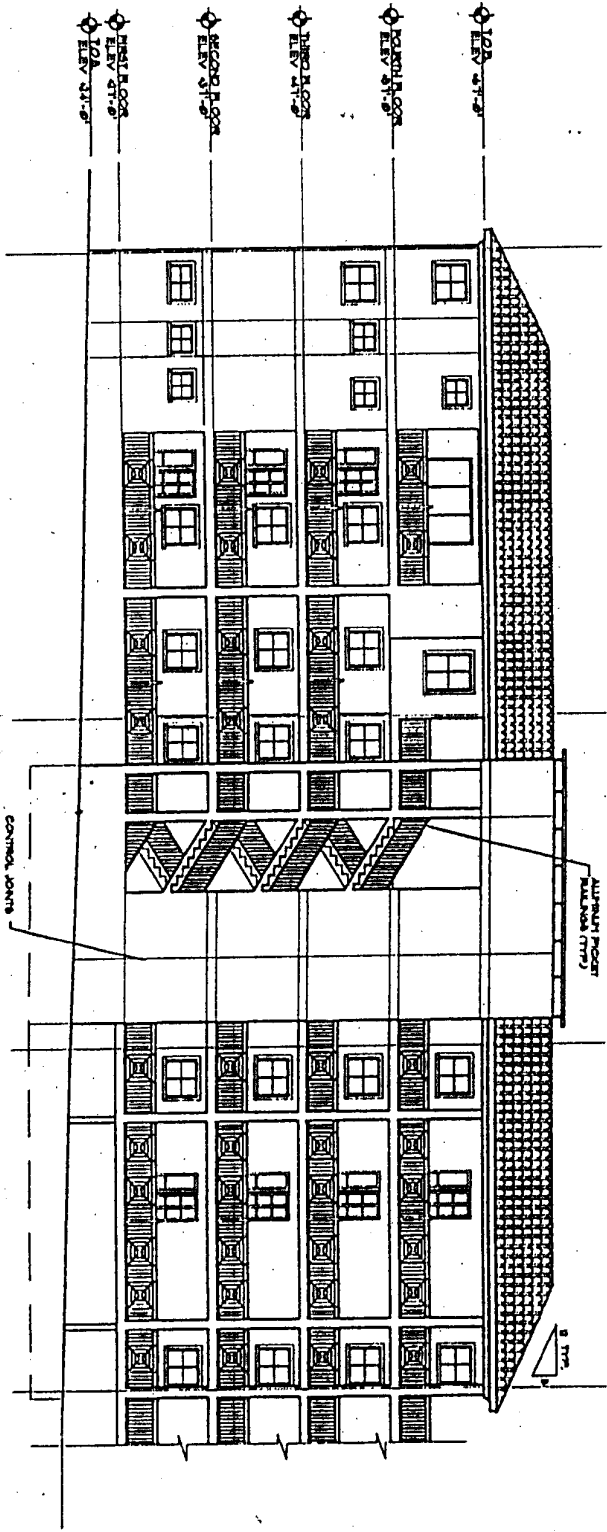


NORTHEAST ELEVATION - N

ELEVATION - P

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350 SOUTH FEDERAL HIGHWAY
FORT LAUDERDALE, FLORIDA 33301
FL LICENSE #A 0000578
(954) 525-8133 FAX: (954) 728-8139

OVERALL ELEVATIONS-BUILDING E



NORTHWEST ELEVATION - Q



EXHIBIT "B"
TO
DECLARATION OF CONDOMINIUM

SCHEDULE OF SHARES

EXHIBIT "B"

SCHEDULE OF SHARES IN THE COMMON EXPENSE, COMMON SURPLUS,
AND OWNERSHIP OF THE COMMON ELEMENTS OF
MEDITERRANEA OF DESTIN, A CONDOMINIUM

UNDIVIDED SHARE OF COMMON ELEMENTS AND COMMON SURPLUS

TYPE	NUMBER OF UNITS	UNDIVIDED SHARE	TOTALS
2BR/2-1/2BTH	43	1,471/91,090	63,253/91,090
3BR/3BTH Type A	3	1,909/91,090	5,727/91,090
3BR/3BTH Type B	4	1,977/91,090	7,908/91,090
3BR/3BTH Type C	3	1,937/91,090	5,811/91,090
Penthouse (Bldg. C)	1	3,283/91,090	3,283/91,090
Penthouse (Bldg. E)	1	3,788/91,090	3,788/91,090
Commercial Unit	1	1,320/91,090	1,320/91,090
TOTALS:			

NOTE: The undivided shares are based upon the square footage of each unit (exclusive of porches and/or patios) in uniform relationship to the total square footage of all units in the condominium (exclusive of porches and/or patios) and exclusive of common elements such as the Clubhouse and Fitness Room. The square footages are based upon measurements to the outside surface of the perimeter walls of a unit and to the midline of common walls between units. The method of computing square footage does not alter the boundaries of the units as set forth in Paragraph 4 of the Declaration.

EXHIBIT "C"
TO
DECLARATION OF CONDOMINIUM

ARTICLES OF
INCORPORATION

EXHIBIT "C"

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**ARTICLES OF INCORPORATION
OF
MEDITERRANEA OF DESTIN CONDOMINIUM
OWNERS ASSOCIATION, INC.**

The undersigned incorporator, a natural person competent to contract, hereby presents these Articles of Incorporation for the formation of a not-for-profit corporation under the provisions of Chapter 617, Florida Statutes.

ARTICLE I. NAME

The name of this corporation is **MEDITERRANEA OF DESTIN CONDOMINIUM OWNERS ASSOCIATION, INC.** For convenience, the corporation shall be referred to in this instrument as the "Association," these articles of incorporation as the "Articles," and the bylaws of the Association as the "Bylaws."

ARTICLE II. TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE III. PURPOSE

This Association is organized for the purpose of providing an entity under the Florida Condominium Act (the "Act") for the operation of a condominium located in Walton County, Florida, and known as Mediterranea of Destin, a Condominium (the "Condominium"), created pursuant to the Declaration of Condominium for Mediterranea of Destin (the "Declaration").

ARTICLE IV. MEMBERS

The qualification of members and the manner in which the directors shall be elected or appointed shall be contained in the Bylaws.

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ARTICLE V.
INITIAL PRINCIPAL AND REGISTERED OFFICE AND REGISTERED
AGENT

The street address of the initial principal and registered office of this corporation is 50 Surfson Lane, Destin, Florida 32550, and the name of the initial registered agent of this corporation at that address is Ronald L. Sassano.

ARTICLE VI. FIRST BOARD OF DIRECTORS

The number of persons constituting the first board of directors shall be three and their names and addresses are as follows:

NAME	ADDRESS
Ronald L. Sassano	126 South Shore Drive, #34, Destin, FL 32550
Dennis M. Sassano	50 Surfson Lane, Destin, Florida 32550
Maria Sassano	50 Surfson Lane, Destin, Florida 32550

The number of directors may be increased from time to time but shall never be less than three (3).

ARTICLE VII - INCORPORATOR

The name and address of the person signing these Articles are:

Melissa E. Johnson
50 Corte Palma
Santa Rosa Beach, Florida 32459

ARTICLE VIII - COMMENCEMENT OF CORPORATE EXISTENCE

The date for commencement of this corporation's existence shall be the date these Articles are filed and approved by the Florida Department of State, Division of Corporations.

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ARTICLE IX – AMENDMENTS

This corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation or any amendment hereto provided that such amendments comply with current law.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation the 1st day of May, 2003.

INCORPORATOR:


MELISSA E. JOHNSON

REGISTERED AGENT ACCEPTANCE

I do hereby accept the foregoing designation as registered agent of MEDITERRANEA OF DESTIN CONDOMINIUM OWNERS ASSOCIATION, INC. Further, I am familiar with and accept the duties and obligations of such designation.


RONALD L. SASSANO

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“EXHIBIT “D”
TO
DECLARATION OF CONDOMINIUM

BYLAWS

BYLAWS OF MEDITERRANEA OF DESTIN CONDOMINIUM OWNERS ASSOCIATION, INC.

I. IDENTITY

These are the Bylaws of MEDITERRANEA OF DESTIN CONDOMINIUM OWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (the "Association"), organized for the purpose of operating that certain condominium located in Walton County, Florida, and known as *Mediterranea of Destin, A Condominium* (the "Condominium").

1.1 Principal Office. Until the Developer transfers control of the Association to the unit owners, the principal office of the Association shall be at 50 Surfsong Lane, Destin, Florida 32550, or at such other place as may be designated by the Board of Directors.

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

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.

1.4 Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws"; the Articles of Incorporation of the Association as the "Articles"; and the Declaration of Condominium for the Condominium as the "Declaration." "Division" shall mean the Division of Land Sales, Condominiums, and Mobile Homes. "Board" shall mean the Board of Directors for the Association. The other terms used in these Bylaws shall have the same definitions and meaning as those set forth in *F.S. Chapter 718, The Condominium Act* (the "Act"), as well as those set forth in the Declaration and the Articles, unless provided to the contrary in these Bylaws, or unless the context otherwise requires.

II. MEETINGS OF UNIT OWNERS AND VOTING

2.1 Membership-Designation of Unit Owners. Persons or entities shall become members of the Association on the acquisition of a fee simple interest to a Unit in the Condominium after approval of the acquisition in the manner provided in the Declaration, and shall thereafter be Unit Owners. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person, or a corporation, partnership or other artificial entity, then the voting interest of that Unit shall be exercised only by such natural person as shall be named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association among its official records.

2.2 Annual Meeting. The annual meeting of the Unit Owners shall be held on the date and at the place and time as determined by the Board from time to time, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the Unit Owners.

2.3 Special Meetings. Except as modified by the specific requirements for special kinds of Unit Owner meetings as set out in these Bylaws, notice of special meetings shall be delivered to each Unit Owner not less than 14 or more than 60 days before the date of the meeting. Unit Owner special meetings shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board, and must be called by the President or Secretary on receipt of a written request from at least 10% of the voting interests of the Association. Requests for a meeting by the Unit Owners shall state the purpose for the meeting, and business conducted at any special meeting shall be limited to the matters stated in the notice for it.

2.4 Notice of Annual Meeting. Written notice of the annual meeting shall be mailed to each Unit Owner at least 14 days and not more than 60 days before the annual meeting. Notice of an annual meeting at which Directors will be elected shall be delivered pursuant to Provisions 2.9 and 3.3

2.5 Notice of Budget Meeting. The Board shall mail a notice and a copy of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the Board will consider the budget. Notice shall be delivered pursuant to Provision 2.9. Evidence of Compliance with this fourteen (14) day notice must be made by an affidavit executed by an officer of the Association or the Condominium Manager and filed among the official records of the Association.

2.6 Notice of Meeting to Consider Excessive Budget. If a budget adopted by the Board requires assessment against the Unit Owners for the calendar year exceeding 115% of assessment for the preceding year (less any lawfully excluded items), the Board, on written application of 10% of the voting interests to the Board, shall call a special meeting of the Unit Owners within 30 days upon not less than 10 days written notice of the meeting to each unit owner. Notice shall be delivered pursuant to Provision 2.9.

2.7 Notice of Meeting to Consider Recall of Directors. A special meeting of the Unit Owners to recall a Director or Directors may be called by 10% of the voting interests giving notice of the meeting as required for a special meeting of Unit Owners. The notice must be accompanied by a dated copy of a signature list of at least 10% of the Unit Owners. The meeting shall be held not less than 10 days nor more than 60 days from the date the notice of the meeting is given. Recalls shall be held in accordance with Provision 3.7.

2.8 Notice of Meeting to Elect Non-developer Directors. Notice of a meeting to elect a Director or Directors from Unit Owners other than the Developer shall be given as described in Section 3.2 (D) below. The meeting may be called and notice given by any Unit Owner if the Association fails to do so.

2.9 Delivery of Notice; Content; Posting; Waiver. Notice for all meetings, and all other purposes, shall be addressed to the address that the Developer initially identified for that purpose unless one or more of the Unit Owners advises the Association of a different address. If no address is given or the Unit Owners do not agree, the notice shall be delivered to the address provided on the deed of record. Notice for budget meetings shall be mailed or hand delivered to each Unit Owner at the address last furnished to the Association. For all other meetings, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newsletters, a copy of the notice. An officer of the Association shall provide an Affidavit, to be included in the official records of the Association affirming that notices of the Association meeting were mailed or otherwise delivered to each Unit Owner at the address last furnished to the Association. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the Unit Owner at the address as it appears in the records of the Association, with postage prepaid. Payment of postage for notice of any meeting, by whomever called, shall be an obligation of the Association. The notice shall include the date, time and location of the meeting. The notice shall also include an identification of agenda items. A copy of the notice shall also be posted in a conspicuous place on the condominium property at least 14 continuous days before the meeting. A Unit Owner may waive their right to receive notice of any meeting by a writing signed by them and filed with the Secretary of the Association either before, at or after the meeting for which the waiver is given.

2.10 Quorum. A quorum at Unit Owner meetings shall consist of persons entitled to exercise, either in person or by proxy, a majority of the voting interests of the entire membership. Absentee ballots, alone, may not be counted in determining a quorum.

2.11 Participation. Unit Owners shall have the right to participate in meetings of Unit Owners with reference to all designated agenda items. The Association may, however, adopt reasonable rules governing the frequency, duration, and manner of Unit Owner participation. Any such rules must first be adopted in written form. The rules may limit a Unit Owner's presentation time to not less than 3 minutes and may require that a Unit Owner file with the Association, at or a reasonable time before the meeting, a written request to speak at a meeting.

2.12 Voting; Number of Votes; Majority Vote. In any Unit Owner meeting, each Unit shall have one vote. The vote of a Unit is not divisible. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles, or these Bylaws require a larger percentage, in which case that larger percentage shall control.

2.13 Proxies; Powers of Attorney. Voting interests may be exercised in person or by proxy. Except as specifically provided herein, Unit Owners may not vote by general proxy, but may vote by limited proxy substantially conforming to a limited proxy form provided by the Association. Limited proxies and general proxies may be used to establish a quorum. No proxy, limited or general, shall be used in the election of Directors. Limited proxies shall be used for votes taken to waive or reduce association reserves, for votes taken to waive the requirement of the Association to deliver to the Unit Owners a complete set of financial statements for each preceding fiscal year, for votes taken to amend the Declaration of Condominium, for votes taken to amend the Articles of Incorporation or Bylaws, or for any other matter for which a Unit Owner is required or permitted to vote. General proxies may be used for other matters for which limited proxies are not required. Each proxy shall set forth specifically the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Each proxy shall contain the date, time, and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items that the holder of the proxy may vote and the manner in which the vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for a period longer than 90 days after the date of the first meeting for which it was given, and it may be revoked at any time at the pleasure of the Unit Owner executing it. The proxy shall be signed by the Unit Owner or by the designated person mentioned in 2.1, or the duly authorized attorney-in-fact of that person or entity (provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the Secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a Unit Owner, properly executed and granting such authority, may exercise the voting interest of that Unit. If the proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in his place. If no such provision is made, substitution is not authorized. Nothing contained herein shall prevent Unit Owners from voting in person.

2.14. Adjourned Meetings. If any meeting of Unit Owners cannot be organized because a quorum is not present, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; except that in the cases where meetings have been called to consider the enactment of a budget to replace a proposed budget which exceeds 115% of the assessments for the preceding year, or to determine to provide no reserves or reserves less adequate than required, they may not be adjourned for lack of a quorum and if a quorum is not present the excessive budget, or the reserves as the case may be, shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice and a copy of the meeting agenda shall be posted in a conspicuous place on the condominium property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.15 Action by Unit Owners Without a Meeting. Unit Owners may take action by written agreement without a meeting, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these Bylaws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these Bylaws. The decision of a majority of the Unit Owners, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles or these Bylaws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership. The notice shall set forth a time period within which responses must be made by the Unit Owners, and responses received after that shall not be considered.

2.16 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection by any Unit Owner or the authorized representative of such Owner, and Directors at all reasonable times. The minutes shall be retained by the Association for a period of not less than seven (7) years. Unit Owners and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Unit Owner.

2.17 Order of Business. The order of business at annual Unit Owner meeting and as far as practical at other Unit Owner meetings, shall be:

- A. Call to order.
- B. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he or she shall preside.
- C. Calling of the roll, certifying of proxies, determination of a quorum.
- D. Proof of notice of meeting or waiver of notice.
- E. Reading and disposal of any unapproved minutes.
- F. Reports of Officers.
- G. Reports of Committees.
- H. Appointment of inspectors of election.
- I. Determination of number of Directors.
- J. Election of Directors.
- K. Unfinished business.
- L. New business.
- M. Adjournment.

2.18 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board acting alone:

- A. Amendments to the Declaration, except those made by the Developer as otherwise provided specifically in the Declaration.
- B. Merger of two or more independent condominiums of a single complex to form a single condominium.
- C. Purchase of land or recreation lease.
- D. Cancellation of grants or reservations made by the Declaration, a lease or other document and any contract made by the Association before the transfer of control of the Association from the Developer to Unit Owners that provides for operation, maintenance or management of the Condominium Association or property serving the Unit Owners.
- E. Exercise of Option to purchase recreational or other commonly used facilities lease.
- F. Providing no Reserves, or less than adequate reserves.
- G. Recall of Directors.
- H. Other matters contained in the Declaration, the Articles or these Bylaws that specifically require a vote of the Unit Owners.

III. DIRECTORS

3.1 Number and Qualifications. The affairs of the Association shall be managed initially by a Board of three Directors selected by the Developer. When Unit Owners other than the Developer are entitled to elect a majority of the Directors, the Board shall be composed of any odd number of Directors that the Unit Owners may decide. The number of Directors, however, shall never be less than three. Other than those selected by the Developer, Directors must be either Unit Owners, tenants residing in the Condominium, officers of a corporate Unit Owner, or partners of a

partnership Unit Owner. No Director (except those selected by the Developer) shall continue to serve on the Board after he ceases to be Unit Owner, a tenant residing in the Condominium, an officer of a corporate Unit Owner, or a partner of a partnership Unit Owner.

3.2 Transfer of Control of Association.

- A. One Third. When Unit Owners other than the Developer own 15% or more of the Units in any one Condominium that will be operated ultimately by the Association, they shall be entitled to elect no less than one third of the Directors.
- B. Majority. Unit owners other than the Developer are entitled to elect not less than a majority of the Directors at the earliest of:
- (i) three years after 50% of the Units that ultimately will be operated by the Association have been conveyed to purchasers; or
 - (ii) three months after 90% of the Units that ultimately will be operated by the Association have been conveyed to purchasers; or
 - (iii) when all the Units that ultimately will be operated by the Association have been completed, some of them have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business; or
 - (iv) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or
 - (v) seven (7) years after recordation of the Declaration of Condominium, whichever occurs first.

Transfer of Association Control shall be in accordance with *F.S. 718.301*.

- C. Developer Member. The Developer is entitled to elect at least one Director as long as the Developer holds for sale in the ordinary course of business at least 5% of the Units that ultimately will be operated by the Association, if that number shall be fewer than 500 Units, and 2% if that number shall be more than 500 Units.
- D. Election. Within 75 days after the Unit Owners other than the Developer are entitled to elect a Director or Directors, the Association shall call, and give not less than 60 days notice of a meeting of the Unit Owners to elect a Director or Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so. Any eligible person may nominate himself. Nominations must be provided in written form to the Association not less than 40 days before the meeting. Written notice of the meeting at which elections will be held, including an agenda and a ballot, shall be mailed or delivered to each unit owner at least fourteen (14) days prior to the meeting and shall be posted in a conspicuous place on the condominium property at least fourteen (14) days preceding the meeting. Elections shall be held by ballot in accordance with procedures adopted by the Division. Neither general or limited proxies shall be used for the election of Directors. Elections shall be decided by a plurality of the votes cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. Upon election of the first Unit Owner other than the Developer to the Board, the Developer shall forward to the Division the name and mailing address of the Unit Owner Director. Notice of the meeting shall be provided pursuant to Provision 2.9.
- E. Relinquishment of Control. At the time that Unit Owners other than the Developer elect a majority of the Directors, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, the Developer shall deliver to the Association at the Developer's expense, all property of the Unit Owners and of the Association held or controlled by the Developer,

including but not limited to those items specified in the Act. After relinquishing control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other Unit Owner except for purposes of re-acquiring control of the Association or selecting the majority of the Board.

- F. Compelling Compliance. In any action brought to compel compliance with *F.S. 718.301* regarding transfer of Association control and election of Directors by Unit Owners other than the Developer, the summary procedure provided for in *F.S. 51.011* may be employed, and the prevailing party shall be entitled to recover reasonable attorneys' fees.
- G. Early Transfer. Nothing contained in this 3.2 shall be deemed to prevent the Developer from transferring control of the Association to Unit Owners other than the Developer before the occurrence of the events described in this section.

3.3 Election of Directors after Transfer of Control of Association. After the initial election of Directors by Unit Owners pursuant to Provision 3.2(D.), Directors shall be elected at the annual Unit Owner meeting. Each Unit Owner shall be entitled to cast votes for each of as many nominees as there are vacancies. Neither general or limited proxies shall be used for the election of Directors. There shall be no cumulative voting. Not less than 60 days before an annual meeting at which an election is scheduled, the Association shall mail or deliver to each Unit Owner entitled to vote a first notice of the election. Any eligible person may nominate himself. Nominations must be provided in written form to the Association not less than 40 days before a scheduled election. The Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote, together with a ballot listing all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8-1/2" by 11", which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot. The failure of the Association to mail or deliver all information sheets provided shall void the election. The Association shall be responsible for the cost of mailing and copying. The Association shall not be liable for the contents of the information sheets prepared by the candidates. Elections shall be decided by a plurality of votes. There shall be no quorum requirement; however, at least 20% of the eligible voters must vote to have a valid election. No Unit Owner shall permit any other person to vote his ballot, and any such ballots shall be void. A Unit Owner who needs assistance in voting for the reasons stated in *F.S. 101.051* may obtain such assistance. Notwithstanding the provisions of this section, an election is not required unless more candidates are available for election than vacancies exist on the Board. Any Notice required herein shall be provided pursuant to Provision 2.9.

3.4 Election Procedures. Elections shall be held in accordance with the Act and any Division regulations.

3.5 Term. Each Director's term of service shall extend until the next annual Unit Owner meeting and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided in Provision 3.7. The Unit Owners, however at any annual meeting after the Developer has relinquished control of the Association and to provide a continuity of experience, may vote to create classes of directorships having a term of one, two, or three years to create a system of staggered terms.

3.6 Vacancies. Except for vacancies resulting from removal of Directors, vacancies occurring between annual Unit Owner meetings of members shall be filled by majority vote of the remaining Directors. Any Director elected to fill a vacancy shall hold office only until the next election of Directors, irrespective of the length of the remaining term of the vacating Director.

3.7 Removal. Any Director, except those selected by the Developer, may be recalled and removed from office with or without cause by the vote or agreement in writing of a majority of all voting interests. A special meeting of the Unit Owners to recall a Director or Directors may be called by 10% of the voting interests giving notice of the meeting as required in these Bylaws. The notice shall state the purpose of the meeting. Any vacancy on the Board thus created shall be filled by the Unit Owners at the same meeting. If more than one Director is subject to recall, there shall be a separate vote on the question to remove each Director. Recalls shall be further governed by the Act and any Division regulations.

3.8 Disqualification and Resignation. Any Director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt by the Secretary, unless it states differently. Any Director elected by the Unit Owners who is absent from more than three consecutive regular meetings of the Board, unless excused by resolution of the Board, shall be deemed to have resigned from the Board automatically, effective when accepted by the Board.

3.9 Organizational Meeting. The organizational meeting of a newly elected Board shall be held within 10 days of their election at a place and time established by the Directors at the meeting at which they were elected. Additional notice to the Directors shall not be required.

3.10 Regular Meetings. The Board may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each Director personally or by mail, telephone or telegraph, at least 3 days before the meeting.

3.11 Special Meetings. Special meetings of the Board may be called by the President and, in his absence, by the Vice President, and must be called by the Secretary at the written request of one third of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph. The notice shall state the time, place, and purpose of the meeting and shall be delivered to each Director at least 3 days before the meeting.

3.12 Emergency Items. Any item not included on the notice of a regular or special meeting may be taken up on an emergency basis by at least a majority plus one (1) of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board.

3.13 Posting of Notice to Unit Owners. Upon notice to the Unit Owners, the Board shall by duly adopted rule, designate a specific location on the Condominium property or Association property for the posting of notices for all Board meetings. A copy of the notice of all Director or committee meetings shall be posted conspicuously at the selected location at least 48 continuous hours before the meeting, except in an emergency. The notice shall include a identification of agenda items, and the date, time, and location of the meeting. If no property is so designated, notices of all Board meetings shall be delivered pursuant to Provision 2.9 at least fourteen (14) days before the meeting.

3.14 Written Notice to Unit Owners. Written notice of any meeting at which non-emergency special assessments, the Association budget, or amendments to rules regarding unit use will be considered shall be delivered to the Unit Owners pursuant to Provision 2.9 not less than fourteen (14) days before the meeting. The notice shall include an identification of agenda items, and the date, time, and location of the meeting. Notice of any meeting in which regular assessments are to be considered shall specifically contain a statement that such assessments will be considered and the nature of any such assessments.

3.15 Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of the meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.16 Quorum. A quorum at the meetings of the Directors shall consist of a majority of the Board. 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, except when approval by a greater number of Directors is required by the Declaration, the Articles or these Bylaws.

3.17 Adjourned Meetings. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting 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.

3.18 No Proxy. There shall be no voting by proxy at any meeting of the Board.

3.19 Presumed Assent. A Director present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he or she votes against such action or abstains from voting because of an asserted conflict of interest.

3.20 Joinder in Meeting by Approval of Minutes. A Director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however, shall not constitute the presence of that Director for the purpose of determining a quorum.

3.21 Attendance by Conference Telephone. When a telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by the Board and by any Unit Owners present in an open meeting. Directors utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

3.22 Meetings Open to Unit Owners. Meetings of the Board and any committee thereof, at which a quorum of the Directors is present, shall be open to all Unit Owners. At such meetings, Unit Owners shall have the right to address agenda items. The Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Any such rules must first be adopted in written form. The rules may limit a Unit Owner's presentation time to not less than 3 minutes and may require that a Unit Owner file with the Association, at or a reasonable time before the meeting, a written request to speak at a meeting.

3.23 Presiding Officer. The presiding officer at Board meetings shall be the President or, in his absence, the Vice President, and in his absence, the Directors present shall designate any one of their number to preside.

3.24 Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book open to inspection by any Unit Owner or the authorized representative of such Owner and Directors at all reasonable times. The Association shall retain these minutes for a period of not less than seven years. Unit Owners and their authorized representatives shall have the right to make or obtain copies, at the reasonable expense, if any, of the Owner.

3.25 Executive Committee. The Board, by resolution, may appoint an executive committee to consist of three or more Directors. The executive committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board insofar as may be permitted by law. The executive committee, however, shall not have power to: (a) determine the common expenses required for the operation of the Condominium; (b) determine the assessments payable by the Unit Owners to meet the common expenses of the Condominium; (c) adopt or amend rules and regulations covering the details of the operation and use of the Common Elements; (d) purchase, lease or otherwise acquire Units in the Condominium in the name of the Association; (e) approve any actions or proposals required by the Act, the Declaration, the Articles or these Bylaws to be approved by Unit Owners; or (f) fill vacancies on the Board. Meetings of the executive committee shall be open to Unit Owners.

3.26 Compensation. Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.27 Order of Business. The order of business at meetings of Directors shall be:

- A. Calling of roll.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading and disposal of any unapproved minutes.
- D. Reports of officers and committees.
- E. Election of Directors.
- F. Unfinished Business.

G. New Business.

H. Adjournment.

3.28 Failure to Elect Director Quorum. If the Association or the Board fails to fill vacancies on the Board sufficient to constitute a quorum, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium is situated for the appointment of a receiver to manage the affairs of the Association, in the manner prescribed in the Act. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all the powers and duties of a duly constituted Board and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Act, the Declaration, the Articles and these Bylaws shall be exercised exclusively by the Board, or its duly authorized agents, contractors or employees, subject only to the approval by Unit Owners when that approval is specifically required. The powers and duties of the Board shall include, but shall not be limited to, the following:

4.1 Maintenance, Management and Operation of the Condominium Property.

4.2 Contract, Sue or be Sued. After control of the Association is obtained by Unit Owners other than the Developer, the Association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including but not limited to the common elements and commonly-used facilities. The statute of limitations for any actions in law or equity that the Association may have shall not begin to run until the Unit Owners have elected a majority of the Directors.

4.3 Right of Access to Units. The Association has the irrevocable right to access to each Unit during reasonable hours as necessary for the maintenance, repair, or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another Unit or Units.

4.4 Make and Collect Assessments; Common Elements. The Association has the power to make and collect assessments, and to lease, maintain, repair and replace the common elements. A user fee may not be charged for the use of common elements or Association property unless such fee is provided for in the Declaration, approved by a majority vote of the Unit Owners, or relate to expenses incurred by the Unit Owner having exclusive use of the common element or Association property. All assessments, regular and/or special, shall be proposed and approved by the Board of Directors in accordance with the requirements set forth for same in the Declaration, these Bylaws, and the Condominium Act, and shall require the affirmative vote of a majority of the board members for that assessment to become effective. Notwithstanding anything herein to the contrary, the Board of Directors shall be obligated to obtain the affirmative vote of 2/3rds of said Board in order to effectuate a special assessment for the purchase of real property as set forth in Paragraph 13.10 of the Declaration of Condominium for *Mediterranea of Destin*, a Condominium.

4.5 Lien and Foreclosure for Unpaid Assessments. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

4.6 Purchase Unit. In addition to its right to purchase Units at a lien foreclosure sale, the Association generally has the power to purchase Units in the Condominium and to acquire, hold, lease, mortgage, and convey them.

4.7 Grant or Modify Easements. The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses common elements.

4.8 Purchase Land or Recreation Lease. Any land or recreation lease may be purchased by the Association on the approval of two-thirds of the voting interests of the Association.

4.9 Acquire Use Interest in Recreational Facilities. The Association may enter into agreements, acquire fee simple memberships and other possessory or use interest in lands or facilities, such as country clubs, golf courses, marinas, and other recreational facilities, whether contiguous to the Condominium property or not if (a) they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners and (b) if they exist or are created at the time the Declaration was recorded, they are fully stated and described in the Declaration.

4.10 Acquire Title to Property. The Association has the power to acquire title to property or otherwise hold property for the use and benefit of its members.

4.11 Authorize Certain Amendments. If it appears that through a drafter's error in the Declaration that the common elements, common expenses, or common surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board or a majority of the voting interests.

4.12 Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the operation and use of the common elements, common areas, and recreational facilities serving the Condominium.

4.13 Maintain Official Records. The Association shall maintain all of the records, where applicable, set forth in Article IX of these Bylaws, which shall constitute the official records of the Association.

4.14 Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property and the Condominium property. The Association may also obtain liability insurance for Directors and officers, insurance for the benefit of the Association employees, and flood insurance for common elements, Association property and units. The Association shall make available a copy of each policy for inspection by Unit Owners at reasonable times.

4.15 Furnish Annual Financial Reports to Unit Owners. Within 60 days following the end of the fiscal or calendar year or annually on such date as is otherwise provided in the Bylaws, the Board of Directors of the Association shall mail or furnish by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the previous 12 months prepared in accordance with generally accepted accounting principles. In addition, the Association may be required by 718.111(13), F.S., to deliver compiled, reviewed or audited financial annual statements to the unit owners.

4.16 Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Unit Owners, who shall have the right to intervene and defend.

4.17 Provide Certificate of Unpaid Assessment. Any Unit Owner or unit mortgagee has the right to request from the Association a certificate stating all assessments and other monies owed to the Association with respect to the Condominium parcel.

4.18 Pay the Annual Fee to the Division for Each Residential Unit Operated by the Association.

4.19 Contract for Operation, Maintenance, and Management of the Condominium.

4.20 Pay Taxes or Assessments Against the Common Elements or Association Property.

4.21 Pay Costs of Utilities Service Rendered to the Condominium and Association Property and Not Billed Directly to Individual Unit Owners.

4.22 Employ Personnel. The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Condominium property and may retain those professional services that are required for those purposes.

4.23 Impose Fines. The Board may impose fines on Unit Owners in such reasonable sums as they may deem appropriate, not to exceed the maximum allowed by the Division or Act for violations of the Declaration, these Bylaws, or lawfully adopted rules and regulations by Owners or their guests or tenants. See 7.10.

4.24 Suspend Approval for Delinquent Unit Owner. The Board may disapprove the prospective tenant of any Unit Owner as long as he is delinquent in the payment of assessments for Common Expenses.

4.25 Authorize Private Use of the Common Elements. The Board may authorize Unit Owners or others to use portions of the Common Elements, such as social rooms and meeting rooms for private parties and gatherings. Reasonable charges may be imposed provided a lease is entered into between the Association and the Unit Owner.

4.26 Repair or Reconstruct Improvements After Casualties.

4.27 Lien for Labor and Materials Furnished to the Common Elements. Labor performed on or materials furnished to the Common Elements, if authorized by the Board, may be the basis for the filing of a lien against all Condominium parcels in the proportions for which the Owners are liable for Common Expenses.

4.28 Evidence of Compliance to Fire and Safety Code. The Board may accept a certificate of compliance from a licensed electrical contractor or electrician as evidence of compliance of the condominium units to the applicable fire and life safety codes.

4.29 Owner Inquiries. When a Unit Owner files a written inquiry by certified mail with the Board, the Board shall respond to the Unit Owner within thirty (30) days of receipt of the inquiry. The Board shall give a substantive response to the unit owner, notify the unit owner that a legal opinion has been requested, or notify the unit owner that advice has been requested from the Division of Florida Land Sales, Condominiums, and Mobile Homes. The failure of the Board to comply with this provision shall preclude the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry.

V. OFFICERS

5.1 Executive 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. The officers shall be elected annually by the Board and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board from time to time shall elect other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that usually are vested in the office of president of an Association, including but not limited to the power to appoint committees from the Unit Owners to assist in the conduct of the affairs of the Association as he in his discretion may determine appropriate. He shall preside at all meetings of the Board.

5.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise those other powers and perform those other duties as shall be prescribed by the Directors.

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Unit Owners. He shall attend to the serving of all notices to the Unit Owners and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the 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 the secretary of an association and as may be required by the Directors or the President.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. He shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.

5.6 Compensation. The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Condominium.

VI. FISCAL MANAGEMENT

6.1 Board Adoption of Budget. The Board shall adopt a budget for the common expenses of the Association in advance of each fiscal year at a special meeting of the Board called for that purpose at least 45 days before the end of each fiscal year.

6.2 Budget Requirements. The proposed annual budget of common expenses shall be detailed and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- A. Administration of the Association.
- B. Management fees.
- C. Maintenance.
- D. Rent for recreational and other commonly used facilities.
- E. Taxes on Association property.
- F. Taxes on leased areas.
- G. Insurance.
- H. Security provisions.
- I. Other expenses.
- J. Operating capital.
- K. Fees payable to the Division.
- L. Reserve accounts for capital expenditures and deferred maintenance pursuant to the Act and any Division regulations.

6.3 Notice of Budget Meeting. The Board shall mail or hand deliver to each unit owner at the address last furnished to the Association a meeting notice and copies of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the budget will be

considered. Notice shall be provided pursuant to Provision 2.9. Evidence of Compliance with this fourteen (14) day notice must be made by Affidavit executed by an officer of the Association or other manager and filed among the official records of the Association.

6.4 Unit Owner Rejection of Excessive Budget. If a budget adopted by the Board of Directors requires assessment against the Unit Owners in any fiscal year exceeding 115% of the assessment for the previous year, the Board, on written application of 10% of the voting interests, shall call a special meeting of the Unit Owner within 30 days. Each Unit Owner shall receive 10 days notice of the meeting. Notice shall be provided pursuant to Provision 2.9. At the special meeting, Unit Owners shall consider and enact a budget by not less than a majority of all voting interests. If a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled. Provisions for reasonable reserves for repair or replacement of the Condominium property, nonrecurring expenses and assessments for betterment to the Condominium property shall be excluded from the computation in determining whether assessments exceed 115% of similar assessments in the previous year.

6.5 Alternative Budget Adoption by Directors. At its option, for any fiscal year, the Board may propose a budget to the Unit Owners at a meeting of Directors or in writing. If the proposed budget is approved by the Unit Owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted.

6.6 Budget Restraints on Developer. As long as the Developer is in control of the Board, the Board shall not impose an assessment for any year greater than 115% of the previous year's assessment without approval of a majority of all voting interest other than those held by the Developer.

6.7 Accounting Records and Reports. The Association shall maintain accounting records in the county in which the Condominium is located, according to good accounting practices. The records shall be open to inspection by any Unit Owner or the authorized representative of such Owner at all reasonable times. The records shall include, but are not limited to:

- A. Accurate, itemized, and detailed records of all receipts and expenditures.
- B. A current account and a monthly, bi-monthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.
- C. All audits, review, accounting statements, and financial reports of the Association or Condominium.
- D. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one year. Within 60 days after the end of each fiscal year, the Board shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous 12 months.

6.8 Depository. The depository of the Association shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Directors.

6.9 Fidelity Bonding. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent, if any, at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

6.10 Annual Election of Income Reporting Method. The Board shall make a determination annually, based on competent advice, as to whether it shall cause the Association's income to be reported to the Internal Revenue Service by the "regular" method (Federal Tax Form 1120H), according to which method of reporting shall best serve the interest of the Association for the reporting period under consideration.

VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, Generally. Assessments shall be made against the Units not less frequently than quarterly in the discretion of the Board. The assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessment funds shall be collected against Units in the proportions or percentages provided in the Declaration.

7.2 Special Assessments. The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment for Common Expenses, as determined by the Board, shall be set forth in a written notice of such assessment sent or delivered to each Unit Owner. The notice shall be sent or delivered within such time before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the times and in the manner that the Board may require in the notice of the assessment. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Unit Owners. Upon completion of such specific purpose or purposes, however, any excess funds shall be considered Common Surplus.

7.3 Charges for Other than Common Expenses. Charges by the Association against individual Unit Owners for other than Common Expenses shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than Common Expenses may be made only after approval of a Unit Owner or when expressly provided for in the Declaration or other Condominium documents. These charges may include, without limitation, charges for the use of the Condominium property or recreation area, maintenance services furnished at the expense of a Unit Owner and other services furnished for the benefit of a Unit Owner. The provisions of 7.7 shall not apply to the charges described herein.

7.4 Liability for Assessments. Each Unit Owner, regardless of how title is acquired, shall be liable for all assessments coming due while he is the Unit Owner. The Unit Owner and his grantee in a voluntary conveyance shall be jointly and severally liable for all unpaid assessments due and payable up to the time of the transfer of title. A first mortgagee or other purchaser of a Condominium Unit who obtains title to the Condominium parcel by a purchase at the public sale resulting from the first mortgagee's foreclosure judgment in a foreclosure suit in which the Association has been properly named as a defendant junior lienholder, or who obtains title as a result of a deed given in lieu of foreclosure, together with his successors and assigns, is liable for the share of Common Expenses or assessments attributable to the Condominium parcel or chargeable to the former Unit Owner of the parcel as required by F.S. 718.116. The unpaid share of Common Expenses or assessments are Common Expenses collectible from all of the Unit Owners, including such acquirer and his successors and assigns. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made.

7.5 Assessments Against Developer-Owned Units. If a Developer holds units for sale in the ordinary course of business, the Developer may not be assessed as a Unit Owner for capital improvements without written approval by the Developer.

7.6 Assessments, Amended Budget. If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.7 Collection: Interest, Administrative Late Fees, and Application of Payment. Assessments and installments on them, if not paid within ten days after the date they become due, shall bear interest at the highest rate allowed by the laws of the State of Florida (currently 18%) from the date when due until paid. In addition to interest, the Association may charge an administrative late fee in an amount not to exceed the greater of \$25.00 or 5% of the assessment for each delinquent installment that is late. All payments received by the Association upon account shall be applied first to interest, then to any administrative late fee, then to any costs and reasonable attorneys fees incurred in collection, and then to the delinquent assessment.

7.8 Lien for Assessments. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees incurred by the Association incident to the collection of the assessment or enforcement of the lien. Except as otherwise provided, the lien is effective from and shall relate back to the recording of the original Declaration of Condominium. However, as to first mortgages of record, the lien is effective from and after recording a claim of lien in the public records in the county in which the Condominium parcel is located.

To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the Association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the Association. No such lien shall be effective longer than one year after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. The one-year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien shall secure all unpaid assessments, interest, administrative late fees, costs, and attorneys' fees which are due and which may accrue after the recording of the claim of lien and before the entry of a final judgment of foreclosure. The lien is subordinate to any mortgage on the Condominium parcel recorded before it.

Where a unit owner is delinquent in the payment of assessments, and the Association institutes collection procedures by pursuing a claim of lien, for the purpose of that action, the Association may include the assessments due for the remaining budget year. If accelerated, those assessments become due and payable on the date the claim of lien is filed, regardless of the fact they might not have otherwise been billed or payable until a later date. Further, the claim of lien may secure interest owed on assessments and all reasonable costs and attorneys fees incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to satisfaction of the lien.

7.9 Collection: Suit, Notice. The Association may bring an action in its name to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return-receipt requested, addressed to the Unit Owner at the last known address. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments.

7.10 Fines. The Association may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee, or invitee, to comply with any provision of the declaration, the Association bylaws, or reasonable rules of the Association. No fine will become a lien against a unit. No fine may exceed \$100 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine

shall in the aggregate exceed \$1,000. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied. Before levying a fine, the Board shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. The notice shall include:

- A. a statement of the date, time and place of the hearing;
- B. a statement of the provisions of the Declaration, these Bylaws and lawfully adopted rules and regulations which have allegedly been violated; and
- C. a short and plain statement of the matters asserted by the Association. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. Upon the levying of any fine, the Board may collect such fines like assessments in one or more installments. Each day of violation shall be a separate violation. The affected Unit Owner, whether the offending party or not, shall always be given notice of the hearing. No fine shall become a lien against a Unit. No fines may be levied against unoccupied Units.

VIII. ASSOCIATION CONTRACTS

8.1 Fair and Reasonable, Cancellation. Any contracts made by the Association before the Unit Owners assume control from the Developer must be fair and reasonable. All contracts for the operation, maintenance or management of the Association or property serving the Unit Owners, made by the Association, whether before or after assumption of control of the Association by the Unit Owners, must not be in conflict with the powers and duties of the Association or the rights of the Unit Owners. Contracts made by the Association before the Unit Owners assume control may be canceled by the Unit Owners after assumption of control in the manner and under the circumstances as provided in the Act.

8.2 Laundry-Related Vending Equipment. The Developer may obligate the Association under lease agreements or other contractual arrangements for laundry-related vending equipment. The leases or agreements for such vending equipment may not be subject to cancellation by Unit Owners other than the Developer if those leases or agreements contain certain provisions as prescribed by the Act.

8.3 Escalation Clauses in Management Contracts Prohibited. No management contract entered into by the Association shall contain an escalation clause, since they have been declared to be against the public policy of the State of Florida.

8.4 Requirements for Maintenance and Management Contracts. Written contracts for operation, maintenance and management entered into by the Association must contain certain elements in order to be valid and enforceable. These include, but are not limited to:

- A. Specification of the services, obligations, and responsibilities of the service provider.
- B. Specification of costs for services performed.
- C. An indication of frequency of performance of services.
- D. Specification of minimum number of personnel to provide the services contracted for.
- E. The disclosure of any financial or ownership interest that the Developer has in the service provider, if the Developer is in control of the Association.

IX. ASSOCIATION OFFICIAL RECORDS

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

- A. A copy of the plans, permits, warranties and other items provided by the Developer pursuant to F.S. 718.301(4) of the Act.
- B. A Photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments.
- C. A photocopy of the recorded Bylaws of the Association and all amendments.
- D. A certified copy of the Articles of Incorporation of the Association and all amendments.
- E. A copy of the current rules of the Association.
- F. A book or books containing the minutes of all meetings of the Association, of the Board and of Unit Owners, which minutes shall be retained for a period of not less than seven years.
- G. A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.
- H. All current insurance policies of the Association and Condominiums operated by the Association.
- I. A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.
- J. Bills of sale or transfer for all property owned by the Association.
- K. The accounting records required in 6.7.
- L. Ballots, sign-in sheets, voting proxies and all other papers related to voting, which shall be maintained for a period of one year from the date of the meeting, election or vote to which the document relates.
- M. All rental records where the Association is acting as agent for the rental of Condominium Units.
- N. A copy of the current question and answer sheet as described in section 718.504, Florida Statutes.
- O. All other records of the Association not specifically included in the foregoing which are related to the operation of the Association.

The official records of the Association shall be maintained in the county in which the Condominium is located and shall be open to inspection by any Unit Owner or the authorized representative of such Owner at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Unit Owner. Failure to permit inspection of the Association records entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection.

X. OBLIGATIONS OF OWNERS

10.1 Violations, Notice, Actions.

In the case of a violation (other than the nonpayment of an assessment) by a Unit Owner of any of the provisions of the Act, the Declaration, the Articles, these Bylaws, or any lawfully adopted rules and regulations, the Association by direction of the Board may transmit to the Unit Owner by certified mail, return-receipt requested, a notice of the violation. If the violation shall continue for a period of 30 days from the date of the notice, the Association shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

- A. File an action to recover for its damages on behalf of the Association or on behalf of other Unit Owners.
- B. File an action for injunctive relief requiring the offending Unit Owner to take or desist from taking certain actions.
- C. File an action for both damages and injunctive relief.

A Unit Owner may bring an action against the Association or any Director for damages, injunctive relief, or both, if the Association, or a Director willfully and knowingly, fails to comply with the provisions of the Act, the Declaration, the Articles, these Bylaws or the rules and regulations.

The foregoing action may be taken in addition to the Association's right to impose fines under Provision 4.25.

10.2 Attorneys' Fees. In any action brought pursuant to Provision 10.1, the prevailing party is entitled to recover reasonable attorneys' fees.

10.3 No Waiver of Rights. Neither a Unit Owner nor the Association may waive a provision of the Act if that waiver would adversely affect the rights of a Unit Owner or the purposes of the provision, except that Unit Owners or Directors may waive notice of specific meetings in writing.

XI. ARBITRATION OF INTERNAL DISPUTES

Disputes among Unit Owners, the Association, their agents, and assigns may be resolved by mandatory non-binding arbitration pursuant to the Act and any Division regulations.

XII. LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to the Condominium during the period of membership, nor impair any rights or remedies that the Association may have against the former member arising out of his membership and his covenants and obligations incident to that membership.

XIII. LIMITATIONS ON UNIT OWNER LIABILITY FOR USE OF COMMON ELEMENTS

Each Unit Owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Elements. That liability shall be shared with other Unit Owners

in the same percentages as their respective interests in the Common Elements. No individual Unit Owner's liability shall exceed the value of his Unit.

XIV. PARLIAMENTARY RULES

ROBERTS' RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles, or these Bylaws.

XV. RULES AND REGULATIONS

15.1 Board May Adopt. The Board may adopt and amend, from time to time, reasonable rules and regulations governing the details or the use and operation of the Common Elements, Allocation property, and recreational facilities serving the Condominium.

15.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on the Condominium property and a copy furnished to each Unit Owner. No rule, regulation, or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation, or amendment shall become effective immediately on posting.

15.3 Limitations on Authority. The Board may not unreasonably restrict any Unit Owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in Common Elements, Association property, common areas, and recreational facilities. The Board may not deny any resident of the Condominium, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

15.4 Reasonableness Test. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of the health, happiness, and peace of mind on the Unit Owners and uniformly applied and enforced.

XVI. RESTRICTIONS ON AND REQUIREMENTS FOR USE, MAINTENANCE AND APPEARANCE OF THE UNITS.

16.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be as stated in the Declaration and no amendments to such restrictions shall be contained elsewhere than in the Declaration as adopted by a vote of the Unit Owners conducted in the manner prescribed elsewhere in these Bylaws.

16.2 Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the Unit Owners shall be valid and in the nature of covenants running with the land, unless it is shown that they: (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

XVII. BYLAWS DEEMED AMENDED

These Bylaws shall be deemed amended in those particulars as may be required to make them consistent with the provisions of the Act, as it may be amended from time to time.

XVIII. PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- A. The Act, and any regulations promulgated by the Division.
- B. The Declaration
- C. The Articles
- D. These Bylaws
- E. The Association's rules and regulations

XIX. INDEMNIFICATION

Every officer and Director shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been an officer or Director, whether or not he is an officer or Director at the time the expenses are incurred. The officer or Director shall not be indemnified if he is adjudged guilty of gross negligence or willful misconduct or shall have breached his fiduciary duty to the Unit Owner. The Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or officer may be entitled.

XX. DEFECTIVE CONDOMINIUM DOCUMENTS, CURATIVE PROVISIONS

Pursuant to F.S. 718.110(10) of the Act, the Association or a Unit Owner may petition the circuit court having jurisdiction in the county in which the Condominium property is situated to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence, and which errors or omissions are not correctable by the amendment procedures in the Declaration or the Act. In any case, after three years from the filing of the Declaration, it shall be deemed to be effective under the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of the Act or not.

XXI. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

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

21.2 Adoption. An amendment may be proposed either by a majority of the Board or by not less than one third of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two-thirds of the voting interests of the Association.

21.3 Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter or amend the rights of the Developer or mortgagees of Units without their consent.

21.4 Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration

of each Condominium operated by the Association is recorded, shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the county where the Declaration is recorded.

21.5 Format. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BYLAW. SEE BYLAW NUMBER _____ FOR PRESENT TEXT".

XXII. CONSTRUCTION

Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

The foregoing were adopted as the Bylaws of MEDITERRANEA OF DESTIN CONDOMINIUM OWNERS ASSOCIATION, INC., on May 1, 2002.

MEDITERRANEA OF DESTIN
CONDOMINIUM OWNERS
ASSOCIATION, INC.

BY: [Signature]

Name: Ronald L. Saccaro

Its: Director

[Print/Type Name]

[CORPORATE SEAL]

**THIS IS THE LAST PAGE OF THE DECLARATION OF CONDOMINIUM OF
MEDITERRANEA OF DESTIN, A CONDOMINIUM**